

# CLASSIFICATION OF SERVICES

Dr Manjusmita Dash

Department of Business Administration

Utkal University

# CLASSIFICATION OF SERVICES

- End-user
  - Degree of tangibility
  - People-based services
    - Expertise
- Orientation towards profit

# *END-USER*

## Individual Consumer as an end-user

*Services are consumed by individuals and there is a scope for mass communication. Some of the examples are:*

**Hair-dressing, personal finance, packaged holiday, hotel industry.**

# Business-to-business end-user

This implies that one business or a firm from one industry will seek services from another business or another company from another industry.

examples are:

-when TATA STEEL asks J.WALTER THOMSON ASSOCIATES, the advertising agency, to design its advertising campaigns.

Etc.....

# Industrial end-user

This end-user of services are plants and factories. **For example:**

**ONGC** would require for its drilling rigs-for maintenance, repair and operation(MRO)from Essar Gujarat.  
=**Godrej Housing**, the real estate developer, would require services from PEPCOPP.

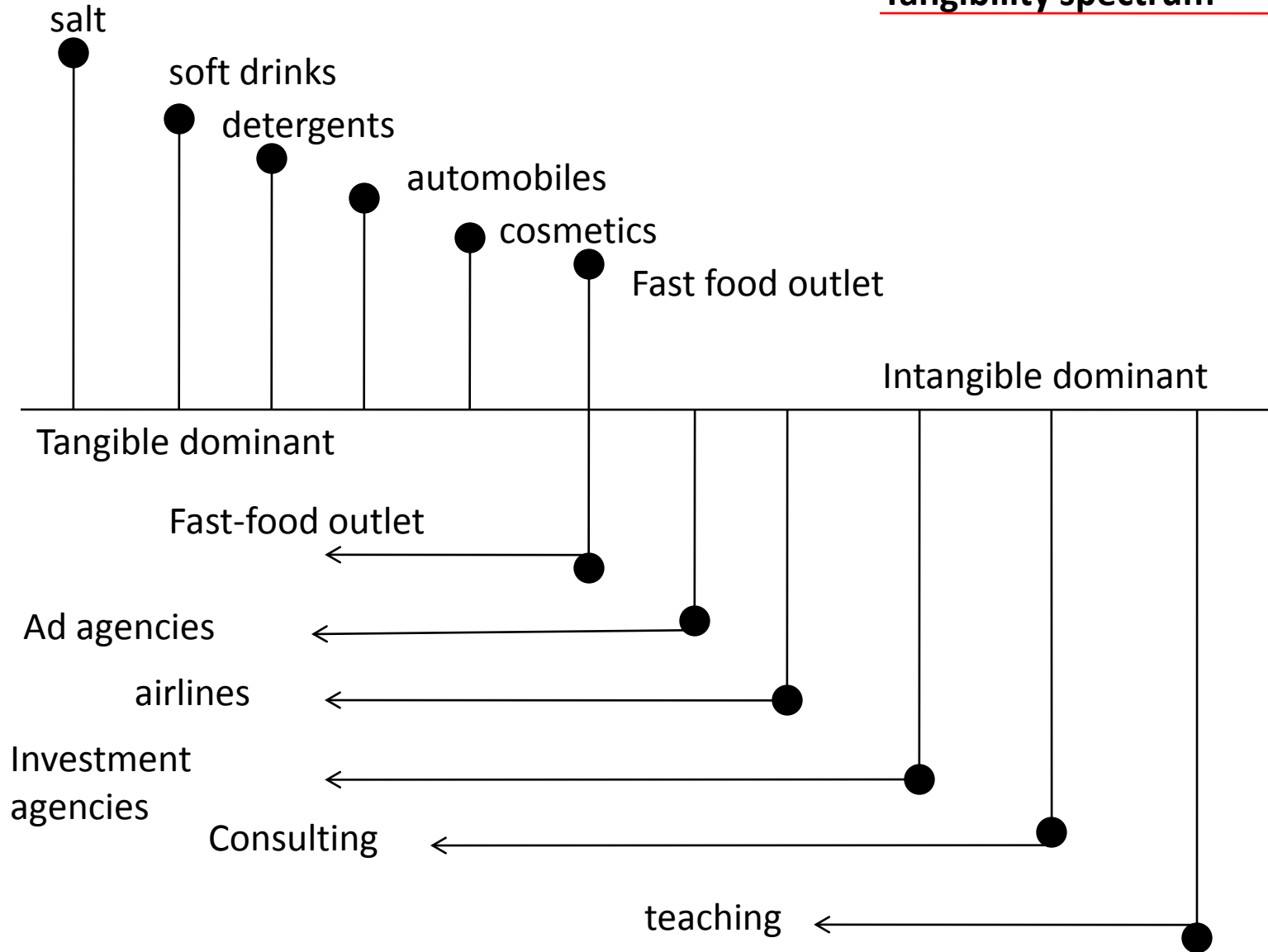
# DEGREE TANGIBILITY

services is by to classify the degree of tangibility that they have in offer.

So the core might be intangible. But with the added, the differentiating factors are **tangible**.

Here the service products range from being highly intangible to highly tangible.

## Tangibility spectrum



SERVICES CAN BE CLASSIFIED IN **THREE**  
WAYS, UNDER THE RANGE OR DEGREE OF  
TANGIBILITY –HIGHLY TANGIBLE TO HIGHLY  
INTANGIBLE. They are:

- highly tangible services
- service linked to tangible goods
- highly intangible services.



# PEOPLE BASED SERVICES

*this signifies the type of contact that the services and providers have with their customers.*

SUCH SERVICES ARE :

**high contact:**

**low contact:**

# EXPERTISE

## HIGHLY PROFESSIONAL SERVICES

- The service firm could be classified as a highly professional organization.
- Examples:

## NON-PROFESSIONAL SERVICES

- There are services that can be categorized as non-professional.
- Examples:

# Orientation Towards Profit:

## Commercially oriented

- These service firms exist to make profits.
- They are owned both by the Govt. as well as by the public at large.
- Examples:

## Not for profit organization

- There are many service organizations that are not for profit.
- These organizations carry out their service with the societal concept in mind.
- Examples:

## 4 Categories of Service

- \* People Processing
- \* Possession processing
- \* Mental stimulus processing
- \* Information processing

# People Processing

- \* Customer must be physically enter the service system.
- \* Health care
- \* Beauty saloon
- \* Barber
- \* Restaurant/bars



# Possession Processing

- \* Customer ask to provide tangible treatment
- \* Repair/ maintenance
- \* Refueling
- \* Laundry
- \* Gardening



# Mental Stimulus Processing

- \* Directed at people's mind or anything that touches people mind and influence behavior
- \* Education
- \* News/information
- \* Music concert
- \* religion





# Information processing

- \* Accounting
- \* Banking
- \* Legal services
- \* Securities investment





# The 3 Stage Model

Pre purchase

Service Encounter

Post Purchase

# Pre Purchase Stage

## Awareness of needs

## Information search

## Evaluation of alternatives

- Clarify needs
- Explore solutions
- Identify alternative service products and suppliers

- Review supplier information
- Review information from 3rd party
- Discuss option with service personnel
- Get advice from other customers

# Pre Purchase Stage

## **Awareness of Need**

- \* Seek solution to aroused needs
- \* Retirement plan

# Pre Purchase Stage

## Information search

- \* Clarifying between the 2 options
- \* Explore more solutions



or



# Pre Purchase Stage

## Evaluating of service

- \* Search attribute- style, color, texture, taste, sound are feature.
- \* Experience attribute- vacation, sporting events, medical procedure.
- \* Credence attribute- hygiene of a kitchen in a restaurant



# Service Encounter Stage

- \* A service encounter is a period of time of time during which you as a customer interact directly with service provider.

- \* Moment of truth





# Service Encounter Stage

- \* **High Contact Service**

- \* Customer's exposure takes on a physical and tangible nature



- \* **Low Contact Service**

- \* Little, if any physical contact between customer and service provider



# Post Encounter Stage

Evaluation of service performance

Future intentions



# Post Encounter Stage

**Satisfaction:** attitude like judgment following a purchase act

- \* Negative disconfirmation- Service worse than expected



- \* Positive disconfirmation- service better than expected

