Connecting Cross-Cultural Studies with Service Design to Adapt Services to New Markets

A Case Study at IKEA Alam Sutera, Jakarta

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Abstract

The purpose of this thesis is derived from problems present in the growing global service economy. In this economy globalisation and localisation coincide. People in different places possess different needs and values. These significant cultural differences across markets in global services lead this thesis to investigate cultural influence in value co-creation processes.

This thesis connects evidence from cultural studies with service design to explore the relation of the orientation of values with value creation processes. Here values and value have different meanings. In cultural studies values determine a choice from existing alternatives (Parsons and Shills, 1951). Where in Service Dominant Logic value is created in the co-creation process between service provider and users (Vargo and Lusch, 2004). Despite these differences this thesis finds that there is a connection between them. The thesis also investigates transformation design to understand the nature of transformative services and transformation design strategies.

A case study has been undertaken in Jakarta within a global home furnishing retailer from Sweden. This company opened its first store in Indonesia four months prior to the research. The case study utilized methods from user-centred design and service design to reveal the current value co-creation processes. Cross-cultural studies informed the differences and similarities of the values of the stakeholder’s original countries. It was found there were connections between the findings of the case study and the cultural dimensions of Trompenaars’s and Hampden-Turner. Most of the identified problems in the value co-creation processes were found in the cultural dimensions where the distance between Sweden and Indonesia were the largest. Additionally it seems that the stakeholder with the more extreme cultural orientation identifies problems within the cultural dimension more often.

Evidence from cross-cultural studies provides understanding on what people value in different countries. This research attempts to include this understanding in the process of defining strategic directions for adapting services to new markets. To support service designers in this process a guide was created containing a framework and a toolkit. The framework describes several steps and the toolkit contains tools for mapping cultural differences and identifying design directions. This guide can be seen as my contribution to the field of cross-cultural service design. It is instrumental for expanding and continuing further studies, because having only one case study cannot be considered as a strong base for any conclusions. By applying and improving the described methods the cross-cultural service design field can gain understanding and expertise needed to deal with these global challenges.

Keywords: service design, cross-cultural studies, cultural dimension, transformation design, value co-creation process
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ACKNOWLEDGEMENT

It took a lot of courage to choose this topic as my master thesis. But I couldn’t help it; being in different places just sparks my curiosity like nothing else. Being able to discover how people interact to the things that surround them in these strange environments gives me my most cherished and priceless experiences. This master thesis has been my most ambitious project until now, and I would like to thank the people that have surrounded me during it, for I could not have completed it without their support.

First, I would like to thank my supervisor Jack Whalen for his guidance and clarity during the process. But also my advisors Katja Soini, who showed me how to build my thesis plan and structure, and Jung-Joo Lee, who pointed out key literature in the early stages of the thesis.

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Berlin, 24th of August 2015
Sarasati Kushandani
1. INTRODUCTION
1.1 TRANSFORMING SERVICES IN NEW MARKETS

Nowadays services are becoming more and more embedded in global economy infrastructure. For instance, in 2011 services held a share of 71% of Europe’s GDP (European Commission, 2014). Many of those services are multinational companies from which the subsidiaries are spreading across the world.

As the service economy globalises, the need for standardisation of service systems, products, and operations increases to maintain the business efficiency and practicality. However, different cultures exert different influence on services, because groups of people act and behave differently in their everyday life. So internationalisation forces services to deal with different needs and requirements in every market. Companies need to keep the stability between global standards and local demands. Trompenaars and Hampden-Turner (1998) refer to this process as Glocalisation* and address the importance of maintaining the balance of global consistency and localized adaptation.

This balance between standards and local influences is reflected in what a product or service means to users. Many products and services in the global market are becoming more universal. Universal means that customers share common knowledge about what the products and services are and how they work. The fact that we all can use smartphone or eat burgers tells that there are products that can be consumed based on a universal message. But it does not tell what using smartphone and eating burgers means in different culture.

A family fast food restaurant, McDonalds became a hangout place for Asian seniors in Brooklyn, but in Japan McDonalds became a place to stay overnight with a price of a cup of coffee. Instead of burgers, McDonalds Indonesia is a place for eating fried chicken with rice. Although McDonalds is a universally understood service, what being and eating in McDonalds means is different per place. The variety in meaning between cultures is a central concern in cultural studies.

Currently it is widely accepted that it is important for designers to investigate how products and services bring value to users. Designers that focus on values can help service providers improve their service through finding the right value proposition. In the co-called service dominant logic (SDL) values play a central role in formulating a value proposition, and understanding value co-creation processes and value-in-use (Vargo & Lusch, 2008). The relationship between design and cultural studies is close. Designers apply cultural research such as ethnographic research methods in their user centred design to understand the user’s cultural background and values.

Service design understands that values are continuously changing. Societies push services to become dynamic. Some services develop by collaborating with customers and adapting to their needs. These

*Glocalisation “the process of changing products or services that are sold all over the world to suit people in different local markets” Macmillan Dictionary
on-going evolving services are called transformative services (Sangiorgi, 2011). Transformative Services and Transformation Design have been discussed as a method to “help organisational development and social change” (Sangiorgi, 2011). However, in the global expansion of the service economy there is a new need for transformation. When a service provider transposes her service to a different country she will have new users. These new users have different values and norms that may cause difficulties for the service.

This situation leads to the question of what are the methodological tools available to designers when it comes to a service system being transposed from one culture to another, each with different values. There is a need to explore whether there are methods in cultural studies that can help. The goal of this thesis is to investigate if cross-cultural research can be used for re-designing services for different markets. The thesis will focus on what is being valued in a recently transferred service through a case study, and will then construct a methodological tool to frame the results using cultural studies.

The impact of this study can hopefully help service providers and service designers to answer the needs in different markets by bridging between different cultural values.
To reach the previously discussed goals, the main question is as follows:

“Can cross-cultural research help service providers to gain insight in value co-creation processes and adapt a service to a new market?”

There are three goals during this research:
1. Make observations to find differences and/or similarities in values between service providers and users of a recently transferred service in a new environment
2. Investigate if the value-orientation framework from cross-cultural studies can help to understand the interactions in value co-creation processes.
3. Connect the value-orientation differences to transformation design to create the desired organizational and social change.

To answer the research questions the thesis project is discussed in seven chapters:

• First, in Chapter 2 a literature research is conducted to clarify the background and practices of service design and cross-cultural studies. This chapter focuses on how values are defined within each field and how these fields are connected.

• Chapter 3, the methodological approach chapter, explains which tools and methods will be used during the case study. This chapter additionally discusses the potential connection between the layers of culture (Trompenaars & Hampden-Turner, 1998) and the value creation process in Service Logic (Grönroos & Voima, 2013).

• Chapter 4 presents the research of the case study with the company. Both desk and field research are used to describe the company, their history and their service system. The chapter then continues with a report on IKEA Alam Sutera. During the research several common service design methods, previously described in Chapter 3, are utilized. These illustrate
and visualize the research findings. In the end of the chapter a short summary answers and discusses the case study research questions.

- In Chapter 5, findings and insights are mapped onto the cultural value co-creation model. This process explores the integration of value orientation theory in evaluating interactions in value co-creation processes.

- Chapter 6 introduces an early iteration of a framework and toolkit for cross-cultural service design. The framework is based on the analysis of the research process and findings of the case study. The tools needed to use the method are presented with guidelines in a toolkit.

- Chapter 7 and 8 evaluate and discuss the case study and cross-cultural service design method and toolkit. The answering of the main question and providing suggestions for further research finalize the thesis.

1.4 CASE STUDY

To answer the objectives this thesis used a case study with an international furniture retailer to connect to the actual practice in the market. After opening more than 350 stores around the world, IKEA opened their first store in Jakarta, Indonesia in October 2014. In this case study the thesis focuses on answering the questions:

1. What strategy does IKEA have for entering a new market?
2. How does IKEA service knowledge contribute to new market adaptation
3. How the Indonesian customers perceive and interpret IKEA’s values proposition and service provision?
4. How IKEA, with the Swedish culture strongly embedded in the company culture, solves cultural differences with the market?
Having a background in Collaborative and Industrial Design and International Design Business Management, I am interested in the processes related to the global expansion of services. With the globalisation of the service economy, service designers need to have the ability to understand the differences in user context. With only a limited knowledge of cultural studies I realized I might meet challenges regarding the understanding of cultural aspects in the future. This is why I decided to investigate these methods and see how they might help me dealing with redesigning services entering new cultures.

I decided to take research of a case study in my home country to help the communication and better understand the cultural norms. Being a native and knowing the locals is an advantage when doing field research. Having tacit knowledge of the local context helps to understand people's behaviours and values. So much that in fact the subjectivity of my assumptions might become a challenge for me as design researcher. During the research process I positioned myself in the point of view of the users' and front-end employees. During the later stages of the research I evaluate my findings with back-end employees.
2. BACKGROUND RESEARCH

This background research will discuss the understanding of values from the perspective of two studies, service design studies and cross-cultural studies. A literature review is conducted to find the connections between and mutual benefits of these studies.
Values are often discussed in the field of service design. Understanding how values play a role in a service plays an important role in the process of designing a service. This understanding is referred to as service logic. This logic explains what makes services different from products. Services are different from purely tangible objects and thus introduce new challenges for design. One of these challenges is that value creation is dynamic and continually changing, causing a need for services to transform. This background research will pay attention to both Service Logic and the concept of transformation in service design studies.

Interestingly in cross-cultural studies values are also a topic of great interest. For instance the cross-cultural management studies attempt to understand people's value-orientations in order to create harmonious working environments. Cross-cultural studies produced many frameworks and methods for categorising and comparing cultures by utilizing the concept of cultural dimensions. The idea of cultural dimensions has been developed for over 50 years. Frameworks and methods are being utilised to study cultural differences between populations of countries by defining people's value orientation. Many variants of these methods and frameworks have existed in different times and for different purposes. After an evaluation of four main frameworks, this thesis is limiting itself by selecting one to be used in the case study. The selection is based on the framework's focus and its development.

In the final part of this chapter the similarities and differences between the two studies is summarized.
2.1 VALUE IN SERVICE DESIGN STUDIES

2.1.1 Service Design Background

Defining Service Design
There is no single definition of service design. Tracing back the history of service design, service design was determined as the merging of various disciplines. Tools and methods were adapted from different backgrounds for different goals (Schneider & Stickdom, 2012). Because the field of service design studies is emerging definitions of what service design is usually depends on the context and goals of a single project. Despite the abundance of definitions from various perspectives this thesis uses only two definitions, specifically coming from the point of view of the design discipline. These state that service design:

Based on these definitions service design can be thought of as a new orientation of thinking, different from product oriented and more towards activities and events. A service design process involves many different parties such as organizations, customers, and other participants. The element of design is involved in the facilitation of interactions between people, and between people and products.

The design of services was first introduced as a part of the marketing and management disciplines in the early 1980's (Shostack 1982; Shostack 1984). In 1991, Prof. Dr. Michael Erholf at Köln International School of Design (KISD) first introduced service design as a design discipline. After more than 20 years, service design may still be considered a new discipline in design studies (Meroni & Sangiorgi, 2011).

As a new discipline, service design emerged as a contribution to a changing context in design study and then became a new agenda for a group of design thinkers (Meroni & Sangiorgi, 2011). This new agenda had an impact and changed the perception of design activity in general. Nowadays, design activity is considering both tangible and intangible outcomes.

"IS A RETHINKING DESIGN: SHIFTING FROM A (MAINLY) PRODUCT-ORIENTED DESIGN CULTURE AND PRACTICE TOWARD (PREDOMINANTLY) SERVICE ORIENTATION"
(Meroni & Sangiorgi, 2011)

"AS A PROCESS BASED ON A DEEP UNDERSTANDING OF PEOPLE, CONTEXT, SERVICE PROVIDER, MARKET STRATEGIES, AND SOCIAL PRACTICES...THAT FORM A PRODUCT THROUGH AN INTERACTION WITH DESIGN ELEMENT..."
(Evenson, 2008)
**Transformation Design**
Transformation design studies gave a significant contribution to service design. Practice showed that service provisions are continuously adapting to fit into the context of the user. It was discovered that services adapt and transform to provide the right value proposition to the user. Transformation design was intended to solve growing demand, more complex problems, and new issues in the society. Based on the similarities of these processes service systems are identified as a transforming entities rather than static design objects (Sangiorgi, 2011).

Burns, Cottam, Vanstone and Winhall introduced the Transformation Design approach in 2006 in order to help solving the needs of changing in British public services (Burns, Cottam, Vanstone, & Winhall, 2006). In their definition of transformation design, design has to respond, adapt, and innovate continuously by applying six characteristics of transformation design, which are:

1. Defining and redefining the brief
2. Collaborating between disciplines
3. Employing participatory design techniques
4. Building capacity not dependency
5. Designing beyond traditional solutions
6. Creating fundamental change

These characteristics could be applied in to anything that needs to be transformed, and could be used in service design projects. In addition both of service design and transformation design are activities that require collaboration between different disciplines. For instance, Burns et al.’s work has also been associated to communities for socially progressive ends and organisations in which human-centred design culture has been introduced. This is because understanding users and their relation to society are strongly embedded in their study (Sangiorgi, 2011). However, Sangiorgi (2011) mentions that although transformation design has been introduced for more than 8 years, there exists still little research on its principles, methodologies, and qualities.

Within the transformation process, service transformation helps define how service design can deal with social change and can cause internal transformation in an organisational structure. In this way service design becomes a platform for collaboration between organisation, society (users), and designers. To create successful transformative services, companies need to open possibilities for potential change inside the organisation. A study initiated by Junginger & Sangiorgi (2009) defined three levels of impact for changes in service organisation, which they describe as follows:
Figure 1 illustrates these three levels of impact that changes within an organisation can have. In the outer layout are changes in artefacts and behaviours, second layer changes affect norms and values, and changes in the core alter the fundamental assumption. This means that organisational change does not necessarily involve changing fundamental assumptions or norms within an organisation that is anticipating a changing system of values. To understand which impact level of change is appropriate at a certain time the next part will discuss the role of values in service design.

1. **Service Interaction Design**
   Improving the interaction between firm and user by redesign of the service interaction through artefacts (touchpoints). This level of change does not require putting any attention in the values and norms from the organisation side.

2. **Service Design Intervention**
   Redesign and improvements in service interventions, this change employs the organisational changes either it is in large (radical) or small (incremental) scale. By having organisational change, its needs to touch the norms and values behind it.

3. **Organisational Transformation**
   The core of the organisational change, it requires to touch the fundamental assumption of the organisation. Changing the core value of organisation is not an easy job for designer. Therefore collaboration is highly required between designer and organisation to reach the new paradigm.
Figure 1. Level of potential impact of service design to organisational change (Junginger & Sangiorgi, 2009)
2.1.2 Customer Value in Service Dominant Logic

To understand value in service design this study will review Vargo’s and Lusch’s popular “Service Dominant Logic” (SD-Logic). It is considered to be the leading school of thought on logic in service design. SD-Logic originated from service marketing and management (SMM) studies and was implemented as a fundamental theory in service studies later on. In SD-Logic value is considered to be created within co-creation process between service providers and customers (Vargo & Lusch, 2004, 2008). These collaborations demand service providers to discover the needs from the other side, the customer, as the beneficiary of the services. SD-Logic changes the question from “what we can do for you?” to “how you can do with us?” It implies co-creation (or co-production) as much as customer participation in the development of a company’s offering (Urban, 2014).

In the end service providers can only offer the potential of receiving a service; this is called a service proposition. Customers can create value-in-use when they consume services. In SD-Logic, customers are always co-creators of value. Value cannot be created in provider’s sphere, but only in the customer sphere. This understanding causes the customer role in service-centred view to differ radically from the goods-centred view. In goods-centred view the customer is thought to be the recipient of the goods and value is determined only by the producer (Vargo & Lusch, 2004). Table 1 summarizes 10 premises from Service Dominant Logic theory to give a holistic understanding of the characteristics of service design.

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<td>FP1 Service is the fundamental basis of changes</td>
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<td>FP2 Indirect exchange marks the fundamental basis of exchange</td>
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<td>FP3 Goods are the distribution mechanism for service provision</td>
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<td>FP4 Operant resources are the fundamental source of competitive advantage</td>
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<td>FP5 All economies are service economies</td>
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<td>FP6 The customer is always a co-creator of value</td>
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<td>FP7 The enterprise cannot deliver the value but only offer the value proposition</td>
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<tr>
<td>FP8 A service-centred cies is inherently customer oriented and relational</td>
</tr>
<tr>
<td>FP9 All social and economic actors are resource integrators</td>
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<tr>
<td>FP10 Value is always uniquely and phenomenologically determined by the beneficiary</td>
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Table 1. 10 Foundational premises of Service-dominant Logic by Vargo & Lusch (2008)
Figure 2. Value creation process adapted from Grönroos & Voima (2013)
Later on, in 2013 Grönroos and Voima expanded on this thinking and created a figure to explain the process of value co-creation between the service provider and customer. In their thinking value co-creation is happening in a so-called “joint sphere”. Service providers become value facilitators whenever they get the opportunity to engage with users, this is taking place in the joint sphere. Outside of the joint sphere users create value independently in the customer sphere. In the customer sphere, the customer’s experiences and reception of value-in-use can be divided into individual and social value creation processes (Grönroos and Voima 2013).

In figure 2, it is illustrated that a provider can only engage value creation processes in the joint sphere. In the customer sphere, the customer purely enacts independent value creation processes. Providers have the role of indirect value facilitators. This theory notes that every customer carries his or her personal experience to their value-in-use of the service, which causes value to have different meanings to different people. In addition, Grönroos and Voima (2013) stated that experiences are important in value creation either as an individual or collective. This is supported by another premise, the Customer Dominant Logic (CD-Logic). This premise holds that users carry an accumulated experience from past, current, and future contexts that is used to construct value (Voima, Heinonen, & Strandvik, 2010). If value creation processes are affected by contextual experiences, it could be assumed that culture could have an influence on shaping meanings in interactions.
2.1.3 Society Encouragement in Service Transformation

The transformation design elaborated on the idea of the involvement of social structures. According to their thought change is not only initiated from the user side to the organization side. Organizations could also have an impact on the users and/communities (Sangiorgi, 2011), and cause social change. It could be concluded that this is because there are frictions between service provider sphere and user sphere. To tackle this friction, there are two types of strategies for transformation that have been introduced in public services.

The first strategy is inside-to-outside change, from organisation to users and communities. This strategy suggests applying a human-centred approach to extract user knowledge and perceptions. As the result service providers can improve their service provision according to the user data. The second one is outside-in change, which it works the other way around, from the communities/users to the organisation. This process of working on new service systems and service models poses higher demands on the collaboration process between service providers with the communities and various stakeholders (Freire & Sangiorgi, 2010).

Figure 3 describes the level of change both in organisation and user/communities sphere. The organisational changes have been described with four layers of change. Starting from the core process until the last one, the paradigm. This figure shows a relation with figure 3, in which the first organisational changes happen in their service processes and touchpoints (artefact and behaviour). However this figure did not explain how the interactions gives impact to social change.
Summary

Service design is a relatively new specialisation in the design field. Service marketing and management (SMM) scholars initially developed service design knowledge. But design practice leads service design to give a key role to building a holistic service approach and collaboration between users and organisations (service providers). Sangiorgi supports these new interactions and states this is the way service design can enter the field of organisational development and social change (2010). This gives credibility to the idea that service design can play a role in transformation processes in both society and business.

The characteristics of transformation design from Burns et al. (2006) form a foundation of transformative services development. When there is growing demand and issues, there is a need for services to become transformational. When internationalizing service system, service providers are facing both growing and changing markets at the same time. Different markets might have different behaviours, norms, and values, which could be related to cultural differences. Interestingly, in product service system (PSS) theory emphasizes the linking of three main domains of design activity. Next to the technoproducive and social aspects, the cultural aspect plays a role (Morelli, 2002). This statement considered that design activity should include finding what the influenced behavioural structures are, and what values and qualitative criteria should be use as the foundation of understanding (Morelli, 2002). Nonetheless in the context of value co-creation process, experiences are considered to influence how users perceive and create value (Grönroos & Voima, 2013). This drives the literature research to investigate studies in the field of cross-cultural studies on how values are being described and used to discover value orientations.
2.2 VALUES IN CROSS-CULTURAL STUDIES

2.2.1 Cultural Studies

To attain a more holistic understanding of what values are, this chapter will discuss values from another perspective, cultural studies. First I will describe the definition of culture and identify the location of values in culture.

Below there are two definitions of culture, which I think can help me to pinpoint the relation between values;

"THE WAY IN WHICH GROUP OF PEOPLE SOLVES PROBLEMS AND RECONCILE DILEMMAS"
(Schein, 1985)

"..AS THE INTERACTIVE AGGREGATE OF COMMON CHARACTERISTIC THAT INFLUENCE A HUMAN GROUP'S RESPONSE TO THE ENVIRONMENT"
(Hofstede, 1984)

From both definitions, it can be understood that culture is an instrument for people to interact and communicate with others in a particular location. Culture may carry certain directions for how people behave or decide what is good or bad, because it defines the way people solve problems. A further exploration on literature on the characteristics of culture, lead me to the three culture characteristic made by Edward T. Hall (Hall, 1989):

1. Culture does not come naturally, it needs to be learned.
2. There are various components in culture that are connecting with each other. Once one side of the culture is being exposed the other will be affected.
3. Culture is a man medium. It could be shared and creates effect that defines one cultural group to another.

Since culture is deeply rooted in people's lives there is a lot of material that can be categorised as culture. To find patterns researchers look into deeper levels of culture rather than just tangible artifacts. Instead values are considered a bigger part of culture; "Culture, in this sense, includes system of values; and values are among the building of blocks of culture" (Hofstede, 1984). Trompenaars & Hampden-Turner (1998) describe that these values can be found in the middle layer of culture. Apart from that these are the three main layers of culture. In their book Riding the Wave of Culture Trompenaars and Hampden-Turner (1998) describe these cultural layers as follows:
Outer Layer: explicit culture. The observable reality of language, food, building, houses, monuments, agriculture, shrines, markets, and art. They are the symbols of a deeper level of culture. Prejudices mostly start on this symbolic and observable level.

Middle Layer: norms and values. Explicit culture reflects deeper layers of culture, the norms and values of an individual group. Norms are the mutual sense of group has of what is “right” and “wrong”. Norms can develop on formal level as written laws, and on an informal level as social control. Value, on the other hand, determine the definition of “good” and “bad” and are therefore closely related to the ideas shared by a group. A value serves as a criterion to determine a choice from existing alternatives. It is the concept an individual or group has regarding the desirable.

Core Layer: assumptions about existence. The most basic value people strive for is survival. “Culture” comes from the same root as the verb “to cultivate” meaning to till the soil; the way people act upon nature.

Figure 4. Culture layers by Trompenaars & Hampden-Turner (1998)
This helps us understand where values are located in culture, but there is more discussion on how to perceive values. An influential study on values, by Kluckhohn & Strodtbeck (1973), defined a value as:

“A conception, explicit or implicit, distinctive of an individual or characteristic of group, of the desirable which influences the selection from available modes, means and end of action” (p. 395)

Values play an important role on how people interact with other people as a social being. The concept of value orientation is considered to provide direction for people to act and behave in certain ways in certain contexts. A comprehensive definition of value orientations is given by Parsons et al. (T. Parsons & Shils, 1951):

“Refers to those aspects of the actor’s orientation which commit him to the observance of certain norms, standards, criteria of selection, whenever he is in a contingent situation which allows (and requires) him to make a choice...” (p. 59)

Many share the idea that understanding value orientations from different cultures can provide insight into the similarities and differences between human beings from these cultural backgrounds. Studies like these, aimed to distinguish one culture from another are known as cross-cultural studies. In this field many frameworks and methods have been developed to unearth value orientations and to explicate cultural differences.
2.2.2 Value-orientations Framework

Many anthropologists and sociologists try to find ways to see the cultural distances with different methods and purposes. Most of these theories were derived based on the basic theory of human values introduced by Kluckhohn and Strodtbeck (Hills, 2002). After the introduction of human values several notable researches formed the base for a field referred to as cross-cultural studies. A social psychologist, Rokeach, discovered 36 values of human being in his research known as Rokeach Value Survey (RVS) in 1961, following that a worldwide study in work-related culture by Hofstede in 1980, Schwartz with his values survey research, SVS (Schwartz Value Survey) in 1994, Trompenaars's Culture Dimensions in 1994, GLOBE Study in 1994, and many more.

In cross-cultural studies those well-known frameworks or methods have been utilised for categorising and comparing cultures. Despite the large variety of methods and being applied in different times there are similarities between the cultural dimension sets. In this study only one framework is applied, which came from Trompenaars and Hampden-Turner.

Trompenaars's and Hampden-Turner's value orientations will be used for understanding the cultural difference between the two countries that will be compared in the following chapter. Although Trompenaar's study was mainly created in a business and managing background, Trompenaars's cultural dimension was derived primarily from the sociologist and anthropologist works (Kulckhohn & Strodtbeck, 1961; Parson & Shills, 1951). His research study was the result from an administered value questionnaire to more than 1,500 managers in 28 countries in a time-span stretching over 10 years (Thomas, Peterson, & Thomas, 2015). Above all Trompenaar's cultural dimension is one of the latest theories that have been developed in cultural dimension studies.
2.2.3 Fons Trompenaars’s Cultural Dimensions

In the beginning Trompenaars made five dimensions which he adopted from Parson and Shills (T. Parsons & Shils, 1951). As a sociologists, Parson and Shills were mainly focussed on relationships between people to define the pattern variable of individuals that constitute a social system (Parsons, Shils, & Smelser, 2001). In their studies they divided two sub-objective orientations. First is the orientation of values, which refer to the normative standards that control the individual choices and priorities in relation to the different needs and goals. The second one is the motivational orientation, which refers to the individual’s desire to increase satisfaction and reduce disappointment (Parson and Shills, 1951).

The first five of cultural dimensions by Trompenaars & Hampden-Turner (1994) summarised by Thomas (2008);

1. **Universalism–particularism:**
   Universalism is a belief that what is true and good can be discovered and applied universally, whereas particularism is a belief that unique circumstances determine what is right or good.

2. **Individualism–collectivism:**
   Similar to Hofstede’s definition, this dimension concerns the extent to which people plan their actions with reference to individual benefits versus those of the group.

3. **Neutral–affective:**
   In neutral cultures, emotion should be held in check, and maintaining an appearance of self-control is important, whereas in affective cultures, it is natural to express emotions.

4. **Specific–diffuse:**
   This dimension refers to the extent to which individuals allow access to their inner selves to others. In specific cultures, people separate the private part of their lives from the public, whereas in diffuse cultures, these aspects of the individual overlap.

5. **Achievement–ascription:**
   This dimension is about how status and power are determined in a society. In an ascription society, status is based on who a person is, whereas in an achievement society, status is based on what a person does. (Thomas. 2008)
Following that Trompenaars added another two dimensions, which were strongly influenced by the value survey of Kluckholn and Strodbeck’s (1961):

1. **Time:**
   This dimension is about past versus future orientations and about the extent to which time is viewed as linear versus holistic and integrative with past and present together with future possibilities.

2. **Environment:**
   This dimension is the extent to which people feel that they themselves are the primary influence on their lives. Alternatively, the environment has been seen as more powerful than they are, and people should strive to achieve harmony with it. (Thomas et al., 2015)

There are possible linkages between the seven cultural dimensions, meaning there can be associations between them. But this does not mean that they are fully connected. For example between the definitions of individualism-collectivism and achievement-ascription there is likely to be some linkage. An individualist society is more likely to carry higher achievement status rather than a collectivist society (Smith, Dugan, & Trompenaars, 1996). This finding shows a connection with one of the characteristics of culture defined by Hall (1989), which states that cultural elements are interconnected with each other.

Figure 6 lists the characteristics of Cultural Dimensions that Trompenaars (1998) uses to aligned behaviour with the 7 cultural dimensions. This list will be used to evaluate the field research findings in Chapter 5.
## Cultural Dimension

### 1A Universalist 1B Particuralist

<table>
<thead>
<tr>
<th>1A</th>
<th>UNIVERSALIST</th>
<th>1B</th>
<th>PARTICURALIST</th>
</tr>
</thead>
<tbody>
<tr>
<td>1A.1</td>
<td>Focus is more on rules than relationships</td>
<td>1B.1</td>
<td>Focus is more on relationship than rules</td>
</tr>
<tr>
<td>1A.2</td>
<td>Legal contracts are readily</td>
<td>1B.2</td>
<td>Legal contracts are readily modified</td>
</tr>
<tr>
<td>1A.3</td>
<td>A trustworthy person is the one who honors his or her word/contract</td>
<td>1B.3</td>
<td>A trustworthy person is the one who honors changing mutualities</td>
</tr>
<tr>
<td>1A.4</td>
<td>There is only the truth or reality, that which has been agreed to</td>
<td>1B.4</td>
<td>There are several perspectives on reality relative to each participant</td>
</tr>
<tr>
<td>1A.5</td>
<td>The deal is the deal</td>
<td>1B.5</td>
<td>Relationships evolve</td>
</tr>
</tbody>
</table>

### 2A Individualism 2B Communitarianism

<table>
<thead>
<tr>
<th>2A</th>
<th>INDIVIDUALISM</th>
<th>2B</th>
<th>COMMUNITARIANISM</th>
</tr>
</thead>
<tbody>
<tr>
<td>2A.1</td>
<td>More frequent use of &quot;I&quot; form</td>
<td>2B.1</td>
<td>More frequent use of &quot;We&quot; form</td>
</tr>
<tr>
<td>2A.2</td>
<td>Decisions made on the spot by representatives</td>
<td>2B.2</td>
<td>Decision referred back by delegate organisation</td>
</tr>
<tr>
<td>2A.3</td>
<td>People ideally achieve alone and assume personal responsibility</td>
<td>2B.3</td>
<td>People ideally achieve in groups which assume joint responsibility</td>
</tr>
<tr>
<td>2A.4</td>
<td>Vacations taken in pairs, even alone</td>
<td>2B.4</td>
<td>Vacations in organised groups or with the extended family</td>
</tr>
</tbody>
</table>

### 3A Neutral 3B Affectives

<table>
<thead>
<tr>
<th>3A</th>
<th>NEUTRAL</th>
<th>3B</th>
<th>AFFECTIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>3A.1</td>
<td>Do not reveal what they are thinking or feeling</td>
<td>3B.1</td>
<td>Reveal thoughts and feelings verbally and non-verbally</td>
</tr>
<tr>
<td>3A.2</td>
<td>May (accidentally) reveal tension in face and posture</td>
<td>3B.2</td>
<td>Transparency and expressiveness release tensions</td>
</tr>
<tr>
<td>3A.3</td>
<td>Emotion often dammed up occasionally explode</td>
<td>3B.3</td>
<td>Emotion flow easily, effusively, vehemently and without inhibition</td>
</tr>
<tr>
<td>3A.4</td>
<td>Cool and self-possessed conduct is admired</td>
<td>3B.4</td>
<td>Heated, vital, animated, expression admired</td>
</tr>
<tr>
<td>3A.5</td>
<td>Physical contact, gesturing or strong facial expression often taboo</td>
<td>3B.5</td>
<td>Touching, gesturing, and strong facial expressions common</td>
</tr>
<tr>
<td>3A.6</td>
<td>Statements often read out in monotone</td>
<td>3B.6</td>
<td>Statement declaimed fluently and dramatically</td>
</tr>
</tbody>
</table>

### 4A Specific 4B Diffuse

<table>
<thead>
<tr>
<th>4A</th>
<th>SPECIFIC</th>
<th>4B</th>
<th>DIFFUSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>4A.1</td>
<td>Direct, to the point, purposeful in relating</td>
<td>4B.1</td>
<td>Indirect, circuitous, seemingly, &quot;aimless&quot; forms of relating</td>
</tr>
<tr>
<td>4A.2</td>
<td>Precise, blunt, definitive and transparent</td>
<td>4B.2</td>
<td>Evasive, tactful, ambiguous, even opaque</td>
</tr>
<tr>
<td>4A.3</td>
<td>Principles and consistent moral stands independent of the person being addressed</td>
<td>4B.3</td>
<td>Highly situational morality depending upon the person and context encountered</td>
</tr>
</tbody>
</table>

### 5A Achievement 5B Ascription

<table>
<thead>
<tr>
<th>5A</th>
<th>ACHIEVEMENT</th>
<th>5B</th>
<th>ASCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>5A.1</td>
<td>Use of titles only when relevant to the competence you bring to the task</td>
<td>5B.1</td>
<td>Extensive use of titles, especially when theses clarify your status in the organisation (society)</td>
</tr>
<tr>
<td>5A.2</td>
<td>Respect for superior in hierarchy is based on how effectively his/her job is performed and how adequate their knowledge</td>
<td>5B.2</td>
<td>Respect for superior in hierarchy is seen as a measure of your commitment to the organisation and its mission</td>
</tr>
<tr>
<td>5A.3</td>
<td>Most senior managers are of varying are and gender and have shown proficiency in specific jobs</td>
<td>5B.3</td>
<td>Most senior managers are male, middle-aged and qualified by their background</td>
</tr>
</tbody>
</table>

### 6A Internal Control 6B External Control

<table>
<thead>
<tr>
<th>6A</th>
<th>INTERNAL CONTROL</th>
<th>6B</th>
<th>EXTERNAL CONTROL</th>
</tr>
</thead>
<tbody>
<tr>
<td>6A.1</td>
<td>Often dominating attitude bordering on aggressiveness toward environment</td>
<td>6B.1</td>
<td>Often flexible attitude, willing to compromise and keep the peace</td>
</tr>
<tr>
<td>6A.2</td>
<td>Conflict and resistance means that you have convictions</td>
<td>6B.2</td>
<td>Harmony and responsiveness, that is, sensitivity</td>
</tr>
<tr>
<td>6A.3</td>
<td>Focus is on self, function, own, group and own organisation</td>
<td>6B.3</td>
<td>Focus is on “other”, that is customer, partner, colleague</td>
</tr>
<tr>
<td>6A.4</td>
<td>Discomfort when environment seems &quot;out of control&quot; or changeable</td>
<td>6B.4</td>
<td>Comfort with waves, shifts, cycles if there are &quot;natural&quot;</td>
</tr>
</tbody>
</table>

### 7A Past 7B Present 7C Future

<table>
<thead>
<tr>
<th>7A</th>
<th>PAST</th>
<th>7B</th>
<th>PRESENT</th>
<th>7C</th>
<th>FUTURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>7A.1</td>
<td>Talk about history, origin of family, business and nation</td>
<td>7B.1</td>
<td>Activities and enjoyments of the moment are most important</td>
<td>7C.1</td>
<td>Much talk of prospects, potentials, aspirations, future achievements</td>
</tr>
<tr>
<td>7A.2</td>
<td>Motivated to recreate the golden age</td>
<td>7B.2</td>
<td>Plans not objected to, but rarely executed</td>
<td>7C.2</td>
<td>Planning and strategising done enthusiastically</td>
</tr>
<tr>
<td>7A.3</td>
<td>Show respect for ancestors, predecessors, and older people</td>
<td>7B.3</td>
<td>Show intense interest in present relationship, “here and now”</td>
<td>7C.3</td>
<td>Show great interest in the youthful and in future potentials</td>
</tr>
<tr>
<td>7A.4</td>
<td>Everything viewed in the context of tradition or history</td>
<td>7B.4</td>
<td>Everything viewed in terms of its contemporary impact and style</td>
<td>7C.4</td>
<td>Present and past used, even exploited, for future advantage</td>
</tr>
</tbody>
</table>

---

Table 2. Characteristics of cultural dimension adapted from Trompenaars and Hampden-Turner (1998)
Based on the previous discussion, it can be concluded that both in cross-cultural studies and service studies values are central topics of discussion. Although values in both studies do not exactly have the same meaning, there are similarities to be found. Understanding the connections and differences from both sides is relevant can help to construct a frame to understand future research findings.

Looking at the similarities between these studies, both value concepts focus on human interactions. In service design values are understood in context of a user or customer, where in cultural studies values relate to somebody in a community. However both of them put a lot of attention on how people react and behave into certain situation. Values as understood in cultural studies constitute the parameters that guide the process of creating value as defined in service design. Both concepts of value revolve around meaning in a context or environment.

The second similarity is between the levels of organisational change (figure 1) and the cultural layers (figure 4). Both of them have the same aspects, with artefact and behaviour as an outer layer, norms and values as the middle layer, and fundamental assumption as the core. With this similarity I assume that cultural layers can represent the inner workings of the user/customer sphere, and organisational change level can represent the provider sphere in the value co-creation process figure (figure 2). By this finding hopefully can help author to distinguish different levels of interactions in value co-creation process. This assumption illustrated in figure 5.
Figure 5. Similarities between organisational change (figure 1) and culture layers (figure 4)
On the other hand some differences were found between these two studies. In Service design value is worth that can be created by the interactions between a service provider and a user (Vargo & Lusch, 2004). But cultural studies discuss values as principles that are upheld by people in a community. Cultural studies explained values are embedded in every actor which can help him to able to make a choice in their life (T. Parsons & Shils, 1951). Value and values should thus never be confused with each other. However these different concepts are strongly related, value is created according to principles created by personal experiences and values define what is being valued.

What is promising regarding the transformation of services is that values are creating an identity of group that can be understood as a culture. Cross-cultural research shows that knowing the value orientation can help to distinguish the differences and the similarities between cultures. Many value orientation frameworks were generated to support intercultural management in business practice. This ability to create insight in interactions between people from different context could be very helpful for adjusting services in new environments. Maybe it is beneficial for service design to not only research value creation, but also value orientation.
3. METHODOLOGICAL APPROACH

This chapter describes the methods and tools that are being used in the research and evaluation of the findings. Considering the need to find a case in which a service enters a new market. In the end of this chapter describes the preliminary framework that is used for evaluating the findings of the case study.
Layanan perakitan

Kebanyakan produk IKEA didesain agar mudah dirakit sehingga Anda dapat menghemat biaya. Namun, jika Anda menginginkan, kami dapat mengatur penyedia layanan independen profesional untuk merakit produk Anda. Lihat biaya Perakitan atau hubungi co-worker IKEA untuk informasi lebih lanjut.
Choosing the right case study for thesis was the first challenge. This case study was initiated to explore and reveal the cultural influence on a transforming service. The case study was chosen based on the criteria of the topic and the situation at that time. An intensive research process has been completed in January 2015 over the span of two weeks in IKEA Alam Sutera, Jakarta. In this research process the method of contextual inquiry was applied to gain a holistic understanding of the situation. This method was chosen based on its functionality and practical application regarding the available human resources and time.
3.2 CONTEXTUAL INQUIRY

Contextual inquiry is a research methodology that contains observations and participant interviews in the environment of the user (Goode, et. al., 2014). This methodology is influenced by traditional ethnographic studies. The goal of this method is to provide data on the behaviour of the users and reveal the underlying or invisible work structures and processes (Kumar, 2013). To achieve optimum results, building a relationship between the participant and researcher is important. Spending time in the actual location can stimulate the understanding of the tacit knowledge of the user. The contextual inquiry method is based on four principles that define the research processes (Beyer & Holtzblatt, 1998):

1. Context
   The researcher needs to spend time and experience inside the working scene. “On-going experience” and observing the day-to-day activities of people is important to reveal underlying work structures.

2. Partnership
   Building the relationship between researcher and participant is also important. The participant is positioned as the master and researcher becomes their apprentice. Transferring knowledge about the work will be easier and more accurate when participants can communicate while they demonstrate the work.

3. Interpretation
   Hearing and seeing are just a starting point for researcher. All data needs to be interpreted to find its meaning. From the data, hypotheses and insights are created. To make sure these are correct, an iterative process need to be followed. This process is done together with the participant on-site. Any misinterpretation of the data can lead to failed design solutions.

4. Focus
   Applying contextual inquiry is intended to look into a participant’s world. Find both the synchronisations and contradictions in participant behaviour. This gives the opportunity to explore the deeper personal experiences of the participant.
### 3.2.1 Observation

For the user observations the ethnographic research method was used. Its purpose was thus to explore cultural phenomena by observing society from the perspective of modes of life of various groups as accurately as possible (Lévi-Strauss, 1963). Ethnography aims to get a deeper understanding than just what is on the surface level by gaining understanding of the environment and the specifics of the cultures we live in (“Ethnography Fieldguide,” 2013). Although the case study was located in Jakarta, Indonesia, to get a better understanding of what is being valued in different culture, I visited two other IKEA stores in Helsinki, and Lisbon. These additional observations aimed to explore how different cultures influence value co-creation processes between users and service providers. Owing to the limitation of time and language-barriers, only nonparticipant (or naturalistic) observation has been done in Lisbon and Helsinki. In Helsinki a one on one interview with the customer relation manager has been done. Helsinki was considered to represent the fairly similar lifestyles of the Nordic countries. Lisbon, on the other hand, was considered to represent the southern European lifestyle.

### 3.2.2 In-depth Interview

In this research qualitative research method attempt to grasp the cultural values both in individual and community levels. People tend not to tell the truth or are unable to articulate exactly what they mean in surveys. So in-depth interviews were preferred over questionnaire methods. This is supported by Polaine et al. (2013), they say the most effective way to capture people’s thoughts and see things through their perspective is by using interview methods. To get a more detailed understanding of the different levels of customer experience in-depth interviews can be accompanied by observations. This way questions can be based on findings from the observations. This process helps to clarify assumptions by comparing observed behaviour and interview answers as it defines in the interpretation process of contextual inquiry.

During the research semi-structured interviews were used. Semi-structured interviews combine predefined questions to guide an open-ended exploration through unstructured interview. The configuration of semi-structured interviews help to gather facts, attitudes, and opinions under specific issues or topics. Having open-ended question gives interviewees opportunity to bring up the issues that they think are important (Wilson, 2014).

Being able to use the native language was an advantage. Interviews could be completed in situations outside
of formal sessions, this helped interviewees to feel more relaxed. Different styles of speaking allowed the interviewer to encourage interviewees to go further on the story. For instance, during the interviews the interviewees were continuously treated as experts, which made them feel important stimulated them to share their thoughts and experiences. This brought the stories onto a deeper level, which benefitted the quality of the data.

During interview sessions, building trust with the interviewees is important. To understand the interviewees and their value creation process properly they need to communicate a comprehensive story about their process and experiences. In some cases follow-up interviews were conducted for a couple of times on different days to see the service process from pre-shopping, shopping, and after shopping. The idea with these follow-up interviews was to become familiar with the user’s point of view and their experience with the new service system. But it also captured how employees introduced their service system to the new market.
Evenson (2008) explains that besides human-centred research, service methods and tools drive service design processes. Since the background research also includes the customer experience in IKEA, Multilevel Service Design (MSD) is used as a method for interpreting the findings. MSD is a multidisciplinary method for designing complex service systems. Here IKEA is considered as the complex service system, their practice involves many stakeholders and integrations with other service systems. In MSD qualitative methods are being chosen for data collection. However, additional quantitative research is considered to be helpful for evaluating specific attributes. The main purpose is to get an extensive understanding of the different levels of the customer experience (Patricio et al., 2011). Polaine et al. (2013) state that quantitative research alone is incapable of communicating the underlying meaning of certain percentages. The qualitative research can for example be collected using observations, in-depth interviews, focus groups, usability testing, or walkthroughs (Rogers, Sharp, & Preece, 2011).

The aim of these methods is to map out the overall customer activities, service activities, and service tasks where these activities are connecting to different stages of customer experience (Patricio et al., 2011). The output of this process includes the creation of a value constellation experience for buying home furniture at the firm level.

Since service design emerged from various disciplines, communication is highly important for everyone in the team to be in the same level of understanding. This is why many of the service design tools present visual material to share a better understanding of the situation among employees. To communicate and evaluate the research data of the case study, several well-known service design tools are used based on their abilities. These are:
3.3.1 Value Constellation Experience

Value constellation experience (VCE) is a method from Multilevel Service Design studies to analyse complex interactions in retail services. VCE was outlined as being co-created through all the interactions will all the stakeholders, which involves in the service experience (Patricio et al., 2011). Patricio et al. demonstrated VCE for managing groceries in designing new retail service. The method facilitated mapping the user activity and identify the services surround it. Buying home furniture considered as a complex retail service. There are many user activities and organisations interactions involve in the process. Adapting the VCE method potency is useful to map all those interactions between user activities and organisations in buying home furniture.

3.3.2 Personas and Scenarios

Personas are fictional characters, created to represent user behaviour patterns into representative’s profile (Martin & Hanington, 2012). Inspired by the user observations and interviews, the personas categorise the most noticeable types of users. They describe the types distinguished behaviour and background found during the research. This method communicates behavioural patterns and themes that represent commonalities. The personas are accompanied by scenarios, narratives that show the user’ point a view, based on their service experience. Both personas and scenarios are not only useful for designer but also facilitate emphatic understanding and communication among stakeholders. Usually personas are visualised by stock photography to avoid the connection with the real identity (Martin & Hanington, 2012) but in this situation was chosen to collaborate with an Indonesian comic maker to create caricatures for each persona. This technique was able to represent more detail of the character. Gesture, facial expression, clothing deepens the content and context of each persona.
3.3.4 Service Blueprints

The first service blueprint was pioneered by the idea of G. Lynn Shostack in early 1980’s for developing a banking service. This service blueprint was initiated by the urgent need for combining and placing all the service touchpoints, as well as aligning the wishes and needs amongst stakeholders (Polaine et al., 2013). This method is able to connect the interactions between external interactions (customers) and internal interactions (service providers) by creating visibility lines. In her article, Shostack (1984) emphasised several issues that need to be considered when designing a service blueprint:

1. Identifying process
2. Isolating fail points
3. Establishing time frame
4. Analysing profitability

In this project a service blueprint map was used to analyse how the existing service was constructed.

This method was highly useful for seeing the correlation between one touchpoint to the other inside the whole journey. It also measures the quality of the service based on people experiences and level of satisfaction. It was created on a sketched out grid on a big paper and grouping sticky notes to around the touchpoints and activities. This process provided the flexibility needed to map out the activities. The addition of more visual material helped to gain better understanding. Some of the touchpoints have a strong familiarity with certain forms. The service blueprint was used to run an evaluation session together with IKEA managers to identify the places that are most likely to be improved.

3.3.5 Customer Journey Map

Customer or user journey mapping is a method to map out the user experiences through an entire service (Kumar, 2013). This method exposes the details of the user’s journey to gain insights from findings that can initiate the right service improvements and innovations. In this project’s customer journey maps the described activities are based on the personas and are clustered it into five stages on a shopping experience timeline. The customer journey structure helps to pinpoint the problems in each situation. Having different customer journeys for different personas made it easier to see the problems in detail.
The case of IKEA illustrates the issues and problems of an international organisation in which the company culture is determined from the background of the Swedish culture. IKEA attempts to introduce their company culture and apply it in a different cultural environment. Learning the differences between cultures may provide insights for the dilemma between “global goals” and “local problems”. Schein, E., (1985) stated, “Culture is the way in which a group of people solves problems and reconciles dilemmas”. Understanding a culture could help possibly understand how local problems can be solved to achieve global goals.

IKEA is well known for implementing a Swedish work culture in their business operation. Even though the employees are coming from many different nationalities, employees are introduced and trained to work within IKEA’s company culture. As a result they manage to implement this company culture in their working activities. But the company faces challenges when introducing their products and services to the new markets, where locals are not familiar with their offering yet. With IKEA opening their first store in Indonesia in October 2014 and the research in January 2015, Jakarta is one example of a new market for IKEA.

In this project is assumed that IKEA’s culture is strongly rooted from Sweden and that Jakarta’s customers can be considered to share a similar value orientation with the general Indonesian population. Based on this assumption this study compares the differences between the Swedish and Indonesian cultural dimensions based on Trompenaars and Hampden-Turner’s cultural dimension framework.

To visualise the difference per cultural dimension derived from Trompenaars et al.’s research data between the two cultures, I created what I call the Culture Distance Axis Tool. This tool has seven axes with a scale from 0 to a 100 representing each of Trompenaars’s seven cultural dimensions. On each cultural dimension axis the compared countries points are mapped relatively to the research data available for each dimension. The 0 and 100 represent the most extreme cases found per dimension, all the other findings fall somewhere between them. In this study the value orientation between Sweden and Indonesia are compared and mapped on each axis on their relative position. This way the distance between the countries is contextualized. To make it easier to be analysed I flipped the axes in such a way that all the cultural dimensions which represent one country are on the same side. On figure 6 I put Sweden cultural dimension on the left side and Indonesia cultural dimension on the right side of the axis. The order of the axes is organized in such a way that the biggest distance is on top and the smallest distance is on the bottom.
Figure 6. Tool 1: Culture Distance Axes tool adapted from Culture
Dimension by Trompenaars & Hampden-Turner (1998)
According to the Trompenaars’s cultural dimensions (figure 6) there are both similarities and strong differences between the culture of Indonesia and Sweden. The biggest gap lays in the specific-diffuse value orientation, where Sweden is much more towards to specific culture and Indonesia towards the other side of the axis, the diffuse culture. But the dimensions also indicate that there is a similarity in how Indonesia and Sweden perceive the environment.

During the case study that is described in chapter 4, it will be explored how characteristics of national culture can help to discover cultural differences on a smaller scale, between service providers and users.
3.5 FRAMEWORK: INTERACTION LEVELS IN VALUE CO-CREATION PROCESS

Inspired by the figure depicting the location of the value co-creation process by Grönroos and Voima (2013), I illustrated the interaction between service providers and users by combining it with the layers of culture and levels of organizational change. In figure 7 this visualization shows value co-creation on 3 levels of interaction. These levels are: Artefact-Behaviour (AB-AB) interaction, Artefact-Behaviour and Values-Norms (V-AB) interaction, and Values-Norms (V-V) interactions. The purpose of this figure is to get more detail on what the interactions constitute. Identified problems can be positioned on a level of interaction, ranging from a surface interaction (AB-AB) to deep values interactions (V-V).

This figure examines the interactions between the service providers and users/communities in value co-creation processes through the layers of culture (Trompenaars & Hampden-Turner, 1998). Values exist in the middle layer in between the artefact and behaviour layer and the core fundamental assumptions. According to the S-D logic value is created through interactions between providers and users. To create value values need to be taken into account within these interactions, which is why the joint sphere crosses over into the second layer. However, in general neither communities, nor companies involve their fundamental assumptions in the value co-creation process. Which is why the proposed figure does not show the interaction process crossing into the two core layers.
**INRTERACTION LAYERS IN VALUE CREATION PROCESS**

**TROMPENAARS & HAMPDEN-TURNER, 1998**
**JUNGINGER & SANGIORGI, 2009**
**GRÖNROOS & VOIMA, 2013**

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**Figure 7. Cultural Layers in Value Creation Process**
(Adapted from Grönroos & Voima, 2013; Junginger & Sangiorgi, 2009; Trompenaars & Hampden-Turner, 1998)
Figure 8. Interaction Layers in Value Co-Creation
Figure 8 zooms into the value co-creation process including the three levels of interaction. Three propositions are presented:

1. The AB-AB interaction level between the artefacts and behaviour of both the provider and the user. This interaction is happening in the surface layer of interactions.

2. V-AB interactions are on the second level of interaction, created by action and reaction from values of provider to the artefact-behaviour of user or the other way around. During evaluation these two ways can be split using the model, since there is a left and right V-AB area.

3. V-V interaction is the deepest level of interaction, where both provider and customer share similar or contrasting values.

I attempted to map the research findings on the model by finding the answer to the following questions:

1. Is the quality of the value co-creation influenced by the values of an actor? (If no, it is an AB-AB interaction, if yes, proceed to question 2)

2. Do the values of the actor overlap or contrast values of the other party? (If no, the interaction is V-AB, if yes it is V-V)
4. CASE STUDY: THE GLOBAL HOME FURNITURE RETAILER

This thesis performed a case study with IKEA, the multinational retail company in home furnishing business. This case study research has been conducted independent from the company, purely for the thesis’ purposes and goals. First background analysis was conducted and follow by that a comprehensive research process and findings will be discussed.
TOGETHER
WE BUILT
THE 1ST IKEA STORE
IN INDONESIA
4.1 IKEA HOME FURNISHING

At the time this thesis is written, IKEA is one of the world largest retailers in home furnishing industry with a global network of 353 stores in more than 46 countries. Since the previous decade IKEA has started to enter the Asian market. As a home furnishing retailer IKEA does not only focus on the design of their products but also on their service approach. With the retail internationalisation IKEA is constantly facing the complexities of working on a global scale. Working with many cultures pushes IKEA to constantly gain cultural knowledge to maintain their relationship with customers and also their employees.

IKEA as Swedish way of living
In 1943 Ingvar Kampard founded IKEA in a poor region in southern Sweden, called Småland. Highly influenced by the way of life of the inhabitants, Ingvar Kampard had tried to allow “people with limited means to furnish their houses like rich people” (“The secret of IKEA's success,” 2011). IKEA is considered highly influenced by its origin home culture, Swedish, culture. The home culture plays big role in shaping the way the business is run. Gannon and Associates (1994) outlined three main facets of Swedish culture: 1) Love of nature. 2) Individualism through self-development. 3) Equality. Those facets of Swedish culture are reflected both in the organisation of IKEA and its products and services. For example equality is highly emphasised in their working activities. Everyone wears the same uniform even though they are in different level position in the company. Calling they colleague as “co-worker” also helps to reduce the hierarchal nuance in working environment. IKEA has had to deal with the problem of maintaining its

“THE MORE GLOBAL, THE MORE COMPLEX IT GETS,”
-Mikael Palmquist, Regional manager of retail for Asia Pacific

The key to the success of IKEA in the furniture industry lays in offering a whole new experience of buying home furnishing. With their vision “to create a better everyday life for the many people” IKEA tries to help many people including those who do not have much money. The company is consistently motivated to deliver solutions through their products and services. As a result IKEA succeeded to maintain their well-known core concept, which is: low cost, high-quality, Scandinavian design, flat pack self-assembly, simplicity and DIY. These core concepts carry consequences for the users. “We do our part and together we save money” is the formula used for giving everybody the right understanding of these concepts. For the consumers it means they need to contribute by picking up the products in the store, taking them home with their own cars, and installing the items at home in order to get the lowest price. IKEA continuously maintains the inclusion of DIY to get the most efficient cost offer for all stakeholders.
uniqueness of Swedish culture as their competitive advantage during their internationalization (Jackson, 2002). Implementing the national culture into global company culture is not considered as an easy job.

"STUBBORN, COST-CONSCIOUS AND INGENIOUS AT MAKING A LIVING WITH VERY LITTLE"

—Mike Ohlsson
Chief executive of IKEA Group

Based on IKEA official website, they strongly define their business of combining function, quality, and design with low-price. This strong definition of their business idea allows them to successfully bring solutions with design innovation. Offering the best value for money became a core aspect of IKEA market positioning. In Europe IKEA successfully maintains their business concept as the lowest price furniture retailer. For example in Sweden and UK price had been reduced by far 20% until 2011 (Burt, Johansson, & Thelander, 2011a). Supported by the IKEA Espoo CR manager statement, by having the lowest price IKEA has a strong value proposition to its market. “We are the market leader when it comes to the low price market” this shows the credibility and gives trust to the customers at the same time. Most of the European countries share a similar customer behaviour and business tradition (Burt et al., 2011a) so IKEA can position itself in a similar way. But this situation is not present in every country, for instance in Asia. In China, IKEA is perceived as an exclusive western retailer with middle-high class target customers (Lewis, 2005). This customer perspective of IKEA in China shows how differences in context of a different market changes the understanding of IKEA’s values.

When it comes to global context, it is difficult to define IKEA’s target market precisely. Burts et al. (2011) state that according to IKEA’s consumer base in Sweden, the target market is towards: women, 20-49 years old, in many cases with children. Later on an important group was added, people aged 55+ who no longer live with their children with a stable monetary support. When it comes to China, the age of the customer groups is lower than it was intended; the typical Chinese customer is 25-35 years old. The age difference of this target group forces IKEA to deal and adapt to their local market.
4.2 IKEA SERVICE SYSTEM

National culture is implemented in IKEA's products and services such as provided smart solutions for limited spaces, organization of living, and living with children (Hanafi, personal communication, January 21st, 2015). IKEA tend to be persistent on their standardised concept. The multinational standardisation of IKEA service level can be seen from their identical products with identical prices through identical distribution systems (Buzzell, 1968). Even though there might be some pressure from the market, they tend to preserve their concept by replicating the concept instead of replicating the activities (Burt et al., 2011). For example IKEA develops a research method called “Home Visit” as a tools for understanding different wishes and needs of their target market in many countries by still implementing their vision “To create a better everyday life for the many people”.

Besides their distinctive value to deliver the highest value at low price, IKEA puts a lot of attentions for making the shopping experience more than just visiting a home furniture store. Instead it also attempts to be a family-outing destination. There are many facilities such as cafes, restaurants, children playground, free strollers and wheelchairs to support the whole family journey inside the store. Located in city outskirts, a big store and huge parking spaces are not a problem. With all these facilities IKEA can accommodate a family's activities inside their store.

IKEA brings their concept to life through worldwide stores and with service touchpoints such as the IKEA catalog, website and mobile apps. Inside the stores they equip customers with maps, product brochures, notes, pencils, paper rulers, etc. to accommodate the shopping process. Some stores have slightly different facilities because of the market situation. In some countries they provide self-service payment to speed up the payment process in check out area. Where the environment is supporting it they offer self-service systems such as a gas station, library, parking, etc.

IKEA as service system cannot be separated by all actor interactions. Their value proposition is to co-produce improvements in family living with the customers, suppliers, and employees. As Norman and Ramirez (2003) pointed out by combining activities into offerings they are offering new opportunities of creating value. As a result IKEA is able to be at the centre of service, goods, and design in the home furnishing market.
**IKEA towards service oriented market**

Based on the observation in three stores in different locations, Espoo, Lisbon, and Jakarta in the beginning of year 2015, I discovered a tendency of IKEA to provide additional services. Three core additional services are: Delivery, Picking and Delivery, Assembly and Installation services. Individual stores have other additional services. In Finland IKEA has twelve additional services and in Lisbon more than eight additional services were spotted.

According to the interview with the Customer Relation (CR) manager of IKEA Espoo most of her customers are still in a productive age group. They do not want to spend their time on buying furniture anymore. Time is becoming more valuable for customers. They found there is an increasing number of people who are willing to pay for services to save their time. From her point a view this phenomena also happens globally and this also makes IKEA change the way they do the business.

The shift towards being service oriented is not surprising. With a growing service economy the predominance of services is reflected throughout the society. Although there is a need to adapt to this environment IKEA will still ensure that the fundamental concept is being delivered to their customers. Their argumentation “the market will learn and see the benefits of the IKEA concept as whole” (Burt et al., 2011a) means that IKEA will never change their service entirely but choose to drive the market to adapt their system. Related to the theory of service level of change (Junginger & Sangiorgi, 2009) in IKEA there is no organisational transformation in the core assumptions. Only in the first and second level of service change have been seen, in the level of the service interaction design and the service design intervention.
4.3 WELCOME TO IKEA IN INDONESIA

Five months prior to the research, IKEA had opened their first store in Indonesia. Located 23 km from Jakarta, IKEA Alam Sutera Tangerang was ready to serve the more than 10 million inhabitants of Jakarta and the 1.8 million people of the Tangerang municipality. This huge amount of potential customers IKEA Alam Sutera is bringing challenges for the delivery of their value proposition to the new market. As in all other stores, IKEA Alam Sutera provides the standard facilities and services of IKEA. But no additional services have been shown in the store yet aside from the 3 core additional services.

According to the interview with the Customer Relation (CR) manager IKEA Alam Sutera, Scott Lo, it was a part of IKEA's strategy for entering a new market to not give too many service offerings at the beginning. IKEA realized they are facing several challenges in local market situation. By observing user needs and other local competitors IKEA Alam Sutera tried to find the right tuning needed to successfully enter the Indonesian market.

IKEA is taking a slow approach in entering the Indonesian market. IKEA, as a brand and service system is still new for many people in Jakarta and surrounding areas. By doing so, IKEA chose to start their operation by running “soft opening” operation stage. In this context IKEA opens their store quietly, without having huge advertisements and fanfares. One way that was used to let people know about IKEA store was sending IKEA catalogues to the potential customers. It was brought forward in interviews IKEA co-worker interview that IKEA considered the need to understand the new customer behaviour and their needs so the service can be improved according to the local market. As the CR manager of IKEA Alam Sutera summarized, they want to act slowly and carefully. Although prior market research had been done before, there was found no other way to see customer interactions with their service system in a store other than the actual in store interaction. Having this slow trial and error process is the way they operate. This strategy is reflected in the running of the three core services and having no additional services for Jakarta customers. They will receive customer feedbacks through questionnaires and follow up phone calls after shopping.
Based on field and background research, I identified four challenges for IKEA in regards to the market:

**Challenge 1: We are “NOT” the low price market leader**
Introducing IKEA vision ‘to create a better everyday life for the many people’ turn out to be quite a challenge for the organisation. “To many people” means that IKEA should offer a wide range of well-designed, functional products at a price so low that as many people as possible can afford them (Burt et al., 2011a). In Indonesia's market situation, IKEA is currently not the lowest price furniture retailer. Many local furniture producers have lower prices than IKEA. Instead, there is a strong perception of IKEA as an exclusive western brand. Only people who have a private car can have the access to IKEA store at this moment. This situation causes the target customer in Jakarta to be middle-upper class. This challenge requires IKEA Alam Sutera to find another way to introduce the brand to get this particular message through.

**Challenge 2: Full Service Vs. Self Service**
Another identified challenge is that IKEA needs to compete with the other home-furnishing retailers. These exist in Indonesia since the last decade. Even though there are not many of them, they provide a standard service for buying home furniture. Each customer gets full service including pick up, assembly, and delivery of their products. This is all directly included in the price. As a new player in Indonesia, many people are not yet familiar with IKEA and how to shop there. This causes DIY and self-service to not be fully understood and accepted amongst customers.

**Challenge 3: Strong local furniture industries**
The third challenge is finding a way to compete with the local furniture makers. Indonesia has an abundance of wood materials for the furniture industry. Many varieties of woods are commonly used in the furniture industry such as teak, camphor, mahogany, rosewood, acacia, bamboo, etc. Based on the official website of Ministry for Economic Affairs of the Republic of Indonesia, furniture industries and woodcrafts is considered one of the top 10 export product priority (“Kemenko Perekonomian Mendukung Tumbuhnya Industri Mebel Indonesia,” 2014). Because of the high quality of this local content, the furniture industries and woodcrafts were believed to spur economic growth in Indonesia. Local furniture industries are likely to become competitors that need to be considered.

**Challenge 4: Indonesian house demographics**
Looking at the residential demographic shows that Indonesian people generally live in single-house unit types rather than in apartments. Only in a big city such as Jakarta do people who work in the city centre may prefer to live in apartment, but the rest still prefers to have a single house. This causes an increased demand on furniture varieties. Many of these single house units were
built without regard to standard sizes, unlike apartments where the sizes are more unified. The lack of these standards creates differences in room sizes, heights of ceilings, and results in different ways of living. Local furniture makers provide people with the opportunity to request a piece of furniture based on their unique needs, including design, size, and material.

The standardized IKEA products need to be applicable into different types of house in different climates. If we look at IKEA's original idea of a house, such as Swedish houses, we see houses that are more similar to each other, especially with most of IKEA's customers living in apartment buildings. To answer to different tastes and needs IKEA created 4 main design styles to fulfil different needs and living styles. These are: Scandinavian traditional, Scandinavian modern, popular traditional, and popular modern. Having 4 different design styles is one way to deal with the different preferences. But the question remains if that system is robust enough and if IKEA's service system is able to help people find the right furniture for their specific needs.
As described before in chapter 3, to be able to understand complex service systems it is important to observe the overall customer activities, service activities, and service tasks where these activities are connecting to different stages of customer experience. To do this I created the customer values experience in buying home furniture in IKEA. This activity focused on activities inside the IKEA service systems and outside activities with other stakeholders, which were considered to have influence on the process of buying IKEA home furniture.

I divided the IKEA customers’ value constellation experience into five parts, one per main activity, which are: 1) Planning 2) Listing 3) Shopping 4) Shipping 5) Installing.
Figure 9. Value Constellation Experience on buying home furniture in IKEA
4.4.1 Planning

Planning is considered as the first stage of the service experience because it is a major step that people in Indonesia usually do not do before shopping in IKEA. Problems were found in this stage of the shopping process because many customers did not have sufficient preparation before going to the store. From IKEA’s point of view, they have been trying to encourage customers to plan before they go to the store (Lo, personal communication, January 22nd, 2015). In their eyes, the less service a customer uses the better, because it allows them to keep prices low.

The people that did make a planning without help of the service used the catalogue as their main tool for browsing and choosing the products. Based on the user interviews, customers used it as their communication tool with their family members. They like the catalogue because it is easy to use for everybody, including kids and elderly. Although we now live in the digital world not everybody in Indonesia can access the Internet or knows how to use it. They are not able to use the online supporting touchpoints IKEA provides for the Planning stage, such as their website, catalogue app, and augmented reality 3D program.

For planning their home interior some customers hired an interior designer to help them. Based on the author’s personal professional experience, in many cases these interior designers choose the furniture. In this way customers can by-pass certain parts of the IKEA shopping experience.

In one case of DIY home planning, the user study showed that they did the layout for their house before they went to the store. They added their needs into the layout and then tried to find the best solution for the needs and likes of every family member. Without any expert help they made their own simple interior plan. After they made the layout, they started to make a furniture list and categorized them based on size and rooms. This layout became the base information sharing amongst the family members. When the researcher visited the house in real life it became clear that the layout had not been in the right scale. Nonetheless, this way of planning seemed to have worked satisfactory.
Top to bottom:
Figure 10-a. Closed catalogue with sticky notes
Figure 10-b. Opened catalogue
Figure 11. DIY Home layouts
4.4.2 Listing

Listing is a critical process in the IKEA service system. Customers are expected to list the individual parts of their purchase. Based on the observations the most common mistake was customers that customers relied too much on the catalogue as their only resource. But the catalogue does not describe these individual parts in much detail. This causes the customer to be unaware of the details of each product. The company has been giving the extra tools to help customers to list better before they go to the store such as a shopping list from website and a mobile application.

The research showed cases where customer did not make a complete shopping list. This resulted in:

1. Customers not being aware of the detailed parts of the furniture
2. Customers not getting the information that furniture codes in the catalogue are incomplete
3. Customers forgetting to measure the furniture in detail

Because of this the information desk in the store was full with the customers who needed help from the sales co-worker. This service took approximately 30 minutes for each customer and caused long queue inside the store.
4.4.3 Shopping

This process is the biggest part of the IKEA service experience. IKEA introduces their unique shopping system on the first floor in the beginning of the room setting area. For this shopping guideline posters and brochures are put on display. This is the standard procedure for stores in new markets.

During the observation, there were a similar responses retrieved from the employees regarding the attitude towards customers. They have to be able to introduce and to “teach” customers about IKEA self-service concept. This attitude illustrates that awareness of the self-service concept is not well known by the customers. Many were surprised with the shopping experience and found it hard to accept. Many customers felt that they did not received a good service. Even though they made big purchase, they had to do everything by themselves.

The concept of self-service is contradicting with the common understanding of a good shopping experience for Jakarta consumers. The interview with the Activity Manager of IKEA Jakarta revealed that customers perceive themselves as the “King or Queen of the service”. To deal with these difficulties as the first IKEA in Indonesia, the staff tried to be as flexible as possible when dealing with misplaced customer behaviours and habits.

The shopping experience will further be discussed for the five main areas in the IKEA shopping journey. Those five areas are:

1. Lobby
2. Room Set Area
3. Restaurant
4. Market Hall
5. IKEA Bistro and Swedish Food Market.
Top to bottom:

Figure 12 Shopping guidelines in entrance
Figure 13. Shopping guideline brochure
Lobby

Lobby is the first place for customers to orientate on their shopping. Customers usually asked the staff where they could start to shop or enter the shop. Several standard facilities such as info desk, kids playground (Småland), and waiting area provide customers with some time to adapt with the situation before they move forward to the shopping activities. When the store was busy many people were unable to see the entrance and some times people try to enter from the check out area. This disrupted the people flow significantly.

Room Setting Area

In the room settings area the actual planning took place. For the customers without planning the room set area is the place for exploring the products. Room settings concept on display became an important method for IKEA to introduce their products. It is unlike the conventional home-furnishing store where all the products are located based on the type. In the room settings in IKEA holistic inspiration is given to the customer so they can imagine their own room interior. It also stimulates the experience to be able to interact directly with the products.

The room settings in every store are adjusted in such a way that it feels like a “Home Visit”. Even though Room setting is a standard procedure to present products, localisation takes place when aligning the people’s way of living in different places. Most of the customers are excited with this concept, they can reflect and imagine how do they live with IKEA products in their home. This excitement was shown during the observations, many people interacted with the products in each room, children were playing in the kid’s rooms, and some of customer took pictures together in their favourite room.

For customers who know what they need room settings was the place to check which products that they want to buy and get the right code for each part of the furniture. Room setting was the place where the customer started to ask some help, especially for the bigger products such as wardrobes, kitchens, and bedding products. During the full duration of the research the concept of self-service remained unfamiliar to the customers.
**Restaurant Area**

Going to IKEA was considered a family outing for many people. The extended family structure caused the IKEA to be overcrowded in the weekend. In Indonesia, relaxing has a strong connection with eating. Food is deeply embedded in Indonesian consumer culture (Razdan, Das, & Sohoni, 2014). The main function of restaurant, in the words of the chef manager was that it acted as a “traffic puller”. It also helped to balance the customer flow inside the store. According to the observations the restaurant formed a vital area for the costumers. It is not only as a traffic puller but can be even considered the main attraction. Many people were visiting IKEA only for the restaurant foods. In addition there is a growing number of activities in the restaurant. With huge space and good facilities IKEA restaurant become a place for meeting, working, and even for studying.

"INDONESIAN PEOPLE HAVE HIGH EXPECTATIONS FOR FOOD!"

-Scott Lo-
Customer Relation (CR) IKEA Alam Sutera

To fulfil the high expectations from the customers, the restaurant provides a menu that consists half of Swedish food and half of Indonesian food. During the weekdays the restaurant is facing the challenge of a big amount of people. Also here the self-service concept is not understood well. Many people still do not know or forget that they need to clean the table after eating. This causes restaurant become untidy. IKEA restaurant has a huge potential to be developed further.

**Market Hall**

In the Market Hall customers start to collect their products. For the small items customers do not have much difficulties to pick them up by themselves. When entering the self-serve area, some of the customers were intimidated by the size of the storage. With the high racks and big packs of containers customers wonder how to reach their items if they are in one of the high racks.

Based on the observations, customers usually tried to find their products first by themselves. Some people were willing to spend some time until they found the items and some people preferred to ask co-workers in the information desk. After customers found the place, some did not know which parts they had to take. This usually happened when the shopping list was incomplete or when they did not realize there were several options to assemble the product. This caused customers to discover that individual parts were price differently. To counter these difficulties IKEA offers a picking service, with possible inclusion of a delivery service.
IKEA Bistro

Most customers stopped by IKEA Bistro after they finished the check out process. Ice creams are one of the most favourite items in the Bistro. After they bought foods and drinks customer tried to find a place to sit down. This behaviour was against the intention of the IKEA values of the Bistro. The concept of the IKEA Bistro is that it is a place for customers to have quick snack before they go back home. This is why the IKEA Bistro only has high tables without any chairs. This caused customers to go to other place where there were sitting facilities. These sitting areas are usually meant for other purposes. For example there is a sitting area available next to the IKEA Bistro, which was intended as a queuing place for the delivery service. But also the return and exchange service and product counter were used as snacking areas.
Room Setting Area

Left to right:
Fig. 14. User was being helped with the sales to design the wardrobe
Fig. 15. Kid played around in room setting area
Fig. 16. Finding the missing furniture code
Fig. 17. Users brought their shopping assistant to tackle DIY shopping
Fig. 18. Mens role on buying home furnitures
Restaurant Area

Top to bottom:
Fig. 19. Big family
Fig. 20. Group of students studied together
Top to bottom:
Fig. 21. IKEA restaurant as a meeting place
Fig. 22. Unclean table
Fig. 23. Family with three generations
Market Hall

Left to right:
Fig. 24. Women were shopping together
Fig. 25. Women waiting for their group
Fig. 26. Family members were helping each other
Fig. 27. The man role
Fig. 28a&b. Men shops alone
After Shopping

Top to bottom:
Fig. 29. Waiting activity in IKEA lobby
Fig. 30. No chair to sit down
Fig. 31. Team worked
Top to bottom:

Fig. 32. Snacking in IKEA Bistro
Fig. 33. Group of women went back home together
4.4.4 Shipping

To bring the purchased furniture home IKEA offers a standard service delivery in case customers cannot fit their purchase in their cars. This delivery service covers the area of Jakarta metropolitan area (Jabodetabek) and Tangerang city. In some case customers used a third-party service to deliver their furniture to cut the cost of IKEA’s delivery service. One of the advantages of shipping the furniture through a pick-up service outside IKEA is that customers can ship their purchase on the same day.

4.4.5 Assembling

IKEA emphasises the process of DIY assembly of their products. IKEA creates very well thought assembly systems so anyone can do it. Small tools and instructions are included inside each package. Some furniture has a higher-level assembly process; it might for instance need more complicated tools. For special case such as kitchen, it requires more specific skill to install. In this situation IKEA provides additional assembly and installation services. Customers have several options in the same way as the delivery services. They can choose whether to use the IKEA service or other services outside IKEA such as a handyman or ask help from families or friends. For them the less time that they have to spend on assembling the better.

In contrast, an example from the Nordic country culture, Finnish people feel proud when they are able to assemble a piece of furniture by themselves (Weurlander, personal communication, July 26th, 2015).
E-commerce: Service experience through “Jasa Titip IKEA” (IKEA online shopping service)

IKEA order services are an example of emerging extended service systems filling the gaps in IKEA service system. This service exists most likely because of difficulties with reaching the IKEA store and no available online shopping infrastructure. The service is utilizing social media as operation platform e.g. Instagram, Facebook, Path, and mobile messengers.

The main value proposition of Jasa Titip IKEA is to bridge IKEA customers with the IKEA store. The operators of this service dedicate their service to people who have difficulties to reach IKEA store either because of transportation constraints or not having the time to go to the store. The service concept is:

1. Customers make a shopping order through a mobile messenger (WhatsApp, Line, Blackbery messenger) during the weekday.
2. Customer makes a 50% down payment through bank transfer
3. Every weekend Jasa Titip IKEA goes to IKEA store to purchase their customer shopping lists.
4. On Monday they will do the shipping by using the national post service (can reach all Indonesian region), the fee is depending on the type of the delivery, regular or express.
5. Customers pay the rest of the payment before the shipping process.

This service will add an order fee starting from 5000 IDR per product and the shipping fee. This type of service provides trust and keeps a small distance with their customers. All the customers deal with a personal assistant through the mobile messenger. Customers can send any message and will get the respond relatively quick. This service is different from the formal service where there are boundaries between the customer and the service provider. In this type of service there is no queuing line or forms that has to be filled. Maintaining the relationship with the customers is also important for the service operators. Occasionally they give special promos, product giveaways, and discounts.

Considering the local stakeholder situation, IKEA might need to put more attention on the potential of this emerging e-commerce business. There is e-commerce with depending on IKEA's infrastructure, but that has no partnership with them. Partnering up or connecting with other services might help IKEA to broader their service range to all customers in Indonesia. Understanding and guiding this entrepreneurial activity can help to create a standardized service and help IKEA to have a clearer brand and message for the Indonesian customers.
IKEA.ID is one example of an independent e-commerce business of IKEA online shopping services. This picture is taken from the online-mobile photo sharing application Instagram. IKEA.ID uses Instagram as their advertising medium to reach their customers. They post product information, reminders of the pre-order schedule, and news updates that are related to their service system such as shopping and shipping process.

The interaction process with the customer did not happen on Instagram, but on mobile messaging platforms, where the provider can provide personal support.
Five main user groups were made based on the observation and in-depth interviews of the customer shopping experience. The categorisations describe shopping goals, age, occupation, and consumption ability. As was described before in Chapter 3, personas aid communication of behavioural patterns and themes that represent common characteristics. The five personas are: the Families, the Smart Buyer, the Independent Women, the Teenagers, and the Group of Women.
1. The Families

This persona represents the Indonesian family structure. Three generations of family members live together in one house. Diverse needs, hierarchy, and responsibilities are heavily involved in this structure. They work together to solve their daily life challenges by dividing tasks and assigning roles to each other.
Toegino family lives in their house in Fatmawati, South Jakarta since 1975. Now they have decided to move out from their house and live more peace full life in the suburb of Jakarta. In Toegino’s house there are 8 people living together, including Mrs. Toegino, her son Mr. Bambang and his wife, 2 kids Arfan and Nadia, who are 10 and 6 years old, two house assistants, and a driver. They bought the house in the beginning of the year. After some minor renovations they have started furnishing their house.

Toegino family never did home furnishing activities, previously Mr. Toegino did all the work for their house but Mr. Toegino passed away three years ago. Now Mrs. Toegino got help from a relative to assist her with buying the furniture. Her name is Andra. The problem was they do not have any idea of what the interior could look like. As a result Andra took Toegino’s family to the IKEA, the only store in Jakarta that has room set examples. By looking and interacting with the room sets, the members of Toegino’s family can imagine the interior design they would like to have.

After visiting IKEA several times, they decide not to go during weekend anymore because it is too crowded and that causes Mrs. Toegino to become very exhausted. The long walks and having no place to sit and rest is too uncomfortable. It took six visits to IKEA until the all the furniture they need was purchased. One visit usually took half a day, 2 hours for the journey, 4 hours for the shopping, and 1 hours for taking a rest and eating. They like to visit IKEA because it is a one stop-shop where they can spend the whole day without needing to go anywhere else later on.

The reason they need several times to go back to IKEA is because of the product availability. Even though there is a web service to check the availability of the products they never use the Internet. Andra knew how to use website but the poor Internet connection on her phone stopped her from checking the product availability. The product unavailability caused them to go back over and over again.

At the end of the shopping journey the Toegino family used the delivery service to deliver their furniture. Even though they came to IKEA with a large car the furniture still would not fit because the family members are occupying the space. Occasionally they needed to invite their house assistant for helping them to lift the furniture.
2. The Smart Buyers

Smart buyers represent individual customers of IKEA. They have clear goals and needs before coming to the store. They can be categorised as customers who accept the DIY concept. In return, these smart buyers demand efficiency and service accuracy for during their service experience.
Before visiting IKEA store smart buyers always make a thorough preparation. From measuring the available space in the house, listing the needs, and how much they have to spend including the delivery service fee. With a list on hand they go to IKEA during the weekdays. All of this is done to have the most efficient shopping time, even though they have to take a day off from the work. This type of customers likes to go to shop alone. They think going to IKEA with family will take a lot of time and won't be efficient.

Introducing Gunawan, a 43 years old man. He took a day off on a Tuesday in January. Gunawan went to IKEA without his family. He said he would take the family to have recreation to somewhere else, not to IKEA. Gunawan had had renovated his house to become two floors before and needed some new furniture to furnish it. He had done the measurement carefully before choosing the products. He chose IKEA was because of the design and material. He liked IKEA design because it was refreshing and had high functionality. Even though he felt that everybody could easily recognise IKEA products, for him that did not matter much.

Gunawan went to IKEA at 11.00 in the morning. Because he knew what furniture he needed to buy he just did a quick look in the Room Set area and straight went to the Market Hall. Even though that time was lunchtime he skipped to have lunch in the restaurant because he brought his own lunch from home. In Market Hall he spent sometimes to find the furniture that he looked for. In the beginning he made a mistake and took the same package instead of two different ones. He got help from the check out officer that noticed he took the same products. At the end after the payment process Gunawan went straight to the delivery service to get his furniture delivered. He liked the delivery service from IKEA. It helped him a lot with bringing the big items to his home. Especially since he was doing the shopping alone. He did not mind to pay extra money for the convenience of getting everything done easier.
3. The Independent Women

This persona valued the inspiration she gets in IKEA. Time and effort are not a big deal for her. She did not mind to visit IKEA for many times, because she likes the environment and can imagine so many ways of decorating her new house.
Nana has been working as a wedding designer in one of the premium wedding studios in Jakarta for 5 years. With her promising salary now she has bought a studio apartment nearby her office to save time, instead of commuting from her parent’s house to the office. To furnish her new apartment she plans on furnishing with IKEA products. She started with browsing all the products in the catalogue. She prefers to see the products in catalogue rather than on the website, she likes the feeling of reading a magazine. At the end she could make her own shopping list based on the catalogue by writing down the names of the product, and their size and price.

This was her third second time visiting IKEA. Her main goal was to complete her shopping list. Last time she went to IKEA but unfortunately a lot of products that she wanted were out of stock. After two weeks waiting she went back again. She left earlier from the office on a Friday afternoon because she did not want to repeat the same mistake to go to IKEA during the weekend. She drove from Central Jakarta to Tangerang in 30 minutes. The traffic was pretty quiet because nobody was leaving the office yet.

In the store she tried to match her personal shopping list with IKEA’s shopping list form. It turned out that her note did not including the product code. So she went to the Info desk asked some help from the Sales crew. The help she got was especially for the product that have many parts and panels stored separately.

Sometimes she felt worried about assembling her furniture but she planned to ask help from her male friends. She said because it was easier to ask some help and give a treat rather than do it on her own. It would take a longer time and also she does not have the appropriate tools for doing it.
4. Teenagers

Teenage customers have completely different values than the other personas. They like the IKEA store as a hangout place and for doing their homework together. The IKEA restaurant provides everything that they need, affordable price, spacious place, and decent WIFI availability. Products are not so important for them especially since they visit IKEA without their parents.
Being updated is the number one rule for these teenagers. With the new IKEA store opening in the suburb of Jakarta gathers a lot of curiosity in the society. Even though IKEA has the concept of a family store, being inside IKEA for teenagers is very interesting. They can spend their time in the IKEA restaurant with affordable food prices. The huge restaurant area makes them never worried to find a place for group meetings. The good WIFI connection is one other important thing for the youngsters; they need it to keep updating their social media. Taking selfies, updating their status and location is a basic thing that teenagers need to do.

The location, Alam Sutera is in a residential area and there are schools and universities nearby. Many teenagers like to spend their time after school to do a group work together in IKEA or to enjoy a late lunch. After they spend some time in IKEA they like to browse inside the store to discover some interesting products that they might want to have, creating “Wish list” for the parents. Later they will come back with the parents.

Normally teenagers are taken to IKEA by their family’s personal driver or by hitchhiking with a friend car. There is no public transportation to reach IKEA Alam Sutera. Because they are depending on the availability of the family driver they cannot not have the time flexibility they would like to have.
5. Group of Women

The last persona is a group of women going to IKEA as a leisure activity. Even though visiting IKEA is not mainly based from the need of buying products this Persona values the carefree moment of togetherness.
A group of eight women from Bandung planned and agreed to visit IKEA together on a chosen date during the weekdays. Because it was a weekday they went by themselves without their husband and kids. They rented a big car with a driver to accommodate all of them. For the visit they made a special dress code so they can easily recognise each other by their outfits.

They arrived in the IKEA in the morning and entered the store from the main lobby without the hassle of finding parking. They enter the store with being all curious about this new concept store. Without any fixed plan for the shopping they just start to stroll around in the Room Set area. They read the "How to Shop in IKEA" posters and took the yellow bag and the catalogue. They took pictures anytime when they were interested with the room sets decoration. They like IKEA because it has good design, it is creative, and has a wide range of products.

They regard this moment like a picnic, and enjoy every moment and relax. During the lunchtime they gather together at a big table in the restaurant and spent some time chatting, eating, and commenting on the products that they would like to buy. The only unusual thing for them was the need to clean the table after they finish the lunch, which they forgot, leaving a big mess.

Most of the products that they discussed were kitchen accessories, bedding, and decorations. These were mostly products that would not disturb their household’s monthly budget. The buying of more expensive things like furniture needs to be consulted with their husbands. For this they will come back with their husband another time so that the husband can think about the assembling process. They do not consider it their task to think about the furniture assembly.

The only problem for going with the big group was the need to wait for each other. Sometimes there is no place to wait inside the Market Hall. At the end, after spending some time inside the store they need some refreshments before going back to Bandung, which they find in the form of snacks, drinks, and ice creams. Once more, there are no chairs available in the Bistro area, so they occupy the waiting bench in the exchange & return area. After having some rest they went to the exit lobby, and call their driver. When the car arrived they are barely able to fit all their belongings inside the car but they make it work. Tired after a full day of shopping in IKEA they return to Bandung.
The customer journey is divided in 5 journeys, one for each of the 5 personas from the previous chapter. The shopping experience is described according to the IKEA value constellation experience from subchapter 4.4. There are three main reasons for using the customer journey tool. The first purpose of making a customer journey was to map out the customer’s thoughts, challenges, and behaviour in the shopping process sequentially and in great detail. Secondly it shows how IKEA’s service system interacts with the customers in Jakarta. And thirdly it is used as an evaluation tool for identifying around which touchpoints or service counterparts the conflicts mostly appear. The five Customer Journeys can be found in APPENDIX A.

Figure 35. IKEA user groups journey map
Summarizing each persona journey map, one Service Blueprint map was created to understand the overall ongoing service in IKEA. In this service blueprint map the interactions and relations between customers, front-end services, and back-end services are visualized. As an outsider of the company, I felt the necessity to have holistic understanding of the service system. The making of the service blueprint was assisted and guided by IKEA employees. Having the service blueprint helped me to communicate with IKEA employees. The IKEA Alam Sutera service blueprint can be found in APPENDIX B.

Figure 36. IKEA existing service blueprint map
After mapping out the customer journeys with all the challenges and expectations, some conflicts and challenges in the interactions between IKEA and the customers were captured. These findings will be categorised based on the 5 customer journeys. From the customer journey maps I can easily point out in which stage of the process the conflicts and challenges occurred.

Consistently separating the data from five user groups helps to discover detailed information and preserves the diversity of the findings. Additions from the employee’s interviews help to build the insights in the individual situations. While iterating during the analysis process I put ideas and thoughts on small notes. Having these small notes helped me to trace back my interpretation process. Table 3 lists all the findings divided in 5 user groups and follows by the short summary of each group.

Firstly, in the Families group most of the problems were caused by the extended family structure. There are more needs to fulfil because of the inclusion of more family members. Even though they have different needs and wishes, families see IKEA as a family destination place. For them having the experience together is important.

Secondly, the Smart Buyer can be concluded as a type of user group that perceives the service very well. They understand the IKEA service system and its values, and are able to follow the process. Planning is not a problem for them; they can achieve the full efficiency of the shopping procedure. However, they have still several wishes to improve the shopping process, and make it even faster through online services, booking services, and bank instalment.

Thirdly, in contrast with the Smart Buyer, the Independent Women like to spend their time to shop in IKEA. IKEA gives them inspiration and ideas for decorating a house. These important and meaningful processes become values for Independent Women. Although they are willing to make a shopping planning, there was information missing from the catalogue and affected products were difficult to find. This caused interruptions in the positive shopping experience.

As fourth, Teenagers are an example of a user group that creates new values in the IKEA restaurant. With the facilities of IKEA’s restaurant teenagers able to do their activities, which do not necessary relate to its intended vision. They reshape IKEA restaurant as a place for hanging out and working.

Lastly, visiting IKEA is considered as a group activity among women. The store location and its limited access causes these group of women to make special preparations to visit IKEA. Without any specific needs they come together to spend their time, buying small products just to fulfil their curiosity. This experience is considered as time to relax and having a good time together with friends.
**FAMILIES**

1. Customer had difficulties to make plan for the modular big furniture configurations
2. Customer made DIY home layout (planning)
3. Customers brought their private shopping assistant (interior designers, contractors, etc)
4. Depended on other family members to help lifting the heavy products (more people to come in 1 family group)
5. Incomplete shopping list, couldn't find the products
6. Customers did not like the concept of queuing for getting the food
7. Bored kids joining the shopping with their parents
8. Customers had to find sitting place for their tired parents (grandparents) during the shopping process
9. Families appreciated the delivery service
10. One stop shopping place for families = Families likes the variety of the products and the restaurant facilities
11. Catalogues are valuable = Families use catalogue as main tool for communication among the family members
12. Many products was out of stock
13. Families were not using website or the online planning tools

**SMART BUYERS**

1. IKEA emphasise to make a planning before going shopping to IKEA / Customer made the DIY shopping list before to go to IKEA
2. IKEA provides restaurant so people can relax for a while / Customer brought his own lunch because eating in the restaurant was taking too much time
3. IKEA emphasise to spend time with families in IKEA / Customer does not want to take their family to IKEA
4. Customers did not want to go during the weekend
5. Want to have shopping online service so it can be more efficient
6. Customer valued the delivery service
7. Cost conscious (affordable price)
8. Valued the design and material of the products
9. Wishing to get another payment options like bank instalment

**INDEPENDENT WOMEN**

1. IKEA emphasises to make a planning before going shopping to IKEA / Customer made incomplete DIY shopping list before going to the store
2. IKEA provides helping assistant when is needed / Many customer needs help for buying the big furniture's
3. IKEA emphasise self-service concept / Customer was like to ask questions and being help
4. Customer did not like being in the restaurant queue
5. Likes to visit IKEA many times
6. DIY delivery
7. Using smartphone for taking picture of product code
8. Bored with IKEA foods
9. Likes to buy ice cream after shopping

**TEENAGERS**

1. Customer valued IKEA restaurant as a hangout place
2. Buying less products not much more faster than buying more products
3. Customer gave recommendations to their parents to visit IKEA
4. Customer using phone camera for taking notes
5. Taking pictures for updating status in social media
6. Likes to snacking in IKEA bistro, buy ice cream

**GROUP OF WOMEN**

1. IKEA trust with their customers / Use store mug for get drinks in the restaurant
2. IKEA self service concept / Customer did not want to bring back the plates and clean the table
3. IKEA self service concept / Customer did not read and follow the instructions
4. Customer can not buy the big furnitures because has to shared space in car
5. Customer mindest “The more you pay the more you get for free”
6. Customer expect to be served / IKEA self service concept
7. Customers valued togetherness, there is no meeting point inside the store
8. Enjoying to spend time in the restaurant
9. The more expensive the higher the product quality
10. IKEA as one stop shopping place / Customer prepared full day trip to IKEA
11. Used rental car with driver to go to IKEA

*Table 3. Finding summary from five user groups*
4.9 SUMMARY

What strategy does IKEA Jakarta have for entering a new market?
IKEA has entered the new market carefully and quietly, and is in a process that focuses on understanding and adapting to their new customers. They intend to iterate their service offering through trial and error and keep their current offering at a minimum to get a clear view of the needs.

In a statement from the CR manager IKEA Espoo Finland is mentioned that being straightforward in delivering a message gives a stronger position in the market. This means eliminating misunderstood messages to the customers. Transparency is one of the vital values in IKEA’s service concept. Since IKEA business concept is being the leader in low price home furnishing market, it is important to show the process and price range while shopping in IKEA.

IKEA Indonesia has not found it’s clear message yet. But their attempts and iterations are intended to find out what IKEA can offer to the Indonesian customer.

How does IKEA service knowledge contribute to new market adaptation?
Learning from each other is one way IKEA implements their expertise as a global company. Through sharing their experiences and stories they help new stores to learn and solve their challenges. Finding similarities in customer behaviours and needs helps to determine which additional services will suit certain cultures.

IKEA faced difficult challenges when entering new markets in which they could not be the leader in low price segment. It required IKEA to discover other messages and to become sensible to their new customers. One example from the IKEA in China shows that instead of providing a value proposition concerning the lowest price, IKEA can positions themselves as interior design experts helping their customer with home decoration (Burt, Johansson, & Thelander, 2011b). This situation might be one good example that can be used by IKEA in Indonesia to redefine their value proposition.

How the Indonesian customers perceive and interpret IKEA’s values proposition and service provision?
Based on the service experience of Jakarta customers, Do It Yourself (DIY) concepts are new for them in this context. Service means for them that the service provider serves them. The Activity manager of IKEA Alam Sutera statement supports this; “the Jakarta customer is used to the concept of being King and Queen of the service”. The disadvantages of a soft opening were shown in the customer perception of IKEA. There are several frequent problems that can be pointed out. For instance, many people did not expect the DIY concept while in the store which caused negative reactions. People did not understand what the IKEA products were. Customers refused to follow the shopping path and became lost. Reading habits are not well applied in Jakarta consumer culture, they prefer to ask directly rather than finding the information by themselves. This situation leads
thoughts of shopping in IKEA is difficult because they compared the IKEA with other furniture retailers. However there were some customers who were familiar with the service because they had the experience of visiting other IKEA store in other countries.

**How IKEA, with the Swedish culture strongly embedded in the company culture, solves cultural differences with the market?**

Being different becomes their advantage in the market, especially in Indonesia. There are not so many product-service companies from Scandinavian countries operating in Indonesia. This situation opens up possibilities for introducing and giving a signature experience for the people in Jakarta.

There are three core concepts of IKEA that are all influenced by the Swedish way of living, these are; living with children, small living space, and organise your living space (Hanafi, personal communication, January 21st, 2015). Here IKEA tries to commercialise these concepts through design solutions. They try to fit the concept with the local ways of life by utilising the research data from Home Visit activities.

In practice IKEA is open for cultural differences and adaptation. Most of the employee interviews show the staff being aware of the importance of understanding different cultural needs and behaviours (Hanafi, Lo, & Weurlander, personal communication, 2015). The IKEA concept itself is controlled by the intellectual holder organisation, Inter IKEA B.V. Controlled by Inter IKEA all the standardisation of the business is carefully managed. Although there are certain rules and guidelines needs to follow, adaptation and design decision are still highly depended on in individual stores. Stores are responsible of taking care the needs of customers. This gives thought to reason that the best solutions might come from who knows their customer best. IKEA’s strategy of solving local problems within the store itself seems to align with this way of thinking.

The role of service design seems to be missing in the process of adjusting IKEA’s service system. Not all the stores appear to have the capacity to implement a design approach after gaining understanding of the users. The CR manager IKEA in Finland suggested it is necessary to involve designers in the process of making their additional services, but mentioned the Customer Relations and the Marketing divisions so most of this at the moment. The IKEA in Jakarta also would have benefitted from a dedicated and local service design department instead of relying on the centralized Inter IKEA.
5.
FINDING THE CULTURAL INFLUENCES IN VALUE CO-CREATION PROCESSES

The analysis of research finding will be map out in interaction layers in value co-creation figure. This process aims to discover the connection between value-orientation and culture dimension. At the end of this chapter a summary of the impact of value-orientation in service design level of changes will be discussed.
Findings from the research process in IKEA Alam Sutera illustrated the value co-creation processes between a service provider and their customers. Because IKEA introduces a new standardised service system the customers needed to adapt and adjust their actions. This can be seen from the issues and problems that arose in the early stage of their operation. I used the tool outlined in the end of chapter 3 to map out the identified conflicts and issues in the value co-creation spheres between IKEA and the personas. This chapter describes this mapping process of the findings and the allocation of cultural meaning behind each interaction.

During the mapping process I analysed in which level of interaction each found issue took place. Findings were located in one of the three sub-levels in the joint sphere. Meaning they either described interactions on the artefact-behaviour (AB-AB), value and artefact behaviour (V-AB), or value level (V-V).

In the AB-AB level, I placed findings that only involved artefacts and behaviours in the interactions. Usually these interactions revolve around the use and misuse of touchpoints. On this level the difficulties can be solved by redesigning the touchpoints and do not require significance change in the organization.

In the V-AB sphere, artefact-behaviours and values interact with each other. There are two areas of V-AB, on the left the values of the provider interact with artefacts and behaviour of the customers and on the right customer values are touched by the provider’s artefacts and behaviours. The problems in the V-AB sphere reveal conflicts that require a deeper level of change than the issues on the AB-AB level. It requires the organization to design solutions that anticipate and guide existing values and norms. This process requires a deeper interpretation and the ability to look at the meaning of interactions.

The V-V sphere is the place where values of the customers and service providers meet. In this sphere pure values interactions are detected. Problems arising at this level require organizational or cultural change on the level of norms and values.

To retain detail in the interpretation process the mapping process was divided into 5 maps based on the 5 target groups. This way the analysis was easier and results were more specific.

Using the figure of interaction layers in value co-creation (figure 8) I mapped all the target user conflicts and findings into five figures based on the target user classification. This method helped me to indicate the similarities and/or the differences of the conflicts from one to another and problem repetition was easy to identify.
Figure 37. Interaction levels in value co-creation process of families target groups
IKEA emphasise to make a planning before going shopping to IKEA /Customer made the DIY shopping list before to go to IKEA

Cost conscious (affordable price)

IKEA provides restaurant so people can relax for a while /Customer brought his own lunch because eating in the restaurant was taking too much time

Valued the design & material of the products

Wishing to get another payment options ex: bank instalment programme

IKEA emphasises to spend time with families in IKEA /Customer does not want to take their family to IKEA

Customers did not want to go during the weekend

Want to have shopping online service so it could be more efficient

Customer valued the delivery service

IKEA Family

IKEA SMART BUYERS

Figure 38. Interaction levels in value co-creation process of smart buyer target group

CHAPTER 5
IKEA emphasises to make a planning before going shopping to IKEA. Customer made incomplete DIY shopping list before going to the store.

Used smartphone for taking picture of product code.

Likes to buy ice cream after shopping.

Likes to visit IKEA many times.

Valued DIY delivery.

Customer did not like being in the restaurant queue.

IKEA provides helping assistant when needed. Customers needed help for buying the big furniture's.

IKEA emphasises self-service concept. Customer was like to ask questions and being help.

Bored with IKEA foods.

Customer valued IKEA restaurant as a hangout place, place to study or to work.

Customer gave recommendations to their parents to visit IKEA.

IKEA TEENAGERS VALUE INTERACTIONS IN JOINT SPHERE

IKEA INDEPENDENT WOMEN

CHAPTER 5

Figure 39. Interaction levels in value co-creation process of independent women target group.
IKEA emphasises to make a planning before going shopping to IKEA/Customer made incomplete DIY shopping list before going to the store

Used smartphone for taking picture of product code

Bored with IKEA foods/Likes to buy ice cream after shopping

Customer did not like being in the restaurant queue

IKEA provides helping assistant when is needed/Customer needed help for buying the big furniture's

IKEA emphasises self-service concept/Customer was like to ask questions and being help

Likes to snacking in IKEA bistro ex: ice cream

Customer was using phone camera for taking notes

Customer was taking pictures for updating status in social media

Customer gave recommendations to their parents to visit IKEA

Customer valued IKEA restaurant as a hangout place, place to study or to work

Buying less products not much more faster than buying more products

Customer valued IKEA restaurant as a hangout place, place to study or to work

Customer gave recommendations to their parents to visit IKEA

Likes to snacking in IKEA bistro ex: ice cream

Customer was using phone camera for taking notes

Customer was taking pictures for updating status in social media

IKEA TEENAGERS

Figure 40. Interaction levels in value co-creation process of teenager target group
Figures 41. Interaction levels in value co-creation process of group women target group.
Conclusions based on the problem mapping exercise:

- There was a tendency of the V-V sphere to contain positive interactions. Indicating successful value co-creation with both sides sharing values and norms.

- V-AB interactions were disposed to show negative interactions between values and artefacts and behaviour.

- Even though teenagers are not a primary target market for IKEA, younger people tend to perceive and learn new concept easier than adults. This is reflected in the small amount of negative interactions in the V-AB areas.

- However IKEA is intended as a family store, Indonesia’s common extended family structure caused many challenges for IKEA shopping system.

- Some service concepts were well received by certain types of users. For example the Smart Buyer and Teenagers embraced the DIY aspect in the service. However, the Family, Independent women, and Groups were unfamiliar and struggling with this concept. Although Independent Women were willing to do planning. These groups did not have the appropriate experience to understand how to react or behave in this type of service.

The impact on redesigning services:

- AB-AB problems and conflicts can be related to the first level of organizational change, service interaction design. Designer can help providers to improve their service provision by redesigning their touchpoints and communication.

- V-AB problems and conflicts can be categorised on the second level of change, service design interventions. Service propositions can be improved by anticipating to the layers of value and norms. Findings on this level can reveal what is being valued and bring insights to improve value propositions to markets without adjusting the core assumptions.

- Problems on a V-V level could possibly be resolved with mutual anticipation that aligns the conflicting values. However, more serious conflicts on this level could require the community or the organization to adjust their fundamental beliefs.
CHAPTER 5

5.2 DISCOVERING VALUE ORIENTATION WITH CULTURAL DIMENSIONS

The conflicts and issues that were found in research can be related to the cultural dimensions. Using the cultural dimension framework constructs a summary of the value orientation insights. These insights do not have the same level of evaluation as a thorough quantitative research would. However, they do indicate that cultural dimensions on a national level are able to contribute to cultural differences on the smaller scale between firm and users.

In this second level of interpretation I used the characteristics of cultural dimension (table 2) from Trompenaars and Hampden-Turner (1998) to associate the found problems with the cultural dimensions. The result of this interpretation can be found in APPENDIX C. In here I will summarize the findings.

Value-orientation discussion between IKEA and Jakarta customers per cultural dimension:

Specific vs. Diffuse (IKEA)
IKEA's business concept aims to be as equal as possible and retain transparency in their service process. This reflects in their standardized DIY concept with direct and clear shopping instructions, tools, and guidelines to help customers complete their shopping process. Their principles are consistently applied in many aspects of their stores. This strong tendency towards the specific culture conflicts with the relatively diffuse culture of the customers in Jakarta. In many cases people were having difficulties with following the instructions and had no DIY shopping experience. To solve these challenges during the shopping process some customers brought “helpers”, which were either family member of a person with an expertise in home furnishing (interior designer, home contractors, etc.).

Long-termism vs. Short-termism (time) (IKEA)
The difference in cultural orientation on time becomes visible in situations where IKEA requires customers to have shopping plan. With a proper planning a customer can achieve the best value of IKEA, including price, time, and effort. The goals of IKEA to be sustainable, and create products that reflect characteristics of a long-term orientation show their disposition towards that end of the dimension. Jakarta customers on the other hand showed more interest in the present relationship and value the “here and now” when executing the shopping process. Incomplete or rough lists were commonly found. This caused customers to end in the information desk to get help from the sales person. This lacking activity in the preparation process could be related to the large distance between Swedish and Indonesian culture on this particular dimension.

Individualism vs. Communitarianism (Jakarta Customers)
Communitarianism is strongly present in the Indonesian culture. In IKEA the shopping process reveals many problems related with this communitarianism.
For instance the extended family structure creates big issues. Even though IKEA has a family concept for their store, it is more common for IKEA to accommodate the needs of the nuclear family. This situation causes IKEA to face challenge to provide the whole experience for the extended family, including not only children but also their grandparents. Going shopping as group is another example of communitarianism creating problems for IKEA. Women in particular prefer to go to IKEA together with friends to handle shopping practicalities such as dealing with the transportation (how to get there), lifting the products, and carrying stuff back home. The way of thinking about “we” instead of “I” was implied in their shopping experience. Helping each other, wait for another, and share with another are present norms.

**Achievement vs. Ascription (Jakarta Customers)**

There is a common understanding in Indonesian consumer culture that customers are the King and Queen of the service. Many people expect to get help and be served by the service provider employees. This situation showing the hierarchy in consumer culture in Jakarta represents the characteristic of the relatively strong ascription culture in Indonesia. Another case corroborates this relation between the small scale and the big scale. In the restaurant the self-service contradicts existing norms during eating activities. Eating activity is considered as a recreational activity and should be done in a relaxed way. Especially when coming in big groups self-service is not considered convenient for them.

**Universalist vs. Particularist (IKEA)**

To implement their system universally IKEA offers the guidelines on “How to Shop” in IKEA to make the shopping process run smoothly for everyone alike. What works in their home country will work in the other countries as well. For IKEA this is not negotiable, although there are some service options that can be taken against additional costs. Implementing a standardized system adheres to the universalist culture. On the other hand more particularist characteristics were found in the Indonesian consumer culture, where the relationships are based more on the relative perspective. For instance the power of word-of-mouth recommendations is determined as the strongest persuasive source of endorsement, almost 90% of the customer respondents authenticated this evidence (Razdan et al., 2014).

**Affective vs. Neutral**

Within this cultural dimension, both Sweden and Indonesia are located in the middle of axis, which means both of them are not strongly tending towards either side. Although Sweden is slightly towards the affective culture and Indonesia is a moderately neutral culture, there was no strong evidence of culture conflict in this dimension. Nonetheless, traces of affective culture can be found in IKEA’s concept of living with children and supporting family activities in store.
External vs. Internal (environment)
The cultural dimension on environment shows the smallest cultural distance between Sweden and Indonesia. Both of them carry out the external culture. According to the Trompenaars and Hampden-Turner (1998) the cultural characteristics describe externalists as willing to compromise and keep the peace with the environment. In this case IKEA shows their focus on customers by having “Home Visits” method to understand customer needs better. Evidence was showed for flexible attitude on the customer side since customers went to IKEA during the weekdays to avoid the traffic, even though this meant taking a day off from the work and do the shopping without bringing the family.
Summary

The data shows that interaction conflicts in the V-AB level were mostly found at the dimensions on which the cultures were distant from each other. Sweden is tending to represent stronger Specific, Long-termism, and Universalist culture. On the other hand, Indonesian culture carries dominant Communitarianism and Ascription characteristics. None of the countries have extreme positions on the Affective vs. Neutral and Environment dimensions and these did not yield many interaction conflicts.

What was striking was that the findings from APPENDIX D show that the relative distribution of the conflicts skewed towards the party with the most extreme position in the cultural dimension. The V-AB conflicts involving IKEA’s values were showing a higher relative occurrence in the specific, long-termism and universalist dimension. The V-AB conflicts in which the customers expressed their values were showing a higher relative count in the communitarianism and ascription dimensions. Although more research is necessary, this could indicate that being part of a culture with a strong tendency for one side of a cultural dimension makes a person more sensitive for conflicts relating to that dimension.

The peculiar results on relative distribution of conflicts brought forth from the data might be used to prevent conflicts in value creation processes. For service designers and providers it might be useful to look in which cultural dimensions the market and service providers have extreme positions. Pronounced value orientations naturally force actors to react to something that does not align to or gratify his/her set of rules (Parsons & Shils, 1951). This could also help to easily understand conflicts more deeply and easily. By evaluating the cultural orientation, service designers can help to facilitate processes of transformation.
As has been noted previously, many conflicts were located in the V-AB value creation sphere. A strategic suggestion can be formulated for IKEA Alam Sutera as a newcomer in Indonesia, in particular for Jakarta and the surrounding market. The evidence shows that problems were happening mostly in the middle layer of culture (values and norms level) rather than in the surface level of artefact and behaviour. It can be concluded that IKEA Alam Sutera needs change in the level of service design intervention. As has been outlined in subchapter 2.1.1, service design intervention requires radical or incremental organizational change in order to redesign and improve their service interactions.

IKEA Alam Sutera requires adaptation on Jakarta customer values by not only adding or improving touchpoints but also revisiting the values and norms behind them. To be able to deliver the company values IKEA needs to put more attention on how they facilitate the value creation process.

Figure 42. Adapted from level of potential impact of service design to organisational change (Junginger & Sangiorgi, 2009)
As was outlined before in Chapter 2, there are two ways of causing transformation (Freire & Sangiorigi, 2010). The first way is inside-out change; transformational processes starting from the organization, acting on the community. The second way is outside-in change; transformational processes starting from the community, acting on the organization.

The figure shows there are 3 dominant cultural orientations in IKEA’s organization and 2 cultural orientations are highly noticeable in Jakarta’s customers.

Transformations strategies can be decided based on where the change starts. Inside to outside or the other way around, from outside to inside. These decisions depend on the goals of a project and the willingness of each party to play a role in the transformation process. Nonetheless we can state that in this case, a balanced strategy would take two perspectives into account. The customers need to be understanding of and capable to deal with the Specific, Long-termist and Universalist culture and the organization should try and adapt to the Communitarianism and Ascription in the society. By combining this insight with the findings from the case study we arrive at five example changes that could be considered when transforming IKEA in Indonesia:
Inside -> out changes help the customers to deal with:

- Specific
- Long-termist
- Universalist

Outside -> in changes adjusting the organisation to fit:

- Communitarianism
- Ascription

Figure 43. Transformation strategies combined with Second-order change in service encounters figure by Sangiorgi (2010)
The Inside → Out

1. **Find the IKEA speciality that cannot be copied by other competitors in Indonesia**
   In this case specific cultural attributes might help IKEA to present Swedish culture in Indonesia. Being different in this way can be an asset to stand out amongst other competitors. This is different from the Western markets, where many countries share similar culture and environment with IKEA.

2. **Being transparent is important; but IKEA Alam Sutera is not the leader of Indonesia’s low-cost home furnishing market**
   In other countries carrying a consistent and transparent message might not be the hardest challenge for IKEA, because IKEA is usually able to be the leader of the low-cost market. However, the situation is different in developing countries where the competition comes from small furniture manufacturers. Having a Universalist culture pushes IKEA to remain consistent and transparent, so they still advocate being low-cost even though they are far from that in the Indonesian environment. IKEA needs to redefine this core message, at least for the Indonesian market. Although difficult for IKEA to give up some of their consistency, they at least remain transparent. The Indonesian customers, used to a Particularist point of view might not be too displeased with the change, although IKEA might want to make their process of redefining transparent to keep communicating their organization’s values.

3. **“We do our part and together we save money” formula might be overseen by Jakarta customers**
   “We do our part” is apparently hard to grasp and customers still require many help from IKEA’s staff and other parties, such as shopping assistants, e-commerce services, installers, etc. This shows that IKEA’s strong Long-termist thinking is problematic for the customers in Jakarta. Even until a point that they start to rely on retail services that are not IKEA’s own service system. IKEA could anticipate on the need for support for Long-term thinking by expanding their service system. They could learn from, or even absorb, service solutions that are already created.
The Outside → In

4. Focus on extended family structure needs  
Aspects of communitarianism in culture show in customer interactions. Hosting the whole family and being together in big group needs to be considered as a local challenge. Providing services for all extended family members can improve the shopping experiences in IKEA.

5. Redefine the restaurant role in IKEA store  
Food culture in Indonesia is strong. With high expectations for a unique food experience IKEA is challenged to maintain a high standard for the restaurant. Without support for DIY in Indonesian dining culture, cleaning tables after eating is difficult to understand and implement. Consumer culture in Indonesia is having ascription characteristics, also when regarding leisure activities.
6. FRAMEWORK AND TOOL DEVELOPMENT FOR CROSS-CULTURAL SERVICE DESIGN

The thesis continues with compiling the process of this research in a framework. It is an early iteration, and its background is only provided by the literature research and case study of this thesis. However, by making this framework other service designers can use it and try to spot cultural differences and discover the local values. They can develop the method further, which is much harder if it is not captured in a cohesive framework. This framework is described in a toolkit in which the process is divided in three main stages that can be followed as a sequential flow. For each of these stages a tool was created to support the activities.
I define cross-cultural service design as an area of service design studies that is focusing on value interactions in different cultural contexts. These situations exist when service systems start to branch out across borders. Prior research on frameworks for service designers shows their common purpose of aiding the understanding of different user context situations. Service design is highly dependent on the interactions between providers and users in value creation processes. This framework focuses on revealing the value orientations of both these parties based on evidence found in cross-cultural studies. Its purpose is to improve the quality of the value creation process between a service provider and its customers.

The cross-cultural service design process is divided into three main stages. These stages are divided based on the stage of working process. Even though the design process is not a linear process, the three stages can help evaluate made progress. The three main stages are: Planning, Discovering, and Evaluating.

The planning stage is the stage where we can observe the potential cultural differences between providers and users by using the evidence from cross-cultural studies on a national level. The following discovering process is where the actual design research by applying the human-centred design and service design methods is taking place. The research findings and its interpretation will be evaluated in the next stage to get further directions on how to redesign or transform the service system to adapt and answer the needs of the new market.
6.1 PLANNING

The planning process is the preliminary work that service provider can do before they enter a new market. An initial awareness can be raised to understand culture clashes. Being able to see the cultural distance shows the similarities and differences between countries. Special attention should be paid to extreme positions on each axis, towards 100 or 0. Cultures with strong cultural orientation could have potential difficulties to understand another orientation.

This project utilized existing cross-cultural studies frameworks and evidence, the cultural dimensions by Trompenaars and Hampden-Turner (1994, 1998), to locate the cultural distance between the cultures. In this case Sweden's culture represented IKEA and Indonesia represented customers in Jakarta. The seven cultural dimension axes can be mapped by using Tool 1: Culture Distance Axes tool. The arrangement on the cultural dimension is based on the relative distance in relation to the two most extreme cultures. Large distances between positions on an axis could indicate that problems will occur related to that dimension.
Discovering process aims to collect the data from all actors involved in the service system. Findings are intended to communicate the role of stakeholders, customer experience for buying home furniture, and user behaviours and needs. To collect the necessary data, well-known methods such as human-centered design and service design should be selected for each situation.

Applied human-centered design and service design methods point out issues in the value co-creation process between user and service provider. Problem findings can be summarised by utilizing service design tools such as customer journey map and service blueprints. Using service design tools helps designers to communicate their findings between themselves, to other stakeholders, and the client. For complex service systems the Multilevel Service Design approach can be suggested.

Map out the found issues with Tool 2: Interaction Layers in Value Co-creation Figure. On this tool problems can be located based on interaction levels. These are: Artefact-Behaviour (AB-AB) interactions, Values and Artefact-Behaviour interactions (V-AB), and Values interactions (V-V). Iterate the analysis by associating them with a cultural dimension. Make a table of analysis with Tool 3: Cultural Dimension Analysis Table to connect the cultural dimensions by aligning with the characteristic of cultural dimension. In this project this analysis and interpretation were vital. To see the underlying meanings of the findings is not an easy process. Triangulating observations and interview data can facilitate this process.

Locate the relative distribution of V-AB issues per cultural dimension by dividing the number of problems on the side of the party that expressed the value conflict. This will show where the issues skewed towards in the cultural dimension. You can use these findings to validate the assumptions made in the planning stage.
The last step is the evaluation process. This process aims to create frames for strategic decisions on how to redesigning the service. As was outlined before in Chapter 2, there are two ways of designing transformation (Freire & Sangiorgi, 2010). The first are inside-out changes, which are transformational processes started from the organization. This process reveals the level of impact the service design should have on the organisational transformation by Junginger and Sangiorgi (2009). For evaluating the impact the designer can take into account the level on which interactions are problematic:

- **AB-AB problems and conflicts** can be related to the first level of organizational change, service interaction design. Designer can help providers to improve their service provision by redesigning their touchpoints and communication.

- **V-AB problems and conflicts** can be categorised on the second level of change, service design interventions. Service propositions can be improved by anticipating to the layers of value and norms. Findings on this level can reveal what is being valued and bring insights to improve value propositions to markets without adjusting the core assumptions.

- Problems on a **V-V level** could possibly be resolved with mutual anticipation that aligns the conflicting values. However, more serious conflicts on this level could require the community or the organization to adjust their fundamental beliefs.

The second way of change, is outside to inside. Which is collaboration driven change between communities, firms, and various stakeholders. There is a need to work together on re-designing service systems using this strategy. In these co-design processes facilitators are needed who can bridge and communicate various needs and thoughts during the process (Freire & Sangiorgi, 2010).

Findings from the tools can provide service designers with design direction for transforming the services. Discovering the influential cultural dimensions in the value co-creation process brings awareness for the potential conflict between service provider and user. To counter these conflicts the balance between value orientations from both sides needs to be maintained. To do so, transformation strategies can be decide the base on which ways the change start from, the inside to outside, outside to inside, or both ways. Knowing and understanding the underlying norms and values helps design solutions to not be limited to the artefact level. Designers can pay deeper attention deeper into the values and norms and what they mean rather than only focusing on artefact interactions.
To summarise the framework and tools I created booklet format. The purpose of making it easy to be read was so that it can be shared with other designers for further research and explorations. The A5 size of this booklet will allow easy printing on A4 sized paper.

Inside the booklet I assigned a colour coding to the three main areas. Having a colour coding makes the three level of process more distinct. In the beginning there is a small description of each stage: Planning, Discovering, and Evaluating. The purpose is to give a general explanation on the focus of each of the activities. These activities are in more detail with step-by-step instructions, and introductions of the tools. Graphic and image are included to improve the communication and ease the implementation.

Full version of the Booklet can be seen in APPENDIX E.
Figure 44. Cross-cultural service design framework and toolkit
7. DISCUSSION: CULTURAL VALUES IN VALUE CO-CREATION

The main aim of this thesis was to explore the connection between cross-cultural studies and service design, by involving value-orientations in a service design case study project. This case study project pointed out the influence of culture differences between the national culture of the service providers and the national culture of their new market. During the process I combined conventional theory from both cross-cultural and service design studies to assist me in the research. The process allowed me to create an initial attempt of creating a framework and toolkit for cross-cultural service design studies. In this chapter I will answer the main question by summarising the findings and results from sections of this thesis. In the end, the practical implications and further development will be discussed.
From the literature perspective or background there are several take away points that can be discussed. The main purpose of literature research was finding the connection between cross-cultural studies and service design studies. Even though value and values have different meanings in service design studies and cross-cultural studies, they are central in the discussion in both studies. Service Design Logic (SDL) is known as the fundamental theory in service design studies. It states that the service provider cannot create value alone.

Instead, value is co-created with user. The important of values also pointed in SDL premises (FP10) “Value is uniquely and phenomenologically determined by the beneficiary” means that value is identified as an “object” which may be perceived and evolved differently by different users (Voima et al., 2010). Cross cultural studies determine values as an important aspect in people interaction where people act and decision are derived from their value orientations (Parsons & Shils, 1951) and culture is a building of values (Hofstede, 1984).

In Chapter 3 I developed a figure to examine the level of value interaction between provider and user based on the publication of Trompenaars & Hampden-Turner (1998) and Vargo & Lusch (2005, 2010). This figure implements the layers of culture and layers of organizational change into the value interaction process. Dividing the value co-creation process by using layers of culture helps to divide the level of interactions. They describe how value orientation drives or influences the interaction process. There are three levels presented:

- The AB-AB interaction level between the artefacts and behaviour of both the provider and the user. This interaction is happening in the surface layer of interactions.
- V-AB interactions are on the second level of interaction, created by action and reaction from values of provider to the artefact-behaviour of user or the other way around. During evaluation these two ways can be split using the model, since there is a left and right V-AB area.
- V-V interaction is the deepest level of interaction, where both provider and customer share similar or contrasting values.
In practice neither communities, nor companies involve their fundamental assumptions in the value co-creation process. Which is why the proposed figure does not show the interaction process crossing into the two core layers.

To study the value differences on perceiving new service system, a case study in IKEA Indonesia has been done. From this field research on the value creation process, data and insights were gained. The research data indicated that IKEA value propositions are new for Jakarta customers. It was shown that there is room for several improvements to be made. Value orientations differences were shown to related to the found issues.

During this process I experienced several obstacles within the organisation. IKEA in Jakarta is unfamiliar with the need for designers to engage in user-centred research. Instead co-workers from marketing and customer relation were doing the market research. Introduction of my background was necessary to inform what designer can contribute in this situation. After having two weeks of field research in Jakarta, further research such as analysis and interpretation process was continued in Helsinki. To further discussion with IKEA I made a small research report to summarise my findings during the field research. The report helped us to be in the same page of discussion. Specific questions have been addressed to get more detail comments. Not being present at the location burdened the communication. All the follow up interviews and discussions were done through video call, email, and mobile messenger. This situation brought limited and incomprehensive feedback for further steps and showed that being in the same location can result in better feedback.

Nonetheless, the analytical framework introduced in chapter 3 has been applied to formulate the value orientation in two spheres, service provider (IKEA) and user (Jakarta customers). It was found that evidence from cross-cultural studies could be used in preliminary research to redesign services. According to the research result, strong value-orientations tend to result in a potential for problems to arise during the value co-creation process. With a strong value-orientation people may follow norms and values that cause them to strongly judge a situation. Looking back I can see that the cultural dimension framework can help me to gain insight in understanding value co-creation processes in different markets. Knowing the potential clashes in cultural dimensions brings more awareness on how to re-design or transform the service to be able to fit into the context of a new market.

Chapter 6 summarises my research process in a framework and toolkit. I dedicate this framework to all designers that are facing globalisation issues in their project. This thesis attempts to give a contribution in cross-cultural service design studies. Inside the
framework I included three main stages of activity; the planning stage, the discovering stage, and the evaluating stage. The design process is not a linear process, sometimes it is hard to clarify in which point we are. The division help organizing the design research process and makes it easy to communicate to others. The framework and toolkit are still in an early stage of development, and needs to be tested in other service transformation cases and studies in different locations.

Perhaps in some cases designers might be familiar with a certain cultural context that makes human interaction understandable for them. But when it comes to unfamiliar territory ethnographers are considered to be more capable in understanding cultures rather than designers. For this reason, the practical implication of the thesis is mainly beneficial for service designers who are engaged in working processes where understanding their user’s individual and social context in new markets is needed. Using the evidence from the existing studies is beneficial as a starting point for these designers to learn about existing cultural differences. The contribution of this thesis is intended to increase the capacity of designers and accelerate the development of value co-creation processes so they can become equally valuable for everyone around the world.
8. CONCLUSION
Value co-creation processes depend on interactions between service providers and users. Each individual actor brings his or her own potential to create value, or as we called it, deliver and receive service. In the process of creating value user value-orientation is involved. As Grönroos & Voima (2013) point out accumulation of experiences can shape user value orientations. Experience is constructed from physical setting, the social actors, and other social interactions between users and or service facilitators (Gupta & Vajic, 2000; Zomerdijk & Voss, 2010). Considering those statements, connecting service design study with cross-cultural studies is essential. Since in cross-cultural studies values are being explored by comparing human (social actor) behaviour and (social) interaction from different environments (physical setting).

Discovering more detail on value-orientations could help to improve the quality of the value creation process. Improving the quality of the value co-creation process is not only important for big companies such as IKEA, but also for smaller companies starting to enter a new market. For small companies a trial and error process might pose considerable costs and require lots of effort and materials that might not be available for them.

In the case study with IKEA, this framework improved the ability to create strategic insights on how to transform their service to fit to Jakarta's user value orientation. Being a global company exhibits their ability to adjust their business to different markets. But cross-cultural service design framework is able to improve the design approach by balancing the company culture with that of the target users to develop the right value proposition.

The cross-cultural framework and toolkit aims to help service designers to discover the value orientation of both the user and firm through the bigger lens of culture, and its dimensions. This framework and toolkit are created to answer the need for integrating a design approach into the process of approaching a new market. Knowing the differences between cultures can make preventive actions and service design solutions more robust, it allows services to adjust to new behaviours and perceptions.

The thesis research can be considered as an experiment on connecting cross-cultural studies with service design. I realise this thesis has relatively weak evidence and conclusions since these are could only be based on a short case study performed by a single researcher. This was mostly because of a limited amount time available and having no funding. For that reason I would like to stress the importance of further development to arrive at a more comprehensive conclusion. Testing the cross-cultural design service framework that is provided in this thesis might be an option to start from. This way the framework could be iterated further.
Globalisation is undeniable. In the future boundaries between countries will be smaller and we will share the same goods and services more than ever. Shaping value propositions might become increasingly challenging, with this increase in overlapping cultures. Service design will stand in need to be able to accommodate needs and demands that are constantly changing and/or different in many places.


The Toegino family lives in their house in Fatmawati, South Jakarta since 1975. Mrs. Toegino decided to move out from their house and live more peaceful full life in the suburb of Jakarta. The Toegino family has a large family, including Mrs. Toegino, her son Mr. Bambang and his wife, 3 kids, Affin and Niaila, who are 10 and 8 years old, two house assistants, and a driver. They bought the house in the beginning of the year. After some minor renovations they have started furnishing their house.

The Toegino family never did home furnishing activities, previously. Mr. Toegino did all the work for their house. But Mr. Toegino passed away three years ago. Now Mrs. Toegino got help from a relative assistant and also from their house assistant for creating the interior design they would like to have.

After visiting IKEA several times, they decide not to go during weekends anymore because it is too crowded and that causes Mrs. Toegino to become very exhausted. She longs to have the peace and quiet place to sit and rest in too uncomfortable. It took six visits to IKEA until they got all the furnitures they need was purchased. One visit usually took half a day, 2 hours for the journey, 1 hour for shopping, and 1 hours for taking a rest and eating. They like to visit IKEA because it is a one-stop shop where they can spend the whole day without needing to go anywhere else later on.

The reason they need several times to go back to IKEA is because of the product availability. Even though there is a website to check the availability of the products they never use the Internet. Andra knew how to use website but the poor Internet connection on her phone stopped her from checking the product availability. The product unavailability caused them to go back over and over again.

At the end of the shopping journey the Toegino family finally got the furniture from the delivery service to deliver their furniture. Even though they came to IKEA with a large family they were still not satisfied because the family members are occupying the space. Occasionally they needed to invite their house assistant for helping them to lift the furniture.

**Grandmother:** 71
**Father:** 54
**Mother:** 54
**Assistant:** 42
**Boy:** 10
**Girl:** 6

**Fatmawati, South Jakarta**
Before visiting IKEA, smart buyers always make a thorough preparation. From measuring the available space in the house listing the needs, and making a shopping list on the computer. Internet connection in Indonesia is slow, so Gunawan knew what he wanted and needed to buy in IKEA. He had done the measurement carefully before choosing the products. He chose IKEA because of the design and material. He liked IKEA design because it was refreshing and had high functionality. Even though he felt that everybody could easily recognize IKEA products, for him that did not matter much.

Gunawan went to IKEA at 11:00 in the morning. Because he knew what furniture he needed to buy he just did a quick look in the Room Set area and straight went to the Market Hall. Even though that time was lunchtime, he skipped to have lunch in the restaurant because he bought his own lunch from home. In Market Hall he spent some time to find the furniture he ordered. In the beginning he made a mistake and took the same package instead of two different ones. He got help from the checkout officer that noticed he took the wrong products.

At the end after the payment process Gunawan went straight to the delivery service to get his furniture delivered. It helped him a lot with bringing the big items to his house. Especially since he was doing the shopping alone. He did not mind to pay extra money for the convenience of getting everything done easier.

"I did research before I went to IKEA"
"Bring my own foods and drinks to save my time"
"Take my family to IKEA is not an option"
Nana has been working as a wedding designer in one of the premium wedding studios in Jakarta for 5 years. With her promising salary now she has bought a studio apartment nearby her office to save time, instead of commuting from her parent’s house to the office. To furnish her new apartment she plans on furnishing with IKEA products. She started with browsing all the products in the catalogue. She prefers to see the product names and images at once. Sometimes she felt worried about assembling her furniture but she planned to ask help from her male friends. She said because it was easier to ask for some help and give a treat rather than do it on her own. It would take a longer time and also she does not have the appropriate tools for doing it.

**WOMAN, 29 YEARS OLD**
**SINGLE WEDDING DESIGNER**

**Ciputat, Tangerang**

Because she did not want to repeat the same mistake to go to IKEA during the weekend. She drove from Central Jakarta to Tangerang in 30 minutes. The traffic was pretty quiet because nobody was leaving the office yet.

In the store she tried to match her personal shopping list with IKEA’s shopping list form. It turned out that her lists did not include the product codes. So she went to the Sales crew. The help she got was especially for the products that have many parts and panels stored separately.

**CUSTOMER JOURNEY MAP**

*Appendix A3*
Being updated is the number one rule for these teenagers. With the new IKEA store opening in the suburb of Jakarta gathers a lot of curiosity in the society. Even teenagers are taking selfies, updating their status and location is a basic thing that teenagers need to do.
The location, Alam Sutera is in a residential area and there are schools and universities nearby. Many teenagers like to spend their time after school to do a group work together in IKEA or to enjoy a late lunch. After they spend some time in IKEA they like to browse inside the store to discover some interesting products that they might want to have, like affordable snacks. The huge restaurant area makes them never worried to find a place for group meetings. The good Wi-Fi connection is one other important thing for the youngsters; they need it to keep updating their social media.

Customers wish can buy more

It’s nice to buy affordable snacks

Next time it would be nice if customers visit IKEA with the parents

Great space for group studying

Short trip to have a nice hangout time

Find product to decorate customers own bedroom

Be up to date for visiting IKEA

Customers want to have a nice late lunch break after school with friends

Buy something small

Go home

Using parent’s car drove by personal driver

Walk around in store without any specific needs

Find the nice corner

Take from the market hall area

Make a turn for buying the food

Good Wi-Fi connection

There is no fast lane for small purchasing

Pay with the pocket money

Call the personal driver to be picked up in the exit lobby

Buy ice cream with the change money

Get off in Lobby

1

2

3

4

5

6

7

8

9

10

11

12

We like to take a selfie in favorite bedroom set!

"WIFI is important"

"We like to hangout in the restaurant"
**THE GROUP OF WOMEN**

A group of eight women from Bandung planned and agreed to visit IKEA together on a chosen date during the weekdays. Because it was a weekday they went by themselves without their husbands and kids. They rented a big car with a driver to accommodate all of them. For the visit they made a special dress code so they can easily recognize each other by their outfits.

They arrived in the IKEA in the morning and entered the store from the main lobby without the hassle of finding parking. They enter the store with being all curious about this new concept store. Without any fixed plans for the shopping they just start to stroll around in the Room Set area. They read the “How to Shop in IKEA” posters and took the yellow bag and the catalogue. They like IKEA because it has good design, it’s creative, and has a wide range of products.

They regard this moment like a picnic, and enjoy every moment and relax. During the lunchtime they gather together at a big table in the restaurant and spent some time chatting, eating, and commenting on the products that they would like to buy. The only unusual thing for them was the need to clean the table after they finish the lunch, which they forgot, leaving a big mess.

Most of the products that they discussed were kitchen accessories, bedding, and decorations. These were mostly products that would not disturb their household’s monthly budget. The buying of more expensive things like furniture need to be consulted with their husbands. For this they will come back with their husbands another time so that the husband can think about the assembling process. They do not consider it their task to think about the furniture assembly.

**CUSTOMER JOURNEY MAP**

<table>
<thead>
<tr>
<th>PLANNING</th>
<th>LISTING</th>
<th>SHOPPING</th>
<th>CHECKING</th>
<th>BUYING</th>
<th>INSTALLING</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
</tbody>
</table>

**CUSTOMER GOALS**

- Using smart shopping lists
- Long trip from another city

**TOUCHPOINTS & EMOTIONAL RESPONSES**

- Higher price means better quality
- The store is big
- Hos to find each other

**CUSTOMER THOUGHTS**

- It is nice that we can get snacks after shopping, but we need to rest by sitting
- Delivery service not an option because it is too far

**OVERALL EXPERIENCE**

- We can not buy big furniture because we have to share space in the car with others
- Shopping in IKEA is like a picnic!
- Prize means quality we supposed

**IDEAS TO IMPROVE**

- More sitting area in the exit lobby
- Being picked up in the exit lobby

**APPENDIX A5**

**WOMAN, 38 - 55 YEARS OLD, HOUSE WIFE**

Dago, Bandung

The only problem for going with the big group was the need to wait for each other. Sometimes there is no place to wait inside the market hall. At the end, after spending some time inside the store they need some refreshments before going back to Bandung, which they find in the form of snacks, drinks, and ice creams. Once more, there are no chairs available in the Bistro area, so they occupy the waiting bench in the exchange & return area. After having some rest they went to the exit lobby, and called their driver.

When the car arrived they are barely able to fit all their belongings in the car but they make it work. Tired after a full day of shopping in IKEA they return to Bandung.
<table>
<thead>
<tr>
<th>NO.</th>
<th>ISSUES &amp; CONFLICTS</th>
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<tr>
<td>1</td>
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<td>DYI / Self service</td>
<td>Specific, Universalist</td>
<td>Specific culture also give influence to the transparent, direct and consistent of DYI process. All the rules of “How to shop” has been set as the main rules for everyone alike. This offering is not negotiable, so it also adheres to the universalist dimension.</td>
</tr>
<tr>
<td>2</td>
<td>Customer made DYI home layout (planning)</td>
<td>Planning, DYI</td>
<td>Long-termist</td>
<td>Planning and strategising are one of the element in Long-term oriented culture. In IKEA shopping process it requires planning and strategising to get the best value of IKEA (price, time, and effort)</td>
</tr>
<tr>
<td>3</td>
<td>Customers brought their private shopping assistant (interior designers, contractors, etc)</td>
<td>DYI</td>
<td>Universalist</td>
<td>Universalist value of IKEA service systems are conflicting customer ability to deal in the shopping process. To able to shop in self service concept customer bring private shopping assistant to encounter the DYI shopping difficulties</td>
</tr>
<tr>
<td>4</td>
<td>Depended on other family members to help lifting the heavy products (more people to come in 1 family group)</td>
<td>DYI</td>
<td>Communitarianism</td>
<td>In communitarianism people ideally achieve in groups which assume joint responsibility</td>
</tr>
<tr>
<td>5</td>
<td>Incomplete shopping list, couldn’t find the products</td>
<td>DYI</td>
<td>Future, specific</td>
<td>With the DYI concept, IKEA provides a direct of shopping instructions, tools, and directories to help customer doing their shopping process. Emphasise the planning and future achievement (to get the best value)</td>
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<tr>
<th>FAMILIES (V) IKEA (AB)</th>
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</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>IKEA (V) FAMILIES (V)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>IKEA (AB) FAMILIES (AB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>NO.</td>
</tr>
<tr>
<td>-----</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
</tbody>
</table>

**SMART BUYERS (V) IKEA (AB)**

<table>
<thead>
<tr>
<th>NO.</th>
<th>ISSUES &amp; CONFLICTS</th>
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<th>ARGUMENTATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Customers did not want to go during the weekend</td>
<td>Weekend = relax</td>
<td>External</td>
<td>Flexibility attitude shown in customer behaviour, to avoid discomforts customer prefer to take a day off in the weekdays. Being flexible and keeping the harmony are the characteristic of external culture.</td>
</tr>
<tr>
<td>2</td>
<td>Want to have shopping online service so it can be more efficient</td>
<td>Efficient, cost conscious</td>
<td>Time (Short term)</td>
<td>Activities of the moment are important, short terms orientation culture demand a relations of here and now. If there is a online shopping customer would not take work day off.</td>
</tr>
<tr>
<td>3</td>
<td>Customer valued the delivery service</td>
<td>Efficiency</td>
<td>Particularist</td>
<td>Even though IKEA valued the self service concept, IKEA creates sub-service for customer who cannot take their product home by themselves.</td>
</tr>
</tbody>
</table>

**SMART BUYERS (V) IKEA (V)**

<table>
<thead>
<tr>
<th>NO.</th>
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</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Cost conscious (affordable price)</td>
<td>Equality</td>
<td>Specific</td>
<td>IKEA concept of getting the most affordable price with high value.</td>
</tr>
<tr>
<td>2</td>
<td>Valued the design and material of the products</td>
<td>Achievement</td>
<td>Time (Long term)</td>
<td>IKEA concept of being sustainable and welldesigned product.</td>
</tr>
</tbody>
</table>

**IKEA (V) SMART BUYERS (V)**

<table>
<thead>
<tr>
<th>NO.</th>
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<th>ARGUMENTATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Wishing to get another payment options like bank instalment</td>
<td>Easiness, cost conscious</td>
<td></td>
<td>IKEA concept of being sustainable and welldesigned product.</td>
</tr>
<tr>
<td>NO.</td>
<td>ISSUES &amp; CONFLICTS</td>
<td>VALUE</td>
<td>CULTURAL DIMENSION</td>
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<tr>
<td>-----</td>
<td>-------------------</td>
<td>-------</td>
<td>-------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>1</td>
<td>IKEA emphasises to make a planning before going shopping to IKEA/Customer made incomplete DIY shopping list before going to the store</td>
<td>DIY</td>
<td>Long-termist</td>
<td>Planning and strategising are one of the elements in Long-term oriented culture. In IKEA shopping process it requires planning and strategising to get the best value of IKEA (price, time, and effort)</td>
</tr>
<tr>
<td>2</td>
<td>IKEA provides helping assistant when is needed/ Many customer needs help for buying the big furniture’s</td>
<td>Self service/DIY</td>
<td>Achievement - Ascription</td>
<td>As a customer there is a common understanding in Indonesia consumer culture of the King and Queen of the service. They expect to get helped and served from the service providers. In this situation showing the hierarchy in the retail organisation reflects the characteristic of an ascription culture</td>
</tr>
<tr>
<td>3</td>
<td>IKEA emphasise self-service concept/ Customer was like to ask questions and being help</td>
<td>Self service/DIY</td>
<td>Universalist, Specific</td>
<td>IKEA implies self-service concept to their global business. What is works here (Europe) will work in other cultures as well. IKEA stands for bring direct, definitive, and to the point for implementing their service by giving all the written guideline of “How to Shop” in IKEA</td>
</tr>
</tbody>
</table>

**INDEPENDENT WOMEN**

<table>
<thead>
<tr>
<th>IKEA (V)</th>
<th>INDEPENDENT WOMEN (AB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Customer did not like being in the restaurant queue</td>
<td>Eating = Relaxing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>IKEA (V)</th>
<th>INDEPENDENT WOMEN (V)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Likes to visit IKEA many times</td>
<td>Inspirations, Problem solver</td>
</tr>
<tr>
<td>2 DIY delivery</td>
<td>DIY</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>IKEA (AB)</th>
<th>INDEPENDENT WOMEN (AB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Using smartphone for taking picture of product code</td>
<td></td>
</tr>
<tr>
<td>2 Bored with IKEA foods</td>
<td></td>
</tr>
<tr>
<td>3 Likes to buy ice cream after shopping</td>
<td></td>
</tr>
<tr>
<td>NO.</td>
<td>ISSUES &amp; CONFLICTS</td>
</tr>
<tr>
<td>-----</td>
<td>--------------------</td>
</tr>
<tr>
<td></td>
<td>IKEA (V) TEENAGERS (AB)</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
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<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>IKEA (V) TEENAGERS (V)</td>
<td></td>
</tr>
<tr>
<td>IKEA (AB) TEENAGERS (AB)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Customer valued IKEA restaurant as a hangout place</td>
</tr>
<tr>
<td></td>
<td>Buying less products not much more faster than buying more products</td>
</tr>
<tr>
<td></td>
<td>Customer gave recommendations to their parents to visit IKEA</td>
</tr>
<tr>
<td>IKEA (V) TEENAGERS (V)</td>
<td></td>
</tr>
<tr>
<td>IKEA (AB) TEENAGERS (AB)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Customer using phone camera for taking notes</td>
</tr>
<tr>
<td></td>
<td>Taking pictures for updating status in social media</td>
</tr>
<tr>
<td></td>
<td>Likes to snacking in IKEA bistro: ice cream</td>
</tr>
<tr>
<td>NO.</td>
<td>ISSUES &amp; CONFLICTS</td>
</tr>
<tr>
<td>-----</td>
<td>--------------------</td>
</tr>
<tr>
<td>1</td>
<td>IKEA trust with their customers / Use store mug for get drinks in the restaurant</td>
</tr>
<tr>
<td>2</td>
<td>IKEA self service concept / Customer did not want to bring back the plates and clean the table</td>
</tr>
<tr>
<td>3</td>
<td>IKEA self service concept / Customer did not read and follow the instructions</td>
</tr>
<tr>
<td></td>
<td><strong>GROUPIES (V) IKEA (AB)</strong></td>
</tr>
<tr>
<td>1</td>
<td>Customer can not buy the big furnitures because has to shared space in car</td>
</tr>
<tr>
<td>2</td>
<td>Customer mindest &quot;The more you pay the more you get for free&quot;</td>
</tr>
<tr>
<td>3</td>
<td>Customer expect to be served / IKEA self service concept</td>
</tr>
<tr>
<td>4</td>
<td>Customers valued togetherness, there is no meeting point inside the store</td>
</tr>
<tr>
<td></td>
<td><strong>GROUPIES (V) IKEA (V)</strong></td>
</tr>
<tr>
<td>1</td>
<td>Enjoying to spend time in the restaurant</td>
</tr>
<tr>
<td>2</td>
<td>The more expensive the higher the product quality</td>
</tr>
<tr>
<td>3</td>
<td>IKEA as one stop shopping place/ Customer prepared full day trip to IKEA</td>
</tr>
<tr>
<td></td>
<td><strong>GROUPIES (AB)</strong></td>
</tr>
<tr>
<td>1</td>
<td>Used rental car with driver to go to IKEA</td>
</tr>
</tbody>
</table>
From the example above, data indicates the problems are more visible identified on the extreme culture orientation. In contrast, problems in the moderate point of orientation are not significantly easy to be detected.
CROSS-CULTURAL SERVICE DESIGN

FRAMEWORK & TOOLKIT
This booklet is part of Master Thesis “Connecting Cross-Cultural Studies and Service Design to Adapt Services to New Markets”

by Sarasati Kushandani

Aalto University School of Arts, Design, and Architecture
Helsinki
During the Planning phase one investigates the cultural differences between the service provider and customers in new market based on evidence from cross-cultural studies.

In the Discovering phase the interactions with local actors are explored, paying special attention to the users. Conventional methods from service design studies help to reveal related problems and challenges. Through iterating your interpretation you reveal the cultural influences in the value creation processes.

Evaluating the findings shows directions for transformation strategies that are needed to adapt to the new market.
The planning phase contains the preliminary work that a service provider can do before they enter a new market. An initial awareness can be raised to understand cultural clashes. Being able to see the cultural distance shows the similarities and differences between countries. Special attention should be paid to extreme positions on each axis. Cultures with such strong cultural orientation could have potential difficulties with understanding other orientations.

**STEPS**

01 Base your value orientation framework on evidence found in cross-cultural studies. Previously this evidence was found in Trompenaars his work.

02 Map the cultural distance between countries by assigning the values 0 and 100 to the most extreme cases. Locate those which are relevant by using Tool 1: Culture Distance Axes

03 Identify extreme culture orientations.
TOOL 1: CULTURE DISTANCE AXES

CULTURE DISTANCE
SWEDEN & INDONESIA
TRUMPERNAARS & HAMPDEN-TURNER, 1998

SPECIFIC VS. DIFFUSE

TIME

INDIVIDUALISM VS. COMMUNITARIANISM

ACHIEVEMENT VS. ASCRIPTION

UNIVERSALIST VS. PARTICULARIST

AFFECTIVE VS. NEUTRAL

ENVIRONMENT

△ SWEDEN ▲ INDONESIA
This figure shows that Sweden has relatively extreme culture orientations indicating Specific, Long-termism, and Universalist characteristics. On the other hand, Indonesia is portrayed as a culture with strong Communitarianism and Ascription.
These processes aim to collect data from all actors involved with the service system. Findings are intended to communicate the roles of stakeholders, customer experiences, and behaviours and needs. Fitting methods from human-centered design and service design should be selected for each situation to get the appropriate data.

**STEPS**

**01**  
Apply human-centered design and service design methods to find the problems and challenges in value co-creation process between user and service provider. Problem findings can be summarized by utilizing service design tools such as customer journey maps and service blueprints. For complex service systems the Multilevel Service Design approach could be utilized.

**02**  
Proceed to map out the findings on Tool 2: Interaction Layers in Value Co-creation. This locates findings based on interaction levels. These levels are as follows: Artefact-Behaviour (AB-AB) interactions, Values-Norms and Artefact-Behaviour interactions (V-AB), and Values interactions (V-V).

**03**  
Interpret and connect the findings on the level of V-AB and V-V to cultural dimensions in Tool 3: Cultural Dimension Analysis Table.

**04**  
Validate the result of the planning phase. Combine the findings from Tool 1, 2 and 3 to see the amount of findings per actor for each cultural dimension.
TOOL 2: INTERACTION LAYER IN VALUE CO-CREATION

This is an example of Culture Distance Axes of Sweden and Indonesia. Using the value orientation framework by Trompnaars (1994). Locate the problem findings according to which level of interactions. An example which show on the figure below;
**TOOL 3: CULTURAL DIMENSION ANALYSIS TABLE**

List the findings based on their interaction categorisation, define the values expressed within the interaction and connect it with 7 cultural dimensions by Trompenaars and Hampden-Turner (1994). The argumentation column is important for communication, and for the iterations during the analysis process.

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<td>3</td>
<td>Customers brought their private shopping assistant (interior designers, contractors, etc)</td>
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<td>4</td>
<td>Depended on other family members to help lifting the heavy products (more people to come in 1 family group)</td>
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<td>5</td>
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<td><strong>FAMILIES (V) IKEA (AB)</strong></td>
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<tr>
<td>1</td>
<td>Customers did not like the concept of queuing for getting the food</td>
<td>Relaxing = Eating</td>
</tr>
<tr>
<td>2</td>
<td>Bored kids joining the shopping with their parents</td>
<td>Want to share experience with the whole family members</td>
</tr>
<tr>
<td>3</td>
<td>Customers had to find sitting place for their tired parents (grandparents) during the shopping process</td>
<td>As consequences for the whole family members</td>
</tr>
<tr>
<td>4</td>
<td>Families appreciated the delivery service</td>
<td>Car full with the family member</td>
</tr>
<tr>
<td></td>
<td><strong>IKEA (V) FAMILIES (V)</strong></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>One stop shopping place for families = Families likes the variety of the products and the restaurant facilities</td>
<td>Nuclear Families vs Extended Families</td>
</tr>
<tr>
<td>2</td>
<td>Catalogues are valuable = Families use catalogue as main tool for communication among the family members</td>
<td>Communication Tool</td>
</tr>
<tr>
<td></td>
<td><strong>IKEA (AB) FAMILIES (AB)</strong></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Many products was out of stock</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Families were not using website or the online planning tools</td>
<td></td>
</tr>
<tr>
<td>CULTURAL DIMENSION</td>
<td>ARGUMENTATION</td>
<td></td>
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<tr>
<td>Specific, Universalist</td>
<td>Specific culture also give influence to the transparent, direct and consistent of DIY process. All the rules of “How to shop” has been set as the main rules for everyone alike. This offering is not negotiable, so it also adheres to the universalist dimension.</td>
<td></td>
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<tr>
<td>Long-termist</td>
<td>Planning and strategising are one of the element in Long-term oriented culture. In IKEA shopping process it requires planning and strategising to get the best value of IKEA (price, time, and effort)</td>
<td></td>
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<td>Universalist value of IKEA service systems are conflicting customer ability to deal in the shopping process. To able to shop in self service concept customer bring private shopping assistant to encounter the DIY shopping difficulties</td>
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<td>Communitarianism</td>
<td>In communitarianism people ideally achieve in groups which assume joint responsibility</td>
<td></td>
</tr>
<tr>
<td>Future, specific</td>
<td>With the DIY concept, IKEA provides a direct of shopping instructions, tools, and directories to help customer doing their shopping process. Emphasise the planning and future achievement (to get the best value)</td>
<td></td>
</tr>
<tr>
<td>Ascription</td>
<td>Customer valued eating activities as a recreational activities and expected to be catered for. In contrast IKEA applied self service for the restaurant.</td>
<td></td>
</tr>
<tr>
<td>Communitarianism</td>
<td>In communitarianism values, “we” is defining the family. Togetherness and share the same experience are important</td>
<td></td>
</tr>
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<td>Communitarianism</td>
<td>In communitarianism values, “we” is defining the family. Togetherness and share the same experience are important</td>
<td></td>
</tr>
<tr>
<td>Communitarianism</td>
<td>Families valued the delivery service because their car full with the rest of the (extended) family members</td>
<td></td>
</tr>
<tr>
<td>Communitarianism, external</td>
<td>IKEA shopping concept is fit to the concept of communitarianism of Jakarta people. People likes to spend together with their families especially during the weekend when they can be together</td>
<td></td>
</tr>
<tr>
<td>Specific</td>
<td>IKEA specifically describe their product through their catalogue. This function helps in customer planning process.</td>
<td></td>
</tr>
</tbody>
</table>
CULTURE DISTANCE
SWEDEN & INDONESIA
TROMPERNAARS & HAMPDEN-TURNER, 1998

IKEA V CUSTOMERS AB

SPECIFIC VS. DIFFUSE
Specific
Diffuse

TIME
Long-termist
Short-termist

INDIVIDUALISM VS. COMMUNITARIANISM
Individualism
Communitarianism

ACHIEVEMENT VS. ASCRITION
Achievement
Ascription

UNIVERSALIST VS. PARTICULARIST
Universalist
Particularist

AFFECTIVE VS. NEUTRAL
Affective
Neutral

ENVIRONMENT
External
Internal

△ SWEDEN △ INDONESIA
The figure on the left reveals that there are five cultural dimensions on which a lot of interaction conflicts between IKEA and Jakarta Customer are located. These are the cultural dimensions on which the larger cultural distances are present.

Another point of interest is that problems seem to be more often identified by the party that has a more extreme position on the dimension.
The last step is the evaluation process. This process aims to create frames that can aid strategic decisions on how to redesign the service. As was outlined before in Chapter 2, there are two ways of causing transformation (Freire & Sangiorgi, 2010). The first way is inside-out change, transformational processes starting from the organization, acting on the community. The second way is outside-in change, transformational processes starting from the community, acting on the organization. For designing the desired transformation designers can take into account the dominant cultural orientations and problems of the stakeholders.

**STEPS**

01 Define the organization and the users/community on the second-order change in service encounter figure from Freire & Sangiorgi (2010).

02 Assign the dominant cultural orientations that were revealed in de Discovering phase to identify the ways of transformation. Transformation strategies need to balance between these ways of change and keep in mind both inside → out and outside → in.

03 The design needed for the desired transformations can be informed by the findings of the previous research and continuing design processes.
The figure shows there are 3 dominant cultural orientations in IKEA's organization and 2 cultural orientations are highly noticeable in Jakarta's customers.

Transformations strategies can be decided based on where the change starts from. Inside to outside or the other way around, from outside to inside. These decisions depend on the goals of a project and the willingness of each party to play a role in the transformation process.