

Chapter 15

Mobile Services as Resources for Consumer Integration of Value in a Multi- Channel Environment

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ABSTRACT

Consumers use their mobile phones more intensely than ever before to access core and supporting services, such as product information, games, payments, purchases, and social media. M-services have the capacity to offer new value-creating opportunities for consumers by supporting their channel multiplicity behaviors. So far, little research has been conducted on channel multiplicity behaviors and perceptions, because of a focus on channel choice and channel specific value. In this chapter the authors discuss the importance of moving beyond single channel research and understanding how contemporary consumers use and combine channels to create value for themselves. Drawing upon Service Dominant Logic, the chapter suggests that the mobile phone is one resource that consumers use to create value. Firms need to understand consumers' use of this resource, in combination with other resources, in order to create attractive offerings. Throughout the chapter, the authors offer numerous examples of how mobile services are used to enhance consumer experienced value.

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INTRODUCTION

Increasingly sophisticated mobile and other technology mediated services have made consumers more likely to use multiple channels whilst interacting with firms, transforming the nature of consumer-firm relationships. This change reflects three major issues: 1) *Consumer behavior is changing*. There is a new generation of consumers who is less channel conscious and channel loyal than the older generations, and willing to use multiple channels concurrently. The rising need for ubiquitous access to services is at least partially due to consumers' increasingly connected lifestyle, where consumers are constantly on the move (Anckar & d'Incau, 2002; Hourahine & Howard, 2004; Shankar, Venkatesh, Hofacker, & Naik, 2010). 2) *Technology is moving forward*. The increase in the selection of technological interfaces, such as smartphone and tablets, as well as the increasing capacity and decreasing costs of wireless connections offer consumers more choice and better access to electronic services. 3) *Consumer role in service provision is viewed in new terms*. The requirement for and importance of consumer participation in technology-based service provision has been recognized for long (Bitner, Brown, & Meuter, 2000), but more recent research emphasizes the role of the consumers as co-creators of value, who integrate firm-provided resources for their own benefit (Vargo & Lusch, 2006).

Despite the important role of the customer as a value creator and integrator of service through various channels, channel management literature focuses to a large extent on how *firms* can optimally coordinate their channels, maximize channel efficiency, and evaluate channels (Neslin & Shankar, 2009; Sharma & Mehrotra, 2007; Yan, 2011). Consequently, the ruling perspective in channel literature is that of the firm, and little attention has been paid to the way consumers use and integrate different resources, in particular technology-based services, to create value for

themselves. Our chapter views consumers as active agents that are in a key position to create and define value, as they decode firm messages and make them meaningful to themselves (Finne & Grönroos, 2009).

The objective of this chapter is to provide a consumer centric view of value creation and demonstrate the need to study how consumers integrate mobile phones with other channels to form unique service and value-in-use experiences. It contributes to current literature that has by large neglected the value-supporting role of mobile services in consumers' life. Further, it presents two innovative cases where consumers and firms co-create value by combining resources from multiple channels.

First, we provide background information on the accelerating adoption of smartphones, which provide more opportunities for mobile value creation. Second, we review the literature on multiple channels and demonstrate a lack of attention to mobile services. Third, we present a consumer centric view of channel use, describing how consumers create value for themselves by integrating different channels to form unique service and value-in-use experiences. Fourth, two cases exemplify novel service, where the mobile phone can be used as a value enhancer. Finally, we present future research directions and draw conclusions from the chapter.

BACKGROUND: SMARTPHONE ADOPTION AND SERVICE VALUE

Different sources unanimously declare that smartphone ownership is rising fast. According to Nielsen statistics (Nielsen, 27.4.2011), more than thirty-six percent of mobile phone owners in the US now have a smartphone, compared with twenty-five percent the year before. Likewise, within the European Union smartphones increased by forty-one percent from the year 2009 to 2010 (ComScore, 2010), thirty one percent of mobile

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