

# [The service sector](https://assignbuster.com/the-service-sector/)

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The service sector is defined as the portion of the economy that provides intangible goods. The service sector per see is one of the sectors in the economy a country cannot do without since it involves a wide range of activities that are a part of the day to day life. The sector involves one of the two primary businesses that are discussed in this research.

They are the banking sector and the hospital system. These two sectors are a primary source of concern in all countries from the United States to South Africa. They are a source of concern since they primarily deal with issues that are always affecting the society. The economy of almost all the countries in the world rely on the public sector and that is why they have to be looked at with keen interests every time. The United States, for example, is primarily driven by the service sector.

The banking system is basically an institution that deals with money and credit. The system is, however, understood in a number of ways across the society. The other services that the banking institution offers are the savings of the money for the individuals and these savings are what drive the financial backbone of the individuals. In addition, the banking sector also offers goods and services for the whole economy. Therefore, the banks are important since they enable the flow of money in the economy form one individual to the other. On the other hand, the hospital as a service sector involves a wide range of services that are important for the economy.

The hospital system has somewhat generated into the present and has diversified into critical part of the economy and that is why the medical pension plan is always a matter of debate in the financial system. Therefore, with the overall view created in terms of ideas presented in the above context, the two service providers are clearly understood and consequently creating a base for discussion. The paper discusses the two systems in an in-depth manner with a view of them being a service sector. Discussion Analysis of Their Operating Environments An operating environment is a combination of the social, political and economic factors that affects a business system in one way or the other. The two sectors in the discussion are quite important for the economy and, therefore, require a smooth environment to operate in (Church 1998). The types of environments the two sectors operate in are discussed below.

Banks Politically, in view of many countries of the world, the banking system is one of the most favored due to its funds being nearly all the budget of the government operating system; and, in addition, the banking system is also critical since it is the one that holds the economy of the country (Burden 1995). Socially, the banking system is quite important in various aspects, for example, these being the loans that they offer and the savings that they hold for the country. Economically, the banking system is additionally quite important, since it is the banking system that controls the flow of money. Also, the inflation in a country is usually controlled primarily by the banking system. Hospitals Hospitals as well as banks are also quite important in the economy since they are a backbone of an energetic country. The governments of numerous countries hold the hospitals in high regard and that is why the system is not easily affected by financial problems.

The laws governing the hospital are also quite flexible in order to ensure that they operate in sound environment. The hospital system is additionally held in high regard in terms of social perspective, since the citizens are a major part of a country and the government wants to ensure that they get the best services. The hospitals are additionally important for the economy since they are the systems that ensure each and every individual is sound to carry out economic activities (Daniels 2010). Therefore, these environments are usually quite befitting for the services in discussion. The Influences, Demands and Drivers that the Organizations Respond to and Their Origins Banks The origins of the demands that the banking system responds to are quite diverse. Nonetheless, the major factor that the system responds to is the demand by the citizens to save money.

This demand is quite influential in the banking system since it is the backbone of the economy. The banking system always requires that the citizens want to save money in one way or the other and then the money is demanded by the same citizens, but only different people with the need to borrow money. These diverse interests are what make the banking system survive in the economy. These are the origins of the drivers of the organization’s survival (BPC (Banker’s Magazine) ltd. 1868). The influences that it breeds forth therefore are driven by the aforementioned ideology.

Hospitals The hospitals, on the contrary, are driven by the other aspects. The origins of the hospital system demand by the public are usually the health of the society in general. What therefore influences the hospital system is the demand by the general citizenry to have better health care and the need to have a better economy. The latter, however, is somewhat farfetched. The hospital system therefore responds to the demands of the public to have better amenities in the aforementioned way that creates the origins of the demand (American Hospital Association 1999).

The influences are usually publicly made as the society would not wish to lack the amenities that the hospital system creates. The Organization’s Strategic Focus The strategic focus of any institution is usually created by the need to have a better working environment in present and in future. It can be diagrammatically represented as in the format below. Banks The strategic focus of the banks is usually based on the working environment that it has. When it comes to savings, the banking system tries to create a better environment in terms of giving the employees or the customers good rates in terms of return, whilst at the same time ensuring that it is gaining profit in one way or the other. This is usually planned in both the long and the short run (Giannantonio 1993).

Hospitals When it comes to the hospitals, the strategic focus is not as diverse as the one of the banking system. The hospitals focusing on both the long and the short run is usually and primarily dependent on services vis-a-vis the operations and financial budgeting (Giannantonio 1993). The Service Concept That Underpins the Service Operations for Both Organizations The service concept is based on various aspects. Consequently, in order to fully understand the concept, it is imperative to look at various characteristics of the services. Services are always: Intangible Inseparable from the person who offers it Perish ability Variable Therefore, after a careful analysis of the aforementioned factors, it is easier to understand the service concept that underpins the service operations. When it comes to inseparability, the two service sectors clearly demonstrate the inseparability option.

This is because the two service sectors are based on the underlying assumption that the services that they offer cannot be separated from what they do (Fitzsimmons 2000). It is very hard to separate the banking services that the banker offers from the banker and likewise, it is also hard to separate the services that a doctor offers from the doctor in person and that is one of the service concepts that underpins the operations. When it comes to intangibility, it is impossible for an individual to say that he or she felt the service that he or she was offered by a bank. This is because this factor cannot happen in reality. The other concept is perishing ability, this service concept is quite essential in the service operations of the institutions in discussion.

The banking system offers services that are quite perisable (Tweed 1990). For example, when a bank offers goods and services, the opportunity of not offering the service to a client cannot be recovered when lost and that is why it is an underpinning matter. In hospital system, when the opportunity of offering the services by a doctor to patient expirers and in the context when he or she unfortunately dies, it is impossible for that the opportunity to be able to come back. The last underpinning of the service operations is the variability of the services that the two sectors offer. When focusing on the two institutions in discussion, the services that they offer are quite varying and that is why they cannot substitute each other.

The Customer Experience and the Need to Connect With Customers at a Physical and Emotional Level The customer experience in any service industry is usually a matter of concern. This is not only for the two organizations in focus but for all the service industries. Therefore? the two organizations usually try to vary the services that they offer and come up with new ways and means of ensuring that the client is satisfied each new day. An example in the context would be looking at the banking system at an international level which would mean looking at the way it has incorporated e-banking. This new type of banking is primarily put in place to ensure that the client is satisfied with the operations that he or she gets.

In hospital services, looking at it from a local perspective, the institution always tries to give out the best services that it has in order to ensure that the clients whom it serves are always happy about the services (Schmitt 2010). The need to connect with the customers at physical and emotional level is something that the organizations try to do in order to excite their experience at the services level which would also be important in ensuring that there are more customers coming to the organizations. This is clearly illustrated in the diagram below and under the customer journey discussion. The Customer Journey and the Perception Points within That Journey The customer journey is a journey by a user which describes the different points that he or she interacts with during receiving the services. In this context, the customer journey for the two organizations is studied universally. The diagram clearly illustrates the customer journey and the way the two organizations utilize it in order to excite their customers (Gamble 2007).

The companies always ensure that at the point of offering their services they touch the emotions of the customer and then create desirability, which leads to good customer experience. Technology and the process of innovation are also factors that are looked upon carefully in the organizations. The Service Delivery System and the Significant Service Operations in both OrganizationsBanks The service delivery system by banks in this discussion is based loosely on international view as opposed to the hospitals. The delivery system in the banking system is constantly changing due to the following factors. These are the needs of the customers for incorporation of new services (Ostrom 2008). There is also the need to survive in the adversely competitive market, and the growth that is exhibited by the competitors.

Lastly, there are the social needs of the banks. The banking system has quite an interesting service delivery system which starts at infancy. At this stage, the services by the institutions are rather different from the normal ones and what is calculated here are the risks that the services may intend to corporate or use may affect the institution. In addition, the rate of demands is also a major factor at this stage. The next stage in the system is usually the growth; at this stage, the acceptance by the customer is always a matter of focus and the pressures that the incorporation would bring (Bloom 2010). The next stage in the system is usually the maturity and this always is present when the demand reaches a saturation level.

This then leads to decline level which may or may not necessarily happen. The service operations are the activities that are put in place by a company in order to operate and maintain a service. In this context, the service operations by the banking system is based on the aforementioned delivery system which in reality is usually broken down to create a better understanding and incorporate the type of service change that the organization is offering. Hospitals When it comes to the hospitals, the service delivery system is also similar to that of the banking system but with some slight changes. The system is best explained by the diagram below. The additional stage of the banking system is usually the target market.

This market is the one that the hospital industry wishes to reach and, therefore, in delivering its services, the hospital industry focuses on the target market that is appropriate. The other additional factor is the concept of the service that it is being delivered. It would be unwise to offer services that are unpopular to the people. The other and final additional stage is the service delivery. The service that is delivered is always monitored to ensure that it is done according to the right standards. Therefore, in ensuring that the service delivery system is appropriate, the organization creates awareness of the service operations.

At a local level, this is not a hard task as the operations team has to focus on minute factors and those are the needs that the market put forth. The organization which deals with services as aforementioned is one of the most critical ones and, therefore, it requires that it has the best system that would ensure overly that it is serviced to the maximum. The service operations that the organization utilizes are in a check system (Bloom 2010). This means that the negatives of the services are evaluated in such a way that they can be turned into strengths. Therefore, critically analyzed services sector is one of the systems that evaluate the services that it offers in an in-depth manner so that it can come out with the best ways and means of ensuring that the service model does not go to a declining level. This is usually exhibited through the medicines and the services that the doctors offer.

Other Significant Operations That the Organizations Undertake and Their Purpose In order to ensure that the operations within the organization are flowing smoothly, the organizations usually undertake other ventures that are linked to the services. One of the most common operations that they undertake is the pricing strategy. When offering services, the pricing strategy has to be quite sensible since there are no products to deliver. Therefore, in view of the two organizations, they offer services that are quite challenging and therefore a usual change in the pricing system is something that is usually welcomed. However, the organizations usually focus on these services in the perspective that they have to deliver more when they are paid more.

The pricing strategy therefore is something that changes with the time and that is why the organizations utilize newer perspectives with each new day. The significance of this operation is that it creates a way through which the two forms of services ensure their persistent existence. In business and management, the key factor of consideration is usually existence and that is why the aforementioned factor of operation is usually important. The other significant operation that the two service institutions undertake is the service enhancement using the internet. This is something that is pertinent in the organizations and in doing so they aim at increasing their popularity. Through service enhancement, the organizations usually practice the incorporating the latest technology that the society has to offer over the internet (Ayson 1989).

The advantage of this operation is not only the one mentioned earlier, but there are also numerous other advantages. The awareness and finances as well as increasing excellent interactions with the customer are also factors that are considered. The other operation that the two institutions undertake is service positioning and service design. What the two mean is basically one and the same. This is because the underlying factor between the two is the creation of better service designs that would encourage more and more customers to apply for services of the institutions.

The service design is something that is contentious and, therefore, there is the need for the two organizations to come up with the best design that they can formulate based on the market. The other operation is the development of an overall vision for the service. What this entails is the creation of a monitoring system that is quite effective in monitoring the process of service provision. This is something that may appear easy but it entails more than just watching and it leads to the creation of a system of observation that helps the organizations whether the banking or the hospital institution to know whether the service delivery mode really works. The importance of a good service delivery mode can be analyzed using the graph below.

The other operation that is carried out by the two organizations irrespective of the locality and the process is developing a vision for the service system. What this means is that the organizations try to come out with the most favorable way to ensure that the plan that they are undertaking in terms of service delivery is always kept in line. Therefore, it means that the organizations usually create a process through which there is a possibility of adequate focus on the material matter and the operation that they are undertaking (California State College, Fullerton Management Dept 2000). The significance of this operation is that it enables the whole institution to know whether what it is doing is right or wrong. The other operation that the organizations participate in are the monitoring of the performance that it has engaged in. This means that the organization looks for a clear strategy with which it conquers the negativity of the system it is monitoring.

The significance of this process is that it enables the organization to come out with ways and means that there is a check on the system and if it is not beneficial, it is thrown away at once. These operations are quite essential in the organizations, and it really does not matter at what level they currently are as long as they want to ensure that they deliver not only services, but rather the best services in the market they are operating in. Significant Quality Issues for Each Organization Banks When it comes to banks, the quality issue that is always in focus is the security. Without adequate security, there is always the tendency by the clients to go out of the banks. In an international perspective and considering the fact that the banks have shifted their focus to internet banking, there is always the need which is created by them and that is the need to come out with clearer strategies with which they can ensure that the finances of the clients are always kept safe. This is one of the quality issues that are always brought about by banks.

The other quality issue that is usually presented is the way that the employee will be satisfied through the creation of a better quality service department by the organization so that he or she is able to be given not only the best services, but excellent services (Klein 2005). What this therefore implies is that there is always the element of human management in the companies. If the clients are not managed well, it usually leads to very many unexpected downfalls which may include the financial loss and legal suits. Consequently, clear and good monitoring system to ensure that the client is better serviced is a major quality issue in the banking organization. Another issue is the way the banks ensure maintaining quality and clean physical environments. It is something evident, because the employees do not wish to enter into an environment which is not clean since they feel that in one way or the other they may not be entering the best bank.

This therefore, leads to this quality issue by the banks and it is something that is studied for quite a long time. Cleanliness and success are matters that are always discussed and viewed to be pertinent and that is why in terms of the banking system, though it may sound miniature, the matters are always discussed. Hospitals In the hospital system, the aforementioned issues are also significant. However, the quality issues are somewhat different. Since the hospital system clearly deals with patients and it is not money oriented as compared to the banking system, it means that the top quality service issue is having good health care providers.

What this then means is that there is always the need by the institutions to come up with clearer system that would be used to eliminate the incompetent employees. The benefit of this quality issue is that when they are good employees, there is the likelihood that the people who visit the organization will always receive adequate medical care. What this then leads to is the surety by the employees to get more patients (Mathews 2008). The other quality issue when it comes to service delivery by the hospital organization is ensuring that the society is always by large visiting a clean health center. What this in return means is that the organization, therefore, has to employ strategies that are positive and way forward.

Way forward strategies are those that ensure that there is always positive growth and success. The other pertinent issue in the organization is the way the employee will be ensured of his safety whilst working in the institution. This quality issue is put in place so as to ensure that the employee is guaranteed his or her work whilst the employee is assured of the safety. This creates confidence. Confidence is something very important in the medical industry since when an employee is not confident in what he or she does, it means he or she will not be willing and ready to take part in the medical process.

Similarities and Differences in the Approaches the Organizations Take to Delivering Services Similarities Since the two sectors are from the service industry, the similarities are outstanding. When it comes to the banks, there is the approach that it takes when it aims at delivering services is usually based on quality (Marc 2009). Quality is something that cannot be ignored in both service sectors. Another factor of concern that is similar is the delivery of professional services. Differences The difference between the two is that the banking system is not overly concerned about the preservation of the product but what it is concerned about is the creation of a good storage point (Great Britain Office of Government Commerce 2004).

This is quite unlike in the hospital system which is concerned with the opposite. The other issue which is different is the mode of servicing the clients. In the banking industry, the clients are given the best services since they are the ones who help run the business. However, the services are given on the basis of who is superior to the others. This is quite unlike in the hospital system when it comes to service delivery because all people are deemed to be equal. Conclusion In conclusion, when it comes to service delivery, the issue of contention is usually coming up with the right services.

This means that the service provider has to ensure that whatever he or she is giving out is something that will surpass time and something that would withstand the test of time. The average man views the banking system as a system with which he or she can store money whilst a business person views the system as a financial institution. The banks, in addition, play a major role as they are the institutions that hold the money of the common citizens. The money that is placed there in the actual sense is their savings. It is duly noted that the hospitals are also as important to the economy as any other public sector and that is why they are usually looked upon with keen interest.

The hospitals like the banking system offer services that a country cannot do without and, that is why, the bankers and the medical practitioners are both quite important for the society.