











#### **Global Services Forum**

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#### **Session D**

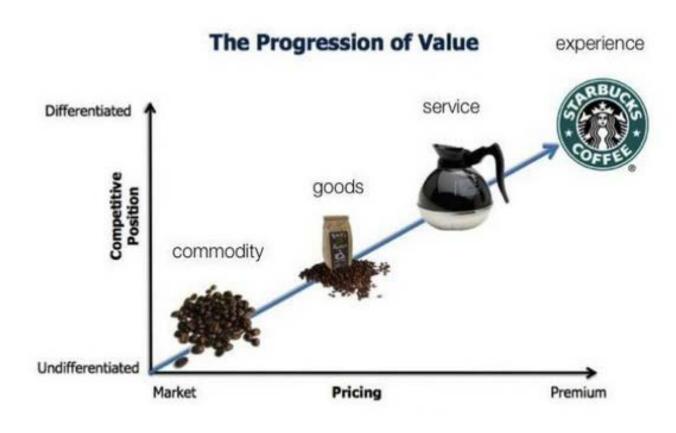
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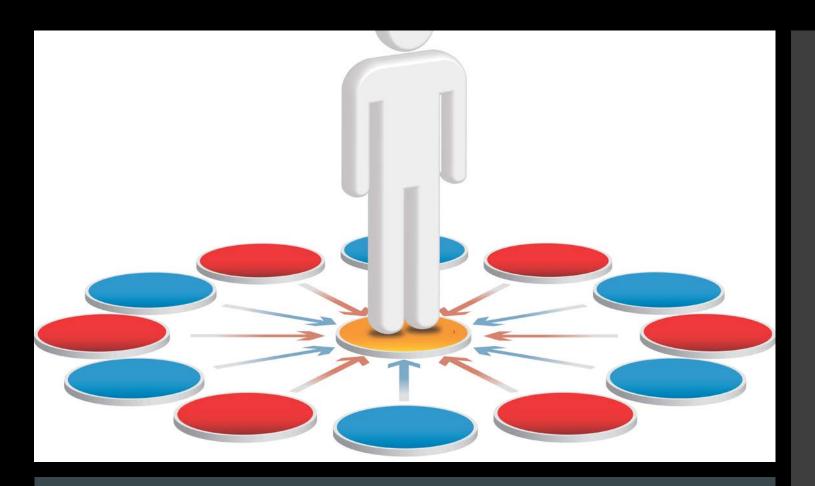
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Reverse cycle of innovations in the dominant logic of services: a look at the information age

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#### Introduction





To understand the impact of a product or service on the market, it is necessary to adopt a consumer-centered approach.

# Consumer oriented approach

#### Service Dominant Logic

- A framework for explaining value creation
- The value is created at the moment of interaction between agentes
- Service is exchanged for service
- All firms are service firms
- All economies and societies are service based





- Inspired by services
- Applies to services and product, to every firm.

Service Dominant Logic

Reverse Product Cycle The cycle that innovation in services performs is the inverse of innovations in the products.

Initially, small incremental innovations occur to the service provided

After several incremental innovations there is a radical innovation capable of changing the market

Initial fase – Improve efficiency

 Adoption of mainframe computers in the banking system made possible improvements in internal processes Second fase – Improve quality

> Installation of minis and microcomputers in banks improve the quality of the service

Third fase – New services

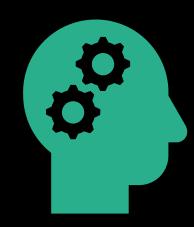
 Internet banking enabled the whole service to be offered online

#### Reverse Product Cycle

### Reverse Product Cycle in S-D Logic



- S-D Logic applies to all kind of firms
- Concludes that reverse product cycle applies for all kinds of innovations from the point of view of the costumer.



## Tecnological Innovations of the XX Century



### Thank you

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