



size of service sector is increasing

to meet, to anticipate customers needs with services (seen as offering of value)

we have to focus on marketing strategy

to find out the needs, research is needed

new jobs are generated by services

competition is stimulating innovation, esp. through application of new and improved technologies

withing the same industry

among firms from different industries - serving needs through alternative approaches

e.g. e-mail vs text messaging

	A	B	C	D	E
1	Government Policies	Social Changes	Business Trends	Advances in Information Technology	Globalization
2	* changes in regulations	* rising consumer expectations	* push to increase shareholder value	* growth of internet	* more companies operation on transnational basis
3	* privatization	* more affluence	* emphasis on productivity and cost savings	* greater bandwidth	* increased international travel
4	* new rules to protect customers, employees, and the environment	* more people short of time	* manufacturers add value through service and sell services	* compact mobile equipment	* international mergers and alliances
5	* new agreements on trade in services	* increased desire for buying experiences vs. things	* more strategic alliances and outsourcing	* wireless networking	* "offshoring" of customer service
6		* rising consumer ownership of computers, cell phones, and high-tech equipment	* focus on quality and customer satisfaction	* faster, more powerful software	* foreign competitors invade domestic markets
7		* easier access to more information	* growth of franchising	* digitization of text, graphics, audio, and video	
8		* immigration	* marketing emphasis by nonprofits		
9		* growing but aging population			

New markets and product categories create increased demand for services in many existing markets more intensive competition

Innovation in service products and delivery systems, stimulated by application of new and inproved technologies

Customers have more choices and exercise more power

Success hinges on

1. understanding customers and competitors
2. viable business models
3. creation of value for both customers and the firm

Increased focus on services marketing and management