

Methodology for service innovation in real estate business – Case Senior Housing in Finland

Heidi Rasila,
Helsinki University of Technology – (email: heidi.siekkinen@tut.fi)

Kati Mikkola
Technical Research Centre of Finland (VTT) (email: kati.mikkola@vtt.fi)

PhD Tommi Rasila
Tampere Chamber of Commerce (email: Tommi.rasila@chamber.fi)

Abstract

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As concluded in previous work by the authors, seeing the real estate business from more service-oriented point of view could add value to both players in the real estate sector, service providers and end-users (the customers). Using the vocabulary of Kotler, it can be said that dwelling is the core of the product. More value producing layers (service elements) could be added around this core to construct an augmented product. This way housing could be seen as service business and a housing offering with more than just walls could be constructed.

In housing sector services and service elements are still rare in Finland. Thus it is important to outline the service potential that could help the actors in senior housing field to construct a real “augmented product” offering. As such product does not exist yet, a methodology for outlining the potential service elements must be developed before the problem can be tackled with in more detail. The aim of this article is to present one way of doing this.

The activities carried out in dwellings are a starting point for the suggested approach. It is assumed that these activities and 3 other non-activity based factors form the basis of possible service solutions. Activities may be carried out by external service provider entirely or partially. Or different technical solutions may help in carrying out some tasks or free individuals of these entirely. Further it is possible that service solutions give different possibilities to carry out activities or create totally new activities. Still we claim that all intangible services and tangible products are related to activities carried out at homes and to the 3 mentioned non-activity based factors.

The article presents first the activity lists and then presents a methodology for service innovation through these activity lists. Then the paper goes on to present a short case study on existing Finnish senior houses. First the potential service categories are presented. These categories are based on existing services that could be, but not necessarily or typically are, included into the augmented senior housing product. After this some case senior houses in Finland are used to illustrate the status quo. This analysis shows that the augmented senior housing product does not exist and that there are much potential for building such an augmented product.