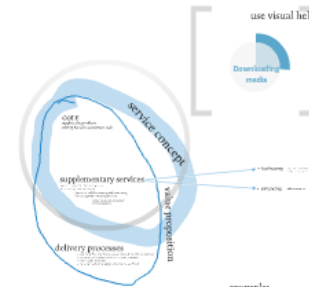


Developing service concepts

focus on Product elements

we want to capture all elements of the service performance, both tangible and intangible, that create value for customers



planning and creating services

development of new services

hierarchy of new service categories

- major service innovations - e.g., FedEx, auctions in eBay
- major process innovations
- product-line extensions - e.g., banking+insurance
- process-line extensions - e.g., internet retailing, self-service
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- service improvements
- style changes - often no changes, but highly visible - outfitting, coloring

reengineering service processes

- analyzing and redesigning processes to achieve faster and better performance
- running tasks in parallel
- blueprinting

physical goods as a source

- perform work oneself x hire someone
- own a good x rent the use



using research to design new service

- notes
- more than 90% of the 30000 new products introduced each year fail
 - restaurants - 26% during the first year

market synergy
organizational factors, internal marketing
market research factors

"complex processes like the development of new services cannot be formally planned altogether. Creativity and innovation cannot only rely on planning and control. There must be some elements of improvisation, anarchy, and internal competition in the development of new services."

Developing service concepts

focus on Product elements

concepts

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planning and creating services

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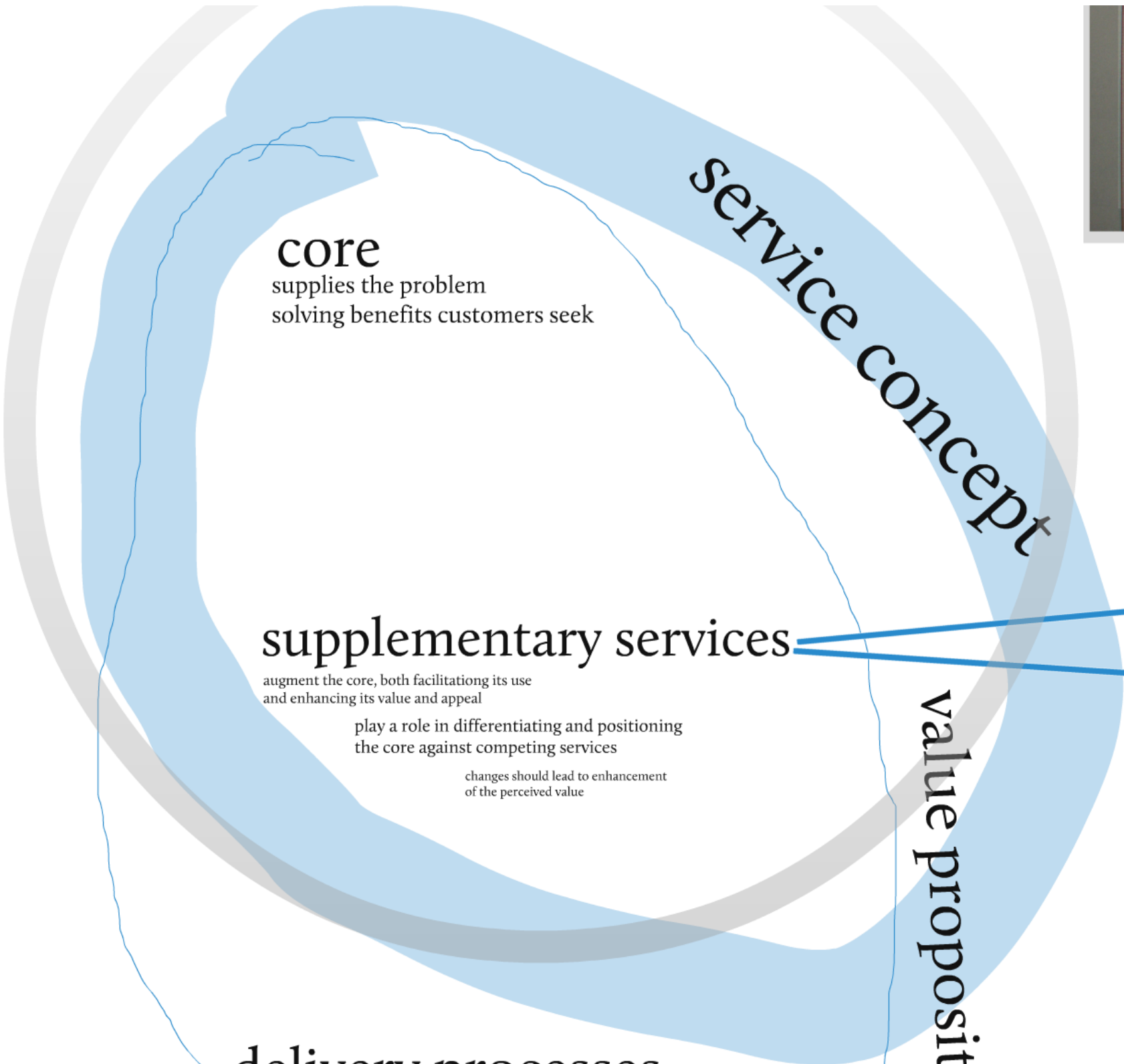
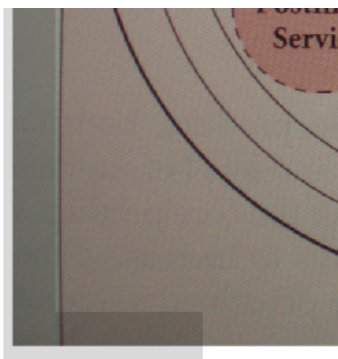
hierarc

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holistic view



holistic view



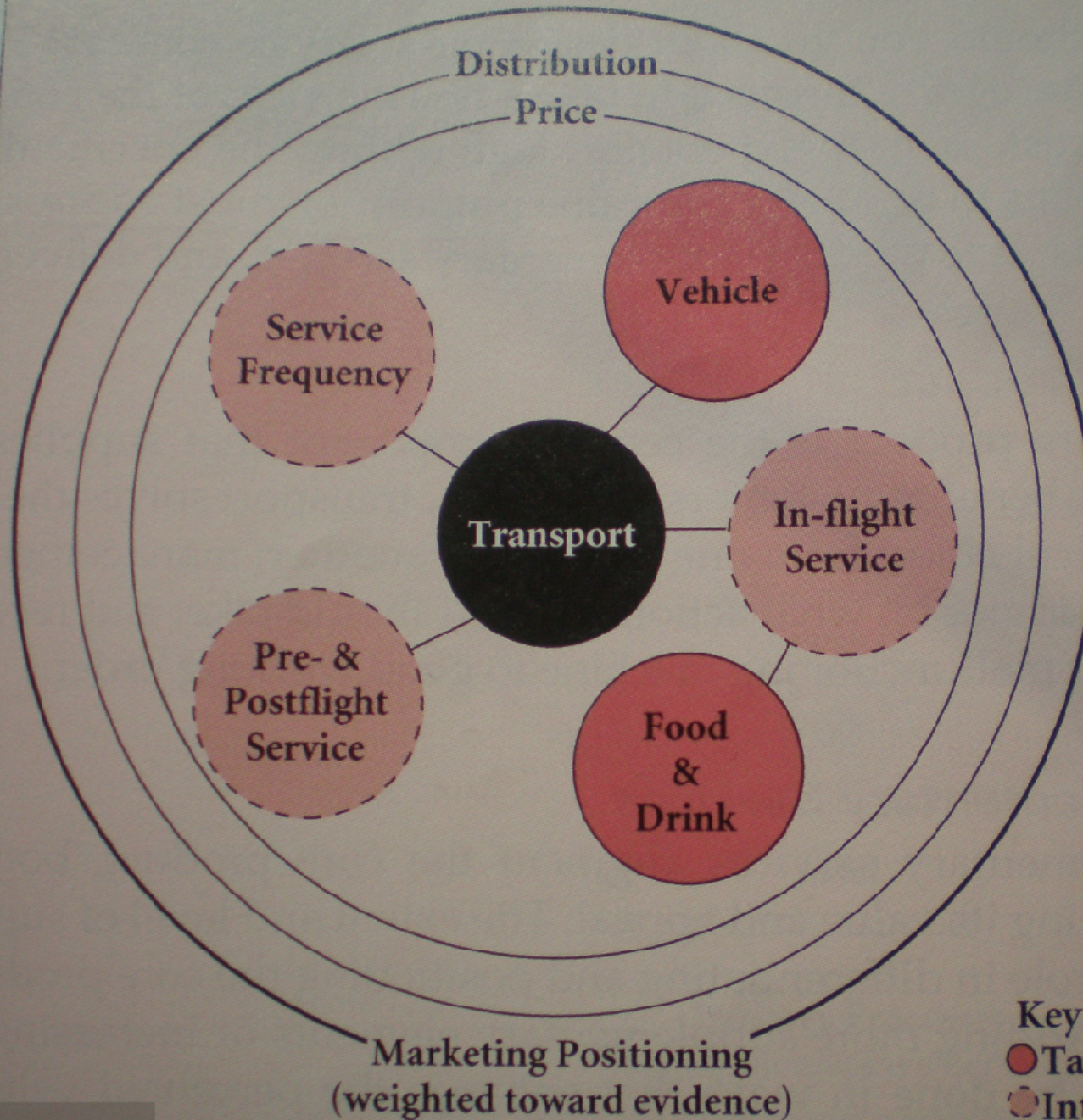
supplementary services

augment the core, both facilitating its use and enhancing its value and appeal

play a role in differentiating and positioning the core against competing services

changes should lead to enhancement of the perceived value

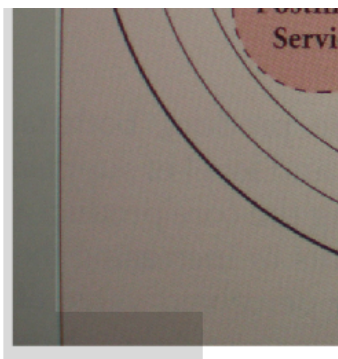
use visual help



Key

● Tangible Elements

○ Intangible Elements



service concept

core
supplies the problem
solving benefits customers seek

supplementary services

augment the core, both facilitating its use
and enhancing its value and appeal
play a role in differentiating and positioning
the core against competing services
changes should lead to enhancement
of the perceived value

value proposition

delivery processes



core

supplies the p



core

supplies the problem

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supplementar

augment the core, both facilitating its use
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play a role in differentiating a
the core against competing s


changes should lead
of the perceived va

Complementary services

the core, both facilitating its use
and enhancing its value and appeal

play a role in differentiating and positioning
the core against competing services

changes should lead to enhancement
of the perceived value



appeal

n differentiating and positioning
inst competing services

changes should lead to enhancement
of the perceived value



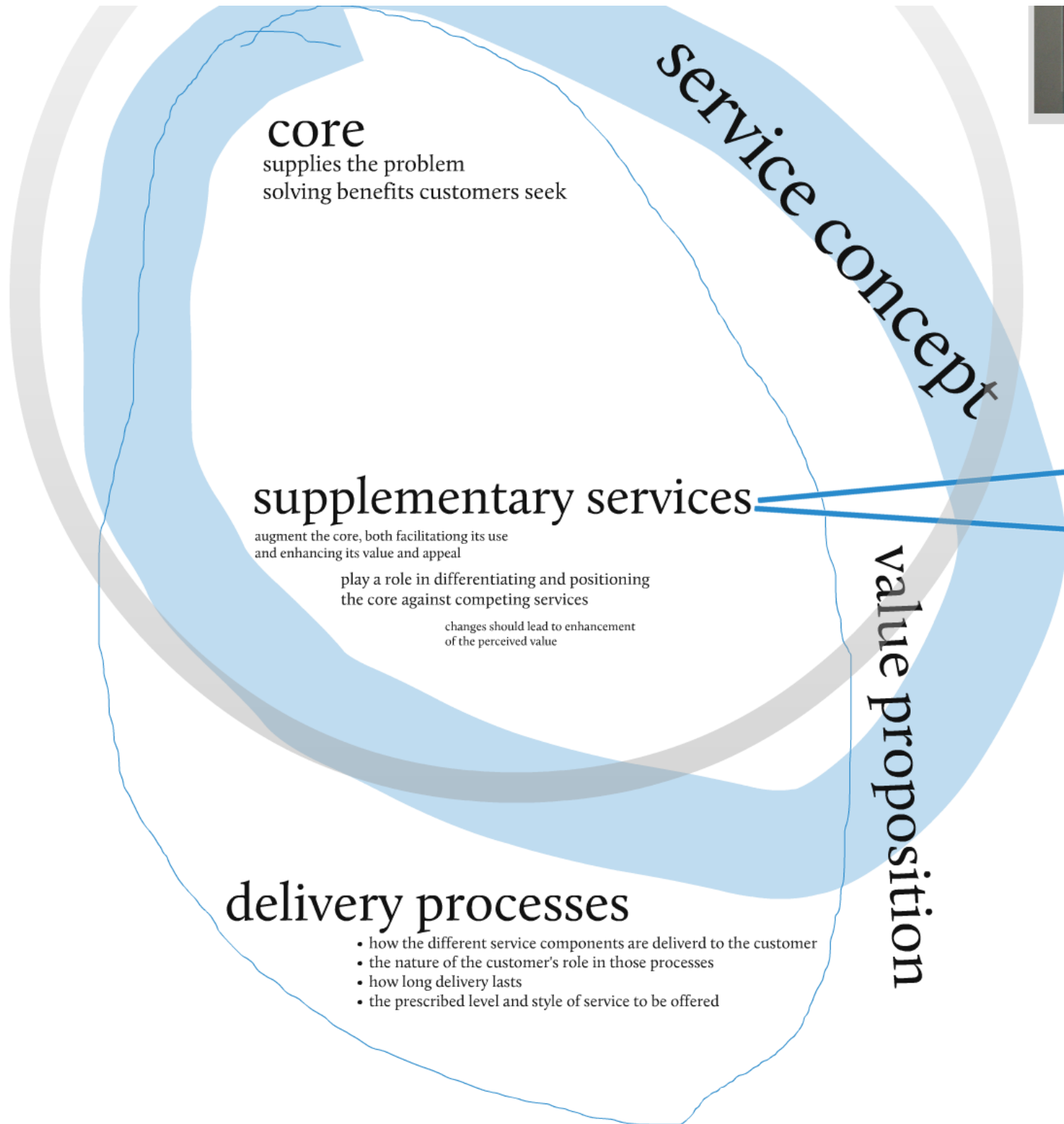


value proposition

to the customer

d

ce
hat
view



core
supplies the problem
solving benefits customers seek

supplementary services

augment the core, both facilitating its use
and enhancing its value and appeal

play a role in differentiating and positioning
the core against competing services

changes should lead to enhancement
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delivery processes

- how the different service components are delivered to the customer
- the nature of the customer's role in those processes
- how long delivery lasts
- the prescribed level and style of service to be offered

service concept

value proposition

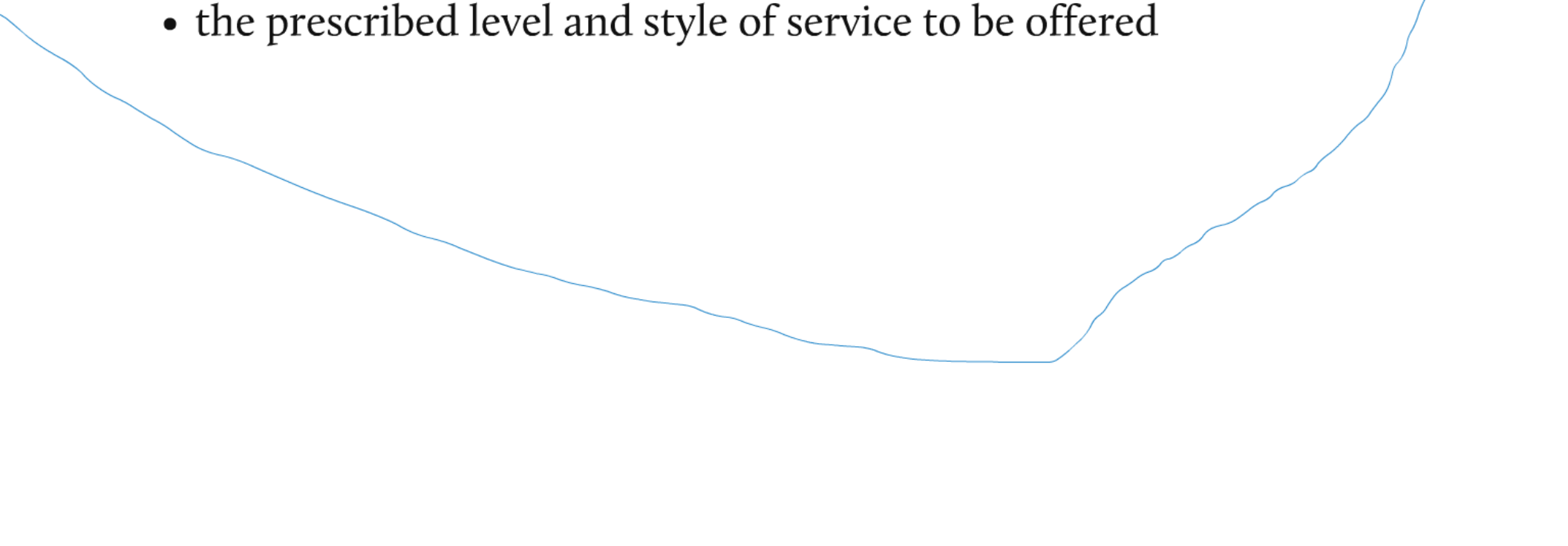


delivery processes

- how the different service components are delivered
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Delivery processes

- how the different service components are delivered to the customer
 - the nature of the customer's role in those processes
 - how long delivery lasts
 - the prescribed level and style of service to be offered
- 

example:



example:



core: overnight rental of a bedroom

supplementary services: check in/out, parking, reservation system, use phone, room service, internet, meal, porter

supplementary services

augment the core, both facilitating its use
and enhancing its value and appeal

play a role in differentiating and positioning
the core against competing services

changes should lead to enhancement
of the perceived value



• facilitating

require
or aid in



• enhancing

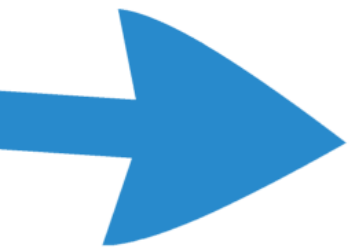
add ex



- *facilitating*

required for service delivery
or aid in the use of the core

- information
- order taking
- billing
- payment

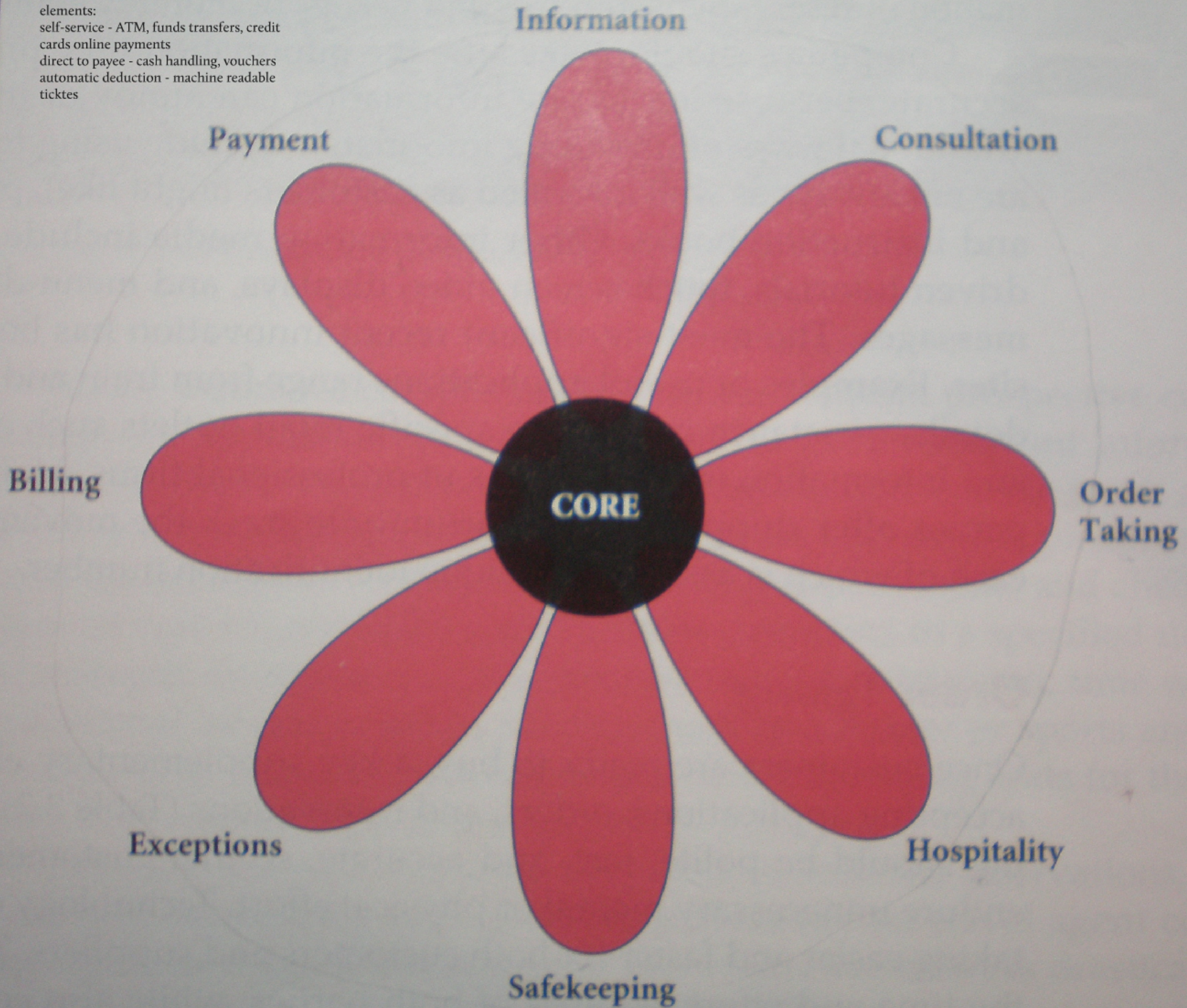


- enhancing

add extra value

- consultation
- hospitality
- safekeeping
- exceptions

elements:
self-service - ATM, funds transfers, credit
cards online payments
direct to payee - cash handling, vouchers
automatic deduction - machine readable
tickets



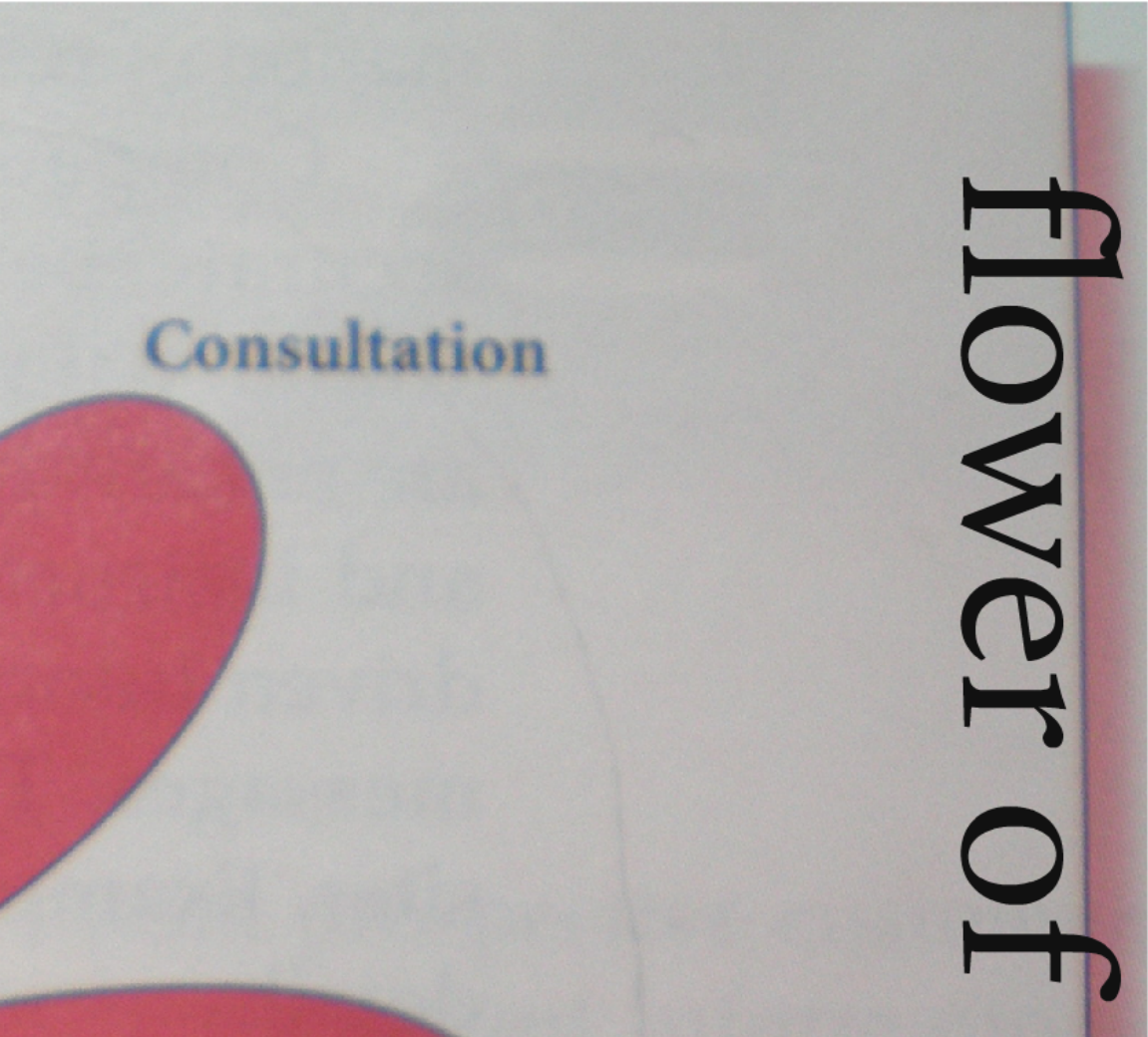
flower of service

make them timely and accurate

Information elements:
directions, prices, service hours,
warnings, documentation,
confirmation of reservations,
summaries of account activity,
receipts,...

Information





elements:
customized advice, tutoring,
technical consulting

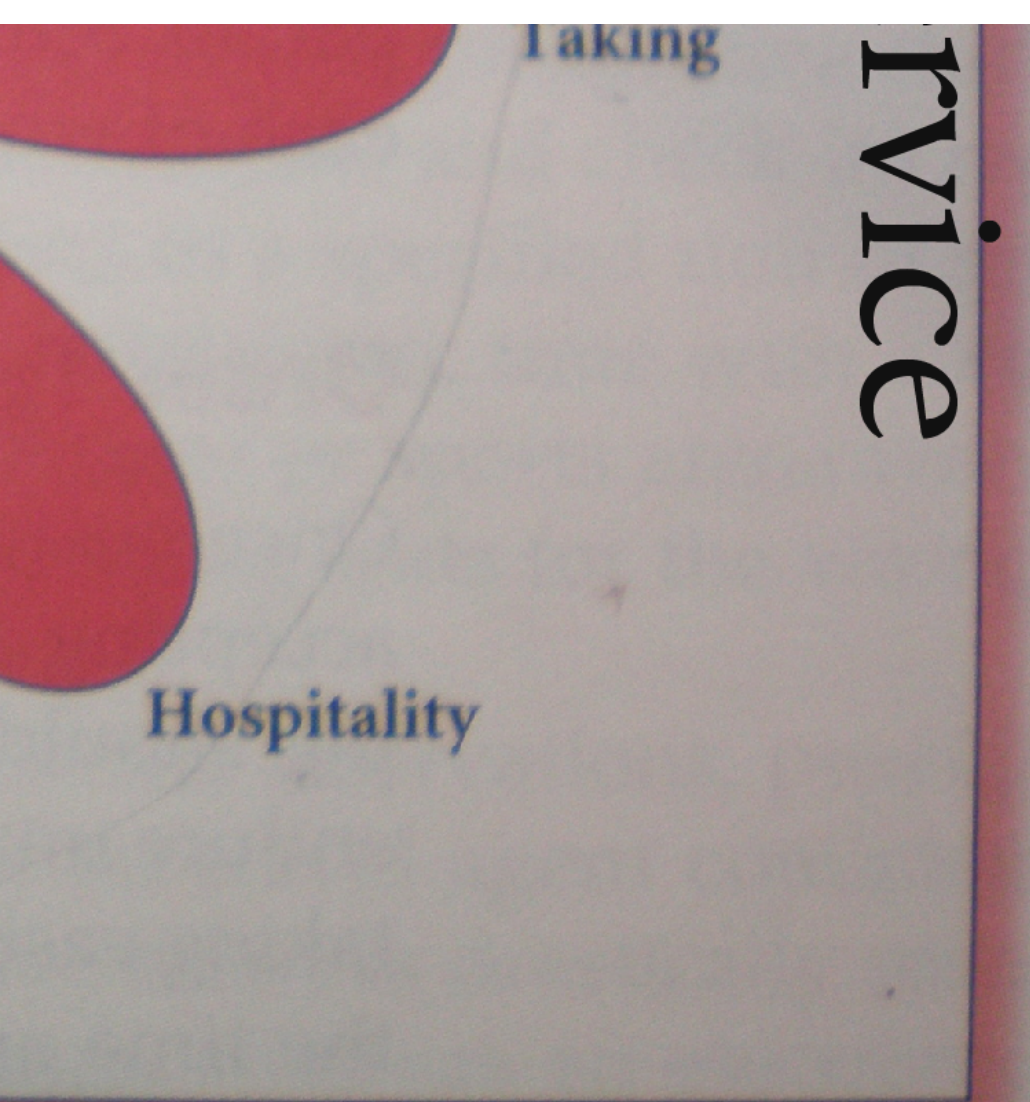
Order Taking

Order
Taking

elements:

applications - memberships in programs,
subscription services


order entry - on-site, mail, telephone, email, web
reservations and check-in - seats, tables, rooms,
appointments, restricted facilities (e.g., museums)



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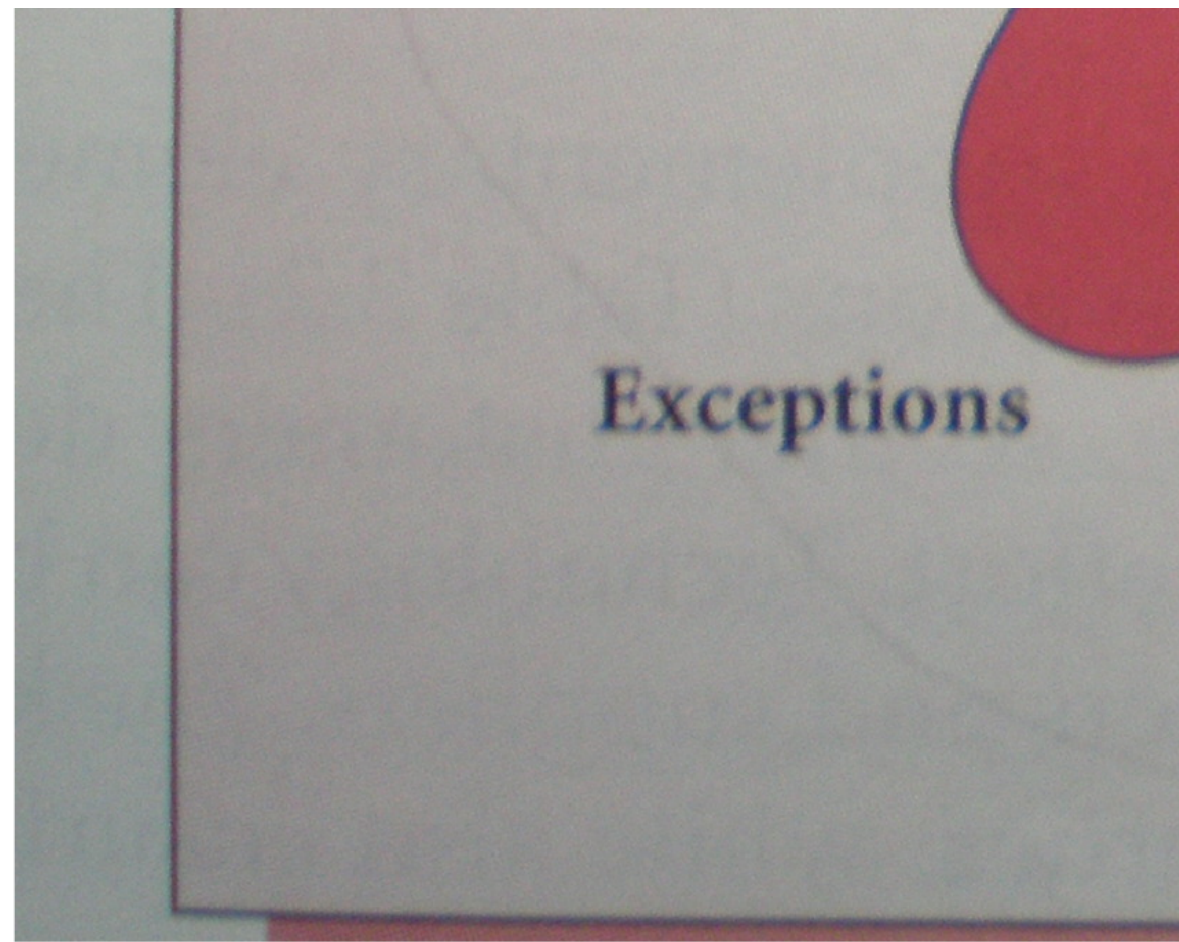
elements:

greeting, food and beverages, toilets,
transport, magazines, lounges



Safekeeping

elements:
child care, baggage handling,
storage space, security personnel



elements:

special requests - children's needs, disability needs, dietary requirements

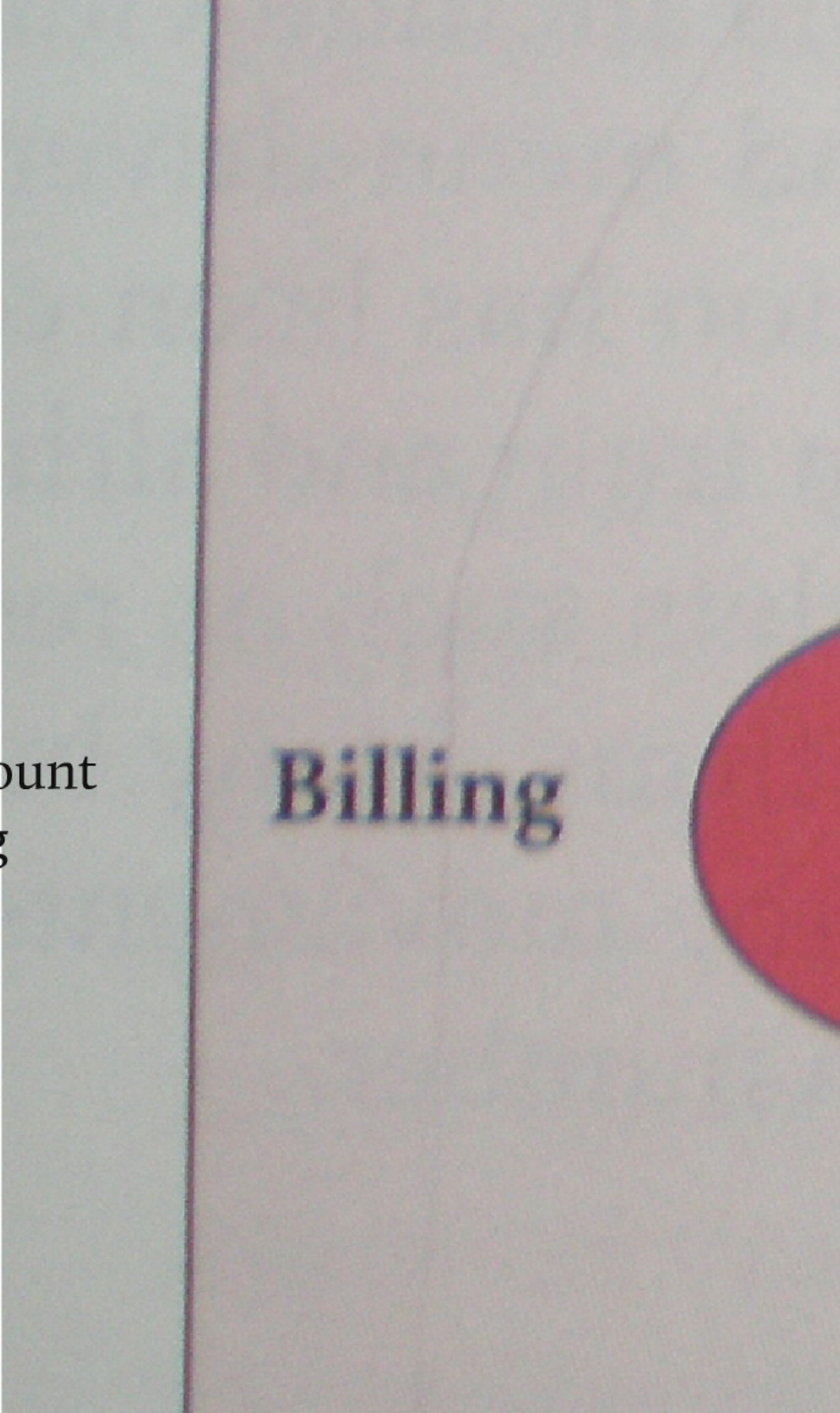
problem solving - warranties, assisting customers

handligh special communications - complaints, compliments, suggestions

restitution - refunds, compensations, free stuff

elements:

invoices, periodic statements of account
activity, machine display, self-billing



Billing


elements:

self-service - ATM, funds transfers, credit cards online payments

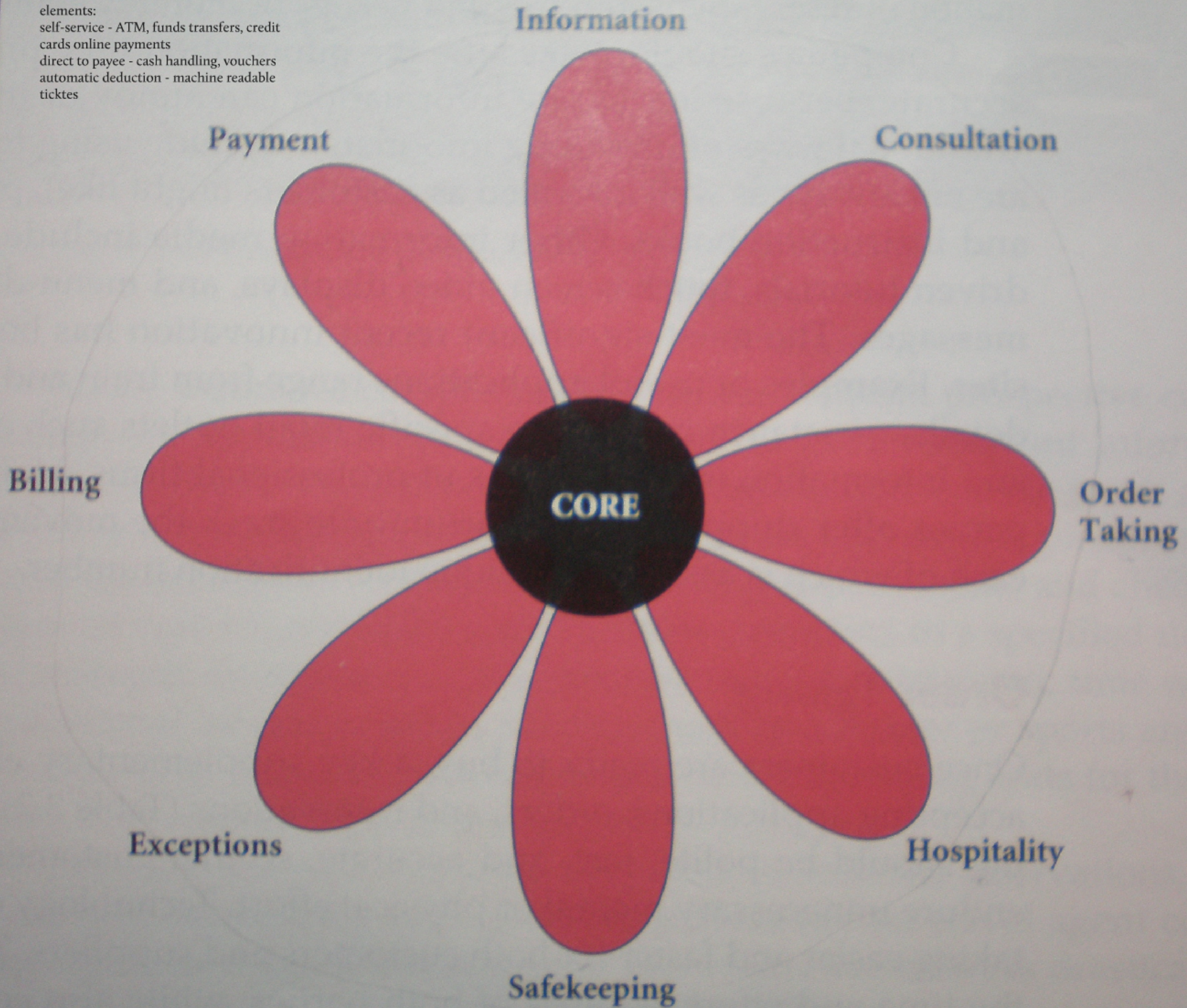
direct to payee - cash handling, vouchers

automatic deduction - machine readable tickets

Payment



elements:
self-service - ATM, funds transfers, credit
cards online payments
direct to payee - cash handling, vouchers
automatic deduction - machine readable
ticktes



flower of service

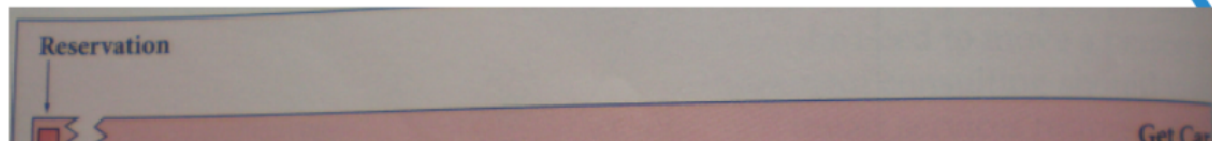
temporality of the service

time plays a key role in services

very often the core is sandwiched
between use of supplementary services

determine the approximate length of time required
in each instance of core and supplementary services

it should reflect a good
understanding of customer
needs, habits, and expectations



helps also for facilities planning

Temporality of the

time plays a key role in services

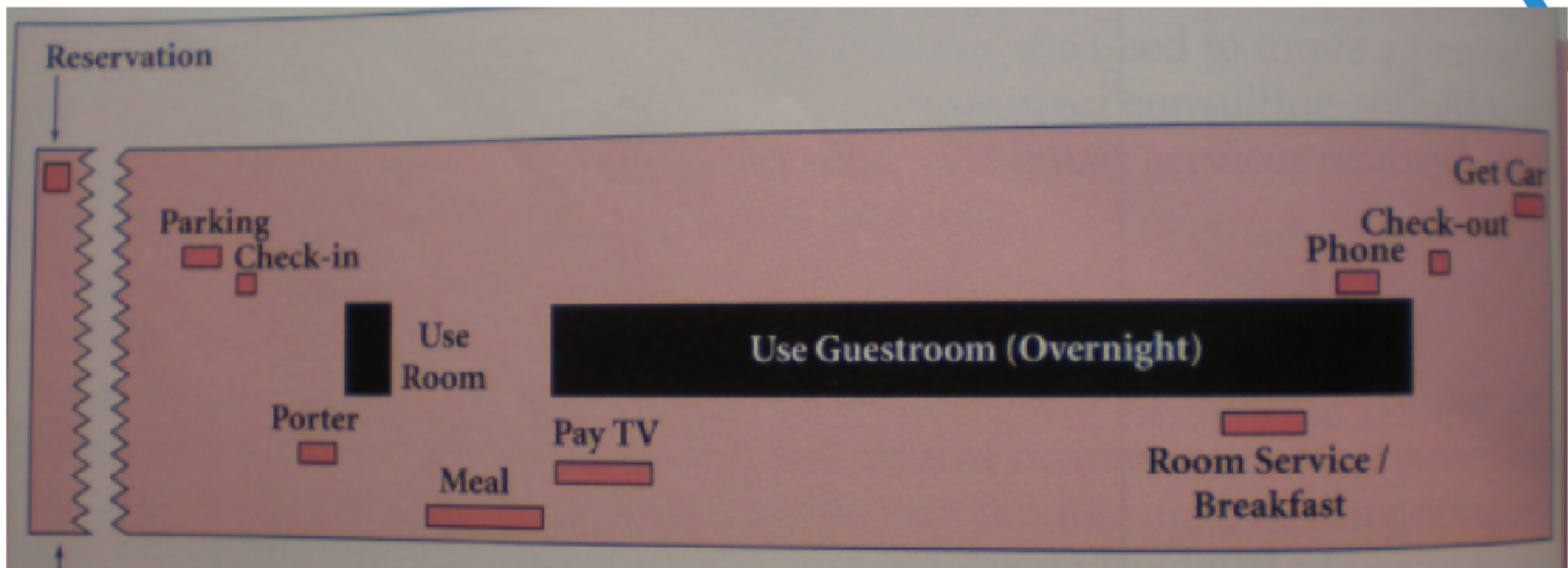
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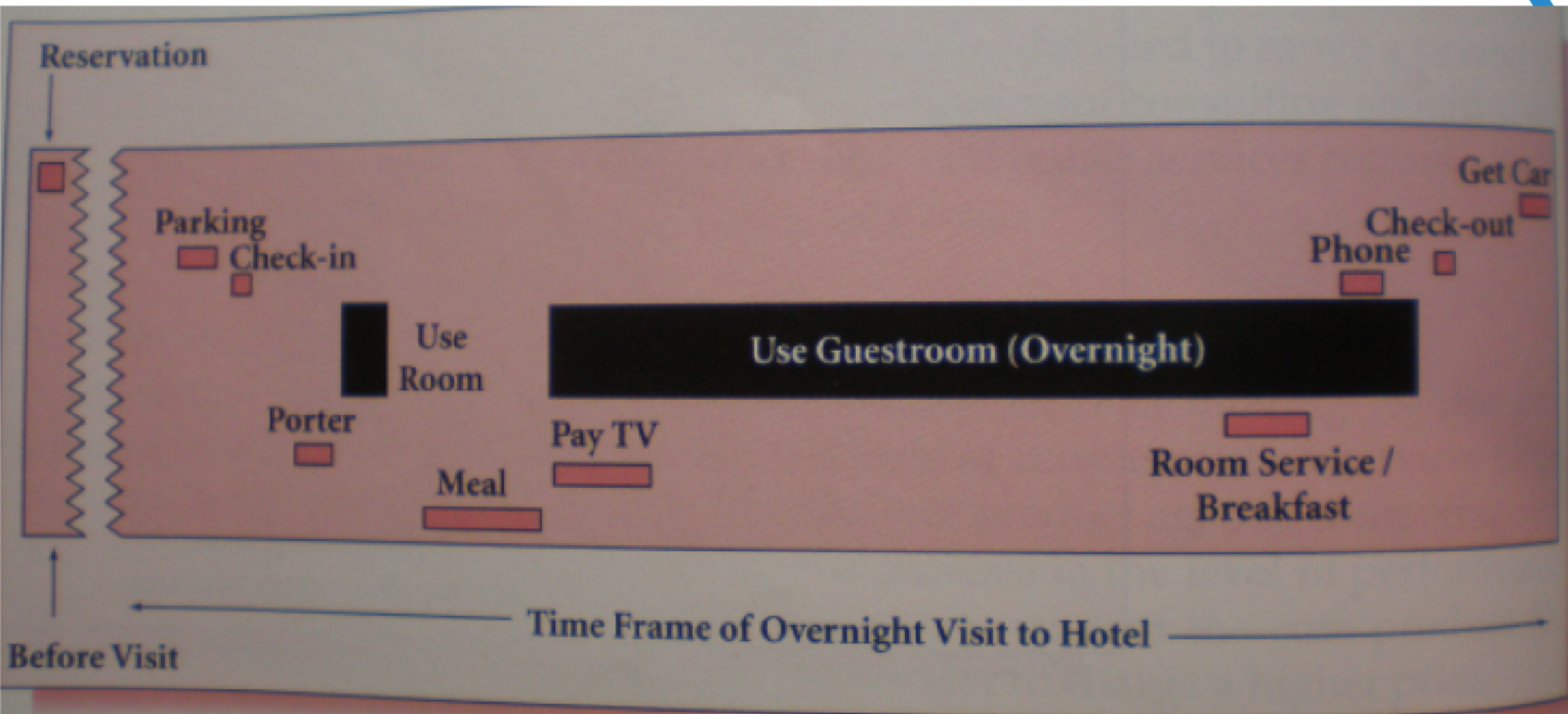


understanding of customer
needs, habits, and expectations



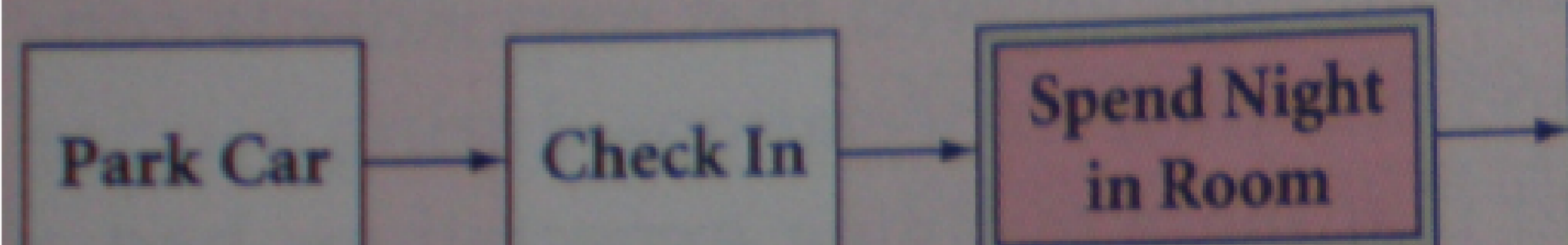
helps also for facilities planning,
operations management, and
allocation of personnel

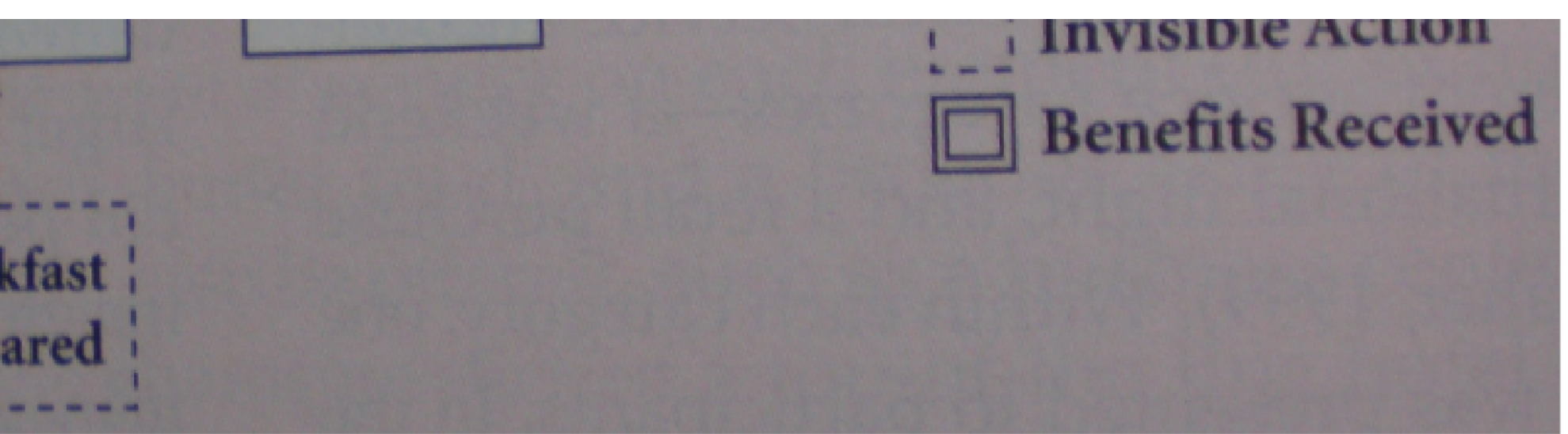
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flowcharting

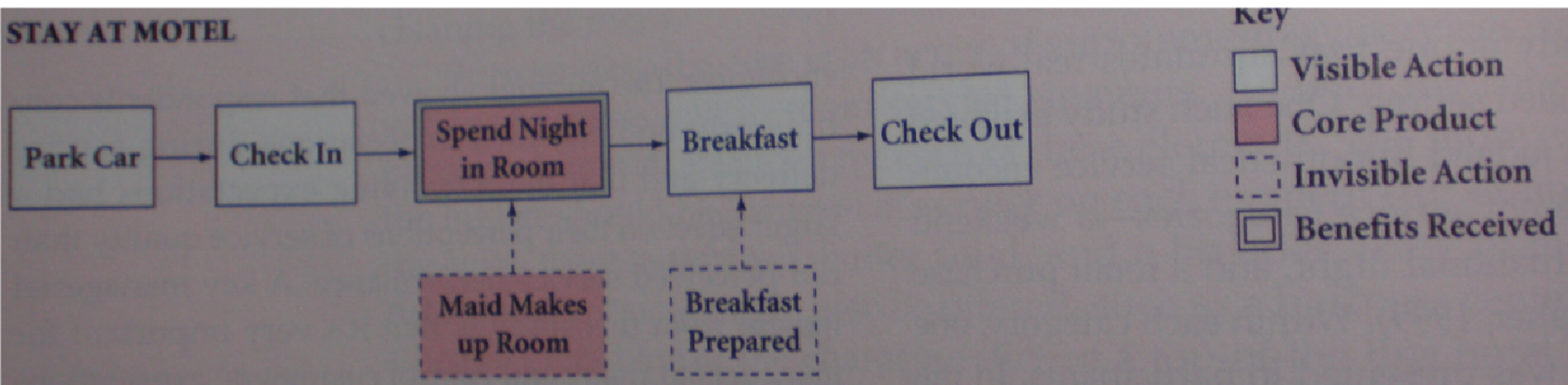
STAY AT MOTEL





shows roles played by customer
helps to focus on what is important

flowcharting



shows roles played by customer
helps to focus on what is important

planning and creating services

development of new services

h

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- process-line extensions - e.g., service

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- service improvements
- style changes - often no changes, but highly visible - outfitting, coloring

Streamlining service processes

analyzing and redesigning processes to achieve faster and better performance

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analyzing and redesigning processes to achieve faster

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ing service processes

analyzing and redesigning processes to achieve faster and better performance

running tasks in paralel

blueprinting

- parking, accepting cards,
- service improvements
- style changes - often no c
outfitting, coloring

reengineering service processes

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parking, accepting cards, internet for customers

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streamlining service processes

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tools as a source

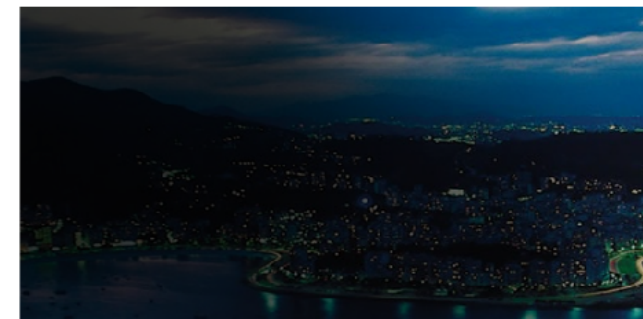
perform work oneself x hire someone

CATERPILLAR®

HOME

PRODUCTS

Home



ing service processes

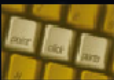
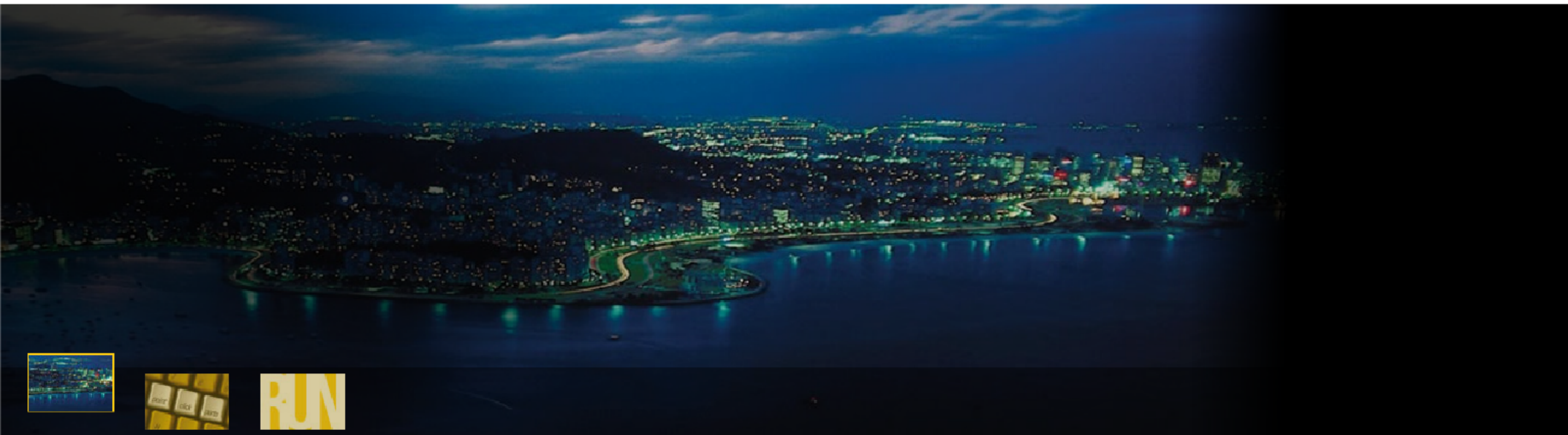
analyzing and redesigning pro
and better performance

running tasks in paralel

blueprinting

running task

blueprinting



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and better performance

running tasks in para

blueprinting

physical goods as a source

- perform work oneself x hire someone
- own a good x rent the use

using research to design new

blueprinting

cal goods as a source

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research to design new serv

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using research to design new service

notes

using

es

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- restaurants - 26% during the first year

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organizational factors, internal marketing

market research factors

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