



creativity



innovation

Topic Outline

- Particularities about the service industry
- Design and service development
- Service development – what drive success?

About The Service Industry

- Boundary between tangible and intangible products becomes blurred
- Services tend to be much more profitable than products
- More companies are trying to tie in products with services
- Many developed countries – service industry has overtaken manufacturing by quite a margin

Innovation in Services

1. Consequences of the intangibility of services –
Example: internet banking
2. ‘Manufacture’ and delivery happen simultaneously – critical for the quality
3. Difficult to protect – easy for a competitor to copy or improve existing offerings
4. Easy to innovate – no R&D expenditure require

Types of Service Innovation

1. Positioning innovation
2. Process innovation
3. Service Offering Innovation
4. People Innovation
5. Communications Innovation

Successful Service Innovation

- Understanding customer value creation
- Targeting high-value customer segments
- Choosing the correct customer interaction model
- Creative pricing
- Understanding cash flow