
Guest editorial: Service-driven business transformation – stimulating uplifting change through service

Guest editorial

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The persistent disruption in society challenges the prerequisites of businesses across industries. While technology is one key factor enabling transformative outcomes (Lähteenmäki *et al.*, 2017), other issues in the surrounding environment may provide the impetus for organizational change: “We usually associate an industry’s transformation with the adoption of new technology. But although new technologies are often major factors, they have never transformed an industry on their own. What does achieve such a transformation is a business model that can link a new technology to an emerging market need” (Kavadias *et al.*, 2016, p. 92). In this rapidly evolving disruptive landscape of contemporary business, it has become increasingly important for firms to be sensitive to emergent market needs and customers’ behavioral changes and to extend to the broader stakeholder context for innovation and sustainability endeavors (van Riel *et al.*, 2021; Heinonen and Strandvik, 2021). Service-driven transformation offers a focal point for organizations seeking to stay resilient, relevant and responsive to the dynamic needs of their stakeholders. This editorial explores the multifaceted dimensions of service-driven business transformation.

Some sectors and industries such as healthcare and education, have an explicit transformative mission and intent (Rosenbaum *et al.*, 2011), but the shift towards service-driven transformation is no longer a mere trend but a strategic imperative for organizations across industries (Fang *et al.*, 2008). Service-driven business transformation marks a paradigm shift in the way organizations operate and interact with their stakeholders including customers. Success is no longer measured solely by financial metrics; instead, businesses are recognizing the importance of building sustainable relationships and delivering value beyond products and services (Calabrese *et al.*, 2018). At its core, service-driven business transformation redefines the way organizations conceive, deliver and innovate their offerings. It places an emphasis on leveraging services as a catalyst for comprehensive and sustainable change within an organization (Adrodegari and Sacconi, 2017). It encompasses a holistic reevaluation of business processes, customer interactions and value creation mechanisms, recognizing that service excellence is not merely a transactional outcome but a strategic imperative. This shift is thus fueled by an acknowledgment that the landscape of consumer expectations, technological advancements and global sustainability imperatives demands a more agile and service-oriented approach. It becomes evident that this

It has been a pleasure to be Guest Editors of this Special Issue on “Service-driven Business Transformation in the *Journal of Service Theory and Practice*”. We would like to express our sincere appreciation to the Editors-in-Chief, Prof. Chatura Ranaweera and Prof. Marianna Sigala, who have been exceptionally supportive throughout this process. We extend our congratulations to the authors whose articles are included in this Special Issue. A special acknowledgment is reserved for the outstanding and generous team of reviewers who contributed their expertise to ensure the quality of the articles. Additionally, we extend our thanks to those authors whose submissions were not accepted; we trust that the constructive feedback provided will be instrumental in their future research endeavor.



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paradigm is not confined to specific industries or sectors. Whether in business-to-consumer interactions, business-to-business collaborations or within the realm of traditional service-oriented enterprises, the principles of service-driven transformation resonate as a universal framework for organizational evolution.

Beyond the immediate benefits of improved customer satisfaction and profitability, service-driven transformation can also contribute to sustainable growth and societal impact. By aligning business objectives with social and environmental responsibility, organizations can foster positive change on a broader scale. This special issue explores the different facets of service-driven business transformation and the profound influence it has in fostering uplifting change in society. In our call for papers, we invited research to tackle the following questions: What are the main capabilities for transformative service strategies? How can we integrate all actors in creating value for customers and society? How can we drive this change from the marketing function? How can service design drive transformation? We encouraged critical discussion of the extant conceptualization of service-driven transformations and a deeper understanding of the antecedents and consequences, measurement instruments, performance indicators and actor involvement in designing and developing these transformational processes through services. We also included papers using multi-actor perspectives that help break fresh ground in our understanding of how companies can develop, implement and support service-driven business transformation strategies to better serve their customers and other stakeholders. Also included is the development of frameworks and models for a better understanding of their antecedents and consequences.

Special issue – themes and papers

We are pleased to introduce a collection of six papers that have been accepted for publication in this Special Issue on service-driven business transformation. The articles included in this special issue highlight the breadth and depth of service-driven transformations across sectors, showcasing how the role of businesses transcends mere profit-making; it extends to creating positive and meaningful impact in the communities they serve. As highlighted in the contributing articles, this transformation involves innovative business models but also cultural shifts, power dynamics and the nuanced interplay of digital services. The articles explore the transformative journey undertaken by companies across industries, shedding light on the strategies, challenges and outcomes of embracing a service-driven ethos.

The first set of articles ([Grönroos, 2024](#); [Biesinger et al., 2024](#); [Hogg, 2024](#)) explore service-driven business transformation through the adoption of service logic and servitization and this theme highlights the dynamic evolution of services and the need for innovative approaches such as cultural change and power strategies in response to changing customer expectations. At the heart of service-driven business transformation lies the recognition of the human element. The second group of articles ([Robledo, 2024](#); [Ungaro et al., 2024](#); [Kemppainen and Paananen, 2024](#)) explore the role of customers in shaping service ecosystems and customer well-being. This theme within the healthcare and digital settings emphasizes the complex relationship between digitalization, ecosystem dynamics and how they can influence the well-being of customers and organizations. All articles explore how the service landscape is changing to a more explicit focus on how to elevate service systems to create uplifting change in society.

In the first article, “*Business model innovation through the adoption of service logic: evolving to servification*” the author Christian Grönroos demonstrates how the understanding of service enables a transformation into a service-centric business model in product manufacturing and service enterprises. This transformation, it is argued, is important for all service firms, especially for those that have been developed with products as the ideal, often called productization. The paper presents a conceptual development of servification based on

service logic (SL). It contributes to the creation of service-centric business models in both product and service firms (and in any kind of organization). Servitization indicates how this logic can be adopted by managers in strategic planning and implementation of administrative and operational processes and helps direct the formulation of a service-grounded business mission. It offers an approach and concrete actions that managers can take to move toward a service-centric business model and develops a typology of organizational resources and processes that must be developed for the emergence of such a business model.

The second article titled “*Cultural change in servitization – a conceptual review and framework*” by Benjamin Biesinger, Karsten Hadwich and Manfred Bruhn introduces a cohesive framework for cultural change processes for how business-to-business firms can undergo a service-driven business transformation from being a product provider to a service provider. The framework, “organizational learning framework for cultural change in servitization” is built on a systematic literature review of 74 articles published between 2003–2023, in which the servitization literature has been investigated through a social construction lens, more specifically from organizational learning and sensemaking literature. By focusing on and explicating the dynamic sensemaking process between service orientation, digital orientation and learning orientation, the framework sheds light on how firms can instigate cultural change in the organization, including their employees. The organizational level focuses on addressing changes in values, strategies and structures for implementing servitization whereas on the employee level instead centers around forming collective mental models and managerial interventions. Taken together, these changes are necessary, according to the authors, for implementing a service-driven business transformation.

The article titled “*Exploring power strategies for transformation in a service-ecosystem*”, authored by Johannes Hogg, addresses the lack of conceptual development in marketing literature concerning power considerations beyond dyadic, rigid and role-based models. He systematically reviews the concept of power in the service-dominant logic literature from 2004 to 2021 through a structuration lens. Findings reveal that power relations in service ecosystems are cocreated, especially through asymmetrical interdependence between actors, often shaped by technology. Power relations are therefore context-dependent and dynamic, not static or rigid as previously perceived in marketing literature. To beneficially adjust the relations in the service ecosystem, an actor can form power relation strategies but also counterstrategies, which both are conducted through institutional work. It, however, requires that the actors learn about the existing institutional arrangements in the service ecosystems. Hogg defines power as an actor’s capability to intervene in institutions, and in some way alter them.

The article titled “*Customer Transformation in the Service: Conceptualization and Research Agenda*” authored by Marco Antonio Robledo emphasizes the critical need for a customer-centric approach of service-driven transformation. Building on the customer-dominant logic, this conceptual article forwards a definition and theoretical framework of customer transformation, distinguishing it from often related concepts such as change. The proposed research agenda highlights four distinct attributes of customer transformation that merit further academic investigation, (1) challenges in guaranteeing transformations, (2) potential conflicts between transformational aspirations and immediate needs, (3) the importance of cultivating long-term engagement and (4) the likelihood of encountering customer resistance.

The article A systematic literature review on transformative practices and well-being outcomes in healthcare service authored by Veronica Ungaro, Laura Di Pietro, Roberta Guglielmetti Mugion and Maria Francesca Renzi explores the transformative practices and outcomes within healthcare services. A systematic literature review in the Scopus and WoS databases is conducted under the Transformative Service Research (TSR) theoretical

domain. Through a comprehensive analysis of 49 pertinent papers using the PRISMA protocol, the paper uncovers the transformative practices shaping the healthcare sector and elucidates their associated outcomes. The findings reveal four key transformative practices characterizing the healthcare sector's evolution within the TSR domain: (1) Actors' empowerment and collaboration, (2) Reorganization of service provision (spaces and performance), (3) Integration of non-medical supportive activities and (4) Development of technology-based healthcare solutions. Each practice is examined in terms of its impact on well-being outcomes. The proposed framework for transformative healthcare services is used to develop a roadmap to guide healthcare practitioners in navigating and instigating uplifting changes within their service provision.

The article "*Dualities of Digital Services: Everyday Digital Services as Positive and Negative Contributors to Customer Well-Being*" by Tiina Kemppainen and Tiina Elina Paananen examines the dualities of digital services and how customers' use of digital services can positively and negatively contribute to their well-being. The authors use a qualitative research approach through semi-structured interviews. Their findings reveal that customers' favorite everyday digital services can contribute to their mental well-being, social well-being, and intellectual well-being. Within these three dimensions of well-being, they identify nine dualities of digital services that describe their positive and negative contributions. These findings suggest that everyday digital services have the potential to contribute to customer well-being in various aspects – both positively and negatively – accentuating the need for service providers to decipher the impacts of their offerings on well-being. This paper broadens the perspective on well-being within TSR and aids in refining a more precise conceptualization.

Conclusion and future research directions

As the business landscape evolves, embracing a service-driven approach becomes imperative for organizations aspiring to contribute to societal sustainability and resilience. This special issue has focused on various dimensions of service-driven business transformation, focusing on its significant impact in instigating positive change. The research contributions solicited through our call for papers have provided valuable insights into addressing fundamental questions that drive the discourse on transformative service strategies. The papers point toward the notion that creating a service-driven business transformation requires the acknowledgment of its broader impact in society. One central theme explored is the integration of all stakeholders in the creation of value for both customers and society. It can, however, start with individual initiatives either within an organization or by customers, or more strategically by company management. While predominantly conceptual in nature, the articles in this special issue also suggest the idea that a service-driven business transformation can, and perhaps should, take place across various industries – be it business-to-consumer, business-to-business or even within traditional service-oriented companies.

As we move forward, the insights derived from this special issue inspire several promising avenues of future research. Exploring in greater detail the dynamics of stakeholder integration, further investigating the transformative capabilities and focusing on the nuanced strategies for marketing-driven change will undoubtedly contribute to the evolving discourse on service-driven business transformation.

Taken together, these articles identify that reaching uplifting changes through service, in line with the global sustainability goals, will also require smart and significant technological usage. This twin transition has also been argued in policy, for example, the whole EU Horizon program steers towards a focus on how to harness the transformative power of both digital and climate transition. Hence, creating uplifting changes through service requires a twin transition of sustainable and digital transformation. Instead of treating digital services and

sustainable services as distinct research areas they rather should be treated as coherent. This twin transition unlocks numerous research opportunities for our field, which can and probably will impact service research from individual actions, and firms' strategic issues, and relates to how to adjust whole ecosystems of engaged actors. We see great potential in that a research focus on twin transition can make uplifting changes by creating greener services, as it crosses over between industries and has no geographical boundaries.

Although this special issue comes with several insights, it also spawns intriguing new research questions. We suggest that service scholars should devote research efforts to identifying, investigating and conceptualizing twin transitions by finding the necessary antecedents, processes and outcomes for creating uplifting changes through service. As the papers in this special issue have pointed out this might require combining service research with insights from parallel research streams. It is by combining existing service insights with emerging research from other research areas in marketing and beyond, that we see potential in positioning service research to mitigate continuous crises that might hinder individuals, companies and whole societies to prosper. Based on this reasoning, interesting questions to pursue would be:

How can organizations effectively integrate service-oriented approaches with new and emerging technologies as well as with the Sustainable Development Goals? What strategies and frameworks can facilitate the alignment of service initiatives with broader sustainability objectives? How can organizations harness the potential of smart and significant technological usage to enhance the impact of service-driven initiatives? What metrics and indicators can be used to measure the success and impact of service-driven business transformations in achieving uplifting changes aligned with sustainability goals? What industry-specific challenges or considerations need to be addressed in the pursuit of uplifting changes through service-driven business transformation?

Taken together, service research, with its inherent customer focus, has the potential to proactively become the theoretical pinnacle for these important changes occurring in our society today.

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