

# **Understanding service markets, products, customers**

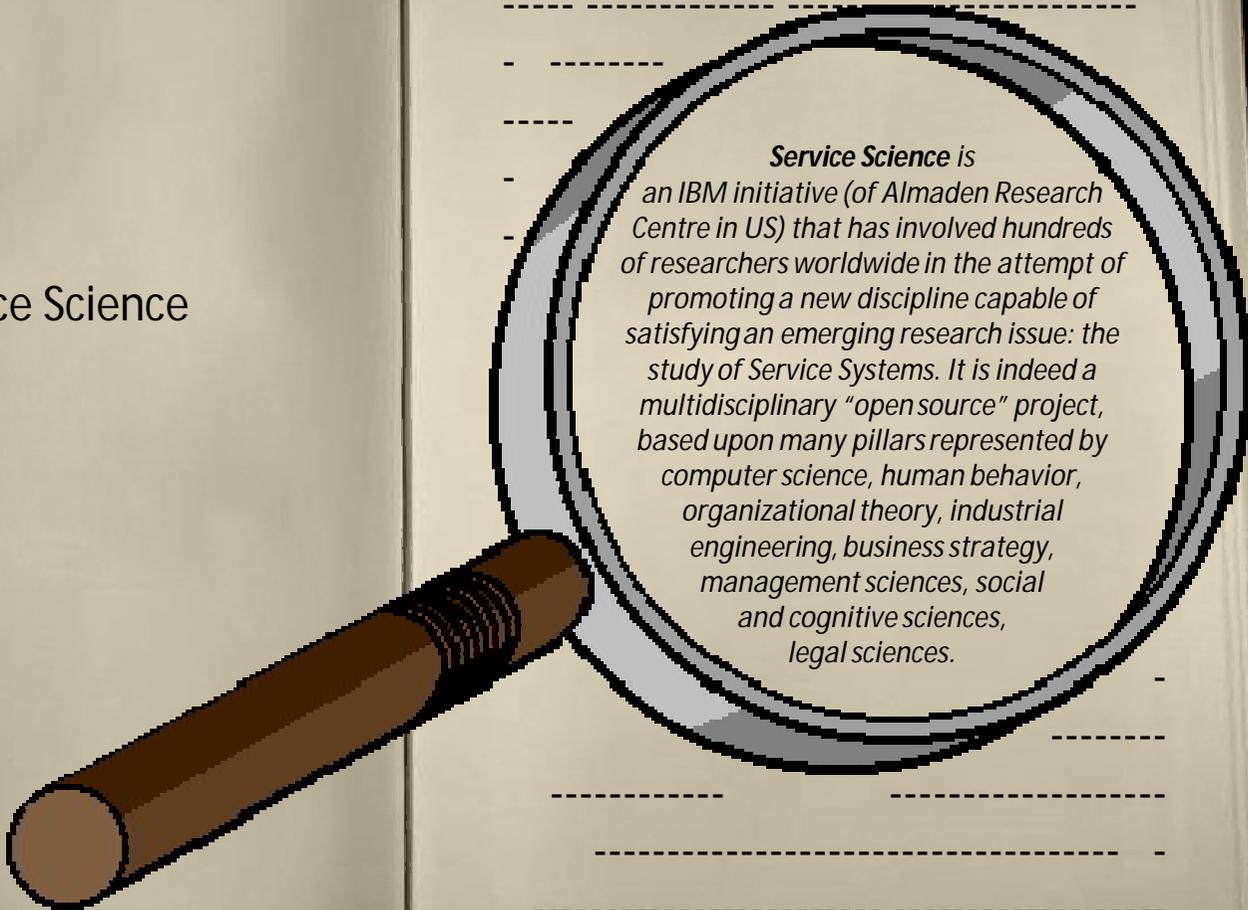
*(role, rules and constraints in service context)*



## Service Dominant Logic

**Service Dominant Logic** is a theoretical proposal of marketing discipline that highlights a paradigm shift from goods dominant logic to service dominant logic; following foundations of networked relationships, new value co-creation processes, business interactions, resources integration, trying to follow an approach considered more faithful and confident to nowadays competitive context of our Service Economy

## Service Science

A magnifying glass with a brown handle and a silver frame is positioned over the right page of an open notebook. The lens of the magnifying glass is focused on a paragraph of text. The notebook pages are light-colored with horizontal dashed lines. The text inside the magnifying glass is italicized and describes the Service Science initiative.

***Service Science** is an IBM initiative (of Almaden Research Centre in US) that has involved hundreds of researchers worldwide in the attempt of promoting a new discipline capable of satisfying an emerging research issue: the study of Service Systems. It is indeed a multidisciplinary "open source" project, based upon many pillars represented by computer science, human behavior, organizational theory, industrial engineering, business strategy, management sciences, social and cognitive sciences, legal sciences.*

## Service Dominant Logic

The Service Dominant Logic (S-D logic) is a theoretical proposal related to the discipline of marketing which highlights the change of perspective over traditional models of interpretation more focused on the relevance of goods and characterized by the historical difference between goods and services (referred to Good Dominant Logic). It follows foundations of networked relationships, new value co-creation processes, business interactions, resources integration, trying to follow an approach considered more faithful and confident to nowadays competitive context of our Service Economy.

## Service Science

The Science Service, Management, Engineering and Design (SSMED) originates from an initiative of the IBM Corporation as a project of the Almaden Research Center, involving hundreds of researchers in the world in an attempt to promote a new discipline to meet the most important themes emerging: the study of service systems.

In terms of Science it investigates what service systems are and how they evolve, referring to the roles of people, knowledge, shared information and technology, as well as the relevance of customers (as demand) inside production processes (as supply); in terms of Management it investigates how to improve efficiency evaluation, relations sustainability and systems relations; in terms of engineering it develops new technologies, adequate approaches to promote information check, measurement and diffusion; in terms of Design it deepens configurations techniques and studies to correctly structure service systems.

# About Service

In **S-D logic**, service is intended as the application of competences, through actions, processes and performances, for the benefit of another entity.

In **SSME**, service is considered as a system of interacting and interdependent parts including people, technologies and business activities, constantly in search of relating to each other, in order to use their distinctive capacities and to attain enduring competitive advantage.

## ***MAIN REFERENCES ABOUT THE THEME:***

LEVITT, T. (1981) - GRÖNROOS, C. (2000)  
NORMANN, R. (1991) - RISPOLI, M., TAMMA, M. (1992)  
RUST, R.K. (2004) - SAMPSON, S.E., FROEHLE, C.M. (2006)  
VARGO, S.L., LUSCH, R.F. (2004; 2006; 2008)

# Why Service?

From service theories perspective, the integration of needs, resources, information and objectives feeds among providers and users a co-creation process that guides towards the goal of strengthening sustainable competitive advantages.

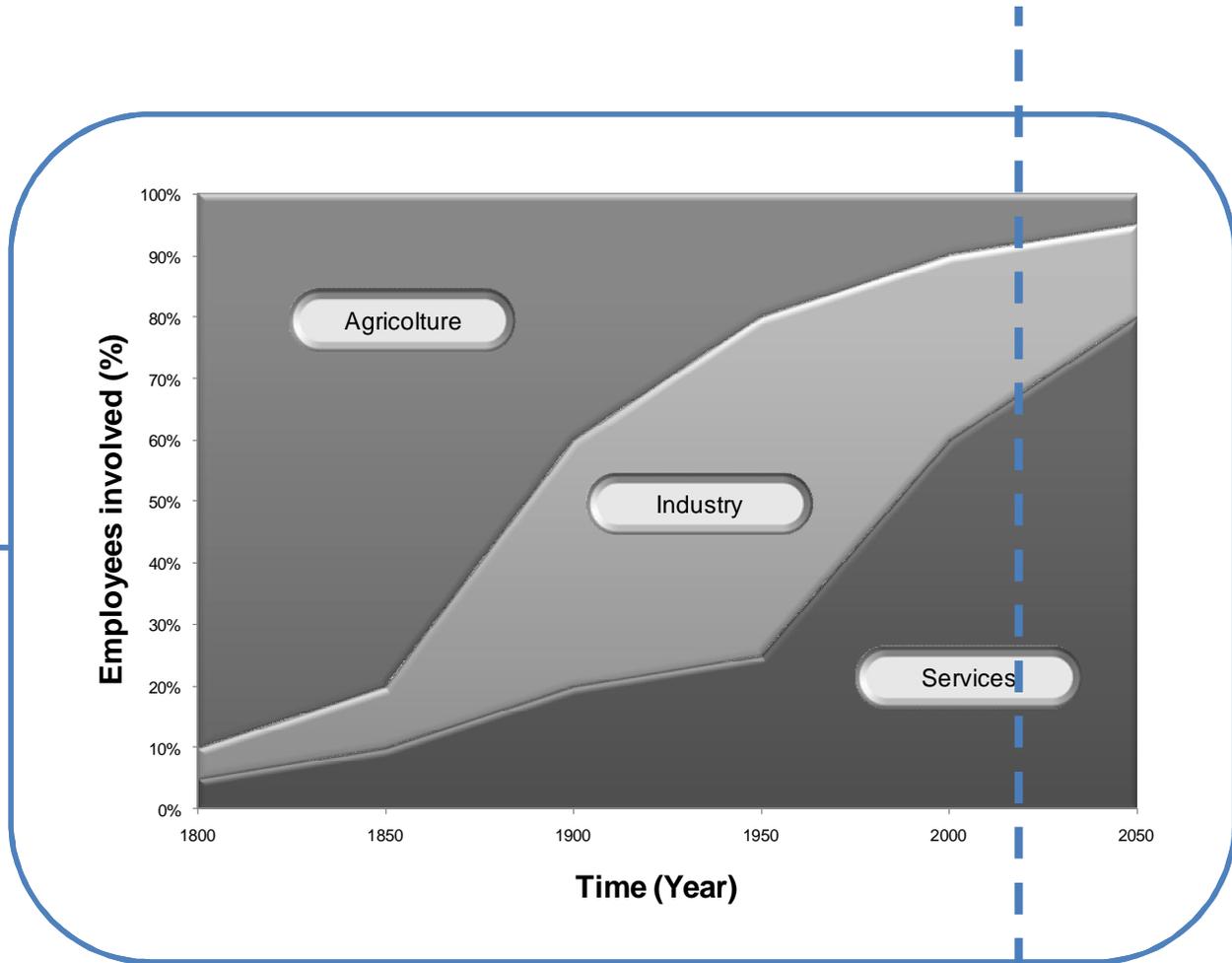
Services are “value-enhancing elements for goods”; within this logic, “goods only represent the *appliance* of service *provision*, service is the real focus for economic and social exchange”; “service is what is always exchanged”.

## ***MAIN REFERENCES ABOUT THE THEME:***

VARGO, S.L., LUSCH, R.F. (2004; 2006; 2008)

# Service today

**Services in the world today:**  
Service sector represents more than **75% of GDP** in developed countries and more than **40% of global workforce** (Fitzsimmons & Fitzsimmons, 2008).

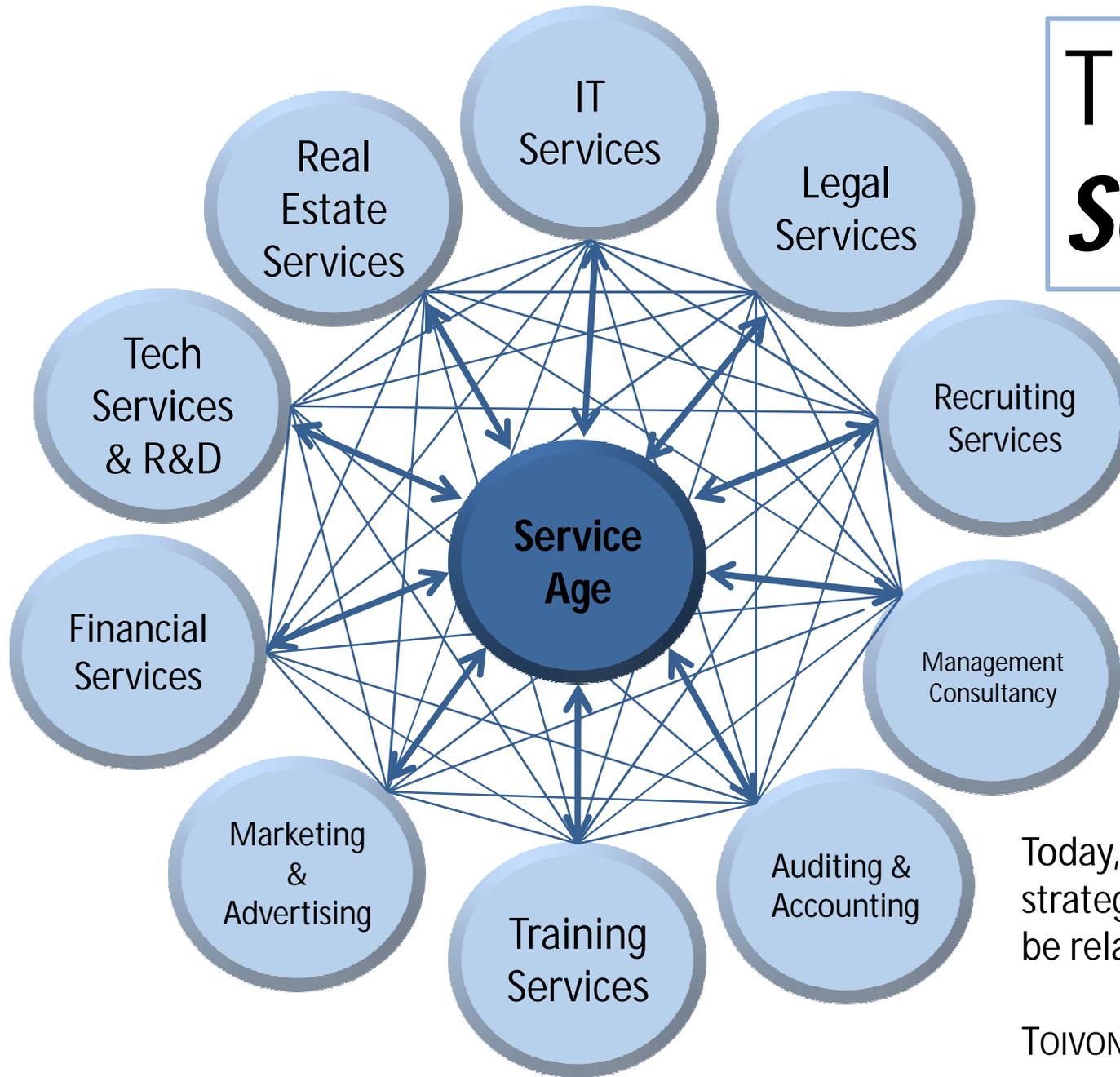


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# The *Service Age*



Today, all factors, all activities, all strategies, all operations seem to be related to Service.

TOIVONEN, M., TUOMINEN, T. (2007)

# Service is an ever complex issue to deal with.

- Service is related to **value co-creation** among actors.
- Adopting a Service view improves positive interaction between entities in **reticular systems**.
- Service co-creation involves **many actors** within a dynamic process.
- Service exchanges need **evolving** expertises and competences.

