

Productization of a communication service - Case Communica Oy

International Business Communication
Master's thesis
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2012

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Objective of the Study

This study examined productization process in the context of communication services. This study focused on the productization process of a communication service in the case company. The objective of this study was to find out how communication service providers can benefit from service productization and how communication service can be turned into a service product that reflects the specific attributes and benefits of the offering. Four research questions were: 1. What is the purpose of service productization? 2. What are the main steps in a service productization process? 3. What are the perceived benefits of a service productization? 4. What are the perceived challenges in service productization?

Methodology and Data

A qualitative research approach and a single case study method were used in this thesis. The empirical data consisted of eight semi-structured interviews of case company's personnel and an outside productization consultant. The research problem was approached on the basis of a theoretical framework, which was constructed drawing from the academic literature on service development, service productization and corporate communication.

Findings and Conclusions

The findings of this study show that communication service providers could benefit substantially from productization. Moreover, the abstract nature of communication services highlights the importance of productization. Productization makes the elusive communication service more controllable, thus increasing the overall efficiency and quality of the service. However, it is important to notice that productization alone does not create competitiveness nor improve performance. It is essential that the development of a communication service starts from the recognition of the customer need and the problem that the service aims to solve. Overall productization seems to make the service and its production more controllable, and thus more efficient and rational. Efficiency in turn increases profitability and supports sustainable growth, which are the underlying goals of productization. Therefore, this study argues that it is crucial for the overall success of a communication service provider to productize their service offerings.

Keywords

Productization, productization process, service, international business communication, communication service, corporate communication, service product, service development.

Viestintäpalvelun tuotteistaminen – Case Communicea Oy

Tutkimuksen tavoitteet

Tämän tutkimuksen tavoitteena oli selvittää viestintäpalvelun tuotteistamisprosessia. Tutkielma keskittyi erityisesti case-yrityksen tuotteistamisprosessiin ja siihen miten viestintäpalvelu voi hyötyä tuotteistamisesta ja miten viestintäpalvelu voidaan muuttaa palvelutuotteeksi, joka ilmentää tuotteen arvon ja hyödyt. Tutkimuksen avulla pyrittiin vastaamaan seuraaviin neljään tutkimuskysymykseen: 1. Mikä on tuotteistamisen tarkoitus? 2. Mitkä ovat tuotteistamisprosessin päävaiheet? 3. Mitkä ovat tuotteistamisen hyödyt? 4. Mitkä ovat tuotteistamisen haasteet?

Tutkimusmenetelmät ja aineisto

Tutkimus tehtiin laadullisena tutkimuksena ja siinä käytettiin tapaustutkimusmenetelmää. Tutkimukseen haastateltiin seitsemää case-yrityksen työntekijää sekä tuotteistamiskonsulttia, joka toimi case-yrityksen apuna tuotteistamisprosessin aikana. Tutkimusongelmaa lähestyttiin teoreettisen viitekehyksen pohjalta, joka pohjautui akateemiseen kirjallisuuteen ja tieteellisiin artikkeleihin palvelun kehittämisen, palvelun tuotteistamisen ja yritysviestinnän aihealueista.

Tutkimuksen tulokset ja johtopäätökset

Tutkimustulokset osoittavat, että viestintäpalveluntarjoajat voisivat hyötyä huomattavasti palveluidensa tuotteistamisesta. Tutkimuksen tuloksista käy ilmi, että viestintäpalvelun abstrakti luonne jopa korostaa tuotteistamisen tärkeyttä. Tuotteistaminen auttaa muuttamaan monimutkaisen viestintäpalvelun hallittavampaan muotoon, jolloin sen tehokkuus ja laatu paranevat. On kuitenkin tärkeää huomata, ettei tuotteistamisen yksistään takaa menestyvää palvelutuotetta tai paranna suoritusta. On tärkeää että palvelutuotteen kehittäminen lähtee liikkeelle asiakkaan tarpeiden ja sen ongelman tunnistamisesta, johon palvelutuote tarjoaa ratkaisua. Tuotteistaminen tekee palvelusta ja sen tuottamisesta hallittavampaa, tehokkaampaa ja rationaalisempaa. Tämä taas lisää kannattavuutta ja tukee kestävästä kehitystä. Täten tämä tutkielma osoittaa, että tuotteistaminen on tärkeää ajatellen viestintäpalveluita tarjoavan yrityksen menestystä.

Avainsanat

Tuotteistaminen, tuotteistamisprosessi, palvelu, viestintäpalvelu, kansainvälinen yritysviestintä, yritysviestintä, palvelutuote, palvelun kehittäminen.

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1 INTRODUCTION

Managing communication effectively has become a growing interest in many organizations. According to Argenti (2009, p. 37), many organizations have recognized the important role of communication and are therefore investing more resources to communication activities. Lack of specialized knowledge inside the company has led managers to seek expertise outside the company and purchase of communication services have become an accepted norm. In a number of organizations communication consultants are routinely used to address the need that internal resources cannot meet (Gronstedt, 1996). Nowadays, businesses are expecting greater consistency and quality from their communication services. In addition, Suddaby and Greenwood (2001) argue that skepticism towards the validity and quality of management knowledge consulting services has increased.

Communication service is a wide concept that covers a variety of services from simple mobile services to strategic-level management consulting. Thus, communication service companies face great challenges in defining their services. Moreover, Grönroos (2009) argues that due to the intangibility and process nature selling, buying and producing services possess many challenges. Failure to manage this complexity might lead to increased production costs, customer dissatisfaction and failures (De Bretani & Ragot, 1996). Thus, communication service providers must develop more systemized methods for developing and providing services. Jaakkola, Orava and Varjonen (2009, p. 1) argue that service productization is one possible way to systemize both development and production of services.

Actions related to service productization are often referred to standardization and commercialization (Jaakkola, Orava & Varjonen, 2009, p. 1). However, productization in this context is a much broader concept, and whilst the term productization is debatable, it best describes the phenomenon for the purposes of this study. In this study, service productization is defined as a method for developing, defining and systemizing services as well as setting up the readiness for service production. The aim of productization is to develop a service in order to maximize the customer benefits and

company profitability through increased quality and productivity (Jaakkola et al., 2009; see also Sipilä, 1996). Productization simplifies the service and facilitates the understanding about the content and scope of the service. In addition, the service becomes more concrete and compelling in the eyes of the customer. In other words, productized services are easy to sell, buy and understand.

When executed correctly, productization can significantly contribute to the efficiency and success of a service company. However, it is important to notice that productization in itself does not make a successful service. The success of the overall productization initiative is dependent on a company's ability to understand the market needs. If the service fails to meet the needs of the customers, the whole process of development has been in vain. Therefore, Jaakkola et al. (2009, p. 2) argue that it is important to understand the customer requirements to ensure that the company is able to develop and concretize services that truly satisfy the customers.

This study argues that also communication service companies could benefit from a more systematic approach to both development and production of the service. Since communication services have not been widely researched in academic literature, finding a definition for communication service was rather difficult. However, the present thesis defines communication service as a complex knowledge product (Kaiser and Ringlstetter 2011, p. 32), offered in all areas of corporate communication.

Corporate communication covers a wide variety of activities. According to Louhiala-Salminen (2009, p. 308), corporate communication is a business function that serves as corporation's voice and is responsible for shaping its image. It covers both internal and external communication of the organization. Similarly, Cornelissen (2008, p.5) defines corporate communication as a management function that coordinates all internal and external communication to maintain relationships with organizations' stakeholders. Due to this diversity, practical means to develop communication services into more manageable and understandable form is needed. The present study is based on the notion that productization methods can be used to organize and manage communication services in a more systematic manner.

One reason why communication services have been so rarely productized and the research seems to be nonexistent is that communication practitioners are not accustomed to perceive communication services as products. Indeed, Sipilä (1996, p. 14) argues that expertise and know-how are not traditionally perceived as commodities. Also, according to Cornelissen (2008, p. 136), professional service providers commonly view the professional advice given to a customer to be more important than the capability to earn revenue. Furthermore, the complexity and uniqueness of the customer cases in communication services has kept the service offerings at a highly customized level. Therefore, professional service offerings, such as communication services, are rarely productized.

Although service development in general has been researched quite extensively, little is known about the development and productization of communication services as no prior research has examined this issue in the context of communication services. It is in these gaps that the current thesis addresses. The lack of more detailed knowledge of the process of service productization has led many companies to fail in their service development activities (De Bretani & Ragot 1996). Therefore, this study aims to identify the core activities in the process of service productization and particularly investigate their use in communication services.

Kameda (2005) argues that international business communication has become more significant for companies than ever in the increasingly globalized world. Therefore, companies are investing more resources to communication activities and the lack of needed resources and knowledge inside the company has led managers to obtain these resources from communication services companies. In response to the increased demand for communication service companies are investing more efforts into service development. According to Jaakkola et al (2009, p. 17), service productization aims at creating profitable and innovative business that could also succeed in international markets. The ability to clearly define the service content and the value it provides for the customer is very important for companies aiming at the international markets.

The purpose of this study is to provide understanding of productization in the case company *Communica* and define a productization process for a communication service.

The case company - Communicea Oy

Communiccea is a Finnish management consultancy specialized in change enablement and streamlining of communications. Communiccea's mission is to make communications an integral part of the business by enabling change and transforming communications to support improved business performance. The company takes a process-oriented approach to communications in order to support businesses to bring re-usability, consistency and greater efficiency to communication activities.

The company serves business, project, communications and human resources management in their pursuit to reduce change-related risks and in their core communication challenges. In practice, Communiccea develops and streamlines reusable management models and practices for changes and communications and runs the models and practices effectively if needed. Process thinking is utilized to ensure more consistent quality and increased productivity in change management and communication activities through identification, and documentation of the core communication processes.

Communiccea was founded in 2007. Since then the demand of their services has been increasing rapidly and the company has grown continually over the years. In 2010 the company recorded over an 80% increase in revenue. At the moment, Communiccea employs 15 professionals that are specialized in the company's three core areas: communications, project and change management, and process design and development (see Figure 1).

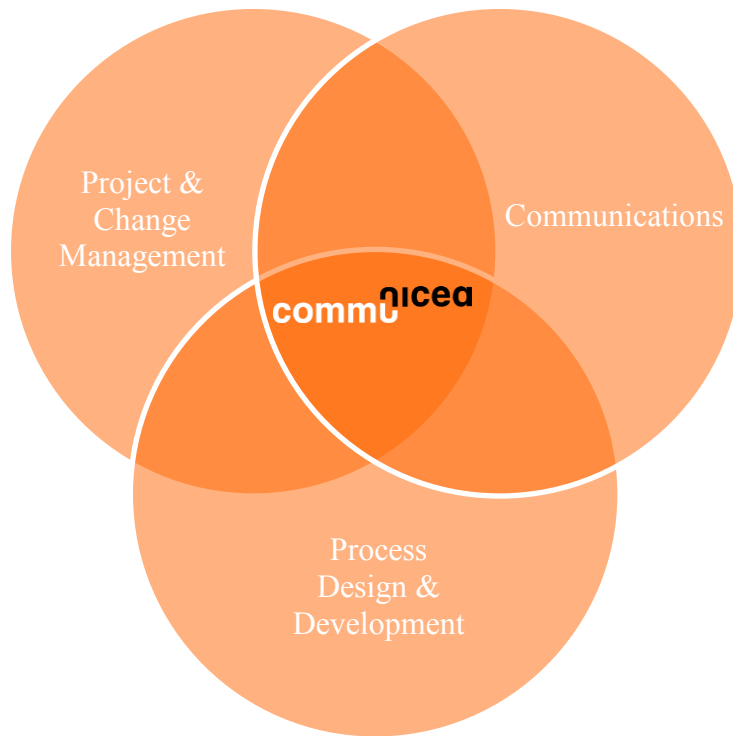


Figure 1. Communicicea's expertise

Concrete thoughts about productization as means for service development emerged in fall 2010. At the time of the research two ready service products had been developed and plans had been made to further increase the service product portfolio. Services selected for productization were chosen based on the existing competence and experience gained from previous assignments. (www.communicicea.fi)

1.1 Research questions

The objective of this study is to investigate the communication service productization and the specific steps in the process of turning a communication service into a service product that reflects the specific attributes and benefits of the service offering. In particular, this thesis will focus on the productization process in the case company, Communicicea Oy.

In order to reach this objective, the following four research questions have been formulated to guide the research process:

1. What are the reasons for communication service productization?
2. What are the main steps in communication service productization process?
3. What are the perceived benefits of communication service productization?
4. What are the perceived challenges in communication service productization?

1.2 Definitions

In the present thesis the following definitions of the key concepts are used:

Productization

Sipilä (1996, p. 12) defines service productization as a method that aims at developing and producing a service in a way that maximizes the customer value as well as ensures that the profit targets of the organization are met. Along the same line, Jaakkola et al. (2009) define service productization as a process of developing and systemizing new or existing services. In its simplest, service productization is a method for bringing clarity to service offering by adding a product like features to it. However, Lehtinen and Niinimäki (2005, p. 30) point out that in a broader sense service productization refers to a process, in which the company's entire service portfolio is specified and structured to a more manageable form. In this study, the term "productization" refers to a broader concept.

Service

Payne (1993, p. 6) defines service as an activity that has an element of intangibility and involves interaction between the service provider and the customer, or with the property belonging to the customer. He also states that the service activity does not involve any transfer of ownership. Kotler and Keller (2009, p. 386) define service as any activity or performance that can be offered to another. They also state that service is essentially intangible and does not result in the ownership of anything. Grönroos (1998) states that

services can be characterized as process consumption. He describes service as a process in which a customer acts as a co-producer.

Communication service

Kaiser and Ringlsetter (2011, p. 32) define communication services as “highly complex consultancy products”, in which the quality of the service is based on specialty knowledge and creativity. In this thesis, the term communication service refers to a knowledge product which is offered in all areas of the corporate communication.

1.3 Structure of the thesis

This thesis is structured in six chapters each of them having several subchapters. After this introductory chapter, the thesis is structured as follows. Chapter 2 reviews previous literature relevant to the study. Literature review is divided into four sections. The last subsection introduces the theoretical framework, which guides the study. Chapter 3 introduces the research data and methods used in the study; also the trustworthiness of the study is discussed. Chapter 4 reports the findings of the empirical part of the study and Chapter 5 discusses the finding by comparing them with the literature that was reviewed in Chapter 2. Finally, Chapter 6 concludes the study by giving a research summary, discussing some practical implications of the findings, and presenting the limitations of the study and suggestions for further research.

2 LITERATURE REVIEW

This chapter reviews previous literature and studies on service productization and the core activities in the process of productization as well as their use in communication services. The aim of the chapter is to present the theoretical background, which justifies the objectives of the whole study: to investigate how communication service offering can be turned into a service product through a service productization process.

A wide variety of activities are labeled as services and the concept has been defined in many ways in academic literature (Payne 1993; Kotler and Keller 2009; Grönroos 1998). For example, Payne (1993, p. 6) defines service as an activity that has an element of intangibility and involves interaction between the service provider and the customer, or with the property belonging to the customer. He also points out that the service activity does not involve any transfer of ownership. Kotler and Keller (2009, p. 386) defines service as any activity or performance that can be offered to another. Like Payne they argue that service is essentially intangible and does not result in the ownership of anything. Finally, Grönroos (1998) argues that services can be characterized as process consumption. He describes service as a process in which a customer acts as a co-producer. All of the definitions for service presented here acknowledge that services have distinctive characteristics that differentiate them from products. Grönroos (1998) points out that widely accepted characteristics of services include intangibility, heterogeneity, inseparability of consumption from production and impossibility to keep services on stock. The nature of services affects their development and management.

Professional service organizations offer a variety of services, such as accountancy, legal or consulting services. Professional services are typically labeled as advisory services, which are performed by skilled professionals. Greenwood, Li, Prakash and Deephouse (2005) define professional service as an intangible offering based on complex knowledge. In a similar manner, Suddaby and Greenwood (2001) describe professional service companies as knowledge intensive organizations. Similarly, Von Nordenflycht (2010) identified three characteristics of professional service companies that differentiate them from other services organizations: knowledge intensity, low capital

intensity and professionalized workforce. Therefore, knowledge and professional advice can be said to be the essence of a professional service. According to Suddaby, Greenwood and Wilderom (2008) professional service organizations also have unique challenges because of their core concern with knowledge and expertise and the nature of their relationships with clients.

Service companies often face the difficult challenge of selling their intangible offerings. Customers experience intangible services differently than tangible products since they cannot see or touch them before or sometimes even after the purchase has been made. De Brentani (1991) argues that compared with a physical product, customers associate higher risk and uncertainty when purchasing a service product due to their inability to examine or evaluate the service before the purchase. This is even highlighted in case of professional services. According to Grönroos (1998), professional services lack such attributes which customers could easily evaluate; thus it is difficult for them to conceptualize the service. In addition, Berry and Yadav (1996 p. 46) points out that customers are actually buying a promise when purchasing a professional service. Promise is far from concrete, which makes buying and selling such a commodity very challenging.

According to Jaakkola et al. (2009, p. 1), service providers encounter several challenges stemming from the key characteristics of services, such as demand fluctuations, variations in service quality, inefficiency and unprofitability of operations. One possible way to address such challenges is product thinking. Jaakkola et al. (2009) emphasize that service productization can be used for systemizing both development and production of service. In the present thesis service productization will be studied in the professional service context, especially concentrating on communication services, in where service productization has been rather rare.

The literature review is divided into four main sections. The first section introduces the basic idea behind service productization as well as discusses the premises and goals of productization. Also, the benefits and challenges of productization are presented. The second section introduces the main steps in a service productization process. The third

section discusses the service productization in the context of communication services and introduces the different activities that are performed under corporate communication function. Finally, the theoretical framework for the study is presented in the fourth section.

2.1 Service productization

This section provides an overview of service productization. The section is divided into three sub-sections that each discusses a different aspect of the productization process: extent of service productization, benefits of service productization, and challenges in service productization.

Customer needs have become more sophisticated, and at the same time the competition in the service sector has increased. To succeed, service providers must constantly improve their service delivery methods. Levitt (1972) was one of the first researchers to study service systemization. He argued that service production could be more efficient and, in fact, he urged service providers to apply the manufacturing style of thinking in service production. Levitt (1972) calls for a more systematic approach to service production by applying techniques found in manufacturing. He highlights the importance of careful planning, automation where possible, audition for quality control, and regular reviewing for performance improvement and customer reaction. Similarly, Meyer and Detoro (1999) extend product development strategies to services industry and argue that service companies can learn from manufacturing industry. They point out that common programs and processes among different customers can provide similar operational benefits for service companies that are accessible for physical product manufacturers.

There are a number of definitions for the term “service productization”. For example, Sipilä (1996, p. 12) defines service productization as a method that aims at developing and producing a service in a way that maximizes the customer value as well as ensures that the profit targets of the organization are met. Along the same lines, Jaakkola et al. (2009) define service productization as a process of developing and systemizing new or

existing services. Productization can be directed at both internal and external processes. In its simplest form, service productization is a method for bringing clarity to service offering by adding product-like features to it. However, Lehtinen and Niinimäki (2005, p. 30) point out that in a broader sense service productization refers to a process, in which the company's entire service portfolio is specified and structured to a more manageable form. Also, Sipilä (1996, p. 12) argues that service productization is actually the implementation of the company's products and product development strategies.

Productization modifies an essentially intangible service offering into a more clearly defined outcome. According to Levitt (1972), it is important for service companies to adequately define what they are selling because customers often hesitate to buy services since they cannot evaluate the service before purchase decision. Sipilä (1996, pp. 20-21) argues that the purpose of service productization is to clarify and rationalize the service offering and the end result of a successful productization process is a service product that is easy to buy and sell. In other words, service productization aims at creating a repeatable and somewhat standardized output that is easy to understand. Utilization of standard elements and procedures increases the efficiency of a service production as well as eases the buying process by diminishing uncertainty in the service situation.

Even though service productization aims at providing a standard platform for a service offering, it does not completely eliminate customization. All services situations are unique in some respect, especially in professional services in which the solutions provided are usually highly customer specific. However, Jaakkola et al. (2009, p. 2) indicate that providing services from scratch to each client is inefficient and time-consuming and in order to stay profitable service companies need to standardize their operations. The term "standardization" is sometimes used as a synonym of service productization. However, Jaakkola et al. (2009, p. 2) argue that productization does not completely eliminate the need for customization and the aim is not to make service situations as similar as possible. Rather, it aims to diminish the needed customization into an appropriate and cost effective level. Similarly, Sipilä (1996, pp. 16 - 17) points out that service productization enables reasonable customization.

Edvardsson (1997) argues that even though service companies cannot pre-produce their offerings entirely they can develop prerequisites for well-functioning processes and attractive outcomes. Also, Sipilä (1996) argues that service productization aims at setting the framework and structures for a substance that is created case by case. In other words, productization provides a well-thought-out basis for a service delivery and thus productized service is cheaper and faster to deliver, when at the same time the service quality increases and becomes more stable (Sipilä, 1996).

Foremost, service productization is a customer oriented service development process and helps companies in matching their offerings with customers' needs. Bailey et al. (2009) argue that companies must identify the specific customer segments they want to target on and prioritize the initiatives that should be conducted and funded. The goal is to target on the right audience with the right offering, and focusing on the wants and needs of the target group. Sipilä (1996) points out that in order for a productization process to be successful the company has to have a thorough understanding about the needs of the customers. Therefore, Rekola (2006, p. 105) argues that customer need assessment is essential part of any product development process. If the service fails to meet the needs of the customers, the whole process of productization has been in vain.

The following three sub-sections introduce the concept of service productization in more detail. First, the focus of service productization is discussed in the sub-section 2.1.1. Second, the benefits of service productization are discussed in the sub-section 2.1.2 and finally, the challenges of service productization are reviewed in the third sub-section 2.1.3.

2.1.1 Extent of service productization

The extent of productization varies from minor changes to the layout of a service to more comprehensive changes to the service content. Besides concerning services that have been in the market for quite a while, productization can also refer to a process in which a completely new service is developed. According to Bullinger, Fähnrich, and Meiren (2003), new service development and innovation are essential in order to ensure

company's productivity and competitiveness. With productized services, companies can enter into untapped markets and thus productization presents opportunities for growth. Moreover, Jaakkola et al. (2009) point out that service productization is an approach, which can even drive the development of new service innovations.

According to Edvardsson (1997), productization can focus on both service elements that are visible to the customers and on the internal processes of a service provider. Sipilä (1996, p. 37) argues that productization often evokes and even requires ideas for the development of internal processes. In fact, productization usually includes both internal and external productization efforts, since the core service must be well-defined before it can be turned into a sellable service product. Simula, Lehtimäki and Salo (2008, p. 6) call these two approaches to productization as inbound and outbound productization. They define inbound productization as the ability to make whereas outbound productization is defined as the ability to sell.

According to Lehtinen and Niinimäki (2005, p. 43), the productization of internal procedures refers to the systemization and documentation of the processes that enable delivering a service efficiently. The purpose is to avoid recreating the same procedures over and over again that have been previously created and optimized by someone else within an organization. Moreover, Simula et al. (2008, p. 6) argue that when routine work can be reduced by using existing templates, platforms and modules, there is more room for innovative thinking. Internal productization also sets the ground for external productization, which according to Lehtinen and Niinimäki (2005, p. 43) concerns those processes and service elements that are visible to the customer. Indeed, external productization is quite close to marketing activities. Simula et al. (2008, p. 7) argue that the main purpose of external productization is to improve the concreteness, visibility and the perceived value of a service in the eyes of the customer. External productization relates to various marketing related tasks such as: branding and naming, advertising, brochures, customer testimonials, and so on.

The degree of productization varies from organization to organization. Sipilä (1996, p. 12) identifies four levels of productization (see Figure 2). At the first level, the internal

procedures and work methods of an organization are productized. These procedures are systemized and documented in order to facilitate service delivery. At the second level, some supplementary products are added to the service offering, such as a software program that supports the service delivery. At the third level, the structures, processes, methods and tools are productized as far as possible. Finally, the service process is completely systemized and can be repeated from customer to customer in a similar manner. As can be seen from Figure 2, Sipilä (1996, p. 12) argues that the greater the degree of productization the greater the achieved benefits will be.

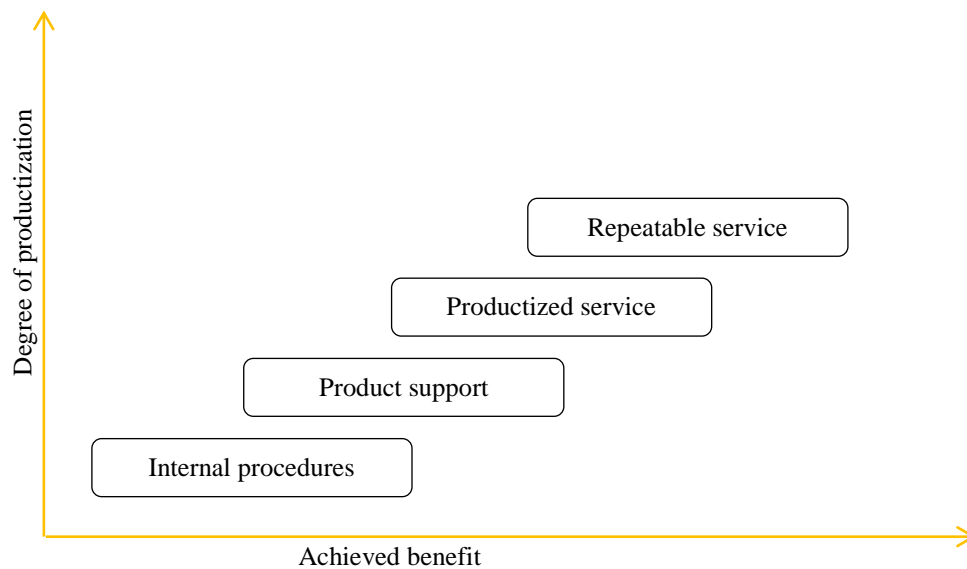


Figure 2. Levels of service productization (Sipilä, 1996)

2.1.2 Benefits of service productization

Service productization can provide many benefits for the service company. There are many reasons why companies productize their services: increased efficiency, consistent service quality, concrete and clear service offering, clarity within the organization, competitive advantage and less dependability on individual expertise. This section will therefore go through the reported benefits of service productization.

First, companies seek to maximize the productivity excellence and efficiency in their organization through service productization. Standardized service processes enable the company to do more with fewer resources. Lehtinen and Niinimäki (2005, p. 30) argue that service companies can achieve increased efficiency with a well-defined service that is easier to manage and less expensive to produce. Productization provides a well-thought-out basis for a service delivery, thereby increasing the production readiness and repeatability. Overall the service process becomes more manageable, enabling the service organization to have a better control over its service portfolio and clientele (De Brentani, 1991).

Second, as the service process is organized and managed in a more systematic manner, the service delivery does not only become more efficient but the service quality also becomes more consistent. Edvardsson and Olsson (1996) point out that inconsistency in service quality has been one of the main concerns in the service sector for decades. Productization is one possible tool for addressing this issue. Jaakkola et al. (2009) argue that productization guides the production and delivery of good-quality service products. They continue that more consistent quality ultimately leads to increased customer satisfaction. In other words, productization enables the service companies to meet the expectations of their customers in more consistent manner.

Third, productization makes the intangible service more concrete (Sipilä, 1996, p. 19). It is commonly acknowledged that customers associate a greater risk in purchasing professional services, due to their abstract nature and lack of tangible evidence. Lack of predictable outcomes in service production increases the risk perceived by the customer. In other words, services lack many of the characteristics that make a physical product easy to sell, buy and understand. (Grönroos, 2009). Service providers can respond to these concerns by attaching tangible features to their offerings. Productization clarifies service offering by adding product-like features to it, thus making it more concrete. The service is simplified, and thus it easier to understand the content and scope of the service. Therefore, as Sipilä (1996, p. 19) points out productization eases the customer's buying decision by reducing the fears and risks as the customer can easily understand the value of the service.

Fourth, besides clarifying the service for the customer, service productization can increase the common understanding of the service and company's core competence within the organization. According to Jaakkola et al. (2009), in knowledge-intensive professional service companies the personnel is sometimes unaware of the knowledge and know-how the company has, and what can be offered to the customer. Sipilä (1996, p. 20) points out that productization can unify the visions inside the organization and gives internal descriptions of services for operational purposes. Similarly, Jaakkola et al. (2009) argue that the content and the scope of the service become clarified in productized services, thus the service company knows what they are selling and the customer knows what he/she is buying.

Fifth, Edvardsson (1997) argues that explicitness that can be achieved through productization makes the service more appealing and easier to market. Productization makes the service stand out in the market and can thus be a source of competitive advantage. According to Bitner et al. (2008) a well-designed service enables a company to differentiate themselves with service offering that better addresses the customer needs. Jaakkola et al. (2009, p.3) agree and point out that the primary goal of productization is to create competitive advantage and improve profitability through innovative service business. Therefore, the key outcome of productization is a service offering that adds value that the customer appreciates.

Finally, productized service is less dependent on the competence of individual experts. Sipilä (1996, p. 17) argues that productization is a central tool in the learning process of professional organizations. According to Jaakkola et al. (2009), productization enables organizations to share person dependent tacit know-how among the whole organization. In addition, Sipilä (1996, p. 18) points out that productization facilitates the induction of new employees as there are documented guidelines for new recruits to follow. In addition, the more efficient use of resources is possible through a streamlined and well defined service production. According to Lehtinen and Niinimäki (2005, p. 31), resources and their allocation is crucial in professional service organizations. They argue that with productization operations can be better organized and planned within an organization since productization increases common understanding about the service

content. Lehtinen and Niinimäki (2005, p. 31) continue that through the systemization of internal procedures, resources can be organized more effectively as the companies has a defined common way of working.

2.1.3 Challenges in service productization

Even though there are several advantages that service companies can achieve through productization, some challenges also exist. This section will go over the main challenges in service productization: time and resources needed, finding and keeping customer perspective, competition and replication and resistance to change.

First, productization requires substantial amount of time and resources. Congram and Epelman (1995) argue that productization is difficult and thus substantial amount of time must be dedicated to the process. Balancing the daily work with productization is often challenging, especially in small companies. In addition, Sipilä (1996, p. 37) points out that productization requires higher investment in reference to time and money that the service companies are used to. In general, productization can fail because of scarce resources.

Second, finding and keeping the customer perspective throughout a productization process might be challenging. It is important to make sure that the service provides real benefits to customers and that they are ready to pay for it. According to Rekola (2006, p. 105), productization is useless if the productized service fails to meet the needs of customers. In addition, a company must carefully consider which services it should productize to ensure that the added value is truly important to their target customers. According to Jaakkola et al. (2009), the development of a service should always be based on customer needs and wants. Suddaby and Greenwood (2001) point out that productization might lead to the loss of customer orientation. Productization objectifies knowledge products and the company might become more concerned about the property characteristics of the outcome of the knowledge production process than concerned how or why certain type of knowledge is produced.

Third challenge relates to competition and replication. Even though companies can gain competitive advantage through productization the impact can be two-fold. According to Suddaby and Greenwood (2001), productized knowledge can be easily imitated, thus productization sometimes intensifies competition. Also, Sipilä (1996, p. 119) argues that a successfully productized service can raise the interest of competitors and decoy to replication. Without proper planning and thinking, a company could find themselves the victim of theft of intellectual property. However, companies can protect themselves, for example, by registered copyrights, patents and signed non-disclosure-agreements with both employees and customers.

Fourth, challenges might emerge from resistance to change. According to Jaakkola et al. (2009), service productization affects the entire organization as the internal procedures change. Thus, an employee engagement to the change becomes essential for the success of the productization process. In a small service company productization is often done as an extra work in addition to daily routines. Jaakkola et al. (2009) point out that employees might see the documentation and development of services useless and time-consuming. In particular, as Sipilä (1996, pp. 115-116) argues, an expert who knows everything about the service and its production might consider productization to be useless and thus be reluctant to participate in the process. Therefore, it is important to make sure that the entire organization understands the benefits of productization and is engaged in the process.

To conclude Section 2.1, service productization can be described as the systematic method of continuously developing the service so that customer benefits are maximized and organization's goals achieved. The purpose is to clarify service offering for both the customer and the service company. As a result, more efficient operations and more appealing offering can be achieved. In addition, productization plays a crucial role in new service innovation. Productization may concern both internal and external procedures and vary in degree and intensity according to company's goals and strategies. Besides benefiting the service company, service productization brings several benefits for the customer as well, such as improved and consistent service quality and added value. For the service company, the main factor steering service productization is

higher profitability through more efficient and systemized operations. However, productization takes both time and money and can fail simply because of the lack of know-how and resources. Therefore, the productization process should be carefully planned.

2.2 Service productization process

This section introduces the service productization process and discusses the factors that should be taken into consideration when developing a service product. Service productization as every development process is very company specific; therefore it is difficult to define a “one fit all” model for service productization. According to Jaakkola et al. (2009), each company should plan and implement service development projects based on their own needs. However, some general frameworks which can guide the productization process in a company.

The development process in itself can offer a learning opportunity for an organization. Rekola (2006, p. 123) argues that companies should actually pay more attention to the process itself and realize the learning opportunities and experiences that come along with the process. Therefore, the success of a productization process does not lay merely on the commercial success of the product. Rather it is a sum of the skills and know-how acquired during the development process and the success of the end product per se. Productization does not happen in an instant, but takes time and resources, especially if it concerns a development of a new innovation. However, Lehtinen and Niinimäki (2005, p. 46) emphasize that if the process is well planned and enough time is reserved to it, it results both as an improved service product and service delivery.

Service productization is a continuous and progressive process that should be based on the company’s business and marketing strategy. According to Jaakkola et al. (2009, p. 4), at its best productization is a development process in which both the management and personnel learn to better understand the service and the production of it. The depth of the productization process depends on the organization’s strategy and the nature of their business. Lehtinen & Niinimäki (2005, p. 45) argue that productization is a

customer-oriented approach to service development in which the premise is an innovation that addresses the ever changing customer needs.

The service productization process consists of several stages, which might differ from project to project depending on the service type, and on the goals, resources and strategies of the company. Jaakkola et al. (2009) point out that productization is not necessary a linear process and some of the stages can overlap with each other. Bullinger et al. (2003) suggest a model for service development, which is depicted in Figure 3. It consists of six stages: Idea generation, requirement analysis, concept development, implementation, market launch and post-launch review (see Figure 3). Lehtinen and Niinimäki (2005, p. 46), on the other hand categorize the service productization process into four domain stages; however the content is quite similar. The domains are: groundwork, product development, marketing and follow-up and evaluation. Sipilä (1996, 37) agrees, but adds strategic planning as the first stage of the process.



Figure 3. Service development approach (Bullinger et al. 2003)

I have combined the models of service productization by Sipilä (1996), Lehtinen & Niinimäki (2005) and Bullinger et al. (2003) into a process, which consists of five stages:

1. Strategic planning
2. Groundwork
3. Concept development
4. Implementation and market launch
5. Follow-up and evaluation.

These five stages form the frame for service productization and each of them are discussed next in more detail. In this thesis, groundwork relates to service productization at an individual service level whereas strategic planning relates to high level planning and decision making. Thus, these overlapping stages are discussed separately.

1. Strategic planning

Service productization should be based on the company's business and marketing strategy. According to Sipilä (1996, p. 34), strategic planning and productization go hand in hand and it is pointless to start a productization process without a clear vision of what services are reasonable to offer in the setting of company's resources and know-how. Quite often the service development process forces the companies to rethink their entire business strategy, with respect to what services the company wants to offer and to whom. Thus, Sipilä (1996, p. 34) argues that productization starts with the assessment of the company's product strategy. Product strategy helps to group different services and their contents according to target customers. Bailey et al. (2009) argue that in order to allocate scarce resources into strategically important initiatives companies must identify their target audience and find their niche in the market. Moreover, Jaakkola et al. (2009) argue that the overall success of a productization process is dependent on company's ability to understand the specific needs of the customer segments. Only after the product portfolio and customer segments are defined, a company can start to develop an individual service.

According to De Brentani (1995), service companies seldom strategically plan their service development processes. However, strategic planning is important for the overall success of the development process. Rekola (2006, p. 130) argues that in a more focused efforts of service development strategic planning is the first stage of the process. Strategic planning consists of activities before the actual development of an individual service can take place. Rekola (2006, p. 132) continues that strategic planning consists of three different phases: idea generation, idea screening and evaluation of commercial value. While ideas often flow quite freely within an organization, the idea generation phase is the formal starting point of a service

development process in which the ideas are identified. Second, the various ideas generated at the first phase are assessed and analyzed in the screening phase. Finally, the commercial value of the ideas, which made through the screening phase, is assessed. This way the company assures that scarce resources are focused on strategically important development initiatives.

2. Groundwork

After the strategic planning stage, the groundwork for the individual service can start. Rekola (2006, p. 124) argues that development process should be simple and effective, with every element serving a relevant purpose. According to Lehtinen and Niinimäki (2005, p. 46), the purpose of the groundwork is to lay a foundation that supports the development throughout the productization process. The outcome of this stage is a detailed plan for the development project, with defined goals, tasks and schedule. In addition, Sipilä (1996, p. 50) argues that it is important to assign the responsible person or team to the project and make sure everyone involved are committed. Moreover, Lehtinen and Niinimäki (2005, p. 49) point out that motivated personnel is key to a successful development process.

According to Lehtinen and Niinimäki (2005, p.47), it is important for a company to have a thorough understanding of service productization in general and in the context of their own organization before the actual process starts. For instance, productization knowledge can be acquired through literature or by exploring the solutions of others. In addition, it can be beneficial for a company to consider outside consultancy or training.

Service productization processes are often complex, costly, time-consuming, and even unsuccessful. De Brentani (1991) argues that formal planned approach to new services development is associated with a higher success rate. However, the level of formal planning should be decided case by case. Rekola (2006, p. 124) points out that in general, organizations should define and follow a detailed service productization process, however in some instances a more flexible approach is suitable. When developing a new service that is similar with the company's other offerings, a formalized process can help to reduce miscommunication, eliminate non-value-added

activities and improve project flow. However, for services that fall outside the company's current experience, a flexible and unstructured process may be more effective. (Rekola, 2006, p. 124).

3. Service concept development

At the third stage of the productization process the service concept is developed. Service concept development is a fundamental part of the service productization process. According to Jaakkola et al. (2009, p. 11), productization of an individual service starts with a definition of what is being offered and how. The aim is to describe the essence of the service and the value that it creates for a customer. According to Goldstein et al. (2002), organization must focus on the design and delivery of a service concept to ensure that the service package and service encounter fit the needs of a customer and the service organization.

The service concept can be defined in many different ways. First, Goldstein, Johnston, Duffy and Rao (2002) described the service concept as "the foundation upon which the components of the service delivery system are built". The service concept is a "shared understanding of the nature of the service provided and received". Second, Normann (2000) defines the service concept as the description of the benefits to the customer. Third, according to Bullinger (2003), a service concept consists of three different dimensions: product model, process model and resource model. Product model is the definition of a service contents and a structural plan of the service product. Process model defines how the outcomes of a service are achieved. Various processes are documented to ensure maximum process efficiency. The overall objective is to eliminate non-value-adding activities at the earlier possible stage. Resources model covers the planning of those resources that are needed to perform the service. In other words, the service concept simply defines what is being done, how and what are the resources needed to do so.

In addition to defining the service concept also the price for the service is set at this stage. Pricing can be one of the most difficult areas of service development, as many factors affect the pricing of services. According to Docters, Reopel, Sun, and Tanny

(2004), services are often more difficult to price than products due to the intangibility and wide range of outcomes. Therefore, pricing of service often requires adaptation to situations. Moreover, Groth (1995, p. 34) argues that since services are “non-refundable” sale at any price depends on the customer’s perception of expected service value. Sipilä (1996, p. 20) argues that productization facilitates service pricing as clearly defined service scope gives the company the ability to set a fixed price for the service.

4. Implementation and market launch

At the fourth stage, the service is implemented and set up for the market launch. According to Lehtinen and Niinimäki (2005, p. 49), at a practical level implementation and market launch stage includes such activities as the documentation of service description, creating marketing materials such as brochures, and possible registration of the service name. The documented service description should entail at least the name, price, service content, time needed for service delivery and quality attributes. Jaakkola et al. (2009, p. 27) argue that in addition to a name also a brand can be created for the service.

Grönroos (1998) argues that process nature of a service is the most important characteristics of a service, which also affects the way service should and can be marketed. The quality of a service is determined by how well the process functions as well as the outcome of the process. In addition, the image of the service company has an impact on the overall quality impression. Sipilä (1996) argues that professional service companies seldom use traditional marketing mediums to promote their services, for example word-of-mouth is the most common marketing method of professional services. Often service companies use personal networks of employees to contact prospects.

Internal marketing as well is an important part of productization process. According to Lehtinen and Niinimäki (2005, p. 49), motivated and committed personnel plays a key role in the overall success of a productization process. Through internal marketing the companies ensures that the personnel has a unified understanding of the services that a company can offer.

5. Follow-up and evaluation

The service should be regularly followed and evaluated after the market launch. Indeed, service productization should not be seen as a now and then thing, but rather as a continuous process, thus the fifth stage of service productization is follow-up and evaluation. Jaakkola et al. (2009) point out that a productized service becomes a part of the service provider's product mix, and it should be continuously revised and adjusted according to the market needs. Therefore, productization should be embedded in the way a company functions and develops new services. Information gained through assessments should be used to further develop the service. A continuous development cycle should be a part of everyday operations as active follow-up and measuring helps the company to become more customer-oriented and proactive. Furthermore, Sipilä (1996, p. 38) argues that the changing needs of customers are driving the further development of a service and thus customer feedback should be incorporated into service development.

Bullinger et al. (2003) argue that the principal challenge facing companies is the need to offer the marketplace continuously improved, if not new, services, while keeping one step ahead of their competitors and at the same time fulfilling the needs and expectations of their customers. However, Bulling et al. (2003) continue that often the corporate structure and processes of an organization are not designed to enable services to be efficiently developed and launched to markets. Therefore, as Sipilä (1996, p. 35) points out productization often requires assessment and evaluation of the internal process.

2.2.1 Productization methods

Service productization can be accomplished through variety of methods. Jaakkola et al. (2009, p. 6) have identified three methods for service productization: concretization, standardization, and systemization. Sipilä (1996) adds the use of service modules to this list. Each of the methods contributes to an overall process of service productization. In the following, these four methods are presented in more detail.

1. Concretizing the service

The intangible nature of services makes them difficult to comprehend. Therefore, service companies need to make their service more concrete. Service content and added value can be communicated to the customer by providing different tangible evidence. The aim is to make the service appealing, easy to understand and at the same time differentiate favorably from its competitors. Tangible products are easier to understand, demonstrate and thus the benefits of the offering are more visible to the customer. In addition, Kotler and Keller (2009) argue that without tangible evidence uncertainty in purchase situation increases. Therefore, it is essential for the service providers whose offerings are purely intangible to associate some tangible cues for the services. According to De Brentani (1991), service provider can help their clients to conceptualize and evaluate the service easier by providing some physical evidence of the service. Uncertainty in service situation decreases, which support the customers buying decision. Therefore, the concretization of the service offering can also provide competitive advantage for the service company.

Berry and Yadav (1996) argue that a combination of “signature” cues associated to the service act as an evidence of the service quality and help to tell a consistent and compelling story. In addition, physical evidence conveys the proper mental picture of the service in the minds of the customer. Therefore, physical evidence can help to build a strong service brand. According to Jaakkola et al. (2009, p. 3), these tangible cues take such forms as name, visual image, slogan, brochures or other marketing material. In addition, a reference from a former customer can act as a tangible cue of the service. Satisfied customers willing to serve as references often make the difference between winning and losing the sale.

2. Standardizing the service

Each service productization process involves some degree of standardization. In fact, De Brentani (1991) argues that variability in service production and outcomes can lead to lack of consistency and poor quality. To overcome this problem, De Brentani (1991) argues that service companies can standardize their service offering or parts of it. The aim is to design the service process or some parts of it in a way that it can be produced

in a similar manner from customer to customer. Jaakkola et al. (2009) argue that through standard methods and procedures service production becomes more efficient, profitable and the consistency in service quality increases. In addition, productization helps to rationalize the service production and thus decreases production costs.

It is a strategic choice of the company to which degree they standardize their services. It depends on the nature of the service, how the company aims to differentiate themselves from their competitors and what the customer values. In the other end of the spectrum there is a fully standardized service and on the other end a completely unstandardized service. (Jaakkola et al. 2009).

3. Systemizing the service delivery

Productization enables the company to utilize existing procedures from customer to customer by documenting systemizing and documenting the different processes required to deliver a service. The objective of systemization is to prevent the company from “reinventing the wheel” by utilizing the existing templates, platforms and modules. Simula et al. (2005, p. 6) argue that when routines are documented and the basic methods can be replicated from a customer to customer the company has more time to concentrate on strategically important initiatives. Moreover, Jaakkola et al. (2009) indicate that systemization of the service delivery helps to streamline the operations and therefore prompts more stable quality. In addition, the company is able to meet the needs of the customers in a more consistent manner.

4. Use of service modules

Many service companies have made an effort to modularize services to easily meet the differing needs of the customers. Baldwin and Clark (1997) argue that complex products or processes can be organized more efficiently if they are broken down into independent units that still function as an integrated whole. According to them, modularity can help to manage complex entities in a more systemized manner. In the same vein, Meyer and DeTore (1999) extend the modularity approach to services. They suggest that similar to products, services can be broken down to major elements or subsystems.

It is important to the customer to have a feeling of a tailored service. Jaakkola et al. (2009) argue that customers appreciate customized services more since they feel that their individual needs are taken into consideration. Meyer and DeToro (1999) argue that most successful service companies develop a set of standardized service components that can be mixed and matched to meet the needs of specific customer. Customization occurs through people or flexible technology in the service delivery. Therefore, each customer feels uniquely served.

All services have properties and features that form the so called core of the service. Sipilä (1996, p. 69) argues that the core service can be modified by adding different modules to it. The core component of the service should be kept as large as possible, so that the customized part stays at a minimum level. The customer approaches the professional service product from the direction of the tailored part and thus this part seems larger than it really is. Accordingly, the use of service modules minimizes the needed customization in the service situation (Sipilä, 1996, p. 69). Jaakkola et al (2009) point out that the service is customized by the choices that the customer makes, but the service can be produced at the price of a standardized service. Therefore, service companies can reduce the cost associated with inefficient customer specific tailoring with a modularity approach.

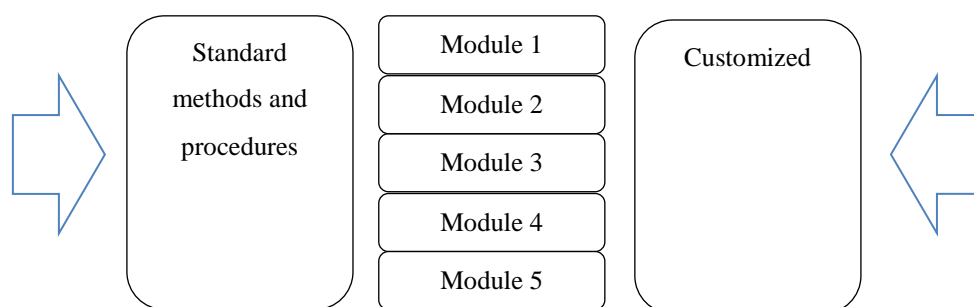


Figure 4. Modularization (Sipilä 1996)

According to Jaakkola et al. (2009) modularity adds flexibility, speed and cost effectiveness for the service production. Customization is needed to differentiate from competitors. With properly designed modules; the company can pursue a differentiation

strategy and at the same time bring a better a better cost dimension, and therefore gain competitive advantage.

2.3 Productization of communication services

Now, after reviewing literature on service productization in general this section will discuss productization of communication services. This section is divided into three subsections. The first subsection introduces the corporate communication function to give an overview of the wide field in which the communication service providers operate in. The second subsection will discuss and give definition to communication service in general. Finally, the third subsection introduces some of the key aspects of productizing a communication service, drawing especially from the literature on productization of highly knowledge-intensive services.

2.3.1 Corporate communication

There are various concepts and terms in corporate communication, therefore it is good to define what corporate communication in this current thesis means. In recent years, effective communication has become an important aspect of any business. It is widely believed that in today's society, the future of a company is dependent on how it is viewed by its key stakeholders. For this reason the corporate communication has started to take ground as a strategic function in all sorts of organizations. (Cornelissen, 2008, p. 3)

The roots of corporate communication are in public relations, the function that stemmed out from the need to shield the management from the public. (Cornelissen, 2009; Argenti, 2009; Argenti & Forman, 2002). Over the past decades, companies have been under increased scrutiny, which requires systematic communication with individuals and entities in the environment, because of the possible consequences to the company reputation. Therefore, according to Cornelissen (2009, p. 4) corporate communication has evolved from public relations to a function that manages all the communication

activities in an organization as a whole and coordinates the communication across all key stakeholders, both external and internal.

Cornelissen (2008, p. 5) defines corporate communication as a management function that acts as a framework for coordinating all internal and external communication of an organization. Its main purpose is to establish and maintain favorable reputations with the key stakeholders. Similarly, Van Riel and Fombrun (2007, p. 25) define corporate communication as the set of activities involved in managing and organizing all internal and external communications aimed at creating favorable starting points with stakeholders on which the company depends. According to Louhiala-Salminen (2009, p. 308), corporate communication is a business function that serves as a voice of the corporation and is responsible for its image. Corporate communication covers both the internal and external communication of the corporation. Accordingly, corporate communication covers a variety of activities focused on coordinating and managing of an organization's communication as an entity, in the hope of establishing and maintaining favorable and coherent corporate reputations across different stakeholder groups.

A variety of external and internal communication activities are managed and coordinated under corporate communication, such as media relations, investor relations and employee communication. These activities and how they are arranged can vary from company to company, depending, for example, on the size of the organization and complexity of its businesses. Argenti (1996, p. 77) indicates seven areas which can be included in the corporate communication function: corporate image and identity, corporate advertising, media relations, financial communication, employee communication, community relations and crisis communication. Cornelissen (2008, p.31) adds public affairs, issues management, direct marketing, sales promotions and sponsorships to Argenti's list. Figure 5 shows Cornelissen's (2008, p. 31) framework for the corporate communication.

organization and how it chooses to present itself to external audiences. Corporate identity consists of company's defining attributes, such as name, logo, vision, values, people, product and services. (Argenti, 2009, p. 55) Corporate reputation, then, is the sum of all constituents' perceptions of the organization. Corporate communication function manages reputation.

According to study carried out by PR Week in 2007 reputation management is also function where outside consulting services are used most commonly. Over 70.8 percent of the respondents have used outside counseling for managing corporate reputation. (Argenti, 2009, p. 54).

Media communication

Working with members of the media can be very beneficial for the company. If handled correctly, media contacts and exposure can enhance the corporate image and reputation in the public eye. According to Cornelissen (2008, p. 179), media exposure can have a strong influence on the corporate reputation, by enhancing the already held positive image of an organization. However, media coverage can also have a reverse impact as the effect of negative media coverage can seriously harm corporate reputation. Thus, media communications is an essential part of the corporate communication function. Moreover, Goodman and Hirsch (2010, p. 38) argue that in recent years transparency and disclosure laws have made an already demanding role of media communications even more complex and more strategic.

According to Goodman and Hirsch (2010, p. 160), media communication is a part of an organization's relationship building and reputation management. Media communication involves managing the communication and relationships with the media, for the purpose of building and sustaining a positive image of the company in the eye of the public. Argenti (2009, p. 155) argues that media is both a constituency and a conduit through which investors, suppliers, retailers and consumers receive information about and develop images of a company. However, Cornelissen (2008, p. 177) points out that companies nowadays see media more as a channel to reach stakeholders, than as a stakeholders or audience themselves.

According to Cornelissen (2008, p.184), corporations use several tools to manage media communication such as press releases, press conferences, interviews and, media monitoring and research. Communication practitioners also educate the management to deal with the media. According to Argenti (2009, p. 158) media communications can be handled either by employees inside the organization or by an outside communication consultant. Communication consultants can help corporations to target the right media and get the positive media coverage that they seek.

Public relations

According to van Riel and Fombrun (2007, p. 200) the role of public relations (PR) function is to communicate with the public in a way that serves the company's interest. The main objective is to enhance the positive reputation of a company. Also, Juholin (2006, p. 203) argues that PR maintains positive relations with company's various stakeholders in order to ensure the company's ability to continue its business. Cornelissen (2008, p. 17) argues that PR aims at establishing two-way communication between the organization and its stakeholders.

PR activities are often purchased from outside service provider. PR counsel is used, among other things, in the following areas of corporate communication: managing corporate communication, enduring crisis, boosting investor perceptions and corporate social responsibility (PR week CEO survey, 2007).

Issues and crisis management

Issues and crisis management is a rapidly growing field in corporate communication. Cornelissen (2008, p. 214) argues that it is partly due to the high-profile crises, such as Enron and WorldCom, that damaged corporate reputations and the image of business in general. Cornelissen (2008, p.215) defines a crisis as an issue that requires immediate actions from the organization, whereas an issue is defined as a concern about the organization's operations that might raise a conflict. If the issue is not addressed properly, it might develop into a crisis over time. Both issues and crisis can negatively affect the reputation of the organization.

Even though a crisis cannot always be predicted nor prevented, it is essential for any organization to have a plan how to address the possible crises. According to Argenti (1996, p.81) corporate communication function is responsible for generating a communication plan for assessing potential crisis. The crisis communication plan helps to coordinate the communication during the response phase of a crisis. The plan usually involves, risk assessment, communication objectives for potential crises, assigning teams for each crisis, planning for centralization and what to include in a formal plan. Goodman and Hirsch (2010, p. 159) argue that a careful crisis management plan helps companies facing a crisis to overcome it with their reputation unharmed and sometimes even enhanced.

Miscommunication and lack of preparation to potential crisis situations can be very harmful for an organization. Cornelissen (2008, p. 214) argues that in extreme circumstances a crisis can even threaten the whole existence of the organization. Therefore, an effective issue and crisis management is critical for any company. Goodman and Hirsch (2010, p. 158) point out that regardless of the severity of the crisis the success of overcoming the crisis depends on how it is handled and how the company is involved in the communication of it. Therefore, Argenti and Forman (2002, p. 49) argue that companies often seek outside expertise in crisis situations, when a successful communication usually plays a key role.

Financial communication

Delivering effective financial communication within regulatory restrictions has become essential for all companies. According to Argenti (1996, p. 79), the corporate communication function is increasingly involved in activities traditionally handled by finance or treasury department. Financial communication, also called investor relations (IR), is nowadays more concerned in how financial information is actually been communicated, than just the numbers. According to Juholin (2006, p. 274) the challenge in financial communication is to transfer numerical data into interesting form.

Many stakeholders have an interest in the financial performance and wellbeing of a corporation. Juholin (2006, p. 274) argues that company's financial communication has

many target audiences, ranging from potential employees to prospective customers. Financial communication is in charge of all strategies and tools used to communicate financial data to investors and other interested parties. According to Argenti (1996, p. 79) financial communicators need a broad understanding of their company's business, as well as finance and accounting in particular. According to Juholin (2006, p. 297) companies often outsource financial communication activities, such as the annual report or some parts of it.

Corporate advertising and marketing communication

Corporate advertising involves the use of paid media to create or maintain a certain image of the company and its management. It differs from product advertising, since its focus is the company as whole (Cornelissen, 2008, p. 20). The intent is on positioning the company favorably in the eyes of the public and building positive reputation for the company. This function usually falls either under corporate communication function or the CEO office (Argenti, 2009, p. 55).

According to Riel and Fombrun (2007, p. 17) marketing communication consist primarily of those forms of communication that supports the sales of products, services and brands. Argenti (2009, p. 59) argues that in addition to coordinating and managing publicity relating to new or existing products, marketing communication also deals with activities relating to customers. In addition, this function might also handle the activities in corporate advertising. Marketing communication teams must ensure that promotions are sending the right message. (Argenti, 2009, p. 60) Both corporate advertising and marketing communication are areas of communication where outside consulting is used regularly.

Internal communication

Effective internal communication is essential for smooth running of an organization. Cornelissen (2008, p. 195) argues that internal communication has also been called employee communication and staff communication. Internal communication refers to all formal and informal communication within an organization. According to Goodman and Hirsch (2010, p. 162), the goal of employee relations is to promote employee retention,

increase productivity and work quality, stimulate innovation, and help attract high-quality employees. They argue that internal communication is often an underappreciated aspect of corporate communication. However, Argenti (2009, p. 60) points out, that companies have now started to think more strategically how they communicate with their internal stakeholders, as it has become an important aspect in retaining proficient personnel.

According to Argenti (2009, p. 60), constituency lines are blurred, since employees might also represent investors and customer of the company. Moreover, Cornelissen (2008, p. 195) argues that the influence of new communication technologies have blurred the lines between internal and external communication in organizations. Confidential information can leak, since employees can distribute their information to outside stakeholders electronically. Therefore, internal communication has become more strategic as the company's reputations might be at stake.

Internal communication can take many forms, ranging from intranet pages and emails, to face-to-face communication. However, Argenti (2009, p. 189) argues that effective companies encourage two-way communication within the organization to foster a sense of participation among the employees, which leads to higher employee commitment and satisfaction. In addition, change communication is an area of interest in internal communication (Cornelissen 2009, p. 201). Outside help is often acquired when communicating change to internal audiences, especially if the change contains sensitive messages, such as layoffs.

Corporate responsibility

Corporations now find that financial reporting is not enough to satisfy the needs of the various stakeholders. Rapidly growing interest in Corporate Responsibility (CR) has led to an increase in companies reporting their social, environment and ethical activities. Thus, corporate responsibility has become a central aspect of corporate communication as well (Goodman and Hirsch, 2010, p. 168). According to Goodman (2006), most organizations in western countries nowadays implement the concept of triple bottom line: financial, environmental and social performance measures.

CSR is defined as a concept by which companies voluntarily contribute to better society and cleaner environment, by going beyond compliance and investing into human capital, the environment and the relationships with stakeholders (European Commission as cited in Arvidsson, 2010). Corporations can choose to report their economic, environmental and social performance under one or several reports. However, responsibility of these reports usually falls under corporate communication function (Goodman and Hirsch, 2010, p. 168).

2.3.2 Communication services

Communication services can refer to a variety of services ranging from basic mobile services to strategic-level management consulting. Therefore, it is essential to define what is meant by the communication service in the current study. Juholin (2006, p. 359) divides communication services into three groups: technical/operational services; tactical specialty services; and strategic expertise, consulting and research. First, technical and operational communication services are more generic level services, such as press printing, media monitoring and translation services. Second, tactical specialty services are then more comprehensive services than technical services. Tactical level services require that the service provider is familiarized with buyer's communication strategy. Finally, strategic level communication services are related to the strategic management of communication activities.

Kaiser and Ringlsetter (2011, p. 32) define communication services as “highly complex consultancy products”, in which the quality of the service is based on specialty knowledge and especially on creativity. Shimp (2007, p. 251) argues that consultants are hired to complement the company's own communication function when needed, to provide special know-how, connections and networks. Additionally, consultants can be used as the extra pair of hands when ever needed. According to Busch et al. (2007, p. 189), companies can collaborate with an outside agency in two ways. They can either choose an agency project-by-project basis or build a long-term relationship with one agency. Long-term cooperation usually supports the company's communication strategy better. Also Shimp (2007, p. 252) argues that services are designed to fulfill needs in

long-term or short-term scope. The relationship the company has with the consultancy defines the services they purchase. Consultancy in strategic issues requires a long-term relationship to be successful.

Gronstedt (1996) points out that most organizations outsource some of their communication activities to external communication agencies. The outsourced activities may vary from strategic communication planning to urgent crisis communication assignments (Argenti, 2009). According to Busch, Seidenspinner and Unger (2007, p. 188), communication agencies are used to tackle the complex issues involved in communication and have acquired considerable amount of experience from their previous assignments. Therefore, they can add valuable knowledge and know-how into corporate communication practices in an organization. Corporate communication has many responsibilities in an organization and it coordinates wide variety of specialized disciplines. Cornelissen (2008, p. 5) argues that effective management of the corporate communication function requires expertise and specialist knowledge, which is often acquired from an outside consultant. Hereby, communication service in this current study refers to a service that is offered in all areas of corporate communication.

2.3.3 Productizing a communication service

Productization of communication services has not been researched previously in academic literature. However, communication services are defined as highly complex consulting services, whereas, consulting services are defined as knowledge intensive professional services. Therefore, the same productization procedures can be applied to communication services as to other professional services. According to Suddaby and Greenwood (2001), in knowledge intensive professional services, such as communication consulting services, productization refers to a method in which abstract knowledge is transferred into saleable products. According to Sipilä (1996, p. 37), the good professional service product ideas and products often evolve from the close collaboration with demanding customers. Similarly, Suddaby and Greenwood (2001) argue that the production and consumption of management knowledge involves complex interactions between different organizational stakeholders. These interactions

define not only what management knowledge is but also how it is produced, legitimated, distributed and, ultimately, consumed.

According to Suddaby and Greenwood (2001), the productization of knowledge intensive service offering, such as communication service, involves converting the managerial knowledge into a redefined and sellable form. Suddaby and Greenwood (2001, p. 938) argue that productization consist of three different stages, which are codification, abstraction and translation. Codifying and abstracting knowledge transfer managerial knowledge into more manageable and understandable form. Knowledge becomes an object that is easier to sell. In other words, it helps to make the management knowledge service more saleable. Translation refers to putting the redefined knowledge into use in different organizational contexts. Since translation refers more to service provision than a productization process, only codifying and abstracting will be discussed next.

Codification refers to a process in which individual knowledge and expertise is converted into more usable form that can be transferred and used by others within the organization. (Suddaby & Greenwood, 2001). Hansen, Nohria and Tierney (1999) defined codification the action of converting implicit knowledge so that it can be used in various situations by the organizational members. According to them, codification relies heavily on computer and databases. Along the same vein, Gibbins and Wright (1999) argue that codification transfers personal expertise into such form that it can be utilized by the whole organization. According to them, codification relies heavily on computer and databases. As a consequence, the tacit knowledge possessed by an individual employee can benefit the whole organization.

Abstraction is defined as the process by which the raw information gathered through codification is converted into a more universal form. The codified experience is turned into relatively simplistic templates and forms that can be easily understood and used by others within an organization. When managerial knowledge is converted into routinized templates, it can be reused between various customers (Suddaby & Greenwood, 2001).

To conclude the section 2.3, the different areas of corporate communication were discussed to show the versatility in communication services. The main communication activities performed within corporate communication function are: corporate identity and image, media communication, financial communication, issues and crisis management, internal communication, corporate responsibility and public relations. Communication services can be offered in all areas of corporate communication. Due to the diversity and complexity of communication services, service productization can be very beneficial to service companies. Communication service productization includes such activities as codification and abstraction, meaning that the explicit knowledge is transformed into more usable form and then put to use in form of simplified templates and forms. Thus, the explicit knowledge is transferred as a resource of the whole organization.

2.4 Theoretical framework

This section presents the theoretical framework for the study and highlights the reasons for investigating communication service productization. The theoretical framework of the present thesis is based upon the theories of Suddaby and Greenwood (2001), Cornelissen (2008), Argenti (1996), Bullinger et al. (2003), Lehtinen & Niinimäki (2005) and Sipilä (1996). Figure 6 presents the theoretical framework for the study and it consists of three different components: communication service productization process, target of productization and outcome of productization.

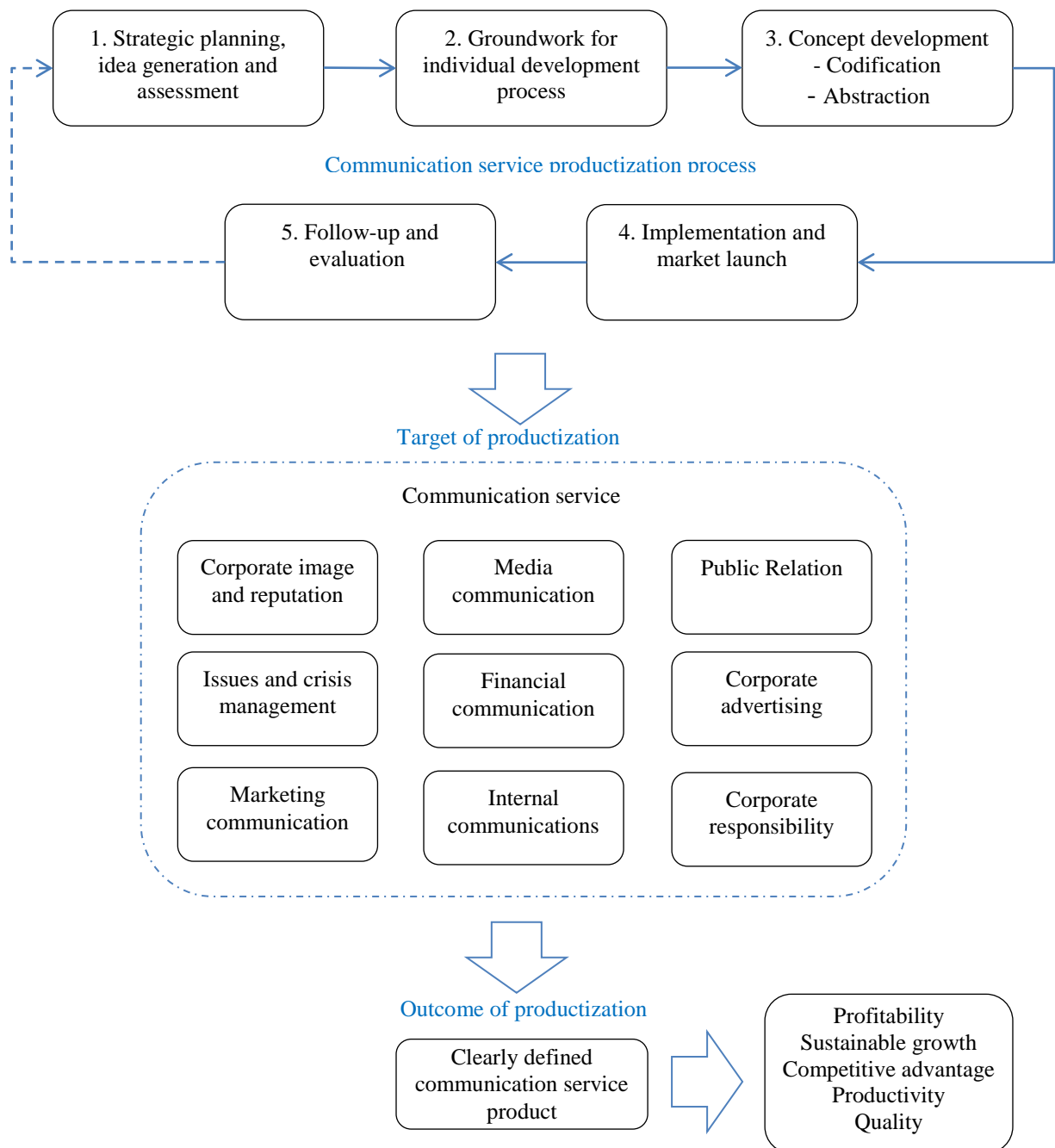


Figure 6. Theoretical framework: Productization of communication services.

(Based on Suddaby & Greenwood (2001), Cornelissen (2008), Argenti (1996), Bullinger et al. (2003), Lehtinen & Niinimäki (2005) and Sipilä (1996))

First, the theories of Bullinger et al. (2003), Suddaby and Greenwood (2001), Lehtinen and Niinimäki (2005), and Sipilä (1996) are combined to form a five-step frame for communication service productization process depicted on top of the figure 6. Service productization is a progressive process, which does not necessarily proceed in a linear manner and the different phases can overlap with each other. At the first phase, i.e. strategic planning, the company's business strategy is clarified and product ideas are generated and assessed. (Bullinger et al., 2003; Sipilä, 1996). At the second phase, i.e. groundwork, a detailed plan for an individual development process, with defined goals, tasks and schedule can be done. With a detailed plan in place, the actual development of a service may begin. At the third phase the service concept, i.e. concept development, the what, how and with what resources, is defined and the price for the service is set. After concept development, the service is ready to be launched to market. The fourth phase, i.e. implementation and market launch, includes various marketing and sales activities, such as drafting brochures and setting up sales meetings. Since productization is a continuous process it should after the market launch. Rather, the final phase, follow-up and evaluation, ensures that the service is continuously revised and adjusted according to customer needs (Lehtinen & Niinimäki 2005; Bullinger et al. 2003). Moreover, if the service fails to meet the needs of the customers the whole process of development has been pointless.

Second component of the theoretical framework is the communication service, which is the target of productization depicted in the middle of the figure. Based on Section 2.3 on productization of communication service, communications services are offered in the following areas of corporate communication: Corporate identity and image, media communication, financial communication, issues and crisis management, internal communication, corporate responsibility and public relations. According to Section 2.3, communication services can refer to various services ranging from all areas of corporate communication. In Figure 6, the different areas of corporate communication aim to demonstrate this diversity.

Communication services can contain considerable variations both across and within a service organization. The diversity of services called as communication services can be

confusing to customers. Moreover, Kaiser and Ringlstetter (2011, p. 32) argue that communication services are highly abstract and complex knowledge-intensive services. Therefore, communication service providers would benefit from productization as their service concept is turned from a vague idea into a more defined and sellable communication service product.

Finally, the third component, the outcome of the productization, is depicted at the bottom of Figure 6. The desired outcome of a productization is a clearly defined communication service product, which can lead to increased profitability, growth, competitive advantage, productivity and quality. Companies seek various advantages from service productization. However, the main goal is to create innovative service business (Jaakkola et al., 2009, p. 6) that enables sustainable growth and financial success.

To conclude, according to the theoretical framework of this study presented in Figure 6 the principles of service productization can be used in the development of concrete communication services that enable service companies to achieve the following benefits: profitability, sustainable growth, competitive advantage, productivity and quality.

3 RESEARCH DATA AND METHODS

This chapter outlines the methods and data used in the present study to examine the process of productizing a communication service specifically in the case company, Communicia Oy. When studying a topic, which involves a range of data that is difficult to quantify, a qualitative approach is a suitable choice of method. Qualitative methods enable the researcher to approach unique problems, like the present one, in considerable depth (see e.g. Hirsjärvi & Hurme (2000)). In the present study, a qualitative approach based on personal semi-structured interviews was used. The research problem was approached on the basis of a theoretical framework, which was constructed drawing from the academic literature and the journal articles on service development, service productization and corporate communication.

This study took a single-case study design, which means that only one case has been taken under investigation. The purpose of the present study was to examine the process of productizing a communication service. In the particular the study focused on the productization process in one organization, Communicia Oy, thus single case study design was a suitable choice (Yin, 2003). Communicia is operating in the communications field, which is closely in line with the discipline of International Business Communication, and thus it was a suitable choice for the case company of this study. However, with single-case study one does not provide enough comparable information to make generalizations (Yin, 2003). Therefore, here, the aim is to understand the prevailing processes of productization in the context of the case company and to make suggestions targeted only for that particular company, although they may be applicable to similar companies elsewhere.

3.1 Research interviews

The purpose of the study was to examine the process of communication service productization in one particular company, Communicia Oy. The empirical data was collected through eight semi-structured interviews that were carried out between April and May 2011. The interviews took place at the case company's office and took an

average of 40 minutes each. The interview questions varied among the interviewees depending on their role in the company, and their role and involvement in the two productization projects that had been conducted before the study. Hirsjärvi & Hurme (2010) argue that semi-structured interviews with predefined themes and open-ended questions are the best choice for a unique and complex topic such as the present one. Questions were open-ended to empower the participants to freely express their opinions and enable dialogue.

Interviewees were selected on the basis of their involvement in the case company's productization projects. All 7 employees involved in one or both of the productization projects were interviewed. In addition, Communicea had employed a productization consultant to offer a fresh unbiased view of the service productization process within the company. Therefore, also the outside consultant involved in the productization was interviewed. Although the research is completed in English the interviews were conducted in Finnish since all the interviewees were native Finnish speakers. All the quotations are my translations. In addition, the interview themes were translated into English (see Appendix 1). After the interviews the data was recorded and transcribed as soon as possible to make sure that no relevant data was missed (Hirsjärvi & Hurme, 2010, p.135).

Table 1 Background of the interviewees and the interviews

	Educational background	Gender	Date of Interview	Duration of interview
Interviewee 1	M.Sc. (Econ.)	F	April 18	33m42s
Interviewee 2	M.Sc. (Econ.)	F	April 21	24m11s
Interviewee 3	M.Sc. (Econ.)	F	April 26	35m24s
Interviewee 4	M.Sc. (Econ.)	F	April 26	28m48s
Interviewee 5	M.Sc. (Econ.)	F	April 28	1h04m15s

Interviewee 6	(MA)	F	April 29	29m43s
Interviewee 7	M.Sc. (Econ.)	F	April 29	40m50s
Interviewee 8	M.Sc. (Econ.)	M	May 4	59m33s

The interview themes were connected to the study objectives and the theory reviewed in Chapter 2. Since the outside consultant possessed special knowledge and expertise in productization the interview themes were slightly different than the interview themes for Communicica's personnel. The interview themes for both the outside consultant and Communicica's personnel are listed shortly below and in more detail in Appendix 1:

Interview themes for Communicica's personnel:

- Theme 1: Strategy and reasons for productization in Communicica
- Theme 2: Benefits and challenges of productization
- Theme 3: Productization Process, main steps
- Theme 4: Concrete outcomes
- Theme 5: Evaluation

Interview themes for the outside consultant:

- Theme 1: Productization defined
- Theme 2: Reasons for productization
- Theme 3: Benefits and Challenges of productization
- Theme 4: Productization Process, main steps
- Theme 5: Productization in Communicica

3.2 Trustworthiness of the study

The trustworthiness of qualitative research is often questioned and it has been argued that qualitative approach brings subjectivity to the research. For this reason, qualitative researchers need to incorporate methods into their research that addresses these issues.

Hirsjärvi and Hurme (2010, p. 185) point out that the trustworthiness of the study should be kept in mind throughout the research process. Qualitative research seeks to provide understanding of the participants' experiences and perceptions of the given research problem. In order to stay objective during the research process and ensure that the researcher's own opinions do not affect the research results, the researcher needs to justify the chosen research methodology.

The researcher of the current thesis is working at the case company. In order to ensure that the researcher's personal opinions and values did not affect the research process and the results, the data collection, interviews and analysis were carefully conducted based on the reviewed literature and the theoretical framework. The researcher was also careful not to present her own opinions during the interviews. Moreover, the objectivity for this study was acquired through careful documentation of the research process and decisions to enable an outsider to repeat a similar study.

The empirical data was collected in Finnish but presented in English. When quotations are interpreted and edited there is always a risk of misrepresenting the meaning of the interviewee. In translated quotations the risk is even greater. However, in the present thesis a great consideration was put into the translation process. As far as possible a literal translation of the quotations were made to ensure that the meaning of the quote was not changed during translation.

To enhance the trustworthiness of the study, the interview themes were built based on the literature reviewed in the Chapter 2. The interviews were recorded and transcribed in full within two days of the interviews in order to ensure a credible interpretation of the data drawn from the participants. Hirsjärvi and Hurme (2010, p. 189) point out that it improves the quality and thus trustworthiness of the study when the interview data is transcribed soon after the interviews. The data analysis was based on, but not limited to, previous literature and studies. The interview themes were translated to English and are presented in the Appendix 1.

4 FINDINGS

In this section, the main findings collected from the semi-structured interviews are presented. As mentioned in Chapter 1, the main research objective of this study is to investigate how a communication service can be turned into a service product that reflects effectively the specific attributes and benefits of the offering. In particular, this thesis will focus on the productization process in the case company, Communicæ Oy. Based on this objective, the following four research questions were formed. Therefore, the findings are categorized so that each section of this chapter relates to one of the four research questions of the study:

1. What are the reasons for communication service productization?
2. What are the main steps in communication service productization process?
3. What are the perceived benefits of communication service productization?
4. What are the perceived challenges in communication service productization?

Accordingly, Section 4.1 reports on the reasons for productizing communication service. Section 4.2 focuses on the basic steps that can be found in a process of communication service productization in the case company. In Section 4.3, the benefits that can be achieved through communication service productization are reported. Finally, Section 4.4 reports what are the challenges that a company can encounter during a communication service productization process.

4.1 Reasons for communication service productization

This section reports on the interviewees' perspectives on the main reasons for communication service productization in the case company and thus answers the first research question of the study. The interviewees associated dominantly four key reasons for productization in the case company, listed in the table below:

Table 2. Reasons for communication service productization

	Reasons for communication service productization	No. of interviewees
1	Increased efficiency	8
2	Clarified service offering	6
3	Competitive advantage	6
4	Segmentation	4

Efficiency

All of the interviewees mentioned increased efficiency as one of the key reasons for productization in the case company. Through standardized and systemized service procedures the company was able to do more with fewer resources. Productization provided a well-thought-out basis for the service delivery; thereby routine work diminished and production readiness was increased, as can be seen from the following quotations:

“When we are able to create a clear process for the service we provide and when we are able to offer repeatable services, it saves a lot of time and resources and at the same time the quality stays more consistent.”

“Without productized service the packaging is done again and again in the selling situation, which is inefficient”.

“Productization diminishes routine work in service production, thus more time is left for demanding consulting work.”

Thereby, as the quotations show, with productized services the company was able to aim their resources into more demanding activities. A central part of productization was to analyze and rationalize the work processes related to the service delivery, which clarified and systemized the different stages in service provision. In addition, with a shared operating procedure practices the employees were able to organize their own work in a more efficient manner. Thus, more time was left for creativity and more demanding

activities that require expertise. In addition, productization facilitated the division of work and utilization of the know-how of the personnel.

Clarified service offering

Many of the interviewees mentioned clarified service offering as one of the reasons for productization. The interviewees pointed out that the elusive and abstract nature of a communication service made it difficult for the customer to truly understand the content and the scope of the service. Indeed, the nature of communication services seems to highlight the need for productization. Especially at the beginning when the case company was founded it was difficult for the company to explain what they did and to define their service scope for the customers. Through productization, the service offering was simplified, which made it easier to understand the content and scope of the service. Also, it became more concrete and compelling. In other words, the services became easier to sell, buy and understand as can be seen from the following citations:

“We wanted to simplify our offerings to our customers and define clearly both the service and its scope. Also, both production and sales processes are clearly defined.”

“Productization of a service makes our strategy concrete. Our services are the practical expressions of our strategy.”

“Our expertise and know-how is transferred into a product that is easy to sell, buy, produce and which success and value can be measured. If the service is not productized, all this is difficult.”

“Productization in our company means development of the ideas and knowledge so that they can be easily understood in our organization as well as by our customers.”

“Productization means that the intangible capital of the company is transferred into a sellable form.”

Competitive advantage

When asked to explain why productization initiatives were under taken in the case company, the interviewees seemed to share the perception that productization is a method to gain competitive advantage. Through productization the company was able to emphasize the specific service attributes that make the offerings stand out from those of the competitors. The interviewees believed that competitive edge could be achieved through improvement in organizing their people, knowledge, and processes into differentiated offerings, as the following quotations show:

“Service productization serves as a tool to have our business stand out from our competitors. When a service is productized, the service delivery and quality becomes more consistent, which in turn increases customer satisfaction and thus also profitability.”

“When our services are productized, we are able to produce our services more efficiently and set a fixed price. Therefore, productization above all serves as a competitive edge.”

Since clients associate higher degree of risk to purchasing services due to the inability to evaluate the service before purchase, productization was seen to provide credibility, as it could establish trust and reduce the customer’s risk by making the service more tangible. Most of the interviewees perceived productized services as more concrete and through standard elements and procedures it was possible to reduce the complexity and cost of production. The company was able to convey a more professional image and compelling message for the customer, as can be seen from the following quotations:

“It is a competitive advantage in the professional service market, when we have a convincingly described service; it also establishes trust and credibility to have something concrete to show for the prospects.”

“[...] to show that we are well organized and prepared, ahead of our competitors. A service product helps with this.”

”We don’t just have vague communication services, but we have defined products, so that customers and other stakeholders can get a clear picture whether this is the kind of service they need”.

Segmentation

According to the interviewees, segmentation decisions were a prerequisite for a meaningful productization. In order for productization to make sense, the productized service has to address a specific need in the market and the company has to have the competence to provide the service. Otherwise, the company would end up with a service product that no one wanted to buy and the company could not produce. Service productization had helped the case company to combine the different types of expertise into a service product family and each product served one of the target markets, as demonstrated by following quotations:

“The aim is to combine what the customer needs with what we do, and package it into an understandable and sellable form.”

“We wanted to clarify the areas that we want to be working in and what we want to offer to our customers.”

All services that the case company selected for productization served the needs of one of the company’s target markets. To be able to target resources into appropriate activities and customers, the company had to make segmentation decisions of which customer groups to serve, what ideas were possible or worth to implement, and how to prioritize them. To quote:

“The goal is to have a productized service for all of our different target segments, so that this product serves the segment as well as possible. The aim is to create a service that suits the specific target market.”

”When we productize our services, we think about what added value do they offer for the customers as well as what customer problems do they solve.”

Most of the interviewees emphasized that service productization alone did not create competitiveness nor increase performance. It was seen essential that the development of a service product started from the recognition of customer need and from the analysis of the problem that the service aimed to solve.

In sum, the findings reported in Section 4.1 show that there were dominantly four key reasons for service productization in the case company: efficiency, clarified service offering, competitive advantage and segmentation.

4.2 Main steps in a communication service productization process

This section reports on the basic steps of which the productization process consists of in the case company as perceived by the interviewees and answers the second research question of the study.

Before the productization of individual service, a strategic planning took place and the company defined their service portfolio. The aim of was to make sure that the resources were focused on such services that met a real market demand and delivered most value for the business. In addition, it was pointed out that it was essential that the services to be productized fit well into the company’s overall strategy and integrated with the existing services with ease. Therefore, the first step in the productization process in the case company was managing the service portfolio at a strategic level and finding the core competence that the company wanted to concentrate on as can be seen in the following:

“The process starts with thinking over what are the services we want to productize in the first place. [...] first comes product portfolio process.”

“First we clarified the business areas that we want to be working in. Only after that can a productization of an individual service begin.”

“There needs to be some kind of big idea behind the services that will be productized, a product family.”

The services chosen for productization were carefully selected keeping in mind Communicica’s overall business strategy. In addition, customer focus was one of the key concerns during the productization process. Communicica wanted to ensure that the services productized matched the real market needs. In addition, the case company concentrated on identifying the areas of their core expertise where there were growth opportunities in the market and the areas in which they were already producing services in a productized manner. The following comments demonstrate how services were chosen for productization:

“Customer problems and our areas of expertise, the things we do well, formed the criteria for choosing the services that we wanted to productize.”

“We thought about what are the areas where we have expertise compared to where there is demand in the market.”

“We identified some similarities and universal problems that were shared among different customers. We should only productize services that we think could be needed in a larger scale.”

At the beginning of the productization process case company’s knowledge and know-how regarding service productization was somewhat limited. Productization was rare in the communication service sector, thus there were very few examples of productized communication services, which made benchmarking difficult. Therefore, an outside consultant was used in the first two individual service productization projects. However, most of the interviewees thought that productization could be done internally in the future as the following quotations show:

“It worked well to have an outside view during the productization project, especially since none of us had done anything like this before. However, in the future, as we gain more knowledge on how productization works, we can do more internally.”

“We could productize our service by ourselves in the future; however, feedback from outside the company should still be gathered.”

Everyone in the case company had the opportunity to participate at the initial product idea generation and brainstorming. However, a team of four to five people was involved in the actual productization process. Before the productization outline for the service content was defined, but the details were decided during the process. The consultant participated in the process by commenting and challenging on the product ideas, as well as giving feedback and answering any questions regarding productization, as can be seen from the below quotation:

“Foremost the consultant questioned the product ideas, so that we were really forced to think about the ideas thoroughly and justify the creation of such service products.”

During the process of productizing an individual service a concrete communication service product was created and total of four phases was identified: planning, content development, market launch and review and follow-up. First, according to the interviewees, the process started with a planning of the practical issues. The team was created and the goals, responsibilities and schedule were defined. Also, the next steps and tasks were identified.

Second, the service content and the delivery process were defined. In particular, the different steps in the service delivery process as well as the responsibilities and the division of work were analyzed in detail in order to secure an efficient and reliable delivery to customers. The service content as well as the service delivery process was carefully documented and templates and tools to supporting the service delivery were

created. Also, marketing materials such as brochures and product specific internet sites were created. In addition, the specific group or groups of consumers at which the service was aimed at were defined.

Third, the service was set up for the market launch. The intranet page that was created in the last phase was published and the sales activities were started. In addition, the internal audiences were educated about the service to ensure that the personnel had a unified understanding of the service.

Finally, most of the interviewees shared the similar perspective that productization should not be the end of the development of the service product. It was also clear for the case company that the productized services should be continuously reviewed and developed according to the feedback from the customers. The interviewees emphasized that after the first customer case; the service product should be revised and adjusted according to customer feedback. Majority of the interviewees also mentioned that the product should be piloted with a customer in a relatively early stage of the process, to ensure analysis and refinement in response to the customer feedback. However, piloting was not used in the case company. The interviewees recognized the need for continuous development of the service as can be seen from the quotations below:

“The first customer case will develop the service further. After a productization project the product is not ready, but it will be improved after the first customer case. The improvement ideas are generated from the customers.”

“Feedback from the customers is essential, in order to ensure our products really address the customer needs.”

In sum, the findings reported on Section 4.2 show that there were five main steps in the communication service productization process during which a concrete service product was created and set up for the market launch. The first step in productization in the case company was strategic planning where the service portfolio was defined to ensure that the resources were focused on right services and activities. Strategic planning relates to

high level planning and decision making, which took place before an individual service productization. Second, plans for individual productization were made and the goals, responsibilities and schedule were defined to guide the practical work. Third, the service content and the delivery process were defined and documented. Fourth, the productized service was launched to the market. Finally, the continuous development of the service was identified as the fifth phase.

4.3 Perceived benefits of communication service productization

This section reports on the benefits that can be achieved through communication service productization as perceived by the interviewees and answers the third research question of the study. All the nine benefits that were mentioned by the interviewees are listed in the table below:

Table 3. Benefits of communication service productization

	Benefits of communication service productization	No. of interviewees
1	Increased efficiency	8
2	Clear object for exchange	6
3	Facilitates working and division of work	6
4	Tangible service	6
5	Increased and consistent quality	6
6	Competitive advantage	6
7	Increased credibility	5
8	Explicit knowledge	5
9	Differentiated service offering	5

In what follows the benefits mentioned during the interviews are reported on in more detail. To clarify the findings, I have combined some of the benefits listed in Table 3: increased efficiency (1, 3), concrete service offering (2, 4), consistency and quality (5), explicit knowledge (8) and competitive advantage (6, 7, 9).

Increased efficiency (1, 3)

Increased efficiency was mentioned most often by the interviewees when asked to list the benefits of communication service productization. The interviewees seemed to share the perception that a well-defined service allowed the company to achieve efficiencies in service delivery. Predefined processes were developed in order to make routine work easier and faster as well as reduce the time of re-doing things. In addition, the interviewees believed that allocation of resources became easier as productization facilitated the working and division of work. To quote:

“With a predefined service delivery process we are able to save time and offer the same service and maintain the same level of quality for everyone.”

“More precisely defined service processes facilitate the planning and allocation of resources.”

Concrete service offering (2, 4)

Many interviewees reported that as a result of productization the service became more concrete. The interviewees believed that since the abstract and intangible nature of communication services the customers perceive a greater risk buying communication services. This risk can be reduced by giving some tangible and product-like features to the communication service through productization. Thus, productization has made it easier, both inside the case company and for their customers, to understand the content and scope of the service. Productization has also proved to be beneficial in making the service products easier to sell. Practical ways in which this was achieved was the development of delivery processes, templates, brochures and service descriptions, which has made the service more concrete. In addition, the interviewees assumed that adding product-like features to the service facilitates communication with the customer. To quote:

“Productized service enables us to offer something concrete for the customer and they feel that they are getting something real.”

“Service product helps the customer easier to know the content, delivery time and the cost of the service.”

Consistency and quality (5)

Consistency in the service production was believed to improve the quality of the service. Productization ensures that tasks are performed in the same way every time, and consequently the quality improves. It was believed that when the service processes are organized and managed in a more systematic manner, the service delivery does not only become more efficient but the quality of the service provided also becomes more consistent. Through productization the variability of the service is reduced, as the company had more control over the service process. As can be seen from the following quotations:

“[...] at the same time at the quality of the service remains more consistent.”

“Productization allows us to produce consistent service with higher quality.”

Explicit knowledge (8)

Through productization the company was able to transfer the tacit knowledge into explicit knowledge. It was mentioned by the interviewees that much of the knowledge in the case company was personalized around a few people. The better the service was defined the less it was dependent on the competence of individual experts in the company. Through productization silent knowledge could be turned into an asset and resource for the company. Thus, the expertise was more associated with the company rather than an individual employee. In addition, the interviewees mentioned that the accumulation of knowledge within the organization became easier, as it was transferred into a form that was easy to understand and accessible by everyone in the organization. The quotations from the interviewees below illustrate this point:

“A lot of the knowledge was in the mind of the individuals of the company. We wanted that everyone in the company could leverage this knowledge to their own work.”

“Productization enables us to transfer the company’s knowledge and know-how into a product.”

Competitive advantage (6, 7, 9)

Many of the interviewees pointed out that service productization enabled them to create competitive advantage over competitors. With productized services, they were able to differentiate their offerings from those of competitors. In addition, productization facilitated selling of the service as it became more concrete and easier to understand, thus, increasing competitiveness, as the following quotation demonstrates:

“Process thinking in communications is a new thing; with productization we can make the service easier to understand and thus easier to sell and produce more efficiently. Thus, productization offers competitive advantage for us.”

In addition, many of the interviewees listed increased credibility as one of the main benefits of service productization. With productization, the company was able to improve the credibility of their offerings by making them more concrete and thus providing a proof of service quality and the service experience:

“Service products show to our customers that we are well organized and deliver consistent service. It shows that we know what we are doing.”

“With productized service the customer can easier get an idea of what we do. In addition, having a tangible product makes the company look more reliable. Selling process becomes easier when the customers see easily the service content.”

In sum, the findings reported on Section 4.3 show that there are a number of benefits that can be achieved through productization. First, productization increased efficiency and facilitated working and division of work. In addition, time and resources could be directed to more demanding activities instead of routines. Second, productization concretized the service offering, thus providing a tangible and concrete object for

exchange. Third, with the defined production process the quality of the service increased and became more consistent. Fourth, the tacit knowledge could be transferred into explicit knowledge. In addition, the possibility to accumulate knowledge more systematically was improved. Finally, competitiveness and performance improvement could be achieved through productization.

4.4 Challenges in communication service productization

This section focuses on the challenges and possible barriers of service productization in the case company and answers the fourth and final research question. The challenges that the interviewees had experienced during the productization processes are listed in the table below:

Table 4. Challenges in communication service productization

	Challenges in communication service productization	No. of interviewees
1	Time and resources needed	8
2	Maintaining customer focus	5
3	Attitude towards communication services	3

Time and resources needed

All of the interviewees thought that the biggest challenge in productization was the time and resources dedicated to the process. Productization in the case company was done along with the daily work and customer work was number one priority. Thus, finding the time for productization work was seen challenging as can be seen from the following quotation:

“The combination of everyday work and productization is a challenge, as nobody can solely concentrate on the productization, but customer work always comes first.”

Maintaining customer focus

The ability to maintain the customer perspective, while standardizing the service to meet a wider audience was viewed as challenge by many of the interviewees. Communication services have traditionally been highly customized as customer's cases often are very distinctive. Service situations are likely to be quite unique and require solutions that must be strongly based on the individual customer needs. This was seen as one of the challenges of productization in the case company, as can be seen from the following quotations:

“It is possible to get fixed on the idea that this is the service package that is offered to all customers, however in our line of work one-size-fits-all solution does not necessarily work.”

“It is difficult to set a fixed price for a service, when the customers are so different and each customer situation requires substantial amount of customization. “

Attitude towards communication service

The interviewees identified the prevalent attitude towards communication services as a possible obstacle to communication service productization. It was pointed out that the customers are not accustomed to view the outcome of unique knowledge and know-how as a product. Therefore, communication services are not traditionally viewed as products. Rather, customers are accustomed to buy communication services on an hourly basis.

“In the communication field there is still dominantly an outdated culture; customers are used to buy the service in hourly based pricing not as a product.”

Even though productization was seen as a rather challenging task, the need for productization was not questioned among the interviewees. Moreover, the need for productization was even seen to be more important due to the abstract nature of communication services, as can be seen from the following quotation:

“The fact that we are doing communication does not make productization more difficult. On the contrary, it makes productization even more important, because our product is not familiar for the customer and concrete product makes it easier to understand.”

In sum, the findings reported in Section 4.4 show that besides the various benefits of service productization, there are challenges as well associated with productization of communication services. The interviewees identified the time and resources dedicated to productization as the biggest challenge in productization. Productization in the case company was done along the daily work and as customer work is the first priority, finding time for productization was difficult. Also, keeping the customer perspective throughout the process was seen challenging. In addition, people are not accustomed to view communication services as products. However, despite the challenges the interviewees saw productization communication services very important due to their complex nature.

5 DISCUSSION

In this section, the main findings reported on Chapter 4, will be discussed in relation to the literature reviewed in Chapter 2. Due to the lack of academic research on the productization of communication services, it was very challenging to find relevant literature. However, this thesis is based on the assumption that the productization of communication services follows the same patterns as productization of knowledge intensive professional services. Thus, the findings are discussed in relation to the literature reviewed in Chapter 2 of such disciplines as service development, service productization and corporate communication.

The interviewees seemed to share a common perception of service productization and on what it means in their organization. Service productization was seen as a method of defining and systematizing the communication service offering so that it would be easier to sell and buy. This seems to be rather consistent with previous literature, for example, Sipilä (1996, p. 20-21) argues that the purpose of service productization is to clarify the service in order to make it easy to sell, buy and understand.

The interviewees emphasized that due to the complex nature of communication services customers often lack a clear understanding both of their own needs as well as the communication services being offered. Thus, creation of simple and tangible communication service that is easier to grasp was identified as one of the main goals of productization. Similarly, Sipilä (1996, p. 19) argues that productization makes the service more tangible and concrete, thus it is easier to see the content and scope of the service. The findings of this present study suggest that communication service providers can benefit from a more systematic approach on service development and production achieved through service productization, like the service providers in other fields have.

The findings of the study show that improving the service process efficiency was one of the main reasons for communication service productization. Productization forced the organization to analyze and systemize different procedures and work methods, thus the service process became more systematic and rationalized. It was considered that

productization enables the company to utilize and accumulate the experience and knowledge gained through customer work, as it is transferred into reusable form. Efficiencies could be achieved through the optimized use of existing systems and unified working methods. In addition, the interviewees experienced that routine work was minimized and time was left for more demanding activities that require expertise. The findings of this study are consistent with the findings of Lehtinen and Niinimäki (2005, p. 30) that service providers can achieve increased efficiency by utilizing standard solutions and procedures in service production.

Productization of communication service enables the company to focus the overall business and supports decision making regarding who to sell, what to sell and why the customer would buy it. This was seen to be especially useful in communication services, where the customer opinions change the direction of the business constantly. In addition, setting and measuring long term objectives becomes easier, so the service and the organization can be developed in more systematic manner. This seems to be consistent with the literature review. Productization was defined as a method, which can be used to systemize both the development and production of a service. (Jaakkola et al., 2009; Sipilä 1996).

The productization process in the case company seemed to follow the same patterns as identified in the literature review. The interviewees identified the following phases in the productization process: strategic planning, planning of individual communication service productization, content development, market launch and review and follow-up. Similar phases can be found for example in the frameworks of Bullinger et al. (2003), Sipilä (1996) and Lehtinen and Niinimäki (2005). Not all the phases mentioned in the previous literature were used in the case company, which supports the findings of Jaakkola et al. (2009) that each company employs productization in a slightly different manner depending on the company's goals and resources. Thus, they suggest that each company should plan and implement service development projects based on their own needs.

Strategic planning was the first phase of service productization in the case company. Productization started with the selection of the services to be productized and defining of the service portfolio structure. It is essential that the service fits in the company's image and enhances it. Customer needs, company's internal factors and goals form the foundation for the service product creation. The interviewees emphasized the importance of careful selection of the services to be productized, not every activity should be productized. Along the same vein Sipilä (1996, p. 34) argues that strategic planning and productization go hand in hand and it is meaningless to productize a service without a clear understanding about what services are reasonable to offer in reference to company's resources and know-how.

The second phase was identified as the planning phase, where the groundwork for the process of individual communication service productization was done. A plan with defined goals, responsibilities and schedule was created to facilitate the organization of the practical work. Also, according to Lehtinen and Niinimäki (2005, p. 46), the purpose of the planning phase is to set a frame for the process that eases and supports the work during the productization process.

At the third phase the content and the delivery process of the services chosen for productization were defined. In addition, the responsibilities and the division of work were determined during the process. Also, the target customer group for the service was defined. It was pointed out in the interviews that it was important to make sure that the service really provides benefits to customers and that they are ready to pay for it. As Rekola (2006, p. 105) argues that if the productized service fails to meet the needs of customers the whole productization efforts have been in vain.

At the fourth phase, the service was launched to the market. The interviewees identified service piloting and testing with the customer as an important factor to ensure that the service addresses the real customer need. Finally, it was suggested that continuous development of the productized service is important and thus the fifth phase of the service productization process was referred to "review and follow-up". It was emphasized that the development of the service product should not end when the

productization is finished. The findings of the present study are consistent with Sipilä (1996) since he argues that service productization should rather be seen as a continuous process in which the service is frequently revised and adjusted according to customer preferences.

The findings of the study show that besides the achieved efficiencies in the service process there are a number of other benefits of communication service productization. The interviewees perceived that through productization communication service and professional expertise became more tangible and thus more concrete. The interviewees pointed out the difficulty of selling communication services, if they lack clear content and scope. Therefore, it was believed that customers experience great risk in buying communication services, which is greatly due to their abstract and intangible nature. To reduce this risk, the service provider can give some tangible evidence for the service. It was mentioned that through productization the service offering becomes so simple and easy to understand that the customer's risk diminishes and fear disappears. The findings of this study lend support to, for example, Sipilä (1996) and (Grönroos, 2009) that productization eases the customer's buying decision by reducing the fears and risks as the service become more concrete.

This study shows that productization enabled the transfer of tacit knowledge into an asset and resource of the entire organization. In other words, individual knowledge became knowledge of the whole organization. Also, according to Jaakkola et al. (2009), productization enables organizations to share person dependent know-how with the whole organization. In the case company, a lot of the know-how was personalized around a few experts. The interviewees argued that the better the service is defined the less it is dependent on the competence of individual experts. Often in professional service organizations the specific expertise is only known by the person handling that specific customer relation. Therefore, through productization the knowledge is not only shared, but the use of knowledge was optimized through common procedures. This is in conjunction with earlier studies made on service productization. For example, Suddaby and Greenwood (2001) argue that productization of knowledge-intensive services, such

as communication services, involves the conversion of managerial knowledge into a more usable form, such as simplified checklist or templates.

Lack of time and resources was identified as one of the greatest challenges in service productization. In the case company, internal development activities, such as service productization, were done along daily work. In addition, customer work always came first. Thus, finding the time and resources were seen to be difficult. This finding seems to be consistent with the literature, for example, Congram and Epelman (1995) argue that productization is difficult and time-consuming, and can fail because of scarce resources. In addition, Sipilä (1996, p. 37) points out that productization requires higher investment in reference to money and time that the service companies are used to.

Interestingly, none of the interviewees questioned the need for productization neither in the case company nor in the field of communication services. Moreover, the interviews suggested that the intangible and abstract nature of communication services highlights the importance of productization. It is often difficult for the customers to understand and evaluate the content, as well as the outcomes of communication service before the purchase. The same applies to other professional services. Productization turns expertise into manageable form and offers a clear object that is easy to display to the customer. These findings are consistent with Suddaby and Greenwood (2001, p. 938). They argue that productization transfers managerial knowledge into more manageable form and eases the understanding of management knowledge services. Thus, this study indicates that productization of communication service indeed is valuable and can be used to make the service process more efficient.

To conclude, communication service providers could benefit substantially from a more systematic approach to service development and production that can be achieved through productization. The abstract nature of communication services highlights the importance of productization. Productization seems to enable a company to develop a well-defined and tangible offering, which may be produced in more efficient and consistent manner. The ultimate goal of productization is to maximize the customer benefit and company profitability, through consistent high quality solutions and

increased productivity (Jaakkola et.al 2009, 2). Therefore, this study argues that it is crucial for the overall efficiency of communication service providers to productize their service offerings. However, it should be noted that productization alone does not create competitiveness nor improve performance. It is essential that the development of a communication service starts from the recognition of the customer needs and the problem that the service aims to solve. Overall productization makes the service and its production more controllable, and thus more efficient and rational. Efficiency in turn increases profitability and support sustainable growth, which are the underlying goals of productization.

6 CONCLUSION

The final chapter of this study sums up the research aims, methods and main findings, and concludes the study. Section 6.1 summarizes the research briefly, presents the main findings and conclusions. Section 6.2 presents the practical implications of this study. Section 6.3 discusses the research process from a critical perspective and presents some limitations for this thesis. Section 6.4 presents the limitations of the study. Finally, section 6.5 makes suggestions for further research.

6.1 Research summary

Managing communication has become an important part of any business and the lack of specific knowledge has led companies to look for resources outside the organization. The increased demand for communication services has intensified competition among the various service companies. In order to address the increased competition, communication service companies must constantly improve their service delivery methods, tools and standards. However, in spite of the need for communication service companies to find ways to produce services more efficiently, there has been very limited research on service productization in general and no research at all on productizing communication services. Obviously, a clear gap in the research existed.

The current Master's thesis has investigated productization theories and important factors in the process of productizing a communication service. The objective of the study was to investigate the productization process of communication service particularly in one organization, the case company Communicea Oy.

Based on this research objective the following research questions were formulated:

1. What are the reasons for communication service productization?
2. What are the main steps in communication service productization process?
3. What are the perceived benefits of communication service productization?
4. What are the perceived challenges in communication service productization?

As the literature on communication service productization was limited, quite a lot of the previous literature reviewed in Chapter 2 was gathered from other business disciplines than corporate communication. The literature review consisted of three main topics: Service productization, Service productization process and Communication service productization. The first section gave an overview and definition of service productization. In addition, the benefits and challenges of service productization were discussed. Section 2.2 concentrated on the main steps in the productization process. Section 2.3 gave a definition of communication service and discussed the corporate communication function to demonstrate the variability in the field of communication services. In addition, productization was discussed in the context of communication services.

The theoretical framework presented in Section 2.4 is build combining the theories of Suddaby and Greenwood (2001), Cornelissen (2008), Argenti (1996), Bullinger et al. (2003), Lehtinen & Niinimäki (2005) and Sipilä (1996). The theoretical framework, illustrated in Figure 6 consists of three components. First element suggests a five-stage process of productizing a communication service: Strategic planning, Groundwork, Concept development, Implementation and market launch, and Follow-up and evaluation. The second component illustrates the target of productization, a communication service. The different activities of the corporate communication demonstrate the diversity of communication services. The third component illustrates the desired outcome of a productization: a clearly defined communication service product, which can lead to increased profitability, growth, competitive advantage, productivity and quality.

This study assumed a qualitative approach. The empirical data was collected through eight semi-structured interviews with seven Communicica's employees and one outside consultant involved in the two productization projects that the case company had overtaken at the time of the interviews. The themes for the semi-structured were predefined, but the questions were open-ended and varied among the interviewees based on their role and involvement in the productization projects. The interview themes were

based on the literature review and theories on service productization, service development and corporate communication.

6.2 Main Findings

As a result of the eight interviews the main findings of the study are presented briefly in this section, and in more detail in Chapter 4. The elusive and abstract nature of communication service highlighted the importance of service productization. Whilst, there were many reasons for communication service companies to productize their services, the findings of this study suggested the ability to produce services efficiently as one of the main reasons for service productization.

Productization of a communication service seemed to follow the same patterns as the productization process of knowledge-intensive professional services. The productization process identified in this study consisted of five different steps that might not progress in linear matter, but can be parallel with each other. First, the productization started with a high-level strategic planning and definition of the business areas the case company wanted to concentrate on. The services chosen for productization were selected based on the company's core competence and the market needs. Second, plans for individual productization were made and the goals, responsibilities and schedule were defined to guide the practical work. Third, the service content and the delivery process were defined and documented. Fourth, the productized service was launched to the market. Finally, the finding showed that service productization is a continuous process and the service should be continuously revised and adjusted to ensure that it addresses real customer needs.

The findings showed that there are a number of benefits that can be achieved through service productization. The ability to produce communication services efficiently were identified as one of the main benefits. In addition, productization prompts competitive advantage, as productivity increases and the quality of the offering becomes more consistent. The interviewees perceived communication services as abstract by nature,

thus clarification and simplification of the service content and scope was identified to be one of the important benefits of productization.

Based on the interviews productization proved to be challenging and time-consuming exercise, which requires substantial amount of resources in order to succeed. Therefore, productization can be rather challenging especially in small companies, of what communication service organizations often are. Productization is done alongside of daily work processes and needs proper planning in order to succeed. The elusive and abstract nature of communication service makes it difficult to grasp the essence of the service and thus it takes time for everyone perceive the bearing thought behind the service similarly. However, when done correctly it offers substantial benefits and helps to meet business objectives and supports continuous improvement.

The discussion in Chapter 5 concluded that previous research conducted on service productization supports the use of the same methods in the field of communication services. Communication service companies could benefit substantially from a more systematic approach to both the service development and its production. Productization makes the elusive nature of communication service more controllable, which is fundamental to the overall efficiency and quality of communication service. Therefore, this study argues that it is crucial for the overall success of communication service companies to productize their service offerings.

6.3 Practical implications

The findings of this study have shown that communication service companies could benefit from productizing their service offerings. The abstract nature of communication services highlights the importance of productization. Productization enables a company to develop a clear and tangible offering, which can be produced in an efficient and consistent manner. This section presents four practical implications of this study.

First, service productization could be used in the systematization of both the development and production of communication services. Due to the diversity of

communication services there is a profound need for service providers to make their offering stand out in the market as well as to communicate their services to the end customers in a clear and compelling manner. The findings of this study suggest that the development and production of communication services could be organized and managed in a more systematic manner. The elusive and abstract nature of communication services makes productization even more important. Communication service companies would need to develop their services into a simple form, which are easy to sell, buy and understand. When adequately applied service productization could help communication service companies to achieve greater potential.

Second, even though there are several benefits that could be achieved through communication service productization, some challenges exist as well. Service productization initiatives require systematic planning and management. To restructure company's entire service catalogue would require decision and strong commitment from the management. When starting a productization, management should keep in mind that it requires time and commitment. Communication service organizations are often small and thus allocating time and resources solely on internal development initiatives can be challenging. The findings of the present study also suggest that productization should be completed in a relatively tight timeframe. Even though the development of internal procedures is essential for the overall productivity and to ensure high-quality service production, customer work always comes first. Therefore, the productization efforts have to be carried out along with the daily operations.

Third, productization cannot be properly carried out unless customer needs are really understood. It is important that selection of the target customer segments and their needs are taken into account when planning a service productization. Communication services should be designed with successful implementation in mind. For the service company, it is important to combine the capabilities and offering of the company with the expectations of the customer.

Finally, while the findings suggest that with productization of communication services efficiency gains could be achieved, it does not solely guarantee a successful service

product. This is due to the fact that the nature of communication services involves person-to-person interactions, which can neither be totally designed beforehand nor predicted. Typically in every communication service customized components are strongly present. Therefore, it should be emphasized that service providers need to leave room for customizations as well. Whilst it might be appropriate to specify and standardize a part of the service, such as a name, content outline and description of the outcome, the actual service provision is unique and customized to the individual customer.

6.4 Limitations of the study

This section presents the limitations of the study that need to be acknowledged when considering the findings and implications of the study. However, the limitations do not diminish the trustworthiness of the study.

The topic of this study was challenging since it was difficult to find support from previous theories and research. Service productization in the field of communication had not been researched before. Thus, the productization models introduced in this study drew from different business disciplines. However, as stated earlier, the study was based on the notion that productization practices of knowledge-intensive professional services can be transferred to communication services.

The selection of a single case study naturally brings forth some limitations as far as the generalizations of the results are concerned. Excluding the productization consultant, all the interviewees were employed by the case company. Interviewees outside the case company with different approach to corporate communication could have provided a different approach towards the productization process. However, the interviewees were considered to be a reliable source of information because of their significant expertise in the field of corporate communication and their involvement in the productization initiatives in the case company. Furthermore, the productization consultant had a substantial know-how on productization in different fields and organizations. Thus, the interviews did provide a comprehensive view on the topic.

Since the case company had such distinctive services compared with the other service providers in the market, the identified productization process might not work outside the case company. In addition, the service productization process is quite company specific and depending on the organization's goals the extent of productization varies. Therefore, the intention of this study was not to state that the productization process in the case company could be generalized within other organizations. Rather the aim was to investigate the productization practices in specific organization, the case company, Communicia Oy.

6.5 Suggestions for further research

There are many different ways in which the present study on the productization of communication services could be extended. As there is no previous academic research on the topic, there are various ways to continue the research at hand. This section suggests three possible directions for further research.

First, as the conclusions of this study are based on a single case study involving only one company, a natural way to expand the study is to examine communication service productization in other communication service organizations. In particular, it would be interesting to see whether the productization process identified in this thesis can be generalized to other communication service organizations as well. The newly designed model could be tested in other communication service organizations.

Second, this study concentrated on the process of productizing a communication service and focused on the basic steps in such a process. The critical factors that have an effect on the success or failure of such productization initiatives were excluded. Therefore, this study could be extended to examine the factors that make a service productization initiative fail or succeed. Also, since performance measurement is essential in order to improve the future productization initiatives; it would be interesting to investigate how the success of a productization process can be measured.

Third, this study examined communication service productization only from the service provider's perspective and focused on internal efficiency. Although customers are not directly involved in the productization process per se, customer needs should be kept in mind throughout the productization process. Therefore, it would be interesting to get client insight and investigate how productization is viewed by the clients. Future research could focus on investigating whether clients actually appreciate the added-value that productized services can offer and if there are any possible disadvantages or downturns in service productization from the customer point of view.

In conclusion, the present study has opened the door and paved the way for further empirical study on the productization of communication services. The study has shown that productization methods can be used to organize and manage communication services in a more systematic manner. Moreover, the abstract nature of communication services highlights the importance of productization.

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8 APPENDICES

Appendix 1 - Interview themes

Interview themes for Communicea's personnel

Interview themes for Communicea's personnel:

Theme 1: Strategy and reasons for productization in Communicea

- What was the meaning of productization in Communicea?
- What were the reasons and goals for productization in Communicea?
- How was the productization aligned with the business strategy?
- What criteria were used for services chosen to productization?
- What segmentation decisions were made related to productization, if any?
- What benefits and challenges of productization was identified related to:
 - Company's line of business
 - Communication service

Theme 2: Benefits and challenges of productization

- What benefits were achieved through productization?
- What challenges of productization were identified related to:
 - Company's line of business
 - Communication service

Theme 3: Productization Process, main steps

- What steps could be identified in the productization process?
- How was the work organized?
 - Groundwork
 - Schedule and allocation

Theme 4: Concrete outcomes

- What were the concrete results of productization?

- What materials were created?
- How was the service process documented?

Theme 5: Evaluation

- How was the success of productization process measured?

Interview themes for the outside consultant

Theme 1: Productization defined

- How would you define productization?
- What services can and should be productized

Theme 2: Reasons for productization

- What are the reasons for productization?
- Why should expertise be turned into product?

Theme 3: Benefits and Challenges of productization

- What are the most common benefits of productization?
- What specific benefits, if any, arise in communication service productization?
- What are the most common challenges in productization?
- What specific challenges, if any, arise in communication service productization?
- How worthwhile communication service productization is?

Theme 4: Productization Process, main steps

- What are the common steps in productization process?
- What knowhow/expertise is needed?
- What resources are needed?
- What are the typical pitfalls?
- How can the success of productization be measured?

Theme 5: Productization in Communicat