

# A Service Lens on Value Creation:

## MARKETING'S ROLE IN ACHIEVING STRATEGIC ADVANTAGE

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*Marketing needs a new mindset to fulfill its proper role in creating and sustaining strategic advantage. To extend its influence beyond the boundaries of current offerings, the firm, and conventional practice, marketing and markets must be viewed through a service lens. This lens allows marketing to take a lead role in assisting the enterprise to enable value co-creation by customers who have jobs to be done. This article offers four new premises to guide marketing thought and practice for achieving and sustaining strategic advantage. (Keywords: Corporate Strategy, Value Creation, Marketing, Strategic Planning, Innovation, Management Philosophy)*

It's been more than 50 years since marketing thought began to shift toward what became known as the marketing concept—an attempt to focus the firm on customers.<sup>1</sup> Yet, in practice, the customer centricity that the marketing concept produces is still highly firm-centric, usually concerned with trying to sell customers more of what the firm produces. At American Express, for example, the customer centricity that is touted as a model for other companies involves analyzing customers' purchase behavior in order to offer the “next best [credit card] product” and using customers' demographic information to determine when to offer “special Membership Rewards on [life event] purchases from merchants in its network.”<sup>2</sup>

The problem with customer centricity at most companies is that it is grounded in an old enterprise or manufacturing pattern of thought—what has been referred to as a goods-dominant logic.<sup>3</sup> This outdated logic regards what the firm produces as the proper focal point for creating value. This misguided focus leads to questions that have an appearance of customer centricity, such as “How are we doing?”, “How can we do better?”, and “How can we help customers buy more?” These questions, however, stem from a constrained view of markets that stifles growth.

In contrast, a service lens regards the proper focus for value creation as helping customers to get one or more jobs done (i.e., accomplish a goal or resolve a problem). This reorientation enables firms to pose truly customer-centric questions grounded in value creation. In the case of credit cards, for example, a service lens

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would extend thinking beyond improving or selling what the company makes by prompting questions such as “How do customers judge value in making purchases (a job for which a credit card is hired)?”, “What unique know-how does the company possess that might help customers make better purchases?”, and “How might company know-how be better integrated with the resources of partners to help customers make better purchases?”

By embracing a service lens, executives can do a better job by asking the right questions in a quest to achieve strategic advantage. These questions challenge long and firmly held assumptions about the source of value creation, the role of the customer in value creation, the role of the company

in value creation, and how companies should approach marketing, innovation, and a host of related topics. In so doing, a service lens becomes a catalyst for executives and scholars alike to ask questions that open up new value creation possibilities.

Consider how a service lens has transformed innovation at Ingersoll Rand, a global company that serves customers in transportation, manufacturing, and commercial and residential buildings. Like other companies, Ingersoll Rand had struggled with innovation when its focus for asking questions to guide value creation was misplaced. All too often, Ingersoll Rand had been asking questions anchored in goods-dominant logic, such as “What technologies should we add to a product?” or “What new features would customers like?” and this was leading to answers and innovations that missed the value mark. However, once Ingersoll Rand adopted a service lens and focused on answering the right question, “How can we help the customer get their job done better?”, it started not only creating offerings that were better aligned with how customers judge value, but it also discovered opportunities to extend its service reach beyond its traditional engineering comfort zone.<sup>4</sup>

In contrast, consider how the wrong lens led to suboptimal decisions and resource allocation at DePuy Orthopaedics. DePuy currently faces more than 10,000 lawsuits in connection with its all-metal artificial hip implant known as ASR.<sup>5</sup> However, internal documents that have become public reveal that “In the face of growing complaints from surgeons about the ASR, DePuy officials maintained that the problems were related to how surgeons were implanting the cup, not from any design flaw.” In other words, DePuy, with a lens focused on what it makes, got the right answer, “No,” to the wrong question: “Is there a design flaw with the ASR hip implant?” A focus on the right question, “How well is the surgeon able to get their job done when using the ASR implant?”, would have changed its future dramatically.

## A Service Lens on Value Creation

This article integrates two complementary perspectives on value creation—service-dominant logic (SDL) and jobs-to-be-done (JTBD)—into a service lens that shows how marketing can contribute to the strategic advantage of the firm.<sup>6</sup>

Whereas SDL provides an overarching foundation for understanding value creation, it is made actionable with JTBD—a combination that is both strategic and practical.

SDL has emerged as a way of understanding markets and marketing that shifts the focus from creating and distributing outputs to co-creating value with customers via the service (i.e., applied knowledge or skills) that all offerings provide.<sup>7</sup> The impact has been far reaching. Over the last decade, articles on SDL have been cited more than 10,000 times in domestic and international journals, conferences, and books (see the Selected Biography Exhibit for seminal publications).

## **EXHIBIT. Selected Biography of Service-Dominant Logic and Jobs-to-be-Done Articles**

### **Service-Dominant Logic**

- 1 S.L. Vargo and R.F. Lusch, "Evolving to a New Dominant Logic for Marketing," *Journal of Marketing*, 68/1 (January 2004): 1-17.
- 2 S.L. Vargo and R.F. Lusch, "The Four Service Marketing Myths: Remnants of a Goods-Based, Manufacturing Model," *Journal of Service Research*, 6/4 (May 2004): 324-335.
- 3 R.F. Lusch, S.L. Vargo, and A.J. Malter, "Marketing as Service-Exchange: Taking a Leadership Role in Global Marketing Management," *Organizational Dynamics*, 35/3 (2006): 264-278.
- 4 R.F. Lusch, S.L. Vargo, and M. O'Brien, "Competing through Service: Insights from Service-Dominant Logic," *Journal of Retailing*, 83/1 (2007): 5-18.
- 5 S.L. Vargo and R.F. Lusch, "Service-Dominant Logic: Continuing the Evolution," *Journal of the Academy of Marketing Science*, 36/1 (March 2008): 1-10.
- 6 S. Michel, S. Brown, and A. Gallan, "Service-Logic Innovations: How to Innovate Customers, Not Products," *California Management Review*, 50/3 (Spring 2008): 49-65.
- 7 S.L. Vargo and R.F. Lusch, "It's All B2B...and Beyond: Toward a Systems Perspective of the Market," *Industrial Marketing Management*, 40/2 (2011): 181-187.
- 8 R.F. Lusch and F.E. Webster, Jr., "A Stakeholder-Unifying, Cocreation Philosophy of Marketing," *Journal of Macromarketing*, 31/2 (2011): 129-134.
- 9 J.D. Chandler and S.L. Vargo, "Contextualization and Value-in-Context: How Context Frames Exchange," *Marketing Theory*, 11/1 (2011): 35-49.

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- 10 R.F. Lusch and S.L. Vargo, *Service-Dominant Logic: Premises, Perspectives, Possibilities* (Cambridge, U.K.: Cambridge University Press, 2014).

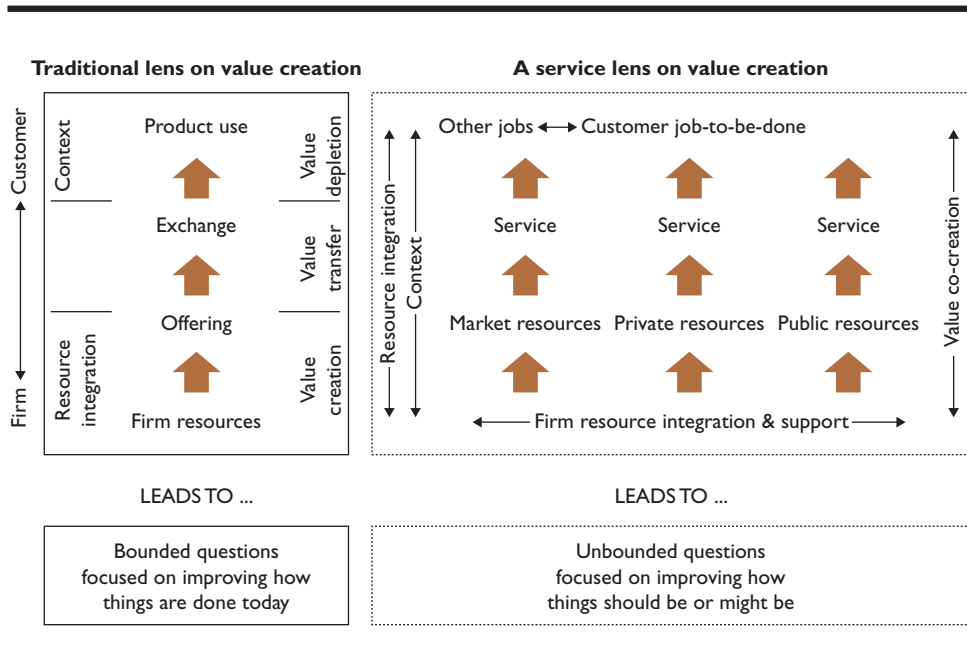
### Jobs-to-be-Done

- 1 A.W. Ulwick, "Turn Customer Input into Innovation," *Harvard Business Review* 80/1 (January 2002): 91-97.
- 2 C.M. Christensen and M.E. Raynor, *The Innovator's Solution: Creating and Sustaining Successful Growth* (Boston, MA: Harvard Business School Press, 2003).
- 3 A.W. Ulwick, *What Customers Want: Using Outcome-Driven Innovation to Create Breakthrough Products and Services* (New York, NY: McGraw-Hill, 2005).
- 4 C.M. Christensen, S. Cook, and T. Hall, "Marketing Malpractice: The Cause and the Cure," *Harvard Business Review*, 83/12 (December 2005): 74-83.
- 5 C.M. Christensen, S.D. Anthony, G. Berstell, and D. Nitterhouse, "Finding the Right Job for Your Product," *MIT Sloan Management Review*, 48/3 (Spring 2007): 2-11.
- 6 L.A. Bettencourt and A.W. Ulwick, "The Customer-Centered Innovation Map," *Harvard Business Review*, 86/5 (May 2008): 109-114.
- 7 A.W. Ulwick and L.A. Bettencourt, "Giving Customers a Fair Hearing," *MIT Sloan Management Review*, 49/3 (Spring 2008): 62-68.
- 8 S.D. Anthony, M.W. Johnson, J.V. Sinfield, and E.J. Altman, *The Innovator's Guide to Growth* (Boston, MA: Harvard Business Press, 2008).
- 9 L.A. Bettencourt, *Service Innovation: How to Go from Customer Needs to Breakthrough Services* (New York, NY: McGraw-Hill, 2010).
- 10 M.W. Johnson, *Seizing the White Space: Business Model Innovation for Growth and Renewal* (Boston, MA: Harvard Business Press, 2010).

Consistent with SDL, though largely emerging out of professional practice, a JTBD perspective on markets shifts a company's innovation focus from what is being produced by firms to enabling customers to get their jobs done successfully.<sup>8</sup> In less than a decade, customer jobs have become the anchor point for guiding goods, service, sustaining, disruptive, and business model innovation (see Exhibit).<sup>9</sup>

In combination, service and customer jobs remove the shackles of an "output" focus that constrains marketing practice from realizing its potential as a contributor to value creation. The combination of service and customer jobs helps companies envision opportunities beyond today's offerings and emphasizes the important role of customers and other resources in value creation.

**FIGURE 1.** Traditional and Service Lenses on Value Creation



Whereas a traditional lens on value creation, as illustrated on the left side of Figure 1, views value as something that is created by firms, transferred at the point of exchange, and subsequently depleted by customers, a service lens reveals that firms fundamentally do not offer products. The point where exchange occurs between a seller and buyer is not where value is created. A service lens provides a proper understanding of what is fundamentally being exchanged, why buyers and sellers exchange, and how value is created in the process.

A service lens offers several benefits to a company’s pursuit of strategic advantage and business growth. Among these are a boundless view of market possibilities, a view of customer value that is not limited by how things are currently being done, an unconstrained view of how a company might support value co-creation, an enlightened view of how context shapes value co-creation possibilities, and an open-ended understanding of the potential sources of strategic advantage.

After commenting on how the application of a service lens led to “a series of innovations [that] are experiencing great market success,” the Senior VP of Global Marketing at Cochlear, the global leader in hearing implants, noted: “One of the most important results, however, was aligning the organization around a common understanding of what is truly important for the customer and focusing organizational activities around meeting these needs.”<sup>10</sup>

### The Need for a Service Lens in Marketing

When marketing emerged as a professional discipline in the early 20<sup>th</sup> century, the prevailing thinking held that the road to national wealth was paved with

access to natural resources and the export of surplus tangible goods. Value was seen as something that things possessed and the role of marketing was to facilitate exchange between buyers and sellers by promoting, distributing, and pricing units of output. Marketing thought and practice were bounded by this largely production-oriented economic model and, hence, marketing's role in helping the firm acquire strategic advantage was constrained.<sup>11</sup>

Despite the shift toward the marketing concept in the past 50 years and an increasing emphasis on value-in-use, organizational capabilities (knowledge and skills), networks, and dynamic environments,<sup>12</sup> much of marketing thought and action have remained tethered to constrained notions of markets, offerings, value, resources, and even customers and contexts.<sup>13</sup> Markets are still defined by what is bought and sold, and market share is still believed to be a central driver of firm profitability. And customers are still seen as "targets" who passively receive the value created by "producers."

This constrained view of what marketing is and should be has limited its impact. In lamenting the gap between the potential impact of marketing and the role marketing plays in most organizations, for example, Philip Kotler and colleagues surmised, "What can CMOs do to become as indispensable as they should be? Should they play a larger role than simply trying to increase the influence of traditional marketing? Perhaps progress lies in integrating the goals of marketing into a larger, more encompassing vision of markets and consumers."<sup>14</sup>

Indeed, marketing needs a more encompassing vision or mindset to fulfill its proper role in creating and sustaining strategic advantage. Marketing must be seen as an enabler of value creation rather than as a distributor of value that was created in the factory or firm.<sup>15</sup> Marketing practice must get beyond notions of value being transferred to customers during purchase to value being created with customers in the context of use.<sup>16</sup> In so doing, marketing will extend its influence beyond the boundaries of current offerings, the firm, and conventional practice.

While individual components of the service lens have been informed by scholars such as Alderson, Drucker, Levitt, Kotler, and others,<sup>17</sup> we offer a comprehensive view that spans all of the ways in which a company should take an unbounded perspective of markets and value creation. Moreover, the viewpoint that service is what is always offered by firms and that the job is always the reason why customers exchange for that service is *not* a prevailing view that guides company actions around serving existing markets or developing new market offerings. As such, most managers continue to have a narrow vision of marketing's role in value creation.

Even companies that have an appreciation for a service lens adopt the mindset inconsistently across time, markets, and divisions. For example, an executive in a leading maker of equipment for consumer and business use commented, "In some areas, we are getting better at looking at helping customers accomplish tasks more holistically and through systems. But, make no mistake, the dominant approach to engineering and marketing in our company is still steeped in the 'value-in-exchange' mentality. There are some organizational barriers between product lines or divisions that would be challenged with a service lens. Also, there are some channel barriers that would likely fall."<sup>18</sup>

## A Service Lens for Marketing: Four Value Creation Premises

In Table 1, we introduce four premises to guide marketing thought and practice that result from a service lens on value creation. The premises and the questions tied to them remove the constraining limits placed on how marketing can and should contribute to value creation and strategic advantage.

**TABLE 1.** A Service Lens for Marketing: Premises and Application Questions

Premises of a Service Lens	Questions to Apply a Service Lens
Service is what is always hired to get a job done.	<ul style="list-style-type: none"> <li>✓ What service does the company offer to the market—applied know-how?</li> <li>✓ For what jobs are customers presently hiring company know-how? What other jobs are potential customers wanting to get done that might benefit from company know-how?</li> <li>✓ What unique know-how does the company possess that might benefit someone else?</li> <li>✓ What unique know-how might the company acquire or develop because it would be valuable to customers in getting their jobs done?</li> </ul>
The customer always co-creates value to get a job done successfully.	<ul style="list-style-type: none"> <li>✓ What are customers' success criteria in getting a job done? Are there segments of customers with unique value priorities?</li> <li>✓ Are some customers more or less willing and able to partner with the company in getting their job done? Are customers looking for more of a "relieving" or "enabling" service?</li> <li>✓ What value might the company propose to offer? What new service might the company offer to better relieve and enable potential customers in getting their jobs done based on the criteria they use to judge success?</li> <li>✓ What should the company do to better relieve or enable customers to get their job done? How might customer resources be better utilized to support value co-creation?</li> </ul>
All firms and individuals integrate resources to get an entire job done.	<ul style="list-style-type: none"> <li>✓ What does the process of value co-creation look like from a customer perspective? What must be accomplished to get the overall job done (<i>looking beyond how it is done today</i>)?</li> <li>✓ What resources are customers integrating to get their job done? What actions does a customer take to get a job done? How do or might customer resources and actions facilitate or hinder success in getting a job done?</li> <li>✓ Who are all of the stakeholders (internal or external to the firm) that are involved in getting a job done successfully? What role must each play in supporting value co-creation? Does each understand their role? Are they willing and able to fulfill it?</li> <li>✓ What is the "service potential" of internal and external resources? How might the service potential of current resources be enhanced based on the value priorities of customers?</li> <li>✓ How might company know-how be better integrated with the resources of customers, partners, and society at large to deliver beneficial service? What new resources, institutions, and structures might be required?</li> </ul>
Value is always specific to the context in which a job is done.	<ul style="list-style-type: none"> <li>✓ What does the total customer experience look like in getting a job done? What does the total customer experience with a company offering entail?</li> <li>✓ How are customers' success criteria in getting a job done shaped by context?</li> <li>✓ How does context affect customers' ability to get a job done – access to resources, barriers to success, and so on? What are the causes of waste, failure, and suboptimal results in getting a job done?</li> <li>✓ How might company offerings be shaped to provide desired service in the unique contexts in which they will be used? What unique resource integration is required?</li> </ul>

### *Service is what is always hired to get a job done*

All companies sell service. Service is always what a company offers, though it can be provided either directly (e.g., tax preparation by a CPA) or indirectly through a good (e.g., tax-preparation software). Strategic advantage comes from understanding, internalizing, and acting on this service logic.<sup>19</sup>

In 2004, for example, Amazon began working on its vision to make it “easier than ever for customers to discover and enjoy books.”<sup>20</sup> This service-centric vision led to the first Kindle e-reader in 2007. It sold out 5½ hours after it was released. As Amazon has continued with successive generations of Kindle e-readers and tablets, it has also evolved its recognition that the value of Kindle comes from the service it provides. For example, when Amazon introduced the Kindle Fire tablet in 2011, it was described as “a fully integrated, end-to-end service that gives customers access to more than 18 million movies, TV shows, books, magazines, apps and games.”<sup>21</sup>

Service is the application of resources, primarily knowledge and skills, for the benefit of another or oneself.<sup>22</sup> This is easy to see in direct service provision, such as when a financial advisor applies his or her knowledge and skills to help a customer with investing in stocks and bonds, planning for retirement, or assessing financial risk. However, it is no less true in instances where service is provided indirectly, through physical “goods” such as construction equipment, toothbrushes, and printers that are simply distribution mechanisms for service flows in the form of moving soil, removing food and plaque, and printing documents. In other words, physical goods are an indirect way of providing applied knowledge and skills—service—to the customer.<sup>23</sup>

Whatever the form of an offering, a service lens (as illustrated in Figure 1) reveals that the aim of a customer’s acquisition is always to *get a job done* (i.e., accomplish a goal or resolve a problem) *with the service* that a market offering provides.<sup>24</sup> A service-centric view of the firm takes the focus off of selling units of output to providing beneficial service based on the jobs that customers are trying to get done. It shifts the focus from when exchange occurs to when the customer job is done. This is when the potential value embedded in an offering or resource is realized via the service it provides. The value of a training seminar, for example, is realized when the employee does their job relying on seminar inputs. The value of an automobile is realized when it enables someone to get to a destination, convey status, and have peace-of-mind that they can travel at will.

Service and customer jobs complete one another. A market represents the coming together of firm-provided service for one or more customer jobs to be done, as seen among a significant number of potential customers. A service lens shifts the focus of innovation from making better output to creating new markets by helping customers get one or more jobs done more effectively, reliably, conveniently, or affordably via service provided by the firm.<sup>25</sup> Unlike specific offerings (tangible or intangible) that come and go, the customer job is a stable focal point to guide service innovation.

Consider how humans have been cultivating the soil for farming for thousands of years. Innovation has progressed from sticks, plows, and domesticated horses to modern tractors for getting this job done. John Deere, for example, helps



customers get this job done more successfully by applying a service lens to innovation. Via embedded microprocessors, GPS, and software, a John Deere tractor not only helps a farmer to cultivate the soil more quickly and with less fuel, it also assesses soil conditions and determines the proper amount of fertilizer to apply to various patches of soil.<sup>26</sup>

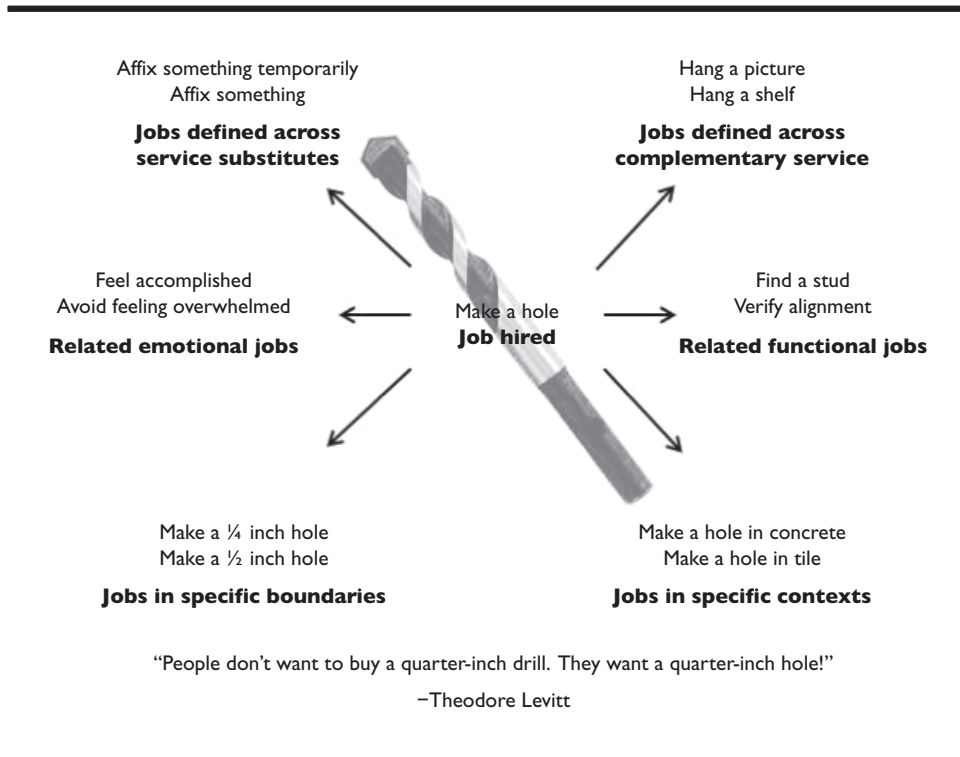
Business leaders, product engineers, and marketing professionals who focus on how things are currently being done place constraints on their thinking. They define markets in terms of the output they provide; thus, they are unable to see the business growth possibilities that come with a service lens. This is why so many disruptive innovations—such as zero-turn radius lawn tractors, car sharing services, and retail health clinics—are created by firms that are outside traditionally defined industry boundaries or by the customers themselves.

A company with a service lens removes the mental constraints of current offerings by focusing on redefining the knowledge and skills that can help customers get their jobs done better. Rather than considering what features to add to a current offering, these companies consider a more fundamental question: What *service* should we introduce to help the customer get their jobs done better? They thus can invent and reinvent markets, rather than just being bound by current offerings. For example, some *chauffagistes* in France have stopped selling furnaces, air conditioners, and units of energy. Rather, they now contract to keep floor space at an agreed temperature range for an agreed cost. They profit from finding innovative and efficient ways to provide a “temperature comfort” service rather than selling more products.<sup>27</sup>

Starting with the familiar “quarter-inch hole” adage of Theodore Levitt, Figure 2 illustrates how a focus on customer jobs helps a company expand its perspective to envision new market possibilities. First, the company can look for jobs such as “affixing something” that are defined across service substitutes such as those provided by 3M’s Command Strips and Hooks. It can also envision jobs such as “hanging a picture” that cut across complementary service solutions such as measuring tape and laser levels. A company can also consider related *emotional* jobs that its hole-making service might satisfy such as “feeling accomplished” or “not feeling overwhelmed.” A focus on the customer job also helps a company to explore related *functional* jobs, such as “finding a stud” or “verifying alignment,” that it could satisfy via new service. Finally, a drill maker might also find it useful to consider jobs within specific boundaries (e.g., make a ¼ inch hole) or contexts (e.g., make a hole in concrete) that might benefit from new service potential.

A service lens also removes the mental barriers that misdirect resource allocation toward protecting and enhancing what the firm already makes when new service offerings would be better. Sustainable strategic advantage does not come from a firm’s offerings. Rather, it comes from know-how that can be applied for someone’s benefit—i.e., service.<sup>28</sup> The proper focus of strategy is, therefore, to find unique, valuable, and sustainable ways of linking together an organization’s knowledge and skills with businesses or individuals who have jobs that will benefit from those resources.<sup>29</sup> A service lens places a premium on integrating firm know-how across the company, customers, partners, and stakeholders to deliver beneficial service. This is a critical marketing role for achieving sustainable business growth.

**FIGURE 2.** How a Service Lens Expands Market Possibilities



***The customer always co-creates value to get a job done successfully***

Traditional definitions of value are bound to units of output. This anchors thinking to the past. In contrast, companies seeking to break free of such narrow views of value must focus conversations on what customers want to accomplish. For example, rather than emphasizing the attributes of its physical and virtual infrastructure, the startup NextSpace has gone from one to nine shared workspace locations since 2008 by wisely promoting how it supports freelancers, entrepreneurs, and creative class professionals with a “professional place to conduct business” and “creative community” service. In so doing, NextSpace is demonstrating that its support structure is simply a means to an end. The real value of NextSpace is helping a professional “to work at his/her creative and productive best,” and possibly even share expertise and combine talents with other like-minded professionals.<sup>30</sup>

A forward-looking perspective of value creation recognizes that a product is not embedded with value. Value is not something that things, or even people, possess. Rather, they possess capabilities that give them value potential.<sup>31</sup> They are enablers of value. A digital recorder has no value until it is used to record and play back. In the same way, a gym membership has no value until it is used to exercise or mentally escape. (Even the economic value of money is a placeholder for its true value potential in “acquiring other services”—a unique customer job in itself.). Research by the Technology Services Industry Association reveals the importance of viewing offerings as mere enablers of value.<sup>32</sup> It shows that half of

the value companies pay for software is never realized because embedded service goes unused.

As shown on the right side of Figure 1, value is realized when a customer relies on the service potential embedded in resources to get a job done. In other words, value does not come during acquisition (“value-in-exchange”). Rather, it comes during job accomplishment (“value-in-achievement”).<sup>33</sup> This shifts the traditional view of the customer as a passive recipient of value to an active collaborator in value co-creation.<sup>34</sup> As depicted in Figure 1, the firm cannot unilaterally create or deliver value. Consider the surgeon who needs to replace a patient’s hip. Surgical outcomes are affected not only by the value realized from the implant selected and the various tools the surgeon uses to expose the joint, prepare the joint, and place the implant, but also by the surgeon’s training, procedure choices, senses, and skillful application of tools.

A focus on “value-in-achievement” means that value is determined by the customer based on how well they are able to get jobs done. For any given job, customers judge success on the basis of outcomes, objectives, or “hiring” criteria related to the convenience, reliability, effectiveness, and affordability of getting the job done.<sup>35</sup> For example, in judging success in losing weight, customers may want to quickly shed pounds, prevent cravings from side-tracking progress, avoid long-term health consequences, and keep food costs reasonable. Importantly, these success factors are tied to getting the job done, not a particular offering. As such, they provide an ideal basis for thinking creatively about new ways of enabling value, thus potentially creating new markets. These criteria also provide a superior basis for making value propositions to customers than a focus on company outputs.

If one assumes that value is embedded in an offering and delivered to the customer, as goods-dominant logic does, then it makes sense to accept any and all customers who might benefit from that value. However, once one realizes that value is only realized through co-creation with a customer, then *customer choice* becomes critical to success. Success depends on matching the resources and capabilities of the firm and its service network (e.g., partners, suppliers, and employees) with the willingness and ability of a given segment of customers to be part of the service operation based on their expertise, desire for control, access to resources, risk-taking orientation, and the relative priority they place on the value advantages versus disadvantages of distinct service options.<sup>36</sup> A proper match is a source of strategic advantage. For example, because many customers don’t want to control audio settings when listening to music, the high-end speakers of Bang & Olufsen automatically make the adjustments needed to produce optimal sound. All users must do is select the volume.<sup>37</sup>

While the customer always participates in value creation, the customer can have a more or less active role in the service provision itself.<sup>38</sup> Thus, in matching its resources and capabilities, a company must decide where on a continuum of “enabling” to “relieving” service it will be because this impacts the service role of the customer.<sup>39</sup> In an “enabling” service, the customer is a job (co-)executor who acts in conjunction with the firm to provide service to get a job done. In such instances, the customer is really a service partner to the firm because their knowledge and skills play a prominent role in success or failure. This is the case, for example, for service provided indirectly through goods, such as word-processing software and

surgical tools, and for service provided directly, such as education and weight-loss programs. In a “relieving” service, in contrast, the customer is a beneficiary who mostly “uses” service(s) provided by the firm to get more holistic jobs done. In such cases, customer value co-creation revolves primarily around doing integrative tasks (commonly referred to as “consumption” activities) such as using, learning, maintaining, or combining with other resources.<sup>40</sup> This is the case, for example, for goods such as air conditioning units and solar panels and services such as dental cleaning and insurance.

Consider how EMCOR has created a strategic advantage by helping customers to get more jobs done by relieving them of many traditional responsibilities. Most construction firms are production oriented and view their business as constructing buildings. Once completed, they turn them over to the customer. EMCOR is an exception and embraces a service lens. EMCOR will not only design and construct the building, it will also operate it on the customer’s behalf. This means that EMCOR provides all of the service needed in a modern building such as information technology, energy, repairs, and maintenance.<sup>41</sup>

A service lens shifts the role of marketing from being a value distributor to being a value enabler. The customer is no longer viewed as a “target” for value delivery, but rather as a “partner” who actively contributes to value creation. Rather than shying away from customer involvement, as firms relying on a traditional lens do, companies that compete with a service lens utilize customers as resources in value creation and actively search for innovative ways of co-creating value with them. IBM, for example, offers more than 3000 Redbooks that provide “how to” guidelines, sample code, and other support materials to help customers to realize the value of their technological offerings for specific usage situations, customer characteristics, and jobs to be done.<sup>42</sup>

Marketing’s role is to make value propositions that serve as invitations to participate in value co-creation based on customer jobs and value criteria, to evaluate solicitations to participate in value co-creation with a customer, and to create support systems that help customers to be more effective in their value co-creation role.<sup>43</sup>

### ***All firms and individuals integrate resources to get an entire job done***

There are two basic views of resources: resources as “things” that have to be acted upon to be useful (“operand resources”) and resources with “potential” to create beneficial effects on other things (“operant resources”).<sup>44</sup> Historically, companies have focused on increasing “things” such as land, minerals, animals, and other natural resources. Though the tide has shifted dramatically in the past 20 years to a greater focus on the potential within resources, a focus on resources as things still permeates business thinking and creates mental barriers as to what is seen as a resource.

Even ecological resources such as water from aquifers, lakes, and rivers have value because of the “service potential” within them.<sup>45</sup> Water, for example, becomes valuable when it is used to transport people and things, quench thirst, grow a crop, wash a car, or simply as a peaceful setting to relax and reflect. In other words, even natural resources derive their value from their embedded service potential that helps someone get a job done. A service lens reveals that *all* resources should be viewed as bundles of potential service(s). Ladybugs, for example, have become big business

as both homeowners and farmers are increasingly “hiring” them, rather than using pesticides, to control bugs that are harmful to gardens and crops.

The integration of resources is one of the most critical aspects of innovation. It is only when firm resources are connected to other resources that they become valuable.<sup>46</sup> It is critical, as illustrated in Figure 1, that the resource-integration role of a company extend beyond its inputs and outputs to include external environments, partners, and stakeholders as well as customers and their resources. The city of Paris, for example, has created Autolib, a public-private partnership to provide 3,000 autos in Paris for auto sharing. Importantly, the partnership integrates the resources of over a dozen private partners such as auto manufacturers, insurance companies, parking garages, banks, and recharging stations.<sup>47</sup>

In the industrial market, we are beginning to witness customers taking the lead in demanding that firms take more of a resource-integration role in performing complex jobs. For example, when Durham (in Ontario, Canada) was ready for a new courthouse to administer justice, it issued an RFP that specified build, design, and operate performance criteria. The *operate* criteria encompassed maintenance, energy, IT, landscaping, food service, and receptionists—everything except the hiring and employment of judges.<sup>48</sup>

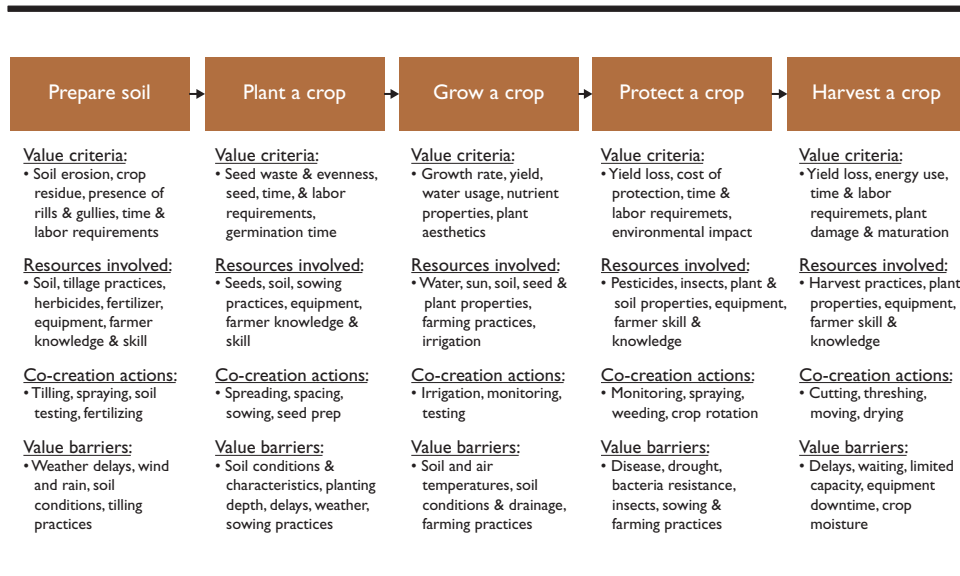
As portrayed in Figure 1, a service lens also makes apparent the critical resource-integration role that customers play.<sup>49</sup> The service benefit embedded in a market offering (the value potential) is only realized when the offering is integrated and used with other resources to help the customer get a job done; hence, value is always co-created as customers integrate resources to get one or more jobs done. Resource integration is a necessary condition to getting a job done.

Helping customers to integrate resources in getting a job done presents a service-centric innovation opportunity. Apple’s iCloud offering, for example, helps individuals to more conveniently and reliably store and access personal data by wirelessly pushing any data changes from the cloud to all user devices automatically. Mint.com helps customers to better manage their daily finances by integrating the financial information of distinct customer financial accounts.

Service-centric companies fuel their strategic advantage by understanding the customer’s perspective of getting a job done in a way that cuts across resources. One useful tool for doing this is job mapping.<sup>50</sup> The goal is to map value co-creation from a customer perspective. This requires mapping *what* must be accomplished to get the overall job done rather than mapping *how* things are currently being done. For example, protecting against insects is what must be accomplished to successfully farm a crop. Spraying insecticide is one way a farmer can do this. Similar examples can be drawn for job steps such as planting, growing, and harvesting a crop. The goal is to understand value criteria, resource use, co-creation activities, and value barriers at each step in the job in order to redesign service to take waste (usually time, effort, or expense) out of the process, eliminate points of co-creation failure, and improve co-creation results. Figure 3 illustrates the application of a service lens for understanding value creation opportunities in a farming context.

It is essential to understand that resource integration for customers often entails combining the service flows of multiple individuals in getting a job done,

**FIGURE 3.** Using Job Mapping to Apply a Service Lens to Value Co-Creation



whether this is a household managing its spending or a hospital providing patient care. A company that sells service in this environment must understand that offerings are needed to improve value co-creation for specific professionals such as surgeons, nurses, and anesthesiologists. However, offerings are also needed to improve the value that is co-created across these resources. From this higher-level perspective, individual employees or household members are partial solutions and their individual roles may need to be redesigned or eliminated.

To gain insight into value co-creation at this level, a company must have conversations with individuals who oversee or supervise the entire job because they will have different criteria for judging success. For example, a hospital executive may value reduced supply costs and fewer operating room staff whereas these issues may not be on the radar for individual employees. Similarly, a mother may want opportunities for her children to learn responsibility and to keep them motivated to clean their rooms whereas these issues will not be on the radar for the children themselves.

Operating with a service lens, it is marketing’s role not only to create a value proposition based on the information gleaned from others, but also to ensure that the entire network of resource-providing stakeholders (such as customers, employees, and partners) understand it and what role they play in fulfilling it.<sup>51</sup> Marketing must understand the unique job of each stakeholder in order to help them to be effective and efficient in value co-creation. A service lens also challenges marketing to take the lead in initiating and coordinating a market-driven perspective for all internal and external resources.

***Value is always specific to the context in which a job is done***

Value always depends on the context in which a job is done because co-creation is inherently experiential.<sup>52</sup> Value co-creation happens as customers integrate a unique

set of resources through service provision to satisfy their distinct value priorities in getting a job done at particular times and locations.

Value depends on context because customers have unique access to market, public, and private resources and unique personal knowledge and skills.<sup>53</sup> Consider how different the value realized may be for two individuals who hire the same firm-provided service but have unique access to other resources. A car owner, for example, who has access to well-built highways and enforced traffic laws has a very different experience from someone who does not. In a similar way, the value co-created with presentation software is quite different for two users who possess different levels technological comfort, feature knowledge, and communication know-how.

Context also frames the demands and potential of resources used to get a job done.<sup>54</sup> When, where, with whom, and on what a job is done alter the value priorities of a customer independent of any change in resources. This is true of both industry and consumer contexts. Consider how the value priorities change, for example, for a painter working in a humid versus dry environment, a traveler flying with versus without family, and a person cooking a meal at home versus while camping. The same set of resources may also deliver service admirably in one of these contexts, but fail miserably in the other. Various aspects of the job context may exceed the service capabilities of particular offerings.

Finally, value depends on context because each customer draws on their unique combination of experiences, culture, and mind to shape their value priorities and assign meaning to service received.<sup>55</sup> In other words, customer involvement happens not only via the actions a customer takes to get a job done, but also by how they interpret and process information to define and assess value.

As such, a deep understanding of context is a prerequisite to successfully competing with a service lens. To achieve this, companies must move from merely “monitoring” the customer environment to “connecting” with it. They must expand the traditional lens on customer experience beyond “product use.” As Figure 1 reveals, a service lens requires an appreciation for the context of the complete customer experience. This involves getting inside customers’ lives to learn how value is defined and shaped by context, how the customer gets a job done, and what other resources they draw on, how the potential of resources is constrained by aspects of the environment, and how the unique values and background of customers affects how they interpret the value they receive.

It is then the company’s job to shape offerings that are able to provide desired service in a personally meaningful way in the unique contexts in which they will be used. Offerings must be designed to provide service whenever and wherever they are used. They must be “usable” in specific contexts. They must also be designed with an intimate understanding of the other resources with which they must be integrated, including customer knowledge and skills. Finally, offerings must be designed to deliver personal meaning based on an appreciation for signs and symbols in given cultures and contexts.

The development of the ChotuKool refrigerator by Indian conglomerate Godrej and Boyce is an excellent illustration of contextual innovation with a service lens.<sup>56</sup>

From the beginning, the \$69 portable refrigerator was designed with input from village women to ensure its acceptability in the usage context. Rather than focusing on helping villagers keep a large supply of perishables on hand, the ChotuKool refrigerator was crafted to help with the job of preserving a daily meal or two for households for whom it is common to shop daily. Because the vast majority of people in India live in rural areas that have very poor access to power, the ChotuKool was designed with high-end insulation that enables it to stay cool for hours without power. It also runs on a cooling chip and fan rather than a compressor, which allows it to be powered by batteries. To appeal to the nearly 100 million households in India who earn approximately \$5 a day, the ChotuKool was designed with only 20 parts. This also ensures that the refrigerator is lightweight so that it can be moved out of the way during family gatherings.

Companies must also expand their thinking about context from something that is “out there” to something that contributes to value creation that can be worked with and shaped. Context is neither fully within our control nor beyond our influence. Companies who see the market through a service lens, therefore, seek to shape how value is interpreted in distinct contexts, assist customers with accessing necessary resources within contexts, enable service delivery across varying contexts, and expand the potential of resources in specific environments.<sup>57</sup>

Philips Healthcare, for example, includes software within their MRI and CT scanners that tracks scanner usage and sends the information to an analysis tool. This tool compares usage patterns by time of day, procedure type, and operator to other Philips scanners to identify underperforming units. Customers rely on the information and analyses to make specific changes to enhance workflow and resource productivity in their operating environment.<sup>58</sup>

The perceived value of an offering depends on what service it is able to provide within specific contexts when used by customers who integrate resources to get a job done. With this service lens, the role of marketing is to understand how context affects the ability of a customer to realize the value they desire in getting a job done. It must then segment the market based on use context, barriers, and individual resources; create value propositions that anticipate unique job priorities by context; innovate service that fits the context; and ensure that internal and external stakeholders fulfill their role in co-creating value for specific contexts.

## A Service Lens for Strategic Advantage

We prefer the term “strategic advantage” over “competitive advantage” because it properly shifts the focus from beating a defined set of competitors within existing markets to a fundamental source of advantage: applying knowledge and skills and other resources with a focus on co-creating value to *redefine* existing markets or *create* new markets based on the jobs customers are trying to get done.<sup>59</sup>

### *With a service lens, what is the proper focus for strategic advantage?*

A service lens requires recasting goals from a constrained focus on the market (such as making better products, selling things, and growing market share) to an



unbounded focus on co-creating value by integrating resources for specific jobs-to-be-done.<sup>60</sup> For example, the strategic vision of KONE, a global leader in the escalator and elevator industry, is to “create the best people flow experience,” and it achieves this not only by offering innovative products, but also by shaping industry standards, helping building owners to do their part, and supporting customers in building design, construction, and maintenance.<sup>61</sup>

A service lens encourages a company to anchor strategic planning around “How might we help?” before “What can we do?” To gain a unique and valuable perspective on potential new sources of strategic advantage, a company should give careful consideration to the questions tied to each service lens premise in Table 1.

### ***With a service lens, how is strategic advantage achieved?***

A service lens sees markets as dynamic and ever-changing, as innovative firms and customers continually integrate new resources to help get jobs done better. In this environment, a company must understand that strategy emerges as much as it is set or planned by an enterprise.<sup>62</sup> As such, strategic advantage comes less by predicting what will happen in existing markets and more from envisioning service to help customers get jobs done and then preparing to continually learn and re-shape value propositions over time. In the early days of eBay, for example, executives noticed an unanticipated use of its auction platform for selling collectibles that led to the creation of eBay Motors.<sup>63</sup>

Sustainable strategic advantage also requires a service lens view of what is considered a resource that might benefit the firm.<sup>64</sup> It is not necessary that a resource be owned by a firm to be effectively integrated into its value proposition. Thus, the knowledge and skills of other companies and customers offer value potential. A service lens seeks strategic advantage by defining what service the company should offer and then considers how knowledge and skills might be applied resourcefully to deliver desired service.<sup>65</sup>

### ***Using a service lens, what does strategic planning look like?***

Strategic planning with a service lens is inherently uncertain and dynamic. It recognizes that markets, customers, resources, and contexts are constantly changing.<sup>66</sup> The best a firm can do is evaluate possibilities for what the future might look like and how it might help customers get jobs done, and then seek to quickly adapt to what it learns. In this environment, strategic planning is intentionally iterative as actions are taken to create an envisioned future, feedback is gathered to gauge success, market changes are monitored, and adjustments are made to improve performance.

Consider how Vayable, a business that began as a web marketplace for linking prospective travelers with premade travel tours by amateur guides, has adjusted its plan based on market feedback. When 30% of traveler searches returned a “no results” page, the small team at Vayable would jump in and help to organize custom trips. Sensing an opportunity, Vayable then started working with travel guides to create custom travel experiences for customers. Without promoting the feature, custom sales skyrocketed and Vayable has now introduced a redesigned site to support custom travel experiences.<sup>67</sup>

Planning under uncertainty requires that a firm address four critical questions.<sup>68</sup> First, “Who is the firm?” The company must get beyond standard industry lexicon and obvious answers to consider what customer jobs the firm exists to satisfy. Second, “What does the firm know?” Again, answers to this question must extend beyond the obvious to include a broad range of knowledge the company possesses in its processes, employees, products, and other resources that might be used to help customers get jobs done. Third, “Who does the firm know?” To be effective in a dynamic environment, answers to this question must be precise as to specific companies and people who are accessible to the company via its various employees and other relationships. Fourth, “What can the firm do?” This question comes last because it is only by taking a broadened view of the prior questions that a firm can begin to effectively lay out and evaluate its possibilities for shaping markets of the future.

***With a service lens, what is marketing’s role in achieving strategic advantage?***

A service lens sheds new light on the roles marketing should play in strategy, innovation, value creation, and segmentation, as summarized in Table 2. It is marketing’s role to deeply understand the context in which jobs are done, choose customers who are willing and able to co-create value, put forth value propositions that assume a collaborative role for customers, and then help customers and other stakeholders to get their jobs done by integrating the required resources.

**TABLE 2.** A Summary of Traditional and Service Lens Roles (*continued on next page*)

<b>Topic/Role</b>	<b>Traditional Marketing Role</b>	<b>Service Lens Role</b>
Strategy	Create unique and sustainable value by differentiating goods and services.	Find unique, valuable, and sustainable ways of linking together a firm’s knowledge and skills with customers who have jobs that will benefit from them.
Innovation	Create improved goods and services based on customer needs.	Help customers get jobs done successfully via service provided by the firm.
Value Creation	Embed value in goods and services that are distributed to customers.	Enable value to be created in collaboration with customers via service flows to get a job done.
Market Segmentation	Target customers who are willing and able to purchase a particular solution to satisfy their needs.	Choose customers who are willing and able to play a particular service role in satisfying their value criteria in getting a job done.
Value Propositions	Make promises about the value embedded in a solution based on its form and features.	Make promises that acknowledge customers’ service co-creation role based on how customers define success in getting a job done.
Customer Support	Help the customer to resolve problems with the firm’s goods and services.	Help the customer to be more effective in their value co-creation role in getting a job done.
Stakeholder Management	Collaborate with stakeholders to fulfill individual roles in creating, distributing, and supporting the firm’s goods and services.	Help all stakeholders to understand and fulfill their role in fulfilling value propositions to customers.

**TABLE 2.** A Summary of Traditional and Service Lens Roles (*continued from previous page*)

<b>Topic/Role</b>	<b>Traditional Marketing Role</b>	<b>Service Lens Role</b>
Market Research	Monitor the customer environment and product usage to improve the customer experience with the firm's goods and services.	Connect to the complete customer experience in getting a job done in particular contexts in order to configure resources to support value co-creation.
Marketing Mix	Create, promote, distribute, and price goods and services to facilitate exchange with the customer.	Develop a support system with customers to help them to better do their jobs – with a focus on co-creation, dialogue, resource access, and total job execution value.

This redefined role for marketing also requires new marketing skills. GE, for example, has concluded that, for marketing to be a strategic function, marketing leaders must be able to: challenge the status quo; innovate beyond product features and functionality; bridge organizational silos and functions; and build coalitions to get things done.<sup>69</sup>

### Implementing a Service Lens

While many articles have been written on creating organizations that are more customer-centric or market-driven,<sup>70</sup> we would like to offer a few key recommendations for implementing a service lens based on our own first-hand experience.

First and foremost, it must be kept in mind that implementing a service lens is about a change in perspective on when and how value is created. A new mindset is required especially among those in roles responsible for guiding value creation initiatives, such as those in strategy, marketing, and product development. A manufacturer of industrial equipment, for example, helped its engineers to get beyond features by requiring them to document the service each machine part provided (such as providing comfort or protecting circuitry).

Second, we have seen considerable success among companies such as Ingersoll Rand who focus attention on building new capabilities among a dedicated group of internal experts who help others to apply a service lens to their business.<sup>71</sup> Among the new capabilities are those that enable staff to systematically understand where and when customers struggle in doing their jobs and to coordinate a market-driven perspective for all internal and external resources.

Third, because change is so inherently difficult, companies need to consider how a service lens might be embedded in existing processes and systems. Such changes move individuals in a positive direction while still linking them to familiar routines. A medical device company, for example, modified its standard strategic planning document to explicitly include a focus on customer job insights and company know-how as the foundation for decisions concerning value propositions, development priorities, partnerships, and capability development.

Finally, a service lens argues for the possibility that roles and processes should be created or redefined to ensure that customer job insights are shared widely and processes to support the customer job weave seamlessly in and out of the organization. Implementing a service lens often requires partnerships with stakeholders outside the firm. Abbott Medical Optics (AMO), for example, formed a partnership to introduce inventory management software to ophthalmic practices once it realized that materials managers' struggles in doing their replenishment job often occurred well before an order was ever placed with AMO.<sup>72</sup>

## Conclusion

A service lens calls for a reorientation of what marketing is and should be. In so doing, it elevates the centrality of marketing to company success because it demonstrates that marketing is much more than what marketing staff do. Rather, marketing is a primary function of the enterprise—connecting with, enabling, and serving other businesses and individuals in an ever-changing market. Though a company can outsource parts of the marketing function, it cannot outsource marketing itself—it is part of the very essence of the firm.

With a service lens, marketing should be viewed as the set of processes for: co-creating value with customers by identifying and developing organizational competencies; connecting with customers who value the competencies for the jobs they are trying to get done; integrating resources across the company, customers, partners, and society at large in support of customer value co-creation; and assessing and responding to how well value promises have been fulfilled. This view removes many mental barriers on what marketing is and, in so doing, opens boundless possibilities of what it can and should be. In short, opportunities for co-creating value and envisioning entirely new markets become boundless.

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