

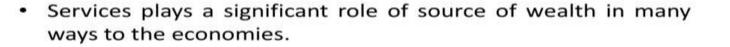




- A service economy is an economic system that focuses on providing services instead of producing goods.
- ➤ In a service economy, customer relationships, emotional connections, and ongoing service revenue are important for success.
- An economy is called a service economy when the contribution of the service sector to the GDP of the nation is more than 50 percent.
- The first economy declared as a service economy in USA in 1948 with about 53 percent to its GDP.









- Economies experienced increase in employment with the growth in service sector, employment in the service sector is rising.
- Even in times of economic recession, unlike in the manufacturing sector, the service sector has kept employment up.
- All human beings are service producers as well as consumers.
 - Transportation, education, communication, health care, hospitality, entertainment, banking, information technology, electricity and a host of services have become a part of our lives.