



SNS COLLEGE OF TECHNOLOGY

[An Autonomous Institution]
Coimbatore – 35

23BAT613 – Operations Management

Unit 1 – Introduction

Topic: Difference between product and service



Recall

- ▶ Transformation Process
- ▶ Value Addition
- ▶ Feedback
- ▶ Control
- ▶ Monitoring





Parameter	Goods	Services
Meaning	Goods are the material items that can be seen, touched or felt and are ready for sale to the customers.	Services are amenities, facilities, benefits or help provided by other people.
Nature	Tangible	Intangible
Transfer of ownership	Yes	No
Evaluation	Very simple and easy	Complicated
Return	Goods can be returned	Services cannot be returned back once they are provided
Separable	Yes, goods can be separated from the seller	No, services cannot be separated from the service provider

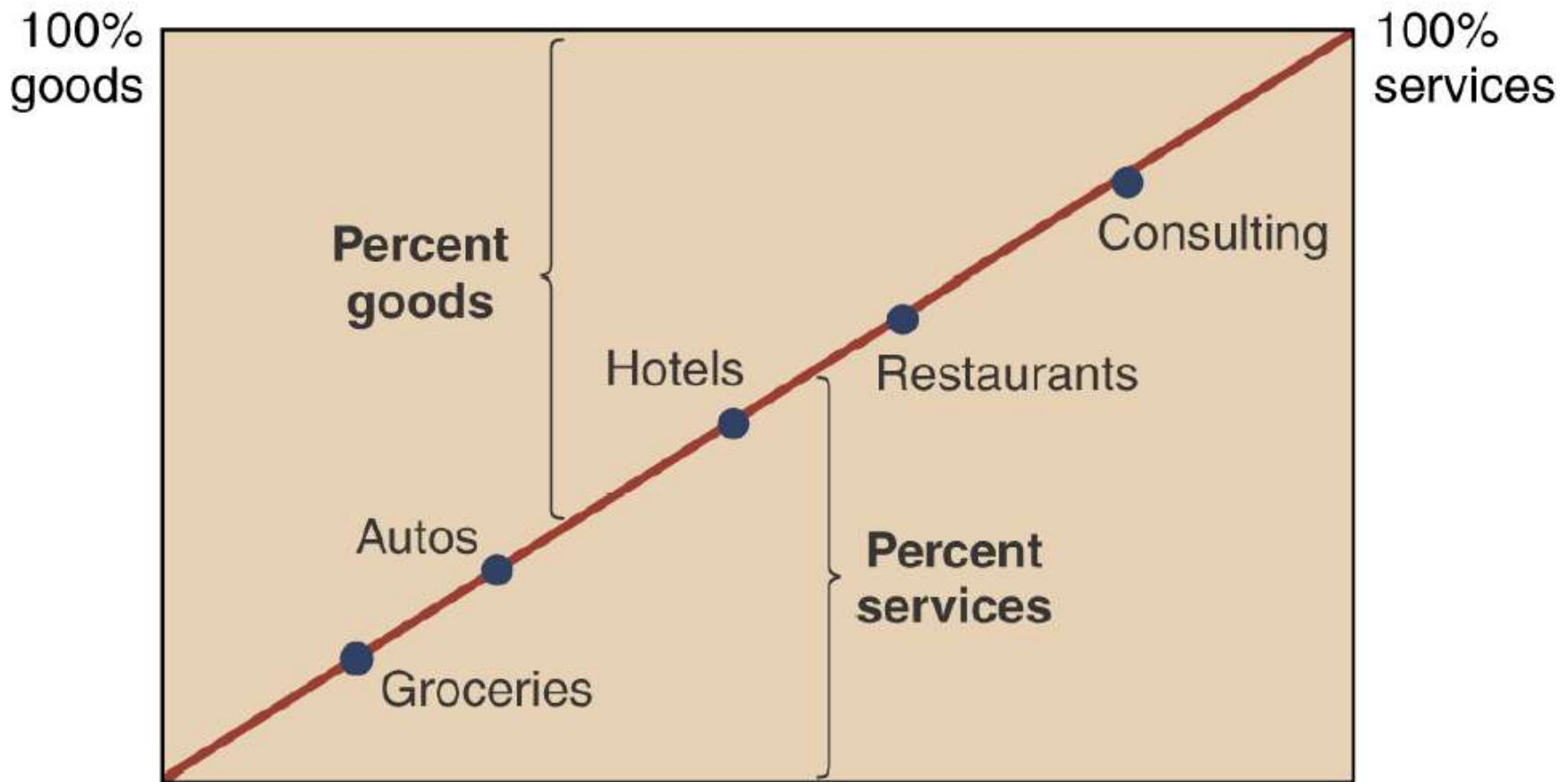


Parameter	Goods	Services
Variability	Identical	Diversified
Storage	Goods can be stored for use in future or multiple use	Services cannot be stored
Production and Consumption	There is a time lag between production and consumption of goods.	Production and Consumption of goods occurs simultaneously
Quality	It is easy to compare quality of products	It is difficult to compare the quality of services offered
Quantity	Products can be quantified numerically	Services cannot be quantified in terms of numbers



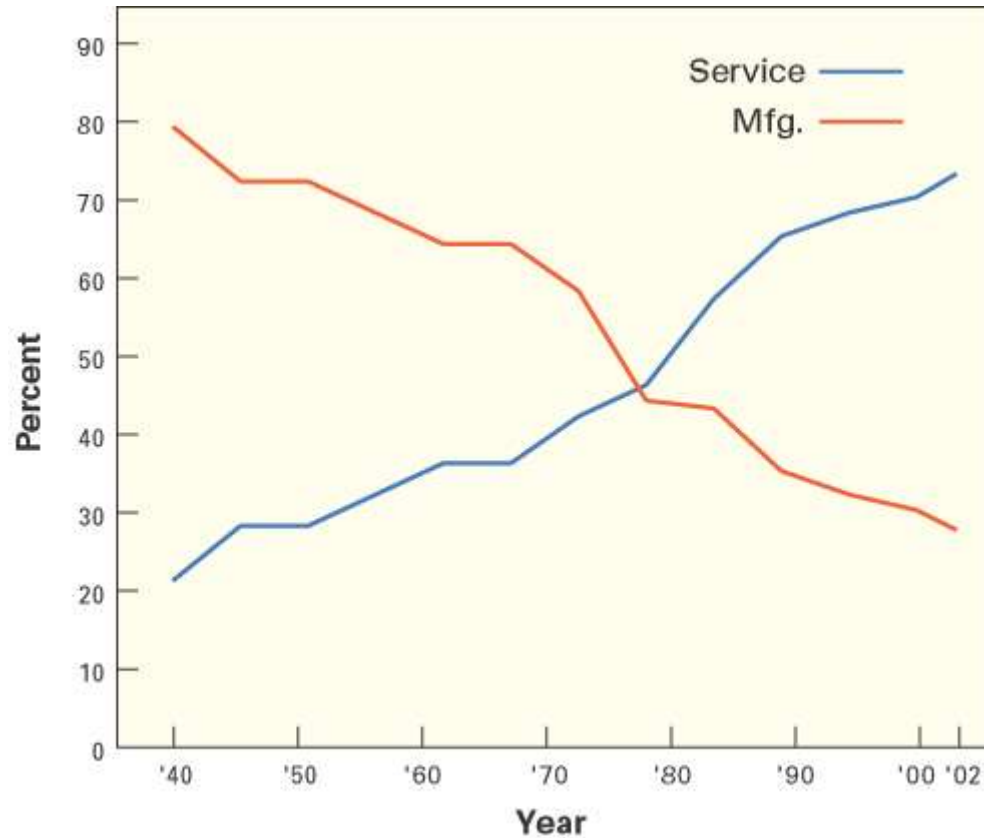


Most Products Are a “Bundle” of Goods and Services





Services vs Product





Hybrid organizations

- ▶ Some organizations are a blend of service/manufacturing called as Quasi-Manufacturing (QM) organizations
- ▶ QM characteristics include
 - Low customer contact & Capital Intensive
 - Eg: Postal department



Summarize

- ▶ Product vs Service
- ▶ Hybrid organizations



**THANKS
FOR
LISTENING**