CLASSIFICATION OF SERVICES

4 Categories of Service

- People Processing

- Possession processing

- Mental stimulus processing

- Information processing
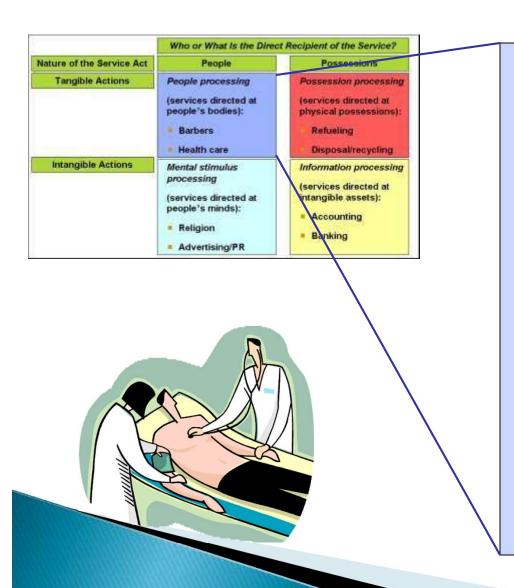
Four Categories Of Services

Nature of the Service Act	Who or What Is the Direct Recipient of the Service?	
	People	Possessions
Tangible Actions	**People processing** (services directed at people's bodies): ▪Barbers ▪Health care	**Possession processing** (services directed at physical possessions): ▪Refueling ▪Repair/ maintenance
Intangible Actions	**Mental stimulus processing** (services directed at people's minds): ▪Education ▪Advertising	**Information processing** (services directed at intangible assets): ▪Accounting ▪Banking

People Processing

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

People Processing

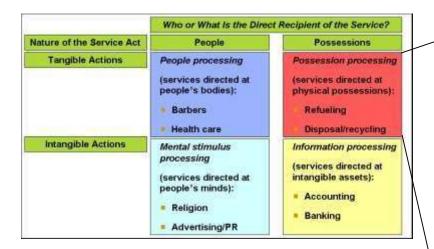| Nature of the Service Act	Who or What Is the Direct Recipient of the Service?	
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Intangible Actions	Mental stimulus processing (services directed at people's minds): ▪ Religion ▪ Advertising/PR	Information processing (services directed at intangible assets): ▪ Accounting ▪ Banking

People Processing
Customers must:

- Physically enter the service factory
- Co-operate actively with the service operation

- Managers should think about process and output from customer's perspective
- To identify benefits created and non-financial costs:
- Time, mental, physical effort

Possession Processing

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

Possession Processing

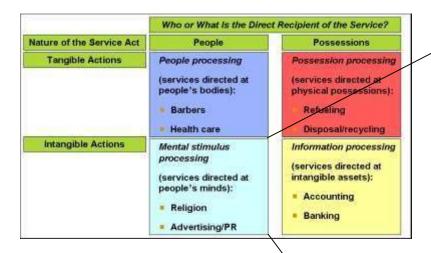| Nature of the Service Act	Who or What Is the Direct Recipient of the Service?	
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Possession Processing

- Customers are less physically involved compared to people processing services

- Involvement is limited

- Production and consumption are separable

Mental Stimulus Processing

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

Mental Stimulus Processing

	Who or What is the Direct Recipient of the Service?	
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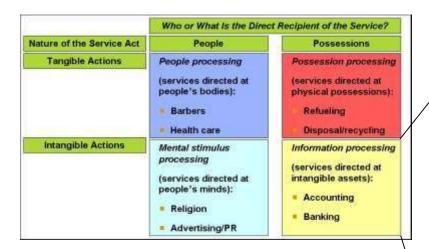## Mental Stimulus Processing

- Ethical standards required when customers who depend on such services can potentially be manipulated by suppliers

- Physical presence of recipients not required

- Core content of services is information-based
  - Can be "inventoried"

Information processing

- Accounting
- Banking
- Legal services
- Securities investment

Information Processing

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Information Processing

■ Information is the most intangible form of service output

■ But may be transformed into enduring forms of service output

Thank you