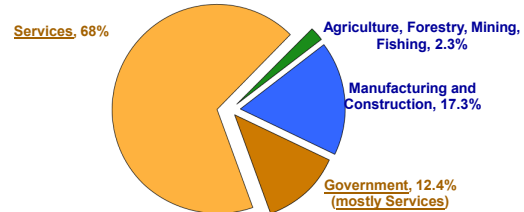


Why Study Services? (1)

- **Services dominate economy in most nations**
- **Understanding services offers you personal competitive advantages**
- **Importance of service sector in economy is growing rapidly:**
 - Services account for more than 60 percent of GDP worldwide
 - Almost all economies have a substantial service sector
 - Most new employment is provided by services
 - Strongest growth area for marketing

Services Dominate the U.S. Economy (Fig 1.1)

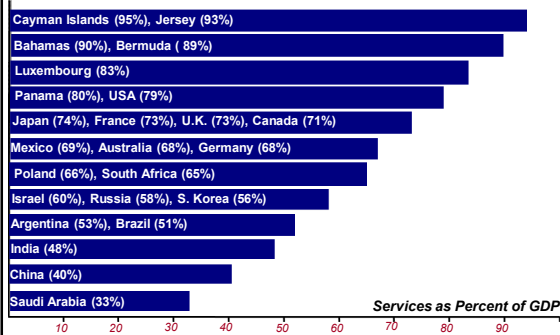


Source: Bureau of Economic Analysis, Survey of Current Business, May 2005, Table 1

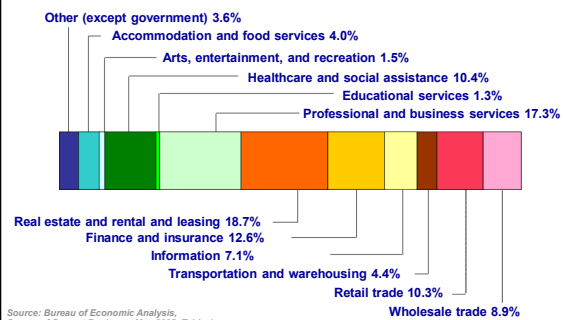
INSIGHTS

- Private sector service industries account for over two-thirds of GDP
- Adding government services, total is almost four-fifths of GDP

Estimated Size of Service Sector in Selected Countries (Fig 1.2—updated 10/06)

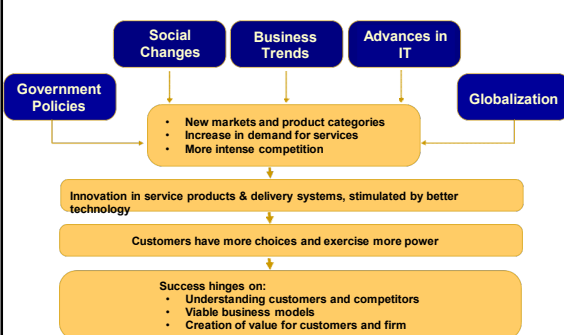


Value Added by Service Industry Categories to U.S. GDP in 2004



Source: Bureau of Economic Analysis, Survey of Current Business, May 2005, Table 1

Transformation of the Service Economy



Factors Stimulating Transformation of the Service Economy (1)



