

# An Overview on the Introduction of New Product-Related Services

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**ABSTRACT:** *Most current research on the end of the design process in the literature on new product development focus on managing ramp-up in the area of manufactured goods. This is an issue at a time when our economies are becoming more reliant on services, and goods are becoming increasingly linked to sophisticated services that provide value to consumers and producers. The management of the last stages of the design process of an inventive product-related service is the subject of this article. As a result, our study provides three contributions: The simultaneous production and consumption of a service, according to a study of the implementation process, implies that three kinds of learning – technical, sales, and uses – occur at the same time. As a result, launch management tactics must be adjusted; an examination of the data reveals significant differences in these various elements of learning; this led us to propose a topic that needs to be explored by product and service innovation researchers: the design of the sales process. We also highlight two situations for managing the introduction of new product-related services.*

**KEYWORDS:** *Innovation Services Automotive telemetric Sales process Product development organization.*

## 1. INTRODUCTION

In both literature and everyday conversation, the words product and service are often interchanged. Maintain that product and service ideas are inextricably linked. They claim that a product may be defined as a collection of commodities and services with varying relative weights. The market for mobile "smart phones" is an excellent illustration of the close relationship that exists between the physical product world and the immaterial service world. Furthermore, even in conventional service industries, innovation depends on the creation of new goods to complement the service: an example of this tendency is the Airbus A380 or the French TGV. The proportional service content varies over a variety of various goods, as seen in Fig. 1. Product-related services (PRS) are services that are closely linked with items in products, as defined in this article. For years, a key trend in corporate strategy has been expanding the service content of goods.

This does not imply that physical products will vanish from our world, but rather that they will become more linked with sophisticated services that increase product value for consumers while also providing intriguing business models for producers. As a result, developing new product-related services (PRS) is a significant issue for businesses across many sectors[1]. This also presented some intriguing theoretical issues. Indeed, the majority of new product development efforts are concentrated in the realm of tangible products. This is most likely the reason for the scarcity of tried-and-true techniques for developing new services. Indeed, current research on service innovation agrees on one point: the design/innovation process in service businesses is rather informal, which helps to explain why issues like missed deadlines and poor quality are so common in the creation of new services.

This is especially unfortunate considering that, as previously said, service innovation is not confined to "pure" service businesses (banks, insurance, transport, business services etc.). This article will explore the management of the last stages of the design process of an innovative product-related service using an inductive approach[2]. While the literature on service innovation offers theoretical design models, it does not pay as much attention to the latter stages of the process as the research on physical products (ramp-up, to the extent that this concept has much meaning for services and marketing). They agree on the necessity of testing before launching a service, but they also demonstrate that these tests are seldom carried out in reality.

However, there is reason to think that, just like with physical products, these last design stages have a critical influence in the success or failure of a new service. As a result, this article will make three contributions. The notion of ramp-up is inadequate for comprehending the phenomena involved in the introduction of an innovative service, according to a study of the implementation process in the case of product-related services. When a service is produced and consumed simultaneously, two kinds of learning – technical and

sales – take place at the same time. The commercial component is not addressed in ramp-up studies, necessitating the use of secondary sources. As a result, we bring together two areas of research: product development and marketing, and offer a theoretical framework for understanding the issues posed by the PRS launch.

Second, an examination of the data reveals significant differences in these two elements of learning, confirming the distinction. As a result, we discovered an area that needs to be explored by product and service innovation researchers: the design of the sales process. As a result, we suggest two opposing possibilities for PRS development methods. We begin by explaining the concept of a product launch and demonstrating that it entails two distinct processes: the ramp-up of a manufacturing system and the start of a sales campaign. The transferability of this idea to the realm of services is next investigated, and the research location, the service under investigation, and our methodology are described[3]. An examination of these findings reveals the importance of the findings in the case of goods, as well as their limits. Finally, this example indicates that the creation of a product or service's sales process has received little attention, and it analyzes the consequences of this condition. As a result, we've come up with two possibilities for improving the efficiency of new PRS launches. We end by emphasizing the importance of this topic for researchers involved in new product development and innovation management.

### *1.1 A new product's launch: physical commodities vs. services*

In their critical assessment of the literature on new product development, they lumped ramp-up and product launch together; yet, the only study they reference in the remainder of the paper is about production system ramp-up. This, we believe, reflects the ambiguity of new product development research, which – as Krishnan & Ulrich's study demonstrates by default - has a strong technical bias and ignores the problem of commercial introduction. As a result, we use the term "product launch" to refer to two distinct processes: the start-up of production under normal circumstances, also known as ramp-up, and the introduction of a new product. The literature on new product development, which is already thin on the ground on the first point, is completely quiet on the second, which is addressed in the literature on marketing and sales. In the case of physical products, the absence of communication between these two sectors is related to the decoupling of these two processes[4].

In terms of timing, ramp-up comes before marketing, but there is some overlap in practice. As a result, marketing literature assumes that goods are accessible in the quantity and quality requested. This theory is relevant to the degree that the time difference between the two processes allows for adjustments if, for example, the products are of poor quality. Before moving on to the case of services, it's essential to go through the major findings of this study, which we'll go over in turn.

### *1.2 Manufacturing product ramp-up:*

The final stages of the design process are primarily discussed in the literature on product development under the concept of "ramp-up," which refers to "the period when the normal production process transitions from zero to full-volume production, at or near the targeted levels of cost and quality." "During ramp-up, the company begins commercial production with a modest volume; as the company gains confidence in its (and its suppliers') ability to reliably execute production and in marketing's ability to sell the product, the volume rises. As a result, there are disparities in success across companies that pursue quite diverse strategies in this area. Variables including training and change management, experimental methods, industrial strategies, and leveraging on prior experience have all been studied in this area[5].

### *1.3 Preparing the sales performance for a new product's commercial launch:*

When it comes to product introduction, we must consider marketing, sales, and strategy literature. These studies looked at the effect of the launch strategy on the spread of innovation and, as a result, on a company's profitability. As a result, they pay close attention to the benefits and strategic risks of being the first to market, while traditional marketing books focus on the major tactics that may be used during the introduction of a new product. They reject mass launch tactics – deploying every marketing lever at considerable expense to speed diffusion – in favor of a more cautious strategy that concentrates on early adopters and restricts the resources invested. On a practical level, the findings of this study highlighted the

significance of early adopters of a new product in the diffusion process, emphasizing the necessity of selecting the first consumers to be targeted at launch.

More recently, has shown the limitations of this thinking and the necessity for a company's strategy to be adjusted in order to "bridge the gap" that divides early adopters from the majority of prospective consumers. Consumers aren't the only ones who need to be convinced at launch; a business must also persuade distributors (including its own network) to sell and promote the product to customers, as well as manufacturers of related products, who may influence how appealing it is[6]. Finally, sales management study stresses the importance of sales force participation in new product launch success. It demonstrates that salespeople must embrace the new product via their dedication to the invention and subsequent effort dedicated to its selling in order to perform this job successfully. Sales management often sees the need to modify its approach in reaction to a new product introduction in order to acquire and reinforce such dedication and effort.

#### *1.4 The unique nature of services and its ramifications:*

Despite the fact that the two literature trends provide reliable findings in the case of physical products, the issue of their applicability to services remains unanswered. There are four things that must be considered[7]. Convergence of physical commodities and services research. To begin, it's worth noting that the findings are comparable to those of tangible products when it comes to the problem of the launch itself. As a result, the significance of clear communication and the simplicity of a new idea being provided to consumers is emphasized. Similarly, given that services are co-produced with consumers, front-office employees should be trained, but without specifying which activities are important. Such findings are intriguing since, as previously stated, the literature's emphasis on material product innovation is the most probable reason for the scarcity of established techniques for developing new services. In these circumstances, it is impossible to thoroughly and exhaustively test the service prior to sales and consumer real-world experience; it is also difficult to "fix" faults, and customer discontent is instantaneous and often intractable. The initial marketing is therefore a watershed event that will decide the success or failure of the new service to a large degree.

The implications of concurrent manufacturing and sales operations will be discussed later in this article[8]. Providers Ramp-up. The term "ramp-up" has never been used in the context of services, to our knowledge. This begs the issue of whether this idea and its outcomes are relevant to the world of tangible commodities. In the latter instance, monitoring ramp-up entails determining an observation point (in this example, the factory) as well as defining indications for managing the phase (in general, productivity and quality). Finally, service co-production involves the customer–user in the development and deployment of new services. As a result, throughout service development and ramp-up, user learning should be a key idea (as workers learning programs are central variables in production ramp up efficiency). In reality, the capacity of a consumer to correctly utilize a new service and therefore profit from its value is a general issue for radical innovation that requires users to acquire new skills. We'll return to that comment later.

One of the main themes in current innovation management literature is to include the product user as an essential element in new product creation. For example, provides a system for categorizing various kinds of user engagement and demonstrates that it is more frequent nearer project launch and grows with project uncertainty. Users are also engaged after the product is launched, for example, to assess and propose changes that will make the product easier to use[9]. The study of the introduction of product-related services will have to concentrate on technological ramp-up, salesman participation and "performance," and user learning organization all at the same time. These three variables may be clearly separated and progressively arranged in conventional product development procedures. Because this isn't the case with PRS, the issue becomes: what procedures are in place to help them grow and launch? We will be able to define the phenomena involved with the introduction of a new product-related service and demonstrate the usefulness and limitations of observations from the study of physical products by examining the case of telemetric services[10].

## 2. DISCUSSION

### 2.1 Concurrent design for PRS: requirements and constraints

The E/B Call case study therefore demonstrates the significance of the sales process in introducing new services, as well as the difficulties of engaging sales people in the design process. This issue, on the other hand, has received little consideration. This obviously goes beyond the scope of the ramp-up literature. The paradox is that it receives little attention: in NDP literature, which, as shown, ignores the upstream stages of the process, and in marketing and sales research, where the former primarily stresses the importance of testing in facilitating consumer acceptance of a new product. While the latter emphasizes the need of sales force participation in the NPD process, particularly at launch, it is quiet on how to build the proper sales process and how to integrate sales people into the project team.

The preceding discussion, on the other hand, can lead to a more radical proposition: the anticipation strategy will produce poor results not only because upfront involvement of sales professionals is difficult, but also because the sales process is not an appropriate environment for customer learning. Indeed, sales will continue to be an intensive engagement, a drama devoted to triggering the customer's vehicle purchase and negotiating its price with the salesperson, until the car dealer network is completely reorganized. In this environment, both from the salesman's and the customer's perspectives, describing the specifics of an innovative service will always be a secondary objective. Indeed, as previously stated, marketing professionals place a premium on the effect of a new product's "simplicity," "ease of use," "clarity," and other attributes on sales efficiency.

The fundamental premise is that sales are easier to make when commercial interactions can depend on existing customer knowledge: he recognizes the value of the innovation because he has personal experience with it and is confident in his ability to utilize it. As a result, the role of after-sales procedures has evolved significantly. Rather than correcting errors or offering simple guidance, the aim here is to aid the customer's learning-by-doing process. It considers the fact that when a client uses an innovative service, he generates its value and therefore finds its potential. This issue merits additional investigation since it most likely implies an increase in after-sales expertise.

## 3. CONCLUSION

Product-related service development is becoming a major strategy for industrial companies. However, as we've seen, this implies a significant change in the way the NPD process is managed. This article examines the limits of the conventional NPD process, focusing on the "moment of truth" of the technological ramp-up and commercial launch, using both theoretical and empirical case material. As a result, we suggest two alternative methods for improving PRS launch efficiency. As a result, this article adds to the increasing body of research on service innovation by extending studies on NPD downstream of the design, reinforcing empirical foundations on the connection between NPD and sales management, and contributing to the growing body of research on service innovation.

As a result, the E/B Call case study has assisted in demonstrating the unique characteristics of a service launch. This entails managing two processes at the same time, which in the case of goods are quite distinct: the ramp-up of the production system and the launch itself. Despite this peculiarity, the findings reported in the ramp-up literature are not irrelevant. As a result, our study shows that the results found for physical products also apply to services, and expands them to include downstream specialties, such as sales. As a result, we recognize: the importance of upstream design work for performance and, conversely, the negative impact of late changes; the role of management structures in this phase: first, they assist in managing the problems that inevitably arise; and, second, they assist in capitalizing on the accumulated knowledge in order to guide the process in real time.

Our study has also highlighted important problems for future innovation research. First, the design of the sales process and its effect on innovation uptake has received little attention in the literature. The study presented here is based on a single instance in a single research environment. As a result, its results should be approached with care. In hindsight, the case features are likely to influence the study results. The following four things are very essential to us: First and foremost, we have only looked at one vehicle manufacturer. Even if we've seen comparable occurrences, it would be beneficial to look at other

manufacturers and industries, particularly "pure" service companies, since we're dealing with product-related services in an industry with a long history of project management in vehicle design.

This has undeniable consequences: it complicates the process since the team must coordinate with the vehicle (which sets the pace) and the support product, and services are always seen as incidental. Furthermore, E/B Call is a breakthrough innovation that, up to the time of writing, has not been seen as a "killer app," at least in the Sales Department, and last, the launch did not benefit from concurrent modifications to the incentive scheme for motivating the sales force. As a result, we have found ourselves in the least advantageous situation, and it would be fascinating to investigate the introduction of some less spectacular and more appealing innovations for the network, in order to investigate the effect of these factors on sales staff participation in the design process.

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