

THINGS+ INTERREG CENTRAL EUROPE PRESENTS



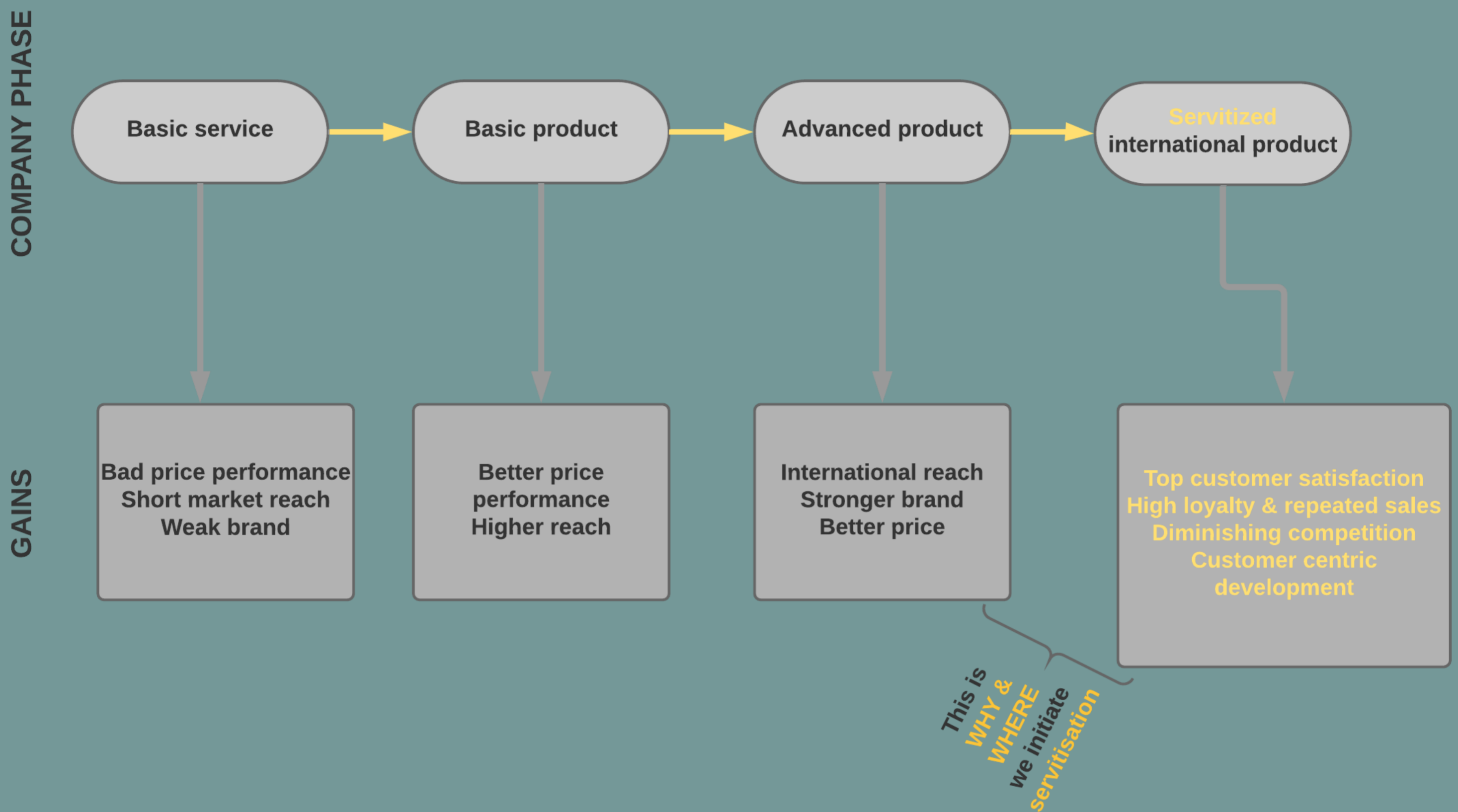
SERVITIZATION OF COMPANIES

Why create a product, if you can
develop a service?

WHY DID PHILLIPS SHIFT FROM PRODUCING
LIGHTBULBS TO SELLING THE LIGHTING-HOURS AT
THE AIRPORTS?

WHY DID ROLLS ROYCE SHIFT FROM PRODUCING
PLANE ENGINES INTO HOURS-OF-AN-OPERATING-
MOTOR ON THE PLANE?

Usually when a company is established it initially simply produces **basic services**, performed by the initial team. Their price is related to their time vs. €€ per hour. But every customer can calculate if this price is (un)reasonable. So it is much better to have a **product**, that has an undisputed price and a farther reach, perhaps even a global reach. But there still exists a next phase – turning the product into a **branded service** that enables customers to satisfy their needs even better than the product itself. Such **servitized-product** gets under the customers' skin, enables more persistent contact with customers, increases loyalty and boosts international sales. The process and the benefits of the servitization process are shown below.



THINGS+ partners are in the middle of our first pilot but we found a very interesting phenomenon. When we were analyzing the product-portfolios of the included companies, and they were presenting their past strategies of growth (successful and unsuccessful) it became apparent that **most of the successful strategies included services**, while most of the **unsuccessful strategies included products**. This is not scientifically proven – it is just a pattern seen on a handful of companies, but it is very interesting and carries a strong potential for market growth and competitiveness.



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