Chapter 3 Products and Services

The digital age has seen a trend where products are camouflaged and sold as services. In other words, products are no longer products—they are products in services’ form and shape—like a wolf in sheep’s clothing. Take for example the ever popular MS Office application. In my college days, I used to pay a certain sum and buy the application. I used it for a number of years until a new version came in and I discarded the old for the new. Today, this product from yesteryear is not sold as a product anymore. Well, you can buy it as a product but it is no longer a knight in shining armor. Office is sold in the garb of Office 365, where I pay a fraction of the money that I normally pay for the product, and I pay every month (or annually). The benefits (although over a period of time, I end up paying a whole lot more than the product itself) are the free upgrades and the number of licenses that I get with a single subscription— plus humongous amount of space on OneDrive. All that Microsoft had to do was repackage the product with some glitters and lollipops and they came out on the other side with a constant flow of revenue and substantial profits. Welcome to the digital age!

My example illustrates the concept of products being camouflaged and sold as services. A similar concept is the subscription-based service called Disney Plus, where a user can subscribe to pay a certain amount of money per month (or year) to get access to watch unique movies and TV shows owned by the Disney company. Where the service is basically selling their products (movies and shows), but instead of just the product by itself, they get you to pay every month (constant flow of revenue) and earn profits through the subscription.

Chapter 3 Organization

A service provider is an organization that offers services to customers. Microsoft is the service provider and since I am paying for the services, I am the customer; and because I consume the services offered, I can also take on the role of a service consumer. On the other hand, when I take up a freelance job to conduct a DevOps feasibility assessment for Company Alpha, I put on the hat of a service provider while Company Alpha becomes the service consumer. To summarize, the organizational roles, service provider and service consumer, are contextual.

My example illustrates the concept of service provider and service consumer. A clear example is the school itself. I pay my tuition to go and study at the University of Houston. I am the service consumer, since I consume the services offered by the University of Houston and the University of Houston is the service provider, since they provide a service that I can consume and wishes to use.

Chapter 3 Costs

From a consumer’s perspective, they need to analyze the service offered based on their needs. This will give them grounds to choose a service that is beneficial to them. I subscribe to the HP Instant Ink program wherein I do not pay directly for ink cartridges but pay on the number of pages that I print. When I started the program, I used to subscribe to 100 pages a month; after a couple of months, going through the reports available on their website, it was apparent to me that I was not even meeting half the target that I was paying for. So, I switched to a lower band where I paid a fraction of the costs for printing 50 pages a month. As a consumer, keeping tabs on the numbers helped me make a decision that saves me from unnecessary bills that I can avoid

My example illustrates the concept of paying for what you need. A clear example is Internet service provider. Let’s say at home, my family only uses Wi-Fi to watch YouTube and browse the internet, then I would only need to pay a low amount of money to get the appropriate amount of Wi-Fi speed that I need to just watch YouTube and browse internet. But if I was doing a job at home that requires fast download speed and upload speed, then I would pay a little extra to get the speed that I would need to complete the job faster. Just mean that you only need to pay for what you use, don’t pay for anything extra that you won’t use.

Chapter 3 Service Offerings

The service offerings are essentially built on top of the service provider’s products by playing around with permutations and combinations of add-ons, accesses, and the level of support. So in essence, the service has to have a decent product to set as a base, and to build services atop it. For example, web streaming services such as Netflix and Amazon Prime are built on the product that streams videos. Using this as a core product, they offer multiple options for customers to choose from.

My example illustrates the concept of service offerings. A simple example again is the internet service provider. Xfinity for example, usually offer Wi-Fi services mainly as an attraction point, but to add on to that, you can pay a little bit extra to upgrade the service, and gain new products such as access to Netflix, Spotify premium and Peacock.