



SERVICE ECONOMY

- 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.

What Is the Service Economy?



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- Services plays a significant role of source of wealth in many ways to the economies.
- 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.