

Managing Services
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Lecture – 03
The Service Customers

Hello, I am Jayanta Chatterjee and we are discussing about Managing Services and the Contemporary Issues.

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WHY STUDY SERVICES ?

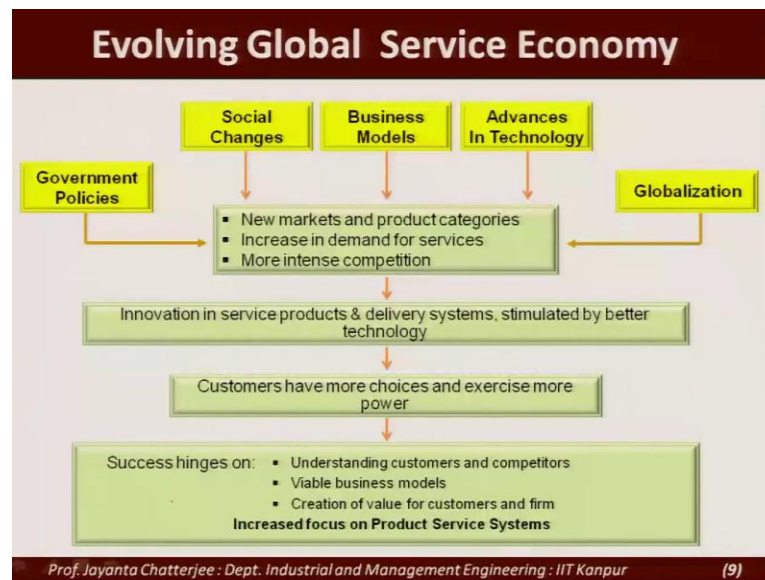
➤ **Evolving service markets**

- Technology changes, Government policies, Social changes, Business structures, Internationalization
- Demand
- Supply
- The competitive landscape
- Customers' choices, power, and decision making

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In the last session, we were discussing about the evolving service markets and we presented these five bullet points to you. I am going to expand on this to initiate today's module.

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And we will look at the evolve evolution of the global service economy. So, I mention that there are changes in government policies, there are social changes with respect to our attitude towards media, with respect to our attitude towards time entertainment. So, there is an increasing need and demand for personalization, portability, entertainment in your pocket, creating a whole new range of services as well as products.

There are changes in the business models; service is perhaps introducing the most number of revolutionary innovations in business models. Look around you, all these fascinating new e-businesses, they focus on service, they bring to you a value in terms of savings of time, cost, labour and a plethora of services. We will see so many of them, so whether it is a new range of services to find a good restaurant when you are visiting a new city.

To find new places to go out to for a family entertainment, to find new composites for entertainment, finding new ways to contribute to society, all that are now possible due to creation of new business models using advances in technology. So, you can contribute for example to charities across the world sitting in front of your computer, you can become an experimental movie producer with a few sets of simple devices.

Because, of the so many services that you can have on the web to edit your movie, to process it, to publish it. Changes are also happening as a result of these composites of business model change driven by technology, driven by social change, creating new

globalization from day 1. Today, if you can produce an interesting 2 minutes of audio, video material, you can publish it on YouTube and it will go to millions of viewers, we have a new name going viral.

So, it will spread around the globe, so it is not that you are thinking of that I am actually a producer of Assamese films and I have to go from Assam to Western region of India to the national platform of India, you can go to the world stage right from day 1. And that is creating tremendous opportunities as well as tremendous critical complexities and that is what, therefore necessitates the change to impact our way of looking at concepts like market and product categories.

And this increase in demand for services or also increasing the competition, so you have a service, which is for restaurant location and often that leads to a situation where it that services successful, a new structure, where you can order food from five different restaurant and combine through that service. Creating a new kind of competition for the restaurant owners, where somebody who is your channel partner in a way also becomes your competitor, these are complexities.

The way of management therefore, has to be part of often in terms of new models, structures. So, innovation in service products and delivery system simulated by better technology creates one over writing paradigm and that is creating the new trust for all businesses. And that is that customers have lot more choices and they can exercise lot more power, because of the social media combine with different types of e-businesses.

So, the marketers from across the world are at your desk, competing fiercely with each other. And therefore, they succeed in this service dominated economy of today; we have to think deeper about customers. We have to understand competitors in relation to customers as a complex people dynamics we have to think about new business model's and ultimately therefore, we have to think about businesses as a product services systems.