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Exploring the Fuzzy Front-End of the New Service Development Process – A Conceptual Framework

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Abstract

Existing streams of literature in service innovation and services marketing are integrated to propose a conceptual framework which describes specific team-related and interfunctional level antecedents of the fuzzy front-end (FFE) of the new service development process and discusses their role for enhancing FFE execution quality. In particular, the importance of Internal Market Orientation for role stress, motivation to participate in NSD (team-related antecedents), personalization strategy, conflict resolution and employee integration (interfunctional drivers) is discussed. Additionally, the impact of the aforementioned variables on FFE execution quality is proposed. The moderating effect of some critical contingencies of FFE (i.e. political activity) is also discussed.

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Selection and peer-review under responsibility of the 2nd International Conference on Strategic Innovative Marketing.

Keywords: New Service Development; Fuzzy Front End; Internal Market Orientation

1. Introduction

As new service development (NSD) has emerged as a strategic imperative for most service firms, an increasing body of research has examined the nature and S/F factors of the NSD process (Papastathopoulou and Hultink, 2012; Vermeulen, 2004). However, our knowledge about the organization of NSD remains incomplete, as several studies argue that different phases of the innovation process should be considered separately (i.e. front-end vs. back-end) due to different uncertainty levels, resource requirements and strategies for effective management (de Brentani and

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Reid, 2012; Kim and Wilemon, 2002). This conceptual paper focuses on the front-end phase of NSD or “the fuzzy front-end” (FFE) which includes the stages of idea generation, idea screening and concept development and is characterized by low levels of formalization, high information intensity and uncertainty, as it involves imprecise process and ad hoc decisions (Alam, 2006). Although a growing body of research suggests that a firm should effectively manage and optimize the FFE to boost the development of successful innovations (de Brentani and Reid, 2012), the identification of managerial practices and intra-organizational contingencies, which facilitate or impede FFE has attracted little research scrutiny (Verworn et al., 2008; Poskela and Martinsuo, 2009). Against this background, the aim of this conceptual model is to provide a deeper understanding of the FFE so as to help service firms to more successfully manage the front- end stages of service innovation. In this vein, some research propositions are presented (Figure 1) so as to illustrate how the adoption of an Internal Market Orientation (IMO) can influence some team-related (role ambiguity and motivation to participate to NSD) and interfunctional antecedents (personalization strategy, employee integration and conflict resolution) of the FFE execution quality. By addressing these issues, this conceptual paper is expected to add to the understanding of the front-end stages of NSD by developing a solid basis for future empirical research.

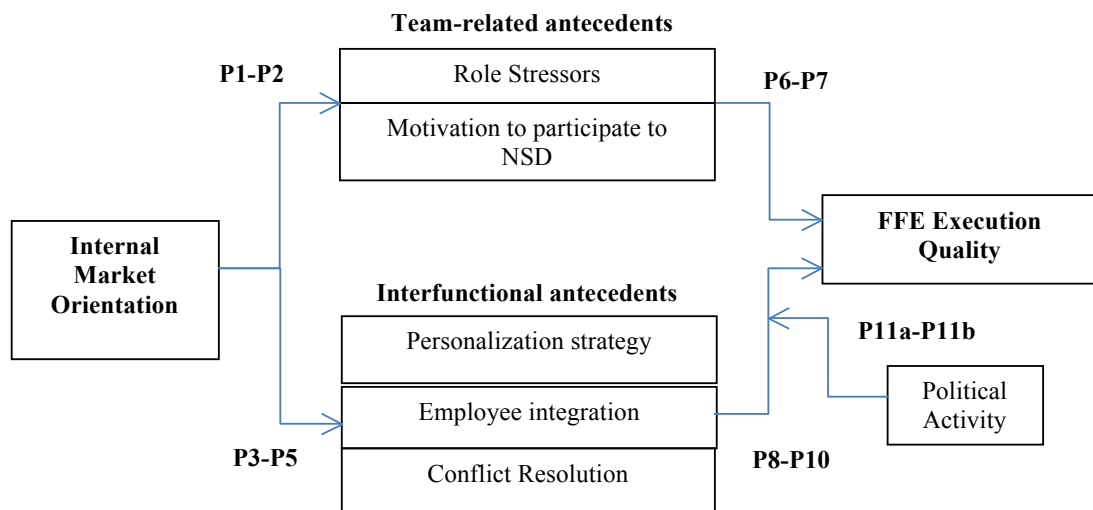


Fig. 1. Conceptual framework

2. Conceptual framework and Model development

The main argument of this study is that adopting IMO helps service firms towards a more successful FFE. IMO is a managerial philosophy, which emphasizes the formation of effective relationships between the firm's employees and management based on a commitment to providing superior value for employees (Gounaris, 2006). Acknowledging contact employees' pivotal role within NSD (Melton and Hartline, 2010), we stress their motivation to participate to NSD. The adoption of IMO through the use of non-financial practices (i.e. recognition programs) increases contact employees' perceptions of job-related value (Gounaris et al., 2010) and rewards behaviours beneficial for the firm (i.e. ideas generation), increasing thus, contact employees' intrinsic motivation during NSD. In addition, financial internal marketing practices (i.e. performance incentives) can enhance contact employees' extrinsic motivation levels (Lawler, 1973). Thus, IMO can enhance contact employee motivation to participate to NSD (P1).

Based on role theory, scholars highlight role ambiguity as a key ingredient of role stress and define it as a lack of understanding and clarifying about job responsibilities and knowing what is expected in terms of employees' job

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