Chapter 4
The Dynamics of Knowledge Co-Creation in Service Encounters: A Practice-Theoretical Approach

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ABSTRACT

The service encounter has been a central topic of discussion and examination in service research. Most recently, service scientists have widely recognized knowledge as a vital foundation of competitive advantage being concerned with the co-creation, integration, and use of knowledge embedded in service systems. To make a contribution, this chapter introduces practice-theory as a potent cultural, socio-historical lens for acknowledging the service encounter as a contextually embedded, dynamic, and evolutionary knowledge creation system, filled with contradictions, where customers, organizations, and other stakeholders embedded in the system have the potential to co-create knowledge and learn together through (enhanced) service practice.

INTRODUCTION

After more than 30 years of service research and explorations of the service encounter and despite the widely recognized importance of knowledge as a vital source of competitive advantage, an engaging but rather tricky question to respond to still remains: “how is knowledge created and managed at service encounters and why?” So there is still room to give a more detailed interpretation of how this process of knowledge co-creation that usually takes place in service encounters works. This chapter uses a dualistic perspective to reflect the reality that knowledge use and knowledge co-creation at service encounters are always embedded in a certain social context (Tronvoll et al. 2011).
The Service-Dominant (S-D) Logic implies that marketing is a nonstop series of social and economic processes mostly focused on operant resources (knowledge use), considered as the principal source of economic growth. In correspondence to this logic, service participants are fundamentally active resource integrators that co-create service (Lusch & Vargo 2006). Furthermore, service, the use of knowledge for the benefit of another party, the party itself, or both, is the fundamental basis of business (Vargo & Lusch 2004; Vargo & Lusch 2006; Vargo & Lusch 2008). As a result, service participants co-create value by the integration of their knowledge, skills, emotions, networks, socio-cultural resources, and other resources available in a service system through service practices framed by social structures in a wider specific social context (Edvardsson et al. 2012).

Therefore, it can be logically argued that resource integration (including knowledge) in service co-creation at service encounters could be linked to practice-theoretical and social constructionist approaches (Vygotsky 1978; Giddens 1984; De Certeau 1984; Bourdieu 1990; Nardi 1996; Engeström 2000; Shove et al. 2012), since those approaches have much more room for active, engaged service users using their knowledge, making meaning of actions, creating and recreating structures in a determined socio-historical context which is a space for potential service activity. Indeed, current service literature has addressed the relationship of value creation and the practical relations between socio-cultural resources, available in the market space called everyday life (Korkman et al. 2010) and the implications of social structures for value co-creation and resource integration through service practices in service systems (Edvardsson et al. 2012).

Practices are commonly understood as the microbuilding blocks of a social domain (Edvardsson et al. 2012). The concept of practice is a growing topic which has been mostly used in management strategy (Blackler, Crump, & McDonald 1999; Jarzabkowski 2003; Jarzabkowski 2005), developmental research (Engeström 1993; Engeström 2000; Warmington & Leadbetter 2010), computer–human interaction (Kaptelinin 1996; Kaptelinin & Nardi 1997; Kuuti 1996; Mwanza 2001; Mwanza 2002; Nardi 1996), education (Gutierrez, Rymes, & Larson 1995; Jonnassen & Rohrer 1999; Murphy & Rodriguez-Manzanares 2008), and user-centered design (Pantzar 1997; Shove et al. 2007; Shove & Pantzar 2005; Shove et al. 2012). Human beings in this perspective are primary seen as practitioners who learn through doing and acting (Daniels, Cole, & Werscht 2007; Leont’ev 1978; Vygotsky 1978; Werscht 1998). Practice theory has only recently had some serious attention paid in service research (Korkman 2006; Korkman et al. 2010; Giraldo et al. 2010; Helkkula and Kelleher 2011; Echeverry and Skålén 2011; Giraldo and Halliday 2012).

Even though previous research has acknowledged different explanations of the service encounter (Langeard et al. 1981; Grove and Fisk 1992), this chapter aims to elaborate in explicating how social structures and the wider social context have implications for knowledge use, management and creation at service encounters, exploring the dynamics of knowledge co-creation in service encounters through a practice-theoretical lens (Engeström 1987; Reckwitz 2002; Shove et al. 2012; Edvardsson et al. 2012). As a result the chapter introduces a frame that helps us understand how and why the different elements of the service encounter are integrated in the knowledge co-creation process through service practices, acknowledging the service encounter, as a mediated, contextual, system of activity with embedded tasks, actions, and interactions (Engeström 1987; Nardi 1996). The practice-theoretical approach (Engeström 2000; Reckwitz 2002; Korkman 2006; Shove et al. 2012) to underpin the service encounter as an activity system, offer the opportunity to explore the social reproduction and transformation of resources (i.e. skills, knowledge, emotions,