

# Business model innovation through the adoption of service logic: evolving to servification

Business model  
innovation  
using  
servification

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## Abstract

**Purpose** – In servitization research, there has been a call to move further toward the development of business models based on a service approach. This article aims to answer this call by adopting service logic (SL) and developing strategies and organizational resources and processes to create a service-centric business model called servification, defined as the process of identifying and developing strategies and organizational resources and processes to create a business model based on SL.

**Design/methodology/approach** – This article is conceptual and extends servitization in the direction of service-centric business model innovation by drawing on and extending SL.

**Findings** – The article defines service as a higher-order concept according to SL and develops the concept of a helping strategy as the foundation for a service-based business model. Further, it develops a typology of organizational resources and processes that must be developed for the emergence of such a business model.

**Research limitations/implications** – Since this article is the first to conceptually develop servification, more both theoretical and empirical research is naturally required. The development of servification takes servitization in the direction of service-based business model innovation and also contributes to the research on SL.

**Practical implications** – Servification enables the development of service-centric strategies and organizational resources and processes and service-based business models.

**Originality/value** – This article is the first to adopt SL in studies of business model innovation.

**Keywords** Business model innovation, Servitization, Service logic, Helping strategy, Servification, Talking service

**Paper type** Research paper

## Introduction

### Background

There is a trend among product firms to become more service-focused or even become service providers. While some firms lease or rent their products instead of selling them or sell use time instead of their products (Arani *et al.*, 2023), others add services to their product-based offerings. In the service literature, the servitization research stream has addressed this topic (Baines *et al.*, 2017; Kowalkowski *et al.*, 2017). However, although servitization has developed into different communities (Rabetina *et al.*, 2018), it basically focuses on the shift from product manufacturing to service provision through the growth of service components in product offerings (e.g. Raddats *et al.*, 2016). However, Kowalkowski *et al.* (2017, 2022) have argued that, as an overarching concept, servitization needs to be redefined as the transformation from a product-oriented business model to an approach based on service thinking. With the increasing importance of digitalization, the need to broaden servitization has also been emphasized (Kohtamäki *et al.*, 2019; Sklyar *et al.*, 2019; Sjödin *et al.*, 2021). Based on the logic of



service, applying service-dominant logic's (SDL's) co-creation concept, Ruiz-Alba *et al.* (2019) identified both opportunities and limitations with co-creation in the implementation of servitization strategies and found that high-level of co-creation is required to generate positive outcomes. However, although they take a service approach, their study is basically restricted by a service infusion view.

Volvo Group, which manufactures buses, trucks and a variety of industrial automation solutions, is an example of an enterprise that is already moving their business model in the direction outlined by Kowalkowski *et al.* (2017, 2022), thereby realizing the need to thoroughly reshape its offerings and gain a better understanding of its customers. In the literature, business models largely either outline how the enterprise generates profits or describes the manner in which it delivers value to customers and converts this value to profit. Casadesus-Masanell and Ricant (2011) analyzed strategies for this. George and Bock (2011) presented an overview of the business model concept and White *et al.* (2022) conducted a large meta-analysis of business model innovation in practice. The present article includes in a business model an understanding of what the enterprise intends to do for its customers or business mission (Drucker, 1979; Braun *et al.*, 2012) – that is, its mission statement defining what a company does and what purpose it serves, strategies to pursue this intent, operational directions and its way of approaching the customers to achieve it, and sales strategy and earnings logic that generates value for the customers and profit (compare Kindström and Kowalkowski, 2014).

#### *Purpose and contribution*

In servitization, business models and business model innovation have been studied, especially in the context of the impact of the Internet of things, digital automation and many other fields of digitalization (e.g. Suppertvech *et al.*, 2019; Paiola and Gebauer, 2020; Kohtamäki *et al.*, 2020; Leminen *et al.*, 2022). Suppertvech *et al.* (2019) found potential benefits of servitized business models, such as reduced operating costs, generation of additional revenues and opportunities to maintain long-term relationships, as well as inhibitors, such as the need for new ways of interacting with customers, and the necessity to develop innovative offerings to meet customer needs. However, the studies on servitized business models seem to be based on servitization's service infusion tradition, where the aim basically is to extend offerings with services or create new services to offer. The adoption of service logic (SL) is lacking in the research on business models and business model innovation in the context of servitization. Hence, using SL as the point of departure has the potential to offer a fruitful approach to extending servitization in terms of the transformation to a service-focused business model.

The present article, based on an analysis of service as a higher-order concept, aims to demonstrate how such an understanding of service enables a transformation into a service-centric business model in product manufacturing and service enterprises. This transformation, it is argued, may also be important for many service firms, especially those that have been developed with products as the ideal, often called productization. Wirtz and Kowalkowski (2023) have studied productization of services focusing on its positive effects, such as improved branding and pricing opportunities. However, in their discussion, they neglect possible negative effects, for example, due to an overemphasis on standardization.

In the article, transforming the business model into one based on a service approach is called *servification*. Servification is the process of identifying and developing strategies and organizational resources and processes to create business models based on SL. Unlike servitization, which focuses on services as resources and their role in offerings, servification focuses on service as the outcome of the use of products and services (and offerings in

general). Because servitization as a term, largely even in a business model innovation context, is so intimately associated with its service infusion background, using this term in the business model innovation approach based on SL developed here seems inappropriate. Therefore, the *servification* term is introduced. Adding services to an offering may or may not be part of servification, but whether services are added or not is not essential. Instead, SL is adopted to make the resources and processes experienced by the customers service focused. This article thereby contributes to the further development of servitization through the adoption of SL and to the research streams of service as logic. The article is organized as follows. First, service is conceptually analyzed through the lens of SL. Then, the customer-perceived, service-providing offering is explored to identify resources and processes that can work as objects of servification. The servification of business missions and the many resources, processes and strategies is then discussed, and a typology of the objects of servification is presented. The article concludes by discussing the conceptual findings and their implications.

### The service concept

The emergent streams of literature on service as logic for enterprises (e.g. [Vargo and Lusch, 2008](#); [Grönroos, 2011](#)) have convincingly demonstrated that service is not only a category of products but, even more importantly, a phenomenon that transcends singular products and services, and a perspective on business. This view of service has the potential to offer a solution to the need for enterprises to transform their business model into a service-approach-based logic, as called for by [Kowalkowski et al. \(2017, 2022\)](#), thereby going beyond servitization's service infusion tradition.

According to the service-as-logic approach, products and services are distribution mechanisms for service (singular) ([Vargo and Lusch, 2008](#)). In this sense, service can be understood by considering customers as utility- or value-producing units and usage/consumption as a user-related production process with products and services (plural) as inputs (cf. [Becker, 1965](#)). The output of this process is service. As [Gummesson \(1995\)](#) pointed out, products and services are the resources processed by users to create service that renders value. Hence, compared to services, service is a higher-order concept.

The service created by customers through the use and consumption of products and services obviously differs in nature from the conventional view of services (plural) as processes. While services are input resources in consumption and usage, the output is service. Hence, at this higher-order level, service can be described as the basic effect of resources on individuals or organizations, regardless of the context in which the service is experienced and the kind of offerings that render this effect. Acknowledging service in this sense is a central issue in service-as-logic research streams. SDL defines service as the application of specialized skills and knowledge on resources for the benefit of users and providers ([Vargo and Lusch, 2008](#)), recently re-formulated as “the process of an actor using its resources for another's benefit” ([Vargo et al., 2023](#)). However, these definitions basically define service from the provider's point of view offering little information beyond that it should be beneficial, thus toning down the role of the user. Despite the claim that among multiple actors, beneficiaries are always included as value co-creators ([Vargo and Lusch, 2016](#)), in SDL the customer is surprisingly absent. SDL, thus, take an inside-out perspective and, furthermore, do not indicate what the outcome of the service is beyond the self-evident notion of being beneficial.

In the managerially oriented SL stream of research with its customer-centric foundation ([Grönroos and Voima, 2013](#)), a definition of service geared toward the customers' perspective has been explored ([Grönroos, 2019](#)). When describing service, following the advice of Wittgenstein's language game, a word or an expression that has as distinct a meaning as possible and signifies distinct market dynamics should be used. This means that the simplest

and most straightforward definition of service is preferable. However, a customer perspective and an outside-in perspective must be maintained. In this vein, service can be defined as “to help someone” to ensure that something is enabled for the users of the offerings. From the customer’s perspective, *service is to be helped* to achieve some goal. Thus, from the provider’s standpoint, the purpose of providing offerings is *to help or provide help to users*. This reflects SL’s customer centricity, according to which a firm should engage with its customers’ life (BtoC) or work (BtoB) processes (see [Storbacka and Moser \(2020\)](#) about the life and work processes concept) and not as a provider-oriented organization that only invites its customers to engage with their processes. To do this, firms obviously need a sufficiently comprehensive and accurate understanding of their customers’ logics and ecosystems. As described by customer-dominant logic (CDL) ([Heinonen and Strandvik, 2015](#)), a customer ecosystem consists of, for example, the customers’ worldviews and preferences, their previous experiences of products, services and their providers, and their current expectations. Customers can be helped in various ways, and they probably seek differing degrees of help. Furthermore, the level of help can vary from high to low. Help provided through services, such as maintenance of machines and equipment and bank and restaurant services, can be directly released by the users. Products that, from SL perspective, can be characterized as packaged service indirectly provide help, as the users must work on them to release the service they contain. Consequently, offerings (services or products) that provide a high level of help for customers in their attempts to manage their life or work processes in a way that is valuable to them are good service, whereas offerings that do not are bad service.

### Understanding the helping concept

To understand how organizational resources and processes must be developed such that firms can provide the help required by their customers, considering the customer centricity requirement of SL, four follow-up questions must be addressed ([Grönroos, 2019](#)): (1) What should be helped? (2) What should this helping enable for the ones helped? (3) To what extent should this be enabled? And (4) By what means can this help be provided? Naturally, the help provided through service must be of value to customers. On the one hand, some customer processes must necessarily function at a reasonable level. They are perhaps not critically important to the customer; nevertheless, they are probably necessary for the customer’s life or work process to function. On the other hand, there are other processes that are not only necessary but also of great importance to the customer. Therefore, they must function to a higher level of satisfaction so that the customers’ life or work functions in a value-creating way. In sum, the help offered should be directed toward the necessary and important customer processes. Hence, the first question, about what should be helped, can be answered thus: *the processes necessary and important to the customer for the creation of their desired value should be helped*. Logically, the second and third questions can be answered thus: *this help should enable the customers to achieve some value-implying goals of theirs in their life or work processes; these goals should be achieved by the help provided to an extent considered valuable by the customers* ([Grönroos, 2019](#)). Consequently, based on this view of service as helping, from a *user* perspective, service is the help customers’ (and other stakeholders’) need to manage their necessary and important processes in a way that is valuable to them.

Correspondingly, from a *provider* perspective, in view of SL (developed from [Grönroos and Voima, 2013](#)), service is the process of helping activities and processes necessary and important to customers (and other stakeholders), such that their goal achievement is enabled in a way that is valuable to them.

The processes to be helped may be very ordinary processes or exceptional processes customers face infrequently or even only once in their lifetime. They may be physical (keeping a production process operational or consuming a meal), emotional (knowing that a

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supplier's monitoring of a production process is trustworthy, or enjoying the beauty of a painting) or virtual (sincerely believing that a supplier will ensure that a digital system will be upgraded timely or thinking of an upcoming holiday trip).

### The offering in view of service logic

As the discussion of service and SL in the previous section demonstrates activities that are important and sometimes only necessary to the customers and, thus, enable them to manage their life and work processes must be properly acknowledged and attended to. They must be incorporated in the planned offering, and this will ensure that the help provided covers the customers' entire spectrum of requirements enabling them to function. If only the core product or service is included, there is always a risk of not fully helping a customer's processes, thus generating an unsatisfied customer. As noted, some of these processes are important for the customer's perception of value and feeling of satisfaction with the supplier; others are not, but they are still necessary and must, therefore, also be helped adequately. For example, a product must not be delivered too late to avoid creating problems or sometimes even monetary losses for the receiver. Repair service on a machine that fails to make the machine operational again must be sufficiently and promptly recovered to avoid creating continued negative effects. A meal accompanied by slow or inattentive service sometimes diminishes a restaurant guest's satisfaction. Furniture that cannot be properly assembled because a necessary piece is missing cannot be taken into use. Examples that demonstrate how products and services require additional attention, items, activities or processes to function properly and avoid creating problems, losses and dissatisfaction are abundant. To help customers, such additions to the core of an offering are clearly necessary and often important to customers. If these additions are lacking, a product or service loses value and is sometimes unusable. If they are only necessary but not important to customers, they must still be helped at an adequate level and not neglected. If they are necessary *and* important, they must be handled with the utmost care to avoid problems that may turn out to be fatal for the customers and, eventually, for the supplying firm.

To provide the service as the help the offering is expected to render, every aspect of the offering must function to the customers' satisfaction. If a product or a core service needs to be accompanied by additional activities, it does not represent a total offering. In the minds of customers, an offering contains both the core and additional elements that are necessary and/or important to them. Such additions for example, the ones illustrated above have one thing in common: they normally, but not necessarily always, form various aspects of the delivery of the offering or of after-sales activities. Hence, the many different processes of delivering services or products, including a variety of activities and artifacts, are part of the offering, which, therefore, holds outcome-related technical as well as process-related functional qualities: the process including the core of an offering forming an extended offering equals the conventional "product" or, to succinctly put it, "the process is the product" (see [Storbacka and Lehtinen, 2001](#)).

Hence, SL requires an extended planned offering. Merely adding services may not be sufficient. To answer the fourth follow-up question posed in the previous section by *what means can help to the customers' necessary and important activities and processes be provided?* understanding the extended scope and content of the offering is critical. To develop such an extended offering, resources and processes with the potential to either help or break important and necessary customer processes must be identified and, moreover, developed and included in the planned offering to ensure that they help the customers' life or work processes, thus creating a service that renders value. To some extent, this extended view of the offering resembles solutions. However, solution is different in nature. As [Nordin and Kowalkowski \(2010\)](#) observed, the bulk of the solutions literature, with few exceptions (e.g.

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Tuli *et al.*, 2007), is based on bundling resources. In sum, *servification* aims to identify and develop such resources and processes to be included in an extended service-providing offering and to formulate corresponding strategies. Its ultimate objective, as suggested by Kowalkowski *et al.* (2017, 2022), is to enable a shift from a product-based business model to a service-centric one.

### Objects of servification

#### *Business mission and strategies*

For a service-centric business model to emerge, the business mission and strategies must naturally be supportive. Hence, how an appropriate strategy can be formulated, one that directs the organization toward providing service that renders value needs to be explored. Since service has been demonstrated to be the outcome of the performance of organizations that focus on helping their customers' lives and work processes, a service-centric strategy can be described as a *helping strategy*. This indicates the principles according to which such a strategy is crafted. Frequently, strategies are, for example, based on the provision of unique or excellent products and services, or they indicate that products and services have features or qualities that are supposed to create value for customers. Since what value means and especially how it is measured are not very clear, such strategy formulations remain, in the end, based on inward-out thinking and product-oriented. A helping strategy must obviously be founded on outward-in thinking and customer insights, focusing on how to help customers. Furthermore, it must be based on identifying customers' or customer groups' necessary and important processes. If such processes remain undetected, the offering is at risk of creating less value. If the processes that are important to a customer are neglected, the outcome may be fatal, which may mean missed opportunities, additional costs and unnecessary workload for all parties in a business relationship. The orientation toward formulating strategies in this way is naturally supported by a service-centric and helping-focused business mission, one that states that the organization aims to provide help in a specific context of some customers' life or work and field of solutions.

#### *Organizational resources and processes*

The existence of a helping strategy directs the deployment of resources and the development of processes and behavioral routines toward organizational performance in line with SL. A typology of servification objects can be identified. Since its beginning, service marketing research has emphasized the critical role of *people* in success with customers. Despite the growing role of technology and, lately, digital solutions and artificial intelligence (AI) in serving customers, Schneider and Bowen (2019) demonstrated that people's role is still instrumental for the implementation of SL in many capacities, such as planning, organizing, managing and executing. Furthermore, for product manufacturers, ensuring that the *products and other physical components* of an offering provide value-creating service to customers must also be explored to ensure that they truly help customers manage their processes (see, for example, Annarelli *et al.*, 2016). In addition to traditional solutions such as product customization, customer-involved design and development, and maintenance friendly products making products easy to install and use, easy to be monitored during use, and easy to dispose of are examples of other help-increasing product-related developments. In addition to products, customer interfaces include a plethora of tangible components that influence customers' use of offerings. Provided that product documentation and instructions, other documents, tools to use during self-service and other artifacts are designed in such a way that they are uncomplicated to read, understand and use, customer value is enhanced. For service firms, the core of the offering needs similar extensions with tangible components.

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Needless to say, *technology* is not new to product and service firms. In many forms and ways, it is increasingly used in several processes that influence customers' perception of an organization. To a growing extent, information systems, digital processes and, recently, AI influence customers' use of products and services and their perceptions of how organizations serve them. Services are increasingly provided through digitalized solutions. Technology should contribute to better service and make it easier for customers to interact with the providers of products and services. Digital interfaces that are unreliable, complicated to use and difficult to navigate reduce the value rendered by offerings. However, creating digital solutions that serve is a complex issue. A recently published study indicates that digitalization fails in three out of four cases (Wielgos *et al.*, 2021). How technology can be transformed into service, for example, to create customer experiences that enable use-based pricing is discussed in TMC0 (2023). Hupfer (2021) presents how technology can more generally be turned into service.

Though not the only option available, services constitute another type of object of servification. There are services such as delivery, maintenance, call center services and service encounters that can be called *open* services. These are readily recognized as services. However, customers also experience a range of services that can be characterized as *hidden* services. These are activities that customers consider necessary, as they offer important help that ensures smooth and unproblematic life or work processes. However, in organizations, they are typically treated as administrative, legal, economic, logistical or operational routines, such as complaint handling, invoicing and, sometimes, even call centers, order-taking, deliveries and many other routines. One hidden service which has been developed into service is complaints handling. The literature on service recovery has offered a customer-focused alternative to conventional ways of handling mistakes and failures (e.g. Van Vaerenbergh and Orsingher, 2016). Well-designed and innovative customer-focused hidden services can profoundly impact customers' perception of a firm and its capability to help them manage their processes. Neglected hidden services which are not identified as services and result in, for example, delayed deliveries, unclear and supplier-focused invoices and invoicing systems, unclear call center support and slow recoveries of service failures or product quality faults create unnecessary problems and often also unwanted costs for the customers and probably for the suppliers as well. They can destroy an offering that is, in all other respects, of good quality.

Several examples of the servification of organizational resources and processes are illustrated in Table 1. Some of these examples are well-known and, as in the case of just-in-time logistics, have a long history of use in business practice, but here they are placed in a business model context.

Finally, the *corporate language* used can be considered an object of servification. Among other things, language is a tool to shape attitudes and behaviors. In semantics, the use of language is thought to contribute to achieving desired effects. Language influences people's thoughts (Zlatev and Blomberg, 2015). It has the capacity to impact employees' attitudes, which, in turn, direct their behavior and reactions to customer expectations and responses, and other stimuli. Therefore, the language and jargon used in organizations can majorly impact the thinking, behaviors and reactions of the employees in customer contacts prevailing in an organization as well as the strategic thinking and the planning of administrative and operational processes. However, the language used in business organizations is typically developed in product-based organizations. Consequently, it is dominated by production-grounded and product-based words and expressions, for example, related to branding, selling and sales management, how quality is created and assessed, how value is delivered, what offerings contain, how costs are calculated and what might be billable activities. Such language also influences what is thought of as the activities considered part of the qualities provided and impacting customers' perception of value. It also disguises pricing

Resources, processes and more	Means of servification
Products	While products are traditionally considered the outputs of production processes, when servificating products they are considered the inputs of customer processes. Mass customization, tailor-made products and engaging customers with design and production processes are typical examples. Other examples of servification involve ensuring that products are easily made operational and ready to use, making upgrading, maintenance and modernization easier, and making it easy for users to dispose of products. Depending on the context and customer requirements, sometimes this may also require some level of standardization
Services	Service firms' service concepts are sometimes productized in such a way that their service delivery resembles that of standardized products. Servificating services means that the several resources, processes, digitalized solutions and behaviors involved in the provision of the service concept are considered part of the service offering. For example, service delivery processes, training employees in service skills, making the service delivery process sufficiently and easily accessible, and informing customers about what is required of them to perform successfully in the process are treated as part of a flexible and adaptable service offering. Instead of standardized products, how customers are helped appropriately is considered ideal. To remain financially sound, the service process must probably be systematized, but not unnecessarily standardized, to ensure that the needed flexibility remains
Logistics	Just-in-time logistics is a well-known means of servification, where order-making, order-taking, deliveries and warehousing are aligned into one process, aiming to save time and costs for both the buyer and seller
Deliveries	Deliveries as part of the logistical system can be servificated, for example, by customizing timetables and by making it possible for customers to follow the progress of the delivery
Information	Documentation on how to use machines, software and other products and services can be servificated by making them customer-focused and using language that is user-friendly and facilitates smooth application. It must be made easy for users to transform into useable knowledge the information provided through such documentation and the oral or written answers to their inquiries
Websites and other digital sources	Servificating websites and other digital sources of information involves making them easy to navigate and ensuring that relevant information is easily located and provided in such a format so that it can be retrieved and used without any problems
Managing quality problems and service failures	Problems with product quality, service failures or any type of mistakes occurring in customer relationships must be managed according to the principles of service recovery. To prevent unnecessary delays and avoid costs for customers, servification requires that complaints relating to such incidents are handled with the customers' best interests in mind
Product and service development	Engaging customers in the development and design of new products and service concepts and the design of resources and processes used in service delivery potentially enables product manufacturers, distributors and service firms to develop offerings that effectively fit the customers' life and work processes. By increasing customers' levels of satisfaction through such actions, servification may also strengthen B2B customers' revenue-generating capabilities and reduce their costs. This may also positively affect the provider's cost level
R&D	Similar effects as above can be achieved by engaging customers with basic research and development processes

**Table 1.**  
Examples of how resources, processes and operational routines can be servificated

*(continued)*



Resources, processes and more	Means of servification
The management language and jargon used. "Talking service" instead of a product-based language	In product manufacturers and service enterprises alike, the internally used language and jargon – both at the managerial and operational level – is typically grounded in product management and, moreover, reflects "inward-out thinking." By adjusting the language to the nature of service to help customers' important and necessary life or work processes, a "service language" emerges. This is a management language that enables effective service management and supports "outwards-in thinking." Replacing inward-out expressions, such as "we deliver added value to our customers" with outward-in expressions, such as "we facilitate our customers' value creation," also supports the development of a service culture
More	Depending on the context and the nature of the business, possibilities to servificate other elements of the relationship with customers probably exist, and these should be developed accordingly

Table 1.

opportunities made possible by well-managed hidden services. Furthermore, it also maintains inward-out thinking and product-oriented attitudes, thus contributing to a corporate culture that counteracts service.

If product-based terms and expressions dominate the language and jargon used by managers and operational personnel, embracing service thinking and the needed service-focused approach to planning and execution may be difficult to develop. This hinders service-centric transformation. To develop a service-centric business model, a service-grounded language is needed. Hence, in service-focused organizations, what can be called "*service talk*" is essential. In Table 2, "talking service" is contrasted with "product-based talking." The table is not a service vs product logic lexicon (e.g. Vargo and Lusch, 2006; Grönroos and Gummerus, 2014), but a comparison of, on the one hand, conventional firm expressions and jargon and, on the other hand, phrasings and expressions supportive to creating and maintaining service-focused attitudes in organizations.

## Discussion

By adopting SL, servification addresses the roots of the deficiencies of product-grounded offerings they do not sufficiently consider many customers' real needs and expectations, helping only part of the plethora of processes necessary and important for customers to successfully manage their life and work processes. Servification directs a supplying firm's thoughts and actions toward this extended understanding of customers' needs and expectations. It acknowledges the necessity of identifying the organizational resources and processes required to satisfy such needs and meet corresponding expectations, be they of any kind or part of any organizational function. It also recognizes the importance of a service-focused business mission and of developing a helping strategy governing the planning and execution of offerings. In this vein, by building on SL, servification evolves from servitization to a level where service-centric business models can be developed.

Servification emphasizes the need to make digital resources and processes supportive to helping the customers' processes. Despite the increasing presence of digitalized systems and solutions, servification acknowledges the potential importance of other resources to customers and the necessity of developing extended offerings containing, for example, technological solutions, people interactions and "hidden services." The importance of "talking service" is also emphasized to remove semantic and attitudinal obstacles to service thinking and execution in organizations.

Theme	Talking service	Talking product
Offering	Our offering aims to help our customers' important and necessary life/work processes	Our offering relates to a product or service concept
The width of the offering	Our offering is a process	Our offering is a product
Customer value	We facilitate our customers' value creation	We produce/deliver value/added value to our customers
Quality	Our offering creates favorable quality experiences	The quality of our offering is on a certain level
Productivity	Our productivity depends on our cost level in relation to our ability to create revenues	Our productivity depends on how cost efficient our operations are
Marketing	Our marketing aims to make our offerings meaningful to our customers	Our marketing aims to create customer awareness, support sales and influence the customers' purchasing decisions
Sales	Our sales activities aim to offer solutions to the relevant scope of our customers' life/work processes and facilitate their value creation	Our sales activities aim to offer solutions based on particular technical specifications and at a specific level of technical quality
Branding	Our brands evolve based on the interplay between the customer promises we make and how such promises are kept	We build our brands through our advertising and other types of marketing communication
Employees	Our employees form an important revenue-generating resource	Our employees, first and foremost, are a cost factor
<b>Note(s):</b> Examples of corporate language and Jargon		

**Table 2.**  
Talking service vs  
talking product

Servification is also inclusive, as it not only addresses BtoB and product manufacturers' challenges but is also equally applicable in the context of service enterprises and any kind of organization that offers something to a market of potential users. Product firms, such as manufacturers and product wholesalers and retailers, may naturally perceive a need to turn to service thinking. However, unless the firm totally shifts from offering products to offering services, such as turning from selling products to leasing them, servification does not mean that service firms are created out of product enterprises. These remain, for example, product manufacturers with a product base, but their strategies, resources and processes have been geared toward providing service. They have adopted SL and developed a helping strategy and are, thus, service providers. Hence, a product-based firm does not have to become a service firm to be service provider.

Interestingly, servification can also be relevant for service enterprises. Among many such organizations, there is a tendency to idealize products as offerings and product-grounded management. By nature, services are complex conglomerates implemented through interactions between many kinds of resources, such as people, including users, physical and digital resources and processes. With physical products as the ideal, productization strives to simplify and standardize these complex offerings, to reduce them to offerings that almost resemble on-the-shelf products. The systematization of resources and processes to eliminate duplications, bureaucracy and unnecessary costs, and to create better communication opportunities and more precise pricing is, of course, sound management. However, when such systematization attempts go too far, the competitive strength of services as flexible and adaptive offerings is easily lost, and firms no longer function as service providers. For service enterprises to return to their roots as service providers, servification offers principles and tools to use.

Finally, because service as logic aims to enables the creation of value for customers, business profit is a function of the amount of value generated. This describes a servificated

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enterprise's earnings logic and determines its pricing strategy. Consequently, sales strategies should be based on its capability to generate value (Viio and Grönroos, 2014) and pricing strategies need to be value-based rather than cost-based or competition-based pricing (Hinterhuber, 2004, 2008).

### Implications

This article's conceptual development of servification based on SL contributes to the creation of service-centric business models in both product and service firms (and in any kind of organization). It offers a range of research opportunities on both the strategy and implementation levels. Since this article developed servification conceptually, empirical studies of the concept are naturally required. Naturally, the concept also needs further conceptual development. The nature, scope and detailed formulation of helping strategies in different contexts relating to product and service categories, types of customers, cultures and global settings must be further investigated. The same goes for the typology of organizational resources and processes to be servificated. For example, the service orientation of many products, people, technology and service resources is not new, neither to theory nor to business practice. However, there are abundant opportunities to further study these and other resources, such as the many hidden services, with the aim of manifesting a service-centric business model. The impact of "service talk" on the evolution of such a business model is also an area of interesting research. Furthermore, studying servification and the means of servification in noncommercial contexts, such as public sector organizations, is of major interest.

Finally, as SL is related to business model innovation through servification, developing the servification concept and the servification process also contributes to the research on SL.

For management practice, servification has important implications. In many cases service as logic and how to implement SL remain unspecific and difficult for managers to comprehend. Servification puts into context thoughts about the need to become service focused. Actions that already may have been taken are, thus, put in perspective making further actions toward becoming service provider easier to take. It offers an inclusive framework concretely demonstrating the meaning of service as logic for businesses and other organizations. Servification indicates how this logic can be adopted by managers in strategic planning and implementation of administrative and operational processes and helps directing the formulation of service-grounded business missions for enterprises. It offers an approach and concrete actions that managers can take to move toward a service-centric business model. It emphasizes the need for firms to create a helping strategy and, thereby, offers directions about how to identify, develop and deploy resources to serve customers better. Servification also highlights the importance of how language is used in organizations and the need to avoid nonservice jargon.

Finally, as SL demonstrates the variety of resources and activities that facilitate customers' use value creation, servification provides input into management of both value-based sales and value-based pricing. It indicates that these sales and pricing strategies may be more wide-ranging and perhaps also more complicated than normally believed.

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