

Reframing human centrality for service innovation: bridging Service design and Customer-dominant logic

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Abstract

Purpose – This paper aims to reframe and refine human centrality for service innovation by integrating Service design (SD) and Customer-dominant logic (CDL). While both approaches prioritize the individual, they frame the customer's role, context and value formation in different ways. The paper highlights customers' lived realities, situated value formation, and everyday contexts beyond the service interface.

Design/methodology/approach – This conceptual paper draws on prior literature in SD and CDL to contrast their underlying assumptions, focal areas and methodological applications. Through a comparative synthesis, it proposes a synergistic perspective that combines SD's methods with CDL's interpretive depth. A matrix and illustrative example in health care are used to demonstrate their complementarity and to guide future integration.

Findings – CDL and SD provide complementary perspectives for advancing human-centered service innovation. CDL offers a conceptual lens to understand customers' broader life contexts, value formation and lifeworld relevance beyond the service interface, whereas SD contributes participatory methods and a mindset operationalizing human-centered principles. This integration supports a more holistic and context-sensitive approach to innovation.

Research limitations/implications – This research contributes to service theory by advancing situated human-centered innovation as an integrative framework of SD and CDL, two perspectives often treated separately. It bridges conceptual and methodological gaps, encouraging service innovation that is contextually grounded, pluralistically designed, and responsive to the complexities of everyday life. Further research is needed to explore its applicability across diverse service settings.

Practical implications – For practitioners, this research supports service innovation that aligns with customers' broader life contexts – enhancing continuity, identity and personal relevance. It encourages moving beyond the design of isolated interactions toward services that meaningfully integrate into customers' routines, roles and long-term aspirations.

Social implications – Social implications of this research lie in its advocacy for service innovation that respects human complexity, diversity and agency. By promoting services that are life-integrated and context-sensitive, it contributes to more inclusive, equitable and ethically responsible service ecosystems.

Originality/value – This paper is among the first to systematically link SD and CDL to enrich human-centered service innovation. It reframes human centrality as situated human relevance – a layered, life-integrated perspective that encompasses everyday use, personal meaning and long-term value creation. By uniting logic and method, the paper forwards a foundation for service innovation that is relevant, context-aware and reflective of the complexities of everyday life.

Keywords Innovation, Customer-dominant logic, Conceptual, Service design

Paper type Viewpoint

Introduction

Understanding and involving customers in service innovation has been widely recognized as a critical driver of business relevance, effectiveness and value creation. Early work on user involvement (Alam, 2002; Magnusson, 2003; Magnusson *et al.*, 2003) highlights how engaging end users in innovation processes can generate more creative and user-relevant service ideas. Similarly, customer involvement has been shown to

positively impact the quality and success of new service development, particularly when managed strategically (Carbonell *et al.*, 2009). While customers have long been recognized as central to business success (Drucker, 1974), recent years have seen a steady rise in human- and customer-centricity as prominent guiding principles and defining ideals in both service innovation discourse and business practice

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(Keiningham *et al.*, 2020). These developments reflect the focus on human-centered approaches including user-driven innovation, customer-dominant service strategies and human-centered design in service innovation research and practice (Alam, 2002; Heinonen *et al.*, 2010; Yu and Sangiorgi, 2018; Sangiorgi and Prendiville, 2015), with the individual as a human being at the heart of the design and development process. They signal a transition from provider-centric approaches toward deeper engagement with the people services are intended to serve (Heinonen and Strandvik, 2018). While the specifics of current approaches vary in scope and emphasis, they converge on a shared recognition of the value of designing with and for people. In this paper, we frame the focus on humans, customers and users through the lens of human centrality.

Human centrality, as commonly adopted, assumes individuals in roles such as users, customers or consumers – foregrounding their experiences, needs and emotions in the development and design process (Christensen *et al.*, 2016). Service Design (SD) thinking has been instrumental in translating this approach into practice – using participatory, iterative and empathetic methods to develop services that are more meaningful and relevant. Framed as a corrective to provider-centric or system-driven paradigms, human centrality repositions users as active participants whose needs, contexts and experiences shape the direction and outcomes of service development. It prioritizes empathy, participation and contextual understanding, and has become foundational to SD thinking (Yu and Sangiorgi, 2018; Verganti *et al.*, 2021).

However, human centrality is not without its challenges. Without careful contextual grounding in how people actually experience and integrate services in the complexity of their everyday lives, it risks becoming an abstract and rhetorical ideal – invoked in principle, yet shallow in practice (Sangiorgi and Junginger, 2015; Hay and Vink, 2023). Too often, it defaults to designing based on assumed needs within firm-defined service encounters and touchpoints (Zomerdijk and Voss, 2010; Lemon and Verhoef, 2016; de Keyser *et al.*, 2020), rather than exploring how people derive meaning and value in their broader life contexts (Heinonen *et al.*, 2010; Helkkula and Kelleher, 2010). Researchers have called for “a more situated, embedded, and context-aware way of understanding services, designing and changing” (Sangiorgi and Junginger, 2015, page 168). Customer-dominant logic (CDL) responds to this call by emphasizing the customer’s life and value creation, highlighting how firms and offerings fit within a wider ecosystem of resources and experiences (Heinonen *et al.*, 2013).

At the same time, the rapid advancement of digital technologies and human-machine interactions has profoundly reshaped the service landscape. While these developments offer opportunities for scalability, personalization and operational efficiency, they also risk distancing service innovation from the human realities it seeks to serve. In this context, the need for a nuanced understanding of human centrality becomes increasingly important. It should acknowledge how people experience, interpret and integrate services into the rhythms and meanings of their lives.

To address these challenges, this paper aims to reframe and refine human centrality for service innovation by integrating CDL and SD. The goal is to enrich the conceptual and practical foundations of human centrality. CDL complements SD by emphasizing customers’ lived realities and everyday

practices beyond the immediate service interface (Heinonen *et al.*, 2010; Heinonen and Strandvik, 2015). Rather than centering design around firm-defined touchpoints, CDL emphasizes customers as the primary actor in value creation and how customers integrate and make sense of services within the broader flow of life. By proposing an integration of SD and CDL, this paper contributes to current debates on human centrality and offers a pathway toward more context-sensitive, meaningful and life-relevant service innovation.

Next, we briefly discuss SD and CDL, and then analyze their respective contributions to human-centered service innovation. By examining their complementarities and differences, we develop a synergistic perspective that advances a more nuanced and context-sensitive understanding of human centrality in service innovation.

Service design

SD has emerged as a powerful practice for advancing human centrality. It is the process of creating new services based on a human-centered, holistic and creative understanding of users (Blomkvist *et al.*, 2012; Stickdorn *et al.*, 2018; Joly *et al.*, 2019). SD represents a methodological approach that seeks to align services with those who use them. Rather than designing services *for* users based solely on assumptions or market data, SD emphasizes designing *with* users and engaging them as active participants in co-creation processes (Yu and Sangiorgi, 2018). Drawing from design thinking, it leverages participatory methods such as user journey mapping, personas, use cases, prototyping, scenario building and iterative prototyping enable designers to explore functional needs, as well as the emotional, social and experiential dimensions of service use (Zomerdijk and Voss, 2010; Shostack, 1984; Patricio *et al.*, 2008; Patricio *et al.*, 2011; Constantine and Lockwood, 2001; Yu and Sangiorgi, 2018; Joly *et al.*, 2019; Ford and Yoho, 2025). In doing so, they make visible the implicit values, motivations and constraints that shape how individuals interact with services (Yu and Sangiorgi, 2018). By embedding these principles into concrete tools and processes, SD transforms the abstract ideal of human centrality into a structured and repeatable practice that can be applied across sectors and contexts.

Yet despite these strengths, SD often remains anchored in the moment of interaction – the touchpoints between customer and service (Zomerdijk and Voss, 2010). While SD is rooted in empathy and aspires to see users as embedded in social and emotional contexts, it has been critiqued for remaining overly focused on the service system itself (Joly *et al.*, 2019; Vink and Koskela-Huotari, 2022). As a result, SD may overlook how people interpret, adapt and derive value from services in relation to their personal goals, routines and life circumstances. These authors call for a broader, more systemic orientation that better reflects the realities of customers’ lived worlds. Indeed, SD also carries an ambition that extends beyond method and design *of* services. The emergent focus on design *for* service seeks to transform how organizations conceptualize value creation and engage with customers as co-shapers of that value (Beltagui *et al.*, 2016; Vink *et al.*, 2021). This opens space for dialogue with complementary perspectives that further center the customer’s lived experience in innovation efforts.

Customer-dominant logic of service

CDL provides a different conceptual lens of human centrality. Unlike firm- or system-dominant logics of service that focus on value delivery or co-creation within firm-controlled touchpoints (Vargo and Lusch, 2004; Grönroos and Voima, 2013; Lemon and Verhoef, 2016), CDL centers on the customer's logic and agency. The focus is on how individuals – acting in multiple roles such as customers, patients, citizens or family members – make sense of, assign meaning to, and derive value from, services within the broader context of their lives (Heinonen *et al.*, 2010; Heinonen and Strandvik, 2018; Heinonen and Lipkin, 2023). In other words, CDL treats individuals not only in their market roles within service systems but as sense-makers navigating real-world complexities, assigning meaning and integrating services in ways that often transcend the firm's intention or control.

A central tenet of CDL is the recognition that value is formed by customers in their own contexts, often far removed from the point of service interaction (Heinonen *et al.*, 2010). This *ex situ* value (Heinonen, 2023) emphasizes that services are extended and integrated into broader life projects and personal goals (Lipkin and Heinonen, 2022; Mickelsson *et al.*, 2022). However, its conceptual relevance extends further. *Ex situ* value draws attention to how customers engage with services before, between and after direct interactions – embedding them in personal routines, emotional landscapes and long-term aspirations. In this sense, value is not merely situational, but situated – emerging across time, context and the customer's own meaning-making processes (Heinonen *et al.*, 2013; Heinonen and Strandvik, 2018). This resonates for example with Sherry's (2000) view of place as a socially constructed and symbolically rich environment, reminding us that service experiences are not isolated transactions, but part of a broader experiential continuity. Customers remember, anticipate and repurpose services in ways that align with identity, relationships and aspirations. CDL therefore sustains attention to both peak service moments and the ongoing, routine experiences that shape how customers evaluate the relevance and fit of services in their lives (Heinonen and Lipkin, 2023). It recognizes that value is formed not only in designed interactions, but also through how customers actively integrate services into the flow of their daily lives.

Moreover, CDL transcends individual experiences, by recognizing that value is not only personally experienced but also collectively shaped across relationships, communities, and shared life contexts (Heinonen *et al.*, 2019). It brings attention to the wider customer ecosystem in which services are situated. In many domains, value is co-formed in families, teams or communities, requiring innovation to consider multiple logics and negotiation processes in use (Lipkin and Heinonen, 2022; Mickelsson *et al.*, 2022). It thus expands the human-centered lens to include plurality and diversity of value constellations. Understanding how these ecosystem actors shape, enable or constrain customer experiences is critical for creating services that align with real-life contexts and challenges. For example, in health and social care, Mickelsson *et al.* (2022) demonstrate how customers actively define and reconfigure their own service systems based on their needs,

highlighting the inadequacy of rigid, provider-centric service pathways.

While CDL offers a rich conceptual foundation for understanding value from the customer's perspective, it lacks the methodological standardization of SD. SD is supported by a well-developed toolkit that guides practitioners through structured processes for designing and improving services. In contrast, CDL provides a strategic lens to explore how services are experienced and made meaningful in everyday life, but does not prescribe specific procedures. Nonetheless, CDL has been applied across a wide range of empirical contexts using diverse methods. These include qualitative approaches such as ethnographic observation, interviews, netnography (Rihova *et al.*, 2018; Nguyen and Menezes, 2024), case studies (Seppänen *et al.*, 2017) and narrative methods (Zinelabidine *et al.*, 2018), as well as more structured techniques like focus groups, conjoint analysis and Kano modeling (Kim *et al.*, 2023). Quantitative survey-based studies further demonstrate its adaptability (Cheung and To, 2016; Fan *et al.*, 2020; Lin *et al.*, 2024). CDL's methodological application tends to be flexible and context-sensitive, relying on adaptation rather than predefined toolkits. This creates an opportunity: integrating CDL's customer-centered insights with the structured, participatory methods of SD can enhance both approaches and support more grounded, meaningful service innovation.

Integrating customer-dominant logic and service design for a synergistic view of human centrality

To deepen the scholarly understanding of human-centric service innovation, it is essential to explore the distinct yet complementary perspectives offered by CDL and SD. CDL provides a theoretical compass that highlights what truly matters within individuals' lived contexts, whereas SD contributes structured, participatory methods and tools to engage users, explore insights and prototype solutions grounded in that directional understanding. Table 1 illustrates the unique strengths and complementarities of each approach.

When brought together, CDL and SD can deepen the understanding and practice of human-centric service innovation. Integrating CDL and SD implies moving beyond the user involvement to explore how services intersect with people's aspirations, emotional states and broader social contexts. A CDL-informed approach asks: What role does this service play in the customer's world? How is value actually realized?

This shift helps service designers design not only “the thing right” but also “the right thing” – resonating with the broader meaning and life relevance. CDL also fosters inclusivity by recognizing the diverse and evolving roles people take on across contexts and over time. This integrated approach deepens both the theoretical and practical foundations of human-centered service innovation. It prompts service designers and innovation teams to move beyond user personas and co-creation workshops and engage more fully with customers' life worlds and logics of value.

SD offers the methodological foundation for shaping customer experience through orchestrated service interactions, whereas CDL highlights that customer experience and value

Table 1 Two perspectives of human centricity

Analytical dimension	Customer-dominant logic (CDL)	Service design (SD)
Ontological focus	Customers as meaning-making individuals in everyday life	Users as participants in co-designed service experiences
Central question	How do people create value and make sense of services in their lives?	How can we design services that are desirable, usable and feasible?
View on human centricity	Life-centered: grounded in context, subjectivity and value-in-use	Interaction-centered: grounded in empathy and co-creation during the service experience
Role of the service	Resource and means for value formation	Object that can be designed, experienced and optimized
Agency	Primarily with the customer	Shared in co-design
Role of the firm	Peripheral; firms offer resources that customers may integrate (or not)	Central as initiators of design but open to co-creation
Role of the customer	A constructor of meaning	Co-creator and source of insight
Contribution to service design	The "why", "what", "when" and "where" of customer experience as a lived practice	The "how" of translating insights into tangible service improvements

Source(s): Author's own work

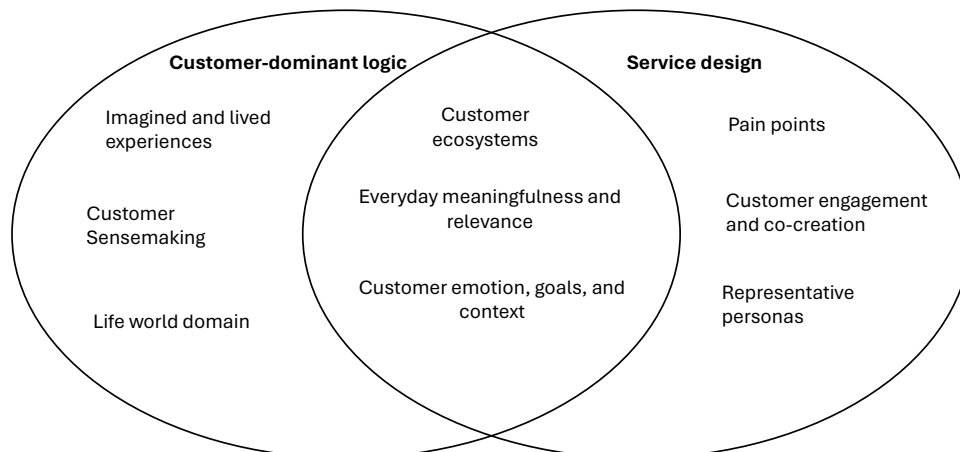
are not confined to firm-managed encounters. Rather, they unfold within customers' broader life contexts, shaped by their own meaning-making, ecosystems and lived realities (Heinonen *et al.*, 2010; Heinonen, 2023; Sherry, 2000). Understanding service from a human-centric perspective requires appreciating the distinct yet complementary contributions of both CDL and SD. While both approaches share a deep concern for the individual and seek to enhance the

meaningfulness and relevance of services, they do so through different traditions and entry points. The table highlights that, together, they offer a more holistic and nuanced foundation for designing and understanding services that matter in people's lives. It emphasizes that service innovation benefits from both intentional SD and acknowledgment of emergent value formation. Figure 1 distinguishes the key elements of the situated human-centered perspective.

CDL centers on the customer's lived and imagined experience. It explores how people make sense of, assign value to, and integrate services into their everyday lives. Value is formed not just through isolated service encounters but. CDL draws attention to everyday relevance and customer sensemaking, acknowledging that value may be *ex situ* – emerging in the customer's routines, social networks and evolving needs which are outside the firm's designed touchpoints and often invisible to providers. In this view, customers operate within complex ecosystems that include other actors, artifacts, and infrastructures that shape their experiences. Customer logic becomes the guiding principle: understanding how customers define usefulness, meaning and value on their own terms. This orientation encourages researchers and practitioners to consider diverse forms of use, temporality and significance that may not be captured through conventional service process models. In contrast, SD begins with the ambition of improving the designed service experience, focusing on pain points, interactional moments and opportunities for co-creation. The detailed and representative personas provide a nuanced understanding of the individual. SD promotes engagement and co-creation, not only as a way to generate ideas but also as a way to foster commitment, inclusion and deeper understanding.

At their intersection, both CDL and SD share a commitment to human centricity. They recognize the importance of designing with a focus on individuals within their ecosystem and lifeworld, ensuring emotional resonance and situating services within the customer's ambitions and broader life goals. This convergence highlights a set of overlapping values: the desire to make services meaningful, the recognition that

Figure 1 Situated human-centered innovation approach



Source: Author's own work

emotions and context matter and the understanding that value is subjective and dynamic. Together, these perspectives point toward a more situated and reflexive approach to service innovation – one that honors both the strategic importance of designed interactions and the complex, evolving ways in which customers engage with service as a resource in their lives. Integrating CDL and SD thus offers a powerful foundation for truly human-centered service innovation: one that is not only empathetic and participatory but also deeply attentive to how people create value on their own terms, in their own worlds.

An illustrative example of the complementarity of CDL and SD can be found in the health-care context. SD provides structured methods to improve patient experiences by mapping key touchpoints – such as appointment booking, waiting room experience and post-visit communication – and addressing pain points like unclear instructions or long wait times. These tools help healthcare providers design services that are more accessible, empathetic and efficient. Although SD may consider emotional and contextual factors, it often remains anchored within the boundaries of the healthcare delivery system. CDL complements this approach by shifting the focus from service encounters to the patient's everyday life, emphasizing how healthcare is integrated into broader routines, roles and aspirations. For individuals managing chronic conditions, care is not episodic but embedded in daily life – balancing treatment regimens with work, family responsibilities and emotional well-being. This includes, for example, a parent with diabetes navigating child care, older adults managing their care with limited transportation and support or a professional requiring discreet tools for symptom monitoring. CDL foregrounds these lived realities, highlighting how patients assign meaning to services through long-term adaptation, identity work and self-management. Together, SD and CDL provide a more holistic lens: SD ensures touchpoints are well-designed and responsive, whereas CDL ensures these touchpoints resonate with and support customers' broader life contexts. This integrative approach aligns with contemporary healthcare and public service models in many Western societies, where municipalities and public providers increasingly employ human-centered impact assessments to balance well-being outcomes with resource efficiency. However, such efforts often rely on predefined metrics of success and system-level efficiencies. Rather than assessing impact solely in terms of measurable outputs such as reduced wait times, cost savings or usage rates, the SD–CDL pairing invites a shift from evaluating whether services are delivered effectively to asking whether they are lived meaningfully. In doing so, it can complement and transcend traditional public-sector assessment frameworks by embedding human relevance, contextual fit and everyday meaningfulness as central criteria for innovation.

Discussion and implications

The purpose of this research was to reframe and refine human centricity for service innovation by integrating CDL as a vital complement to SD. While SD largely centers on designing within the boundaries of the service system, CDL extends this perspective by emphasizing the customer's lived realities, situated value creation and everyday practices that occur

beyond the provider's direct control. By bridging these perspectives we introduce *Situated Human-Centered Innovation*. It is a context-sensitive orientation to service innovation that grounds human-centered design in the lived realities, everyday practices and systemic environments of individuals. It recognizes humans not as users or consumers but as embedded actors within dynamic personal, social and institutional ecosystems. Innovation is thus guided by relevance, responsiveness and long-term value formation across multiple layers of experience and interaction.

Through this perspective, this study advances a more holistic and grounded approach to human-centered service innovation – one that acknowledges the complexity of customers' contexts and prioritizes value formation in their broader lifeworlds. The findings highlight that human centricity for service innovation must be embedded in a more systematic orientation that authentically reflects the complex, dynamic realities of customers' lived worlds. Customers do not interact with services as isolated events or touchpoints; rather, their engagement is deeply intertwined with their social roles, life contexts, emotional states and evolving needs. This broader lifeworld shapes how customers conceive value, make sense of service encounters and co-create meaning over time. Without grounding innovation in this systemic and contextual understanding, service innovations risk being superficial – addressing only segmented parts of the customer experience rather than the holistic and evolving customer journey.

Human centricity arises when firms are attuned to both the designed and the emergent dimensions of customer experience. In *Situated Human-Centered Innovation*, firm-designed experiences, encounters and touchpoints are acknowledged as potential influences, but the customer remains the primary agent who selectively integrates, reinterprets or even disregards these designed elements based on personal context and meaning-making. Even carefully designed experiences must ultimately align with and contribute to the customer's everyday value processes. Thus, an experience is not inherently valuable unless it becomes meaningful to the customer.

Theoretical implications

The integration of SD and CDL offers significant theoretical contributions by reframing and refining human centricity for service innovation. Rather than viewing SD and CDL as competing approaches, this research presents them as mutually enhancing. While SD focuses on user needs, goals and emotions within the boundaries of the service system, CDL extends this scope to encompass customers' broader life contexts, including their long-term trajectories, social roles and everyday meaning-making. This synthesis positions human centricity not merely as a design principle but as a layered, context-sensitive orientation that connects design intention, everyday use and value realization over time. CDL adds interpretive depth to SD by highlighting what matters in customers' lived realities, while SD contributes actionable methods for translating these insights into tangible innovations. In this dialogue, CDL articulates the why, what, when and where – why services matter to people and what role they play in life – ensuring we are designing the right thing. SD provides the how – guiding the creation of usable, relevant and empathetic service experiences, ensuring we are designing the thing right.

Together, they support a more comprehensive framework for human-centered service innovation by aligning conceptual reasoning with practical execution. This redefinition invites future research to explore service value formation not only within firm-managed systems but also across customer-managed lifeworlds that shape and are shaped by service engagement.

Finally, by bridging logic and method, this study underscores that human centrality is not static but evolving. Embracing both CDL and SD advances *Situated Human-Centered Innovation* as pluralistic and reflexive approach. This approach respects the complexity of human experience and recognizes that value is co-shaped across time, space, and context, thus advancing more adaptable, equitable and life-relevant service systems. Jointly, SD and CDL emphasize a systemic orientation of human centrality by addressing services as interconnected ecosystems. They extend focus beyond individual customer interactions to include all actors – customers, employees, partners and regulators – and the complex interplay of processes, policies and cultural factors shaping the experience. Crucially, this orientation also includes a systematic understanding of customers' own lifeworlds and ecosystems – their routines, contexts and social environments – in which services are experienced and made meaningful. By integrating multiple domains over time, and embedding feedback and learning mechanisms, this approach ensures coherence, adaptability, and long-term relevance. It also tackles root causes, such as misaligned incentives and institutional constraints, enabling the design of service systems that are both operationally efficient as well as socially inclusive, resilient, and grounded in what matters most to people in their everyday lives.

Conceptually, further research is needed to explore the ontological and epistemological boundaries and overlaps of *Situated Human-Centered Innovation*, advancing research that capture the complexity of value formation across multiple levels and contexts. Future research should also explore the implications of this approach from a management perspective, investigating how organizations can operationalize a systemic, lifeworld-oriented view of customers within innovation processes. This includes examining leadership practices, organizational structures and cross-functional collaboration that support integrating diverse stakeholder ecosystems and fostering adaptability in dynamic environments. Empirical studies could explore how this expanded human-centric approach influences innovation outcomes, customer engagement, and long-term sustainability, whereas also addressing potential tensions or trade-offs managers face when balancing systemic inclusiveness with practical constraints.

Looking ahead, the continued evolution of technology – particularly AI, automation and platform-based services – raises pressing questions about the future of human-centered service innovation. While these technologies offer significant benefits, including multimodal and embedded experiences, they also risk narrowing the human role to one of passive data input or algorithmically inferred behavior. Automated systems may inadvertently reinforce existing biases, reduce individuals to generalized or static profiles and lock customers into personalized yet narrow service bubbles that limit exploration, autonomy and growth. Such developments

challenge the foundations of human centrality by constraining how services can respond to the evolving and multifaceted nature of people's lives.

Rather than diminishing the importance of human-centrality, these changes amplify its urgency. As services become increasingly mediated by machines, it is essential to ensure that customers' lived realities, emotional needs, and long-term aspirations are not overlooked. In this context, the integrative framework developed in this paper offers a timely and necessary foundation. Future research should explore how technologies can support, rather than undermine, customer autonomy; how data-driven personalization can align with customers' self-defined goals; and how to design service touchpoints that remain sensitive to the richness and diversity of human life – even in the absence of direct human interaction.

Methodological implications

Methodological implications refer to extending tools and techniques for consumer insight beyond the traditional co-design sessions or interaction-level mapping. For example, longitudinal ethnographies can reveal how service use and meaning evolve over time, capturing adaptive behaviors, shifting needs and patterns of value realization that emerge outside formal service encounters. *Ex situ* journey mapping – which visualizes not just touchpoints within the service system, but the broader temporal and emotional trajectories of the customer – can help illuminate how services are remembered, anticipated or repurposed across life contexts. The term *ex situ* literally means 'out of place' – so in this case, it refers to service use and meaning-making that occur outside of the formal service setting (clinic, store, interface, etc.). These maps might trace how a customer prepares for, adapts to or makes sense of a service over time and across different life contexts. For example, an *ex situ* journey map for a patient managing a chronic condition would include preparing for medical appointments by researching symptoms, negotiating medication routines alongside family and work life, interactions with informal caregivers or online support groups, as well as long-term adjustments in lifestyle or identity linked to health status. Moreover, self-reported diaries are a valuable method for capturing customers' experiences in real time, particularly when aiming to understand how services unfold across daily life and how routine adaptations, emotional fluctuations, and the small, often invisible touchpoints contribute to perceived value outside the service provider's view. These diaries allow participants to document their thoughts, feelings, behaviors and contextual factors as they engage with or reflect on a service. They place agency in the hands of the customer, revealing how customers make sense of services over time and in their own terms.

Together, these methodological implications encourage a more holistic, situated and temporally sensitive approach to service research and design – one that is better aligned with the complexities of human experience and the layered nature of value creation. They are especially relevant when designing for chronic care, financial well-being, education or mobility – where the impact of services is diffuse, cumulative and context-dependent.

Practical implications

Practical implications concern how organizations approach innovation. This integrated view also invites new evaluative criteria for innovation success. Rather than beginning with service systems and looking outward, the integrated view encourages organizations to begin with customers' lived worlds and design inward. This shift can lead to more resonant, sustainable and equitable services that reflect not just what people do, but who they are becoming. Even when current SD practices address clear user needs and pain points, they often focus on optimizing the service encounter – such as improving usability, efficiency or satisfaction within specific touchpoints – rather than understanding the broader significance of services in customers' lives. A situated human-centered approach goes beyond functional improvements to uncover how services support (or hinder) long-term life goals, routines and identities.

For example, a health insurance company may redesign its digital claims process through SD methods, reducing friction, simplifying language and improving the user interface. From a usability and interaction perspective, this is a clear success. However, if viewed through a CDL lens, the company may uncover that customers experience the entire process of care navigation – from scheduling appointments, to understanding coverage, to recovering from illness – as fragmented, emotionally draining, and poorly aligned with the realities of managing health in everyday life. For a parent caring for a sick child, or a patient with a chronic condition, the ease of submitting a claim is only one piece of a much more complex value puzzle. By shifting perspective to the customer's life domain, the company might identify entirely new opportunities for value creation: proactive care coordination tools, family-centered communication features or flexible benefit packages that adapt to changing life circumstances (Mickelsson *et al.*, 2022). These interventions would likely be missed if focus remained on service touchpoints alone. Ultimately, this more expansive view enables firms to design services that are not only efficient and user-friendly, but also resonant, enduring and genuinely supportive of the complex lives people lead.

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