

# Concept of services essay sample

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A type of economic activity that is intangible, is not stored and does not result in ownership. A service is consumed at the point of sale. Services are one of the two key components of economics, the other being goods. Examples of services include the transfer of goods, such as the postal service delivering mail, and the use of expertise or experience, such as a person visiting a doctor. Characteristics = 1. Intangibility = Services are intangible and insubstantial: they cannot be touched, gripped, handled, looked at, smelled, tasted. Thus, there is neither potential nor need for transport, storage or stocking of services. Furthermore, a service can be (re)sold or owned by somebody, but it cannot be turned over from the service provider to the service consumer. Solely, the service delivery can be commissioned to a service provider who must generate and render the service at the distinct request of an authorized service consumer. 2. Perishability = Services are perishable in two regards i) The service relevant resources, processes and systems are assigned for service delivery during a definite period in time. If the designated or scheduled service consumer does not request and, I. An empty seat on a plane never can be utilized and charged after departure. ii) When the service has been completely rendered to the requesting service consumer, this particular service irreversibly vanishes as it has been consumed by the service consumer. Example: the passenger has been transported to the destination and cannot be transported again to this location at this point in time. 3. Inseparability = The service provider is indispensable for service delivery as he must promptly generate and render the service to the requesting service consumer. In many cases the service

delivery is executed automatically but the service provider must preparatorily assign resources and systems and actively keep up appropriate service delivery readiness and capabilities. Additionally, the service consumer is inseparable from service delivery because he is involved in it from requesting it up to consuming the rendered benefits. Examples: The service consumer must sit in the hair dresser's shop & chair or in the plane & seat; correspondingly, the hair dresser or the pilot must be in the same shop or plane, respectively, for delivering the service.

4. Simultaneity = Services are some kind of horse and consumed during the same period of time. As soon as the service consumer has requested the service (delivery), the particular service must be generated from scratch without any delay and friction and the service consumer instantaneously consumes the rendered benefits for executing his upcoming activity or task.

5. Variability = Each service is unique. It is one-time generated, rendered and consumed and can never be exactly repeated as the point in time, location, circumstances, conditions, current configurations and/or assigned resources are different for the next delivery, even if the same service consumer requests the same service. Many services are regarded as heterogeneous or lacking homogeneity and are typically modified for each service consumer or each new situation (consumerised). Example: The taxi service which transports the service consumer from his home to the opera is different from the taxi service which transports the same service consumer from the opera to his home – another point in time, the other direction, maybe another route, probably another taxi driver and cab.