







A version in German is published in

Fließ, Sabine; Hagenhoff, Svenja (2017): Zeitungsverlage zwischen Digitalisierung und Servitization – eine explorative Dokumentenanalyse. In: Manfred Bruhn und Karsten Hadwich (Hg.): Dienstleistungen 4.0. Berlin, S. 381–409.

Servitization Strategies in the Publishing Industry – A Document Analysis

Sabine Fliess

University of Hagen, Germany

Svenja Hagenhoff

Friedrich-Alexander University of Erlangen-Nürnberg, Germany

Maastricht, 19.06.2016









Agenda

- 1. Challenges in the publishing industry
- 2. Servitization Strategies State of the Art
- 3. Research Aims
- 4. Methodology
- 5. Findings
- 6. Discussion









1. Challenges in the publishing industry

What is the publishing industry?

- The publishing industry is a part of the media industry
- Before the age of digitization it was called print industry
- »Print« means everything you can read (on paper or digital)
- Typical products are books, newspapers, magazines, scientific journals etc. produced in masses for an anonymous market
- The structure of the industry in Europe is SME









1. Challenges in the publishing industry

Current challenges

- Decreasing revenues since about 30 years, esp. newspaper & magazines
- New players with technology background entering the digital market
- Established players and their contributions are raised to question, e.g.
 - Self publishers
 - Open Access activities
 - »publishing isn't a job any more: it's a button«
- Changes in law (in Germany)
 - libraries are allowed to enable their users to copy purchased content without restriction
 - Publishers are not longer allowed to receive a portion of reprographic payments









2. Servitization Strategies - State of the Art

Servitization means "the increased offering of fuller market packages or bundles of customer focused combinations of goods, services, support, self-service and knowledge in order to add value to core product offerings" Vandermewe/Rada 1988, S. 316

Synonyms are:

service infustion, service transition, hybrid offerings, solutions, product-service-systems

A servitization strategy = the combination of services offered Servitization trajectory / service transition – movement along the product-service-continuum

Product-related services

customer-centered services

Increasing complexity, Increasing profits, increasing difficulty

Sources: Eggert et al. 2011; Eggert et al. 2014; Gebauer/Friedli 2005; Mathieu 2001; Kowalkowski et al., 2012; Matthyssens and Vandenbempt, 2010; Oliva and Kallenberg, 2003; Ulaga/Reinartz 2011; Vandermerwe and Rada, 1988









3. Research Aims

Servization mainly has been researched in the manufacturing industry, but the media industry, especially the publishing industry, also tries to servitize.

Characteristics of the publishing industry: two-sided market, B2B as well als B2C

- What servitization strategies are used in the publishing industry?
- 2. Do these strategies differ from those found in the literature so far, and if so, how do they differ?
- What are successful and what are unsuccessful strategies? 3.
- What are the drivers of successful strategies?



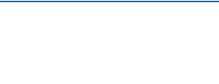






4. Methodology

- Subjects of analysis: German publishers of newspapers
 - FAZ, SZ, Die Welt, taz, daily newspaper
 - Bild yellow press
 - Die Zeit weekly newspaper
 - Handelsblatt daily newspaper on business
- Methodological approach
 - document analysis with internet documents as resources (Prior, 2011)
 - content analysis
- Documentation and reporting
 - Information about the following categories: product/service, form, type, offered since, target group, content, edition printed, edition sold, audience, remarks



Frantfurter Allgemeine















Service offers in the publishing industry – newspaper publishers

Intangibility high

angibility high

Degree of intangibility

Digital / electronic products services Conferences Congresses databases E-papers apps E-books **Portals** online- courses Seminars travelling **Awards** Online-shop **RSS** feed Business School (mass-customized) Agency services, Consulting, Business DVDs, CDs newsletters Model development **CD-ROMs** Individualized business journey TV channels, programs Individualized material products Material products (goods) Newspapers, daily, weekend, regional Company advertisements Magazines (diff. topics, target groups) Books on company's history Supplements (diff.topics, target groups) Journals Books & book series Educational material

Types of services

- Education
- Research
- Communication & networking
- Leisure activities
- Finance
- Business model development

Only B2B

Mainly B2C (audience)

Degree of customer integration

Model source: Engelhardt, Kleinaltenkamp, Reckenfelderbäumer 1993

	Integrativity high
Autonomy high	









Service strategies of newspaper publishers

Intangibility high

Degree of intangibility

Digital products

Digitalization strategy

- (1) Everything that is printed can be digitalized – with or without adaptation to customer habits
- (2) New digital offers TV, newsletter, audio

Material products

Line extenstion strategies

- (1) New products same target group
- (2) New products new target groups

services

Servitization strategy

- Standard services Offers with low degree of customer integration
- (2) Individualized services Offers with high degree of customer integration

Individualized material products
Individualization strategy

Product indvidualization to push sales with core product

Types of services

- Education
- Research
- Communication & networking
- Leisure activities
- Finance
- Business model development

Degree of customer integration

Model source: Engelhardt, Kleinaltenkamp, Reckenfelderbäumer 1993

Integrativity high

angibility high





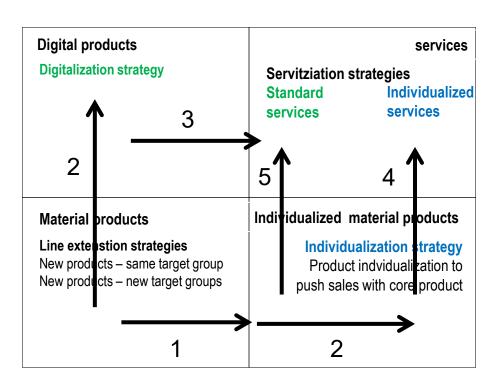




Service trajectories of newspaper publishers

Intangibility high

Degree of intangibility



Types of services

- Education
- Research
- Communication & networking
- Leisure activities
- Finance
- Business model development

Degree of customer integration

Model source: Engelhardt, Kleinaltenkamp, Reckenfelderbäumer 1993

	Integrativity high
Autonomy high	









Summary

- Product-related strategies dominate in the publishing industry
- Digitalization is mainly used in B2C
- Individualization is mainly used in B2B
- Individualization in B2B is related to products as well as to services
- There are only few client-centered services, but most of these are not built around customer usage processes
- There are two trajectories via digitalization and via individualized products
- There are different trajctories for B2B and B2C
- All strategies seem to follow an inside-out approach, based on the company's competences and not on customer needs or customer usage – maybe because companies do not know much about needs and usage processes









6. Discussion

Limitations and open questions

Limitations

- Only newspaper publishers have been regarded
- There are only few data on the date the offer has been launched so it is difficult to reveal the strategy

Further steps

- Other types of publishers should be considered in order to make sure that our findings can be generalized for the publishing industry
- Mixed-methods approach should be applied