

# Service Innovation in Elderly Housing

The Case of ConceptLiving™

Master's thesis in the Master's Programme International Project Management

SABRIE KOCH CHIVILI

Department of Architecture and Civil Engineering CHALMERS UNIVERSITY OF TECHNOLOGY Gothenburg, Sweden 2019 Report ACEX30-19-3

### MASTER'S THESIS ACEX30-19-3

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Department of Civil and Environmental Engineering Division of Construction Management Chalmers University of Technology SE-412 96 Gothenburg Sweden

Telephone: +46 (0)31-772 1000

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Department of Civil and Environmental Engineering Division of Construction Management Chalmers University of Technology

### **ABSTRACT**

Recently, elderly housing in Sweden is problematic because, it does not fulfil the customer needs and expectations. This means there is need for improvement which requires a service innovation in the elderly housings.

The purpose of this thesis is to enlarge the understanding and knowledge of the service innovation in the elderly housing. In the context of the research, initially the problems in the existing situation of elderly housings are examined. Regarding those problems, the research also investigates features of service innovations in the housing services for the elderly. This thesis is therefore intended to scrutinize the service innovation process in the elderly housing through a particular single case study. Since the thesis aims to indicate in-depth knowledge about a specific service innovation and a comprehensive summary of the case, a qualitative single case study approach was applied. During the research, data has been collected from literature, lecture presentations and semi-structured interviews. The interviews were conducted with four key persons of the case and three prospective customers of the ConceptLiving<sup>TM</sup> concept to comprehend perspectives about the existing state of elderly housing market, the concept, the service innovation process, idea generation phase, customer aspect, stakeholder involvement, intellectual property concerns and future insights about the service concept.

The findings of the research showed that administrative & economic problems, personal problems and limited service options occur in the elderly housing market and to solve that, customer-centric, value-added, municipality-supported, need-based and technology-oriented housing concepts can be provided to elderly people. It is obvious that each service innovation has a unique process where the stakeholder and customer involvement appear from the phase of developing the idea. Lastly, idea development, intellectual property, profitability of the concept, common values and culture, communication and collaboration with stakeholders and customer aspect are important factors to consider during the process of service innovation.

**Key words:** Service innovation, Service innovation process, Customer involvement, Idea generation, Housing concept, Elderly housing, Stakeholder involvement, Intellectual property.

# TABLE OF CONTENTS

A	BSTR	ACT		VI
ΡI	REFA(	CE		IX
Fl	IGURE	ELIS	Т	X
T	ABLE	LIST	Γ	X
1.	INT	ROI	DUCTION	1
	1.1.	Bac	ckground	1
	1.2.	Pu	pose and Research Questions	3
	1.3.	De	limitations	3
	1.4.	The	e structure of the report	4
2.	ME	THO	DDOLOGY	5
	2.1.	Res	search Strategy	5
	2.2.	Da	ta Collection	7
	2.3.	Da	ta Analysis	10
	2.4.	Eth	ical Considerations	10
3.	TH	EOR	ETICAL FRAMEWORK	11
	3.1.	Cu	rrent Problems in Elderly Housing Services	11
	3.2.	Ser	vice Innovation	12
	3.2.	1.	Service innovation dimensions	13
	3.3.	Pro	cess of Service Innovation	15
	3.3.	1.	Idea generation	17
	3.3.2.		Protecting intellectual property	18
	3.3.3.		Stakeholder involvement	19
	3.3.4. Custon		Customer aspect on the service innovation	19
4.	RES	SUL	TS	21
	4.1.	Cu	rrent Situation in Elderly Housing Services	21
	4.2.	Cas	se Study: ConceptLiving <sup>TM</sup>	22
	4.2.	1.	Housing Concept as a Service Innovation	23
	4.3.	The	e Process of Service Innovation	24
	4.3.	1.	Idea generation	24
	4.3.2.		Protecting intellectual property	25
	4.3.3.		Stakeholder involvement	26
	4.3.4.		Customer involvement	27

5. DI	SCUS	SION	29			
5.1.	5.1. Current Situation in Elderly Housing Market					
5.2.	Ser	vice Innovation	30			
5.3.	The	Process of Service Innovation	31			
5.3.1. 5.3.2. 5.3.3.		Idea generation	32			
		Protecting intellectual property	33			
		Stakeholder involvement	33			
5.3	3.4.	Customer aspect on the housing concept	34			
6. CC	NCL	USION				
6.1.	Fut	ure Research	35			
REFERENCES						
APPEN	DIX A	A: Interview questions for CEO of ConceptLiving <sup>TM</sup>	41			
APPENDIX B: Interview questions for representatives						
		C: Interview questions for the advisor				
		D: Interview questions for the senior group				

# **PREFACE**

First of all, I would like to thank Ahmet Anil Sezer as a supervisor for supporting me through the whole thesis process with valuable ideas and practical help. I am grateful for precious insight and information that I gained.

I would like to thank Petter Ahlström from ConceptLiving<sup>TM</sup> to give me an opportunity to conduct a work on this special case and help me to contribute empirical study with support and knowledge. I would also like to send out thanks to Göran Lindahl as an examiner for contributing the thesis work with an academic perspective.

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Sabrie Koch Chivili Gothenburg, January 2019

# FIGURE LIST

Figure 1 - The population growth in Sweden between 2005-2050.	2
Figure 2 - Success dimensions for creating service innovation.	14
Figure 3 - Service innovation process.	16
Figure 4 - The types of service processes.	17
Figure 5 - The ConceptLiving <sup>TM</sup> elderly housing model	22
Figure 6 - Assisted living in between senior housing and nursing care	25
TABLE LIST	
Table 1 – Overview of the study timeline	5

# 1. INTRODUCTION

In this chapter, the background about elderly housing services is introduced. Then, the purpose of the study, research questions and the delimitation come after. The chapter ends with the outline of the thesis in order to enlighten the thesis framework.

# 1.1. Background

Recently there is a gravitation through developing elder-care and elderly housing system in Sweden. It is a fact that there will be a population peak within 50 years because of a large amount of 65-year-old and older people (Henning et al., 2009). At the same time, the allotment for elderly housing from the public-sector fund is decreasing overall, since Wetterberg (2004) claims that there will be less people in the future who finance the public sector. Besides, elderly people prefer to stay at their homes instead of elder-care centre, which is created by government or non-profit organizations (Harrefors et. al., 2009; Verma et.al., 2011). The public services support and promote the elderly persons (older than 65 and mostly 80+ years old) with various form of care services such as home-help, daily care, supplying transportation and buildings as elderly housing (Henning et al., 2009). Hence, private sector gets involved in the elderly housing market to meet expectations on elder-care services and to boost the alternatives for people. Since there will be more 65+ customers in future, elderly housing market will enlarge and get more attractive for private companies. Henning et al. (2009) append that the role of private sector in elder-care has enhanced for two decades and also, currently these private companies dominate the elderly housing market in Sweden. These private companies put effort to correspond the customer expectations and to deliver solutions for elderly persons.

There are several important customer problems and elements in the existing elderly housing services, which need to be examined and improved. The first one is the isolation in current elder-care centres and assistance care in their existing housings (Verma et.al., 2011). People feel isolated from other people or feel lonely in both the elder-care centres and their homes, therefore these are not feasible solutions for customer expectations anymore. It became an inevitable issue that there is a need for innovative alternatives, which should be more collective and barrier-free housing models for seniors. Besides, seniors want to feel that they are a part of commune. Harrefors et. al. (2009) state that one other problem is that elder persons feel that they do not possess autonomy and they are not involved enough in the decision-making process. Therefore, the most important aspect of the elderly housing development is improving the opportunities for participation and autonomy of elder persons in decision making as well as actualization. The staff is also a crucial issue in this kind of services due to lack of education, skills and interest (Harrefors et. al., 2009). Who is responsible for the elder-care as a staff should be aware of the situation and problems of seniors and be able to promote the personal dignity of elderly people. These problems are forcing the market to rethink the current eldercare services and to enhance ways to provide better services with desired values (Polivka & Moore, 2013). Furthermore, currently, traditional housing companies' services for elder-care is limited, which makes it obvious that improvement is needed. Hence, a new market sector

with more innovative service elements, solution-oriented service innovation and customeroriented service management emerges for the elderly housing.

Moreover, in Sweden, the elderly housing service market is bigger than other countries, since Sweden has a large proportion of elder people (especially 80+) among EU countries (SALAR, 2007). As seen in the *Figure 1*, 65 years and older people will be the biggest part of the Swedish population growth. Another reason is that there is no praxis between elderly people in Sweden as living in the same household with their children due to cultural perspective (SALAR, 2007). However, this can differ in other countries or cultures.

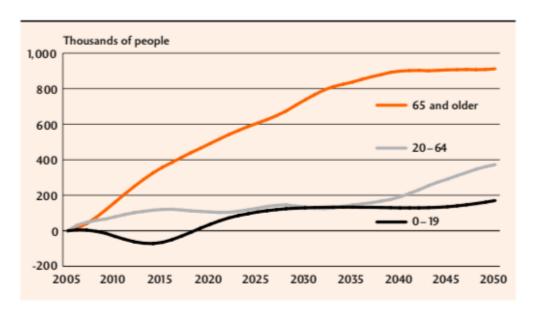


Figure 1: The population growth in Sweden between 2005-2050 (SALAR, 2007, p.9).

There are sundry examples of elderly housing services, which are provided by private companies globally. *The Green House Project* is one of the innovative concepts in housing business, which is located in the US. As compared with traditional elder-care centres, the Green House Project additionally provides food enjoyment, autonomy and privacy to their customers with the special nurse-care (Polivka & Moore, 2013). Another example is *FW method* that helps people to create their future housing with a collective elder-care concept based in Germany (Henning et al., 2009). This project was implemented in Eksjö, Sweden in an attempt to allow new spaces for elderly persons' networks and joint actions. Although (FW Method and the Green House Project) bring new aspects into service concepts in elderly housing, there is still need for more innovations to improve customer satisfaction and for generalising these kinds of concepts in all around Sweden to reach more seniors.

Despite of the fact that the service innovation is a comprehensive concept, there is dearth of the literature of service innovation from the elderly housing aspect (Kitshoff et. al, 2012). In this thesis, ConceptLiving<sup>TM</sup> has been studied as a case, which is a tailor-made example within the context of this area. ConceptLiving<sup>TM</sup> is a "*life-style concept for 60+ seniors*", which enhances the experience of people and enriches the value of life with social community, different activities and personal choices (Ahlström, 2017). The case itself is interesting since,

it is a new concept in the housing service business for elderly persons and the service area is worth to give attention. Moreover, this new concept is customer-centric and it provides substantial innovations that help to improve the current service elements. Another important issue about the case is to preserving intellectual property. According to Battisti et al. (2015), the protection of ideas or innovations via intellectual property rights enforcement is strategically important for service companies, nevertheless it is a common problem in service sector.

# 1.2. Purpose and Research Questions

The purpose of the study is to comprehend the existing elderly housing situation in the market, to investigate the services, which are needed to be developed, and to examine the process of service innovation in elderly housing in the light of the discussions, interviews and literature on innovation in services. The study particularly focuses on the preliminary and planning phases of the innovation process at the housing service firm, which currently works on the elderly housing service concept. This study also illuminates how to create a service innovation in response to existing problems in elderly housing and senior people's expectations.

In the context of this study, idea generation of the housing service concept, stakeholder involvement, customer aspects on the service innovation, which is brought by the ConceptLiving<sup>TM</sup> model to the existing housing market, will be disclosed. This study also covers the reasons to protect intellectual property.

The thesis is formed by the three research questions, which are:

**RQ 1:** What are the problems within the current elderly housing market? This question aims to identify problems within the current elderly housing market.

**RQ 2:** How does a service innovation look in the elderly housing to deal with the problems? In this question, the purpose is to explain how a service innovation should be in elderly housing and what are the features innovated by ConceptLiving<sup>TM</sup>.

**RQ 3:** How is the process of service innovation in the elderly housing? This question aims to disclose the process of service innovation of the ConceptLiving<sup>TM</sup> case.

#### 1.3. Delimitations

This study has certain limitations. This paper explores the scope of elderly housing service innovation concept. The study includes information from one company and its model in the housing service, how the process is implemented and what kind of service innovation is brought into the elderly housing market. The research, method, results and recommendations are prepared and directed to only that specific service concept area. There can be other service innovations, however this thesis focuses only on the elderly housing service innovation.

The aim of this study is not generalization, since service concept is a particular area. It aims to represent in-depth knowledge from a single case study. Moreover, due to the fact that the investigation is carried out in Sweden, there can be vicissitudes on different countries or cultures and these can impact the results.

In spite of the fact that the laws and legislations are important dimensions in the service innovations, they are not covered by this thesis due to the framework of the study. Besides, time frame and the single person investigation limit the research to focus on creation of service innovation and ways of developing services in elderly housing. Moreover, innovation in this case was in the preliminary phase. However, comprehensive understanding was acquired thanks to interviews, lecture presentation, and both internal and external documents, which explain deeply the current elderly housing problems, service concept and its innovation process.

# **1.4.** The structure of the report

This study consists of five following chapters as seen below:

- **Chapter 1:** The introduction briefs the background of the study while defining the purpose with delimitations. It gives information to get insights about the current situation of senior living and housing in Sweden.
- Chapter 2: In this chapter, methodology of the study, research strategy, data collection ways and analysis methods are presented. The study process is explained and ethical issues are also discussed.
- **Chapter 3:** The theoretical framework contains the theory of service innovation, service innovation process and problems in elderly housing. Additionally, the main titles will be detailed in order to get in-depth knowledge.
- **Chapter 4:** The case of ConceptLiving<sup>TM</sup> is explained in the context of the service innovation and its process as well as the data gained from interviews is presented. The chapter depicts the current condition of the elderly housing.
- Chapter 5: The important results and responses for the research questions are elucidated in this chapter. It also elaborates the findings from Chapter 4, interacting with the theoretical framework.
- Chapter 6: This chapter covers conclusion and implications for future research.

# 2. METHODOLOGY

One of the most important part of the thesis is to choose methodology, which shapes the structure and phases of the research (Stake, 1995). The research strategy, data collection, interviews, data analysis and ethics will take part under this chapter. It presents how the study was conducted, where the idea come from, how the data was collected and analysed regarding to the research questions, which indicated in *Chapter 1.2*. Besides, it gives understanding about the study process and addresses the ethical considerations.

# 2.1. Research Strategy

The research strategy is important to give the readers a better understanding of how the research was conducted and what the reasons were for selecting the method of research. Determining the right research strategy features in any research in order to reach thesis aims. In this research, the problems considering the current housing services for the elderly, a service innovation and a certain process of service innovation within the housing industry will be investigated. Based on the nature of this thesis, it is inevitable to narrow down the scope to ascertain the single case of service innovation concept. Therefore, the methodology provides an area to collect data to gain new insights and to research this topic within a particular context. According to *Table 1*, the research phases of the study within the timeframe can be seen.

Topics	June	July	Aug	Sept	Oct	Nov	Dec
Understanding the							
case							
Research questions,							
approach & method							
Literature study							
Interview &							
discussions							
Data analysis							
Qualitative results							
Conclusion of the							
study							

Table 1: Overview of the study timeline

The path has been plotted based on the reasonable grounds of research method and each step is accurately followed. Initially, the case was chosen by virtue of the fact that it is considered as unique, interesting and worth to investigate. Since it is the only local innovative initiative for elderly housing services. In order to understand the case broadly, information was acquired from pre-meeting and discussions with CEO of ConceptLiving<sup>TM</sup> and pre-study. It is important to get insights from earlier literature and relevant person to understand what others consider

about the case, what is missing and what more needs to be investigated. After comprehending the case, research questions were composed regarding the problems around the case and research area was narrowed down to focus on the selected topic. In association with the research questions, the most appropriate research strategy and methodology are formulated. These first two steps generated the introductory phase of the study. Then, based on the research area, a literature study was done to collect data. Despite of the fact that a lot of articles are scrutinized, a number of articles were related to the chosen subject, several of them were partly relevant and others were irrelevant. Data collection is crucial to get deeper information and to direct the study. After that, interviews and discussions with particular people were held to comprehend the concept and to learn various perspectives about the research topic. During this phase, new data was collected. In an attempt to find out answers for the research questions, analysing the collected data was the next step. This step took in the sequel of the interviews and the data was categorized accordingly. The step before the last one, qualitative results were found based on theoretical framework and findings. In order to execute qualitative results, all information should be acquired formerly. Lastly, the research questions were answered and the study was concluded. Additionally, the research can regard as an iterative process, in the case of necessity, the author returned to the previous steps in the study and revamped on the relevant sections.

Each research area has unique characteristics and different methodological approach; thus, this research approach is special for this study. This path is considered as the most appropriate one to perform this study due to the fact that the case was discovered in advance, the thesis aim took shape around the case. Considering the problems and area of the case, during the research, the current problems in the elderly housing market are explored, a service innovation in the housing market and its process are investigated.

#### 2.1.1. Qualitative Research

There are different types of research approaches while collecting and analysing the data, however the most commons are quantitative and qualitative research methods. Quantitative research mainly focuses on numbers and statistical information that can be gained through questionnaires or surveys. However, the statistical analyses are not intended to be performed within the context of this study. Quantitative research is more feasible than the qualitative research in the case that researcher concerns to generalize the findings (Bryman et al., 2011). On the other hand, qualitative research, which focuses on detailing a particular case with deep insight and pursues the goal for specifying, seem more feasible method for this study.

The thesis is conducted as a qualitative research. Greener (2008) claims that a qualitative approach is more flexible and appropriate for the research study or case study. Bryman et al. (2011) append that qualitative research is used to develop hypotheses, which can be tested, instead of generalizing the findings in the study. This study does not aim to generalize the findings and to provide statistical accuracy. In order to reflect the case within this study, it is essential to understand each data deeply, which is closely related with the ConceptLiving<sup>TM</sup> concept. The qualitative research provides in-depth understanding of the case and

considerations. Moreover, the study focuses on searching answers for how and why questions instead of which and where.

#### 2.1.2. Single Case Study

This study is conducted with the intent of getting in-depth knowledge about a particular service innovation process at a specific firm. For this type of studies, single case study approach is the most suitable one. According to Bryman et al. (2011), a single case study includes detailed content, comprehensive analysis and summary of the case. Therefore, the major objective of choosing the methodology as a qualitative approach is to conduct a comprehensive summary of the case. The ConceptLiving<sup>TM</sup> case is unique in the context of elderly housing service innovation, for this reason, only this specific case was chosen to investigate and it is not possible to draw general conclusions. Besides, a case study's aim is to elaborate instead of generalizing the matter (Stake, 1995). A case study helps to collect profound knowledge about the certain matter while using sundry technics and methods.

Apart from single case study, there is another approach, which is multiple-case study that can be considered in the research with the purpose of comparing different cases (Bryman et al., 2011). Although single case study focuses on explaining all aspects of one case, multiple-case study captures what common or contrast across certain cases are. However, in the context of this study, a particular concept within housing service was investigated. Because, in Sweden, there was only one case, which was innovative when it comes to elderly housing services. In order that the aim of this research is understanding the existing elderly housing services in the market, investigating the service innovation and its process in elderly housing services, the study requires the specific and in-depth research approach.

#### 2.2. Data Collection

The empirical data has been collected solely from one specific case. According to Greener (2008), case study research can contain more than one way of deriving data about the case while reviewing and analysing articles, making conversations, surveying data, or interviewing. Hence, the data collection for this study was generated from selected ways, which can be aligned as followings; website of ConceptLiving<sup>TM</sup>, literature study and analyses, lecture presentation, and mostly around interviews. In this research, the interviews are the primary method of data collection. Since the concept is in the early phase and there exist concerns about protecting intellectual property, very few people were included into the innovation process. Therefore, the most convenient way to obtain information from those people is to conduct interviews.

The interview is the most common method to collect data in the qualitative research methodology (Creswell, 2007). Based on the nature of the ConceptLiving<sup>TM</sup> case, which is in early phase of the project, there are few people (less than five), who are involved into the process. Hence, interview is more convenient method to gain information in this case. The data has been complemented with web-based search, which is related to the chosen concept. This searching method contributed to form the questions and to be well-prepared for the interviews.

Additionally, the lecture presentation where CEO of ConceptLiving<sup>TM</sup> had presented the concept, have been used as an additional source for data collection.

#### 2.2.1. Literature Study

In the initial phase of the research, a lot of articles have been found and all of them were reviewed in terms of relevance of the thesis subject. The majority of articles and academic books were found in the *Chalmers University of Technology Library Database* and *Google Scholar* while searching several main keywords such as "service innovation", "innovation process", "innovation in service", "elderly people" and "senior housing". Large amount of data was accrued during the study of literature. A literature study has been made with the intent of getting an overall understanding of the service innovation and its concepts. When choosing the articles, another consideration was the publication date, which is due to importance of gaining up-to-date information. Additionally, some references from 80s and 90s were used in order to widen the understanding of the emergence of the topic. Besides, several articles were chosen to create a base of the theories and the chosen topic. Related bodies of literature, concept and theories from service innovation studies and cases, specifically single-case studies, have been investigated.

#### 2.2.2. Semi-structured Interviews

Interviews were carried out as semi-structured since, according to Greener (2008), this type of interviews allow the interviewee to steer the direction of questions and to divert to other interesting subjects about the case. Semi-structured interviews also gave not only the participant chance to speak freer about new interesting findings, but also the interviewer to rephrase or switch several questions accordingly. This reveals the extensive knowledge and understanding of the participant about the chosen research area. Moreover, a qualitative interview focuses on the interviewee not the interviewer, for this reason, semi-structured interview is the most suitable method for this study. On the other hand, there are other ways to conduct interviews as structured or unstructured depending on the nature of the study or required data (Bryman et al., 2011). Structured interviews are more suitable when there is a need for quantitative or more accurate data. Contrarily unstructured interviews are used in the case of necessity for observation of interviewees or flexibility of the topic. Since there is no procedure to follow, this type of interview is hard to conduct when many persons need to be interviewed.

During the interview, notes were taken and conversations were recorded by the interviewer. Recording the interviews is considered as a favourable choice to conduct proper interview and to capture data more efficiently (Creswell, 2007). The intent of the records is to mitigate the risk of misunderstandings and misinterpretations and to be able to listen to the conversations more cautiously once again afterwards. The records were transcribed and the created content was categorised in terms of the topics.

#### Interviewees

The interviews were conducted separately with four key people of the case and the three senior people who are prospective customers of the Ulricehamn project in Sweden. The number of interviewees was assigned based on keeping balance between gaining data to achieve saturation for the study and time restriction. These people who are selected in terms of their correlations with the concept and their roles, are presented as below:

- I. CEO of ConceptLiving<sup>TM</sup> (Main actor in the case)
- II. Architecture company representative (Creating Ulricehamn building)
- III. CEO of the marketing company (Marketing of the concept for Ulricehamn)
- IV. Advisor of ConceptLiving<sup>TM</sup>
- V. The group of elderly people from the Senior Union (Prospective customers of the project)
  - Senior person 1 (Female, age between 71-80, BSc education)
  - Senior person 2 (Female, age between 61-70, MSc education)
  - Senior person 3 (Male, age between 61-70, BSc education)

For the reason that ConceptLiving<sup>TM</sup> is in the planning phase, very few people got involved into its early innovation process. One of the interviewee who is CEO of the construction company decided to withdraw from the study, giving lack of knowledge about the case as a reason. Due to the nature of this case, it was impossible to contact more people to make an interview. Besides, the interview with the group of elderly people held to understand their initial perceptions about the concept and overall insights about the elderly housing services in the current condition.

After determining the participants, the author found their contact information via CEO of ConceptLiving<sup>TM</sup> and reached them with the intent of conducting interview. The interview template was further sent to the chosen interviewees by email. The meeting was arranged with the parties confirming the request of interview. Besides, the interviews with senior people were performed via phone and the duration of interviews varied between 20-30 minutes. On the other hand, interviews with other people (stakeholders and main actor) took between 40-70 minutes based on the availability of participants and the amount of information shared. Because of the need for further and up-to-date information about the project process, a second interview was arranged with CEO of ConceptLiving<sup>TM</sup>. Each interview began with briefing the research to the participant.

#### Design of the interview questions

The interview questions were prepared with the purpose of collecting data about three main areas, which are understanding the existing situation of elderly housing market, the service innovation concept and service innovation process. Hence, questions, which were prepared as suitably for semi-structured interviews, give opportunity to deeply collect data according to the interviewees. Creswell (2007) addresses that the questions in the semi-structured interview include the core areas of the research and other associated questions related to the central ones. Therefore, these two core areas, which are understanding the concept and service innovation

process, were arranged mainly to find out answers for the research questions and to comprehend the case extensively. On the other hand, the associated questions implement the main subjects while getting deeper knowledge about the relevant issues. The questions aim to discover subjects as seen below:

- the ConceptLiving<sup>TM</sup> concept,
- the existing condition of elderly housing market,
- the innovation process,
- idea generation phase,
- customer aspect on the case,
- intellectual property concerns,
- future insights about the service concept.

According to interviewees' role in the case, different interview guides were prepared to get various detailed information about the concept. The questions in the interview template can be found in *Appendix A*, *B*, *C* and *D*.

# 2.3. Data Analysis

The collected data was analysed in terms of two successive steps, which are transcribing and categorizing. The transcribing was converted to text instantly after each interview considering the notes taken throughout the interviews. Working this way is more effective and beneficial for distinguishing data and preventing loss of information that are gained from each interview. This information was codified into main titles, which are used to intensify the subject.

#### 2.4. Ethical Considerations

Ethical issues are notably important while conducting the research as in this study. In the initial phase of the interview process, the interviewees were well-informed about the content of the study and they had choice whether to participate or not. The template of each interview was sent through email to the relevant interviewee in advance. According to Greener (2008), the interviewer should be aware of participants' bias and error, concurrently providing clear content. Therefore, the interviews were performed within a well-known environment and the persistence is not beside the point. In the beginning of each interview, the participant was briefed about the research, the intent of the questions and the purpose of their participation. The interviews were recorded with the permission of the participants. All recordings were preserved in a safe environment and were transcribed and re-listened by the author. After and in course of interviews, all participants had time to give reflection and feedback about the interview process. Besides, in any circumstances, they could break off the interview and from the study. In the final phase, the analysis of the interviewees to ensure them the findings and results are accurate.

# 3. THEORETICAL FRAMEWORK

This chapter presents the definitions, theories and explanations about the elderly housing services, service innovation, and service innovation process. It also forms a basis for the discussion section of the study.

# 3.1. Current Problems in Elderly Housing Services

In Sweden, problems regarding elderly housing services are spotlighted due to the growth of elderly population. Initially, according to Henning et al. (2009), there is an administrative problem regarding municipalities' responsibility of supporting and promoting elderly people's daily lives with housing services, organizing activities for them and also, implementation of those services. For the municipalities, while keeping quality of care in a high level, discharging the responsibility for services can be challenging. On the other hand, by virtue of Sweden's social democratic concept, municipalities endeavour to organize those services by egalitarian way that means elderly people get standard care and services only, which are determined and supplied by municipalities (Longo and Notarnicola, 2018). Although home care is fully funded by municipalities with local taxes in Sweden, as stated by Longo and Notarnicola (2018), most of the elderly have special personal needs and expectations on various services to live better and healthier lives. Furthermore, a variety of needs exist among elderly people but they have limited choice options considering services in housing, which require to provide optimal solutions for each person (Blok, C. et al., 2009). Acquiring those services might be challenging for several seniors because of the high prices of services and this situation induces affordability problems (Longo and Notarnicola, 2018).

In addition to these problems, psychological issues of the elderly affect the housing services received. A number of senior people encounter various psychological problems that are possible to overcome by improving housing conditions and services. Verma et.al. (2011) assert that seniors become isolated in their housings thus, according to Struyk (1998), they are intending to throw off feeling the loneliness and to live in a community with more people who share the same situation and problems. Another psychological issue among elderly people is identified by Harrefors et. al. (2009) as insufficiency of autonomy and lack of participation in decision-making process.

Besides, lack of educated and interested staff can also be a complication for provide different kinds of housing services to the elderly (Harrefors et. al., 2009). The staff should be responsible to provide care seniors while promoting their well-being, since the state of seniors' well-being is changeable and can be improved by socialization (Blok, C. et al., 2009).

As a result, the problems in elderly housing services can be defined as followings: administrative, variety of personal needs conversely scarcity of services, lack of affordability, psychological issues of elderly people (e.g. loneliness, insufficiency of autonomy), staff, lack of socialization. In order to be able to supply housing services for the elderly and to create a better situation, these problems are needed to be resolved. Besides, housing options in public

or private sector should be flexible and diverse to arrange supporting services and to compensate the inability of performing daily activities (Struyk, 1988).

#### **3.2.** Service Innovation

A service is described as a process of tangible activities that are mostly generated with "collaboration between customer and service personnel and / or physical resources or goods and / or service providers' systems, and that is the solution for the customer's problem" (Grönroos, 2002, p.58). Although the degree of participation can differ in each type of services, customers and service workers are the key players in the service business.

It is crucial to sort the services in regard to relevant characteristics in order to comprehend the similarities and differences. Gluckler & Hammer (2011) address that in the service literature, service is sorted into typologies in terms of the delivery types, customer relationship, nature of service activity, sectors, standardization level and other characteristics. Elderly housing services have a high degree of customer relationship with a high level of customization rather than standardization in the housing sector. Therefore, it is obvious that the nature of elderly housing services is customer-centric, since the major aim is to create the best solution for customer needs. In contrast with the customer-centric approach, several service companies can show a product-centric approach, which focuses on creating or developing the products (Kindström & Kowalkowski, 2014). These two approaches affect the service, its innovation process and company in different ways.

An innovation can refer to the process, the outcome or both. Lawson and Samson (2001) argue that innovation hinges on certain elements and processes regardless of what business is being considered. Each innovation comes with different approaches or perspectives. According to Witell et al. (2016), innovations both create value for the company and make changes on the market where many other companies try to imitate or follow the concept. If the innovation has a significant impact on customers, other companies will also wish to produce a similar effect while using, imitating or developing that innovation to sustain and compete in the market. In an attempt to yield a competitive advantage in the market, creating innovation in service is an important way for companies (Alam & Perry, 2002). To be able to count an innovation as service innovation, there should be gain or profit together with value-added services for those concerned persons, especially for customers. Service innovation is defined as a new or improved service that supplies certain advantages to the company while bringing renewal to the customers with the added value (Toivonen & Tuominen, 2009). Besides, Kindström & Kowalkowski (2014) identify service innovation as any (re)combination of resources that generates new benefits to actors such as customers, developers, or other actors. Additionally, service innovations aim to create and maintain the physical environment, which contributes existing social and economic activities and housing itself (Gann & Salter, 2000).

The service innovation is classified as *assimilation*, *demarcation* and *synthesis* perspectives (Witell et al., 2016; Djellal et al., 2013; Carlborg et al., 2014). According to *assimilation* perspective, service innovation can be a new product, process or service that has crucial differences from the previous one. Besides, assimilation perspective converges on relationships

between innovation and technology, hence this perspective can also be seen as a technological perspective in the service industry (Djellal et al., 2013). In *demarcation* perspective, it is a new and unique service that requires changes in the firm or customers. It focuses on originality of the services in service marketing, operation management or process. In *synthesis* perspective, service innovation is identified as a new service that indicates the change for customers with added value. Moreover, synthesis perspective supplies framework for service industries, and for both technological and non-technological forms of innovation (Carlborg et al., 2014). Service innovation in the elderly housing industry can be classified under the synthesis perspective. This kind of innovations require changes or improvements for elderly people with added value, which is important both customers and the company.

All innovations can create benefits for the actors, however service innovation in the housing sector, present benefits notably for the customers (Kindström & Kowalkowski, 2014). Customer is the main factor in the service innovations since, the reason of initiating innovation is to offer high-quality services in acknowledgment of customers' need and expectation. Thus, in the housing industry, the basis of leading a service innovation process can be a demanding customer or a willing to achieve customer satisfaction (Toivonen & Tuominen, 2009; Djellal & Gallouj, 2004).

According to Djellal & Gallouj (2004), service innovation in elder care housings can be identified into the health and social work service sector and also, services provided for the elderly can be categorised as follow: home help services, which includes meal preparation, shopping, housework etc., personal services and nursing care. Addition to these, practically any existing service can be adjusted for elderly people to enlarge the range of services on offer. Therefore, innovation in the elderly services on offer can have various forms (Djellal & Gallouj, 2004), which can be seen below:

- The development of a service, which has already been delivered,
- The supplement to new services,
- Creating new way of providing services,
- The new service network adjustments with different service providers,
- A new type of provision or provider.

#### 3.2.1. Service innovation dimensions

Service innovations generate new markets or reorganize the current market situation to various extents. In order to be able to do that, companies need to comprehend important dimensions that enable to realise an innovation in the service industry. According to Berry et al. (2006), there are nine vital dimensions to create successful service innovation, as seen in the *figure 2*.

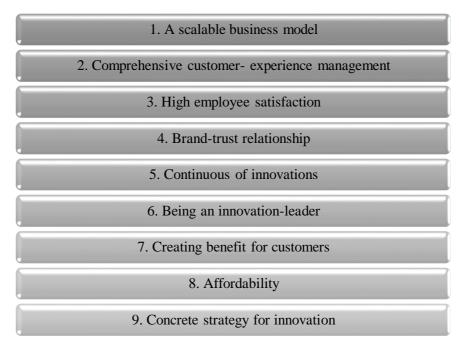


Figure 2: Success dimensions for creating service innovation (Adapted from Berry et al., 2006).

Service innovation differs from other innovations due to its people-intensive nature, which makes it harder to scale the business model, however it is key for companies to consider the ways of strengthening business models to offer more variety of services for customers. Besides, service innovations should provide more opportunity for customer experience. Berry et al. (2006) assert that enhancing customer experience is based on the three clues: *functional clue*, which is a technological degree of offering, *mechanical clue*, which is the design of the facility or elements and *human clue*, which refers to employees' attitude towards customers. These are critical points required to achieve innovation in service business with comprehensive customer-experience management. The next dimension is ensuring employee satisfaction and Berry et al. (2006) claim that innovators invest in their employees' satisfaction and performance to capture customer satisfaction with providing new services or service elements. If a company has the trust of customers, it is obvious that the innovation can be executed easily and the brand of the company can be more prominent.

In order to reach success in service innovation, it is substantial to continue improvements or to add new elements into the innovation. Moreover, continuity of innovation complicates imitation or catching up by competitors. Another way to avoid imitators is being a leader of an innovation, which means leading the evaluation of the idea in the service market (Berry et al., 2006). Predominantly, innovations are created by persons who have enthusiasm to change the current market and to desire supplying more progressive services for users. Innovations in service business need to bring a salutary and clear solution for the problems in the existing situation as well as transcendent benefits for the customers in order to awake customers to try these innovative services. Furthermore, the innovation should be affordable for at least target users, since the service innovation is unthinkable without customers. Last but not least, service innovation necessitates a concrete strategy to actualise. Berry et al. (2006) exemplify that healthcare industry targets to reach more customers while serving high quality services; thus,

doctors or nurses have begun to give professional advices to patients through e-mail, voice message and other technological channels. Consequently, these dimensions have different degrees of importance and impact on creating service innovations.

### 3.3. Process of Service Innovation

"A number of general inter-related forces drive the innovation process" however, the demand for new sort of housings is the most important force in the housing industry (Gann & Salter 2000, p.960). Globalisation of markets, and the growth of service sector have also pressured to generate innovations in the housing service business. Since housing companies compete in their quest to deliver new services, it is obvious that forces of change or innovation also emanate from housing sector itself (Gann & Salter 2000). Providing system that is integrated with services is a significant advantage to be competitive in the market.

Implementing an effective process is the key to achieve innovation. Each innovation process can vary in terms of competitive environment, strategy, task complexity and management style therefore, each process is considered as unique (Lawson and Samson, 2001). The innovation process is not serial and there is no recipe to implement however, it can be considered as iterative process, which requires cross-functional activities and collaboration with customers (Toivonen & Tuominen, 2009; Gann & Salter, 2000). Furthermore, Toivonen & Tuominen (2009) attach that an innovation process also needs for project management effort from the preliminary stage to the implementation of the idea. If a company achieve that process by systematically planned the innovation, the initial idea can be turned into well-managed innovation. The market condition is one of the starting point for the innovation process in services, moreover a service process should be managed by project managers who can ensure the innovation process is implemented within the framework (Sundbo, 1997).

Alam & Perry (2002) scrutinize the process of service innovation under the ten stages as shown below. Each stage has different level of the importance that evaluated based on frequency of usage of the stages, which should not be seen in each process of service innovation.

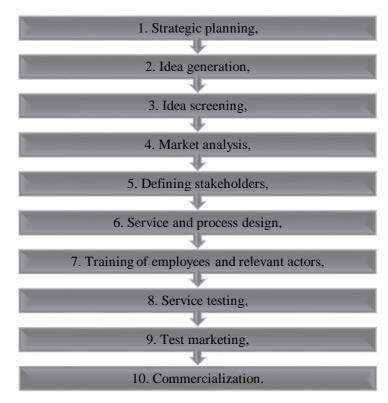


Figure 3: Service innovation process (Adapted from Alam & Perry, 2002)

As stated in Alam & Perry's study (2002), idea generation, idea screening and defining participants are relatively more important stages, in contrast, test marketing and training of employees and relevant actors are occasional stages. During the process, it is possible to conduct these stages concurrently as parallel stages but mostly sequential.

In order to understand the service innovation process, it is important to classify the process. In this study, Silvestro et al. (1992)'s classification is examined since it is created by considering different dimensions and classifications from earlier literature. Silvestro et al. (1992) dissect the service process into three different categories: professional services, service shop and mass services as seen in the *Figure 4*. This classification is effectuated in terms of the service dimensions in the service literature and customer interactions within the services. According to Silvestro et al. (1992, p.68), in the service literature, there are six dimensions, which are "equipment/people focus, length of customer contact time, extent of customization, degree of discretion, source of value added as front office or back office and, product/process focus" in order to define service innovation process.

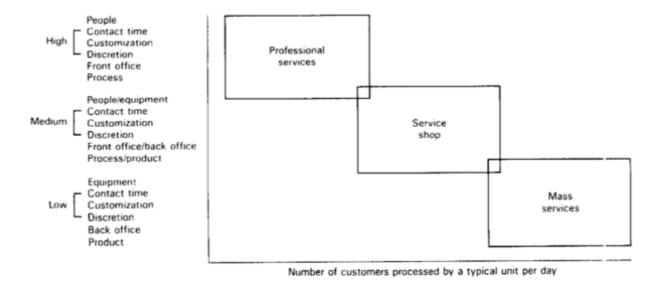


Figure 4: The types of service processes (Silvestro et al., 1992)

Professional service can be seen in the companies, which provide value-added services in order to meet customer needs and have long contact period time with customers while managing highly customized process (Silvestro et al., 1992). Where the service process is closely related to customization and needed by a great extent of customer contacts, the service can be examined in the professional service category, which means adapting the services allied to high degree interaction with customers in reply to their needs (Maister & Lovelock, 1982). This category steps in where the company develop a people-intensive (customer-centric) innovation process in the service business.

On the other hand, mass service means that the company has limited contact time and less customization because of high degree of customer transactions. Maister & Lovelock (1982) claim that scaling up the process of standardization leads to decrease customization and customer contacts, hereby that creates mass service. The service shop remains in between professional and mass services and implicates in both dimensions from these categories. Both the product focused and process focused companies can be seen in service shop category depending on their customer interaction volume. Moreover, the management considerations, service strategy, control mechanism can be diversified among three service process classifications (Silvestro et al., 1992). To determine the category of a single service innovation process, initially the dimensions should be examined and allocated in terms of characteristic of the process. Then, based on the relations between the dimensions and characteristic of the process, where the findings are preponderating on the area that become the category of the company's service process.

#### 3.3.1. Idea generation

Idea generation is the most important stage in the service innovation process therefore, companies put more emphasis on this stage (Alam & Perry, 2002). Lawson and Samson (2001) affirm that idea of innovation takes shape along the continuum by creativity and this can emanate from the millions of small continuous improvements. It is important to detect gaps in

the system and promote each small improvement or idea to achieve precious innovation. According to Conway & McGuinness (1986), practically it can be challenging to disclose those gaps however, there exist several ways, which are *customer driven*, *market driven*, *close follower*, *technology driven*, *planned diversification*, *opportunistic diversification* to discover gaps and further to create new ideas accordingly. Firstly, *customer driven* means that companies should acquire the customer knowledge by several information tools as satisfaction rates or market survey to understand what is need for customer satisfaction. *Market driven* ideas can be developed in reply to market changes or market needs. *Close follower* implies that the ideas are developed by following competitors and foreseeing on next movements. Technology driven ideas came from the current technological developments and inventions. *Planned diversification* emerges new markets with unique ideas and offers a concept, which diversify from others. Lastly, in *opportunistic diversification*, diversification is not an initial intention, however the idea result from a new concept, which is used to enter a new market.

Idea generation is a crucial step, since new small idea(s) are the point of origin for developing service innovation to improve the customer satisfaction (Drejeris, 2012). While developing the innovations, clients' roles become more prominent dimension to be successful. Toivonen & Tuominen (2009) state that majority of the ideas spring from the customer or stakeholder interaction and from daily business activities. Furthermore, directing customer requests, investigating the customers' problems and the acquisition of customer feedback lead to ideas generation. In addition to customer perspective of idea generation, participation in seminars or meetings and observation of the current condition of the industry induce new ideas (Toivonen & Tuominen, 2009). In changing business environments, technology, as well as customer and market needs change rapidly, hence developing service innovations requires the ability to design the service concept, constantly creating ideas and adapting new or existing services (Carlborg et al., 2014).

New ideas were created by gathering different pieces of information from various resources and by correlating them with the current condition of the business (Toivonen & Tuominen, 2009). It is also possible to advance new ideas together with stakeholders who have an important position in the market as a developer, operator, supplier or technology advisor (Nicolajsen & Sorensen, 2010). Importance of stakeholders in the idea generation process is incontrovertible to gain more information and to be able to achieve service innovation.

#### 3.3.2. Protecting intellectual property

Protecting intellectual property (IP) allows the innovator to "exclude others from interfering with or using the property right" in various ways (Voss et al., 2017). There are different ways for IP protection such as patent, trademark, copyright or trade secret, however; these ways can be challenging, long and costly (Voss et al., 2017). Therefore, companies develop varied mechanism to preserve innovation or idea from others. For instance, several companies embark on the resource-based view as a strategic management style that aggravates to be imitated or substituted by competitors in the market (Lawson and Samson, 2001). Resource-based view yields the company's approach to characterize its resource collection, capabilities, which are

specific and original for each company.

Adding value to the service innovations may complicate easily reproducible of services by others (Gegeckaitė, 2011). Value-added services make a sense for both customers and service providers that preclude imitation or duplication of innovation. While working in service innovation process with different stakeholders, it is mostly hard to identify the intellectual property from the wide range of discrete inputs on housing projects (Gann & Salter, 2000).

#### 3.3.3. Stakeholder involvement

Communication is necessary to achieve innovation through long process from the stage of exploring the ideas and issues until the release of innovation (Lawson and Samson, 2001). Collaboration with all actors in the project is a critical issue that affect the profitability and determine the value creation (Kindström & Kowalkowski, 2014). The interaction between various stakeholders highlights the importance of idea sharing, co-creation and cooperation with other participants such as suppliers, customers etc. During the process of service innovation, there is a need for getting external or internal support from stakeholders as well as involving relevant actors in the process to innovate effectively.

During the project life-cycle, these participants or stakeholders can behave as a single company through the secondments and close value-based working relations. People tend to facilitate communication through informal channels among project participants in order to improve trust between each other and to create value-based relationships (Gann & Salter, 2000).

#### **3.3.4.** Customer aspect on the service innovation

Among stakeholders, customers are considered as significant actors in the innovation process (Öberg, 2010). According to Toivonen & Tuominen (2009), the supplier–customer interface, which is substantial for all types of innovations, is highlighted in the service context. Customers are interlinked with the service innovation process, due to the fact that the major reason to make an innovation is customers. Customer involvement in the service innovation process is quite important and useful to compete within the market. The inclusion of customers can occur in different stages (see *Figure 3*) of the service innovation process however, mostly in idea generation stage (Alam & Perry, 2002).

During the realisation of the project, acting as a passage to capture the customers' perceptions is a significant action (Gann & Salter, 2000). Each service organization need to start with defining its customer profile and target group (Öberg, 2010). Further understanding the clients' expectations on services in order to further generate ideas and develop innovations is an important step. Because, clients' relationships have impacts on profitability and return on investment that are essential for all companies (Du et al., 2014).

In the service business, recognition and retention of customers is acutely crucial, since customer satisfaction is the key factor to a successful business and all the service processes include the customer in some degree. Gegeckaitė (2011) appends that customer satisfaction in the innovation process depends on quality, informativeness, customer understanding and

pleasant on the services. Besides, conducting surveys to evaluate customers' behaviour towards new services is crucial to sustain long-term relationships. Developing long-term relationships with customers is a prerequisite for housing firms (Kindström & Kowalkowski, 2014). To do that, firms should boost the probability of innovative services, which match customers' needs and perceptions. Contingent upon what kind of information is required from the customers, various approaches can be followed by firms (Öberg, 2010). In order to get people's opinion, firms can interview their target group, arrange meetings, conduct customer satisfaction index or observe their behaviour while performing several activities. Adopting and showing a customer-oriented approach is significant for firms to facilitate marketing targets and to be successful at creating service innovation (Alam & Perry, 2002).

# 4. RESULTS

This chapter defines the existing elderly housing services in the market to understand current issues and problems that people faced. It is also conceived to explain the ConceptLiving<sup>TM</sup> that is a single case study of this research, to explain the process of the innovation and to present the result that was discovered mostly from the interviews with selected people.

# 4.1. Current Situation in Elderly Housing Services

"Recently in Sweden, there were no other examples of this kind of concept that brings new perspectives on service understanding", according to the marketing representative. Further asserted by CEO of ConceptLiving<sup>TM</sup> as "there were only two elderly housing systems until 2007, since Sweden's economy was not appropriate for elder persons to choose the housing based on their needs and how much they can pay for it".

- A regular housing: A well-known environment for elder people who can live an independent life with support from their relatives or family.
- A special housing: This concerns each person with disability and who needs extra care, also the elderly. Municipalities provide that care with taxpayers' money.

CEO of ConceptLiving<sup>TM</sup> explained the situation as "each person in Sweden wants to be able to live independently, which means people should solve their problems by themselves even when they get older. It is not easy for people in the situation of not having close relationships with their relatives or being unable to take care of themselves when special care is needed in a regular housing. Besides, in the case of very sick and old people, the most proper solution for them is to take nurse care from hospital or a special housing". These two housing alternatives mentioned above form the system for the elderly and there was nothing in between the private-paid and municipality-paid in Sweden. Therefore, this creates a leverage point in the system, which needs to be developed by both private initiatives and public services for providing better housing services. However, according to the advisor "there was no room in the system for private initiatives to supply care and services for the elderly because; all people expected these kinds of services from the municipalities after paying high taxes". The system is based on people paying taxes during their work years, then the municipality looks after people. Nevertheless, the fact was that public services could not addressed entire needs of senior people. The advisor defined the dilemma as "for the private companies, how to find the right place to get into the system was one of the main problem while most of the people were demanding for more alternatives on housing services".

The interviews with senior people draw a conclusion that most of the elderly confront economic problems such as low pension, high taxes and redundancy of payments that might prevent having a better life, since it can be hard for the elderly to afford the cost of housing services. In addition to these, during the interviews, a senior people mentioned that "daily routines and errands such as cleaning house, preparing meals, personal care etc. can be challenging for most of the elderly, thus; getting different kinds of personal services and having choices are admirable".

Besides, from the interviewees' point of views, the common problem of senior people in Sweden is defined as feeling isolated. "Elder persons are in the position of living in the same place for years, even as they become lonely" which is appended by the architect. Furthermore, according to the one of the senior interviewees, "meeting people in the same ages, acquiring chance to attend common activities with others and living in the place with communal areas help people to defeat mental illness and further improve quality of life". It clearly appears that there should be further alternatives for those people who intend to move to another house to live a better life within the community. People would like to take care of their health and are willing to pay for these services. At this point, the ConceptLiving<sup>TM</sup>'s target group is decided upon.

# 4.2. Case Study: ConceptLiving<sup>TM</sup>

The case that is examined during this study is the concept for senior living (60+) by providing different services that make life easier and better. The concept, which focuses on collaborative living and social sharing environment for senior people, is called "ConceptLiving<sup>TM</sup>". Ulricehamn project is the first place where the ConceptLiving<sup>TM</sup> concept will be implemented. It is a physical residence with integrated service packages of facilities and activities. As stated by the marketing representative, "the main difference from a regular housing is that there are services to choose from in order to improve people's health, social or physical conditions". The project is still under development and currently it is in the early stage of the process.

The reason behind senior people's desire to move into that housing is the unique selling point of the concept, which is improving the quality of life. It is also unique because each person can have individual choices of various services related to their lives. Senior people are willing to depart from feeling of loneliness, since it is more important for them to do meaningful things in life, to take part in community, to have a good time and to share life with others. ConceptLiving<sup>TM</sup> proposes services for people to live a better and healthier life. The major vision of the concept is to create a model, as seen in *figure 5*, based on people's core values with services integrated into housing (Ahlström, 2017). Therefore, it is obvious that the concept itself is service-based and value-added.

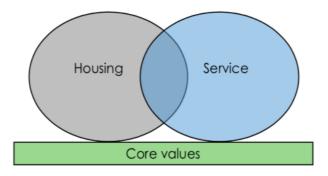


Figure 5: The ConceptLiving TM elderly housing model (Ahlström, 2017).

#### 4.2.1. Housing Concept as a Service Innovation

The concept is basically created to offer more choices on various services to senior people. All these services are included in the application as an ICT platform, which is accessible for everyone and easy-to-use. In the application interface, there are seven different service headlines as housing, meal experience, training, activities, transportation, booking and other services (*bo*, äta, träning, aktiviteter, bil, boka och andra serviser). CEO of ConceptLiving<sup>TM</sup> categorized these services as "physical and immaterial services". The housing is physical service part of the concept on the other hand, others such as activities, transportation, training etc. are parts of immaterial services. Apart from customers' benefits, the service suppliers can also follow everything in the application to help people with evaluating and boosting their health and life in a good way. It is a modern way of delivering services, since innovative approach is adapted to supply technology-added services.

It is mentioned by the advisor that "all services are linked to make people more active and social. Moreover, meal experience can be shown as one of the prominent service elements in this concept, since it is an effective way to improve well-being and to socialize with others". Regarding activities, if people are willing to travel, work in the yard or interested in the same sports, they can find a chance to realise these desires. CEO of ConceptLiving<sup>TM</sup> stressed that "it is possible to take advantage of services to live more active life while travelling, training or attending activities". The services are not only for the people who live there, which are inviting other people as well. Communal areas for these kinds of activities that are open for not only the occupants but also others from neighbourhood. Because, from the CEO of ConceptLiving<sup>TM</sup>'s point of view "the value of getting enjoyable time within social friendly environment in the context of the concept is much higher than the value of living alone". Thereof, the aim of these services, which is to "create free-choice for elder people, makes the concept unique".

In the context of this concept, different packages are prepared for customers in terms of service levels. CEO of ConceptLiving<sup>TM</sup> explained that "a basic package contains main service elements for elder people who have needs at ground level to maintain their life". This package is prevalent into the housing as a default, yet people always have choices to enhance. For the people who want to benefit from more services, ConceptLiving<sup>TM</sup> presents "the golden-age package that comprises all service elements that customers can need. The optional services idea can be expanded for travel option, technology, house-cleaning etc. Group activities such as game, sports and meetings are also extra alternatives for elder people to choose whether attend or not". The main aim is to complete everything to fulfil people's life without gruelling and to help them as far as possible. Nevertheless, in the case of a person needs nurse-care or hospital services, the concept does not provide hospital services. This converges the concept to a hotel concept rather than elder-care.

#### Customer-centric housing concept

All service elements, which are mentioned above refer that the concept can be examined under customer-centric service innovation approach. CEO of ConceptLiving<sup>TM</sup> asserted that "senior people yearn for living non-sick and more active years while being part of community and

social life". Besides, ConceptLiving™ fulfils these needs and expectations by supplying services accordingly, depending on customers' expectation, more service elements might be added into this concept. The focal point of the concept is to give customers what they want and expect, since the advisor emphasized during the interview that "customer is the major factor and the main actor". Being customer-centric requires offering value-added services, which enrich the value of housing in the competitive housing market. Another important issue is that not only customers but also employees and stakeholders should understand and put emphasis on the same core values.

#### Architectural aspect on housing concept

In this project, there are communal areas that are open for everyone to socialize. These areas, which are projected as reception, restaurant and café are located in the base floor of the building to enable the accessibility furthermore, to invite more people and promote interaction. The areas allow senior people to meet each other and to be part of community living. According to the advisor "small details in the buildings affect people's life and wellbeing thus, planning spaces and communal areas based on the elderly people needs can make people feel better". From the architect's perspective, it is quite interesting "to create physical structure for this concept, which is unique with regards to environment, aim and usage of spaces". The architect expressed further that "designing housing in accordance with the concept does not mean that fix the plans and spaces correspondingly, it is further in the manner that the all parts should be put together as a puzzle". The best way to complete the puzzle is understanding what customers expect from the concept's physical spaces and then, satisfying their needs and expectations. Last but not least, the crucial point, according to the architect, is to "analyse each project's context properly to make room for adding more services".

### 4.3. The Process of Service Innovation

The innovation process is commenced with idea generation. The seeds of ConceptLiving<sup>TM</sup> is sowed 20 years ago where "the interest in comprehension of elderly people's situation and service correlations began", according to CEO of ConceptLiving<sup>TM</sup>. Besides, the idea generation was a long and interesting process, which includes intense works on the same subject for years. After springing the idea to innovate services in the elderly housing market, several stakeholders have participated in planning and execution process. In addition to stakeholders, customers who are interested in the concept, got involved into the innovation by sharing their values, needs and expectations about housing services. Customer involvement has a crucial place in improvement of the concept as providing value-added, customer-focused and need-based services. In order that the innovation process is still in progress, there are issues with regard to intellectual property to be considered attentively.

## 4.3.1. Idea generation

The starting point of the concept was based on personal relationships and experience about elderly housing. "Over the last two decades, any alternative has not been created for the elderly who needed services and care, since the Swedish system for elderly housing was deficient" as mentioned by CEO of ConceptLiving<sup>TM</sup>. Those issues compel CEO of ConceptLiving<sup>TM</sup> to

rethink about creating new way of senior housing, therefore a research was initiated to understand seniors, their behaviours and expectations about housing market. In order to conduct this research further and to enlighten related persons, in KTH Royal Institute of Technology, the research school called "third life" was created. A number of universities from Sweden took part in the research school with the intent of learning what happen in the ages of 65+.

As one of the entrepreneurs in Sweden, CEO of ConceptLiving<sup>TM</sup> was willing to understand how the countries, which have more efficient senior housing system and well-developed service industry, deal with these issues. CEO of ConceptLiving<sup>TM</sup> expressed that "that's why, we searched US, Canada, the Netherlands and Japan's ways of dealing with those issues, since we can convert the system into Sweden". In US and Canada, elderly housings mostly resemble to senior hotels in the service industry, although in Sweden, they seem as small hospitals. The inference is that these countries offer all services as a whole in the same package instead of supplying by the parts.

After getting ideas and inspirations from various countries' systems, the main challenge was how these ideas can be imported into Swedish system. CEO of ConceptLiving<sup>TM</sup> stated that "I narrowed down the perspective of how to help real estate owners and builders in order to start and reflect creating housing for senior people between the regular- and special-housing facility". Then, the new third model of elderly living, assistant living, which is the base of ConceptLiving<sup>TM</sup> concept was created. The concept has both ordinary and special characteristics of services that support senior people. As illustrated in figure 6, senior people can need different level of services according to their needs. The service levels are not directly related to age groups, levels are linked to needs for services. For instance, a person who live self-sustained life (remain living) in a regular housing has less need for services than a person who should live with taking nursing care. Besides, assistant living is suitable for people who want to acquire more services than people living in senior housing.

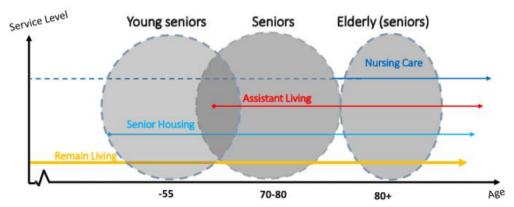


Figure 6: Assisted living in between senior housing and nursing care (Ahlström, 2017)

#### **4.3.2.** Protecting intellectual property

There are different remarks regarding intellectual property protection of this concept. One aspect is that it can be good to protect IP in the initial phases, however in the operation phase,

the idea and process can be more open in order to being a valuable benchmark for other companies. Since, it is a starting point for new way of elderly housing, it can be seen as a potential or inspiration to develop similar or better concepts in whole country.

On the other hand, another aspect is that IP should be kept from the beginning until the end. Therefore, a confidentiality agreement was concluded between several parties who are involved into the project. However, the housing, concept and services are open for each people, which means that it is open for people to copy them or positively further develop them. During the interviews, the marketing representative argued that "it is possible that there can be people who might inspire from the concept or services or people who imitate them". It depends on how information is spread out among stakeholders and what kind of attitude is adopted regarding IP.

### 4.3.3. Stakeholder involvement

The representatives from architectural company, the client who is owner of the building, the seniors' union (e.g. Ulricehamn), marketing consultants, advisors and service suppliers are basic stakeholders of the project. These stakeholders play diversified roles, which are required to realise the project. When the operation process of the project began, there will be need for more parties, since developing real estate within the service-oriented environment includes different angles of delivering services. It is considered by CEO of ConceptLiving<sup>TM</sup> that "the partners who aid for food services, house-cleaning, supplying physical activities and exercises, transportation and other services will take part in operation process of the concept in order to deal with services".

During development process of the concept, several participants are involved into the process. The interviewees articulated that they have been working together with CEO of ConceptLiving<sup>TM</sup> for a long while, hence they were able to actively follow and attend development process of the concept over time. According to the interviewees, the former aim of idea development can be defined as improving seniors' health and different parts of life as socially, mentally and physically as well as counting those seniors in the decision-making process in order to make them feel that they are part of the process.

As CEO of ConceptLiving<sup>TM</sup> mentioned that "representatives from Ulricehamn municipality want the concept to be realised to meet senior people's needs, since it is hard to reach everyone and to supply everything properly by municipality without getting help". Therefore, representatives of municipality promote the ConceptLiving<sup>TM</sup> initiative to transfer into practice while working together with them. Currently, municipality checks the project regarding regulations and according to result, the project will be executed.

Concerning profitability of the project, from the marketing representative's point of view, "the concept is very prosperous in sundry aspects when compared with regular rental housings". This concept can give extra edge when considered benefits. To acquire benefits from the services, the idea is considered by CEO of ConceptLiving<sup>TM</sup> as "customers should require"

paying extra, therefore the company as an operator shall derive more profit than ordinary operator in real estate business". The most important thing is in the case of added values on services, the housing might be more valuable for people with their values and certainly people are willing to pay more to get services and be in these communal areas. In order to increase revenue by this concept, the aim should be optimizing the common spaces in an effective way and then, it might be possible to obtain better return to real estate owner across these spaces. When the concept will be released with supplied services, CEO of ConceptLiving<sup>TM</sup> will play an important long-term role as the coordinator between municipality services and senior people who are the customers of this project.

#### 4.3.4. Customer involvement

The client of the project and CEO of ConceptLiving<sup>TM</sup> demands customer feedback in order to learn how to develop the housing and services accordingly. Hence, an investigation is initiated for getting customer needs and opinions about the development, learning people's reasons to live in that housing and by extension, establishing benefits for target group. The investigation is carried out as both qualitative and quantitative to obtain more real-like results. The interviews with 10-15 people from the target group alongside the statistic research as questionnaire with almost 100 people are conducted by the marketing company in Ulricehamn. The results from researches will be used for developing the concept as well as creating service levels in terms of people's economy. It is significant to understand how many people are willing to pay for services, because it will affect how much money is going to spend for provided services. Economy should be one of the focus points to take into consideration while making the concept happen. CEO of ConceptLiving<sup>TM</sup> referred that "wealth always become a crucial factor in the housing sector. Even though few years ago, maintenance and operational cost were lower for living in own housing, currently these costs are quite high and make life harder for elder people". For that reason, the most challenging part is to meet the customers' expectation on service delivery versus money that they are willing to pay. It is important to balance these two dimensions in order to provide accessible services for the target group.

Besides the researches, initial customer meeting where nearly 100 people attended from the target group was performed. During the meeting, the concept was represented with 3D visualisations and facilities were negotiated with senior persons who actively participated and indicated their choices according to their inclinations on what kind of services and facilities can be involved in this concept. With the purpose of gaining more information about the target group, a reference group is created among people who are interested in living in the Ulricehamn project. The reference group that consists of almost 20 people, was organized together with main stakeholders. The people from different backgrounds such as politicians, retired or farmers, and various age groups are selected with multidisciplinary approach, thus it is planned that they can introduce diverse expectations and needs about senior living and services. Then, with this reference group, meetings and seminars are held and will continue to be held to enhance the scope of the concept. To be part of the concept and live in the Ulricehamn building, as in regular housings in Sweden, the queue system is also driven.

In order to promote ConceptLiving<sup>TM</sup> to more people, several materials such as brochure and marketing folder to illustrate the context of the Ulricehamn project have been handed out. "Throughout last three months, the marketing materials were put in the common areas of Ulricehamn to get feedback and literally, good results were collected" as CEO of ConceptLiving<sup>TM</sup> mentioned. Consequently, as it turns out that there is a considerable extent of needs for this kind of concepts in the housing market.

# 5. DISCUSSION

In this chapter, the results that were discovered from interviews are interpreted and reflected upon regarding the theoretical framework.

### 5.1. Current Situation in Elderly Housing Market

After analysing the literature and the case, it appears that there are many problems in the existing situation in housing services for elderly. These problems can be examined under three categories as below:

- Administrative and economic
- Personal (physical or psychological)
- Limited service options

According to the current data, the social democratic system in Sweden might hinder private initiatives to offer housing services for the elderly, since the system depends on taxes paid by people during their lives and in the case of getting private services for personal needs, elderly people need to pay these by themselves without municipality support. However, as mentioned in the interviews by senior people, most of the elderly cannot afford extra services without support because of their economic insufficiency. Therefore, as realised in the ConceptLiving<sup>TM</sup> case, in order to overcome these problems, collaboration with relevant municipality was enhanced. In the meantime, elderly people would stay in the Ulricehamn building while getting home care and services freely by municipality support additionally, the extra services would be selectable according to the people's special needs and economy. On the other hand, amendment of the percentage of taxes can be helpful for the elderly to be able to reach more services.

Elderly people might have physical or psychological health problems. In Sweden, as addressed in the case, rather than serious physical problems, seniors mostly faced with psychological issues such as loneliness, less socializing, lack of self-sufficiency and a need for being part of a community or process. Therefore, housings should offer an environment where the elderly can be part of a community and decision-making mechanism. This kind of environment and practice is planned to be offered by the ConceptLiving<sup>TM</sup>. According to the case, elderly people are willing to spend more time within the community instead of worrying about their lives; thus, the communal areas, joint activities and meeting points within the ConceptLiving<sup>TM</sup> project can presumably influence people's lives positively. Besides, the ConceptLiving<sup>TM</sup>'s app can be helpful for improving health, for keeping records of their personal health as well as giving easy access to all the personal services.

It appeared that elderly people have variety of personal needs while service options in the elderly housing market are scarce. Each senior might confront different problems, which require a diverse range of services in housing. Hence, seniors having the option to make their own choices regarding housing services can be more useful for both housing service providers and elderly people. Even the services should be customized according to the customer needs.

As a consequence, it might be possible to overcome the problems, which are stated previously, by providing housing concepts with services. It is important to provide communal areas and activities for the elderly. Besides, the architecture should support the users (senior people) by giving accessible spaces according to personal needs. Lastly, getting municipality support can be helpful to defeat economic problems.

### **5.2.** Service Innovation

A consensus is clear that to be able to mention about the service innovation, there should be benefits for customers. This assertion reveals in the case of ConceptLiving™ offering variety of services, which is aspired to be beneficial for senior people and solutions to their problems. To understand and solve those problems, ConceptLiving<sup>™</sup> adopts a customer-centric approach with "a high degree of customer involvement and customization" similar to what is reported by Gluckler & Hammer (2011) and Kindström & Kowalkowski (2014). What is unique about the services is being accessible to both the customers who live in the housing and people in the neighbourhood through the ICT platform, which is a mobile app in ConceptLiving<sup>TM</sup>. The app is planned for customers to reach all services effortlessly and for service suppliers to response quickly to customers' needs and help them by improving their lives. Depending on Djellal & Gallouj (2004)'s forms of innovation in elderly services, ConceptLiving<sup>TM</sup> is similar with the innovation form, which "creates a new way of providing services". Since, currently in Sweden, there is no other practical example of this type of service that comprises both "home help services and personal services". This can lead to spreading the idea throughout Sweden, while forcing the housing market to reconsider technological and architectural effects on services for the elderly housing and to provide better services in order to make their lives easier. Nonetheless, unlike Djellal and Gallouj's (2004) categorisation of elderly services, the concept here does not propose nursing care. This difference can be explained by how elderly housing services can be categorised. While Djellal and Gallouj (2004) interpret elderly housing services as healthcare within the health and social work service sector, in the case of ConceptLiving<sup>TM</sup>, elderly housing services are considered similar to hotel concepts.

ConceptLiving<sup>TM</sup> has most of the characteristics, which are mentioned by Berry et al. (2006) as success dimensions (see *Figure 2*) for creating service innovation. However, at the moment, ConceptLiving<sup>TM</sup> does not have a scalable business model, which is important to supply services in various scale. Moreover, according to Berry et al. (2006), a service innovation should have *functional*, *mechanical and human clues* to enhance customer experience. However, in the case, the concept provides a spate of opportunity for customer experience with the app, which is similar to *functional clue* and physical design of the building and services, which are refer to *mechanical clue*. It is not possible to mention about *human clue*, which refers to employees' approach to customers; since there is no employees in the ConceptLiving<sup>TM</sup> yet. Addition to that, the app and services can bring solutions to the problems in the current situation as well as can supply benefits for senior people. For instance, elder people can follow their health records effortlessly from the app (*functional clue*) or medical institutions might be notified in case of emergencies. And physical design of the building (*mechanical clue*) gives space to seniors for socializing. On the other hand, it is very early to evaluate employee

satisfaction, trust and continuous innovation but when the concept is released, these dimensions can be analysed. CEO of ConceptLiving<sup>TM</sup> conducts the innovation process as a leader but still there is no clear role of innovation manager or project leader for the entire process. The strategy has been defined as *offering various choices for elderly people with housing services to live better and healthier life* that is concrete and created considering elderly housing market condition. Moreover, supplying a high-quality housing environment also helps customers to increase living standards to live healthier life. Last but not least, the ConceptLiving<sup>TM</sup> services in offer consist of different level of service packages that give flexibility to people in the target group to choose among services. Target group's economic situation and affordability for services are critical issues to reach more customers. Although the target group of the ConceptLiving<sup>TM</sup> has been determinated as 60+ senior people, the services in the common areas are designed to be open for all persons.

Witell et al., (2016); Djellal et al., (2013); Carlborg et al., (2014) classify a service innovation as *assimilation, demarcation* and *synthesis perspectives*. Based on this categorisation, ConceptLiving<sup>TM</sup> can be examined into the *synthesis perspective*; because, the concept supplies services in an innovative technological form and makes improvements for customers while adding value on the services. Due to the fact that the concept adds value on the services, the importance of the concept for customers raised and the profitability of the project for stakeholders boosted. Consequently, adding value on services create a valuable and meaningful culture to the potential customers.

### **5.3.** The Process of Service Innovation

Within the theoretical framework, Gann & Salter (2000) argue that in the housing market, demand for new sort of housings and the growth of service sector are main forces to drive the innovation process. The senior people's needs and demands for new sort of housing system supported by services have triggered to begin the ConceptLiving's process. Moreover, senior people (customers in this case) are involved constantly and the collaboration with them is maintained during the innovation process.

The statement that each innovation has unique process can be observed by the case. In the case, the service innovation process is customer-driven and non-linear where several phases of the process are iterated. Depending on Alam & Perry's (2002) study on the service innovation process (see *Figure 3*), the ConceptLiving<sup>TM</sup> service innovation process comprises following phases as yet:

- Idea generation,
- Strategic planning & market analysis,
- Service and process design,
- Defining stakeholders.

According to the case data, the process is initiated with idea generation where the CEO of ConceptLiving<sup>™</sup> identified the gap in the system in terms of problems of housing services for the elderly. Then, the process went forward with strategic planning and market analysis in order

to develop the concept further as well as to learn customers' willing to pay for services. As referred to Alam & Perry's (2002) study in *Figure 3*, strategic planning and market analysis are the two separate phases but in some cases, as in here, the two phases can be carried out concurrently. Later, the service design has been made in a sort of way by identifying immaterial services and the physical place partaking in Ulricehamn. Although the service process has been designed, it was not set in stone, since plans and process can be possibly changed in due course. From the beginning of the service innovation process, the main stakeholders who have been working together with CEO of ConceptLiving<sup>TM</sup> and target group of the concept were determinated. However, several required participants for instance; service suppliers, employees and managers have not been designated yet. This can induce the problems because, those actors have impacts on the process. Further, employee-customer interaction can determine the level of service innovation. Therefore, a careful hiring process, training of employees, knowledge sharing and creation of common value form conscious employees who care about customers and understand easily the needs and expectations.

The ConceptLiving's process has a high degree of customer interaction to provide value-added services to customers. Therefore, this service process can be put under the *professional service* category regarding Silvestro et al. (1992)'s classification (see *Figure 4*).

It is obvious that the ConceptLiving<sup>TM</sup> service innovation process did not follow the Alam & Perry's (2002)'s all the steps but, it is possible to see several of them. Since the ConceptLiving<sup>TM</sup> project is under development, the next phase(s) was not determinated. As seen in the literature, creating innovation provides competitive advantages that helps to change market circumstances for the company's own interest. For ConceptLiving<sup>TM</sup>, it is early to discuss whether to be disruptive for the market circumstances or not, however ConceptLiving<sup>TM</sup> has taken the very first steps with its service innovation while offering various services in the elderly housings that most likely, bring along advantages to the firm.

### 5.3.1. Idea generation

It is apparent that detecting gaps in the current housing system and developing an idea for the specific problems are the first things to do in order to initiate an innovation process. CEO of ConceptLiving<sup>TM</sup> has shaped the idea in conjunction with effective examples of elderly housing services in other countries and personal interest to create alternatives and solutions by extension of discovered gaps and leverage points in the housing service system for seniors in Sweden. Investigating the examples in other countries is an effective way to see and understand other housing service solutions for the elderly. However, it might be challenging to adapt a similar system in Sweden, since there exist of course many diversities among these countries' (US, Japan, Canada etc.) culture, and also economical, geographical and physical situations. Still this practice can be a good point of origin to implement a better system in Sweden on the grounds of Toivonen & Tuominen's (2009) statement about gathering various information from different systems and piecing all together along with the existing market.

Overall, the gaps were demonstrated as insufficient care for elder people to live healthier and better life, elderly people's personal needs, lack of alternatives for services and huge potential for providing elder people services within a concept, which is integrated in a housing where people get the chance to live in a community. These data and potential customer knowledge were obtained over the years from the market survey, researches and strategic investigations in order to disclose customer needs and expectations. Therefore, the ConceptLiving<sup>TM</sup>'s customer-centric approach shows that "customer driven" method was followed to detect gaps and to generate an idea in line with Conway & McGuinness's (1986) study on idea generation. In another respect, the ConceptLiving<sup>TM</sup>'s idea generation phase can be examined under "planned diversification" method since, a new particular concept is offered and concomitantly, this can force the market to emerge more innovative ideas in future.

### **5.3.2.** Protecting intellectual property

It is clear that protecting intellectual property is a gruelling and costly process where the entrepreneurs need to put too much effort on it. In the ConceptLiving<sup>TM</sup> case, stakeholders have different opinions regarding IP protection because, the process in the housing services is open and accessible for everyone. However, if entrepreneurs are willing to keep their innovation or idea from competitors, they should find or develop several ways to make imitating or copying more difficult according to the theory (Voss et al., 2017).

As seen in the case, CEO of ConceptLiving<sup>TM</sup> used trademarks and stipulated a confidentiality agreement between all parties concerned. Those practices can help ConceptLiving<sup>TM</sup> to protect the name; however, the idea and process are still not protected sufficiently against imitators. Even if the desire of protecting IP is clear in the case, since the ConceptLiving<sup>TM</sup> project is open and service-based, other precautions would be required. Owing to the nature of the service market and also, costly and rocky road of patent, IP is fragile and contradictory subject to preserve.

### 5.3.3. Stakeholder involvement

The consensus of the authors on importance of communication and collaboration with stakeholders become apparent in the literature (Lawson and Samson, 2001; Kindström & Kowalkowski, 2014) and this practice is also crucial for ConceptLiving<sup>TM</sup>. In the case, from the initial phase of the innovation process until the current situation, strong collaboration and continuous communication with several stakeholders can be observed. Communication can be a significant bridge among all stakeholders during the innovation process, and in this case, sundry meetings were held, both formal and informal communication ways were realised. Besides, stakeholders' role in the ConceptLiving<sup>TM</sup> was defined and during the innovation process, their supports were observed in different ways. In order to receive stakeholders' support, value-added and trust-based relationships should be created. Hence, CEO of ConceptLiving<sup>TM</sup> aspires to generate common values, which are important not only for the company but also for the main stakeholders. In housing service innovations, external support from related municipality is incontrovertible to maintain the process as occurred in this case.

Another critical issue regarding stakeholders is profitability, which is expected to be higher in the ConceptLiving<sup>TM</sup> project than regular housings. Since services in this concept include values, the worth of the housing would increase as well as the customer would be induced to be disposed to pay for services.

### 5.3.4. Customer aspect on the housing concept

The importance of understanding clients' needs and involving them in the innovation process is mainly disclosed in the theoretical framework. It is also stated that to achieve a successful service innovation, getting knowledge about customers' needs and existing market conditions are one of the key aspects. The ConceptLiving<sup>TM</sup> innovation commences with the intent of finding solutions for problems in the existing elderly housing market. Then, several researches were conducted considering senior people's needs and expectations from the housing services. By these researches, ConceptLiving<sup>TM</sup>'s target group ascertained having regard to people's economy and willingness to pay for services. It can be deduced on the basis of Du et al., (2014) & Öberg, (2010)'s study that customers affect the profitability and return hence, the proper investigation of customer profile is vital.

Relying on literature from Alam & Perry (2002), customers involve into particularly the idea generation phase of the innovation process that can be detected in the case. Apart from customer meetings, the reference group was composed to incorporate the customers into the service innovation process beginning from idea generation phase. Furthermore, the concept has been introduced by the marketing company for public opinion poll, which is critical to evaluate customer aspects on the innovation. As discussed previously, the ConceptLiving<sup>TM</sup>'s current process does not allow an investigation of customer satisfaction, because senior people have not experienced the services practically.

# 6. CONCLUSION

Housing services for the elderly should be improved according to the customer needs and should bring solutions to those problems in the current system. The problems found in this study can be categorised as 1) administrative and economic problems, 2) personal (physical or psychological) problems, 3) limited service options. The overall implication from the study is that housing services for the elderly should be improved according to the customer needs and should bring solutions to those problems in the current system.

It is important to provide communal areas and activities for the elderly. Besides, the architecture should support the users (senior people) by giving accessible spaces according to personal needs. There should be more choices regarding housing services for elderly people to make their lives easier and even the services should be customized. Lastly, getting municipality support can be helpful to defeat economic problems. It is suggested that the reduction of tax percentage for the elderly can be helpful to overcome affordability and economic difficulty.

The research shows that a service innovation in the elderly housing should provide benefits for customers and solutions for the problems in the current situation. The service innovation should be formed as customer-centric, value-added, need-based and technology-oriented that means the focus of innovation should be customer and the services should response seniors' expectations and needs. Moreover, the study showed that problems of elderly can be taken care of with use of architecture, technology and other channels. Adding value on housing services can create a common culture that increase the profitability for stakeholders while improving the value for the customers. It is found that a service innovation in the housing industry should be supported by municipality in order to be accessible and affordable for the elderly.

Service innovation process is expected to be unique for different types of services, however in this study, the process for innovation of elderly housing consisted of phases as 1) idea generation, 2) strategic planning & market analysis, 3) service and process design and 4) defining stakeholders; however, in other service innovation process, these phases and their sequence can differ. The common ground is that the stakeholders and customers have incontrovertible impacts on the service innovation process hence, they should be involved at different degrees. The findings have led the author to the conclusion that idea development, intellectual property, communication and collaboration with stakeholders, profitability of the concept, common values and culture, and customer aspects are important factors to consider while performing service innovation process for the housing concept.

#### **6.1.** Future Research

The findings of this study have certain framework and limitations that also signify opportunities for future research. Initially, in-depth field interviews about a single case in the elderly housing service industry were used during this research, therefore the findings demonstrated should be considered specific or conditional. Intention to generalize these findings beyond the industry need to deliberate carefully. Further studies might investigate the

possibility of adopting the innovative models as ConceptLiving<sup>TM</sup> into existing elderly housings in order to improve customer satisfaction. This question would be researched to get insight about adaptability of the service innovation models.

In order that this project is in the early stage of the release, it would be interesting to research further about the late stages of the project process. In future, there would be more example of this kind of projects in the housing industry therefore, it can be compelling to compare different concepts to discuss their advantages and drawbacks. Moreover, it is suggested that a research about customer satisfaction and its relation to the service innovation success can be further evaluated.

The research area is determined as Sweden, hence the generalization of the findings beyond Sweden should be approached cautiously. An international study about service innovation in the housing industry might introduce interesting findings and insights, therefore it can be considered as a critical recommendation.

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# **APPENDIX A:** Interview questions for CEO of ConceptLiving<sup>TM</sup>

### Understanding the concept:

- 1. Can you explain the ConceptLiving<sup>TM</sup> concept briefly?
  - 1.1. What makes ConceptLiving<sup>TM</sup> unique/innovative?
  - 1.2. What kind of services do you supply and how do you manage these services?
  - 1.3. Is it possible to add more elements into this innovation?
  - 1.4. After introduced to ConceptLiving<sup>TM</sup>, what kind of feedback did you get from customers?
- 2. What does ConceptLiving<sup>™</sup> bring into the market as an innovation or specifically service innovation?
  - 2.1. Did you see any other innovations in elderly housing other than ConceptLiving<sup>™</sup> recently?
  - 2.2. How do you think people's aspects can change after ConceptLiving<sup>TM</sup>?
  - 2.3. Not only customer-centric, focusing on customers' needs, but does it also bring benefits to the owners such as profit or higher market share?

## Service Innovation process:

- 3. How and where did this idea come out?
  - 3.1. What practical problem did you identify in the existing elderly housing services?
- 4. Can you explain the innovation process? How did this innovation process start?
  - 4.1. Who else was involved in this process other than you? What kind of roles did they play?
  - 4.2. In which level did you include people in this process?
  - 4.3. What kind of problems/challenges did you face during the innovation process?
  - 4.4. What did you learn during the realisation of this concept and how can you improve the process next time?
- 5. How do you make sure that the idea was not stolen or is kept?
  - 5.1. Do you plan to sell the idea or work in collaboration with other companies?

# **APPENDIX B:** Interview questions for representatives

# Understanding the concept:

- 1. Can you explain the ConceptLiving<sup>™</sup> concept briefly? (What do you think about the project?)
  - 1.1. Did you work with any other elderly housing project other than ConceptLiving<sup>™</sup> recently?
  - 1.2. Is there any difference between standard housing project and ConceptLiving<sup>™</sup>? (if yes, what is difference?)
  - 1.3. What kind of benefits did/can you get from the ConceptLiving<sup>™</sup>?
  - 1.4. How do you think people's aspect can change after ConceptLiving<sup>TM</sup>?

# Service Innovation process:

- 2. How did this innovation process start?
  - 2.1. In which level did you involve into the process? What kind of role did you play?
  - 2.2. Who else was involved in this process other than you?
  - 2.3. What kind of problems/challenges did you face during the innovation process?
- 3. Do you support private initiatives to provide housing services for elderly? (If yes, how?)
  - 3.1. Did you have an agreement to keep the idea hidden until it is established, can you motivate how did it work?

# **APPENDIX C:** Interview questions for the advisor

# Understanding the concept:

- 1. Can you define your role in the ConceptLiving<sup>TM</sup> project?
  - 1.1. Did you work before with any other elderly housing project?
- 2. What kind of problems did you see in the current elderly housing system? And how do you evaluate the services condition for seniors?
  - 2.1. What do you think about the project?
  - 2.2. Do you think architecture can help to better elderly people's life?
  - 2.3. What do you think about technology's role in service innovation?
  - 2.4. How can ConceptLiving<sup>TM</sup> affect housing market's future?

#### Service Innovation Process

- 3. In which level did you involve into the process?
  - 3.1. What is the most challenging part of the process?
  - 3.2. Did you have an agreement to keep the idea hidden until it is established, can you motivate how did it work?
  - 3.3. To what degree do you think customers are important for this project?

# APPENDIX D: Interview questions for the senior group

Gender: Male	Female	Prefer not to	o say 🗌	
<i>Age:</i> 50-60 □	61-70 🗌	71-80	81+	
Education le Less than hi	evel: gh school 🗌	High school	l/ College 🗌	BSc.
MSc.	PhD. and a	bove		

# Open questions:

- 1. What do you think about the current problems on services for elderly housing?
- 2. What kind of services do you need or want to live a healthier and happier life?
- 3. Why do you want to move to the ConceptLiving™ project (Ulricehamn)?
- 4. How the technology (the ConceptLiving  $^{TM}$  app) can be helpful on your living?