



TenStep Supplemental Paper

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Opportunity Knocks

The explosion of the service sector may well symbolize the third and possibly the most romantic revolution of our times. The major ingredients of the service revolution are not the tangible products and resources, but intangible resources like human knowledge, information and ideas.

The arena for the Third Revolution is the human mind and the idea factory. It marks the arrival of a new growth engine that is not engineered in the open land or closed factories, but in the minds of people.

How does one profit in the service industry? Let us seek the answer from the emerging expectations of the millennium customers.

The Millennium Service Buyers: What are they like?

In the context of service industries for the next millennium, it is interesting to profile the millennium consumer. The millennium consumer is:

- An Active seeker of value-evidences
- Self-empowered
- Time-conscious
- Technologically-savvy
- A seeker of unique experiences.

Each and every trait of the millennium consumer symbolizes a new profit opportunity for the service marketers.

- **Opportunity #1: Intangibility.** How can one profit from something that is not seen? Complement it with something that can be seen. Good customer service is visible to one and all.
- **Opportunity #2: Customer Co-production.** Customers are prepared to participate in the production and delivery process of the services. They are in a way part-time service workers for the service marketers. Thus, the task of making reservations for a seat at the theater or for air/rail journeys is now being taken over by the customer, thanks to the Internet or vending machines or even ATMs. The co-produced service costs less than an over-the-counter service (when taking into consideration all costs including the cost of customer waiting time and human error, if and when made by employees). Self-service by consumers helps marketers achieve their profit margins.
- **Opportunity #3: Pace-based services.** Time has become a new source of competitive advantage for industries. Services industries are the biggest beneficiaries of this trend because services, unlike goods, have no time lag



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- between the service conceptualization, design, production, delivery and consumption.
- **Opportunity #4: Cyber-Services.** E-tailing and e-trading are norms of the day, providing new avenues for services. Enormous growth is expected in services like shelf Internet services, retailing, consulting, web-designing, web-working, web-counseling, etc.

Summary

Profit and growth in the service sector lie in exploiting the opportunities and trends. It will be a shame if the service leaders fail to respond to the virtual gold rush that awaits them.