



# Framing Services, Capabilities, and Well-Being

Adopting the Choice Framework  
in Transformative Service Research

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Faculty of Arts and Social Sciences

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Business Administration

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# **Framing Services, Capabilities, and Well-Being: Adopting the Choice Framework in Transformative Service Research**

## Abstract

This thesis explores how services shape human capabilities and well-being by integrating the Choice Framework (Kleine, 2013) into Transformative Service Research (TSR). While TSR promotes the capability approach as a means to assess how services influence well-being, it often lacks practical analytical tools. To address this gap, this thesis adopts and adapts the Choice Framework as a structured method for analyzing how services influence individual agency and structural conditions, ultimately enabling or constraining people's capabilities. Drawing on two empirical studies - one focusing on hedonic well-being in the digital transformation of the Swedish music market (hedonic well-being) and the other on eudaimonic well-being through free educational services for marginalized children in Pakistan (eudaimonic well-being) - this research demonstrates how service characteristics interact with contextual conditions to influence varying degrees of empowerment. The thesis employs a qualitative research design, using semi-structured interviews in both studies, complemented by ethnographic observations in the second. The findings contribute to both theory and practice by offering a capability-oriented analytical framework for TSR and providing nuanced insights into how service characteristics such as accessibility, affordability, flexibility, and mentorship influence well-being. In doing so, the thesis proposes a rigorous yet adaptable model for evaluating how services operate as mechanisms for transformative value, offering guidance for both scholars and practitioners in designing inclusive and empowering services.

**Keywords:** Transformative Service Research; Capability Approach; Choice Framework; Well-Being; Human Capabilities; Service Characteristics; Hedonic and Eudaimonic Well-Being; Empowerment; Digitalization; Music Services; Educational Services

## Foreword

This licentiate thesis represents a significant milestone in my academic journey and a deep engagement with questions about how services shape human well-being in diverse socio-cultural and economic contexts. The process of developing this work has been both intellectually challenging and personally transformative. I wish to extend my gratitude to Marie-Therese Christiansson who has provided invaluable support for which I am deeply grateful. I would extend my sincere gratitude to my supervisors, Per Skålen, Sana Rouis Skandrani and John Sören Pettersson. I am especially grateful to Sana Rouis Skandrani who supported me in the research topic and in guiding me reaching the final goal of this work. I wish to thank colleagues and fellow doctoral students at Karlstad University and The Service Research Center (CTF) for their invaluable support and constructive feedback throughout this process. I also wish to thank the Department of Informatics, especially Katarina Groth Jansson, for her generous support. I also extend my gratitude to Rikard Frejgrim. Special thanks also go to the research participants in both studies, especially the students and teachers at the Park School in Pakistan, who generously shared their time and experiences. Lastly, but definitely not least, I am grateful to my family, wife and friends for their support and great company. This work would not have been possible without the contribution and support of all mentioned.

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The Reality! What is the Reality? Ah, what will convey unto thee what the  
reality is! Qur'an 69:1-3

## 1. Introduction

In contemporary times, service interactions constitute a considerable part of people's daily lives. Within transformative service research (TSR), this understanding guides the notion that service interactions hold the opportunity and ability to affect people's conditions of well-being (Anderson et al., 2013). TSR is a movement within service research which emphasizes research studies to focus on "uplifting changes aimed at improving the lives of individuals, families, communities, society, and the ecosystem more broadly" (Anderson and Ostrom, 2015, p. 243). Although there are many ways in which services can affect well-being outcomes for people, TSR highlights two aspects: eudaimonic- and hedonic well-being (Anderson et al., 2013). Eudaimonic well-being is related to the realization of potential while hedonic well-being relates to pleasure, happiness and the avoidance of discomfort. Both represent well-being outcomes that services can influence, for example, happiness, satisfaction, stress, and fear in the case of hedonic well-being, and literacy, health, social inequality, and access to essential services in the case of eudaimonic well-being.

In understanding well-being, TSR advocates the capability approach as proposed by the economist Amartya Sen (1999). The capability approach is an approach which raises questions about availability of means to- and opportunities for well-being (Fisk et al., 2016). People's capabilities are understood as the effective freedoms or valuable opportunities by which they can choose different kinds of life that they value and want to live (Robeyns, 2003). The approach focuses on both micro- and macro-level factors that influence how valuable opportunities are made feasible or constrained for individuals. These include individual factors (e.g., physical and mental conditions), social factors (e.g., public policies, social norms, cultural practices, hierarchies, and power relations), and environmental factors (e.g., climate, infrastructure, and institutions) (Robeyns, 2003). In other words, the capability approach to TSR highlights how services can influence well-being by focusing on peoples' opportunities as a construct of their individual, social and environmental factors.

Despite the growing recognition of the capability approach in TSR, there remains limited guidance on how to apply it, particularly in understanding how services shape individuals' opportunities for well-being across various dimensions. Existing studies, while valuable, often lack a clear model or operational framework that can be adopted, highlighting gaps in analytical

guidance to assess how services influence people's capabilities, especially in relation to individual, social, and environmental factors.

In this thesis, I address this gap within TSR, which advocates for the capability approach but lacks a specific framework for its application. To bridge this gap, I introduce Kleine's (2013) Choice Framework as a structured means to adopt the capability approach as an analytical tool within TSR. The focus of this thesis is to show how Kleine's (2013) Choice Framework can serve as a model for applying the capability approach to TSR. In doing so, the purpose of the thesis is to demonstrate how the Choice Framework can be applied in different empirical contexts of hedonic and eudaimonic well-being. By demonstrating the Choice Framework, I aim to highlight how services impact well-being. To provide Kleine's (2013) Choice Framework as a model for applying the capability approach within TSR, my first research question is: RQ1: How can the Choice Framework be adopted within TSR and applied as an analytical tool to study the relation between human capabilities and well-being in diverse contexts?

However, to effectively answer this question, it is necessary to first establish the framework's empirical applicability. To do that, my second research question investigates how service interactions shape individual capabilities to achieve both eudaimonic and hedonic well-being. To deepen this analysis, I explore two distinct contexts - one emphasizing hedonic well-being of internet-based music services (Paper 1) and the other eudaimonic well-being of educational service (Paper 2) - allowing for a nuanced understanding of how service interactions contribute to different well-being perspectives. Furthermore, the contexts also present different services with different characteristics. By addressing the empirical question first (RQ2), I can critically assess whether and how the Choice Framework can be used within TSR, ultimately allowing me to answer the question of its adoption as an analytical tool (RQ1). To guide this inquiry, the following research question is posed: RQ2: How do services influence individual capabilities to achieve eudaimonic and hedonic well-being?

This thesis demonstrates how the Choice Framework can be applied across different empirical contexts of hedonic and eudaimonic well-being. In doing so, it contributes to TSR by offering a capability-oriented framework. This framework helps analyze and understand how services shape individual well-

being, not just as outcomes but as processes grounded in people's opportunities and circumstances.

To systematically explore these research questions, this thesis follows a structured approach, with each chapter building upon the theoretical and empirical foundations necessary to address the study's aims. This thesis is structured into eight interconnected chapters to provide a coherent narrative. Chapter 2 introduces the theoretical and conceptual framework, focusing on TSR, well-being, the capability approach and the Choice Framework by Kleine (2013). Given that TSR serves as the overarching framework, I first introduce its foundational principles before examining the capability approach and Kleine's (2013) Choice Framework. This is important for answering RQ1 as it will provide a ground for understanding the position of the Choice Framework within TSR. Chapter 3 outlines the methodological approach, including the research design, data collection, data analysis, while also addressing the trustworthiness and ethical considerations of the study. Chapter 4 presents the appended papers, each examining hedonic and eudaimonic well-being. Chapter 5 shifts to analysis, where I demonstrate the findings in more detail pertaining to the papers, their contribution to the RQs and TSR. This is important for answering both RQs, in particular RQ2 as it is informed directly by the empirical findings. Chapter 6 discusses the findings and their implications, including potential avenues for further exploration based on the results. Chapter 7 concludes the thesis by revisiting the research questions and summarizing the key contributions derived from the studies. Lastly, Chapter 8 presents the study's limitations and future research.

## **2. Theory**

This chapter introduces the theoretical frameworks that guide the analysis in this thesis. The chapter begins with overviewing TSR, which provides the overarching lens for understanding how services influence well-being. Following this, the capability approach is introduced to deepen the analysis of how services enable and constrain people's opportunities for well-being. Lastly, the Choice Framework is presented as an analytical tool for applying the capability approach within TSR.

### **2.1. Transformative Service Research**

In this section, I introduce Transformative Service Research (TSR) as the overarching framework for understanding how service interactions influence well-being. TSR is central to this thesis because it highlights the role of services in shaping both individual and collective well-being (Anderson et al., 2013). Given that this thesis explores how services influence well-being, TSR provides a foundation for examining both hedonic and eudaimonic well-being outcomes. By discussing TSR, this section lays the groundwork for understanding why well-being is a key focus in service research and how services contribute to well-being outcomes. This discussion is particularly relevant for RQ2, as it enables an analysis of how services shape individuals' capabilities to achieve well-being in different contexts.

TSR can be understood as a research stream within the service research domain (Rosenbaum, 2015), it can also be understood as a research priority or topic within service research (Rosenbaum, 2015). The focus of TSR is on the well-being of individuals and collectives, such as consumers, employees, communities, and societies (Anderson et al., 2013). Since services are understood to involve most human activity, it is also understood that they affect and influence many people's well-being (Anderson et al., 2012). Therefore, within service research and moreover TSR, service interactions have the opportunity and ability to improve or diminish well-being of the parties involved (Anderson et al., 2012). A core notion within TSR is transformative value, which is understood as the "uplifting changes and improvements in the well-being of both individuals and communities" (Ostrom et al., 2010, p. 9), where communities resemble collectives (Blocker & Barrios, 2015). Transformative value can come through various types of services, such as financial services addressing financial access and literacy, healthcare services considering the sociocultural context in delivering healthcare, and

social services taking in consideration opportunities and facilities for collectives through public policies (Anderson et al., 2013). Although transformative value is mostly referred to with a positive connotation such as “uplifting” changes and improvements, it can also be studied as affecting well-being negatively (Anderson et al., 2013).

The ways in which services can positively or negatively affect the well-being of people are many, and TSR highlights two aspects: eudaimonic- and hedonic well-being (Anderson et al., 2013). Hedonic well-being are the ways in which services can affect ideas of pleasure and happiness for people (Anderson et al., 2013). It is related to concepts such as satisfaction, joy, tension, fear, strain, and stress (Anderson et al., 2013). Within TSR, hedonic well-being can be referred to as subjective well-being, where the notion of a “good life” varies among individuals as people evaluate ideal states and comfort differently (Diener & Lucas, 1999). These evaluations relate to judgement of life satisfaction as well as of moods and emotions.

The other aspect of well-being which services can affect is eudaimonic well-being. This relates to the ways in which services can affect an individual’s potential such as access, literacy, decision making, health, social disparities, harmony, power, respect, and support (Anderson et al., 2013). Although eudaimonia is translated to happiness, it is distinct from hedonia, and refers to the feeling of well-being related to one’s true potential (Ryff, 1989). It is described as a sense of excellence and perfection towards which one strives, and in which one finds meaning and direction of life (Ryff, 1989). For instance, services which affect individuals in a way which increases their chances to reach meaningful stages of their lives can be said to affect eudaimonic well-being.

Although a distinction is made between hedonic and eudaimonic well-being, it is also recognized that these conceptualizations overlap (Ryan & Deci, 2001) since no discriminatory validation exists between the two (Disabato et al., 2016). In other words, no hard boundary exists through which one could separate the two concepts as different measures of happiness or well-being. For instance, an individual may find meaning in striving to reach his/hers potential to enjoy lively pleasures and self-desires. In such cases both hedonic and eudaimonic well-being can overlap. When a general distinction is made, it rests on the idea that eudaimonia (well-being related to potential and meaning) is often linked to challenges and effort, whereas hedonia (well-being

related to enjoyment and pleasure) is more commonly associated with relaxation and the avoidance of struggle (Ryan & Deci, 2001). However, it is not within the scope of this thesis to make an objective distinction between the two perspectives. Rather, the focus of the thesis is to understand how different types of services affect well-being in different ways, whether it is educational services for eudaimonic well-being, or spa services for hedonic well-being.

In order to understand how services affect people's well-being, it is important to consider that individuals can vary in how they experience well-being, both across different contexts and within the same context. Services, therefore, can have different effects depending on personal and contextual circumstances. In this regard, it is crucial to understand the varying degrees to which services influence individual opportunities for well-being, which are shaped by people's unique combination of individual, social, and environmental factors (MacLeod, 2014). This also brings us to the importance of the capability approach as advocated within TSR.

### **TSR and The Capability Approach**

People's freedom of choice is a central concept within the capability approach by which people's everyday lives and motives are accounted for. Hence, the focus is not strictly on whether a service increases well-being or not, but on how the service gives people the freedom to exercise a behavior towards increased well-being. With this comes important questions to consider with respect to service characteristics through which increased freedom is achieved. In addition, the contextual understanding of people's individual, social, and environmental factors which compromise their capabilities.

Among a few examples of studies which use the capability approach in TSR are Kirjavainen and Jalonen (2020). The authors used the capability approach to study the role of decreased social functionality (mental health, autism spectrum disorders, social anxieties) which prevented youths from participating in society (socioeconomical activities). The study noted that the youths' opportunities for participation was still limited despite having accessible public services or programs that helped them get jobs, education or other participatory activities. The study found that the public services worked towards fitting these individuals into activities which were orientated around everyday cultural and social norms, which these youths were unfit for. The reason being that the youths had a decreased social functioning as part of their individual factor. Hence, the authors shed light on how socially withdrawn

youths' desire to participate but are hindered as public services cannot cater or provide settings fit for their capabilities. Noting that socially withdrawn youths' opportunities to participate may still not be there despite having accessible public services. This points to the importance of the relational construct of individual, social and environmental factors, as part of individual capabilities. The authors also note that public services can make use of social media platforms such as forums which can provide important window of knowledge to the every-day life of socially withdrawn youths in order to improve their services. This comes as certain forums are often used by socially withdrawn youths as an alternative for social participation for sharing their personal views and challenges.

Also Bisht and Mishra (2016) studied cases of financial inclusion and how technology-enabled-financial-services can impact peoples' capabilities to literacy, attitudes and empowerment. The authors note that service design (structuring of service interactions or touchpoints) plays a key role in increasing these factors by ensuring a balance of organized setup and flexibility within the service interaction so that end-users' choices are not constrained. The study explains how most governmental financial services are increasingly used despite providing less flexibility. The authors note that mere utilization of services aiming at financial inclusion is not adequate as it does not necessarily support financial inclusion by making sure peoples' ability to use services (financial and technical literacy), attitudes (subjective well-being) and empowerment (exercising choices) are increased for change-orientated objectives. The study demonstrates that service flexibility for end-users may reduce economic and cognitive burden to support the above-mentioned factors. This also sheds light on that flexibility in services accounts for individual differences and motivations which play an important role in the capability approach in influencing people's well-being. The authors note that understanding the characteristics of a target population and their circumstances is critical for successful implementation of any financial inclusion initiative.

These studies demonstrate how the capability approach can be applied to understand people's opportunities to well-being as a construct of their individual-, social- and environmental factors. It also demonstrates how the capability approach provides a multidimensional analysis which is not necessarily limited to, resources and utility, in order to understand how services influence people's well-being. It provides an account of how resources

are important means to well-being and utility a valuable functioning, by first considering the diversity of human needs and personal and contextual circumstances as a construct of people's ability to convert those resources and goods into real opportunities and achievements (Robeyns, 2003). Considering people's personal and contextual circumstances as a construct of their ability also points toward the understanding about why some welfare services make an impact over others (Bisht & Mishra, 2016). Although there has been increasing calls within TSR to use the capability approach in well-being research (Anderson & Ostrom, 2015; Anderson et al., 2013; Field et al., 2021; Fisk et al., 2020), only a couple of research studies explicitly use this concept.

Additionally, there are no particular guidelines on how to analytically use the capability approach for TSR research. As a consequence, researchers are left with a plethora of frameworks to consider. It can also be difficult to understand how to apply it in various contexts. Against this backdrop, I propose a particular framework which is called the Choice Framework by Kleine (2013). This framework provides a comprehensive yet somewhat simple application in research analysis of various contexts to understand how services can influence capabilities through contextual structure and individual agency, ultimately affecting people's various dimensions of choices towards hedonic or/and eudaimonic well-being. The next section describes the capability approach, followed by the Choice Framework by Kleine (2013).

## **2.2. The Capability Approach**

This section introduces the capability approach, which provides a perspective to analyze how services influence people's opportunities for well-being. The capability approach, as explained by Amartya Sen (1999), views well-being through the freedom to achieve valued functionings. In other words, it emphasizes not only what people achieve but also the real opportunities they have to pursue well-being. This approach is particularly relevant for this thesis because it allows for an examination of how services shape individual agency and structure, ultimately influencing people's ability to achieve hedonic and eudaimonic well-being. By discussing the capability approach, this section establishes a theoretical foundation for integrating the Choice Framework into TSR. This discussion is crucial for RQ1, as it provides the basis for understanding how the Choice Framework can be used to apply the capability approach within TSR.

Using the capability approach within TSR entails examining how services enable or hinder individuals in doing or being what they have reason to value. In this respect, the capability approach differs from other well-being frameworks, such as resource-based or utilitarian perspectives (Burchardt & Hicks, 2016). Although it shares with the resource-based view an interest in the distribution of resources, the capability approach highlights that people have different needs and contexts, and thus may require different resources to achieve similar well-being outcomes. Resources are only one aspect: individuals may also encounter barriers rooted in social or environmental conditions, such as discrimination or inadequate infrastructure. In contrast, a utilitarian perspective equates well-being with happiness or utility, which, from a capability perspective, is problematic due to the issue of adaptive preferences. As Sen (1987) argues, individuals in deprived circumstances may report high levels of satisfaction simply because they have adapted their expectations. In other words, “a person who is ill-fed, under-nourished and under-sheltered and ill can still be high up the scale of happiness or desire-fulfilment if he or she has learned to have ‘realistic’ desires and to take pleasure in small mercies” (Sen, 1987, p. 14). Consequently, relying solely on subjective well-being may obscure structural inequalities, since a disadvantaged individual might derive utility from minimal inputs, whereas a more privileged person may expect much more to feel the same effect (Robeyns, 2003). Although subjective well-being is a valuable functioning, it does not solely give a comprehensive account of the advantages and disadvantages people live with and how services might influence such circumstances. Here, the strength of the capability approach lies in its multidimensional perspective on opportunities for well-being, shaped by individual, social, and environmental factors (Fisk et al., 2020).

Building on this, the capability approach is not a theory of well-being but rather a framework for assessing it. It centers on the freedom to achieve well-being, understood as the ability to do and be the things one has reason to value. The notion of freedom implies that people have a choice - a choice to pursue one functioning over another in line with their preferences. Capabilities can be thought of as the set of functionings that an individual has the potential to achieve (Sen, 1987). For example, one might have the capability to get an education, be well nourished, or engage in leisure activities of choice. A functioning is an achievement, while a capability represents the freedom or ability to achieve it.

This ability to achieve depends on what are called conversion factors (Robeyns, 2003). These include: (1) personal factors such as physical and mental conditions; (2) social factors like policies, norms, power relations, or discrimination; and (3) environmental factors, such as climate, infrastructure, and institutional support. These factors together shape the bundle of capabilities that determine a person's effective freedom to pursue well-being. For instance, someone with high individual capabilities may still face barriers if social or environmental conditions are limiting - and vice versa.

Goods and services also play a crucial role in shaping individual capabilities. Services have characteristics that matter to people because they enable specific functionings. For example, an educational service enables learning; a transport service enables mobility, which in turn may support further functionings like employment. However, access to and benefit from these services still depends on conversion factors. For instance, a person with a physical impairment may be unable to board a bus, or someone lacking information may not apply for an educational program - both reflecting personal conversion barriers. On a social factor level, individuals from marginalized ethnic or linguistic groups may face discrimination or exclusion that limits their access to certain services, such as healthcare or education. Environmentally, poor infrastructure or extreme weather conditions - such as inadequate roads or frequent snowstorms - can significantly limit mobility or access to digital services.

By evaluating these conversion factors, we can determine whether individuals can function in their preferred ways. Their observed functionings then reflect the capabilities they actually have. Furthermore, when services influence people's capabilities for well-being, they do so by shaping these conversion factors. Different services possess distinct characteristics that can expand (or restrict) capabilities, enabling people to pursue both hedonic and eudaimonic aspects of well-being.

### **2.3. The Choice Framework**

To operationalize the capability approach within TSR, this thesis adopts Kleine's (2013) Choice Framework, which offers a way to analyze how agency and structure interact to shape people's capabilities and well-being. While the capability approach, as proposed by Amartya Sen (1999), provides a robust theoretical foundation for understanding human well-being and development, its operationalization can be challenging due to its broad and abstract nature.

Sen's framework focuses on individual freedoms and opportunities, but translating these concepts into practical research or policy applications requires a more concrete and systematic approach. The Choice Framework addresses this challenge by providing an analytical tool that links individual resources, structural conditions, and well-being outcomes. This section discusses how the framework captures human capabilities, making it particularly relevant for analyzing how services enable or restrict well-being. Introducing the Choice Framework is essential for RQ1, as it establishes how the framework can be integrated into TSR as an analytical tool. Furthermore, it contributes to answering RQ2 by guiding the empirical analysis of how services affect individual capabilities to achieve hedonic and eudaimonic well-being.

Kleine (2013) offers a valuable framework by framing the conversion factors that affect capabilities (individual, social, environmental), into agency and structure. Agency, in this context, is shaped by an individual's resource portfolio, while structure refers to the broader social, economic, and institutional contexts that influence available opportunities. Both agency and structure ultimately affect capabilities, which can be understood through the lens of degrees of empowerment (see Figure 1 for illustration). When changes in agency or structure occurs, we can assess capabilities by the degrees of empowerment, such as, do people experience an 'existence of choice' (are options available within existing resources and structures?), 'sense of choice' (does the individual perceive they have options?), 'use of choice' (does the individual take action to make a choice?), and 'achievement of choice' (does the outcome align with their choice?). Services can affect agency and structure in different ways which can alter people's capabilities to different degrees of empowerment. Hence, Kleine's framework provides a rather tangible approach to examining how services affect human capabilities and well-being, by offering a pathway to understanding the dynamics of empowerment and choice within service contexts.

The Choice Framework, provides a way to understand how individuals navigate their resources, social structures, and aspirations to achieve their goals. At its core, it focuses on expanding individual capabilities - the things people value doing or being - as a key objective of development. Below, I present the main components of the Choice Framework in more detail: outcomes, dimensions of choice, agency, and structure.

## **Outcomes**

Amartya Sen (1999) describes freedom as both the ultimate goal and the main tool of development. Similarly, the Choice Framework views the ability to make choices as the primary outcome of development. In Figure 1, the outcomes are on the far right of the table (development outcomes). The primary outcome as described in the capability approach (see section 2.2) is to understand whether an individual has a choice, a freedom to choose. The secondary outcomes are what individual people actually choose, for example easier communication, increased knowledge, increased income. Hence, the first assessment is whether individuals have a choice while the second is to assess what they choose. The secondary outcomes depend on what individuals value, given the choices - or the freedom - they have. When an individual has chosen something and acted upon it, we can say that they have achieved it, i.e., achieved functioning (the vertical text farthest right in Figure 1). In this framework, achieved functionings - the real-life results of individual choices - are used to measure capabilities. Although capabilities are difficult to measure directly, we can gain insight by engaging individuals in conversations about what they value, whether they are able to achieve their valued outcomes, and analyzing the underlying reasons for their success or lack thereof. Sometimes achieved functioning or outcomes can create an effect which again influences structure or individual agency (the grey arrows pointing from development outcomes to structure and agency). For instance, when an individual has the opportunity to get an education (primary outcome), and chooses it (secondary outcome), they may gain increased knowledge. This increase in knowledge may affect their agency by increasing educational resource or informational resources (also described in the grey box at the mid-bottom of Figure 1, representing the resource portfolio of agency). In turn, this enhanced agency can improve their capabilities, for example, their ability to make informed decisions or access better job opportunities. As their capabilities grow, they may experience more freedom to act within existing social structures, or even contribute to reshaping those structures, such as advocating for policy changes or supporting others in accessing education.

The following section discusses degrees of empowerment as dimensions of choice.

## **Dimensions of Choice**

Structure and agency shape individual capabilities, which can be translated into different degrees of empowerment, represented by distinct dimensions of

choice (illustrated in the middle part of Figure 1). These dimensions help explain the varying degrees of empowerment individuals may experience.

First, the existence of choice refers to whether different possibilities are available and attainable for individuals, based on their resource portfolios and structural conditions. Second, the sense of choice concerns whether individuals are aware of the opportunities available to them and feel capable of pursuing them. For example, exposure to new technologies often influences this sense through both technical skills and prevailing discourse about their use. Third, the use of choice addresses whether individuals actively make decisions based on the opportunities they have. Finally, the achievement of choice considers whether the outcomes align with the choices individuals intended to make.

As mentioned above, degrees of empowerment reflect individual capabilities, which emerge from the interaction between agency and structure. The dimensions of choice highlight the complexity of empowerment by showing that analysis can extend beyond simply identifying whether options exist - to also include whether individuals recognize them, feel able to act on them, and succeed in doing so. The next sections will examine agency and structure in more detail.

### **Agency**

Agency (bottom-left in Figure 1) refers to the ability of individuals to act and make choices within their social context. This ability is supported by a diverse portfolio of resources, including, but not limited to, material resources, such as physical assets like tools or equipment; financial resources, such as money and access to credit or savings; natural resources, for example environmental factors like water, land, and climate; geographical resources, including location and its features, as well as emotional connections to a place; human resources, comprising health, education, and skills that enable individuals to act; psychological resources, referring to traits like resilience, confidence, and creativity; informational resources, such as access to knowledge and information; time resources, relating to control over one's time, which affects the ability to use other resources; cultural resources, including knowledge, traditions, and values linked to specific cultural or social groups; and social resources, such as networks and relationships that provide support and opportunities.

These resources are interconnected and mutually reinforcing. For example, education (a human resource) can improve access to better jobs (a material resource) and expand social networks (a social resource). Development practitioners can use this concept to assess which resources individuals need and to identify areas where support is necessary to strengthen agency. To do so effectively, however, they must also consider the broader structures that shape whether and how individuals can access and utilize these resources. As such, structure and agency influence one another. The next section discusses structure and its interplay with agency.

### **Structure**

Structure (top-right in Figure 1) refers to the formal and informal rules, norms, discourses, and systems that shape what individuals can do. Examples include laws, policies, institutions, customs, and dominant cultural narratives, all of which influence behavior and access to opportunities. Structures do not operate in isolation, rather they involve discourses which shape how policies are conceived and which ideas become socially accepted or contested. For example, dominant discourses can define how people think, limiting or enabling different forms of action.

Technologies and innovations are also key components of structure. Technological shifts, such as the rise of smartphones, can expand what people can do, such as enabling new forms of social interaction or access to information. However, using these technologies requires skills (educational or informational resources), availability (systemic availability as part of structure), and affordability (financial resources), which are themselves unevenly distributed among individuals in- and within different contexts.

Structural factors often interact with individual resource portfolios. For example, a person with educational or informational resources may be better positioned to use and benefit from new technologies or navigate social landscapes. On the other hand, structural norms around gender, class, or disability may limit individuals' ability to use their resources effectively. This highlights the ongoing and two-way relationship between agency and structure. While individuals draw on their resources to act within structures, their actions can also challenge, reproduce, or change the very same structures.

Development interventions often entail structural change, either through policy, institutional reform, or technology. Such changes may alter individuals' resources, potentially increasing access for some while creating new exclusions for others. From a capabilities perspective, it becomes crucial to ask whether these changes expand people's agency, and if so, for whom. Structural change is not inherently positive, its impact depends on how it redistributes opportunities and who benefit.

Although structures are created by people, some are more resistant to change than others. Long-standing informal norms, such as those governing labor divisions across gender, class, or caste, may persist for generations, whereas new technologies often evolve rapidly but remain difficult to regulate. In contrast, institutions, policies, and programs are more manageable to change through democratic and participatory processes. From a capabilities perspective, it is critical that such processes are inclusive and grounded in people's own values and aspirations, focusing on the lives they have reason to value.

The Choice Framework is intended to be used for analyzing how individuals make choices and achieve outcomes in the context of their resources and structural environments. By focusing on outcomes, dimensions of choice, agency, and structure, this framework helps to analyze the pathways for well-being and can contribute to a deeper understanding of how capabilities can be understood in TSR. Overall, Kleine's framework presents a model for development that expands personal freedom by ensuring individuals have options, are aware of them, can act on them, and ultimately achieve valued outcomes. The framework offers a comprehensive yet accessible lens within TSR for examining how services influence capabilities through the interplay of agency and structure. Together, these two elements constitute capabilities, which are expressed through varying degrees of empowerment. Empowerment, in turn, encompasses the existence, sense, use, and achievement of choice - the latter understood as outcomes that reflect achieved functionings and ultimately contribute to either hedonic or eudaimonic well-being.

In the next chapter, I present the methodology, followed by a summary of the studies, analysis, discussion, and finally, the conclusion and limitations of this thesis.

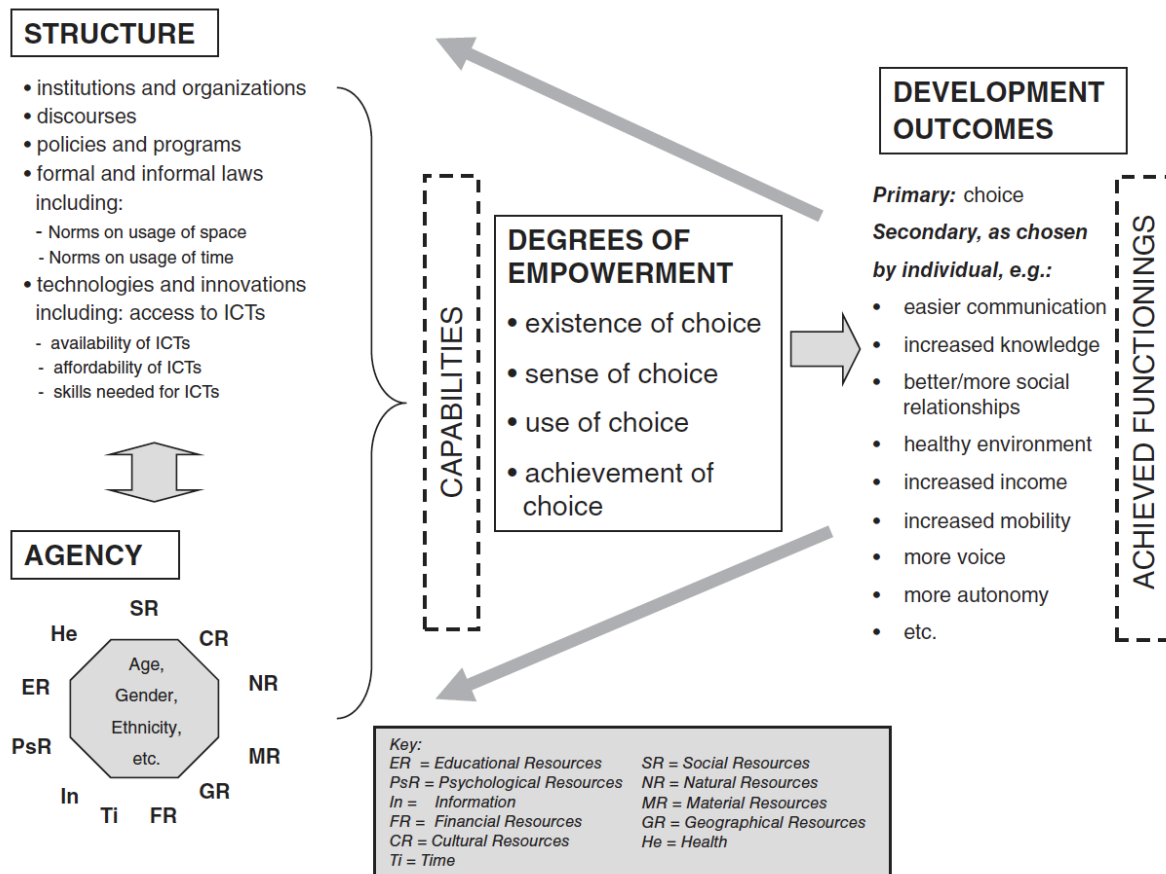


Figure 1. *The Choice Framework*. From *Technologies of Choice?: ICTs, Development, and the Capabilities Approach* (p. 44), by D. Kleine, 2013, MIT Press. Used with permission.

### **3. Methodology**

This chapter outlines the research methodology employed to address the research questions posed in this thesis. Given the exploratory nature of the research questions and the focus on understanding how services influence individual capabilities within specific socio-economic and cultural settings, a qualitative approach was chosen. The aim of this thesis is to examine how contextual conditions, resource configurations, and services shape the opportunities available to people. The capability approach requires attention to how real-world constraints and enablers affect individual freedom to pursue valued outcomes, an inquiry best addressed through in-depth, context-sensitive investigation (Robeyns, 2005; Sen, 1999). As such, qualitative methods were chosen for this study as they are well-suited for capturing such complexity, offering flexibility to account for multiple data sources and distinct characteristics across different empirical settings (Creswell & Poth, 2018; Merriam & Tisdell, 2016; Yin, 2018). This makes qualitative research a fitting choice for analyzing how services support or limit well-being in both hedonic and eudaimonic domains. The following sections outline the research design, data collection methods, data analysis, and ethical considerations. The methodological approach is grounded in qualitative research principles and focuses on two empirical studies; the appended papers. Both studies contribute to the broader understanding of how services influence human capabilities within varying socio-economic and cultural contexts.

#### **3.1. Research Design**

The research adopts a qualitative case study approach, as it is well-suited to exploring complex social phenomena in real-life contexts (Yin, 2018). A case study is an empirical method that investigates a phenomenon within a specific setting (Yin, 2018). This methodology allows for an in-depth investigation of service interactions and their influence on human capabilities in specific settings. In line with case study principles, this research uses multiple sources of data, including interviews, observations, and participatory involvement, to develop a rich, contextual understanding of each case. The first study is of a hedonic setting and focuses on the impact of digitalization on value creation within the Swedish music market, analyzing how internet-based music services shape opportunities, constraints, and interactions in a rapidly evolving industry. The second study is of a eudaimonic setting and focuses on the role of informal educational services in fostering empowerment among street children in urban Pakistan, analyzing how such services shape access to

opportunities, constraints, and social interactions in a marginalized and resource-constrained environment. The educational service in question was informal, providing tuition in an open public park, often referred to as the “Park School” for street children and children from poorer households. By examining two contrasting cases, this study explores how services impact both hedonic and eudaimonic well-being. Allowing for a broader theoretical understanding of how services enable or constrain individual opportunities for well-being across different contexts.

### **3.2. Data Collection Methods**

To ensure a comprehensive understanding of the studied phenomena, this research employed multiple qualitative data collection methods, including semi-structured interviews, participatory involvement, and ethnographic observations. Different methods were used in the two case studies to capture diverse perspectives and contextual nuances (Denzin & Lincoln, 2018).

#### **3.2.1. Semi-Structured Interviews**

Semi-structured interviews were conducted in both case studies to explore participants' experiences, perspectives, and interpretations in relation to service interactions and their impact on capabilities and well-being (Kvale & Brinkmann, 2015). Semi-structured interviews are a qualitative research method that follows a flexible interview guide with predefined topics but allows for open-ended discussions and the exploration of emerging themes (Bryman, 2016). Unlike structured interviews, which have fixed questions and limited variation in responses, semi-structured interviews enable interviewers to adapt follow-up questions based on participants' answers, allowing for deeper insights into individual experiences (Galletta, 2013). This approach was particularly useful in this research, as it enabled a context-sensitive exploration of service interactions, capturing both common patterns and unique experiences within each case study.

In Case Study 1, 52 interviews were conducted with key stakeholders, including producers, distributors, consumers, and other industry actors, spanning over three years (2016-2019). Co-authors were responsible for interviews and data collection, while I was responsible of the analysis and writing of paper with supervision from co-authors. In Case Study 2, nine interviews were conducted with teachers, students, and student-teachers engaged in a free tuition program. I was responsible data collection, analysis

and writing of the paper, supervision was provided by co-author for writing the paper.

Interviews were guided by an interview protocol with open-ended questions designed to explore specific themes relevant to each case (Patton, 2015). Initial questions were developed pertaining to the conceptual framework and well-being. For example, in Case Study 1, questions focused on how digitalization has influenced value creation and determination, such as: "How has the music market changed during the time you have worked in it?" In Case Study 2, interviews covered topics such as access to education, its impact, and the socio-economic changes that resulted from it, with questions like: "How has the free tuition program influenced your daily life and opportunities?"

Interviews in Case Study 1 lasted between 50 and 90 minutes, while those in Case Study 2 ranged from 7 to 55 minutes. This wide variance of interview duration in case study 2 was due to the dynamic environment of a park where people come and go and interruptions constantly occur. Also, some interviews were conducted with children in primary school who were not that outspoken and shy, hence interviews were not held longer in order to accommodate for personal comfort. All interviews were audio-recorded with participants' consent and later transcribed for analysis (Silverman, 2014).

In Case Study 1, theoretical sampling (Glaser & Strauss, 2017) was employed to ensure diverse representation. Theoretical sampling is a method used in qualitative research where data collection is guided by emerging insights rather than predetermined criteria. Instead of selecting participants at the outset, researchers continuously analyze data and adjust sampling decisions to develop and refine theoretical constructs (Charmaz, 2014). Initial participants were selected based on their central roles in the music industry, and snowball sampling was later used to identify additional respondents with relevant expertise (Noy, 2008).

In Case Study 2, snowball sampling (Noy, 2008) was also employed to reach relevant participants involved in the Park School. The sampling process began by contacting the main teacher in the Park School, who then introduced me to other teachers, students, and student-teachers. Snowball sampling was particularly useful in this context, as it allowed access to participants who might have otherwise been difficult to reach, especially in a closed context of an educational setting.

When conducting semi-structured interviews, it is essential to maintain flexibility, allowing participants to elaborate on responses while ensuring the discussion remains focused on key themes (Brinkmann, 2018). Additionally, interviewer bias must be minimized by adopting a neutral stance and avoiding leading questions (Fontana & Frey, 2005). Power dynamics can also shape responses, particularly in Case Study 2, where interviews involved vulnerable groups such as street children. In such contexts, building trust and creating a safe conversational space was crucial to obtaining honest and meaningful insights (Liamputtong, 2007).

### **3.2.2. Ethnographic Observations**

Ethnographic observations were conducted in Case Study 2 to gain an in-depth understanding of educational service interactions for street children in urban Pakistan. This method was essential in capturing both explicit and implicit aspects of learning environments, including teaching practices, student engagement, and social dynamics within the informal tuition program (Hammersley & Atkinson, 2019). Observations were conducted both within the formal setting where teachers and students sat in a structured manner, and in informal spaces, where students sometimes roamed around. This provided insights into how services and contextual constraints shaped learning experiences. In addition to traditional observations, participatory involvement was also employed, wherein the researcher actively engaged as a teacher for three days (Spradley, 1980). By combining direct participation with structured observations, the study benefited from both insider insights and external analytical perspectives (Jorgensen, 1989).

Observational research varies in the level of researcher involvement, from complete participant, participant-as-observer, observer-as-participant, to complete observer (Gold, 1958). This study utilized three distinct observational roles; participant-as-observer, observer-as-participant, and complete observer, each providing unique analytical insights. The complete participant role involves the researcher fully immersing themselves in the group, often without revealing their identity as a researcher, which provides an insider's perspective but may also introduce bias due to the researcher's deep involvement. This method requires the researcher to maintain a disguise, balancing their true identity with the role they are playing. In my case, the teachers and students were aware of my identity as a researcher, hence I had a participant-as-observer involvement. The participant-as-observer role

involves that the informants are aware of the researcher's role (Gold, 1958). This mutual recognition helps reduce issues related to role disguise. This method is typically used in community studies as the role allows for a blend of observation and participation. In the participant-as-observer role, the researcher actively participates in group activities while maintaining awareness of their research identity, offering a balance between immersion and observation, with the group members aware of the researcher's role. This role allowed me to gain an insider's perspective because I was treated as a teacher by the students. Through such treatment I was able to gain insight into the dynamics of student-teacher relations. This also highlighted the fact that the students were accustomed to having volunteers, such as civilians, come to teach in the Park School. Some challenges rose as I could not directly take notes of my observations while teaching. Hence, a flexible approach was adopted where I had to write keywords and sometimes memorize them, and then elaborate on them after my day at the Park School. This was also as part of my routine where I used to recall and write down most of my observations during the evenings.

The observer-as-participant role, by contrast, sees the researcher taking a more passive stance, participating only minimally and with limited interaction (Gold, 1958). This allows for a more detached observation but reduces insight into the group's internal dynamics. In this method, the researcher conducts formal observation and interacts with informants in a more structured manner, often through one-time interviews. In my study, when I was interviewing teachers and students, I was also able to observe their behavior when speaking on certain topics as well as when others interacted or interrupted me and my interviewees. This was the dynamic setting of the Park School, where there is a constant flux of things happening. Lastly, the complete observer role involves the researcher observing the group without engaging in any interaction, providing a purely external view of the group's behavior but offering limited understanding of its underlying motivations (Gold, 1958). The complete observer role is characterized by the researcher's total detachment from the group being studied. The researcher observes without interacting, allowing them to collect data without influencing the participants' behavior. On my days when I was interviewing or waiting for someone for an interview, I often observed the Park School and its formal and informal structures, the relations and attitudes of the teachers and students, and the overall setting in the broader area. This was also when I spent the most writing down my field notes.

On the first day, after being introduced by the main teacher, I was assigned a chair at the back of the class for observation. Initially, students appeared hesitant and avoided direct eye contact, indicating shyness and unfamiliarity with outsiders. However, as I initiated casual conversations and tutoring sessions, the students gradually became more comfortable and engaged in discussions about their studies and personal interests. Although the teaching was mainly structured around school curriculum, the tutoring followed an ad-hoc approach, with students revising multiplication tables and arithmetic exercises at varying difficulty levels. This highlighted a key service characteristic, flexibility/personalization, where learning was tailored to individual progress rather than a fixed syllabus. This insight also informed RQ2 (How do services influence individual capabilities to achieve eudaimonic and hedonic well-being?).

On the next days, I was assigned a fixed tutoring spot, and students proactively came to me and started interacting. I felt that they had started becoming more comfortable with me. A group of third-grade students consistently approached me for math exercises. I noticed that there was an enthusiasm for mathematical problem-solving but significant struggles with English literacy. Observations showed that students could barely read their third-grade English textbooks, underscoring educational gaps in the program. Furthermore, I also noticed that the ratio of one teacher per ten students resulted in the students having to wait considerably before getting feedback and further instructions after finishing exercises. This also resulted in that students got unfocused and started interacting and bothering other students.

Beyond classroom interactions, broader social and contextual factors were observed. The physical environment posed significant challenges, as the tuition center operated without walls or roofs, making students vulnerable to extreme weather conditions. Teachers expressed concerns about seasonal difficulties, as students struggled during hot summers and cold winters without proper facilities. These insights also informed RQ1 by emphasizing the importance of resources in their personal, social, and environmental aspect (How can the Choice Framework be adopted within TSR and applied as an analytical lens to study the relationship between human capabilities and well-being in diverse contexts?). In the next section I will discuss the data analysis.

### **3.3. Data Analysis**

In this section, I will describe how the data was analyzed using thematic analysis from the perspective of the Choice Framework (Kleine, 2013), and the different approaches used. Paper 1 was originally analyzed and designed in relation to the Service-Dominant Logic (SDL) framework, as described in Paper 1 (see also 4.1). This section will cover how Paper 1 was re-analyzed using the Choice Framework. The data for Paper 2 was originally analyzed using thematic analysis from the perspective of the Choice Framework using thematic analysis (Kleine, 2013).

This section describes the overall analytical approach, including the reinterpretation of Paper 1 and the original analysis of Paper 2, using the Choice Framework. The goal is to investigate how the Choice Framework can serve the purpose of understandings capabilities within TSR. With this goal in mind, the two papers demonstrate how the Choice Framework can be used to analyze how services affect well-being. The papers and the studies presented offer two different contexts of well-being contexts. The first paper presents a hedonic well-being context and the second paper presents a eudaimonic well-being context.

The data was analyzed using a hybrid thematic analysis approach, which integrates both deductive and inductive coding processes (Boyatzis, 1998; Braun & Clarke, 2006; Xu & Zammit, 2020). A hybrid thematic analysis allows for selecting data that aligns with predefined categories (deductive) or deviates from them, where the latter allows the emergence of new concepts from the data (inductive) (Elo & Kyngäs, 2008). This approach allows for a structured yet flexible engagement with the data, facilitating an iterative movement between theoretical constructs and empirical insights.

The analysis followed Braun and Clarke's (2006) six-phase framework – (1) Familiarization with the data, (2) Generating initial codes, (3) Searching for themes, (4) Reviewing themes, (5) Defining and naming themes, and (6) Producing the report - while incorporating the adaptability of hybrid coding (Xu & Zammit, 2020). For a detailed breakdown of the six phases, see Table 1 in Braun and Clarke (2006, p. 87).

The deductive component was guided by Kleine's Choice Framework (2013), which provided a theoretical lens for examining how capabilities were shaped by structure or agency, ultimately influencing varying degrees of

empowerment and well-being. The deductive component also contributed to insights for answering RQ1 (How can the Choice Framework be adopted within TSR and applied as an analytical tool to study the relation between human capabilities and well-being in diverse contexts?). In parallel, an inductive approach was employed to capture themes emerging directly from the data, particularly regarding how service characteristics functioned as mechanisms shaping capabilities through influencing agency and structure. The inductive component of this thematic analysis contributed to insights for answering RQ2 (How do services influence individual capabilities to achieve eudaimonic and hedonic well-being?). This hybrid strategy enabled a comprehensive understanding of the interplay between predefined theoretical dimensions and emergent empirical patterns, ensuring both theoretical rigor and openness to unexpected findings within the data.

The process followed Braun & Clarke's (2006) six phases, and used a hybrid approach of deductive and inductive coding and theme development (Boyatzis, 1998; Xu & Zammit, 2020). The analysis was a combination of both theory-based and data-driven codes, which were adopted to support coding and the generation of themes from the interviews and ethnographic observations.

**Familiarization with the Data:** The analysis began with an in-depth review of interview transcripts, field notes, and ethnographic observations. This stage involved multiple readings to identify patterns in how individuals experienced service interactions. Initial observations revealed structural influences on capabilities, such as regulatory constraints and institutional support, alongside agency factors like personal resource portfolios. Early reflections also highlighted emerging themes related to service characteristics, such as digital accessibility, mentorship, and flexibility, setting the foundation for the deductive and inductive coding process.

**Generating Initial Codes:** In the first coding phase, a deductive approach was applied, using Kleine's Choice Framework (2013) to structure the analysis. Codes were generated based on the framework's key dimensions (agency, structure, and degrees of empowerment), capturing how individuals navigated their service environments. Structural codes included factors such as infrastructure, discourse, and organizational support, while agency-focused codes examined financial, human, social, and psychological resources. After this structured coding phase, inductive coding was introduced to identify

additional mechanisms influencing capabilities beyond the predefined theoretical constructs.

**Searching for Themes:** Following initial coding, themes were developed by grouping related codes into broader categories. Deductively, themes reflected the ways in which agency and structure interacted to shape individuals' capabilities, illustrating the varying degrees of empowerment (existence, sense, use, and achievement of choice). Inductively, themes emerged around specific service characteristics that played a role in facilitating or constraining well-being. For instance, in the internet-based music service case, themes of immediacy and cost efficiency were identified, while in the educational case, mentorship and flexible access emerged as critical themes.

**Reviewing Themes:** The identified themes were systematically reviewed and refined by reassessing their coherence within the full dataset. This phase ensured that each theme was clearly defined and meaningfully linked to the research questions. Deductive themes were examined to verify their alignment with the Choice Framework, reinforcing their role in explaining empowerment mechanisms. Simultaneously, inductive themes were validated to ensure they accurately captured the ways in which service characteristics influenced capabilities. At this stage, themes that lacked sufficient empirical support were reconsidered or merged with existing categories to strengthen analytical clarity.

**Defining and Naming Themes:** The finalized themes were explicitly connected to the research questions and analytical framework. Deductive themes were defined in relation to the structural and agential factors influencing empowerment, demonstrating how the Choice Framework functions as an analytical tool within TSR (RQ1). Inductive themes were named to capture the specific service aspects shaping well-being, illustrating how service characteristics influenced individual capabilities (RQ2). This phase involved refining the thematic map to ensure a clear conceptual distinction between deductively derived structural-agency interactions and inductively emerging service-driven influences.

**Producing the Report:** The final phase involved structuring the findings into a cohesive narrative, integrating both deductive and inductive insights. The analysis demonstrated how service interactions influenced individual capabilities by linking structural conditions and agency to varying degrees of

empowerment. Additionally, the inductive findings provided a nuanced understanding of how service characteristics contributed to well-being outcomes. By synthesizing these insights, the study highlighted the applicability of the Choice Framework within TSR while also uncovering new empirical patterns regarding service-driven capability expansion.

By systematically applying Braun and Clarke's (2006) six-phase framework within a hybrid thematic analysis, this study provided an analytical approach to understanding how services influence human capabilities. The deductive phase established a theoretical foundation by mapping structural and agential influences on empowerment, while the inductive phase uncovered the ways in which specific service characteristics contributed to capability expansion. Together, these analytical layers ensured a rigorous examination of how service characteristics impact well-being, reinforcing the applicability of the Choice Framework within TSR.

### **3.4. Trustworthiness**

Ensuring the trustworthiness of this research was a priority throughout the design and execution phases. Trustworthiness was established using Lincoln and Guba's (1985) criteria: credibility, transferability, dependability, and confirmability.

**Credibility:** Triangulation was employed by combining semi-structured interviews, participatory involvement, and ethnographic observations (Denzin, 2017). This multifaceted approach ensured a comprehensive understanding of the phenomena under study by cross-verifying findings from multiple data sources. Additionally, member checks were conducted by sharing interview transcripts with co-authors for validation (Creswell & Poth, 2018).

**Transferability:** Detailed descriptions of the research context, including cultural, social, and institutional settings, were provided. By offering descriptions of the participants and their environments, readers are enabled to assess whether the findings could be relevant to similar settings or populations (Merriam & Tisdell, 2016). Furthermore, the rationale behind the selection of case studies was carefully explained to enhance the transferability of the research.

**Dependability:** A systematic approach to data collection and analysis was maintained throughout the research process. Detailed documentation of each step, including interview protocols, observation notes, and analysis procedures, was kept to allow for replication (Shenton, 2004). Periodic peer debriefing sessions were also conducted to ensure consistency and address any methodological concerns.

**Confirmability:** Multiple drafts of the analysis were saved to create an audit trail that demonstrates how conclusions were drawn (Lincoln & Guba, 1985). This practice ensured transparency and reduced the risk of researcher bias influencing the findings.

By adhering to these principles, the data analysis aimed to produce robust and trustworthy findings that contribute meaningfully to the understanding of how services influence human capabilities in varying socio-economic and cultural contexts.

### **3.5. Ethical Considerations**

Both studies adhered to rigorous ethical standards to ensure the integrity of the research and the well-being of participants. Key measures included informed consent, where participants were fully informed about the purpose and scope of the research. In some cases where it was possible, written consent was collected. For children, written consent from their guardians such as teachers were collected. Confidentiality and anonymity were ensured where personal identifiers were removed from transcripts and findings to protect participants' identities (Orb, Eisenhauer, & Wynaden, 2001). Ethical approval followed an approach where the research protocols were reviewed and approved by the ethics review board at Karlstad University, ensuring compliance with institutional guidelines.

This methodological approach integrated qualitative research principles with a theoretical framework to explore the impact of services on human capabilities. The combination of case studies, diverse data collection methods and analysis provided a comprehensive basis for addressing the research questions and contributing to the broader field of TSR.

## **4. Description and Reinterpretation of the Papers and Studies**

This section presents the appended papers/empirical studies which contribute to answering both RQs. The two papers contribute to answering RQ1 by showcasing the flexibility and relevance of Kleine's (2013) framework within the well-being contexts of TSR. The first paper, which focuses on hedonic well-being, is re-analyzed using Kleine's framework to illustrate its applicability to the RQs of the thesis, as mentioned in Section 4.2 (Reinterpretation of Paper 1). The second paper, originally written with Kleine's framework in a eudaimonic well-being context, further supports the framework's utility. As such, these two studies provide two different contexts of well-being within TSR. Furthermore, and with the goal to answer RQ2, these papers provide valuable insights into how different service characteristics can be analyzed to understand their impact on people's capabilities, offering a comprehensive approach to well-being analysis in different empirical contexts.

### **4.1. Paper 1: How Has Digitalisation Influenced Value in the Music Market?**

**Purpose:** This paper explores how digitalization has reshaped value determination and value co-creation in the Swedish music market. The study aims to address a significant research gap within the music industry context by applying Service-Dominant Logic (described in detail in the paper) to examine how digital technologies have altered the interactions, roles, and resource integration processes of various market actors, including consumers, producers, and distributors. Through the lens of SDL and the service ecosystem perspective, the research investigates how digitalization has influenced the contextual and collaborative nature of value processes.

**Methodology:** The study employs a qualitative research design, incorporating 52 semi-structured interviews conducted over three years (2016–2019). Participants were carefully selected to represent a diverse cross-section of the Swedish music market, including consumers, record company executives, music publishers, live organizers, and interest organization representatives. Convenience and snowball sampling methods were used to ensure access to key actors. Data collection was iterative, allowing for emergent themes to inform subsequent interviews and analysis. Using a coding process grounded in SDL and service ecosystem theory, the study identified key themes related to digitalization's impact on value determination and creation.

**Context:** The Swedish music market provides an ideal context for exploring digitalization's effects due to its early and widespread adoption of digital technologies. The country's strong broadband infrastructure, consumer readiness, and regulatory environment have contributed to its unique position in the global music industry. Key developments such as the rise of The Pirate Bay and the subsequent emergence of Spotify illustrate the significant transitions in music production, distribution, and consumption. These shifts offer valuable insights into how digitalization can unfold and its potential impacts on industries like the music industry.

**Findings:** The study highlights several key ways in which digitalization has influenced value processes.

**Transformation of Value Perception:** Digitalization has expanded the dimensions of value determination, blending value-in-use (utility, convenience, and personalization) with value-in-exchange (affordability and nominal price). Streaming services such as Spotify exemplify this dual focus, offering accessible and low-cost music consumption while enabling personalized experiences through curated playlists and recommendations.

**Shifting Actor Roles:** Digitalization has redefined the roles of market actors. Traditional gatekeepers, such as record companies and music publishers, have had to adapt to consumer-driven markets where data analytics and digital skills are critical. Actors with strong digital literacy have been better equipped to navigate the evolving ecosystem, while those unable to adapt have struggled or exited the market.

**Institutional and Regulatory Influence:** Regulatory interventions, such as Sweden's IPRED Act, have played a crucial role in shaping the market. The IPRED Act was created to strengthen the protection of intellectual property rights, focusing on stopping illegal file-sharing and online piracy. While early digitalization was marked by widespread piracy through platforms like The Pirate Bay, Spotify emerged as a solution that bridged consumer demands for free music with compliance to copyright laws. This demonstrates the dynamic interplay between societal norms, institutional regulations, and market innovation.

**Emphasis on Operant Resources:** The industry's focus has shifted from tangible resources (e.g., physical CDs and vinyl) to intangible ones, such as

data-driven insights, digital marketing skills, and knowledge-based competencies. This shift has not only enabled better consumer engagement but has also allowed businesses to tailor offerings in alignment with individual preferences and broader market trends.

**Enhanced Personalization and Accessibility:** Digital platforms have personalized access to music, allowing consumers to curate highly customized experiences. Playlists, recommendations, and mobile accessibility exemplify how digitalization has transformed music consumption into a more interactive and consumer-centric process.

**Contribution:** This study offers a contribution to music business research by applying Service-dominant Logic (SDL) and the service ecosystem perspective to enhance the understanding of value, how it is determined, and how it is co-created. It further adds to SDL literature by proposing that both value-in-exchange and value-in-use play important roles in shaping and co-creating value.

#### **4.2. Reinterpretation of Paper 1**

**Contribution to the Thesis:** The paper was written using SDL as the analytical lens. This framing implies that the paper does not directly contribute to answering the RQs posed in the introduction chapter. However, its findings can contribute to illuminate hedonic well-being. Specifically, Kleine's (2013) framework can be applied to explore how the capabilities of different actors are shaped by specific services in relation to agency and structure. Which, in turn, leads to varying degrees of empowerment among the actors. In doing so, Paper 1 contributes to answering RQ1. The paper further investigates how service characteristics of internet-based services, such as accessibility and immediacy, along with free to low-cost services, affect both structure and agency - driving broader structural changes. In doing so it contributes to RQ2. Overall, the study can be used to leverage a contribution to understanding how Kleine's framework (2013) can be applied within a hedonic well-being context. The contribution to the thesis will be discussed in detail in section five, Analysis.

#### **4.3. Paper 2: Education and Illiteracy: The Case of Street-Children in Urban Areas of Pakistan**

**Purpose:** This paper examines how educational initiatives can address systemic barriers to education and promote empowerment for street children

in urban slums of Pakistan. Using Amartya Sen's capability approach and Kleine's Choice Framework, the study investigates how free educational services influence the lives of underprivileged children by enabling access to education, fostering social mobility, and potentially helping break the cycle of poverty.

**Methodology:** A qualitative approach was adopted, utilizing semi-structured interviews, participatory involvement, and ethnographic observations. Data were collected from students, student-teachers, and educators participating in a long-standing free educational program based in a public park. The analysis employed a hybrid thematic analysis approach to link empirical findings with theoretical constructs, specifically Kleine's Choice Framework (2013), to explore how the initiative influenced agency and empowerment across its participants.

**Context:** The study focuses on urban slum areas in Pakistan, where poverty, illiteracy, and social exclusion are prevalent. Despite government-mandated education for children aged 5–16, many remain out of school due to financial constraints, cultural barriers, and structural inefficiencies, such as underfunded and poorly managed schools. The examined case was a free-of-cost educational tuition provided by individual teachers at a public park. The tuition targeted street children and children from poor households who could not afford education or educational tuition. As such, the tuition provided a service for filling a critical gap in educational access for marginalized communities.

**Findings:** The study highlights several key findings related to the nature and impact of the Park School, including its characteristics as an informal educational service, the forms of support it provided, the influence it had on children's lives, and how it shaped their agency and future opportunities.

Characteristics of the educational service being free-of-cost and flexible: The educational program effectively addressed significant financial and temporal barriers by offering tuition-free classes and accommodating students' work schedules. This flexibility ensured that children who were otherwise engaged in labor could still access educational opportunities. By adapting to the realities of the participants' daily lives, the program created an "existence of choice" for education, enabling children in resource-constrained environments to pursue learning without the burden of financial or time constraints. This

feature was particularly impactful for street children, whose responsibilities often conflicted with conventional schooling hours.

**Characteristics of the educational service providing mentorship roles:** Beyond the provision of education, educators played a crucial role as mentors, offering not only academic guidance but also emotional and moral support. This mentorship helped students navigate adverse social environments characterized by poverty, discrimination, and exposure to social evils. By fostering trust and creating a safe space for learning, mentors reinforced the importance of education and instilled values of perseverance and self-improvement. The presence of positive role models within the program also contributed to strengthening the students' focus on their long-term educational and personal goals.

**Impact on children's lives through the intrinsic and instrumental value of education:** The program yielded both intrinsic and instrumental benefits for participants. Intrinsically, students reported enhanced self-worth, confidence, and a sense of personal growth as they acquired knowledge and skills. Instrumentally, the program facilitated practical outcomes such as re-admission into formal schooling systems and access to better job opportunities. These achievements not only improved the immediate circumstances of the participants but also offered a pathway toward breaking the cycle of poverty in the long term.

**Outcomes achieved by the Park School:** The Park School significantly influenced the children's agency by enhancing their ability to perceive, act upon, and achieve educational and life goals. By equipping students with the tools to overcome structural and personal constraints, the initiative fostered a sense of empowerment. Participants developed greater social awareness, which was reflected in their ability to engage with their communities and envision a better future. These outcomes supported long-term socioeconomic mobility, demonstrating the transformative potential of tailored educational services in underserved populations.

**Empowerment through resources:** The initiative provided essential resources, including financial support, educational materials, flexible scheduling, and psychological encouragement, enhancing the students' agency and ability to make meaningful life choices. Additionally, the program facilitated the development of a resource portfolio tailored to each participant's specific

needs, addressing material, social, and psychological deficits. The provision of school supplies such as books and writing tools reduced immediate financial pressures, while the availability of flexible learning schedules enabled students to balance education with work responsibilities. Psychological encouragement, offered through consistent mentorship, fostered resilience and self-confidence, empowering participants to envision and pursue long-term aspirations. Together, these resources played a pivotal role in transforming individual circumstances and unlocking pathways to personal and educational growth.

**Contribution:** This study offers two main contributions situated within the fields of educational development, poverty research and TSR. First, it contributes to educational development literature by demonstrating how free and flexible tuition programs tailored for street children can effectively remove access barriers, such as cost and time constraints, and promote engagement in schooling among marginalized urban populations. Second, it contributes to poverty and development literature by providing empirical insights into how educational access facilitates re-entry into formal schooling and expands future socioeconomic opportunities, thereby offering a potential pathway out of chronic poverty. These findings address important gaps in both the field of educational development and poverty research, particularly in understanding how education functions as a mechanism of inclusion and long-term well-being in underprivileged communities. In doing so, the paper also advances the goals of TSR by empirically demonstrating how service interventions can support individual empowerment, social inclusion, and long-term well-being.

**Contribution to the Thesis:** The paper's main contributions are within the educational development, poverty research and TSR literature. The study contributes by offering a eudaimonic empirical context, where the educational initiative is understood as an educational service within TSR. By applying Kleine's framework (2013), the study provides evidence on how educational services can function as a capability-enhancing intervention within marginalized communities, enabling varying degrees of empowerment, including an "existence of choice" for education in resource-constrained environments, helping students navigate adverse social conditions. The study also illustrates the compound effect of education as a valuable resource, possessing both intrinsic and extrinsic value, and empowering individuals toward a sense of choice, use, and achievement. In particular, educational resources display the dynamic interplay between individual agency and

potential structural changes. These insights contribute to RQ1. Furthermore, the study reveals how service characteristics such as free-of-cost and flexible services, which addressed financial and temporal barriers, as well as mentorship roles that provided moral guidance and support, play a crucial role in empowering students. This understanding reinforces the importance of creating tailored services to empower underprivileged populations. These insights contribute to RQ2.

## 5. Analysis

This section examines how services influence human capabilities by shaping both agency and structure, enabling varying degrees of empowerment, and ultimately impacting well-being. Using Kleine's Choice Framework (2013) as a theoretical lens, the analysis further highlights how different service characteristics enable or constrain individual empowerment. By systematically applying the hybrid thematic analysis approach described earlier, the analysis connects the empirical findings from Paper 1 and Paper 2 to the research questions, demonstrating how service interactions facilitate or hinder the development of human capabilities;

- RQ1: How can the Choice Framework be adopted within TSR and applied as an analytical tool to study the relation between human capabilities and well-being in diverse contexts?
- RQ2: How do services influence individual capabilities to achieve eudaimonic and hedonic well-being?

### 5.1. Digital Music Services and Hedonic Well-Being (Paper 1)

Paper 1 investigates the transformation of the Swedish music market due to digitalization, with The Pirate Bay and Spotify serving as key examples of how service characteristics influence capabilities. Firstly, there were several structural conditions which played a role in the aforementioned services being able to influence people's capabilities in the music market: Sweden's broadband infrastructure, tax relief on personal computers, and also increasing digital literacy related to individual agency. The structural conditions facilitated the adoption of internet-based music services, significantly altering accessibility, affordability, and consumption behaviors.

From a capabilities perspective, the structural conditions refers to the formal and informal rules, norms, discourses, and systems that shape what individuals can do, where technologies and innovations are key components of structure (Kleine, 2013). Here technological shifts can expand what people can do, such as enabling new forms of accessibility. Additionally, technologies require resources such as skills, availability, and affordability, which are themselves unevenly distributed among individuals in- and within different contexts. Such shifts also influence individual agency and positions people with either enhanced or diminished capabilities, ultimately influencing their dimensions of choice. This highlights the ongoing and two-way relationship between agency and structure within Kleine's framework.

In the Swedish music market, the structural conditions, Sweden's broadband infrastructure and tax relief on personal computers, facilitated digitalization, which Kleine's (2013) framework can be used to explain. With the advent of The Pirate Bay, music became widely available for free as the threshold for *financial resources* were significantly reduced in order to consume music. In addition to music content now being internet-based, it also removed barriers pertaining to time and space; where traveling to record stores or having physical CDs were no longer needed. Hence *geographical and time resources* for consuming music were reduced. The structural conditions along with the impact on people's resource portfolio also enhanced the *existence of choice for free music consumption* among consumers (possibilities of consuming music freely existed). However, not all consumers were aware of the new forms of music consumption; only those with sufficient digital literacy (*informational resources*) experienced a *sense of choice* (aware of the opportunities and feel capable of pursuing them), recognizing the possibilities offered by The Pirate Bay. With the increased diffusion and adoption of The Pirate Bay among consumers, ideas of consuming music for free (among other media content) became socially accepted. This goes back to Kleine's (2013) framework, where structures do not operate in isolation, rather they are embedded in discourses that shape how policies are conceived and which ideas become socially accepted or contested. Hence, dominant discourses can define how people think, limiting or enabling different forms of action.

Continuing the analysis based on Klein (2013), the adoption of The Pirate Bay services led to a widespread *use of choice* (actively making decisions based on the opportunities available), allowing consumers to engage with music in new ways. Over time, these patterns normalized internet-based consumption, leading to a widespread *achievement of choice* among consumers (outcomes aligning with the choices people intended to make). In Kleine's framework there is an ongoing and two-way relationship between structure and agency. While individuals draw on their resources to act within structures, their actions can also challenge, reproduce, or change those very structures. This reflects Kleine's framework where certain outcomes such as the achievement of choices can lead to influencing structure and agency (see Figure 2; depicted by the two big arrows going from left to right; from outcomes towards agency and structure). Hence, free music consumption became the new dominant discourse through the widespread achievement of choices. However, this notion soon became contested, and new policies emerged. The music

industry's structure changed once again - reflected by the development of new legal frameworks to protect copyright holders (e.g., the IPRED Act) and the redefinition of business models. Through the introduction of the IPRED Act, free music consumption began to be proactively and legally punished. As enforcement intensified, new legal alternatives emerged, and streaming became the new norm through Spotify - still providing the same characteristics as The Pirate Bay, such as immediate consumption and accessibility, but within a legal framework and at low prices compared to the music era before digitalization (before the period of internet-based services during which physical recordings dominated).

As mentioned earlier, Kleine (2013) suggest that structural conditions interact with individual resource portfolios differently. Hence, as structures changed due to internet-based music services such as The Pirate Bay and Spotify, most actors with low digital literacy (*informational resources*) could not cope and exited the market. As such, for some actors such as record companies and music publishers, their capabilities diminished and with that their *existence of choice*. Hence, based on the increased and decreased capabilities of different actors, we observe a parallel blend of both increased and decreased well-being within a broader context of the industry.

In Figure 2, the green and orange boxes attached to “The Pirate Bay and Spotify” on the left of the figure illustrates the key service characteristics of the internet-based music services (both The Pirate Bay and Spotify) as discussed above. These are free-to-low-prices, immediate consumption, and reach/accessibility; the latter two demonstrates the characteristics of an internet-based media service. The different colored circles highlight the impact the different service characteristics have had on structure and agency, which subsequently, affects people's capabilities represented by the dimensions of choice (also known as the degrees of empowerment in Figure 2). The dimensions of choice highlight the complexity of empowerment, showing that analysis can go beyond whether individuals have options, to also include whether they are aware of them, able to use them, and capable of achieving them. Additionally, different degrees of empowerment lead to either increased and decreased well-being based on the outcomes for different individuals in the Swedish music market. It is important to note that these services are internet based and introduced in an industry where digital distribution (downloading and streaming) was not available before. Therefore, most of the impact these services have had on people's capabilities are based

on their internet-based characteristics of accessibility/reach and immediacy of consumption, notwithstanding the abovementioned structural conditions being in place, such as Sweden’s broadband infrastructure and tax relief on personal computers.

This analysis of the music industry study presented in Paper 1 contribute to answering RQ1 by illustrating how Kleine’s framework captures the nuanced shifts in structure and agency, highlighting the influence between services and well-being. Moreover, the analysis address RQ2 by showing how technological service characteristics, such as accessibility and cost efficiency, impact well-being by reshaping individual and industry-level capabilities.

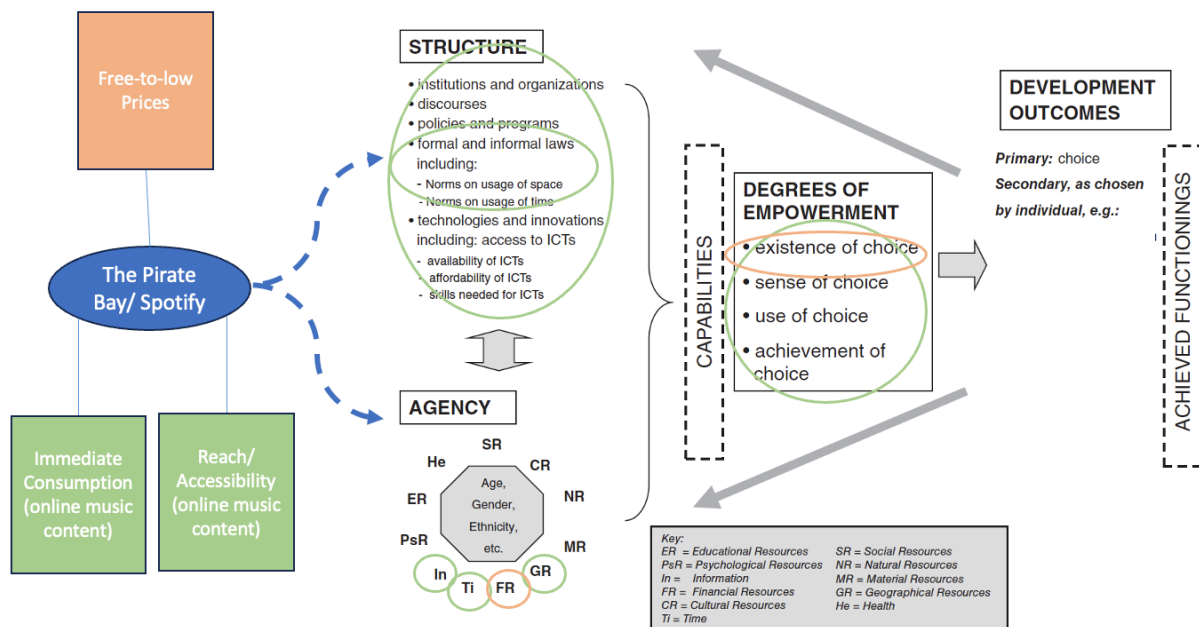


Figure 2. *The Choice Framework in Paper 1*. Adapted from *Technologies of Choice?: ICTs, Development, and the Capabilities Approach*, by D. Kleine, 2013, MIT Press.

The insights from Paper 1 also highlights that digitalization have transformed service interactions, altering the reach, accessibility, and nature of engagement between individuals (Ostrom et al., 2015). As such, insights derived from Paper 1 aligns with the TSR literature, where technology-enabled services have been emphasized as crucial for well-being, particularly in contexts where digitalization affects empowerment (Field et al., 2021; Ostrom et al., 2021). By doing so it also aligns with TSR’s research priority, service research priority 1 (SRP1), on technology-enabled-services and their impact on well-being (Field et al., 2021; Ostrom et al., 2021). Moreover, the well-being impacts of technology has also been an important aspect of studies applying

the capability approach (Brey et al., 2012), exploring cases of both developed and developing countries, such as telecentres in deprived regions (Garai & Shadrach, 2006; Ratan & Bailur, 2007), e-governance (Madon, 2004) (e.g. Madon 2004; Ahmed 2011), care robots (Coeckelbergh, 2010) and ICT (Information and Communication Technology) in the health care sector (Zheng & Walsham, 2008). The importance of technology to human capabilities are viewed in terms of technology's use to extend people's valuable opportunities in different areas such as health, education, recreation, leisure, livelihoods, democracy, etc. (Oosterlaken, 2012). As such, the insights of Paper 1 also align with the capability approach literature, by emphasizing how technology extends or diminishes valuable opportunities to well-being (Oosterlaken, 2012). Hence, Kleine's (2013) Framework can be used to analyze other contexts where technology-enabled services have demonstrated transformative potential. For example, a study show that some ride-hailing services in Pakistan have provided economic opportunities and culturally safe transportation (Malik & Wahaj, 2019). Specifically, Kleine's (2013) framework can be recommended in such contexts to help us to understand how such services influence both agency and structure by addressing mobility constraints, creating employment, and improving social inclusion. Contrasting insights from Paper 1, we can draw reflections to Malik's & Wahaj's (2019) study and the role of technology in fostering empowerment, particularly by enhancing *existence* and *sense of choice* for marginalized groups.

## **5.2. Educational Services and Eudaimonic Well-Being (Paper 2)**

Paper 2 explores the role of educational services in expanding human capabilities within an eudaimonic well-being context. The study focuses on a free educational initiative for underprivileged children in Pakistan, demonstrating how certain service characteristics can help overcome structural barriers and enhance empowerment.

Basing the analysis on Kleine's (2013) framework, the initiative examined in Paper 2 was successful in removing financial and time constraints for street-children and children from poorer households. This pertains to agency in Kleine's (2013) framework. The children had low *financial and time resources* as they were economically poor and most street-children worked during daytime – substituting work with school as no other options for schooling during evenings existed. Hence, by providing free-of-cost and flexible educational tuition for street-children and children from poorer households, the Park School service created an *existence of choice for education* among

underprivileged children. As individuals are different, some children could not understand or grasp the benefits of education. Hence, despite having the possibilities for education, some children would not act upon the available choices. Here, mentorship roles as a service characteristic of the Park School played a role in enhancing *psychological resources* of the children. Kleine (2013) describes psychological resources as offering the “capacity to envision”, and includes self-confidence, tenacity, optimism, creativity, and resilience. Hence, for children who did not act by themselves upon the choice available, mentorship roles by the teachers played a significant role in enhancing the children’s psychological resources and understanding the value of education. This in turn led to the reinforcement of a *sense of choice* by helping students envision alternative futures through education. Subsequently, leading to *use of choice*. Additionally, by also fostering resilience within children and increasing their psychological resources, many children were able to stick by and finish curriculums, get admitted into formal school systems, get jobs, and take up higher education. These outcomes led to the achievement of choice; where the children’s choices (such as pursuing education to improve their future, including their socioeconomic conditions) aligned with outcomes they ultimately reached. This in turn reflected an increase in, among other things, social resources (such as, networks and relationships that provide support and socioeconomic opportunities), cultural resources (such as, knowledge of roles in societies, traditions, and values linked to specific cultural or social groups), financial resources (such as, money, savings, credit, and other assets that support economic choices), and informational resources (such as, access to useful information that supports learning, awareness, and informed choices).

Figure 3. highlights key service characteristics of the Park School by the squares attached to “Park School” at the left. Additionally, the different circled colors highlight the impact the different service characteristics have had on structure and agency, which again influences individual capabilities which are represented by the dimensions of choice (also known as the degrees of empowerment). The service characteristics are free-of-cost, flexibility, and mentorship roles. Free-of-cost education reduced financial burdens, flexible schedules accommodated children's time constraints due to work responsibilities, and mentorship programs instilled long-term motivation. These mechanisms worked together to remove systemic barriers and expand individual capabilities towards existence of choice. Additionally, mentorship roles played a crucial role in increasing the children’s psychological resources which lead to a further increase in capabilities towards sense, use and

achievement of choices. An interesting insight is that the teachers were themselves equipped with high psychological resources of their own rooted in religiously grounded moral beliefs, which played a crucial role in sustaining their own engagement and aspirations with the Park School initiative in the long-term. These psychological resources were crucial in instilling self-confidence, tenacity, optimism, creativity, and resilience in the children. Over time, the Park School initiative led to significant developmental outcomes, including better social integration, access to formal education, and employment opportunities.

The Park School service directly addressed structural inequalities by compensating for systemic deficiencies in public education. Here, educational services provide a clear example of how agency and structure interact to shape capabilities. As mentioned above, capabilities can be understood through the dimension of choices (existence, sense, use and achievement of choices), which comprise of both agency and structure. Agency refers to the ability of individuals to act and make choices within their context. As such individuals must also account for the broader structures that shape whether and how individuals can access and utilize different resources. The study found that *educational resources* can better equip individuals in navigating their context and broader structures.

Education can influence well-being outcomes through its instrumental and intrinsic value. The study found that students who accessed education through the initiative experienced long-term empowerment, reflected in higher educational aspirations, improved social mobility, and increased economic opportunities. These outcomes illustrate how *achievement of choice for education*, can have compound effects on an individual's broader capability set. This reflects Kleine's framework where certain outcomes (achievement of choices) can lead to influencing structure and agency as depicted by the two big arrows going from left to right, from outcomes towards agency and structure, in Figure 3.

These findings contribute to RQ1 by demonstrating how Kleine's framework captures the role of educational service as a capability-enhancing intervention for well-being. By removing structural barriers and fostering psychological empowerment, educational services create meaningful opportunities for marginalized groups. Additionally, they address RQ2 by illustrating how service characteristics (such as flexibility, free-of-cost and mentorship roles)

facilitate the expansion of human capabilities and promote long-term well-being outcomes.

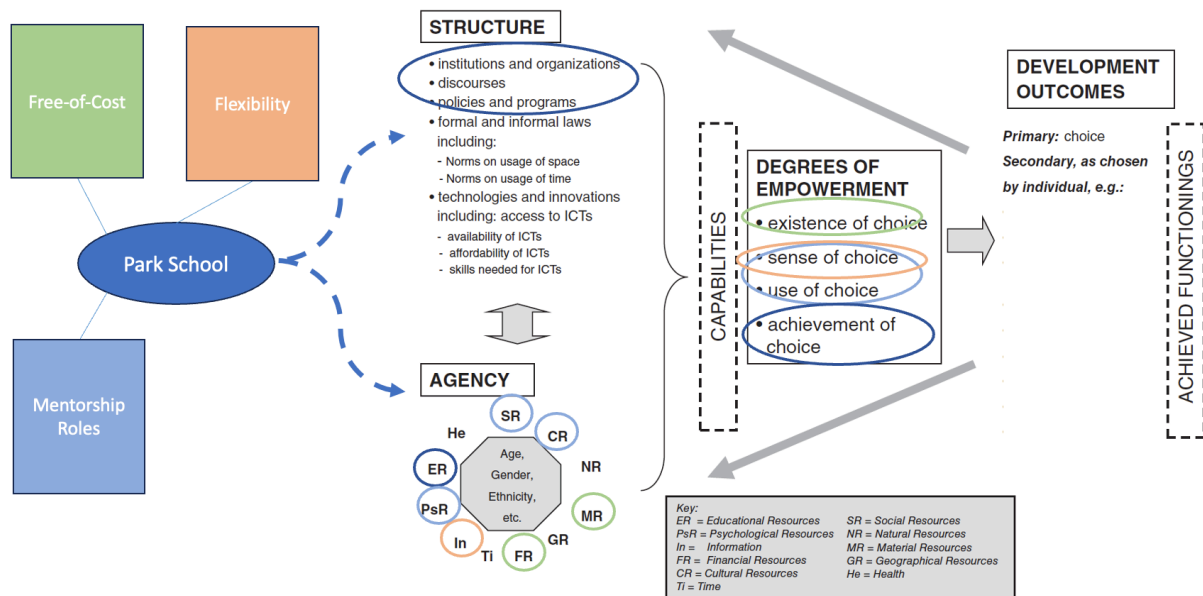


Figure 3. *The Choice Framework in Paper 2*. Adapted from *Technologies of Choice?: ICTs, Development, and the Capabilities Approach*, by D. Kleine, 2013, MIT Press.

The insights from Paper 2 are positioned within TSR’s research on disadvantaged consumers (Field et al., 2021). By doing so it sheds light on service research priority 7 (SRP7) that focuses on services for disadvantaged consumers and communities (Anderson & Ostrom, 2015; Field et al., 2021; Fisk et al., 2016) by studying how services affect the well-being of impoverished people through topics such as access to services, marginalization, lack of service literacy, and discrimination within service design (Fisk et al., 2016). An important theme of the topic of service accessibility and marginalization is the financial well-being of people, SRP7 (Field et al., 2021). This theme is concerned with understanding how financial well-being of disadvantaged consumers and marginalized groups can be enhanced, or how services can influence people’s ability to be financially secure (Field et al., 2021).

Financial well-being has also been an important theme within the capability approach literature (Burchardt, 2010; Storchi & Johnson, 2016). Specifically, insights from Paper 2 also aligns with the capability approach literature by offering an empirical example of how financial characteristics within services can be viewed not merely as economic tools, but as mechanisms of financial

empowerment for different types of well-being (Burchardt, 2010; Robeyns, 2003). For instance, microloans are generally understood to empower individuals by providing the financial resources needed to undertake activities that can improve their quality of life, these include starting small businesses or funding education (Kimmitt & Dimov, 2020; Matindike et al., 2021; Michel & Randriamanampisoa, 2018; Tseng, 2011). However, some studies suggest that microfinance does not necessarily lead to an increase in household income or expenditures, calling into question its direct impact on poverty alleviation (Banerjee et al., 2015). Yet, when viewed through the lens of the capability approach, the benefits of microfinance become clearer. It is not just about monetary gain; rather, the additional income enables individuals to access opportunities such as sending children to school, making home repairs, or improving nutrition levels (Fraser, 2010; Patry, 2005). While microfinance may not directly raise household spending, the capability approach provides valuable insights into how these services influence people's freedoms and opportunities in various dimensions of their lives. By specifically applying Kleine's framework we can understand that microfinance enhances *existence of choice* by making credit available. Borrowers who successfully utilize these resources experience *achievement of choice*, achieving goals such as education and home improvement. This analysis demonstrates how financial services shape agency and structure in ways that transcend monetary gains.

By synthesizing insights from Paper 1 and Paper 2, this analysis demonstrates how Kleine's framework serves as a useful tool for understanding service-driven capability expansion. In response to RQ1, the findings confirm that the framework effectively captures structure and agency across diverse service contexts which allows for the understanding of varying degrees of empowerment, and ultimately the impact on well-being. Paper 1 contributes by illustrating how internet-based music services influence hedonic well-being through increased accessibility and affordability, while Paper 2 highlights the role of educational services in fostering eudaimonic well-being by addressing systemic inequalities through flexibility, affordability and mentorship.

Regarding RQ2, the analysis in this chapter identifies key service characteristics that function as mechanisms for enhancing capabilities. In Paper 1, the key characteristics of internet-based music services were free-to-low-prices, immediate consumption, and reach and accessibility of music content. In Paper 2, the key characteristics of the educational service was free-of-cost, flexibility, and mentorship roles. The analysis also suggest that

technology-enabled services transform agency-structure interactions rather rapidly by altering access and choice. This goes back to Kleine's understanding that technology enables new forms of social interaction or access to information as it evolves quickly, while regulations may not be as fast. The analysis also suggests that services with financially inclusive characteristics can not only influence marginalized groups in poverty contexts, but also broader range of consumers, as illustrated by Paper 1 that focuses on the Swedish music market. Additionally, the analysis suggest that educational services are inherently providing an important resource (*educational resource*), which contributes to long-term capability expansion by better equipping individuals in navigating their context and broader structures. The importance of educational services is to encompass mentorship roles to cater to students' different levels of psychological resources. Lastly, flexibility as an overall service characteristic can allow a diverse range of individuals to access opportunities that align with their unique needs, preferences, and circumstances. This is important as people's everyday lives differ, and most individuals are not afforded equal or systematic opportunities.

In sum, the analysis demonstrates that service interactions shape well-being by influencing agency and structure. Through Kleine's framework, we see how different service characteristics either expand or constrain capabilities, leading to varying degrees of empowerment. The findings contribute to TSR by demonstrating that service characteristics can function to influence capabilities and impact well-being through individual agency and broader societal structures.

## **6. Discussion**

This study has examined how services influence human capabilities by shaping agency and structure, ultimately affecting well-being. Using Kleine's (2013) Choice Framework within TSR, the analysis has demonstrated how different service characteristics enable or constrain individuals' opportunities for hedonic and eudaimonic well-being. By integrating the capability approach with service research, this thesis has contributed to both theoretical and empirical understandings of how service interactions function as capability-enhancing or constraining mechanisms. This section discusses the key findings in relation to the research questions with the goal to derive theoretical and practical contributions.

### **6.1. Theoretical Contributions: Expanding TSR with the Capability Approach and the Choice Framework**

A central contribution of this thesis is the integration of Kleine's Choice Framework within TSR as an analytical tool for assessing how services influence well-being through capabilities. While TSR has emphasized well-being outcomes, previous studies have lacked a structured approach for evaluating the processes by which services shape human capabilities (Anderson & Ostrom, 2015; Anderson et al., 2013; Field et al., 2021; Fisk et al., 2020). This thesis has demonstrated that the Choice Framework can be used to assess how services impact well-being through agency-structure dynamics, consequently people's capabilities as understood through different dimensions of choices. This extends TSR by offering a more nuanced understanding of service-enabled empowerment and constraints, particularly in relation to individual capabilities in different well-being contexts.

Moreover, the application of the Choice Framework, offers an approach to understanding how services influence people's agency and structural contexts. By examining service characteristics such as accessibility, cost, and technological integration, analysis can guide researchers to understand how services expand capabilities and foster empowerment. As such, by integrating the service aspect to the Choice Framework, this thesis proposes an adapted model which highlights how service characteristics can be taken into consideration for understanding how services influence capabilities and consequently well-being outcomes. This adapted Choice Framework is illustrated by Figure 4.

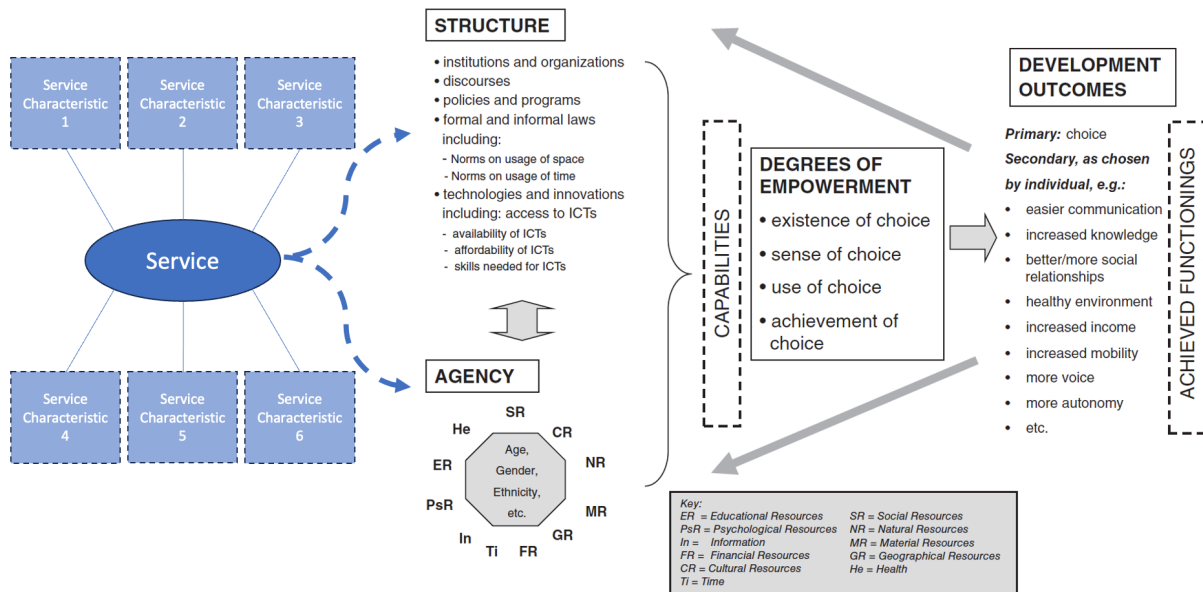


Figure 4. *The adapted Choice Framework*. Adapted from *Technologies of Choice?: ICTs, Development, and the Capabilities Approach*, by D. Kleine, 2013, MIT Press.

In light of the increasing calls within TSR to use the capability approach in well-being research (Anderson & Ostrom, 2015; Anderson et al., 2013; Field et al., 2021; Fisk et al., 2020), there still remains a lack of clear guidelines on how to use it in concrete research. As a result, few TSR studies have yet applied the capability approach. The adapted Choice Framework fills this gap by proposing a framework for understanding the role of services in influencing human capabilities. By showing how services influence human capabilities through the interplay of contextual structures and individual agency, the adapted Choice Framework offers ways to analyze the relationship between services and well-being. It enables researchers to understand how specific service characteristics can shape people’s resource portfolios and help them navigate structural barriers, ultimately influencing their capabilities and choices for well-being. In doing so, it responds to calls for TSR as well as to broader service research priorities, focusing on services for disadvantaged communities, poverty contexts, and the impact of technology-enabled services on well-being (Anderson & Ostrom, 2015; Field et al., 2021; Fisk et al., 2016; Ostrom et al., 2021).

## Understanding the Role of Service Characteristics in Capability Expansion

How services are organized and delivered plays a crucial role in shaping well-being outcomes, as it determines how individuals experience and interact with services (Patrício et al., 2011). Within TSR, services are not merely about

functionality but also about fostering transformative value by ensuring that services are accessible, inclusive, and empowering (Anderson et al., 2013; Ostrom et al., 2015). Hence, services play a crucial role in shaping well-being outcomes by structuring how individuals and organizations interact with services (Teixeira et al., 2019). Many scholars point out that the organization and delivery of services constitute a multidisciplinary practice that combines various approaches and tools from fields such as psychology, marketing and management, IT and interaction, as well as user-centered and graphic design (Foglieni et al., 2018). It is a multidisciplinary approach that integrates human-centered, iterative, and participatory methods to develop services that align with user needs, promote accessibility, and enhance overall service experiences (Blomkvist et al., 2010; Patrício et al., 2011). Importantly, services encompasses both intangible aspects, such as user interactions, and tangible aspects, such as physical components or digital interfaces, which together shape service experiences and outcomes (Moritz, 2009). As such, service characteristics can be understood as the intangible and tangible aspects of a service.

The findings in this thesis underscore the importance of services in influencing capabilities, particularly in relation to service characteristics. For instance, in the case of internet-based music services, the technological affordances of streaming platforms enhanced convenience and personalization, but also introduced new challenges related to regulatory structures and market shifts. Furthermore, in the educational services examined, the characteristic of mentorship emerged as a critical enabler of psychological empowerment, demonstrating that beyond material accessibility, relational aspects of service delivery significantly influence capability expansion. These insights align with existing service research emphasizing that well-designed services should be adaptable to users' contexts to ensure their effectiveness (Fisk et al., 2016).

Service characteristics have been a focal point in service research. The TSR literature suggests that characteristics such as personalization and engagement play a fundamental role in shaping well-being outcomes (Ostrom et al., 2015). The empirical cases in this thesis reinforce this perspective. For example, specific service characteristics (such as accessibility, affordability, flexibility, and mentorship) operate as capability mechanisms that enhance or limit individual choices. Paper 1 demonstrated that digitalization in the Swedish music market expanded consumer capabilities while simultaneously reducing opportunities for traditional market actors. Paper 2 illustrated how

educational services for marginalized children in Pakistan functioned as capability-enhancing interventions by removing financial and time constraints, enabling access to education, and fostering psychological empowerment through mentorship. These insights illustrate how service characteristics dynamically interact with individual agency and structural conditions as illustrated by the adapted Choice Framework (see Figure 4). Reflecting on these findings, service characteristics emerges as a critical determinant of empowerment within TSR. By integrating service characteristics that cater to people's capabilities, service providers can facilitate well-being.

In conclusion, services and its characteristics are central to understanding how services function as capability mechanisms within TSR. The empirical insights from this research reinforce the argument that service characteristics should be intentional and strategically aligned with human well-being objectives. Future research should continue exploring how service characteristics influence capability expansion across different domains, further strengthening the intersection of service research and the capability approach.

## **6.2. Empirical Contributions**

### **Digital Music Services and Hedonic Well-Being**

The findings from Paper 1 suggest that internet-based music services can enhance hedonic well-being by increasing access, affordability, and personalization. However, they also illustrate that digitalization can constrain capabilities for actors unable to adapt to new service structures. By applying the Choice Framework, this study reveals that technological advancements do not uniformly empower all individuals; rather, their impact is contingent on the interplay between agency (e.g., digital literacy) and structural conditions (e.g., regulatory frameworks and market shifts). These insights contribute to ongoing debates in TSR about the role of digital services in shaping well-being.

### **Educational Services and Eudaimonic Well-Being**

Paper 2 provides empirical evidence on how educational services in resource-constrained settings expand individuals' opportunities for long-term well-being. The study highlights that flexible, cost-free education and mentorship programs can mitigate structural barriers and enhance students' agency, enabling them to envision and pursue alternative futures. By framing these insights through Kleine's (2013) framework, the study demonstrates how

service characteristics influence different dimensions of choice (existence, sense, use, and achievement), providing a structured approach for evaluating service impact on human capabilities.

### **Overlap Between Hedonic and Eudaimonic Well-Being**

By applying Kleine's framework (2013) in the context of the "Park School," the study sheds light on how educational services can empower underprivileged communities through capability development. Beyond addressing financial and time barriers, the framework also highlights how services can foster psychological resources, emphasizing the importance of mentorship in enabling individuals to envision better futures. Nevertheless, some students mention the little spare time they have for leisure or fun activities. This raises an intriguing question: how might Kleine's framework guide the exploration of service characteristics that target both hedonic and eudaimonic well-being?

The following discussion delves into insights from the Park School initiative, particularly focusing on how thoughtfully integrated characteristics - such as gamification - can enhance educational services by blending enjoyable experiences with meaningful personal growth. Gamification methods could enrich the Park School's educational model by enhancing engagement and fostering social skills. Kiss (2023) illustrates how gamified activities, such as role-playing and collaborative learning, can deepen student involvement, encouraging empathy, teamwork, and enjoyment. Applying these techniques at the Park School could boost motivation, supporting both hedonic enjoyment and eudaimonic growth by creating a learning environment that engages and empowers students.

In relation to the Choice Framework, time resources are significantly limited for those in underprivileged contexts, often placing individuals at a crossroads between leisure and the pursuit of a better life. To address the imbalance between education and leisure, incorporating enjoyable gamified characteristics into the educational service could be beneficial. Such activities may offer relaxation and alleviate the stress of demanding schedules faced by many children in underprivileged contexts. Hence, gamification at the Park School could effectively mitigate the constraints on students' time resources.

Exploring ICT-enabled gamification for underprivileged contexts like the Park School also offers intriguing possibilities. Although both analogue and ICT-enabled gamification could enhance capabilities by providing enjoyable,

growth-oriented learning opportunities, ICT-enabled gamification might face challenges due to limited infrastructure. However, with careful planning and research, ICT could potentially enhance the Park School model, allowing for scalable outreach and increased engagement. This is particularly relevant given the growing ubiquity of mobile phones in developing countries, where even lower-income households often own at least one smartphone (Paper 2). Many children in these settings are already familiar with using such devices, particularly for playing games, which makes mobile-based educational interventions more accessible and engaging.

For instance, Alam, Islam, and Ogawa (2022) note that ICT gamification in primary education in Bangladesh can help standardize educational quality across diverse learning environments by providing a unified and engaging platform. A mobile application for educational purposes could to some degree assist or support the Park School's approach by naturally being flexible and free of cost. While some in-person support might still be essential to uphold mentorship roles, possibly through a community center, gamified applications could extend educational outreach to more street children. Notably, the Park School has reported challenges in recruiting as many children as desired (based on community needs), which a gamified mobile application could help address.

Figure 5 illustrates the potential application of a service characteristic - ICT-enabled gamification - which can impact both eudaimonic and hedonic well-being. The ICT cloud represents the potential of ICT-enabled gamification characteristics in the Park School service, highlighting its anticipated impacts on agency and structure.

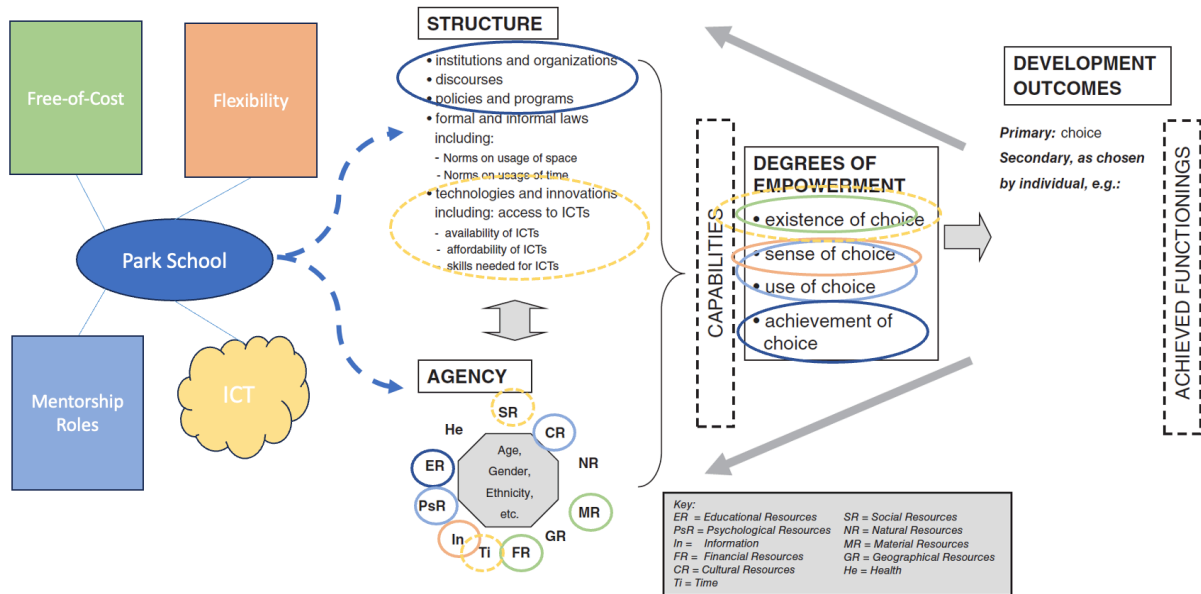


Figure 5. *ICT-enabled gamification in the Park School*. Adapted from *Technologies of Choice?: ICTs, Development, and the Capabilities Approach*, by D. Kleine, 2013, MIT Press.

By considering these insights, future research can further explore how service characteristics integrate hedonic and eudaimonic well-being dimensions, ensuring that services not only enable economic and educational opportunities but also contribute to overall life satisfaction and balance.

### 6.3. Practical Implications

The findings suggest that service designers and policymakers should prioritize capability-enhancing characteristics in service provision. Digital service providers should ensure inclusivity by addressing digital literacy gaps and reducing barriers for marginalized users. Similarly, educational services should incorporate flexible learning models, financial accessibility, and psychological support to maximize empowerment outcomes.

For policymakers, the study highlights the importance of regulatory frameworks that balance innovation with inclusivity. In digital markets, policies should aim to prevent market exclusion while fostering sustainable business models. In education, policies should promote accessible and context-sensitive services that cater to diverse socio-economic backgrounds.

In addition to these recommendations, the study suggests that the Choice Framework by Kleine (2013) can serve as a valuable guiding tool for practitioners seeking to design services that are not only functional but also

transformative. By focusing on enhancing the existence, sense, use, and achievement of choice, service providers can more effectively address the multifaceted nature of well-being. This framework encourages a reflective approach to services, where practitioners deliberately assess how service characteristics influence both structural conditions and individual agency.

Ultimately, adopting a capability perspective through the lens of Kleine's framework allows service practitioners to move beyond traditional metrics of service quality or satisfaction. Instead, it promotes a focus on how services expand real opportunities for users, particularly those in vulnerable contexts. This orientation can lead to more equitable and sustainable service systems that genuinely contribute to human development.

## 7. Conclusion

This thesis has explored how services shape human capabilities within TSR by integrating Kleine's Choice Framework as an analytical tool. The study addressed to research questions that guided the investigation: RQ1 asked how the Choice Framework can be adopted within TSR and applied as an analytical tool to study the relation between human capabilities and well-being in diverse contexts, while RQ2 focused on how services influence individual capabilities to achieve eudaimonic and hedonic well-being.

By applying the Choice Framework to two empirical cases, the study has demonstrated that services function as capability mechanisms that either enable or constrain well-being outcomes. Paper 1 illustrates how internet-based music services influence hedonic well-being by broadening consumer access and shifting power dynamics within the industry. Paper 2 shows how informal educational services promote eudaimonic well-being by lowering socio-economic barriers and fostering empowerment through sustained mentorship and inclusion.

In response to RQ1, this study shows that the Choice Framework can be successfully integrated into TSR to analyze service contexts. The framework provides a lens for examining the interplay between individual agency and structural conditions, and how these shape human capabilities through service interactions. This study also introduces an adapted version of the Choice Framework, which reflects its integration with TSR and the specific service context analyzed (see Figure 4). This integration represents a key theoretical contribution, offering a coherent and transferable approach for future service research in diverse domains.

In addressing RQ2, the study demonstrates that service interactions influence individual capabilities by embedding specific service characteristics - such as affordability, accessibility, flexibility, and psychological support - that directly affect opportunities for hedonic and eudaimonic well-being. These interactions not only alter immediate experiences but also contribute to long-term empowerment and inclusion, especially in digitally mediated or resource-constrained service contexts.

The findings contribute to TSR by providing a framework for evaluating how services influence capabilities, reinforcing the importance of service characteristics in shaping agency-structure interactions. By aligning service

characteristics with the dimensions of the Choice Framework, practitioners and scholars can better understand how to foster transformative outcomes that go beyond functional utility and promote meaningful well-being.

## **8. Limitations and Future Research**

While this study has provided valuable insights into the role of services in shaping capabilities, it also presents several limitations and highlights opportunities for future research.

The study is based on two case studies, while offering in-depth insights, limit generalizability of the findings. Future research could apply quantitative methods or mixed-method approaches to assess service-driven capability expansion on a larger scale. Furthermore, data collection in Paper 2 faced practical challenges due to the dynamic environment of the Park School, which limited the depth of some interviews. Additionally, longitudinal multi-context studies could provide more robust insights into the long-term impact of educational services on well-being. For instance, longitudinal cross-country comparisons could examine how service-driven capability expansion varies across different cultural and economic contexts.

A particularly important area for future research is the empirical application of the developed and adapted Choice Framework proposed in this thesis (see Figure 4). Service researchers are encouraged to adopt and test this framework in a variety of TSR contexts, thereby further refining its utility and evaluating its relevance in supporting well-being and capability development.

Future research could also use the adapted Choice Framework to explore other service settings of interest, such as financial, healthcare, or public-sector services, and their role in shaping human capabilities. These domains present distinct structural and contextual challenges and could benefit from the framework's capacity to reveal how service characteristics affect individual agency and structural conditions.

Although this study categorizes well-being into hedonic and eudaimonic dimensions, these constructs are not always mutually exclusive. Future research should explore hybrid well-being contexts, for example, and as discussed above, gamified educational services that simultaneously provide short-term satisfaction and long-term empowerment. This could also open avenues for examining how digital literacy programs influence service accessibility and empowerment in underserved populations.

By addressing these empirical, methodological, and theoretical limitations, future research can build on the contributions of this study to further advance

our understanding of how services shape human capabilities and well-being within TSR.

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# **Framing Services, Capabilities, and Well-Being: Adopting the Choice Framework in Transformative Service Research**

How do services empower people to live the lives they value?

This licentiate thesis explores the relationship between service interactions, human capabilities, and well-being through the lens of Transformative Service Research (TSR) and the Capability Approach. By introducing and applying the Choice Framework by Dorothea Kleine as an analytical tool within TSR, the study offers a structured way to assess how services either enable or constrain individual empowerment. Drawing on two contrasting empirical contexts - a digitally transformed music industry in Sweden and an informal educational initiative for street children in Pakistan - the thesis examines how service characteristics such as accessibility, affordability, and mentorship affect both hedonic and eudaimonic well-being. In doing so, it contributes to a more comprehensive understanding of how services function as mechanisms of societal transformation and human development. The thesis offers both theoretical advancements and practical guidance for designing inclusive services that promote sustainable well-being and agency across different populations.



# Framing Services, Capabilities, and Well-Being

This thesis explores how services shape human capabilities and well-being by integrating the Choice Framework (Kleine, 2013) into Transformative Service Research (TSR). While TSR promotes the capability approach as a means to assess how services influence well-being, it often lacks practical analytical tools. To address this gap, this thesis adopts and adapts the Choice Framework as a structured method for analyzing how services influence individual agency and structural conditions, ultimately enabling or constraining people's capabilities. Drawing on two empirical studies - one focusing on hedonic well-being in the digital transformation of the Swedish music market (hedonic well-being) and the other on eudaimonic well-being through free educational services for marginalized children in Pakistan (eudaimonic well-being) - this research demonstrates how service characteristics interact with contextual conditions to influence varying degrees of empowerment. The thesis employs a qualitative research design, using semi-structured interviews in both studies, complemented by ethnographic observations in the second. The findings contribute to both theory and practice by offering a capability-oriented analytical framework for TSR and providing nuanced insights into how service characteristics such as accessibility, affordability, flexibility, and mentorship influence well-being. In doing so, the thesis proposes a rigorous yet adaptable model for evaluating how services operate as mechanisms for transformative value, offering guidance for both scholars and practitioners in designing inclusive and empowering services.

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