Due to new technological development and the advancement of network technologies, global surveillance industries have steadily grown by 10% to 15% lately in response to the anti-terrorism issues and the business opportunities associated with the increasing aging populations. Among these industries, according to Marketing Intelligence & Consulting Institute in Taiwan, video surveillance and IP camera applications are emerging rapidly by above 30% and may become widespread in the near future. While enterprise customers hold 96% of the total surveillance market, the residential surveillance market is the fastest growing and promising segment with a growth of 77%. In year 2012, approximately a total market of 14 billion New Taiwan Dollar with a CAGR (Compound Annual Growth Rate) of 45% is expected in Taiwan. In addition to the promising market growth, the video surveillance industry in Taiwan has played an important role in global supply chain and is comprehensive in terms of industry players including equipment vendors, constructers, security service providers, system integrators, and telecommunication operators.

However, most of the industry players focus on running OEM/ODM business with low profit and value added. Thus the policy of MOEA (Ministry of Economy Affairs) in Taiwan is to upgrade the surveillance industry from OEM/ODM to a service or own-brand one. As a result, we need to investigate the impetus of this fast growing market not only from product perspective, but also from the service perspective.

Service perspective is important because, in many developed countries, over 70% of the gross national product (GNP) was generated by services after 1970’s. Furthermore, many ICT-enabled services such as residential video surveillance services have grown into new trends because of the fast development and popularity of information and communication technology (ICT) along with the increasing maturity and diversification of broadband technology. In this new field of ICT-enabled services, many firms have realized that customer satisfaction is not enough to lock in customer loyalty. Instead, they are increasingly allocating resources in staging memorable personal experiences [5, 6, 11, 12, 13] to
indulge customers with new technologies. Consequently, in order to build sustainable competitive advantage in this rapidly changing world, it has become a business imperative to provide customers with satisfactory services and, at the same time, to surprise them by utilizing ICT technologies to accommodate experience-oriented consumers.

For the industry players, the problem of failure to capture the harvest of the ICT-enabled service market rests on the lack of familiarity in turning customer needs and wants into new services [2, 14]. However, understanding customer needs itself is a constant challenge for almost every firm already, not even to say the difficulties and threats encountered when firms attempt to incorporate new ICT technologies to create innovative services for market acceptance [13, 15, 16]. Nevertheless, it has drawn much attention from industries, research institutions and scholars, either to take initiatives and put into practice, or to undertake conceptual model development for designing innovative services [2, 8, 13, 16]. Among them, experiential quality was recently getting more attention in addition to service/product quality [10, 17]. In such a competitive industry, as categorized by Kano’s quality model, service/product quality was supposed to have become a “must-be” one, and the experience quality might become an “attraction” factor which differentiates one ICT-enabled service from another.

Focusing on experience quality, this study aims to fill the gap by proposing an easy to understand integrative approach in ICT-enabled service design. By integrating Kano’s Model of customer satisfaction with the perspective of experiential marketing, this study focuses on proposing an ICT-enabled service development mechanism in general, and for residential video surveillance services in specific.

As researchers suggested, a well structured planning framework for new product or service development is more likely to success than those not developed within a framework [1, 3, 4, 7]. Toward an integrative approach to design innovative services for residential video surveillance by taking account the satisfactory attributes and the customers experiences in using new services, we start off from Schmitt’s five strategic experiential modules of SENSE, FEEL, THINK, ACT, and RELATE [12] to identify the innovative services of residential video surveillance through panel discussion and interviews. Then we apply Kano’s paired functional and dysfunctional questions to capture customers’ response of the services with and without these requirements in order to construct the Kano questionnaire for the prototype test [9]. We also use the prototyping group to assess the new service requirements for our Kano questionnaire. After administering survey through online system, six hundred and sixty eight (668) samples from Taiwan are collected and thus data are analyzed. The result shows that seven out of fifteen theoretically developed service requirements are attractive attributes that fulfilling these requirements will lead to more than proportional satisfaction according to Kano’s model of customer satisfaction. The rest eight service requirements are one-dimensional attributes that the higher the level of fulfillment a firm can provide, the higher the customer satisfaction will reach. As confirmed by the result, we are confident to acknowledge the contribution of Schmitt’s strategic experiential modules (SEMs) in exploring innovative services in this highly competitive environment when most of ICT-enabled industry players provide homogeneous product and service qualities. In addition to the proposed model, this study also provides some impetus both for researchers and practitioners.

**Keyword:** ICT-enabled Service Design, Experiential Marketing, Kano’s Model of Customer Satisfaction, Residential Video Surveillance

**REFERENCES**


