

# New Service Development

New service development concerns all the activities involved in realizing new service opportunities, including product or service design, business model design, and marketing.

When splitting service development into two parts, we have “service” and “development.” The first things that come to mind when looking at *service* are economics, finance, managerial activities, competition, [prices](#), and marketing. All of these keywords are related to risk and [entrepreneurship](#) and clearly indicate the [primary](#) scope of the term “service development.”

*Development* is very abstract and can be linked with some of the following keywords: technological improvement, cost reduction, general welfare, improved relations, and movement in a positive direction. Service development is mostly seen as growing an enterprise through a number of techniques. The mentioned techniques differ, but in fact all of them are about traditional marketing. The two main questions necessary to this approach are: How do we find, reach, and approach customers? How do we keep these customers satisfied with new possible services?

When supplying a solution, it is important to focus on the total offering you give instead of only focusing on the product or service. An offering is a package consisting of different proportions of a physical product, service, advice, delivery, and the costs.

Drawing on [contingency theory](#), an idea central to new service development is that different service, [market](#), and technology [combinations](#) can require different [marketing strategies](#) and business models to make them a success. To chart the factors that are involved and create [synergy](#) between them, new service development draws heavily upon the fields of technology and business networks. The new service development process involves recognizing chances and opportunities in a fast changing technological environment. For example, car manufacturers should recognize that rising gas prices are an opportunity to create fuel efficient cars .

Innovative technology provides important opportunities for new service development. For a company to stay competitive, it is important to keep services and processes up to date. Continuous investment in [innovation](#) for both services and processes makes it more difficult for others to gain a large technological functionality advantage. Technological development can occur through making decisions about acquiring, exploiting, and managing technologies. These decisions should be made by involving the research and development staff, purchasing staff, and marketers.

## [Case: Emoji Room Service](#)

**Case: McDonald's vs. Taco Bell**

**Reading: New Hotel Checkout**

**Reading: New York Pod Hotel Revolution**

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