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# The Innovation of Service

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#### The Innovation of Service

The Service is currently considered an important competitive edge, both in the products "commodity" that in those innovations. In some areas it has become virtually the only real leverage the innovation perceived by the customer. For some market segments is the "channel" that more than any other manages to convey the sale of products. Even in the services sector is looking for a more innovative. But what exactly does "Innovating the service" in the B2C, B2B and in the services sector? And what opportunities exist in this respect?

In all industries, from the world "Consumer" (B2C) in the "Business to Business" (B2B), Business to the Services, the companies are trying to improve their services, but most of "innovarli". In the world of consumer products (B2C), this is done to greatly increase the size of the service to support their supply, to the point of turning it into the way they sell the same products. Consider in this regard to the sale of the car through the service "fleet managed" or that of the smart phone sold through telephone subscriptions. In the world of industrial products (B2B) is instead going to logic of rent of machinery, or in any case of project financing, or direct management of the facilities provided to the user. In the world of the Services is to offer "self-managed" or much more integrated.

The way we conceive of such developments and innovations must be dealt with strategically aware and focused, given the considerable changes required in marketing, organization and corporate culture.

One way to do this is to examine what it means to innovate the supply of service through a further segmentation of the three basic types of business scenario above (B2C products, B2B products, services) in three target / market segments:

- The product / service "commodity"
- The product / service provided "in service"
- The product service "premium price".
- The development of the service in B2C products.

In B2C, when it comes to a product "Commodity" (product standard not significantly differentiated from the competition) improvement and service innovation to be found in its size intrinsically necessary, namely: availability (local physical or via WEB) the delivery reliability/availability, service commercial capillary technique (physical, call center or WEB), etc...

We are definitely in the field today dominated by the Call Center or automated service via the web (Figure 1).

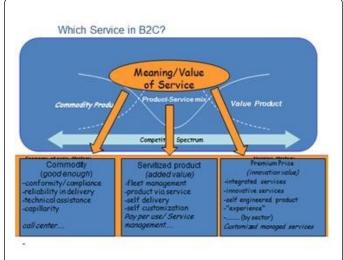


Figure 1: Development of the Service in the B2C.

In the B2C segment Comes "in service"/"product servitizzato" (ie, fleet management) service innovation should besought in the dimensions of "pay per use" (you can use the product/service as needed, and pay on consumption, not on the basis fixed) and the dimension "self-customization", technical support professional, self-service operation, etc...

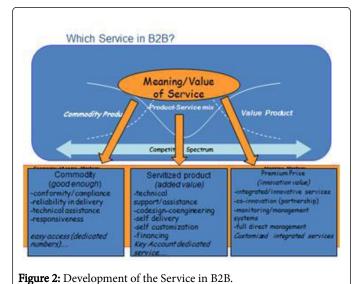
This means providing the opportunity for customers to take advantage of the function of its product in a self- managed, but possibly also in order self- customizable, such as the possibility of change of mode of use of the car in service, product customization purchased via the web (as long made from DELL for the sale of his PC or from NIKE shoe customizable).

We are in the world of Service Management and Self "Prosumership", ie the ability of customers to be proactive in defining the specifications of the product to their intended ("self engineered"). In the B2C segment "Premium Price" Innovation of the Service must be sought instead in the Integrated Services/Full Service (such as the Concierge service for buyers of luxury cars), in Innovative services (such as the ability to change the car in rent a car at the weekend), the High-value services perceived (Example-the ability to access exclusive clubs), in "Customer care" custom (continuous and customized attention in contacts needed or not).

We are in the world of "Customized Value Services".

### The Development of Service Products B2B

In B2B product with a "Commodity", enhance the service as a lever competitive means being able to be totally reliable in the factors expected from customer in the dimensions "service" of the product destined to him, namely: -Total accordance/compliance with the contractual specifications and in any case the expectations (Figure 2).



- High level of delivery reliability
- Complete Support Technical Assistance
- High reactivity

We are in the world of easy accessibility by the customer to our supports/services with phone numbers and/or dedicated web access.

In a B2B product to sell through its "servitizzazione", "service innovation to be found in its dimensions of value added" audible/ exploitable from customer. Yes is of enable/enhance for example:

- The ability to service and technical support, co-design and/or coengineering
- The possibility of self-delivery and/or self-customization by the customer
  - Supply of continuous service and custom tailored information
  - l'offerta financial services in support of its supplies
  - l'offerta of possible outsourcing of activities by the customer

We are in the world of management "one to one" customer with Key Accounts strongly oriented towards customer satisfaction and proactive about real values for him.

In B2B product "premium price", the keyword for providing services to high- value competitive is Innovation. E ' in this area that take body strategies "Surpetition", i.e the ability to break free from competition from other players by providing innovative services that others do not know (yet) provide.

It is to propose and provide:

- · Services integrated and innovative services that go beyond the specific supply
  - · Ability co-innovation/partnerships
  - Provision tracking service of its equipment at the customer
- Provision management systems from outside, but its integrated equipment (ensuring the functioning of the components supplied with management Direct from the outside).

We are in the world of Customised Services and Managed by the supplier, where to did you switch from supplying the product to the provision of a function in time.

An example of "Route to Service" of a major multinational electronic Mechanical operating in the B2B is shown in Figure 3.

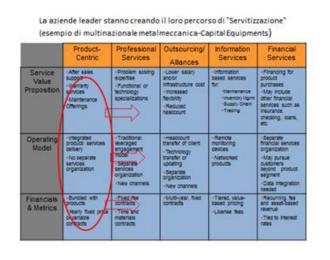


Figure 3: Esempiodi "Route to Service" nel 2B.

#### **Development Service in Business Services**

In Services "Commodity", similarly to what is required by the Products Commodity, is to ensure. As expected and anticipated, for example:

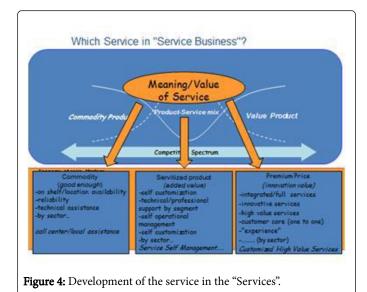
- Possibility direct use of such services via WEB
- Speed/reliability in their supply
- Ease access/use/use
- Assistance fast and reliable technique.

We are in the world of call center and web media (Figure 4).

In Services "servitizzati", apart from the apparent overlap of the two concepts, it is to provide the customer the ability to:

- Personalizzarsi its services (such as setting up an account current or an insurance policy)
- Usufruire specialized consulting / professional or competent even dedicated advisor
- Potersi autonomously manage the service dedicated to him (direct use custom, for example, rent a car).

We are in the world of "Self Customized and Managed Services".



In Services "Premium Price" is the key word of course that Innovation (high perceived value).

It is to provide the customer:

- Services integrated with innovative formulas
- Services innovative in themselves
- Services high perceived value (for example, the service "Concierge")

- · "Customer care" of high level/quality (quality that exceeds expectations, the so-called "Quality Positive")
- Far live customer not only a service but an"experience" of high satisfaction.

We are in the world of "High Value Services", but most of the supersoft dimension of the service: "the experience".

## The Importance of the Business Model and its Organization

Once the additional service that you want to offer to the customer, necessary to conduct an "profiling" to put in comparison with that of competitors (Example through the methodology of "blue ocean") to assess the perceived value. Then we need to identify "Capability" key to provide it in an appropriate manner.

They relate to capacity techniques of systems, but most of Organization and processes required. This means we need to design the Model or Business Organization and Operation for the development of this new service. A key step, often critical, it is that the change of corporate culture in this regard. It is not to as easy to switch from one culture "Product -out" ("let's products and see how to sell") to a culture "in Market" ("we try to understand what is/can serve the customer and the service that can guarantee him forniamoli this function"). But it is precisely on this path which is implementing a new competitive selection of companies.