Stimulating Innovation in New Service Development: User-Involvement in Small and Medium-Sized Web-Based Platform Service Companies

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Abstract

In this thesis, we present a review of the current practices of user involvement. Different methods and tools have proliferated for user-involvement, however, to comprehend the explicit features of a small and medium-sized web-based platform service companies, we contrast our findings with previous experiences and research of user involvement in big companies. In the basis of the aforementioned, we identify methods and contexts that may be appropriate in the context of small and medium-sized web-based platform service companies. Mainly, we reviewed the research field of: user-involvement and new service development.

The central purpose of this study is to determine how do small and medium-sized web-based platform service companies utilize the process of the user involvement across the stages of new service development. Building on previous researches, we suggested that there are different methods to consider under the service development stage (i.e. ideation, development and testing). These methods are grouped under the following terms user-involvement ecosystem, user-involvement interactions, user-involvement platform and user-involvement personnel. The aforementioned methods are suggested to help web-based platform service companies utilize user involvement across the new service development stages. This study is of qualitative nature with a deductive approach. We conducted eight semi-structured interviews in order to get insights from high-level managers responsible of the user-involvement process. All the small and medium-sized companies operated in the service sector and provided a web-based platform. The theoretical framework was utilized in order to analyze the empirical data gathered. We used thematic analysis for our deductive study approach, to interpret the gathered material in order to conclude the results and answer the research question.

Our results revealed that in the ideation and development stages the following is vital: involving lead-users or those who are tech-savvy and tolerant to ambiguity, educating users to familiarize them with the company’s system, moderate rules and structure, mixing focus groups, encouraging user-to-user communication, small number of participants, multimedia approach and online tools, and encouraging idea hunting culture among company’s staff. However, in testing the following is recommended: involving average-users or those who are open-minded and tolerant to risk and innovation, unifying goals and common view by tangibilizing the service, setting rules and regulations for testing the service, having permanent interactions with users, and large number of participants. Finally, it is important to ensure a close relationship, transparency, motivation, face-to-face interactions, and to have an entrepreneurial leader to oversee the whole process across all the former three stages of NSD. To improve on this study, we would recommend the investigation on the user perspective to gain insights on their views of the process of user-involvement across the NSD, as they are directly involved in the development of a new service. Hence, a more extensive research on the user-involvement in web-based platform service companies on both, internal and external facets instantaneously would be of great significance.

Keywords: user-involvement, new service development, co-creation, collaborative innovation, user-generated content, user participation, small and medium-sized companies’ characteristics, web-based platform, user characteristic, virtual communities
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The completion of this thesis signifies the end of our Masters studies, thus, our last words goes to the faculty of USBE in Umeå University for enriching our learning experience.

Darein Wadeisa
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### Abbreviations

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<tr>
<td>NSD</td>
<td>New service development</td>
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<td>NDP</td>
<td>New product development</td>
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<td>CEO</td>
<td>Chief executive officer</td>
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1. Introduction

This chapter will cover the background of our topic and reflect our research problem and interest. General findings from previous research will be examined, which will highlight our choice of theories. We will then highlight the research gap that exists in today’s literature. We will end the chapter by our research question and purpose.

1.1. Problem Background

User-involvement grew to be a prevalent catchphrase in innovation studies and practice. Users have an important role in development; meaning users are becoming less market-driven and more market driving with an active role in creating markets (Heiskanen & Repo, 2007, p. 167). This reflects that the user's role has undergone a steady shift from “victims” in need of support, to capable practitioners, to serious experts, to today’s role as valuable source of creativeness (Kanstrup and Christiansen, 2006, p. 321). User-involvement in service development necessitates procedures, actions and interaction between the providing company and users in order to foresee users’ latent needs and develop the answers to those needs accordingly (Matthing et al., 2004, p. 479). Therefore, it was argued that user involvement usually suggests a significant inflow of new insights and information that may be hard to assume and process (Heiskanen & Repo, 2007, p. 168). Wilson et al. (1997, p. 178) define user-involvement as users involved in assisting producers in developing useful and innovative concepts. On the other hand, Henfridsson & Lindgren (2010, p. 120) define user-involvements as the interactions and involvement of users across different stages of service development. However, when defining the user-involvement concept it is important to discuss it in light to conceptually similar concepts. San Cornelio & Cruz (2014, p. 4) associated the term co-creation with joint creation, and a chance for companies to meet the needs for their user, to remain competitive and innovative (Haro et al., 2014, p. 76). As Lusch et al. (2007, p. 6) defines it as collaboration with the sole purpose of innovation. It mainly revolves around the production of new concept together with the user to improve the end value of the produced concept as it is designed according to user's' own preference (Kristensson, 2007, p. 475). The correspondent and similarity between the abovementioned terms is observed. Hence, to evade confusion the terminology used by us will focus on user-involvement and be used constantly across different parts of the research. Additionally, in coherence with the title of this thesis our approach towards understanding and defining user-involvement follows the argumentation of Henfridsson & Lindgren (2010, p. 120), where user-involvement is defined as the interactions and involvement with users across different stages of service development with the purpose of innovation. It is mainly because the definition encompasses and acknowledges the user-involvement across the different stages of service development, which is the focus of this thesis. Furthermore, according to Silverman (2000, p. 1) A user is person who purchase and use a service, while on the other hand a customer is someone who purchases a service without necessarily using it. User in this paper is defined, as someone who is involved in developing a service, purchases the service, and is the end-user of a particular service. In addition, in this paper we differentiate between a user and a customer. The aforementioned, is due to the fact that a user could be a customer, however on the contrary a customer purchases a service but might not end up being the actual user. Thus, in our study the user is a person who does not only purchase a service but is also the actual user of the service.
In line with the abovementioned, our aim is to exploit the new service development (NSD) stages mainly: *ideation, development and testing* (Froehle and Roth, 2007 p. 174-175). Our choice is based on Alam (2006, p. 468) argumentation, that those three stages contain inaccurate and improvised decisions and set the basis of the remaining stages, *screening, analysis, and commercialization* (Alam and Perry, 2002, p. 516-517; Scheuing and Johnson, 1989, p. 26). In addition, this focus is also because user-involvement mainly takes place across those three different stages: *ideation, development, testing* (Xiaoyun & Qingyu, 2012, p. 270). Additionally, according to Hoyer et al. (2010, p. 288) user-involvement across the new service development stages can take two forms: *high intensity* or *high scope*. *Scope* refers to the company’s propensity to collaborate with user along the different stages of service development (i.e. *ideation, development, and testing*); meaning companies with high scope of user-involvement involve users in all those stages. On the other hand, *Intensity* refers to company’s reliance on a single stage and relies exclusively on the users in that stage (Hoyer et al., 2010, p. 288). In this thesis, our focus is on *high scope* of user involvement and not on the intensity of user-involvement. However, we also acknowledge Majid et al. (2010, p. 241) view that the degrees of user-involvement vary depending on role. Users take different roles when involved in service development “ideator, intermediary, and designer” (Lusch and Nambisan, 2015, p. 157). We will elaborate further on these forms of user-involvement in section 3.1 “user involvement process.”

Hoyer et al. (2010, p. 292) argue that there are three benefits of user-involvement: *effectiveness, efficiency, and cost minimization*. Efficiency is attained by minimizing operational costs, and *effectiveness* through improvement in innovativeness, learning competence and matching users’ needs (Hull 2004, p. 167; Payne et al., 2008, p. 84; Prahalad and Ramaswamy 2000, p. 81), and *cost minimization* due to soliciting users inputs that decreases the need for insights from traditional marketing and research staff (Evans and Wolf, 2005, p. 99), speed-to-market (Fang 2008, p. 90), minimizing failure, and thus, costs from keeping inventory for too long (Cook 2008, p. 62). Nevertheless, catching quality is not really basic or clear process (Thomke & Von Hippel 2002, p. 5), as the approach has no evidence of its consistent advantageous merits (Magnusson et al., 2003, p. 112). Thus, possibly if the process is managed across the different stages of service development it’s likely that it will create enormous worth (Thomke & Von Hippel 2002, p. 5). With that said, it may seem that if a company uses the right methods of user involvement across the stages of development, the process of involvement could possibly yield the abovementioned benefits.

We choose to conduct the research in *small and medium-sized web-based platform service companies*. Firms in the present business environment come in different sizes. Determining the exact size is hard, given that, a proper indicator is necessary. According to Loecher (2000, p. 262) companies’ sizes can be determined by their, profit, invested capital, balance-sheet total, earnings, total capital, equity, market position, number of employees and turnover. Furthermore, according to the European commission (EC, 2003) Small and medium-sized firms are described as enterprises that employ more than 50 people and less than 250 people with a turnover that does not surpass 50 million Euros. Thus, since our focus is on the European market our definition of SMEs would be that of the European commission. By web-based platforms service companies, we mean companies with their
main and only offering is an application hosted on the internet and offered via a browser to users which allows them to perform and store their work online (Lawton, 2008, p. 13). For example, Shopify, is a web-based platform service company that provides a web-based platform for users aspiring to build their very own online store and retail business. Their focus is on making commerce better for everyone so users can use the web-based platform to design, set-up and manage their online stores (Schiff, 2014). Peng et al. (2014, p. 31) argues that web-based platform development is information-intensive, sensitive, requires creativity and efficiency of myriad set of individual in a progressively global context. Such services are known to be sensitive to user’s desire and sophistication due to their skills, therefore, it is important for companies to embrace and manage diversity in involving users (Prahalaad & Ramaswamy, 2000, p. 83). In that sense, the focus on user-involvement in web-based platform service companies is twofold: first, it is due to understanding the necessity of user involvement due to its sensitivity to user involvement as highlighted. Second, due to the understanding that companies, providing web-based platform services suffer from distance between the companies and users which requires them to focus on users in order to satisfy their needs (Pangano & Bruegge, 2013, p. 953). This distance is argued to be responsible for the presence of unique and numerous challenges when pursuing user-involvement (Kujala, 2003, p. 12; Zahra and Nambisan, 2011, p. 4). However, given the size of these companies, as they operate on limited funds at their disposal and the expense of developing services in an effective, efficient and with a minimum cost is a big concern (Fink 1998, p. 244; Palmer & Wright 2010, p. 32). Especially, when compared to bigger web-based platform service companies that have the necessary resources such as human, financial etc., to stimulate the service that is required for the user’s needs (Fink 1998, p. 244; Palmer & Wright 2010, p. 32).

Companies in that context face difficulty in involving users. For instance, they find difficulty in identifying the right participants that are committed to collaborate. The former could be due to insignificant user knowledge. While the latter, could be due to a lack of benefits users are getting from participating (Alam, 2006, p. 476). The mere understanding of users’ needs is insufficient for success, those companies struggle to keep users active and participative with valuable insights across as many stages of the service development (Holt et al., 1984, p. 574; Flint, 2002, p. 307). Nambisian (2002, pp. 394-395) acknowledges the difficulty in choosing the right users to involve, struggle in finding proper stimulators for involvement, and difficulty in capturing and transferring user’s knowledge. Similarly, web-based platform service companies face difficulty in involving users in a cost-effective way whether in relation to the setting (i.e. online/offline) where involvement happens or in deciding the incentives for involving users to capture their knowledge (Lundkvist & Yakhled, 2004, p. 250). The practice is time-consuming and requires big effort (Lilien et al., 2002, p. 1).

Additionally, communication obstacles might arise (Anderson and crocca, 1993, p. 51), meaning if consultation meeting with users and interactions are not managed properly it might result in damage originality of the user's perspective. Users will produce ideas that are valuable to the company but might be influenced by the firm and eventually decide to drop an idea that is excellent in their perspective but perhaps not economically valuable to the firm (Magnusson et al., 2003, p. 119). Likewise, Nambisan (2002, pp. 394-395) in his paper discussed the difficulty in soliciting ideas from users as a structured inquiry method
severely limits the fruitfulness on user involvement. Hoyer et al. (2010, p. 289) also highlight the difficulty that arises from information overload in the ideation stage and difficulty in screening a variety of ideas. Additionally, user-involvement in smaller sized companies is suggested to compete with limited resources necessary for involvement. The aforementioned, is argued to be more evident in small and medium-sized web-based platform service companies (Heiskanen & Repo, 2007, p. 168). Consequently, companies in that context provide an interesting case in which to know if certain methods could help them overcome the challenges and utilize user involvement in such settings. Different methods have proliferated for user-involvement in new service development, however, to comprehend the explicit features of a small and medium-sized companies and especially those that provide web-based platform service, we contrast our findings with previous experiences and research of user involvement in bigger companies that may be appropriate in the context of those small and medium-sized companies.

1.2. Research Gap

User-involvement in technology services development is now a well-accepted notion with a key emphasis on finding how methods can be improved with evidence-based management (Park et al., 2015, p. 2). Kim (2015, p. 71) argues that despite the surge of scholarly interest in the role of users in innovation developing context, there are shortcomings in evaluating how to involve users in service development stages. Nuojua & Tahtinen (2013, p. 34) reflected the importance and the active role of user in service development, however, argued that in technological service settings (i.e. web-based platform) there is a shortcoming of methods that will help companies enhance users’ active role and utilize the process.

Several authors assert that the theoretical advancement in user-involvement in service development has been rather stalled when compared to material goods, and a contribution towards an updated view of user involvement is needed (Henfridsson & Lindgren, 2010, p. 129; Riedl et al., 2010, p. 2). In a similar vein, authors like Alam (2006) & Magnusson et al. (2003) highlight that user involvement in innovation practices has been primarily associated with material and physical goods. User involvement in material goods is easier when compared to services, for instance, due to the tangibility of the product that a service lacks (Alam, 2006, p. 476). The lack of intangibility in service therefore, will necessitate a higher degree of interaction (Lusch and Nambisan, 2015, p. 155). Developing web-based platforms is commonly regarded as a challenging task because of the concealed difficulties in how to involve and who to involve, or in relation to the interactions, practices and stimulators that are likely to encourage participants (Matthing et al., 2006, p. 289). Also, they face these difficulties more than others because they are quite new and are usually innovative, meaning that the technology platform in which they are grounded did not occur before (Matthing et al., 2006, p. 289).

Additionally, Heiskanen & Repo (2007, p. 168) explain that users are usually hesitant to new concepts developed by firms alone, which might challenge their day-to-day activities. In addition, they highlighted those smaller companies in size lack awareness of user-involvement approaches. These confines that user involvement difficulties may be most obvious in small and medium-sized firms dealing with new technologies due to inadequate
resources in terms of time, capital, labor force, sense-making capability (Heiskanen & Repo 2007, p. 168). Based on the aforementioned, and our knowledge close to no research provides a comprehensive overview of how user-involvement is practiced in the context of small and medium-sized companies.

The focus of our research will mainly revolve around small and medium-sized web-based service platform companies due to the challenges and difficulties they face and the lack of practical methods of involvement across the stages of service development. Therefore, we will contribute to the gap knowledge by offering a deeper understanding about the appropriate ways to utilize and implement user-involvement in small and medium-sized web-based platform service companies.

1.3. Research Question

Considering the knowledge gap and the problem background our research will aim to address the following question:

**How do small and medium-sized web-based platform service companies utilize user-involvement across the ideation, development and testing stages of NSD?**

1.4. Research Purpose:

The overriding purpose of our study is to identify how do small and medium-sized web-based platform service companies utilize user-involvement across the stages of new service development: ideation, development, and testing. This research will provide a description of current activities of how small and medium-sized web-based platform service companies are managing user involvement.

As researchers, our task is to look at different examples of user-involvement and examine the current activities with the help of supporting theories and in conclusion by providing a conceptual framework. The question how do involves recognizing the methods with regards to the three stages of service development that can be considered fruitful to utilizing user-involvement. Perceptions into these areas are shaped from theoretical frameworks already developed within user-involvement and new service development literature. In addition, the relation between the efforts and practices will be built merely on the views of informed actors. By addressing the aforementioned the research is expected to make a key contribution in demonstrating the user involvement process in new service development. Furthermore, by clarifying the user involvement processes across the different stages, we would offer insights to the academic field of user involvement and new service development. From a practical perspective we will provide a conceptual framework for small and medium-sized web-based platform service companies seeking to utilize user involvement across the different stages of new service development.
Focus Areas

Our research is limited to a practitioner perspective, and not user’s perspective. We intend to interview high-level managers in small and medium-sized web-based platform service companies operating within the European Market and offering their services to end-users. According Radosevic (2004, p. 646) the European Market is viewed to be highly innovative with a great interest in adopting new technologies and new ideas. Thus, the European Market willingness to adopt an innovative practice like user-involvement is expected to be more active than in other countries. In addition, we will look at companies that involve users in the three different stages of user-involvement: ideation, development and testing (high scope) and no single stage (high intensity) (Hoyer et al., 2010, p. 288).
2. Research Philosophy

This chapter will reflect the foundation of our philosophical standpoints within this research. This foundation will motivate the reasons behind our research approach, research design and perspective. We will represent our reason behind this choice of topic, together with our pre-understanding, and source criticism.

2.1. Choice of Topic & Pre-understanding

Research is influenced by the author’s preconceptions that are shaped by their previous education, experiences, values and interest (Bryman & Bell, 2011, p. 29). Our self-reflection about their inherited preconceptions and the role they play in the research is important as it makes them aware of the factors that could affect the study (Bryman & Bell, 2011, p. 30), and to help them avoid bias (Ritchie et al., 2014, pp. 22-23).

We have academic background in business development and entrepreneurship and are currently enrolled in Umeå School of Business and Economics (USBE). During the end of our first year Masters we developed a keen interest in innovation management, user-involvement and co-creation related topics, which encouraged us to pursue our first thesis topic *Innovation through co-creation: strategies to manage the challenges of co-creation*. Thus, both of us possess prior knowledge in the user involvement and innovation practices coupled with a prior academic knowledge and interest in innovative process, decision-making and mutual value creation disciplines. The innovation management course was the major facilitator of our previous and current choice. It was the driver for interest in innovation practice like user involvement in general and methods that encourage it in particular. We were engaged in different interviews for the first master thesis, which increased the awareness for the need of user involvement practices and how crucial it is for managers to know how to utilize it. All of the aforementioned experiences constituted the basis in choosing the research topic.

Thus, taking our previous education into account makes us aware of the consequences as they might lead to one-sided view. Taking the preconceptions into account and understanding them will help us venture away from bias. We come from different background and studied in a multinational business program that qualifies us to have a less of a narrow and more of a wide mind and view of the world. The former, reflect the reflexivity that we developed from experience with different backgrounds and which aid us in absconding biased reflection (Caetano, 2014, p. 238). One of us has a practical experience with working with a company that offered web-based platform for traders. While, the other has worked also in a service company. Thus, our perceptions will be made of the conclusion to lessen any potential of misinterpretations.

2.2. Ontological Consideration

The ontological perspective of this research is characterized as subjectivism, however one can argue that this study contains some features of objectivism. The ontological stance was derived from our point of view that user-involvement in small and medium-sized web-based platform service companies across new service development stages are affected by
high level managers/CEO’s in the sense that user-involvement varies from one company to
the other. On the contrary since our study also contains literature sources about the
perception of practitioners’ of user-involvement across the new service development that
possess an objective view, our research has some features of objectivism. However, we are
not placing our personal belief on the literature regarding user-involvement across the new
service development. We aim to gain subjective meaning about the topic in an in-depth
manner. Giving the belief to the presence of a social reality beyond what is autonomously
noticeable (Ritchie et al., 2013, p. 4). Thus including views regarding the truth and
relationship of the world, individuals and society largely (Eriksson and Kovalainen, 2008,
p. 13). This is on the account of, firstly our study is subjective study with no statistical truth
and the outcome cannot be ostensibly generalized beyond the respondents in this study.
Secondly, as can be seen in the upcoming sections that providing people’s opinion of
reality, the subjectivity of companies’ settings and the individual’s illustration of reality are
given power. The outcome of this kind of study is a variety of findings, creating a more
variation of study, which provides novel areas of interest. Thus this research maintains the
idea of an essentially mind-dependent reality recognizable by the social actor in this study
and is being interpreted by us with the thought of the conveyed external reality. The subject
of research determines whether the researcher view reality as whether objective or
constructive by social actors (Schwartz-Shea & Yanow, 2006, p. 6), which delineates the
prospects of the researchers about what they believe form the social reality (Blaikie, 2000,
p.8), and how the world functions (Ponterotto, 2005, p. 130). We have a more subjective
assertiveness shown towards comprehending connections between social actors, this study
espouses a social constructionist stance in which meaning will be as a result of a

We aim to understand the relationship between social actors (high-level managers, CEO’s),
and believe in the presence of social reality beyond what is unconventionally and
independently observable (Ritchie et al., 2013, p. 4; Bryman & Bell 2011, p. 386). This
emphasize, that social phenomena (user-involvement) is shaped by the interactions of social
actors (high-level managers) in their social entities (small and medium-sized web-based
platform service companies) within the environment that is formed by their own
perceptions, and in order to understand the examined phenomena (user-involvement) inside
its context, it demands executions of personal observation (Saunders et al., 2012, p. 132),
because the social facts are constantly revised, are not just formed through interaction
(Bryman & Bell 2011, p. 22). Hence, that we suppose that reality is multi-faceted and
multidimensional (Collis & Hussey, 2009, p. 60), and their core concern is the entities of
the social world (Mason, 2002, p. 14). Reality is the creation of one’s mind, as the personal
view of the researcher and how he recognizes the phenomena that affect reality (Burrell &
Morgan, 1985, p.1). User-involvement is not an objective entity, rather is constructed by
social actors like, managers. We are interested in presenting people’s views and depiction
of reality as will be seen in later chapters.

2.3. Epistemological Consideration

The epistemological perspective of this thesis is that of interpretivism. This study chooses
to authenticate knowledge of a subjective nature, requiring an interpretivist philosophy
(Ritchie et al., 2013, p. 6). We aim to have an open room for interpretations that are not
possible in a positivist view which mainly answers research question of what and if (Schwartz-Shea & Yanow, 2006, p. 6), which has been excluded from this study because there is no statistical data of any kind. Accordingly, interpretivist epistemological stance seems appropriate since the interpretation helps in understanding the world’s meaning (Denzin & Lincoln, 1994, p. 118). In this thesis we aim to answer the question how and are more concerned with finding meaning and interpretation. Additionally, Interpretivism encourages researchers to adopt a research strategy that distinguishes the variances between individuals and the objects of the natural sciences (Bryman, 2001, p.12-13). The study question follows: “How do small and medium-sized web-based platform service companies utilize user-involvement across the ideation, development and testing stages of NSD?” Answering the question of how accepts an interpretive stance taken on knowledge evaluation. Epistemology indicates what is acceptable knowledge and whether social phenomena can be investigated using the same methods of natural science (Bryman & Bell, 2011, p. 15). In other words, it represents the notion of how did we arrive to the knowledge that we already know (Grix, 2002, p.175), and ways through which knowledge about the world is created (Ritchie et al., 2013, p. 6). To recognize a social phenomenon and understand it, it is vital to look at the actors involved as they are interpreting the social reality (Walliman, 2005, p. 205; Bryman & Bell, 2011, p. 386). Thus, the utilization of user-involvement in small and medium-sized web-based platform service companies is influenced by the interpretation managers give to the situation. The user-involvement and new service development process are highly dependent on the managers and their personal views, which can be affected by the work situation and the interaction with other social actors, for instance, other employees and users.

Interpretivism reflects inter-subjective and consistent theory of truth, denoting that there is no wrong or right response when presenting one’s informed outlook (Ritchie et al., 2013, p. 8). Meaning, the frank belief of the practitioners of user-involvement and new service development will represent a depiction that is precise enough for their social world. Hence, we will collect information from the relevant practitioners due to the sensitivity of opinions we will adopt their opinions and interpretation as truth. Adding to this fact, the results of our study will add to knowledge on how do small and medium-sized web-based platform service companies utilize user-involvement across the new service development and hence facilitating the understanding of user-involvement across the stages of the new service development. This implies that practitioners of user-involvement in small and medium-sized web-based platform service companies’ honest perception of user-involvement across the new service development will establish a precise description of their social world. Thus, this study gives elucidation to the respondents’ perceptions of their external reality and espouses their perceptions and interpretations as the truth.

2.4. Research design and approach

This study is descriptive in nature. A descriptive study is a study where the researcher investigates a certain profile of a person, event or situation. The descriptive study is sometimes an addition to an exploratory research; nevertheless, it is ideal to have a profound understanding of the subject, which is to be researched prior to the gathering of data (Saunders et al., 2009, p. 140). The focus is to describe manager’s perception in small and medium-sized web-based platform service companies about how they utilize the
process of user-involvement across the new service development stages; therein the focus is on describing the current situation as well as parts with impetus potential. Addressing the aforementioned will be the base to answering the research question.

In order to select the appropriate choice regarding the design of a research study, the researcher here must visibly, understand, discuss and state his or her approach to research (Saunders et al., 2012, p. 147). Research approach designates how research and theory are connected to one another and what role theory plays in a research (Edmonson & McManus, 2007, p. 1166). There are two main choices in gaining knowledge, via induction by searching for patterns and association derivative from scrutiny of the world; or via deduction whereby suggestions or hypotheses are reached theoretically, via a logically derived process (Ritchie, 2003, p. 14).

Deduction entails an up-down approach where logically collected propositions are put to test (Ritchie et al., 2013, p. 6). This is the case of this research because the questions asked and the logical classifications being formulated are all influenced by presuppositions gleaned deductively from previous work within the field (Ritchie et al., 2013, p. 6). We view this approach as the most appropriate to build discourse into how do small and medium-sized web-based platform service companies engage in user-involvement. The distinction between a deductive and an inductive approach is that for the deductive research it begins from theory to empiricism and for inductive, it goes in the opposite (empirical findings to theory) where the results are collected before generating the theory (Johansson-Lindfors, 1993, p. 55). The deductive approach of research is mostly used in a quantitative study (Johansson-Lindfors, 1993, p. 55), however in this case it is the contrary, that is to say in this paper a deductive approach will be applied but without hypotheses. This paper will mainly use a deductive approach as we use theoretical apparatuses in other to see outside forces and we will determine if the apparatuses are strengthened or weakened by the findings in this paper (Ritchie et al., 2014, p. 7).

2.5. Research Strategy

This study espouses a qualitative method of study. Ritchie et al. (2013, p. 3) posits the formulation of a research question and purpose leads to the choice of either qualitative or quantitative research. In addition, it is posited that questions beginning with what, why and how are most likely to identify a qualitative research (Schwartz-Shea & Yanow, 2006, p. 6; Holstein & Gubrium, 2013, p. 115; Ritchie et al., 2013, p. 3). With the prudence of this study’s purpose, this study intends to delve into the interpretations of social actors in relation to their experiences of their social entities. Meaning managers of small and medium-sized web-based companies expressing their point of view on user-involvement is utilized across the new service development stages. This requires the investigation of a qualitative data, in specific, as data in this study is not intended to be measured or enumerated but rather elucidated for profound understanding. A detailed study can only be spawned with qualitative method of inquiry which can examine social marvels of practices regarding how things are done (Blumberg et al., 2011, p. 144), on the contrary quantitative method only focuses on figures with tests of hypotheses that only proves if a phenomenon is true or false (Saunders et al., 2009, p. 119). Hence the quantitative method of study is not appropriate, as it will not serve the purpose of this study. Regardless of how a researcher
supposes his research strategy should be like, it ought to serve as a link between the philosophical assumptions he embraces and ultimately the methods he or she espouses (Saunders et al., 2012, p. 173). This requires analysis of qualitative data, specifically, as data gathered are not supposed to be measured or evaluated in any sense yet translated for more comprehension. Qualitative research often emphasizes on the use of words in the gathering and research of data (Bryman & Bell, 2011, p. 27). It practices real-life approach that wants to cognize facts in special settings like the “real world settings”. The researcher here avoids trying to influence the phenomena that he or she is concerned with (Golafshani, 2003, p. 600). Thus, the way we plan to acquire the afore-said data is via the direct inquisition of people closest to the subject. Interviews are the most ubiquitous way of data collection within qualitative research (Delamont & Jones, 2012, p. 364; King & Horrocks, 2010, p. 1). We have the intent of carrying out semi-structured interviews in order to allow respondents to give rich insights on user involvement in web-based platform service companies. It is our intention to obtain insights from high level managers and CEO’s of small and medium-sized web-based platform service companies in order to obtain a clearer, appropriate and fair understanding of their companies (social entities).

2.6. Source Criticism

O’Leary (2004, p. 73) argues that in order to find relevant theories to build the foundation of research; it is essentially critical to evaluate the literatures quality and if they are peer-reviewed. Therefore, we focused mainly on using peer-reviewed articles, books and reputable peer-reviewed journals to enhance the reliability of the research, such as, MIT Sloan management review, MIS Quarterly, and International Journal of Research in Marketing. We however, acknowledge our use for some sources that are not peer-reviewed like Harvard Business Review and one report from the IBM center. Nonetheless, we believe that the effect of using these sources would not be strong as those sources, which were used to modicum degree due to urging interest to look at more actionable recommendation to support the topic of user-involvement. Our main aim was to focus on recent literature; but we also used literature with long time frames as they had topics that were well recognized by different authors and relevant for our topic. We decided to put an emphasis on sources such as Cooper (1990 & 1994), Stasch (1992), Guilford (1967), and Madhavan and Grover (1998). However, we also added recent literature so as to supplement the theoretical basis for all subjects and offer a comprehensive overview on the state of theoretical knowledge, as recommended by Walliman (2005, p. 77) and Hart (1998, p. 219). The primary sources of this thesis were from key members in small and medium-sized web-based platform service companies that undertake user-involvement across the new service development. They were chosen based on their expertise and relevant knowledge in user involvement in the new service development process. The respondents are expected to provide subjective insights, while allowing their professional experiences and shrewdness to draw parallels to user involvement across the new service development.

Furthermore, according to Saunders et al. (2009, p. 66) in order to develop a transparency in a literature review, researchers must explain specifically how they searched and chose the literature by outlining the choice of keywords and databases utilized. The literature sources are a mishmash of books, peer-reviewed articles and journals, these literature sources were retrieved through Umeå University databases such as: SAGE, EBSCO.
Keywords are a central part in planning a review, they are simple terms that depict and define your research question and objective (Saunders et al., 2009, p. 76). We used keywords such as: user-involvement, new service development, co-creation, collaborative innovation, user-generated content, user participation, small and medium-sized companies’ characteristics, web-based platform, user characteristic, virtual communities.

We selected articles after reading the abstract, introduction and conclusion. We also went through the references and bibliography of articles, which led us to other articles. Nevertheless, some authors were recurrent, such as Christopher Lettl, Ian Alam and Robert Cooper. Thus, we researched their study further because they seemed to be pioneers in our field of research.

2.7. Ethical Consideration

The ethical aspect of a study is essential and is necessary to be reflected upon during the whole period of a research, not only at the first contact with respondents but also during interviews and in safeguarding the interview material throughout the whole research (Trost, 2010, p. 123). According to Saunders et al. (2009, pp. 183-184) the ethics refer to the evading of inappropriate attitudes relative to the rights of people who are going to be the subject of a study or are affected by it. In order not to trespass these rights, all researchers must make sure they obey all the ethical principles during the entirety of the study. Bryman & Bell (2011, p. 128) conveyed four different categories of ethical considerations to be followed by researchers namely: harm to respondents, invasion of privacy, lack of informed consent and deception.

2.7.1. Harm to respondents

In the event that a researcher forces participants to take part of a study, he or she might be causing harm to the respondents. Thus, one should accept the refusal or rejection of participants to take part in a study (Saunders et al., 2009, p. 188). In our interview request letter and interview, we ensured that we did not make it an obligation for participants to be part of the study. We gave them the freedom of decision, they had the choice to participate and respond to certain questions or not. In addition to make the letter professional, hence stating a vivid purpose and objective so that our respondents are well aware of our intentions. In doing so we were able to guarantee that we did not afflict harm to our respondents. Furthermore, Saunders et al. (2009, p. 189) states a researcher may inflict harm to respondents by not putting into consideration the time which he or she contacts his respondents. In order to adhere to this, we sent our email interview request during working hours and weekdays. We also made sure we conducted the interviews at the appropriate time and hesitated to contact them at an inappropriate time.

2.7.2. Lack of informed consent

In this study we made sure we informed our respondents about the core of our study, so they can either choose to be part of the study or not (Bryman & Bell, 2011, p. 133). We informed our respondents via an interview request, which we sent to them and we briefly
highlighted that the data collected, will only be utilized for academic purpose. We also made sure we maintained transparency by making sure that we were clear about the duration of the interview. As Bryman & Bell (2011, p.) argue minor aspects such as deliberately miscalculating the time needed for conducting the interview so respondents do not lose their interest in taking part of the study. In this case respondents were aware of the duration of the interview prior to the interview and it was clear to them that open question was going to be asked, thus the duration of the interview depends on their responses.

2.7.3. Invasion of privacy

The privacy and anonymity of our respondents was ensured as much as possible. Saunders et al. (2009, p. 194) posits the privacy of companies and respondents is perilous when it involves names and personal information. In line with this we made sure the names of our respondents, companies and other personal information were kept anonymous per their request. One of the main ethics is that a researcher should not put pressure on respondents to get access of data (Saunders et al., 2009, p. 188). Everybody has the right to privacy and ought not be pushed or disturbed to take part in a study. Hence in this study we did not force our respondents to provide us with data they were not willing to share. According to Bryman & Bell (2011, p. 136) it is imperative to record a particular kind of data deemed to be important. Before starting our interviews, we ensured that we asked our respondents if it was okay for them to be recorded. We only recorded when permission was granted by respondents, in this way we adhered to the ethical guidelines in taking into consideration the privacy concerns of our respondents.

2.7.4. Deception

Deception means dishonesty regarding the main objective of the research, such as the presence of private sponsorship or link with another company that will access data and use it for business benefit (Saunders et al., 2009, p. 190). Deception concerns falsification of scientific work by pushing certain outcomes that the researcher wants (Diener & Crandall, 1978, p. 72). Information was not hidden from respondents; however, the information which could affect the result of the interview, was not given out either (Diener & Crandall, 1978, p. 42), hence honesty has been the priority in this this thesis. Sufficient amount of transparency has been carried out in this thesis so that respondents will know whether they truly want to participate in the study or not (Diener & Crandall, 1978, p. 34). In this research, such falsification was avoided because the aim was to attain the highest ethical consideration possible.
3. Theoretical Framework

In this chapter we will examine the theories about supporting the fulfillment of successful user involvement. We will examine the literature available about user involvement across the new service development stages (NSD), providing insights about the strategies suggested in the field that influence the success of user-involvement. This chapter will help us in building our conceptual framework.

3.1. User-Involvement Process

User-involvement as defined earlier in chapter one represent the process of interactions and involvement of users across the different stages of service development (Henfridsson & Lindgren, 2010, p. 120). According to Matthing et al. (2004, p. 479) user involvement is going beyond asking users what they want, but rather it demands soliciting non-verbal education by hands-on involvement that stimulates embryonic needs. According to Vargo and Lusch (2004, p. 2) companies focus on the core aspect of the exchange process of a service when one actor uses his/her competence and skills for the advantage of the other actor, meaning the very process of serving. According to Chandler & Vargo (2011, p. 35) users do not experience value until their needs are met, however, this experience can only be achieved if different actors and resources are linked (Chandler and Vargo, 2011, p. 35). In light with this, the core context of S-D logic (i.e. value-in-use) happens through user-involvement. Thus, many researchers used the concept of S-D to reflect to those collaborative competences and user orientation influence innovative results and companies’ performance (Ordanini and Parasuraman, 2011, p. 4).

According to De Jong et al. (2003, p. 38) user-involvement is vital for new service development. Users’ generate ideas, concepts, and specifications that are then turned into functioning services. The process represents collaboration between the service provider (i.e. company) and service receiver (i.e. user) for resource integration and signifies the necessity for methods to support the roles and procedures (Lusch and Nambisan, 2015, p. 157). When looking at user-involvement we are focusing on high scope, which denotes user's involvement in different stages of new service development and not intensity where the company depend exclusively on users in one stage (Hoyer et al., 2010, p. 292). However, the degree of involvement across the stages differs according to users roles (Majid et al., 2010, p. 241).

According to Lusch and Nambisan (2015, p. 167) users take three roles in new service development stages: Ideator, intermediary, and designer. Ideator is when user brings knowledge about their needs to the firm and then combines that with the knowledge of how they use the offering to envision new insights. They improve and modify current ideas and features by suggesting new ones, meaning they address what and not how the idea is implemented. A designer is the person that configures new services and contributes to the fuller development of the service to functioning and practical solution. However, Intermediary, is the one who cross-pollinate knowledge and mingle with other users (Lusch and Nambisan, 2015, p. 167), and it matches the definition of a diffuser role that was described by Nambisan & Nambisan (2013, p. 38), where a diffuser is the user that acts as
an indirect agent who facilitates the adoption of the service by other users. For the purpose of this thesis, we choose to exclude the role of a user as a designer since configuring a service to a fuller development represent high intensity in the development stage. Also, since we are looking at users’ contribution to new service development stages, the intermediary and diffuser as marketer is not subject to research. Thus, the focus is on the user role as an *Ideator* across the new service development stages.

### 3.2. Web-Based Platform Service Companies

One of the hot topics in research and technology is *web-based platforms as a service*, as mentioned earlier in the introduction, our definition of web-based service platform is in accordance to Lawton (2008, p. 13), where he defined it as an application hosted on the internet and is accessible by user via a standard browser, which allows them to perform and store their work online. The web-based service platform provides flexible and robust approach to create numerous ways of information processing services to help both the business-to-business and business-to-user sectors (Madhusudan & Son, 2005, p. 288). Web-based service platforms are innovative instruments that are highly demanded. Their implementation costs are reasonably low, and once created they necessitate marginal extension to keep them running. In that sense, a lot of small and medium-sized businesses started from developing web-based platforms (MED, 2013, p. 6). More importantly, those platforms are flexible and can be adjusted; tailored and integrated when new needs develop (MED, 2013, p. 6). However, the fast change in technologies is triggering continual modifications in the way that such services are developed (Leek et al., 2003 p. 119). Thus, web-based service platform companies need to cope with their available resources to fulfill the user’s service requests in an effective manner (Madhusudan & Son, 2005, p. 288).

According to Peng et al. (2014, p. 31) the development of web-based platform is known for the following characteristics: *Information intensive, sensitive, requires efficiency and a number of individuals’ involvement*, which highlight that they necessitate the (3C’s): *Collaboration, coordination and communication*. Therefore, due to their sensitivity to users’ perforation and sophistication, it's important for the companies to embrace and manage diversity in involving users in the development.

### 3.3. New Service Development Stages

The fast structural changes in service industries have prompted the emergence of new service development (NSD) as a strategic imperative for service companies (Alam, 2006, p. 468). Cooper et al. (1994, p. 283) described the new service development process as the set of activities, actions, tasks, and assessments that move from idea stage through launch. Smith et al. (2007 p. 370) posited that the new service development is important for companies’ survival and growth. The availability of a systematic NSD process is often considered one of the key success factors for new services development process. The NSD process comprises of various activities that are focused on improving the efficiency and effectiveness of launching new services, such as a formal technique for generating and evaluating new service ideas (Zomerdijk & Voss 2011, p. 65). Notwithstanding the signified differences between product and services, service development includes similar stages to the process of product development as they both proceed from the stage of
ideation to launch (Alam & Perry 2002, p. 515; Menor et al. 2002, p. 138). However, the fundamental difference between service and products in user-involvement is that they require a different degree in involvement (Menor et al., 2002, p. 145; Alam & Perry, 2002, p. 518). For instance, the majority of new service developments (i.e. web-based platform) require close interactions with users. Interaction is a distinguishing feature of service delivery as they represent the very essence of new service development (Johne & Storey, 1998, p. 186). The new service development stages are divided to six stages: Ideation, screening, development, analysis, testing, and commercialization (Alam and Perry, 2002, p. 516-517; Scheuing and Johnson, 1989, p. 26).

According to Alam (2006, p. 468) the stages: ideation, development, and testing are referred to as fuzzy front-end stages, because they encompass inaccurate and improvised decisions and lay the foundation of the rest of the NSD stages. In addition, a mounting evidence of research proposes that companies must proactively manage and optimize the fuzzy-front end stages to increase the possibilities of developing prosperous services (Dahl & Moreau, 2002, p. 47; Montoya et al., 2000, p. 143). Similarly, Zahay et al. (2004, p. 622) argue that the fuzzy front-end stages are those stages that hold rigorous information. Thus, iterative process of the fuzzy front-end stages is required, where company look into the needs of users from their ideas to come up with attributes for the needed service. Then the company could develop a service prototype that is responsive to the desired need. This prototype is then put through trial to see if it is accurate and matches their need. If not it is then modified and this iterative cycle happens many times until the concept reaches a satisfactory state (Alam, 2006, p. 474-475). In line with the aforementioned, we choose to focus mainly on the following stages: ideation, development and testing as those stages set the foundation for the remaining stages and are the most important due to the inaccurate and improvised decision they hold. Also, this choice was based on Xiaoyun & Qingyu (2012, p. 270), argument that user involvement is mainly taking place on those three stage.

The idea generation stage is uncertain and depends on chances where some ideas are recognized according to certain discussions or hunches (Stasch et al., 1992, p. 6). These ideas then worked out as concepts. Then in the development stage the functions of the ideas are outlined more in details (i.e. scenarios). Those worked concepts are then developed to experience prototypes for the testing stage, where the ideas are implemented in a way to make it possible for users to interact and get familiar with them. These experience prototypes are used as a means for examination with other users for them to make it clear if the end concept is worthwhile (Diederiks & Hoonhout, 2007, p. 33). The user feedback in the testing phase is to help evaluate if the service is satisfactory and communicate it to developers (Sun, 2013, p. 3). In service development, it is easier to respond to a prototype of a concept than abstract concepts. With prototype users are more able to provide concrete view and recommendations, which simplify the company’s job of discussing why certain concepts are preferred in comparison to the other concepts (Diederiks & Hoonhout, 2007, p. 37).

3.4. User-Involvement Ecosystem (i.e. Structure)

According to Lansiti and Levien (2004, p. 75) user involvement ecosystem particularly underlines the prominence of structure, arrangements and sets of principles to enable
resource integration and exchange between the company and users. Lusch and Nambisan (2015, p. 164) highlighted the importance of structural flexibility in terms of user involvement structure, which denotes to the flexible and reliable arrangement to user’s competences, and relationships they have with the company. On the other hand, Lounsbury & Crumley (2007, p. 999) discussed the significance of cognitive distance and shared worldview to user involvement structure by arguing that the institutional and shared logic that develop through education and rules is important to ensure a successful structure. Architecture of participation is suggested to be important in ensuring a virtuous user involvement structure and it represents transparency in exchange and rewards that encourage participation and involvement as an outcome of their contributions (Lusch and Nambisan, 2015, p. 166; Nambisan and Sawhney, 2007b, p. 34). In this thesis we will look into those three aspects in more detail:

3.4.1. Structural Flexibility

- Competencies and Characteristics

According to Lettl (2007, p. 55) competences denotes the capabilities that users possess. Alam (2006, p. 470) argues that it is important for companies practicing user-involvement to know user’s characteristics, capabilities, and if they are able to contribute with valuable input. Meaning choosing collaborating users should be done cautiously, as the attainment of a fruitful collaboration depends on the fit between the user’s characteristics and the company. However, Jeppesen (2005, p. 348) argue that not all users are the same and not all of them are willing to be active during the process of involvement regardless of their capabilities. Companies need to find and identify those who are adequate and can contribute effectively.

In order to identify the user characteristics in the development stage, Lettl (2007, p. 63) proposed the “swell model” that firm uses as a search grid and framework to recognize users that are able to contribute in that specific stage. The model is divided to three layers, the higher levels involve more challenging and intense contribution: Passive contribution in user domain, active contribution in user domain, and active contribution in technological domain. The first, necessities users open to technology with strong imagination capabilities. The second domain requires three characteristics: high competency in their area or domain and profound understanding the fundamentals, the triggers, and the effects of a certain area. They need to be able to tolerate ambiguity and uncertainties associated with the final concept and with regards to the benefits resulting from their efforts. Also, technological know-how, this is important because it allows users to give immediate feedback of the technical and practical possibilities of their solutions (Lettl, 2007, p. 64). Rather similar, Franke et al (2006, p.311) posited that users with knowledge in technology are important. However, Kristensson et al. (2007, pp. 485-486) agreed that this claim is logical, but also reflected on the reverse situation where ordinary users can also be considered creative. He argued that expertise can result in foreseeable thinking, as high familiarity or “over familiarity” might lead the user to find difficulty in coming up with new creative solutions. Hence, the more the user is familiar with an area the less creative he is. Matthing et al (2004, p. 487) support the idea of “learning by doing,” meaning value and needs are only recognized when used as the experience help users develop ideas. Users that experience
different difficult situations are likely to develop certain perceptions. The former perception and experience stimulate new ideas (Kristensson, 2007, p. 482).

The third however, require users with various sets of technological capabilities “cross-qualification.” Those users are the exception and not the normal and are a great development partners for innovation due to their high technological know-how (Lettl, 2007, p. 64). Kristensson et al. (2004, p. 4) identifies them as advanced users that possess much higher expertise and prior knowledge of the service. This knowledge can prosper due to their participation in the functional process of service development. However, we focus on high scope and not intensity and on the ideator but not designer. Thus, our examination excludes the third highest domain -active contribution in technological domain-as it represents users with high technological expertise that are not subject to research as mentioned early in this chapter.

Figure 1. Characteristics of users as co-developers (Lettl, 2007, p. 64)
In addition, in the testing stage, user should have tolerance for innovation that incorporates openness to novel technologies, readiness to take risks and experiment. This tolerance will qualify the users to endure the uncertainties and risk (Lettl, 2007, p. 64).

Lead-users for instance, have been discussed a lot in literature and are known for two features; firstly, they are the first to recognize a need that becomes the need for the majority of the market. Secondly, they are highly motivated to contribute in the process, as finding a solution to their need is very significant to them (Lettl, 2007, p. 56). Likewise, previous research posited that the lead-user method helps in introducing concepts that have the prospect to be the “next generation” concepts (Olson and Bakke, 2001, p. 388; Herstatt et al., 2002, p. 61; Lilien et al., 2002, p. 2). Additionally, Lettl (2007, p. 56) argues that lead-users are mostly beneficial in the idea generation and development stages (Lettl, 2007, p. 56). On the other hand, Magnusson (2009, p. 590) identify the importance of involving ordinary user, which represent the average individual with average expertise in the service, meaning they hold only little insights and knowledge about the technology of the service. However, Alam (2006, p. 471) argues that the average user has an insignificant aptitude to contribute as he lacks real life experience. Moreover, according to Hoyer et al. (2010, p.290) lead users are sought by companies to create and narrow down new service concepts, but often this technique comes with high costs. However, Kujala and Kauppinen (2004, p. 302) argue that the lead user is quicker and cheaper. One reason is that by gaining access to the ideas of lead-users companies will save substantial costs that could arise in development (Pitta & Franzak, 1997, p. 69-70).

Targeting lead-users might be expensive for small and medium-sized companies, however, due to the possibility of utilizing their expertise to produce services with potential market demands. Small and medium-sized companies might be willing to invest in targeting them as this might save them substantial amount of cost down the line.

- Relationships

Alam (2006, p. 471) propose that the closeness of the relationship between the provider company, and user can help increase the utility of the process. In addition, Biemans (1991, p. 163) proposes that close and trusting relationship is important for user to be active and interactive. Companies need to cultivate a strong and trusting relationships, which will upsurge the customers, perceive value. To overcome confidentiality issues down the line Biemans (1991, p. 163) suggested, that users who are close and within the manager’s network are better candidates to involve to overcome confidentiality issues down the line. However, Gruner & Homburg (2000, p. 11) literature highlight although close customers have higher motivation to collaborate, such close relationship could limit the company’s access to new ideas and rich information. Although collaborations with far customers are likely to raise conflict due to absence of trust and clash of interest, it brings a knack of new ideas to a company’s possession. In terms of trust, market sensing and sense making could foster trusting relationships. The former is collecting customer needs and expectations with an open-mind. The latter, is interpretation and utilization of the gathered insight (Matthing et al., 2014, p. 479) users’ needs should not be dismissed as unrealizable or too imaginative (Matthing et al., 2014, p. 494).
Small and medium-sized companies have the possibility of fostering active participation by building close relationship with their users. However, over closeness in relationship is suggested to limit creativity.

3.4.2. Cognitive Distance and Shared Worldview

- Education

This perspective highlight common mental frameworks, as the higher the information sharing level gets among actors the better the communal situational awareness and understanding gets (Lusch and Nambisan, 2015, p. 165). This implies that educating users is important, as it is a way to explain to users how they can contribute effectively to the process. The user's learning and knowledge is necessary as it help them become aware of the system and not go beyond what is possible to implement (Pagano & Bruegge, 2013, p. 961). Knowledgeable users about the limitation and risks inherited in service and process help improve the feasibility of their ideas (von Hippel, 2001, p. 250-251). Hence, this will develop a shared overview and minimizing cognitive distance. In addition, according to kristensson et al. (2004, pp. 6-7) users need to acquire new information in order to make new connection to create something new. The more skills and insights they have, the more likely they are able to come with new alternatives. The aforementioned is in accordance to Menor et al., (2002, p. 145) argument about “Tangibilizing” the service provided during the process of new service development to unify the goals and common views between participants. This is in line with Guilford et al. (1967, p. 4) idea of divergent thinking, which highlight the facilitation of new solutions from combining new alternatives with prior knowledge.

In summary of the above, it's possible for small and medium-sized companies to benefit from high information sharing as it is suggested to encourage divergent thinking and communal awareness. Also, small companies can benefit from educating their users because that might help them contribute without going beyond what’s possible. In other words, learning is suggested to foster divergent thinking and further help the construction of new alternatives, meaning the more the users are familiar about risks and limitation the more feasible their ideas become.

- Rules

Another line of argument is terms of developing a common perspective and overview is in light to protocols and rules with regards to the process. According to Lusch and Nambisan (2015, p. 167), setting protocols of exchange offer a collection of rules for direct and indirect processes of exchange. Meaning rules about how participants may interface. If the rules of involvement are clear and stated it will help a greater degree of integration and involvement. De Jong et al. (2003, p. 40) posited that the impact of rules and procedures can be twofold in new service development. Formalization contributes directly to the execution of the process by giving rules that empower viability and proficiency. On the contrary one should know that very stringent rules and procedures will have the reverse
impact during the first stage of new service development process, a firm gets no advantage from numerous rules and procedures. Excess formalization is devastating for creativity (De Jong et al., 2003, p. 40). In line with this Nambisan (2002, p. 400) posited that using structured rules greatly limits the frequency and fullness of user contributions.

The aforementioned highlight that rules and protocols for small and medium-sized companies can either improve integration or limit the fullness and creativity of ideas. Whether the aforementioned, is viable in the context of small and medium-sized companies that are subject to study in this thesis is yet to be investigated.

3.4.3. Architecture of Participation

- Transparency

According to Nambisan & Nambisan, (2008, p. 60) there are distinctive levels of transparency: role transparency, process transparency and outcome transparency. In order, the first signifies and clarifies to users their roles in the process. The second clarifies the nature of activities (i.e. interactions, duration, time, and incentives). The third clarifies and inform users with the progress of their contribution to close the loop of misunderstanding. This highlights the importance of being transparent and honest with users when involving them in new service development, whether that in terms of their roles and responsibilities, the process itself, or the outcome of their contribution.

Lusch and Nambisan (2015, p. 170) posited that outcome transparency can be enhanced by recognition of problems related to intellectual property rights in user-involvement which is not subject to examination due to focus on scope and not intensity. Our elimination goes back to the type of user involvement suggest early in this chapter, where users are not intensively involved in the development stage. Therefore, issues like intellectual property right are not investigated.

- Rewards

Numerous companies utilize reward systems that aim to enhance the efficiency of the user involvement. In order for the new service development process to be successful, De Jong et al. (2003, p. 40) suggested that there ought to be balanced reward systems. For example, rewarding innovative endeavors, might be based on the number of generated ideas or outcome of the implementation stage. It is suggested that users presume an active role when they perceive that company are treating them as “partial employees”. The sense of belonging and partnership has a great impact on the user involvement process (Nambisan & Baron, 2010, p. 556). This sense of belonging is frequently grounded on the level of information shared from the company with regards to processes and objectives (Bstieler, 2006, p. 58). Information sharing and rapid response make users feel as part of the team and thus they have a higher level of commitment (Madhavan and Grover, 1998, p. 19).

According to Lettl et al. (2008, p. 225) there are four relative factors that increase participation and opportunity recognition like intrinsic motivational aspects: competencies,
transfer of distant technologies and contextual factor. Users’ motivation is encouraged by an unresolved problem. An intrinsic motivation is the motivation that arise from challenging users intellectually and one that occur from their enjoyment participation in the creative process. The aforementioned, encourage them to spend considerable amount of time in the innovative concepts. Competencies represent the implicit and explicit knowledge of users. The implicit is the knowledge they acquire from substantial learning and experience. This type of knowledge is usually known to be “sticky knowledge” and is crucial to meet specific needs. Likewise, another competency could be meta-knowledge that is a preselected knowledge that users develop outside of their domain (Lettl et al., 2008, p. 225). Transfer of technology is when users depart from their domain searching for new and applicable technologies and solutions, and once realizing them, they transfer these potential solutions to their particular domain. In other words, it is when users combine two different domains. Contextual factors represent access to interdisciplinary know-how from different domains that enthuse the user’s creativity, and the accessibility of research resources line time, finances and human capital (Lettl et al., 2008, p. 225). On the other hand, self-image represent the image one create by helping and sharing experience. The reputational gain that can be translated to material advantages like a job and money improves this private reward (Nambisan & Baron, 2010, p. 557).

Zaichkowsky (1985, p. 342) explains that the user-involvement is dependent on innate wants, values and interests that inspire one towards the object. Hence the degree of a user involvement in a particular object, situation, or action is determined by the degree to which he recognizes that concept to be personally significant (Celsi & Olson 1985, p. 211). In addition, Hoyer et al. (2010, p. 288) also posited that users are encouraged by non-monetary in the form of intellectual knowledge, but also encourage monetary rewards by financial prizes or profit sharing from the company they are engaged with. However, sharing of profit will not be subject of bargain in the context of this study. This type of reward might not be realistic in the context of small and medium-sized companies.

Furthermore, Hoyer et al., (2010, p. 288) suggested a multi-pronged incentive approach, which is a combination of factors that increase the benefit for users that are engaged in the process. All the mentioned above, underline that user’s participation is encouraged by intrinsic motivation schemes, where the later highlight competences like gaining knowledge and expertise from different domains. Self-image and sense of belonging could be a sufficient reason that encourages user participation. Some users participate for the sake of interest and significance of the concept that he sees value in and no firm effort is required.

3.5. User-Involvment Interactions

User-involvement interaction signifies the modes of communication and information sharing between different actors during the process of new service development. Interaction is pivotal in services and represents the very essence of user involvement (Matthing et al., 2014, p. 492). A company can gain a profound understanding of user needs by interacting and involving them in interpreting the information provided or the situation. For instance, questions about what prompted an idea or in which setting it occurred. Such information might help the company discover dormant needs (Matthing et al., 2014, p. 491). According
to Magnusson et al. (2003, p. 111) some of the users’ ideas are disregarded and not developed, this controversy could be due to managers’ fault, as they fail to interact properly with users to gain inputs from them properly during ideation (Ulwick, 2002, p. 91). Kujala (2003, p. 6) suggested that it is important to have distinct interactive patterns across the different phases of development that differ in their activities and requirements. According to Lettl (2007, p. 55), there are four aspects of interaction: level of personal interaction, time frame interaction, user-to-user interaction, and number of participants. Thus in this study we are focusing on these four aspects of interaction.

3.5.1. Levels of personal interaction

The level of personal interaction clarifies the level and method of interaction between company and its users. Kujala (2003, p. 11) argue for the direct link and contact between the users and developers, where they both deal directly with each other and not through mediators. There are different methods of interaction with user when developing service ideas like, focus group or interviews to recognize users varying needs. Users can be exposed to a prototype and provide his views about the quality of the service (Alam, 2006, p. 473). Kristensson et al. (2007, p. 478) argued that users experience latent needs because users are unaware how the service technology will offer them solutions in future. Those latent needs are hard to define and users take time to reach complete awareness and mindfulness of them. However, if users are brought together in focus groups meetings and probed simultaneously to experience their need they are more likely to recognize them and give recommendations in accordance to the setting at hand. It is important for staff dealing with users during meetings to not reveal any idea that comes to their mind during the meetings, as this will aid users to express their ideas better (Magnusson et al., 2003, p. 120).

Lettl (2007, p. 56) further highlights that face-to-face interactions and dialogue-oriented interactions are the best to ensure transfer of this knowledge, especially in services that encompasses novel and dense technological information. User-knowledge is sticky it is often associated with difficulty in transfer. Therefore, face-to-face meetings, workshops where participants could interact easily could be applied for such condition (Lettl et al., 2008, p. 220). In the testing phase close geographical proximity in interaction between the user and the company to support the phase patterns (Lettl, 2007, p. 64). Hence, users testing web-based platform might experience bugs that result from technical failures. In addition, high user’s interaction is very beneficial in the front-end stages of new service development (Alam, 2002, p. 250; Gruner & Homburg, 2000, p. 4). Nevertheless, Heide & John (1990, p. 24) posited rigorous interaction of users might not always be advantageous.

The aforesaid highlight that the level of interaction could differ across the stages of new service development. Close geographical proximity is favored when interact with users directly without mediators, through interviews and focus groups to uncover latent needs. Those methods are suggested to happen face-to-face and workshops due to ease in knowledge transfer. In addition, high interactions are proposed to be beneficial, however, they might not always be advantageous. We intend to find out if this also applies to small and medium-sized web-based platform service companies.
3.5.2. Time frame of interaction

The time frame of interaction, whether permanently or selectively is important. Selective interaction is used to transfer *sticky information* about the user needs and answers to those needs. With this type of meetings companies see that it is more sensible for users to develop the solutions and then transfer them to the company, meaning; the company arrange selective meetings to reflect and report on the advancement of their activities and solutions since this is more effective and efficient (Lettl, 2007, p. 57). Mascitelli (2000, p. 179) posed a counter argument; saying companies need to acquire the users’ *tacit knowledge* to develop innovative services. This will require permanent, closer and deeper interactions that are extended over longer period of time. However, permanents interactions could be too consuming and costly for smaller firms, and therefore, selective interactions deem more convenient in the context of small and medium-sized firms. Conversely, since latent need are harder to define as mentioned earlier, it might require longer meetings and more participation from company’s actors, for instance, answering questions and not merely reflecting on the insights of users. Therefore, both permanents and selective interactions of small and medium-sized web-based platform service companies are under investigation in this study.

3.5.3. User-to-User Interactions

User-to-user interactions are important for companies. Companies need to involve a group of users that are varied and mixed in terms of gender, profession, nationality and age, as they are more capable to engage in debates that attract new service ideas as they discuss their own services experiences that they experienced under different situations (Sigala, 2011, p. 980). In user-to-user networks and communication users begin to realize “who they are, what they know, and whom they know” and thus they become aware of what they should do (Read et al. 2009, p. 2; Sarasvathy, 2008, p. 25).

De Jong et al., (2003, p. 40) argue also for grouping users from different domains and expertise backgrounds helps in creating insights while constant and further development on those insights. The employment of multifunctional groups contributes specifically to the general effectiveness of developing new service. A multifunctional team is a group with several backgrounds (educational, work, experience). Multifunctional group appear to increase the problem-solving capabilities and performance. This is vital as it balances and stabilizes the user views with the technological viability and the business consequences (Diederiks & Hoonhout, 2007, p. 38). Nambisan & Baron (2010, p. 557) coincides that in such interactions users hold collective valuable expertise in one area that can be shared by interactions. This type of interactions increases users learning and expertise. In addition, the author posited that the best results come when users work in teams with a group of people from different functional expertise. This help in an effective and grueling screening process to identify the risk it has on markets. This help a great deal in the early stages when the team is deciding which idea to continue with and which idea they should abandon (Alam, 2006, p. 473).
We intend to explore the importance of the user-to-user interactions in small and medium-sized companies’ subject to this study, and whether heterogeneous and multifunctional groups yield better results due to transfer of knowledge and expertise in small and medium-sized web-based platform service companies.

### 3.5.4. Number of participants

Fuller et al. (2006, p. 64) highlighted that the importance of the number and size of participants. Involving a big number of users in initial stages of idea generation is likely to create more conflict, thus, companies should involve only a certain number of users with the most significant effect, he refers to them by “key users” (Sun, 2013, p. 1), meaning the company’s main small group of users (Bosch-Sijtsema & Bosch 2015, p. 799), regular or top users. Hence, Matthing et al. (2006, p. 295) suggests that in the early stages a company can start with a small number of participants (around 10 to 20) then increase the number of users if that group didn’t produce sufficient set of insight and contribution.

Lettl (2007, p. 56) posited that only a small amount of selected users can provide valuable input and as it gets closer to launch the number of user has to increase, as more instructive information about the target market has to be gathered. Looking at the market potential prevents the waste of resources and ensures that sunk costs will be minimal (De Jong et al., 2003, p. 34). Thus, in literature, some authors posited an opposing argument, where they claim that the number of users involved is argued to lessen as you move from the idea generation phase till the testing and market introduction phase. This highlights that the uncertainty in introducing new concepts is higher in the early stages and is consecutively lessened by managerial actions across the later stages of development (Clark and Fujimoto, 1989, p. 28; Cooper, 1990, p. 49). The different perception with regards to the right number and size of participants across the fuzzy front-end stages are a matter of investigation. Either starting with a big number of key users and increasing size if additional insights are needed or whether it is valuable to start with a big number in ideation and lesser as it gets to testing or vis-à-vis is subject to research in this study.

### 3.6. User-Involvement Platform

User-involvement platform is equally important to user-involvement as ecosystem and represent the venue that facilitate easy access to appropriate resource bundles (Lusch and Nambisan, 2015, p. 157). In addition, Sawhney et al. (2005, p. 5) reflects on the role that the World Wide Web plays in facilitating user-company and user-user interactions.

#### 3.6.1. Online communities

Schubert (1999, p. 30) defines online communities as the union between individuals or companies who share similar values and interests using electronic medium to communicate within a shared semantic space on a regular basis. Fuller et al. (2007, p. 57) in his article discussed how companies should use online communities to get valuable inputs and involvements. He argues that internet propose easy methods of interactions between companies and users. The multi-media provide great accessibility to large-scale interaction that facilitates involvement of users at a low cost. The online platform help manage
granularity by coordinating and sequencing of different activities. It helps participants to mix, match, bundle and search for appropriate resources that in turn reduce information overload and density (Lusch and Nambisan, 2015, p. 167). The virtual platform interaction has to be designed to enrich creativity and encourage judgments of ideas. In addition, companies need to pay attention to “Innoquette” which means having guidelines of right and information privacy that could be an addition to incentives (Fuller et al., 2006, p. 63).

Their online communities benefit resides in increasing resource liquefaction and improving their density by serving participants in their day-to-day exchanges. (Lusch and Nambisan, 2015, p. 166). Virtual & online communities can facilitate creative discussions between users to reflect, elaborate and develop innovative idea (Puccio and Grivas, 2009, p. 249). Hautz et al. (2010, p. 2) posited that virtual communities play a productive role infusing innovative users-companies’ collaborations. In addition, virtual communities have twofold roles: Functional-operative role when it comes to producing and screening ideas, and social role by forming personal ties that create a sense of belonging for and support potential users (Sigala, 2011, p. 972).

Diversity in communication channels enhances the opportunities for knowledge sharing. Thus, companies should establish a variety of informal communication methods through social media tools (i.e. Blogs, Facebook, Linkedin etc.) to facilitate interactions between company’s employees and other participants (Lusch and Nambisan, 2015, p. 169). For instance, in the ideation stage companies can turn to social media to greatly increase the extent and depth of insights obtained from users with a lower cost (Evans and Wolf 2005 p. 96; Hull 2004 p. 169).

Overall, it is suggested that online communities in general and social media in particular is an affordable stream for companies to solicit ideas from users. Therefore, it is possible for small and medium-sized companies to utilize these online communities to tap into the insights of users especially in the ideation stage. These communities should be designed to enhance creativity and motivate users to judge each other's ideas, nonetheless, parameters with regards to rights and privacy needs to be considered. We intend to investigate if this is the case with small and medium-sized web-based service platform companies.

### 3.6.2. Tools in online communities

Pagano & Bruegge (2013, p. 959) reflected the importance of developing tool support to consolidate insights or involvement. They further argue for a two-way communication channel (Pagano & Bruegge, 2013, p. 961). These two features are apparent in online communities. Online communities are known for their two central features: social networking groups, and tools (Kohler et al. 2009 p. 774; Pitta and Fowler, 2005 p. 287; Hoyer et al., 2010, p. 291). Companies that implement web-based rating and feedback platforms permit users to express the importance of needs and ideas. Companies can use online applied tools at a low cost, for instance, generating open discussion forums and idea competition (Fuller et al., 2006, p. 63).

For instance, mobilizing user community like online communities (i.e. chatting rooms) where different characters participate in communication (Prahalad & Ramaswamy, 2000, p.
However, a company should monitor those rooms since they are popular for their mobility and speed of information transfer. (Prahalad & Ramaswamy, 2000, p. 82). However, monitoring could be hard to do in small and medium-sized firms as those inputs might be diverse and too much for employees to keep track of. One way to monitor is to set rules that if broken lead to expelling the individuals (Prahalad & Ramaswamy, 2000, p. 82).

Online communities as a venue, which holds tools, that is available at a low cost or no cost at all. Small and medium-sized companies have the possibility to utilize tools such as: rating, discussion forums, chat rooms to involve and interact with users. Whether this is going to help in facilitating the process of user-involvement in the fuzzy-front end stages of service development will become evident later in this paper.

3.7. User-Involvement Personnel

User involvement personnel when discussed in the context of small and medium-sized companies represent those that are closely involved with users. Big companies usually have departments and units responsible of user involvement activities. However, for the purpose of this thesis, we will investigate two facets: The entrepreneurial leader that oversees the process, and the staff that are available and closely working with users during the process.

3.7.1. Entrepreneurial Leader

According to Gupta, et al. (2004, p. 247) the entrepreneurial leader in user-involvement is the person in charge of the whole process; he matches an ambitious objective with a reasonable evaluation of what can be achieved with the abilities of the available resources. The leader sets meaningful objectives that people believe they can accomplish. Furthermore, in the role of absorbing uncertainty, entrepreneurial leaders shoulder the responsibility of being wrong and any possible forthcoming failure of any effort (Gupta et al., 2004, p. 247).

3.7.2. Company’s Staff

These staffs represent those employees that are closely working with users during the process. They play an important role as they can contribute with their experience and technical knowledge. They are capable of assessing the possibility of new service ideas in the ideation stages or suggesting improvements that permit new idea’s execution. If staff get exposed to the way customers are using a service in the testing phase, they can trigger discussions that motivate users to think about and discuss. Hence, the staff moderate, stimulate and challenges the users (Sigala, 2011, p. 982). In addition, Schilling and Werr (2009 p. 34) likewise propose that staffs are ideal for encouraging communications between users and should oversee the process for better results.

Sigala (2011, p. 982) suggested that companies should invest in training their employees to ensure they possess the needed expertise and accurate information. If the companies disregard training employees, they will experience difficulties in communication and understanding the user’s language while will ultimately lead to failure in involving them (Lettl, 2007, p. 67). However, this could not always be relevant to small and medium-sized
firms due to training cost. Instead, it was suggested to cultivate and encourage a culture of “idea hunting” within the staff. It is proposed as ideal to spot novel and groundbreaking ideas staff (Alam, 2006, p. 474).

In summary, it is advised to assign a leader with an aptitude to tolerate uncertainty and shouldering responsibilities of failure. The leader is there to oversee the process of user involvement to assess what is meaningful and achievable. Those characteristics represent entrepreneurial leader who is suggested to have a meaningful contribution in the process. In addition, nurturing a culture for idea hunting and acceptance among the staff that closely work with users is advised. Their contribution could become handy in both the ideation and testing phase. The aforesaid, is subject to investigation as we aim to get constructive insights from the managers in charge of user involvement in web-based platform service companies to see if it is the case in a practical setting in their company.

3.8. Conceptual Framework for User Involvement in New Service Development

Figure 2. Conceptual Framework for User Involvement In NSD

Based on the literature review, we were able to develop a conceptual framework. The purpose of the conceptual framework is to evaluate our chosen theories in our deductive qualitative approach. We inferred from the aforementioned theories earlier in this chapter, that small and medium-sized web-based platform service companies can utilize the process of user involvement if they focused on the three stages of new service development: ideation, development, and testing (Alam, 2006, p. 468). Those stages are known as the
fuzzy front-end stages because they encompass a lot of inaccurate decisions (Alam, 2006, p. 468). To ensure successful services, companies must manage and optimize those stages (Dahl & Moreau, 2002, p. 47; Montoya et al., 2000, p. 143). Additionally, According to Xiaoyun & Qingyu (2012, p. 270) User-involvement mainly happen across those three stages. Therefore, the upper part of the framework shows the modular structure of the three stages subject to study. The lower part represents the aspect suggested to be vital in utilizing the user involvement based on our literature review. According to the literature review the four aspect of the user involvement in service development represents: ecosystem (i.e. structure), interactions, platform, and personal with each aspect representing different practices within them as highlighted in the frame above. Having clarified the abovementioned, we express the final outcome as including all the three parts on the framework under one umbrella to represent the process of user involvement in new service development. The main objective of this conceptual framework is to serve as a tool that guides small and medium-sized web-based platform service companies or companies with similar offerings. Ultimately, the framework will help them comprehend the processes used across the stages of new service development to warrant a utilization of their user involvement process.
4. Practical Method

This chapter is to help the reader understand our practical method for collecting data. In this chapter we explain and argue for the method used for collecting the data, how we conducted the interviews and transcribed them. The chapter will further highlight the sampling technique and method of analysis. Lastly, we will evaluate if their research met the qualitative study quality demand.

4.1. Data Collection Method

Our source of data for this thesis is the primary data. Primary data is collected for a specific purpose and are collected according to the nature of research (Saunders et al., 2009, p. 256). Secondary data is the data that has previously been collected and published by others for an explicit purpose and may not be suitable for certain studies (Saunders et al., 2012 pp. 82-83; Bryman & Bell, 2011, p. 320). Thus, we decided to collect primary data, as there is no secondary data on this particular topic of user involvement in this setting of small and medium-sized (i.e. web-based platform) companies. The empirical perspective of this thesis is rigidly on the manager’s perception about their activities of user-involvement in the new service development. We believe companies are more energized than users to devote additional effort in developing services that match users need; user’s opinion might differ according to their interest in the service and experience. We aim to follow an approach with a descriptive nature to showcase the managers in the small and medium-sized web-based platform service company perception of reality and the situation at hand while involved with users as extensively as possible. The participant’s perception is based on subjective insights, while their professional experiences and shrewdness draw parallel to their involvement with users. The manager’s depiction of the reality of user involvement in their company is given traction and the interviewers will interpret the primary data with thoughtful consideration of the conveyed external reality.

4.2. Interview Format

The purpose of an interview revolves around the significance of understanding the experiences of people, and the meaning they build from those experiences (Seidman, 2006, p. 6). Interviews offer a deeper understanding of the social phenomena, which cannot be obtained through the use of surveys (Gill et al., 2008, p. 292). Thus, we have the intent of carrying interviews so as to permit participants to give rich insights on the user involvement practices in their companies. Interviews will offer us with rich insights into the user involvement across the different stages of new service development in small and medium-sized web-based platform service companies. Consequently, the research will provide a wider understanding of the social phenomena through the stories of the social actors experiences (Lunsford-Mears, 2009, p. 14).

Our aim is to answer the research question of how user involvement is utilized primarily from the effort of the spearheads in charge of the process. Therefore, semi-structured interviews seemed the most suitable for our research. Semi-structured interviews consist of key questions that define clearly the area to explore without diverging away from the main topic of research (Gill et al., 2008, p. 291). They provide flexibility when collecting data.
This type of research interview allows posing follow-up questions to obtain richer and profound answers when required (Bryman & Bell, 2011, p. 467). We avoided using leading question as they aim to increase authenticity in the method used, as we do not want the interview to be posed in a too leading way. The structure and flexibility in follow up will guide respondents and at the same time not allow the respondents to steer away from subject outside the user involvement processes across the new service development stages. Our aim to avoid pointless clutter of information when the data is pulled and transcribed for analysis. We believe that this method is ideal; as we could use the guide of the same questions to all respondents so that they are able to distinguish conceivable patterns in their answers from their investigation, but at the same time benefit from the richness that is associated with open questions that allow respondents to freely elaborate on topics brought up.

4.3. Interview Guide

As mentioned in the beginning of this chapter, we will employ semi-structured interviews. Thus, we will use an interview guide that will specify a certain structure, but allows some flexibility in posing the questions. The semi-structures will help us examine all and the same themes with all our respondents (Taylor & Bogdan, 1998, p. 106).

The beginning of the interview guide starts with demographic questions with the intentions to gather information about the respondents. The profile questions will help us gain an understanding about the respondent’s occupation and tenure. We will use the questions about the user involvement to form an understanding about how those processes are carried inside the firm and as a way to better confirm if the participants are suitable for our study as in they involve users in high scope of user involvement across the different stages of service development: ideation, development and testing. For example, the questions are modeled in the following way: How do you describe the user involvement process in your company? In addition, we added questions with regard to the stages the company go through to develop a service, and which of those stages are the most significant when users are involved.

We made sure we avoided using leading questions, as this is a central part in formulating an interview guide in order not to lead the respondent’s answer to a certain direction (Bryman & Bell, 2011, p. 475). Saunders et al. (2009, p. 329) argues that researchers need to set up the order of their interview guide with cautious and rationality. The order of the questions has to be consistent and the language has to be clear. Hence, we paid great attention in the order of the themes, and the lucidity in the order of questions asked. The theoretical framework was used as a guide to formulate the questions and order, however, not too leading. Prior to taking the interviews we did a pilot interview test and adjusted some of the questions depending on feedback to ensure that the questions had a logical flow and was easy to understand.

The interview questions are divided into six main themes alongside to four demographic questions and one closing questions. The fifth theme, for instance, carried questions pertaining ways of interactions with users with regards to used methods of interaction, duration, number of participants and user-to-user interactions. These questions are to know
the most impactful efforts of interactions used. The demographics, six themes and closing question are described below (also see Appendix 1):

**Theme 1: Demographics Questions**

The demographic questions were to learn more about the respondents and the company. Information gathered for this section will revolve around for instance the company, the service they provide, the number of employees and the respondent position. Our aim is to assess the suitability of the respondent early on and use those questions as a starter and facilitator for the interview. According to Bryman & Bell (2011, p. 475) these basic facts collected about the context will be the guide and facilitator of the start of the interview.

**Theme 2: User Involvement Process Across the NSD**

The first theme is supposed to gather insights about the user involvement process and how the company is practicing user involvement in new service development stages. The purpose is also to collect data with regards to the company’s main service development stages, and where or when users are involved. Particularly, we aim to understand the scope and intensity of user involvement as this might help us decide if they are qualified for the study or not. Also, it will shed light on the possible variety of methods used to manage the process and possibly more insightful information whether in failure or success.

**Theme 3: User Involvement Ecosystem**

These set of questions had the drive to emphasize the company's’ practices to reflect the environment of user involvement in the company. The questions were based on the three main categories of the ecosystem and their subtopics and based on several authors for instance: Structural flexibility (competences, characteristics, and relationships based on Lettl (2007)), cognitive distance & shared worldview based on Pagano & Bruegge (2013), and architecture of participation (transparency based on Nambisan & Nambisan, (2008) & rewards based on Nambisan & Baron (2010).

**Theme 4: User Involvement Interactions**

This category aims to gain an understanding about the methods of interactions the respondent perform. The questions are directed to collect data about the Levels of personal interaction, duration, user-to-user Interactions, and number of participants involved. We based our questions on theories from the following authors: Kujala (2003), Lettl (2007), Sigala (2011) and Sun (2013).

**Theme 5: User Involvement platform**

This theme included questions about the online platform and tools for user involvement. Our questions of online communities were based for example on Evans and Wolf (2005) and the tools was based on Fuller et al. (2006).
Theme 6: user Involvement Personnel

The last theme was to question the company's personnel role in the process of user involvement whether the leader role or staff in general. The questions about the leader and his/her characteristics were inspired by authors like Gupta et al. (2004) and staff inspired by Sigala (2011).

Closing Question

The purpose of the closing question is to make up for any important insights that we could have missed. By asking the respondent if they have any additional insights that they would like to add, our purpose is to probe the respondents to share useful thoughts they had during the interview process but didn’t have the chance to mention.

As explained, every theme aimed to gather different insights on different topics. Some were general and open, as those questions purpose is to inform us about the company and the respondents, and are advantageous as they facilitate the interview, produce rich data, and encourage the respondents (O’Leary, 2004, p. 159). Nonetheless, the questions were theory-driven with the purpose to gather insights related to theoretical framework (Flick, 2006, p. 156). According to Ritchie et al. (2014, p. 191) in order to avoid leading respondents, investigators must give them chance to answer freely by asking “How” questions. Thus, we tried to incorporate the question how as much as possible in their interview guide, and also used opposing terms to counterbalance questions (Ritchie et al., 2014, p. 192).

4.4. Participants Selection

As motivated in the first chapter, we choose small and medium-sized web-based platform companies that offer web-based platform as service to users as mentioned in the introduction our focus was on interviewing respondents in Europe due to their interest in innovative practices and in adopting new ideas and technologies. We used available sources and contacted people from our personal network and LinkedIn. We conducted eight interviews in total, and our interview choices were based on the following criterion:

Company Criterion

We considered size as an essential criterion that makes companies eligible for the study. Since the research goal is to study small and medium-sized companies we paid close attention to the number of employees in the companies investigated. According Loecher (2000, p. 262) the number of employees in small and medium-sized ranges from 50 to 249 employees. In addition, according to Heiskanen & Repo (2007, p. 168) argumentation that the process of user involvement can compete with limited financial resources necessary for involvement. Therefore, start-ups were excluded from the research due to the need of a profitable and stable income that qualifies them for user-involvement practices.
The companies selected have to offer web-based service platform as their main service offering and involve users across the three stages of service development, which we identified by the question in the second theme (see Appendix 1). Additionally, companies have to operate in Europe as highlighted earlier in this thesis. The reason in choosing companies within the European market is due to the fact that European companies are often highly innovative and possess a great interest in absorbing new ideas and adapting new technologies (Radosevic 2004, p. 646). Thus, the European market attitudes and willingness towards innovation via user-involvement practices is expected to be higher in comparison to other countries.

**Respondent Criterion:**

The respondents have to have an adequate level of English since both of us are international students who do not speak Swedish. This is essential for us to understand what is being communicated, and thus, will help in minimizing the chances of misunderstandings, that could eventually affect the processing and analyzing of the data. The respondents have to be in-charge of the user involvement process or holding a higher position that allow him/her to oversee the process. The aforementioned, is to ensure that they are overseeing the user involvement process across all the stages of service development: ideation, development, and testing. The reason behind this choice is to ensure that respondents will have a good and fair overview of the process and how it can be utilized. Therefore, we only contacted higher levels.

**4.5. Access & Sampling Technique**

We made sure they gain access by following the etiquettes required such as; scheduling an appropriate time ahead for an interview with the managers in high positions (Bryman and Bell, 2011, p. 473), contacting potential respondents via emails and a request letter summarizing the research topic and objective (Saunders et al., 2009, p. 179), and familiarizing themselves beforehand with the company’s features and processes (Saunders et al., 2009, p. 174). We made sure we paid great attention to goodwill and fostering it at every stage of the interviewing process, and showing their knowledge of the research and reliability, as participants might question the researcher’s reliability, the company might be protective about what they reveal, and the research topic might be sensitive (Saunders et al., 2009, p. 170). In an effort to ensure reliability we molded our research idea clearly before reaching out to respondents in order to avoid perplexity, and clarified the reason behind asking questions about the annual turnover rate since it was one of the basis for selection and clarified that this information will not be shared.

A purposive non-probability sampling technique was the most suitable for this study, where the choice of respondents is made based on the researcher subjective opinion and judgment about their significance to the research (Saunders et al., 2009, p. 233; Bryman & Bell, 2011, p. 442). The purposive sampling ensures diversity and distinctiveness in respondent’s characteristics (Bryman & Bell, 2011, p. 442). In order to find companies that are suitable for our research, prior to conducting the interviews we researched the companies to identify their innovative capability by their service offering. We assumed that companies with established innovative services and attractive features are much likely to practice user-
involvement. Nonetheless, to reduce the probability of failing, we first looked at their website then we started searching for contact details to contact them via phone call or email. Mainly we focused on contacting the CEOs of the small and medium-sized companies, as they are the ones with an overall view of the user involvement process and seemed the most appropriate. Incase their number wasn’t available on the website, we resorted to the general head office number, and asked them to forward us to a CEO or higher level manager suitable for our research. Mostly we contacted them by phone calls as phone calls are more direct and straightforward which helped us receive response immediately. The former, allowed us to explain or purpose and to confirm that our potential respondents are relevant for the interview by asking question with regard to size, annual turnover, industry, position and also with regard to their user involvement activity across the stages of new service development (see Appendix 1). We decided in advance the companies they aim to study to generate good results as highlighted above, however, due to some difficulties and some respondents backing up the search for respondents was not always straightforward. We carefully screened four companies and respondents to see if they match the requirements. Therefore, the choices of the first four companies were made based on judgment targeting those who closely matched the requirement mentioned earlier in this chapter. Two of those companies were contacted from personal contact and we were aware of their user involvement practice before hand.

Nevertheless, searching for more respondents was hard as our network was limited in Europe. Therefore, we utilized two people from the first two companies, to identify further suitable respondent for our study. However, to ensure they are applicable for our research we contacted them before requesting for an interview. The aforementioned referral, represents a snowball sampling technique, which is when available respondents recommend other suitable respondents and is often used when finding suitable respondents is hard to find (Saunders et al., 2009, p. 240). One drawback for the snowball sampling is bias due to the relatedness and similarity of the sample (Saunders et al., 2009, p. 240). To ensure we minimize bias, the companies that were referred to us did not represent the whole sample of respondents as four others were based on our judgment. According to Bryman & Bell (2011, p. 443) once the scope of the study was fulfilled and we reached saturation the search stopped and the data was analyzed. We realized they reached a theoretical saturation when there was no new information to develop the categories formed.

4.6. Conducting The Interview

In total we have conducted eight interviews with different small and medium-sized web-based platform service companies. Prior to conducting the interview, we sent an interview request containing information about the purpose of the study and the interview conduct. The purpose of this document is to clearly inform the respondents about the research they are participating in and how their material will be used. Our respondents chose the time, date and the desired method of conducting the interview according to their preference. Closer to the interview date we sent a confirmation-mail with the date, time and personal contact details. However, since most of our companies were outside of Umeå the options of conducting the interviews had to be conducted either through phone-calls and Skype calls. Conducting phone interviews were beneficial as they allowed us to extend their geographical reach and increase the number of possible respondents (O’Leary, 2004, p.
165; Walliman, 2005, p. 285), with the least cost (Bryman & Bell, 2011, p. 489). The aforementioned, allowed us to finish the interviews within the short time frame. Although phone interviews are accompanied by technical complication (Bryman & Bell, 2011, p. 489), we made sure the we had good connection in their setting before conducting the interview and used recording tools. We made sure all the interviews were recorded using a recorder for transcribing and analyzing purposes. We ended the interview by briefing the main points discussed at the end of the interview. All the aforementioned, was to ensure there is no bias and to clarify that the interview is coming to an end. We ensured that we were both present in all the interviews; one was responsible for asking the questions and the other focused on taking notes, asking follow-up questions to urge the respondents to elaborate on their answers, and keeping track of the necessary data (Bryman & Bell, 2011, p. 477), Dividing roles helped in making the process of interviewing more efficient as Ritchie et al. (2014, p. 208) posited that allocating tasks increase the interview effectiveness, when only one researcher is asking the question to minimize confusion. Giving the respondents information with regard to the interview being recorded, the duration, and procedure ensured informed consent (Ritchie et al., 2014, p. 187). However, qualitative interviews vary in time and length (Bryman & Bell, 2011, p. 482). This is due to using open questions that allowed respondents to give greater depth to their answers, and thus, the interview time varied with every respondent (Saunders et al. 2009, p. 337). Our shortest interview was 31 minutes long, yet all were informative. Due to our respondent’s request to be anonymous, we only provided information that was conscious and brief in order to not to reveal their identity. The table represents a summary of the respondents, for instance, the duration, number of employees, position, industry, country and method of interviewing.

Table 1. Respondents’ summary

<table>
<thead>
<tr>
<th>Codes</th>
<th>Industry</th>
<th>Position</th>
<th>No. Of Employees</th>
<th>Country</th>
<th>Method of Interview</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondent 1</td>
<td>Software Technology</td>
<td>CEO</td>
<td>70</td>
<td>Sweden</td>
<td>Skype Call</td>
<td>45 min</td>
</tr>
<tr>
<td>Respondent 2</td>
<td>Information Technology</td>
<td>CEO</td>
<td>76</td>
<td>Denmark</td>
<td>Phone Call</td>
<td>38 min</td>
</tr>
<tr>
<td>Respondent 3</td>
<td>Niche market (anonymous)</td>
<td>Head of development</td>
<td>65</td>
<td>Sweden</td>
<td>Skype Call</td>
<td>40 min</td>
</tr>
<tr>
<td>Respondent 4</td>
<td>Information Technology</td>
<td>CEO</td>
<td>67</td>
<td>United Kingdom</td>
<td>Phone Call</td>
<td>44 min</td>
</tr>
<tr>
<td>Respondent 5</td>
<td>Software Technology</td>
<td>CEO</td>
<td>83</td>
<td>Norway</td>
<td>Phone Call</td>
<td>36 min</td>
</tr>
</tbody>
</table>
### 4.7. Transcribing

To avoid the possibility of missing important insights during the interviewing process, we recorded the interviews, as qualitative interviews necessitate recording, as interviewers are at risk of losing concentration when writing notes (Bryman & Bell, 2011, p. 482). As mentioned earlier, we ensured to inform respondents before recording. Since recording might make the respondents uncomfortable, we asked the respondents whether they would like to be anonymous or not prior to starting the interview and recording. This was useful to make respondents more open and comfortable (Saunders et al., 2009, pp. 333-334). This anonymity was requested and was ensured by excluding personal information and information about the company that could reveal the company’s identity. We transcribed each interview right after it was done to decide on whether they needed more information or some clarification. The transcribing was done with utmost care and detail to ensure nothing important was left out. We recorded even the signals of pauses, as they can play an essential role in analyzing the data (Saunders et al., 2009, p. 340).

### 4.8. Qualitative Analysis: Theoretical Thematic Analysis

Our qualitative semi-structured interviews method produced considerable sum of information, which is the norm in qualitative research (Bryman & Bell, 2011, p. 571). According to V Braun & V Clarke (2006, p. 83) themes and pattern in thematic analysis can be identified in two ways, either bottom-up inductively or deductively top-down. Inductively, when the themes identified are strongly related to the gathered data. However, deductively is when a predetermined framework is used to analyze the data. The main aim of using thematic analysis is to provide a description and analysis of the respondent answers (Braun & Clarke, 2006, p. 79). Thus, since we aim to provide a description and analysis of our respondent’s answers, we choose a deductive thematic analysis approach.

We found that this technique is the most suitable to deal with the gathered information. It will help them determine relevant themes to interpret their collected data and rich text in accordance to their theoretical framework. According to Attride-Stirling (2001, pp. 390-391), this can moderate the text by constructing thematic networks or web. These thematic networks are then summarized and investigated. The interpretation happens by comparing the thematic network with the theoretical framework, research purpose, and question (Attride-Stirling, 2001, p. 402). The thematic analysis is made of three themes and starts...
with the basic lowest theme and is only relevant when grouped together to form a higher order theme called organizing theme (Attride-Stirling, 2001, p. 389). Organizing theme represent a collection of different meaning that capture the principal conjecture of basic themes (Attride-Stirling, 2001, p. 389). Global theme, however, it is the highest order and are composed by the grouping of different organizing themes which helps in showing the overall data to help in forming a real statement and judgment (Attride-Stirling, 2001, p. 392). According to Attride-Stirling (2001, p. 392) in order to grasp data collected, a thematic analysis should at least result in four global themes. Thus, we compared our thematic network analysis found in Appendix 3 with the theoretical framework. The former led us to the development of the following global themes: Ecosystem, Interaction, Platform, and Personal. Full report of the thematic analysis is in Appendix 3. Below is an illustration of the of organizing and basic themes:

Figure 3. Thematic Network Analysis (Attride-Stirling, 2001, p. 388)
5. Empirical Findings

In this chapter we will present our findings from conducting the semi-structured interviews. This empirical section will represent the respondent’s responses. We will display their results in accordance to the interview guide structure, which was organized in the same order of the theoretical framework. This chapter will be our guide for the following analysis chapter.

Our respondents were small and medium-sized companies with an average number of (65-80) employees operating within European Markets. Mainly most of our respondents were in the software technology industry and information technology and only one has a Niche market that we were asked to keep anonymous. The table below includes information about the employee’s number in the company, the duration of the interview, method used, industry and respondent's' position:

Table 2. Respondents’ summary with codes

<table>
<thead>
<tr>
<th>Codes</th>
<th>Industry</th>
<th>Position</th>
<th>No. Of Employees</th>
<th>Country</th>
<th>Method of Interview</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1</td>
<td>Software Technology</td>
<td>CEO</td>
<td>70</td>
<td>Sweden</td>
<td>Skype Call</td>
<td>45 min</td>
</tr>
<tr>
<td>R2</td>
<td>Information Technology</td>
<td>CEO</td>
<td>76</td>
<td>Denmark</td>
<td>Phone Call</td>
<td>38 min</td>
</tr>
<tr>
<td>R3</td>
<td>Niche market (anonymous)</td>
<td>Head of development</td>
<td>65</td>
<td>Sweden</td>
<td>Skype Call</td>
<td>40 min</td>
</tr>
<tr>
<td>R4</td>
<td>Information Technology</td>
<td>CEO</td>
<td>67</td>
<td>United Kingdom</td>
<td>Phone Call</td>
<td>44 min</td>
</tr>
<tr>
<td>R5</td>
<td>Software Technology</td>
<td>CEO</td>
<td>83</td>
<td>Norway</td>
<td>Phone Call</td>
<td>36 min</td>
</tr>
<tr>
<td>R6</td>
<td>Information Technology</td>
<td>CEO</td>
<td>80</td>
<td>Sweden</td>
<td>Phone Call</td>
<td>35 min</td>
</tr>
<tr>
<td>R7</td>
<td>Software Technology</td>
<td>CEO</td>
<td>69</td>
<td>Sweden</td>
<td>Skype Call</td>
<td>42 min</td>
</tr>
<tr>
<td>R8</td>
<td>Information Technology</td>
<td>Senior Brand Manager</td>
<td>74</td>
<td>Finland</td>
<td>Phone Call</td>
<td>31 min</td>
</tr>
</tbody>
</table>
We will refer to their respondents across the empirical finding and analysis using the codes shown in *table 1* above to respond to the anonymity request from participants and ethical demands. For instance, the first respondent is *table 1* above is referred to as R1.

The company's’ web-based platform offerings were closely related with few differences. For example, *R1*, *R5* and *R7* provided a platform for users to unleash their creativity and build their own animation videos. *R2* offers a web-based platform for users aspiring to create their own online games. *R3* is targeting a niche market of users their web-based platform allows users to manage their social media accounts. *R4* on the other hand, offer a platform for users wanting to start online courses. *R6* and *R8* provided a web-based platform for users wanting to build their own websites. Below is a description of our respondents:

**Respondents Description:**

**Respondent 1**  
Our first interview was with a CEO of a company based in Sweden that provides a web-based platform for users to create their own animation videos. The platform’s objective is to allow users to create their own high-quality animation videos or visual content even without an experience in video editing. The web-based platform is known for its streamlined usability that give users a chance for creativeness through the use of a variety of themes, background, animation effects, music etc. Their users are mostly students, educators or an in house-marketer at a small business or an employee of a creative agency.

**Respondent 2**  
Our second interview was with a CEO of a company based in Denmark that offers a web-based platform for users to create their online video games. It allows creative users with no prior programming experience to create their own retro arcade or puzzle online games and share them with others. The platform provides a variety of tools and drag-and-drop options for easy experience. Everything is stored online without the need of an additional software, which makes sharing the game easier with others. Their users are a variety of individuals with interest in games.

**Respondent 3**  
Our third interview was with, the head of development in a company based in Sweden. Their web-based platform is a unique idea that targets those who struggle to manage different media accounts. The users are mainly social media marketers in small businesses or individual social media influencers that run different social media accounts simultaneously. The web-based platform allows users to update their own library on the platform specifying which social accounts they want to update, and what update to share and when. The platform creates a queue and takes care of the posts on behalf of the users.

**Respondent 4**  
Our fourth interview was with a CEO of company based in United Kingdom and offers a web-based platform for users to create and sell their own online courses. Users are able to
import text, images, slides and audio easily from their computer and more. They have the possibility of customizing their own logo for their courses and launch them easily online without coding or design experience. The web-based platform company takes care of sign-ups, payment and hosting on behalf of the users. Any user is able to use this platform whether instructor or someone with interest of sharing knowledge and experience.

**Respondent 5**

Our fifth interview was a CEO of a company based in Norway. The company offers readymade templates for users to create their own presentation software animation. The company differentiates itself from other animation platforms by offering users the opportunity to create not only animated videos but also animated presentations. Employees use it to communicate with colleagues and clients with other individuals, use it to interact and exchange information in an entertaining and engaging way with everyone.

**Respondent 6**

Our sixth interview was with a CEO of a company based in Sweden offering a simple drag-and-drop interface, which allows users to create quick and simple websites without the need for a programmer or a designer. The users can use the web-based platform for business or personal use as the users vary between users that create websites for their own businesses, average users or bloggers using it for pleasure and personal use. The robust templates can be easily customized to meet user specific needs with many features like adjusting background images, fonts and incorporating social media accounts as part of the website.

**Respondent 7**

Our seventh interview was with a CEO of a company based in Sweden. They provide a web-based platform for users to build animated video on a long budget. They differentiate themselves from others by providing unlimited creation, and download for their users. All the user need, is a good Internet. Their animated characters represent diversity and could be customized as per desire. Users get the chance to purchase the right to transfer and sell their own videos. Thus, their users range from brand marketing managers in a startup, entrepreneur or an average user with an interest in animation video creation.

**Respondent 8**

Our eighth interview was with a senior brand manager for a web-based platform company based in Finland. The company offers a web-based platform for users to create their own website. Users get to design their own templates and themes easily by choosing from a library or tweaking existing templates or build one from scratch using the different tools and options available. They also allow users to upload their own banner and logos. Users are provided with SEO tools for search optimization and the ability to track traffic stats and be granted an advanced security. Users are average individuals with the interest of creating websites, or employees of small businesses that could benefit from such platform for advertising and marketing purposes.

When we asked the respondents to describe the user involvement process in their company they all described that the user plays an active role across the new service development stages. The respondents mentioned things like, “users are the heart of every activity in the company” (R3). “Users are involved to some extent in development after the service are
developed from our own side [...] but they are highly involved in proposing new ideas and improvements of old concepts” (R1). “We do not fully involve them [users] in technical development. Development is done internally to ensure the viability in the perspective service. They test and suggest new features in ideation and development stages” (R6).

However, in terms of purpose of engaging in user-involvement one respondent said “Complaints about our offerings! That’s why we introduced customer experience to improve the capacity of the company” (R8). “We seek differentiation by increasing our ability to meet needs, because if we fail to do that it will become a problem” (R3). In addition, some respondents said “involving users is not an option anymore, you need to differentiate yourself to stay active in this dynamic market” (R1). R7 agrees, he said “we used to follow the conventional process but from a first try of opening up we realized the stream of idea that could flow into our company”

5.1. Ecosystem (i.e. structure)

When we asked about the respondent’s opinion with regard to the most attractive user’s competences and characteristics. R6 said, “we got our best ideas from people who are not technologically inclined.” R2 agrees with R6, he said, “The best and elite ideas came from the average users not experts, we all have an elusive creative sides” in addition R7 agreed that everyone could contribute, he, however, added “competences differ across the stages, they could be generic or specific depending on the stage.” He explained that in testing people might get frustrated really quick if the new features suggested on the platform are not responsive or if system bugs interrupt the process. R4 on the other hand said, “In the early stages of development, we involve people who are tolerant to uncertainty, and tech savvy”

R8 expressed that the most attractive users are the ones who show interest in coming with innovative ideas, “we look for those who are motivated and willing to challenge the status quo, they [user’s] challenge us to launch something daring in the market [...] something that is technology related or require higher interactivity but it creates new streams.” One respondent said, that they involve well-informed subscribers or what they call, “heroes and inflow subscriber because they help others discover what they need” (R5).

R3 also reflected his company's concern of over-customization that results in offerings that is targeted towards a certain niche market of those participating so they seek others opinion on the offerings. R4 also said “After collecting idea from our users we turn to various respective users in the market to alter it and make it responsive to their needs”

Another question we asked was in terms of formal and informal relationships with user, one respondent said “we are very formal, however, we intend on doing things differently within our company, we need to get close to our users because we need more ideas” (R7). R3 said that they build close relationship with their users, but also added that they rarely go hunting for users outside of their network, he said “we select users within our network, the same people that pilot tested the service on its early stages of development, they are closer to us and better to keep a secret.” An opposing line of thought was highlighted by R8, he said, “informal and close relationships are detrimental, we tried to be very close to our users
and noticed that they were reluctant to pinpoint the drawbacks in our services fearing they will appear as criticizing us.”

R4 reflected that they try to build a good user perception about the company; he said, “the emotional aspect plays a very important role” he elaborated by giving a scenario, “if they trust us they will love us and become active, however, if they felt we are arrogant and untrustworthy users will be skeptical about participation and worried about what we are really after”. R5, and R2 also acknowledged that participation depends on the friendly and trusting user relation where users sense it from the company’s look and feel.

With regard to, practices that a company follows to ensure users share similar objective with the company? One respondent said, “we exercise initiatives such as inside out meeting with the users to explain how they can help us” (R3). On the other hand, R6 said people are not empowered enough unless the companies inform them about their rules and how they can contribute otherwise the process will have weight. He said, “Most of the ideas we receive are unrealistic and unworkable if we try to translate them into the company and that’s when we honestly say that we are not able to do it!” R2 also reflected on awareness, he said, “We help them understand what our platform is all about.” R7 share his thought with regards to ensuring similar objective, he said, “It’s all about user acceptability and user education about the service. [...] Something’s users just do not know, there is an education issue” additionally, R4 said “Sometimes we have to make changes in the perception of the participants about what they were buying before and what they could be buying now.”

While discussing the methods that enhance shared objective R2 said, “We often develop a basic functioning prototypes, honestly it is difficult to do every time we want insights but it is doable and important.” An opposing argument was given by one respondent, “most people in smaller companies do not bother to build prototype every time because they think users have a fairly good idea intuitively about what is going to work and what is not going to work” (R8).

R5 reflected about the opposing effect of structure he said, “we give guidance to customers or potential customers early on in the process without being too descriptive in regulations. There must be some structure with sufficient guideline and background to the people so they think in a particular way without biasing them.” For instance, R1 clarified that in the testing phase, users follow some rules for testing, he said “we specify a scenario for testing where everyone is testing our prototypes according to the pre-scenario of testing [...] the rules are just an approach to familiarize them with how it works.” R8 also revealed his experience by a comparison between big and small and medium-sized companies, he said, “stringent rules in big companies make them slower, however, for us we have lower limitations.” R2 shared the same perception, he said, “a lot of constraints of do and do not is not a great thing [...] it is better to have an environment that can build these constraints within each individual self where they are not controlled by the company.”

Many of our respondents shared that they could not implement all the ideas suggested by users. R5 said that once they get insights from users, they asses if the actual changes are significant but minor in terms of implementation. He said, “like the platform supporting
Swedish language for instance, where we can implement it and it doesn’t delay launch we will do it. If it’s something drastic, unattainable and need multi development we drop it and clarify to users why we didn’t proceed with their idea.”

The question, how does your company encourage user participation? Provided a wide array of answers. R8 said, “we give our participants recognition letters and most of all recognize their efforts to let them know we count on them”

R7 responded by saying, “This is always classic!!” he further added an example of how they encouraged a group of participants, he said, “we invited 30 local top users who we depend and label as part of our company and booked a room at the local sport club, the people came listened to our presentation shared their ideas. By the end of the meeting we provided lunch and did a draw and the winners got a gift bag of goodies and t-shirt.” R6 conversely, expressed that their users are happy and encouraged just because they give them the privilege of being the first to contribute or test the service. He said:

“Those who have been with us for a long time feel privileged that they are going to contribute in whether new ideas or testing the platform new features before they are commercial in the market [...] they see value in the priority to be involved as our external employees”

R3 acknowledged that some of their participants were very concerned of their appearance, they would go among their sub communities and say that their ideas were accepted or that were offered the updated version of a service to test first before everyone in the market. As a result, he said, we had people coming to us saying, “How can we become your VIP users?”

R1 however, expressed that motivation occur without companies’ effort, he said, “The biggest incentives come from elsewhere [...] from seeking just the impact of improvement in one’s life.” R4 also mentioned that their users were participating in things that had apparent benefit to them, he said, “users participate in what they find benefit in, something they experiences a need for and wished if they could have a solution for”

5.2. Interactions

About the levels of interactions, R9 said, “we try to be neutral as much as possible and easy to reach.” In addition, R5 said, “We sometimes interact with them via phone calls or Skype calls if we cannot get them to come to our office as a substitute!” He added, that face-to-face interactions in comparison to phone calls yield better results and value. Additionally, R6 said, “always face-to-face interactions because they are very informative.” R4 also reflected that their company select users and invite them to join focus group meets. R2 said that their company is always willing to endure the extra cost from bringing different people together in one room if they are geographically dispersed, he said, “If we are going to do it over the phone then we will jeopardize some of the quality especially in terms of knowledge and value. The cost is worth it; we will be able to facilitate a better chunk even if we reach some but not all our target market.” In line with
this R3 said that they interact with users through face-to-face meetings. Nonetheless, he said, “If we need to meet with user face-to-face on a daily basis it will be expensive so we plan it quarterly.” R1 explained that they mix between two groups, one he referred to by group A and the other one group B. He said, “we get opinion from the two different groups, one group that were using the old service and another group that never used the service before and put them in one focus group to get recommendations.”

R7 highlighted the ambiguity aspect to certain needs and knowledge, he said, “Some people suffer from ambiguity, we prefer more interactive meetings to guide those along because if we leave it to them they will not react in time and we will not come out with a productive outcome.”

When we posed the question how often do you interact with users? R1 said, “Personally, I try to meet up with users every chance I get.” R2 in describing the duration in the testing phase said, “when we are going to launch, we go through a cycle in which we call “L123” that means that we collect feedback after a set period of time one month, two months and three months.” In line with R2 other respondents like R8, R7 and R4 said that they plan their face-to-face meetings either twice a month or quarterly but they are not done in series as described by R2.

When asked about what type of interactions enhances participation, one interviews mentioned the interactions on social media, he said, “It is interesting to see how our users interact with one another, it help us realize things we could not have thought of about our offerings” (R7). Moreover, R6 said, “we segment our participants into three segments, namely the youth, mass segment and high value user segment to maximize the value of contribution that might increase the value of the company in terms of revenue, readiness and understanding needs.”

R3 argues for user-to-user interaction, he said, “our users are encouraged to discuss their needs together in the early stages of development, when they are together, they develop similar needs which saves us the extra cost of going through iteration” he further reason, “if we interfere we might influence their [users] choice of ideas” Furthermore, another respondent said, “We listen to different groups opinion when they are interacting with each other in a focus group” (R2). One other respondent expressed that when they mixed users and allowed them to interact with one another they were, as he word it “super excited!” (R8) he articulated that when users were invited in one on one meeting they were nervous and didn’t give us many insights. R4 reflected on the power of grouping different crowds, to describe its effect he said, “this approach is crème de la crème.” He further added, “we seek insights from male and females’ adults, youth those people see countless value in our offering that we cannot see”

R1 said that during a meeting, one user suggested that they would like to see some analytical tools on the platform that will allow him to filter data to reach to some analytic insights that would take him hours of investigation and inquiry in real life setting. Referring to that participants R1 said, “he [the user] knew his need but didn’t know if it was technically possible, however, there was a developer in the room that suggested some ideas to make it viable.” R7 expressed how communication on online communities were thought-
provoking, he said, “conversation online take another turn, people from different background and experiences converse, and all of a sudden ideas and insights developed [...] we addressed needs and a nascent understanding has consequently emerged.”

Concerning the question: How many participants does your company involve in the process at a time? We heard a wide array of answers; one respondent said, “When users are trying our platform we involve a lot of them. We know if we do not involve them [users] from the beginning we are going to struggle and fail” (R8). In accordance to this, R5 also said, “In later stages we are interested to know the market prospects of our services, are users willing to adopt such service, it is feasible, easy to use [...] the feedback is essential for the success or failure of the service so we test it with many” In addition one, respondent was discussing an example of a contribution when they brought users together to suggest what features they will like to see in their platform, he said, “[...] six people were interacting together and suggested that they need one specific feature added on the platform, this idea was put to test by choosing twelve people that have competence in the targeted domain.” (R1). R2 said, “needs are not static therefore we often find things that needs to be improved which leads us going back to previous stages and testing more than once and more than one person” An opposing statement was given by (R6) he said:

“We think of it in terms of a funnel or inverted pyramid, in the early stages we want to do a market research and talk to people about their likes and dislike then narrow down what we are going to do, when we develop we want to have more discerning people and once we are out there at stage three we would want to listen to adopters that have taken it and actually now looking to enhance it and improve it so it’s a much narrower population and deeper understanding of comments”

In addition, R4 expressed that their company go with a small and niche segment of users at first, they engage in questions with them to see if they understand they can contribute, and what do they need the service to do for them. He added, “If we felt they [users] are not responsive we open up and add more users.” R7 said, “there is a risk that you actually have too many variances or little variance depending on those involved”

5.3. Platform

When we asked the question about the role the internet play R1 said, “very very very important!! Especially in today’s world, where we are part of the Internet!” He then reflected on some of the activities his company practice to utilize online platforms, he said, “we make links to our pages to Facebook and Twitter for instance available on our main website” He added, that they look thoroughly through all the accounts hunting unique insights early and act on those they see attractive. In addition to this, another respondent, shared some insights with regard to covert address they initiate to stimulate discussions for new ideas, he said, “One or two of our staff act as ambassadors, where they push an idea but it is coming as an individual where people do not know they are employees because we use dummy names. Once we create interest, user gets engaged” (R4).

R8 acknowledged that virtual communities and social media is becoming a promising resource, however, he reflected on some privacy issues, he said, “[...] at time social media
is threatening as competitors have easy access, therefore, our discussion forums and chat forms are in-built into our own platforms that our users can access through a username and password to ensure secrecy.”

R5 reflected on the wide collection of tools that are available on the Internet for a low cost. He said, “On our own social media pages we monitor the number of likes and dislikes. People now are using this in all industries big or small as the number of hits you get and the number of likes you get as a measure of the appreciation of certain offering and so on” Moreover, R7 reflected on the use of chat rooms on social media account, he said, “Some of the chat rooms is being used a lot as a way to listen to various comments”. He added, that those online platforms providing tools allow us to report potential abuse, which we use easily when needed. R3 on the other hand reflected on the use of discussion forums on social media accounts, he said, “they are not complex to utilize if managed regularly and they are low to no cost.”

With regard to the tools use, R2 expressed that online tools create a lot of opportunities, but for them it wasn’t always gainful, he said, “We faced difficulty in responding on time to users request on updating certain features, people started to dwell on fixing the features and leaving us bad comments on our social media account discussion forums” R2’s experience was motivated by a statement made by (R4). R4 highlight it that they monitor user’s feedback on social media, “five of our people are responsible for replying to user’s feedback”

5.4. Personnel

When we asked the characteristics of the person that oversees the process of user involvement in the company, R4 said, “The person who oversees the process have to be well informed about the environment statistics as well as the technology and the service. He has to have a good behavior of understanding the culture because needs are culture sensitive.” In addition, R5 said, “It is important to have someone who sell out the culture of user experience, here the leadership and influential skills are essential.” Another respondent further added “unlike big firms with complex organizational structure, ideas do not face resistance if the person in charge welcomes it and take on full responsibility” (R8). The characteristic suggested by R7 was with regards to the ability to articulate what is feasible and not feasible, he said, “Analytical skills are important to assess the feasibility of ideas and take full responsibility of the profit or loss associated with it” One other respondent reflected that the person in charge of the process, should be the one that doesn’t have a higher reporting. He says, “If ideas go through him and are accepted, then the ideas will not be deviated from its main purpose” (R3). R1 also highlighted the importance of having someone to manage and make sure the practices are in place, “setting up the test scenario, grouping the participants, facilitating the environment and making sure the prototype is available for all the users, and overseeing the process in all.

When asked about what role does the staff play across the stages of service development. R6 mentioned that they should have high communication skills and technical skills to get out all the insights, manage it, and improve it. He said, “they [front-line staff] should be
ready to crunch the number of ideas, calculate their impact, and quantify insights by communicating with users about what their ideas will generate and how they can improve on the outcome in post-launch activities.” R3 on the other hand clarified that the staff that are close to users during the process are responsible of carrying or leading change within a company because it’s usually difficult for people to accept change and different views. R2 said that in their company their staff is encouraged to look at all the ideas with an open mind, he said, “all ideas enable us to create change”
6. Qualitative Analysis

In this chapter the we are going to analyze their empirical findings using thematic network analysis to fulfill the purpose and answer the research question. The analysis will be done based on theories developed in our theoretical framework. Lastly, by the end of this chapter the we will assess whether the results match their conceptual framework.

6.1. Thematic Network Analysis

Our aim from analyzing the empirical finding is to determine how do small and medium-sized web-based platform service companies utilize the process of user involvement across the three stages of new service development: ideation, development and testing. In order to fathom the ways to utilize the process of user-involvement, this study was focused mainly on the decision with regards to: user involvement ecosystem, user involvement interactions, user involvement platform, and user involvement personnel.

The empirical findings embodied a rich collection of data that helped us uncover resemblances and differences in respondents’ answers that allowed us to have a starting point in the interpretations of word clusters, and grouping them into four global themes: Ecosystem, interactions, platform and personnel. You can find the full report of the thematic analysis in Appendix 3.

6.1.1. Ecosystem (i.e. structure)

The first organizing theme is around structural flexibility and integrity:

To determine the important aspects of an ecosystem as mentioned earlier in the empirical finding we asked four questions.

The first question was in relation to competences; three of our respondents R6, R2, and R7 agreed that they are not necessarily looking for people with high technology know-how but rather they even target those with low technological know-how. R6 said that technological know-how is not their base of selection when it comes to users’ competences. In addition, R2 said that the best ideas and exclusive ideas come from the average users more than experts, saying, “We all have an elusive creative sides” This is in accordance with Kristensson et al. (2007, p. 485-486) findings, which shows that an ordinary user without technology knowledge can also be creative, he argues that expertise limits creativity and lead to over-familiarity. R7 agreed that everyone could contribute but expressed that competences are not the same along all the stages of new service development and clarified that in testing users get frustrated really quick if the platform is not responsive and system bugs interrupt their testing activity they need to be more tolerant to uncertainty. However, he said, “they [competences] could be generic or specific depending on the stage.” This is in relation to Lettl (2007, p. 64) argument that, in the testing phase, testers should have tolerance for innovation, and readiness to assume risk. R4 also reflected on individuals that are tech savvy with tolerance to uncertainty and ambiguity. The aforementioned
competences were also mentioned by (Lettl, 2007, p. 63). R4 however, suggest involving those users in the early stages of service development like *ideation and development*.

R8 conveyed his company’s interests in those who are motivated and willing to challenge the status quo; they are the ones that come up with daring concepts that creates new opportunities. He said, “They [user’s] challenge us to launch something daring in the market [...] something that is technology related or require higher interactivity but it create new streams.” Likewise, R5 also discussed interest in well-informed users that help other discover their need; he referred to them as “heroes.” R4 said they look for tech savvy and those who are tolerant to uncertainty. All three respondents’ description of the users is in line with Lettl (2007, p. 56) and (Olson and Bakke, 2001) description of “*lead-users*” characteristics. Lead-users are highly motivated individuals that recognize a need that becomes the need of the majority in the market (Lettl, 2007, p. 56) they introduce concepts for the “next generation” (Olson and Bakke, 2001).

However, R3 further reflected his companies worry about customization, he explained that in order not to respond to the very exact needs of those participating they seek others outlook and view about their services. In line with that R4 explained that they usually turn to other users in the market to look back and modify their offerings based on others opinions aside from those whom they involve in the early stages of ideation and development who are tech savvy and tolerant to ambiguity. From this we can drive that when small and medium-sized companies are involving only lead-users they need to be aware that they are at risk of customization. Therefore, it is important to involve the average users at the testing stage to modify on the ideas from lead users.

In addition, different respondents had different thoughts about formal/informal relationships R3 and R7 both reflected that *close relationships* with users are very important and essential. R7 expressed that they might be too formal and they aim to change their ways and get closer to users. However, he expressed that he sees a need in changing that, as being far from their users isn’t working so well for them. He said, “*We need to get close to our users because we need more ideas.*” Both the respondent reasoning of the importance of getting closer to their users for more ideas is in line with Alam (2006, p. 471) that closeness in relationship helps in the proliferation of the utility and usefulness of the process. Although R3 agreed to the advantage of having a close relationship, nonetheless, is describing the informal close relationship he reflected on it in terms of past relationship within their network. He said that they rarely go hunting for users outside of their network for instance in testing and that they are more comfortable working with people within their network more than going for new people who they do not know. R3 reasoned that this confirms secrecy and concealment, he said, “*we select users within our network [...] They are better to keep a secret.*” This is in resemblance to Biemans (1991, p. 163) findings where he said people who are close and within the network of the manager and company are better participants because of privacy issue that can happen down the line.

However, R8 didn’t share the same thought with R3 opinion about close relationship and informal relationship, he believes that their company’s effort to build close relationship was rather damaging than good because of sensitivity issue. Users due to closeness in relationship and fear of being too critical to the company were reluctant to pinpoint the
drawbacks they saw in the service provided when they had possibilities of resourceful new insights that could improve the offering. The former is in line with Gruner & Homburg (2000, p. 11) literature, where they highlighted that close relationship put boundaries to companies as to new and rich insights, although collaborating with far users may bring a knack of creative ideas but also brings a lot of issues with it.

Moreover, R4 expressed his company’s effort to create a good image of the company aiming to create a good user perception. He stated, “If they trust us they will love us and become active, however, if they felt we are arrogant and untrustworthy users will be skeptical about participation and worried about what we are really after.” Supporting R4 line of argument R5 and R2 reflected also on the importance of trust and friendliness, saying that customer senses those two from the company’s “look and feel”. The former thoughts shared by R4 and R5 are in line Biemans (1991, p. 163) that forming trusting relationships is important for fostering active and interactive relationships.

The second organizing theme is around cognitive distance and shared worldview:

As mentioned in the empirical findings we also asked about the practices the company follows to ensure everyone is sharing the same objective with the company, two of our respondents R3, R6, R2 and R7 reflected educating users. R3 said that they carry meeting to explain to their users how they can help. R2 on the other hand, highlighted awareness, he said, “We help them understand what our platform is all about.” His reasoning was that this practice helped the user become informed, and therefore, aware of the company’s objective. This is in accordance to Lusch & Nambisan (2015, p. 165), where they argue that the higher the information level is between the company and users the better the communal situation awareness gets. In addition, R5 shared similar situation with R6 about receiving some bad ideas. For instance, R6 said that the reason some ideas were not practical was due to lack of explanation and awareness of the users. His company received a lot of ideas that they could not implement because some was unrealistic in terms of the resources the company have and what they were capable of doing. The reason was because users lacked knowledge and awareness. This reflects von Hippel (2001, pp. 250-251) findings that well-informed users about the limitation and risks improve the viability of the ideas. R7 had a similar thought about ensuring sharing similar objective, however, he stressed on the importance of education, He said, “[...] Something’s users just do not know, there is an education issue.” This is in agreement to Pagano & Bruegge (2013, p. 961) finding that educating users is important as it could be seen as a way to tell them how they can contribute effectively. This is important as it explains to the users the system so as not to go beyond what is achievable.

R4 nonetheless, elaborated more on this question, he thought that old and new perceptions need to be compared. He explained that such mental frame harvests new thoughts, which is the company’s utmost objective. He said, “Sometimes we have to make changes in the perception of the participants about what they were buying before and what they could be buying now.” This supports the views and literature of (Kristensson et al., 2004, pp. 6-7) and (Guilford et al., 1967, p. 4). The former discussed that users need to obtain new information in order to come up with new alternative, while the later, also discuss the facilitation of new solution comes from combining new and prior knowledge, and is
referred to by “divergent thinking”. Additionally, R2 reflected on something he views as important to ensure shared objective. He said, "We often develop a basic functioning prototypes, honestly it is difficult to do every time we want insights but it is doable and important.” He claims that although it’s expensive to adjust the prototype and provide it back to users to test, it is very important to have the service in sort of a tangible way so users can use and experience it. This will challenge and inform users. This is in accordance with (Menor et al., 2002, p. 145) argument about tangibilizing the offerings to unify goals and common views between participants.

Furthermore, when we were discussing practices that ensure shared objective, the word rules were mentioned by R1, R2, R5, R6 and R8, however, all of them were not in favor of having them to a great extent, but rather to set a ground and guidance to participants. For instance, R5 discussed the contrasting effect of structures and rules reflecting on his company’s effort of not being too descriptive with their rules from the beginning, he said, “There must be some structure with sufficient guideline and background to the people so they think in a particular way without biasing them” he believes that will improve the feasibility of ideas they could not implement because users were unaware of priorities or what is possible and not possible to implement when there is a deadline for launch. Nonetheless, if they were too descriptive with their rules users will feel captive. This is in line with the view of De Jong et al. (2003, p. 40) about the impact of rules where formalization could be seen as a good thing as it contributes to the direct execution of the process by giving regulation that sole purpose is to empower the feasibility and viability, however, he argues that stringent rules will have a reverse impact on the service development especially on the first stages as it's devastating to creativity. R1 shared a like-minded thought to R5 he said that their company in the testing phase, specify a scenario for testing for the sake of familiarizing users with how their service works. This reflects Lusch and Nambisan (2015, p. 167) findings, that if rules of involvement are clear and stated the degree of integration and involvement will be better. Furthermore, R8 and R2 shared a similar perception that saying that rules make them slower. R2 expressed, “a lot of constraints of do and do not is not a great thing.” These views are in agreement with Nambisan (2002, p. 400), structure limits the fullness and frequency of contribution.

The third organizing theme is around architecture of participation:

It was noticed that in other answers, for example, the question with regard to ensuring shared objective, one of our respondents referred to the importance of transparency. The respondent R5 expressed that depending on how significant or minor the suggested ideas are in terms of implementation; their company always took action to implement or drop an idea. He said, “If it’s something drastic, unattainable and need multi development we drop it and clarify to users why we didn’t proceed with their idea.” Similarly, R6 mentioned that users are empowered when they are always informed about their roles. Furthermore, the importance of transparency was discussed by R3. He reflected on the importance of information sharing to receive ideas that are realistic, he said, “[…] and that’s when we honestly say that we are not able to do it!” All three respondents R5, R6 and R3 thoughts are in accordance to (Nambisan & Nambisan, 2008, p. 60) findings about the importance of transparency in process, roles, and outcomes. Additionally, several times the word motivation came up when respondents were asked about their practices to encourage
participation. R8 for instance, said that they give their participants recognition letters to let them know they depend on them. R6 also expressed that their participants feel privileged to contribute, he said, “they [users] see value in the priority to be involved as our external employees.” Similarly, R7 said their users are part of their company. This is in accordance to Nambisan & Baron (2010, p. 556) findings that suggest that users assume an active role due to sense of belonging and being seen as partial employees. R1 and R4 shared similar answers, R1 expressed that their company doesn’t put much effort; users participate for the sake of improving their own life by finding solutions to their needs. R4 said, “users participate in what they find benefit in” Their views are in agreement with (Zaichkowsky, 1985, p. 342) and (Celsi & Olson, 1985, p. 21), users participation is dependent on innate wants, and degree of significance they see in the concept developed. R3 further reflected on self-image and appearance that users share among their sub communities, for being the first to test or the first to be called to suggest ideas. Self-image is the perception one’s create by sharing experience and is associated with reputational gains (Nambisan & Baron, 2010, p. 557). Lastly, R7 added that they give gifts and goods to their participants that they recognize as top users and label as part of their company. This reflected that R7 follow both extrinsic and intrinsic motivation method. His view is in accordance to the multi-pronged incentive approach suggested by (Hoyer et al., 2010, p. 288) which are collections of factors that increase the benefit to the user. Below is the graph for our thematic analysis for the three above-mentioned organizing themes:

![Thematic Network for the “Ecosystem”](image-url)

*Figure 4. Thematic Network for the “Ecosystem”*
6.1.2. Interactions

The first organizing theme is around the level of personal interactions:

When asked about the ways of interactions, our empirical findings showed some resemblance. R9 explained that they focus on being neutral and easy to reach by their users. He said that they involve no mediators between them and their user. He reflected that his company doesn’t like their users to find difficulty in reaching them directly as this might frustrate them and weaken the inflow of information. This is in line with (Kujala, 2003, p. 11) that suggest direct link with no mediators. Several others like R6, R4, R3, and R2 said that they saw better results coming from meeting users face-to-face. R2 expressed that they are willing to endure the occasional extra cost that comes with bringing people together in a room because otherwise they will jeopardize the quality of input in terms of knowledge shared. He said, “The cost is worth it, we will be able to facilitate a better chunk even if we reach some but not all our target market.” This is in accordance with (Lettl, 2007, p. 56) and (Lettl et al., 2008, p. 220) views, that face-to-face interactions and dialogue-oriented interactions are the best to ensure the transfer of tacit knowledge. However, R5 said that they interact with their users also over a phone, nevertheless, he agrees that this method do not provide insightful feedback. In addition, R1 explained that those face-to-face meetings happen in the form of focus groups. He said, “we get opinion from the two different groups, one group that were using the old service and another group that never used the service before and put them in one focus group to get recommendations.” Likewise, R7 highlighted the importance of focus groups. He suggests that the ambiguity issue is resolved in interactive meeting where one group helps the author in realizing their ambiguous needs. This is in line to (Kristensson et al., 2007, p. 478) and (Magnusson et al., 2003, p. 120) that if people are brought together in one focus group they will uncover their latent needs as they engage with other users and become available to give recommendation according to the setting at hand. The focus group was also discussed by (Alam, 2006, p. 473), as a way to recognize users varying needs.

The second organizing theme is around time frame of interactions:

When asked about how often does the company interact, R1, R4, R8 and R7 said that they meet with users’ every time they have a chance but usually their meetings are selective either twice a month or quarterly. This reflects selective interactions as described by (Lettl, 2007, p. 57), as the type of meetings held to transfer costly sticky information. They are seen as effective and efficient because users get to develop further on their solutions after every meeting then come and transfer them to the company so they can reflect and report on the advancements and activities.

On the other hand, R2 described their meetings duration in the testing phase as permanent. He explained that they happen in different phases and longer period of time. He said, “when we are going to launch, we go through a cycle in which we call “L123” that means that we collect feedback after a set period of time one-month two month three months.” This is in accordance to Mascitelli (2000, p. 179) finding that tacit knowledge requires permanent, closer and deeper interactions that extends over a longer period of time.
The third organizing theme is around user-to-user interactions:

This organizing theme was developed based on the respondent’s answers about the type of interactions that enhances participation. Most of them agreed that the interactions that happen between their users without the need of their involvement are the best type of interaction. For instance, R7 expressed how interesting it is to see users interact in social media, he said, “It is interesting to see how our users interact with one another, it help us realize things we could not have thought of about our offerings.” In line with this statement, R6 said that they group their participants in three groups: youth, mass segment, and high value user segment. He reflected that the idea is to increase the value sought by the company. These statements by R6 and R7 show resemblance to the views of (Read et al. 2009, p. 2; Sarasvathy, 2008, p. 25) about how when users interact together they realize “who they are, what they know, and whom they know”, and also it is in accordance to (Sigala, 2011, p. 980) findings where he said the companies need to mix users in terms like, gender and age as they become more capable of engaging in debates and experiencing different situations.

Additionally, R1, R2, R4, R7, and R8 all agreed about the advantage that comes from mixing multi-functional groups from different experiences and backgrounds together. R4 described this process by, “crème de la crème,” and R8 said that it's unlike when those users are invited to one-on-one meetings with the company. R1 reflected that during one of the user-to-user interactions meeting they held, users had different background, and that allowed the developer in the room to pass the technical feasibility of the other participants’ idea that he saw attractive but didn’t know how or if possible. R7 said that these interactions are thought provoking and a source for nascent understanding to emerge. This is in line with (Nambisan & Baron, 2010, p. 557), (De Jang et al., 2003, p. 40), and (Diederiks & Hoonhout, 2007, p. 38) views on how interactions between multifunctional groups of people with different expertise help in effective ideas that are technologically viable. In addition, R3 expressed that in their company users are motivated to discuss their needs together mostly in the early stage of development, because this help them to develop similar needs and decide on the drawbacks of the product that will save them the extra cost of going through iteration. He said, “If we interfere we might influence their [users] choice of ideas, “meaning they do not interfere in those interactions and let the users interact between them and themselves. Allowing user-to-user interactions early in the ideation stages was discussed in (Alam, 2006, p. 473) literature.

The fourth organizing theme is around the number of participants:

When discussing the number of participants, four of our respondents agree to involve more users as the service move from ideation to launch, meaning the number of users increases (ascending). R8 said that they test their platform with a lot of users because his company is aware if they do not do that people will have a lot of complains. R5 expressed that his company is interested in knowing the market prospects of their services, he said, “The feedback is essential for the success or failure of the service so we test it with many.” R1 on the other hand said that they went from six in ideation to testing it with twelve in launch. In addition, R2 reasoned that the reason behind testing a prototype more than once and with more than one person goes back to the fact that needs and not static and always changing.
This is in line with (Lettl, 2007, p. 56) and (De Jong et al., 2003, p. 34) posited that only a very small number of users can give constructive comment as an offering gets closer to lunch, as more instructive information about the target market has to be collected. Furthermore, in relation to the mentioned above, R4 expressed that their company often start with a small number then slowly increase the number if the users were not responsive, meaning they follow a \textit{gradual increase of key users}. R7 agrees he said: "\textit{there is a risk that you actually have too many variances or little variance depending on those involved}"

This is in agreement to (Matthing et al., 2006, p. 295) findings that suggest starting with a small number of participants, and increase the number if the group didn’t contribute with enough insights. However, some respondents had an opposing point of view, R6 expressed that they think of it as a funnel or inverted pyramid, where the \textit{number of users drop from ideation to testing (descending)} in order to get an idea of the market they need to talk to as much people as possible, and when in development they want discerning people, and finally when they are out there they seek early adopters that have taken it and looking to enhance it. Reflecting to the last stages in their company he said, "\textit{it’s a much narrower population and deeper understanding of comments}.” This is in line with (Clark and Fujimoto, 1989, p. 28) and (Cooper, 1990, p.49) findings where they argue that the number has to lessen as you move away from idea generation, which highlights that the ambiguity with regards to introducing new concept is higher in the early stages compared to the later stages. Below is the graph for our thematic analysis for the three above-mentioned organizing themes:

\begin{figure}
\centering
\includegraphics[width=\textwidth]{image.png}
\caption{Thematic Network for the “Interactions”}
\end{figure}
6.1.3. Platform

The first organizing theme is around the online communities:

We noticed that a number of our respondents recognize the role of online communities in user involvement. R1 stressed on the importance of utilizing different online platforms (i.e. social media accounts like Facebook and Twitter). He said that the company always make the links of their social media pages available on their website so users can find them easily. This warrants their contribution with great insights that they pick and choose from early due to this multi-media approach. The former, is in agreement with (Puccio and Grivas, 2009, p. 249) and (Lusch and Nambisan, 2015, 167) finding, where they argue that multimedia are great for accessing large scale interactions that encourage involvement, creativity, and reduce information overload and density. In addition, the early screens process to overcome information overload highlighted by R1 shows resemblance to (Evans and Wolf, 2006, p. 99) and (Hull, 2004, p. 169) of how companies turn to online communities in ideation to increase depth in insights. In addition, R4 said that their companies stimulate communication with their users on online platforms by covert address, where their staff creates accounts using dummy names and encouraging discussion online with their users. R4 said:

“One or two of our staff act as ambassadors, where they push an idea but it is coming as an individual where people do not know they are employees because we use dummy names. Once we create interest, user get engaged”

The abovementioned is in accordance with (Hautz et al., 2010, p. 2) findings on the role virtual community plays in infusing discussions between the company and users. However, R8 also motivated the advantage online communities had for their company, but he added that they fear competitor access since they are widely available. He said that they build a discussion room (i.e. chat room) on their own platform where most of the rich discussion happens. Those rooms can only be accessed through a password and username. The participants needed to fill a registration form and verify themselves when participating.

The second organizing theme is around tools in online communities:

R5, R3 and R7 all exploit the available tools on the virtual platforms similar to discussion forums and chat rooms. For instance, R3 said, “they [online tools] are not complex to utilize if managed regularly and they are low to no cost. “ This is in agreement with (Fuller et al., 2006, p. 63) and (Prahald and Ramaswamy, 2000, p. 82) views about mobilizing online low cost tools, and consequently (Pango & Bruegge, 2013, p. 961) findings that reflects on the importance of having tools support that facilitate two-way communication and consolidate involvement. R7 on the other hand, mentioned that they oversee and act on any potential abusers and respond immediately and easily by reporting them. This view is in agreement with (Prahalad & Ramaswamy, 2000, p. 82) with regards to difficulty in monitoring diverse inputs. They highlight the importance of monitoring the process by setting rules against dismissing potential abusers (Prahalad & Ramaswamy, 2000, p. 82).
Depict the positive feedback given about online communities’ tools R2 expressed that they weren’t always good. He mentioned an incident when the company wasn’t able to respond to user's’ demand quickly, which led users to leave bad comment on their accounts comment section and discussion forums. Nonetheless, R4 said that these incidents were likely to happen, and in order to avoid it they assigned 5 of their staff to be active and respond to users quickly so they do not feel lack of interest from the company’s side. This is in line with (Prahalad and Ramaswamy, 2000, p. 82) view of monitoring those discussion rooms due to their mobility and speed of information transfer. Below is the graph for our thematic analysis for the three above-mentioned organizing themes:

![Thematic Network for the “Platform”](image)

*Figure 6. Thematic Network for the “Platform”*
6.1.4. Personnel

The first organizing theme is around the entrepreneurial leader:

Our respondents gave weight to having one person in charge and overseeing the whole process. R5 said the person in charge should have leadership and influential skills. In addition, R4 and R7 expressed that the person in charge of overseeing the whole process should be statistically well informed, shoulder responsibility and capable of feasible judgments. For instance, R4 said, “[…] he [person in charge] has to have a good behavior of understanding the culture because needs are culture sensitive.” R7 on the other hand, said, “he [person in charge] should be ready to take full responsibility of the profit or loss associated with it [new ideas].”

All the above mentioned is in line with the entrepreneurial leader as discussed by (Gupta, et al. 2004, p. 247). His findings suggest that an entrepreneurial leader in user-involvement is important, as he is the one that matches aspirations with sensible evaluation of what is realistic to achieve. An entrepreneurial leader is the one setting important goals that people can realize. Above all, this person should be ready to shoulder full responsibility in case of failures (Gupta, et al. 2004, p. 247).

The second organizing theme is around the front-line staff:

R3 and R6 both reflected on the important role that staff plays. R1 said that the staffs that are working closely with users are the ones responsible of encouraging and leading change between different users who possess opposing views. He highlighted that the staff play a big role in facilitating communication. This is in line with the views of (Schilling and Werr, 2009, p. 34) that highlight the staff as an ideal source that encourages and facilitate communication between users. R2 highlighted that the company have an open mind to all suggestions, he said, “All ideas enable us to create change” This is in line with, cultivating and encouraging a culture of “idea hunting” as discussed by (Alam, 2006, p. 474).

Furthermore, R3 reflected on the fact that those staff should possess a group of skills to manage the process, like technical skills and communication skills that will help them to manage and improve on ideas. He said:

“They [staff] should be ready to crunch the number of ideas, calculate their impact, and quantify insights by communicating with users about what their ideas will generate and how they can improve on the outcome in post-launch activities”

This is in agreement with (Sigala, 2011, p. 982) findings with regards to how staff that work closely with users play an important role in stimulating, moderating and challenging users. They are capable of assessing the potentials of ideas in the earlier stages of development due to their expertise and technological know-how. In addition, by communicating with users at the testing stages they can trigger discussion that motivates
users (Sigala, 2011, p. 982). Below is the graph for our thematic analysis for the three above-mentioned organizing themes:

*Figure 7. Thematic Network for the “Personnel”*
7. Conclusion & Discussion

In this section we answer our research question, which has directed our research and addressed the purpose of this research. We will offer recommendation for managers in particular those who aspire to engage in user-involvement across the new service development. We will also discuss our theoretical contribution; limitations encountered in this study and recommend future research.

Our purpose in this study was to determine how do small and medium-sized web-based platform service companies utilize the process of user involvement across the three stages of new service development (i.e. ideation, development and testing). A qualitative study was conducted using semi-structure interview as a data collecting method. In addition, we described the current practices of user involvement in eight small and medium-sized web-based service companies offering web-based platform for their users. The produced findings helped the author answer their research question, which was:

*How do small and medium-sized web-based platform service companies utilize user-involvement across the ideation, development and testing stages of NSD?*

We derived our answer from the analysis of our empirical findings and theoretical framework. Although all the answers were valuable we focused on the four aspects: *Ecosystem, interactions, platform, and personnel* for investigation as clarified in this paper. We assessed the importance of the activities under those four aspects across the stages of new service development based on their recurrence in our empirical findings.

7.1. User Involvement Ecosystem across the NSD

7.1.1. Structural flexibility

*In terms of competences,* it was concluded that competences differ across the stages of new service development they could be generic or specific depending on stage. Users who are tech savvy and tolerant to ambiguity are well positioned for involvement in the early stages of *ideation and development* of new service development. On the contrary, those users involved in the *testing phase* should have open-mindedness and tolerance for innovation and willingness to assume risks of failures. In addition, it was concluded that expertise and technological know-how although important and essential competences in web-based platform service companies, their absences shouldn’t prevent users from getting involved in service development. Our respondents agreed that technology know-how is not a base for selection; rather, anyone could contribute to the process even the average users. It seems that too much familiarity from expertise limits creativity. Also, the majority of respondents conveyed huge interest in one type of users to involve in the *ideation and development stages.* These types of users are known as lead-users, motivated individuals that are capable of identifying the market new needs and demands (Lettl, 2007, p. 56). The interest is due to their expertise, technological know-how, and tolerance to ambiguity, motivation, and ability of challenging the status quo by introducing concepts that take over the market. However, it was also discovered that involving only lead users could result in over
customization, so as a way forward the respondent favor including both the average and lead user across the new service development stages, where the average user outlook must be sought to look back and modify on the offerings at the testing stages. The aforementioned will help the company get the best of both the expertise of early adopters and an idea of what to be changed to fit the average user taste.

Moreover, in terms of relationships it was concluded the trust is a vital wheel to steer the process of user involvement as it ensures active and interactive relationship users will not be skeptical to participate, as the trust will shape what the company is really after from this involvement, which is to respond to their need. The close relationship as a result increases the benefits and utilization of the process. Nonetheless, the result shows that closeness of relationship, as in collaborating and involving users shouldn’t be in terms of involving those within the company’s manager and staff network although this practice confirms confidentiality and secrecy, it confines creativity and puts boundaries to rich ideas. It was concluded that to overcome the issues of collaborating with users from outside the network of the manager and staff it is decided to conclusively build a close relationship all across the stages with users involved and in this way the company can get access to rich ideas and also with close relationship build and develop confidentiality.

7.1.2. Cognitive distance and shared worldview

The results of this study conclusively affirm the importance of education and awareness to ensure shared objective with the company. The situational awareness increases with the level of information shared between the users and company. It was concluded that education and situational awareness help the users understand the limitation of resources and risk at the ideation and development stages. The users will be aware of the system and not go beyond what is achievable. Only then they will contribute with feasible ideas that a company can harvest. Additionally, divergent thinking was highly encouraging by our respondents, meaning the comparison of new perception with old perceptions to create a mental frame that entice new thoughts that the company are after. It was discovered also that small and medium-sized companies shouldn’t disregard the creation of basic functioning prototypes of their offering at the testing stage as it was evident that tangibilizing the service offer help the users comprehend what the company could offer them and help a great deal on challenging the user mind, while also unifying goals and common view.

Not only is education, divergent thinking and tangibilizing the service offer revealed. But also, the analysis of the empirical finding revealed the role of rules in helping in utilizing the process in small and medium-sized service companies. Although this practice is famous in big companies, it is also counseled in small and medium-sized companies. Nevertheless, it was determined that too much of rules and structure limits the fullness and frequency of contribution. The structure and roles sole purpose should be to formalize and contribute to the direct execution of the process, where regulation are put to empower the feasibility but not too formalized especially in the ideation and development stages of service development as it destroys creativity. Structure and regulation are better suited for creating testing scenarios that help users navigate the offering better in the testing stage.
7.1.3. Architecture of participation

This study revealed that transparency that represent honesty is very important across all the stages of service development in small and medium-sized web-based platform service companies in terms of roles users have, processes and the nature of the activities, and outcome with regards to ideas adopted or disregarded. Furthermore, the results revealed that all the companies investigated motivate their participants to stay active. However, the ways of motivation differed from one respondent to the other. Motivation in the context of small and medium-sized firms takes two forms, extrinsic and intrinsic. Extrinsic is done by small acts like recognition letters, or small appreciation gifts (i.e. gift bags) but not in the form of money prizes. Internist motivation originates from inside of the individual due to the company recognizing them as external employees, or it could be merely attributed to innate wants, significance credited to the concept being developed, sense of belonging, self-image and reputational gain. It was concluded that small and medium-sized companies adapt a multi-pronged approach that signifies a collection of the aforementioned motives to encourage participation. Both extrinsic and internist motivations are important across all the stages of service development.

7.2. User Involvement Ecosystem across the NSD

7.2.1. Level of personal interactions

It was concluded that face-to-face meetings are much better than phone call and could be affordable to small and medium-sized companies depending on the user's’ location and they are important across all the stages of service development. The majority of our respondents agreed that that face-to-face interaction is well positioned to transfer users’ tacit knowledge and enable the company’s facilitation of bigger amount of information. In addition, having mediators, as third party controlling interactions between the company and user is bad because it could limit the inflow of information that small and medium-sized web-based platform service companies are in need of and prevent tacit and sticky knowledge transfer. Moreover, this study confirms that mixing focus groups is best suited to recognize user’s anecdotal needs and resolve users’ needs ambiguity at the ideation and development stages.

7.2.2. Time frame of interaction

It was found that small and medium-sized web-based platform service companies hold two types of interaction meetings: selective interactions meetings and permanent interactions meeting. The former, is cost effective as meeting with users are short term and planned, the latter is more expensive as they extend over a longer period of time and take the form of series meetings. Although one respondent mentioned that they practice permanent interaction, however, it was suggested in the testing phase, as this phase requires a lot of iteration to complete after tangibilizing the service offering.

However, this study affirms that selective interactions meeting are best suited for small and medium-sized companies as it is cost effective and recommended by the majority of our respondents. This type of meeting is held to transfer sticky knowledge, however, instead of
holding meeting permanently in order to transfer these knowledge, users are given the chance to think through and develop further on their meetings and then meet with the company based on the day selected to reflect and report on the advancements.

7.2.3. User-to-user Interaction

Based on the finding and analysis, we determined that user-to-user interactions are paramount in the context of small and medium-sized web-based platform service companies. In order to get the best of these interaction companies need to mix heterogeneous groups together in terms of age, gender and expertise. This type of interaction whether happening online or offline, is thought provoking and foundation for nascent understanding. Additionally, it was concluded that user-to-user interactions is best suited at the ideation and development stages because the more people involve the more ideas discussed and the less iteration the service will need. However, it’s very important that the companies do not get involve in those early interactions as the interference could influence the user's’ choices.

7.2.4. Number of participants

Our findings conclusively confirm that small and medium-sized companies are best-suited to start with small number of users in ideation and increase the number as they move from ideation to testing. This is regarded as better since people needs are not static, always changing, and due to the company’s interest in knowing more about the market prospects of the services they are about to launch. However, one respondent had a different opinion and suggested a reverse pyramid approach where the number has to lessen, as you get closer to launch since the ambiguity of introducing new concepts is higher in early stages and thus, a bigger group opinion is needed. However, our empirical finding also highlighted the possibility of companies to follow a gradual increase. Theoretically, if the participants are not providing valuable insights then the company can involve more people in the process. Therefore, we believe that an ascending number of users as the company moves away from ideation to launch is best suited for small and medium-sized web-based platform service companies, and only under situation where the company find users unproductive they can increase the number of users.

7.3. User-Involvement Platform Across The NSD

7.3.1. Online communities

Our findings concluded that online communities are important source of insights that small and medium-sized companies utilize to gather insights especially in the ideation and development stages. Following a multi-media approach is great for accessing large-scale of interactions, creativity, and at the same time reduces information overload and density. Small and medium-sized companies can stimulate discussions and push new ideas by using covert address. The virtual communities are promising resources through which the company can ensure two-way communication between the users and the company.
However, due to some privacy issues it was concluded that companies can ensure innoquette, meaning privacy rules by utilizing their own online platform to carry those discussions on the company’s website where the users participating have to register giving the company an advantage of privacy and confidentiality in terms of competitors’ access.

7.3.2. Tools in online communities

It was concluded that the online tools like chat rooms and discussion forums that are available on the virtual communities represent a great source for companies to monitor and listen to various comments mostly in the ideation and development stage. Most of those tools are available at a low to no cost with the possibility to monitor (i.e. reporting potential abuse). Thus, it is important for small and medium-sized companies to mobilize those available tools for better involvements. Based on the findings, it is suggested that it is important for small and medium-sized firms to put much effort into monitoring those chat rooms as this opportunity can quickly turn to a threat. Those discussion and chat rooms are known for their mobility and speed of information transfer, if users are not giving much attention or response to their complaints their dissatisfactory comment will spread quickly.

7.4. User-Involvement Personnel Across The NSD

7.4.1. Entrepreneurial leader

Based on the analysis of the empirical finding, the study confirms that small and medium-sized companies are in need of a leader with an entrepreneurial mindset. This person is responsible of overseeing the full process of user-involvement across all the stages of service development. The leader has to have a collection of skills like, influential skills and statistical skills beside the knowledge in technology and service. This person should be able to match the aspiration and evaluate the ideas that are practical and realistic to achieve. His role is also important in setting goals and objectives that are possible to realize and in case of failure, this person should be ready to take full responsibility and shoulder the consequences.

7.4.2. Company’s staff

It was concluded, that the company staff play an important role in small and medium-sized companies, those who work closely with users during the process of involvement should be changed agents with communication and technical skills to be able to hunt all the new ideas, manage, and improve them. It is important that the staff share a culture for idea hunting where they view all the users’ contribution as important. Company’s staff should stimulate and challenge users, and also assess the potential of ideas suggested specially in the ideation and development stages of service development. Nevertheless, in the later stages of development and testing their role is to trigger discussion and foster user's’ motivation.
7.5. Theoretical Contributions

The results of this research will assist in linking theory to the real world of small and medium-sized companies, fulfilling the call for real world application and respond to the call of (Heiskanen & Repo, 2007, p. 168) for examining the practices of user involvement in small and medium-sized companies as those companies lack awareness of the right approaches to utilize the process. In addition, respond to the of Nuojua & Tahtinen (2013, p. 34) call for investigating methods that will help companies enhance the user role in new service development, by increasing the insights into the less prevalent context in the new service development in smaller technology companies (i.e. web-based platform)

Moreover, this study has contributed to the body of knowledge of user-involvement across the new service development stages and small and medium-sized web-based platform service companies. In regards to the difficulties encountered in the new service development we particularly contributed to the element of user-involvement across the new service development in small and medium-sized service companies as we highlighted what set of aspects are best to utilize the process of user-involvement. By doing this, we increase and deepen knowledge when focusing on theories in user-involvement, which have been looking at bigger companies rather than in small and medium-sized companies.

Based on the positive impacts that user-involvement has on new service development process of studied companies, our study clearly highlights that user-involvement is not only applicable to tangible product development but also in the development of services. Theories, which argue that user-involvement is primarily related with material and physical goods, and rarely, associated with new service development (Alam 2006; Magnusson et al., 2003), did not focus on this specific area. Thus, we have extended the existing theories, which addressed big companies and tangible product development. In addition to this, we provide insight on the relation of user-involvement and new service development literature.

7.6. Managerial Implication

Apart from the theoretical contributions made, our study also provides practical contributions to the companies that were studied as well as to companies and managers in small and medium-sized service companies who are involved in user-involvement across new service development in general. Considering the importance of user-involvement in small and medium-sized service companies, managers are likely to face challenges in user-involvement across the new service development process, we suppose that the knowledge we have developed can improve companies’ ways of dealing with these elements. In this regard a properly managed user-involvement in small and medium-sized web-based platform service companies in a short-term can facilitate improvement or increase the amount of service developments in these companies in the long term.

To begin with, we believe we have contributed positively to the concept of user-involvement in from the investigated companies by clarifying how the participants make decisions when engaging in user-involvement across the new service development. Having illustrated this, we can propose clear implications for the studied companies in order for
them to create even conditions when adopting the user-involvement in new service development in small and medium-sized web-based platform service companies.

For instance, in order for companies to create a conducive user-involvement atmosphere across the new service development stages, it is highly recommended for companies to have the propensity to inculcate a user-involvement ecosystem (i.e. structure) to involve not only users with skills and technological know-how. Companies also ought to develop a good relationship with their users across all the stages of service development, in doing so they will be able to get the best out of their users. In addition, it is also essential for companies to educate and create awareness to users in the ideation and development stages in order to have an aligned objective between the user and the company.

Secondly, companies have to develop a good mediums and ways of interaction with users on a personal level such as a face-to-face meeting across all the stages of service development, because this makes it easier for companies to tap as much information as they can get from users. In addition, it is also important for companies to facilitate user-to-user interactions in the ideation and development stages. The former will help companies gain insights that they could not have developed alone, in such interactions new and creative insights are shared. Also, in line with this, in the ideation and development stages companies can utilize chat rooms, discussion forums that are available on online communities where they can monitor the perception of users. Relatedly, companies need to ensure that staff are encourage to hunt novel ideas by establishing an idea hunting culture inside their company. Furthermore, it is important that small and medium-sized companies assign a leader who is entrepreneurial; he/she should be the overseer of the user-involvement across all the stages of new service development.

7.7. Limitations and Future Research

This thesis is limited in senses that the we had been unable, in the time allotted to analyze the external environment of the participating companies, meaning user perspective with regards to the topic. However, our findings in this research are only a catalyst and promoter for future research in the field. Our research also serves as a point of departure, which stimulates further investigation for new and profound clarification. This study has led to the identification of more relevant aspects, which were not included in the scope of our thesis. The topic of user involvement in service development is cultivating both theoretical and practical importance. There are numerous areas for future research with regard to our study. For instance, studying the user involvement in new service development at the later stages of NSD.

However, further research would allow a more prosperous understanding in terms of user-involvement and new service development. We aimed to examine the process of user-involvement in small and medium-sized web-based platform service companies, basically how companies try to incorporate user across the new service development stages: ideation, development and testing. However, through our research it became evident that also external aspects can also have a great influence on user-involvement in the new service development process. Therefore, we recommend that future research should focus on the investigation of the user of small and medium-sized web-based service companies, as they

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are directly involved in the development of a new service. Based on that, a more extensive research on the user-involvement in web-based platform service companies on both, internal and external facets instantaneously would be of significance.

Furthermore, due to the limited research in this field, we suppose a longitudinal study can disclose the relationships between users and companies across new service development. This will be of value to the managers, practitioners in user-involvement and also provides academia with insights on how the user and company relationship could improve overtime. In addition, it can also be of interest to study how user-involvement can aid in accelerating growth in start-up companies.
8. TRUTH CRITERIA

Assessing the quality of a research is essential to every researcher. In this chapter we will clarify how our research met the canons of quality. We will begin by discussing and introducing the terms that determines the quality of a qualitative research. Afterwards we will assess the truth criteria in our research.

Truth criterions are different for qualitative research in comparison to quantitative study. Qualitative studies do not possess the normal validity, reliability and generalizability. Thus there are other methods that are not similar to the conventional truth criteria as highlighted by Lincoln and Guba (1985). These unconventional criteria are credibility, transferability, dependability and conformability.

8.1. Credibility

Credibility is the equivalent to internal validity in quantitative study, Easterby-Smith et al. (2002, p. 53). In order to reach the acceptance of others, it is needed to secure credibility in terms of findings. Thus, it is essential to carry out a study, which meets good practice, and secondly, it is vital to provide the respondents with the findings. Bryman & Bell (2011, p. 396) this aspect allows researchers to express if the social actors were properly understood by the researchers. In order to achieve a good level of credibility, we ensured that the interviews were scheduled on dates both of us were available to take part and hence conduct the interview together so as to minimizes the risks of misinterpretations. Saunders et al. (2009, p. 334) posits the providing of interview summary to respondents gives them the opportunity to correct misinterpretation of data. Furthermore, during the interviews, we summarized some of the answers provided by each respondent, so that we can follow-up to see if we understood their answers correctly. This aids in eliminating bias or improper interpretation of data.

8.2. Dependability

This is used in qualitative study and is equivalent to reliability in quantitative study (Bryman & Bell 2011, p. 398; Lincoln & Guba, 1985, p. 219). In maintaining dependability in a study a reviewing method is recommended (Bryman & Bell 2011, p. 398). This involves keeping all the data, fieldwork notes, transcript, analysis, selection of respondents and openly discussing all the decisions made in a proper way (Bryman & Bell 2011, p. 398). In line with this we took into consideration the ethical problems that may alter the answers of respondents’. We informed the respondents of all the essential information, avoided any form of deception and most importantly kept the privacy of the respondents.

8.3. Transferability

The transferability of qualitative study is parallel to external validity in quantitative studies (Lincoln & Guba, 1985, p. 219). The transferability of a research involves the type of framework the researcher has in the process of the information collected and if it can be
manipulated in a way (Lincoln & Guba, 1985, p. 316). The qualitative study is said to be vigorous and dense in its description. That is to say the extensiveness and buoyancy of information collected should be of high transferability and eminence (Lincoln & Guba, 1985, p. 316). We carried this out by providing comprehensive and necessary information to the reader so that he/she can understand the outcome and conclusion thoroughly. In addition, despite the fact that our respondents are anonymous, their role/position, the industry of their company and the size of the company are essential for profound understanding of the answers. This is of significance because in order to have the capacity to expand on this research or use it practically for managers, it is important to comprehend what sort of companies are included. The theoretical and methodological chapters are more comprehensive compared to the practical section. According to Saunders et al. (2009, p. 334) this is important for qualitative studies in business research because the transferability of the study is required to be high, and is only achieved with the thorough explanation of the methodology of the conduction of research. We accomplished this in this research by including a detailed explanation of the respondents, interviews, and the methods of the interview process increasing the transferability of this research.

8.4. Conformability

Conformability is the qualitative study’s validity and is parallel to objectivity in quantitative study (Lincoln & Guba, 1985, p. 300). In this thesis we tried to be as fair as possible. In addition, in this study, we did not allow ourselves to intentionally add our values or the literature review to affect the research and the conclusion of this study. Thus, we discovered novel source literature that can affirm and clarify the findings of the research, rather than attempting to make sources from the theoretical framework fit in the analysis. In addition, numerous sources utilized all through the study have distinctive authors and research findings in related topic areas, providing various perspectives on a solitary source. Furthermore, we read all the articles used in this study to comprehensively understand the whole depiction of the sources.
9. Reference list


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<td>1. Can you brief us about your company?</td>
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<td>2. What position do you hold in the company?</td>
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<td>3. Tell us about your web-based platform?</td>
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<td><strong>Theme 2: User Involvement Process across the NSD</strong></td>
<td>1. What are the main/important stages of service development in your company?</td>
<td>Ideation, development, and testing (Alam, 2006, p. 468)</td>
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<td></td>
<td>2. How do you describe the user involvement process in your company?</td>
<td><strong>Scope</strong> refers to the company’s propensity to collaborate with users along the different stages of of service development which includes ideation, development and testing, meaning companies with high scope of user-involvement involve users in all those stages. <strong>Intensity</strong> refers to company’s reliance on a single stage and relay exclusively on the user in that stage (Hoyer et al., 2010, p. 288).</td>
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<td><strong>Theme 3: User Involvement Ecosystem</strong></td>
<td>1. What are the competences that your company is most attracted to when it comes to users?</td>
<td>High level of expertise, tolerance ambiguity, and technological know-how (Lettl, 2007, p. 63)</td>
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<tr>
<td>Follow up question: How do those competences differ across the stages of the NSD</td>
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1. How formal/informal is your relationship with the users involved?

2. What practices does your company follow to ensure all users share similar objective with your company? *In other words, how do you minimize distance?*

3. How does your company encourage user participation? *In other words, what gets your users motivated*

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<tr>
<th>In the testing phase users should have tolerance for innovation that incorporates openness to novel technologies, readiness to take risks and experiment. This tolerance will qualify the users to endure the uncertainties and risk (Lettl, 2007, p. 64).</th>
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Alam (2006, p. 471) propose that the closeness of the relationship between the provider company and user can help increase the successfulness of the service. Close and trusting relationship is important for user to be active and interactive.

Close help in overcoming confidentiality issues (Biemans, 1991, p. 163)

Educating users is important it helps them understand the system and not go beyond what's possible (Pagano & Bruegge, 2013, p. 961).

Intrinsic motivation that arise from enjoyment o intellectual competence (Lettl et al., 2008, p. 225) Sense of belonging motivates users’ participation (Nambisan & Baron, 2010, p. 556)
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<th>Theme 4: User Involvement Interactions</th>
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<td>1. How does your company interact with users?</td>
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<td><strong>Follow up:</strong> How does the method of interaction differ across the NSD?</td>
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<td>2. How often do you interact with users?</td>
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<td>3. What type of interactions enhances participation?</td>
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<td>4. How many participants does your company involve in the process at a time?</td>
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<td><strong>Follow up:</strong> Does the number of the user involved change across the NSD?</td>
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Face-to-face (Lettl et al., 2008, p. 220) Directly with no mediators (Kujala, 2003, p. 11).

In the testing phase close geographical proximity is important, thus, face-to-face interaction is required (Lettl, 2007, p.64).

Long and permenant, or selective (Lettl, 2007, p. 57)

Mixing heterogeneous users facilitates conversation and makes users more capable to engage in debates that attract new service ideas (Sigala, 2011, p. 980).

Small number and key users (Sun, 2013, p.1)

The number of participant increase as it gets from ideas to launch (Lettl, 2007, p. 56).
### Theme 5: User Involvement Platform

1. What role does the internet play in a practice like user involvement?

2. What tools are best to utilize in virtual communities? *(i.e. online)*

Companies’ turn to social media to greatly increase the extent and depth of insights obtained from users with a lower cost (Evans and Wolf 2005 p. 99; Hull 2004, 169). In the ideation stage companies can turn to social media to greatly increase the extent of insights (Evans and Wolf 2005 p. 99; Hull 2004 p. 169).

Open discussion forums and idea competitions (Fuller et al., 2006, p. 63).

### Theme 6: User Involvement Personnel

1. What is the company’s staff role in user involvement?
   - **Follow up:** How do they contribute across the NSD?

2. Who oversees the process of user involvement in the company?
   - **Follow up:** What are his/her characteristics?

They are capable of assessing the possibility of new service ideas in the ideation stages or suggesting improvements that permit new idea’s execution (Sigala, 2011, p. 982).

Gupta, et al. (2004, p. 247) the entrepreneurial leader in user-involvement is the person in charge of the whole process. He sets meaningful objectives that people believe they can accomplish. He has tolerance for uncertainty, and is able shoulder the responsibility of being wrong and any possible forthcoming failure of any effort.
| Closing Question | 1. Do you have any additional important insight you would like to add, regarding the topic discussed? |  |
Appendix 2. Request Letter

Interview Request

We are two Masters students in Business Development and Internationalization at Umeå University. Presently we are in the process of writing our thesis and collecting data for that purpose. Our research title is: “Stimulating Innovation in New Service Development: User-Involvement in Small and Medium-Sized Web-Based Platform Service Companies”

Our main interest is to explore how your company is utilizing the process of user involvement across the stages of service development. For instance, we are interested to know the type of users, the motivation/stimulation schemes, and the type of interaction used to utilize the process across the new service development stages.

This request is written with the tenacity of gaining great insights that will assist us in reaching our research objective for this thesis. We aim to gather insight through a short semi-structured interview. Please don’t hesitate to ask any questions you have prior to partaking this interview, as we will be more than willing to answer your questions.

All the data gathered will be subjected to utmost confidentiality and be used for academic purpose only. We anticipate a favorable response and aspire to have the privilege of having an interview scheduled.

Thank you very much
Respectfully yours,

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Researchers

Noted by:
Karl Johan Bonnedahl
Research Instructor (Supervisor)
Appendix 3. Thematic Network

**Global Theme 1 – ECOSYSTEM**
Organizing Theme – Structural flexibility
Basic Themes
- High/Low technological know-how
- Lead-users/average-users
- Tolerance to uncertainty
- Close relationships
- Trust

Organizing Theme – Cognitive distance & shared view
Basic Themes
- Learning & awareness
- Educating users
- Tangibilizing the offerings
- Moderate structures & rules

Organizing Theme – Architecture of participation
Basic Themes
- Transparency
- Intrinsic/ Extrinsic motivations

**Global Theme 2 – INTERACTIONS**
Organizing Theme – Level of personal interactions
Basic Themes
- No mediators.
- Face-to-face.
- Focus groups.

Organizing Theme – Time frame of interactions
Basic Themes
- Selective meetings (short)
- Permanent meetings (long)

Organizing Theme – User-to-User interactions
Basic Themes
- Multi-functional expertise

Organizing Theme – Number of participants
Basic Themes
- Ascending number.
- Key-users (gradual)
- Descending number.
Global Theme 3 – PLATFORM

Organizing Theme – Online communities
Basic Themes
- Multi-media approach
- Company user communication.

Organizing Theme – Tools in online communities
Basic Themes
- Discussion & chat rooms.
- Managing potential abusers.

Global Theme 4 – PERSONEL

Organizing Theme – Entrepreneurial leaders
Basic Themes
- Statistically well-informed.
- Feasibility judgments.
- Shoulder responsibilities.

Organizing Theme – Company’s staff
Basic Themes
- Technical skills
- Idea hunters
- Communication facilitators
- Change agents