



Challenges in Service Sector

- Challenges related to the unique characteristics of the service

- *Challenges of intangibility*
- *Challenges of inseparability*
- *Challenges of perishability*
- *Challenges of heterogeneity*

- Other challenges

- *Competition*
- *Poor infrastructure*
- *Non-availability of trained manpower*
- *Challenges of employee retention*
- *Challenges of customer retention*

Challenges for Services

- Defining and improving quality
- Ensuring the delivery of consistent quality
- Designing and testing new services
- Communicating and maintaining a consistent image
- Accommodating fluctuating demand
- Motivating and sustaining employee commitment
- Coordinating marketing, operations, and human resource efforts
- Setting prices
- Finding a balance between standardization versus customization