

Taking Service to the Next Level

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The service sector is the vast majority of every developed economy worldwide, and even goods sector companies are rapidly increasing the service content of their business. It can truly be said that every company is now a service business. The reason for this 100-year trend toward service is that information technology is making it progressively easier to communicate interactively with customers, store their information, and analyze that information to provide personalized service. The transaction economy has been supplanted by a relationship economy, and the technological shifts that create this shift are only accelerating over time.

The result is that all businesses must redefine themselves in the service economy. For traditional manufacturing firms, the need to change is especially severe. For all firms, the shift toward service mandates a shift in corporate strategy from a product-centered view to a customer-centered view. Such a shift demands innovation, not only in service design and delivery, but also in the strategic implications of customer-centered management. Such a viewpoint is increasingly reflected in 20+ years of academic research, most notably in the service marketing, relationship marketing, and service operations literatures. That work has brought a significant but transitional level of understanding to service, as reflected by journals such as the Journal of Service Research and international conferences such as the Frontiers in Service Conference. To move to the next level it is important not to forget the gains that we have already made. What is needed is to tie to the past, and then reach for the future. Existing work forms a useful foundation on which to build new knowledge. It is important to leverage our existing understanding and then go beyond it.

To move the service field forward we need innovation in both education and research. In education, the most logical sources of new service curricula are those academic centers of excellence that are already furthest along. It is important that new service curricula have deep roots, and not just be an ad hoc mix of courses patched together in a superficial way. In research, it is essential not only to nourish existing research efforts, but also to grow the number of service researchers. These needs call for a two-pronged effort, supporting not only the existing leaders in service research, but also encouraging other top scholars to enter the service research field. In both curricula and research, the area of service demands an interdisciplinary outlook, with contributions from many fields.

Both research and teaching in service need to recognize the dual nature of service, as embodied by the two sources of profitability—lower costs and higher revenues. On the cost side, studying service productivity and efficiency is essential. On the revenue side, studying methods of attracting, satisfying, retaining, and growing customers is essential.

A significant leap in service education and research will only occur if business and/or government invest significant new resources for both curriculum development and research. If the necessary resources are devoted to service innovation, then the resulting educational institutions and research findings are sure to provide a huge boost to the service economy and the overall economic well-being of the nation.