

Australian Bureau Standard

1. Public service dep and utilities
2. Transportation and storage
3. Tourism and hospitality
4. Communication services
5. Cultural and recreational service
6. Education
7. Retailing
8. Finance and insurance
9. Health and community service
- 10 Personal and other service

Table 1.1 Country statistics: GDP (US\$ million) and services value-added, 1997–2001 (% of GDP)

Country	1997	1998	1999	2000	2001
Australia	419.1 (69.9)	374.0 (70.8)	407.6 (70.7)	390.1 (N/A)	368.6 (N/A)
China	898.2 (30.9)	946.3 (32.1)	991.4 (33.0)	1,079.9 (33.2)	1,159.0 (32.9)
Hong Kong, China	171.0 (85.2)	162.6 (85.0)	158.3 (85.5)	162.6 (N/A)	N/A
India	409.7 (44.9)	414.1 (45.8)	445.2 (47.8)	457.0 (48.2)	477.6 (48.4)
Indonesia	215.7 (39.6)	95.4 (36.7)	140.0 (37.0)	152.2 (35.9)	145.3 (37.1)
Japan	4 313.2 (64.8)	3 940.5 (65.8)	4 499.6 (66.4)	4 841.6 (N/A)	4 245.2 (N/A)
Korea, Rep.	476.5 (51.6)	317.1 (51.2)	406.1 (52.4)	461.5 (52.9)	422.2 (54.1)
Macao, China	7.0 (71.7)	6.5 (71.2)	6.1 (71.0)	6.2 (N/A)	N/A
Malaysia	100.2 (44.3)	72.2 (42.8)	79.0 (42.7)	89.7 (39.7)	87.5 (41.9)
Singapore	94.6 (65.1)	82.8 (64.5)	83.8 (65.2)	92.3 (65.6)	N/A
Thailand	151.1 (50.2)	111.9 (49.5)	122.5 (49.7)	122.3 (49.5)	114.8 (49.8)
Vietnam	26.8 (42.2)	27.2 (41.7)	28.7 (40.1)	31.3 (39.1)	32.9 (N/A)
World	29 795.7 (62.4)	29 604.5 (63.0)	30 664.1 (63.7)	31 498.1 (N/A)	31 283.8 (N/A)

Note: GDP (gross domestic product) is expressed in current US dollars.

Source: World Bank, *World Development Indicators 2002*, www.worldbank.org/data/dataquery.html.

GROWTH IN SERVICES

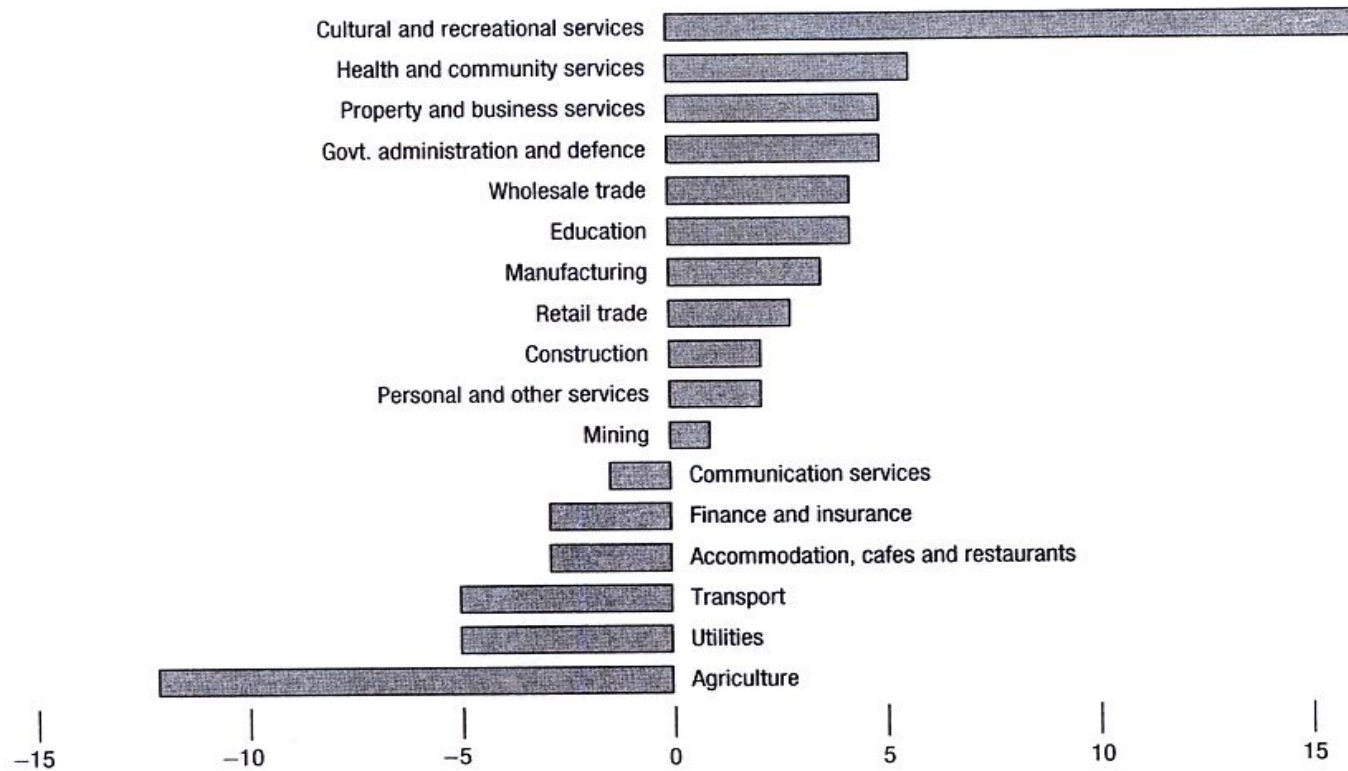


Figure 1.1 Growth in services since 1997

Source: Australian Financial Review, 8 October 2002

Table 1.2 Fastest-growing job sectors, 1986–2001

Occupation	Growth in employment (number)	Employment in 2001	Growth in employment (%)
Special care workers	59,571	45,600	325
Child-care workers	71,076	53,700	309
Project and program administrators	92,131	68,200	285
Computing professionals	128,850	88,200	216
Marketing and advertising professionals	41,665	26,900	181
Business analysts	42,228	26,700	172
HR professionals	49,001	30,600	166
Financial dealers and brokers	39,789	24,700	163
Sales and marketing managers	101,290	61,000	151
Education aides	47,571	28,600	151
Waiters	83,662	47,100	128
Accountants	109,522	50,700	86

Source: National Institute of Labour Studies, *W.A. Business News*, 30 January 2003, p. 12.

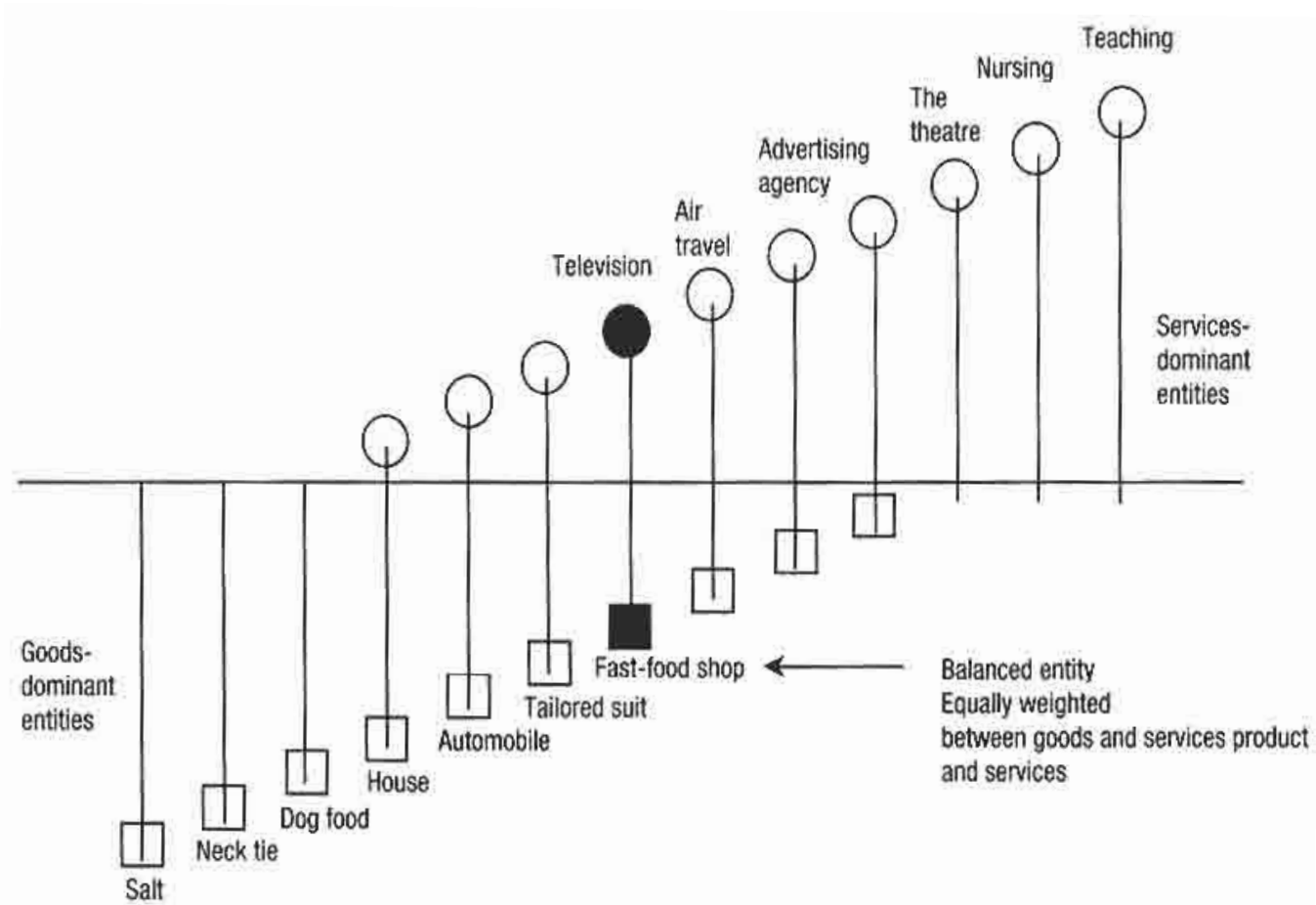
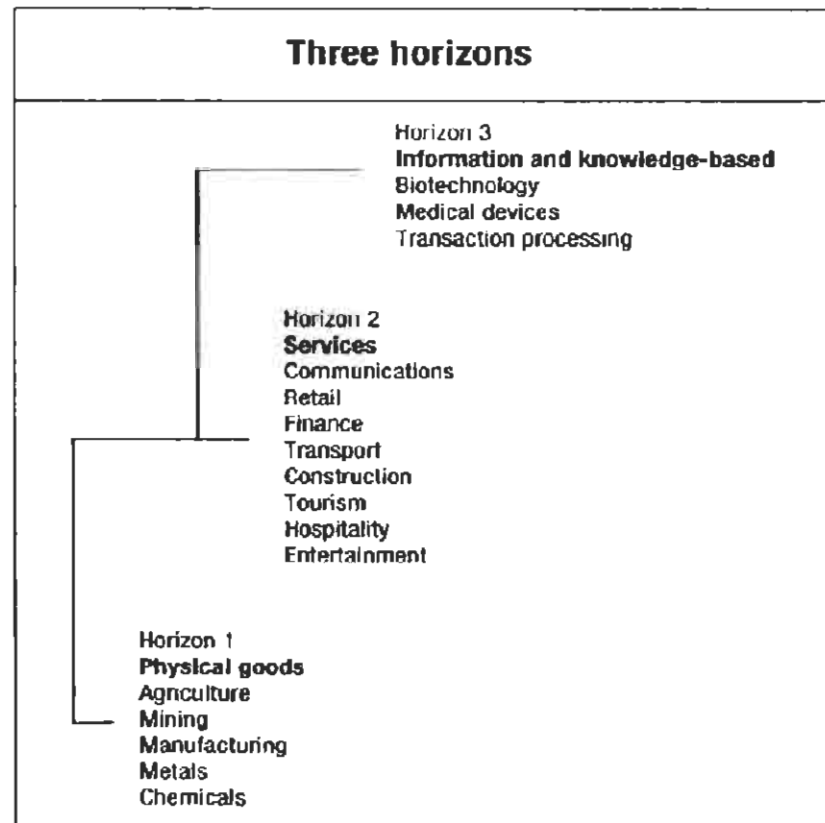


Figure 1.2 The goods–services continuum

Source: Adapted from G. Shostack, 'Service positioning through structural change', *Journal of Marketing*, vol. 51, no. 1, 1987, p. 41



**POSITIVE
 OUTLOOK:**
 Port Jackson
 Partners has
 defined
 Australia's
 growth into
 three horizons:
 physical goods,
 services, and
 information and
 knowledge-based.

Figure 1.3 Goods and services categories

Source: Business News, 30 January 2003, p. 12

Table 1.3 Services classification models

Author	Classification model	Summary
Judd (1984)	Rented goods services Owned goods services Non-goods services	A broad category that ignores banking/insurance and legal advice/accounting
Shontack (1977)	Type of seller/buyer Buying motives/practice	No specific application to services – applies also to products
Hu (1977)	Services affecting persons versus goods – Permanent/temporary reversibility versus non-reversibility	Individual versus collective benefits
Chase (1978)	Extent of customer contact in service delivery (high/low)	Product variability harder in high-contact services
Thomas (1978)	Equipment versus people-based services	Understanding of product attributes
Lovelock (1980)	Service content and benefits Service delivery procedures	Defining object served is crucial
Meister and Lovelock (1982)	Extent of customer contact Extent of customisation	Classification of facilitator services (that is, businesses of facilitating market transactions)
Schmenger (1986)	Degree of labour intensity Degree of service customisation	Improvement on the customer contact model
Shontack (1987)	Complexity and divergence – service process matrix	Analysis of service process
Larsson and Bowen (1989)	Customer disposition to participate; diversity of demand	Interaction between input uncertainty (that is, customer participation) and service process design
Morsha (1991)	Customer contact matrix	Accommodative and interactive services systems
Silvestro et al. (1992)	Professional service, service shop, mass service	Empirically derived model based on volume of daily activity
Kotler and Armstrong (1994)	Type of service firm; intangibility, inseparability, variability, perishability	Based on organisational purpose
Kollogg and Niu (1995)	Service process Service package	Analysis of a strategic linkage between marketing and operations in service management
Collier and Meyer (1998)	The nature of customer's service encounter activity sequence The number of pathways (routes) built into the service system designed by management	Service positioning matrix

Source: Adapted from P. Cook, C-H. Doh and C. Chung, 'Service typologies: A state of the art survey', *Production and Operations Management*, vol. 8, no. 3, 1999, pp. 332–8.

		Passive contact	
		Low	High
Active contact	High	<ul style="list-style-type: none"> • Health centres • Psychiatric services • Dental services 	<ul style="list-style-type: none"> • Hospital inpatient care • Restaurants • Schools
	Low	<ul style="list-style-type: none"> ♦ Data processing services ♦ Catalogue merchandising services ♦ Home offices of banks and insurance companies, etc. 	<ul style="list-style-type: none"> ♦ Hotels/motels ♦ Public transportation ♦ Resorts

Figure 1.4 Customer contact matrix

Source: T. Mersha, 'Enhancing the customer contact model', *Journal of Operations Management*, vol. 9, no. 3, 1991, p. 396

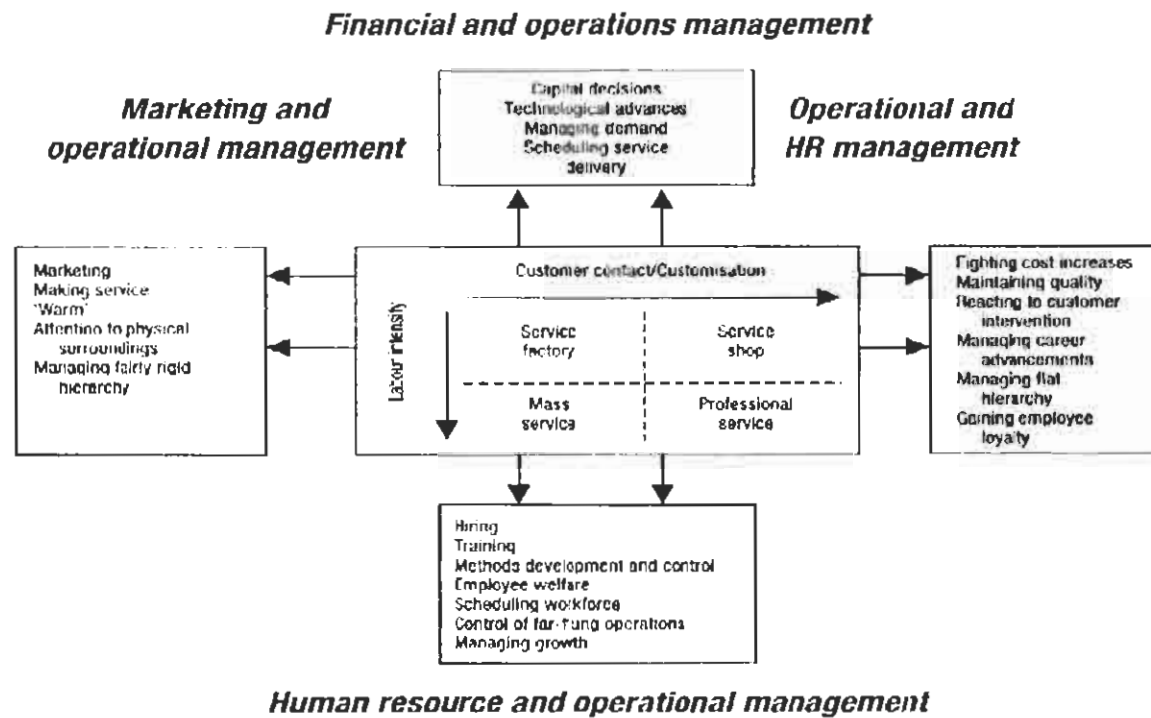


Figure 1.5 Service management matrix

Source: Adapted from R. Schmenner, 'How can service businesses survive and prosper?', *Sloan Management Review*, vol. 27, no. 3, 1986 in R. Verma and K. Boyer, 'Service classifications and management challenges', *Journal of Business Strategies*, vol. 17, no. 1, 2000, p. 9

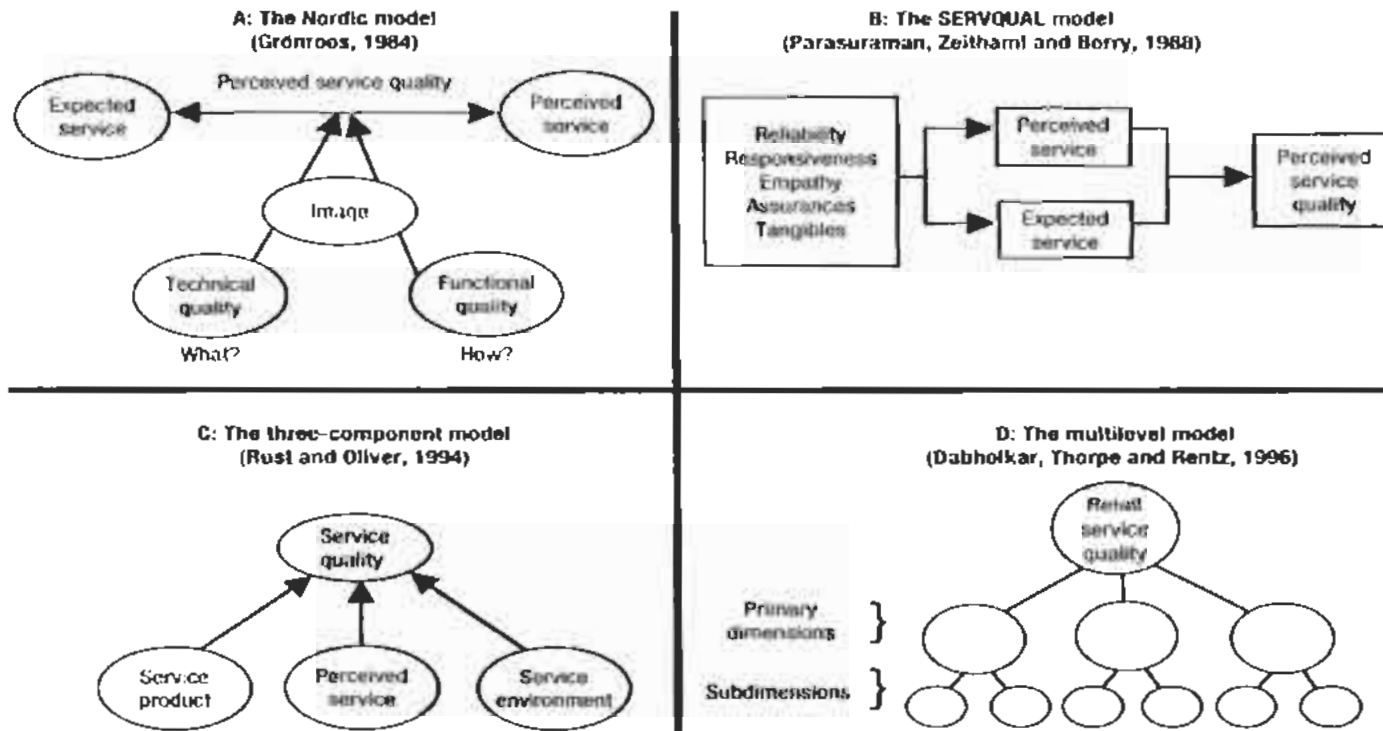


Figure 1.6 Models of service quality

Source: M. Brady and J. Cronin, 'Some new thoughts on conceptualizing perceived service quality: A hierarchical approach', *Journal of Marketing*, vol. 65, 2001, p. 35

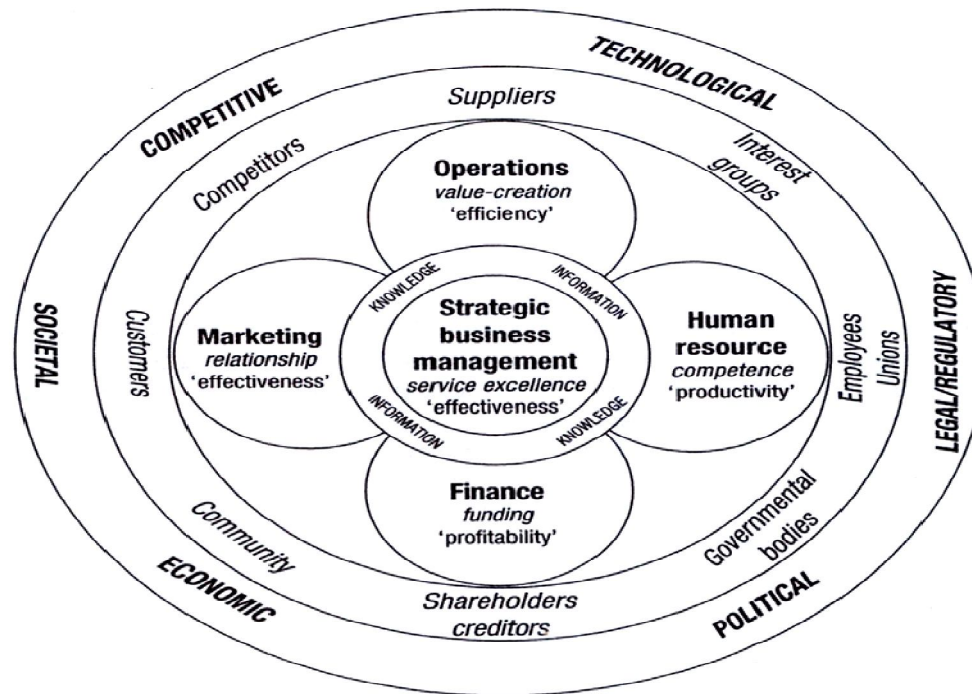


Figure 1.7 The integrated services management (ISM) model

SOURCE: Alan Nankervis, *Managing services*, Cambridge university press, London, 2005.

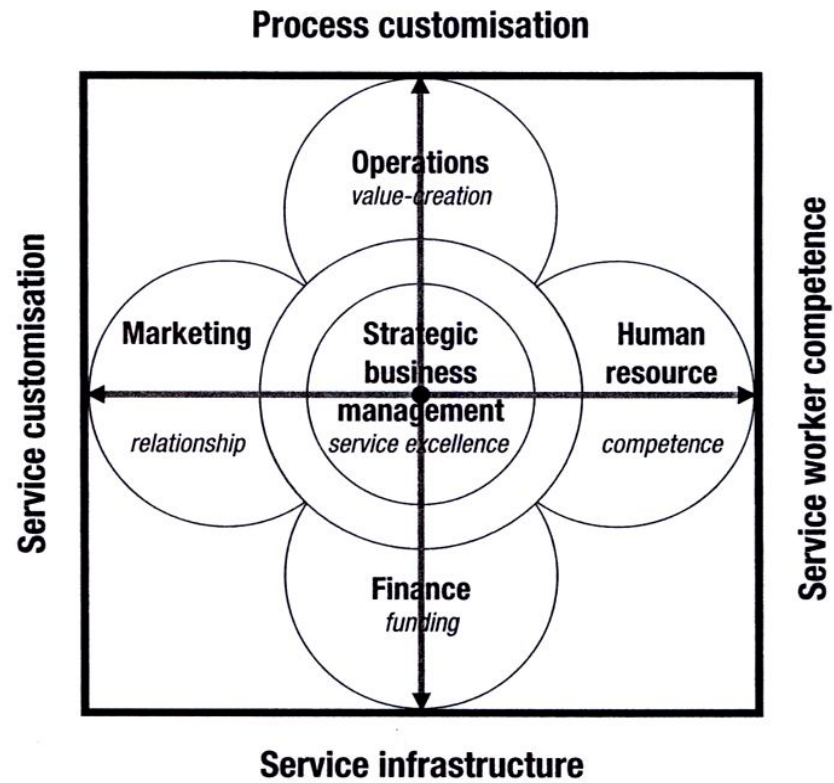


Figure 1.8 The functional services management (FSM) matrix

SOURCE: Alan Nankervis, *Managing services*, cambridge university press, London, 2005.