

**BUREAU OF INDIAN STANDARDS**

*Preliminary Draft Indian Standard*

**सेवाओं के वर्गीकरण के लिए दिशानिर्देश**

**GUIDELINES FOR SERVICES CLASSIFICATION**

ICS 03.080.01

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Basic Standards on Services Sectional Committee, SSD 19

**FOREWORD**

*(Formal Clauses will be added later)*

Services are often compared with products and in many aspects, equivalences can be found. For example, for any transaction to take place, there needs to be a supplier and a recipient, and both must have a common understanding of what is being supplied or provided. Like products, services also need to be designed to meet the needs and expectations, both stated and latent, of the consumer. Additional features and characteristics can be added to enhance the value proposition common to both services and products.

It is by now, well understood that beyond these complementarities, services need different treatment to make them relevant, useful and acceptable. Their non-material form, intangibility, heterogeneity, simultaneity of production, supply and consumption (in most cases) are characteristics that require understanding and analysis, to pursue the objective of systematic service design, development, monitoring, measurement and improvement. Generic clause the other factors that applies to all services.

This Indian Standard is a part of a series of guideline standards that will be developed for standardizing the basic characteristics and associated activities of services with the objective that these will be used by developers of services as well as by developers of sectoral standards on services.

As a first step, it is essential to develop a comprehensive system of service classification. One of the key purposes the classification is to enable the service developer understands how each classification parameter impacts the end-to end-service cycle, and the actions needed to control their production and delivery in compliance with agreed or expected performance level on a consistent basis.

The Composition of the Committee responsible for the formulation of this standard is given in **Annex A**.

**Bureau of Indian Standards**  
*Preliminary Draft*  
*On*  
**GUIDELINES FOR SERVICES CLASSIFICATION**

**1 SCOPE**

**1.1** This Indian Standard classifies services on three broad considerations:

- a) Classification of services by attributes.
- b) Classification by service recipients.
- c) Classification by service context.

**1.2** The additional classification based on type of service provider and the service modes described under GATS are also given for information purposes, however these would not have a direct impact for service design, development and control purposes.

**2 REFERENCES**

Assistance has been drawn from the following standards in preparation of this standard:

<i>IS No.</i>	<i>Title</i>
IS/ISO 9000: 2015	Quality management systems — Fundamentals and vocabulary ( <i>fourth revision</i> )
IS/ISO/IEC Guide 76: 2020	Development of service standards — Recommendations for addressing consumer issues ( <i>first revision</i> )
IS 20000: 2024	Services — Glossary of Terms

**3 TERMS AND REFERENCE**

Technical terms used in this standard shall be defined in the Indian Standard on Terminology of Services – Glossary of terms related to Services. For the purpose of this standard, the definition given in IS 20000:2024 – Services – Glossary of Terms shall apply.

## 4 INTRODUCTION

The classification provided in this standard provides an approach to break down a service into its attributes, nature of customer and context by identifying the classes and sub-classes applicable to the service being provided. Each class and sub-class should be carefully considered for its applicability and listed down if found applicable. A justification on why the classification was found applicable should be recorded, which will enable the subsequent development of the response.

Several services may have more than one of the classification elements applicable to them, due to their inherent nature or because the overall service package may consist of more than one service constituent. It is recommended to include a classification, rather than omit, even if the applicability is not strong.

## 5 CLASSIFICATION BY SERVICE ATTRIBUTES

The tables provide useful insights on the impact of each class and sub-class and general recommendations on the nature of control to address the impact. However, the service provider may need to develop additional responses, based on the specific service, the context and the customer being served. The following are the key distinctions based on service attributes:

- a) Classification based on extent of service customization
- b) Classification based on human interactions
- c) Classification based on intensity of experience
- d) Classification based on consumption pattern
- e) Classification based on consumption demand
- f) Classification based on contractual agreements
- g) Classification based on product complementarity
- h) Classification based on equipment/infrastructure complementarity
- i) Classification based on automation
- j) Classification based on service risks
- k) Classification based on transaction time
- l) Classification based on supply/consumption points

### 5.1 Classification Based on Extent of Service Customization

**Table 1 Distinctions Based on Extent of Service Customization**  
*(Clause 5.1)*

S. No.	Sub-classes	Example of Service	Service Explanation and Positive effect	Potential Constraint	Recommended Control
(1)	(2)	(3)	(4)	(5)	(6)
1.	Fully Customized	Consulting, Architecture, Interiors, Market research, Tailoring	Fully customization services provide the best fit between the customers’ needs and the service outcome.	<p>High chances of mismatch between customer needs and expectations, and the actual outcome.</p> <p>Customized services may demonstrate a high variation in charges and generally attract a higher charge or fee than partly customized or non-customized service.</p>	<p>The service provider should conduct a detailed assessment of needs and expectations prior to the execution of the service. To the extent feasible, the outcome should be documented or visually established, identifying limitations.</p> <p>A provision for flexibility is often required to accommodate changing needs during the service execution and at the end.</p>
2.	Partly Customized	Tour packages, salons, higher education, packages for medical procedures, insurance services	Partial customization of major service components leads to better efficiencies, with scope of customizing some specific or non-negotiable needs of the customer.	A gap in the mode of delivery and the outcome from the promise made through marketing collateral and service descriptions with specifications.	The service design should be thoroughly reviewed for each service element taking into account potential constraints that may lead to gaps in service delivery. Constant monitoring and customer feedback should be made to determine the gaps and addressing them. The promises and claims made for promotional purposes should be reviewed against service design and any mis-claim should be removed. The language of the claims should be reviewed to prevent any misunderstanding by the customer.

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3. Non-customized service - Generic	Broadcasting, utilities services such as water supply, pipe gas, municipal regulatory services	These services have the potential to be fully standardized and automated.	The principal concern with generic (non-customized) service lies in their intent to meet service needs and expectations of a wide and diverse set of service consumers. Such services may not be able to satisfy all customers.	Where variation is likely during the execution, a provision should be built into the contract and a process should be established to inform the customer sufficiently in advance so as to avoid any misunderstanding.
				a) The service design should be based on wide consultation and survey/s conducted to determine the common or minimum needs of the intended customer segment being addressed. The service design process should determine the features and characteristics that will meet the needs and expectations of the majority of customers including institutional customers; and also evaluate the feedback from the dissatisfied customers. Changes should be considered in the service design or in the process, whenever the objectives are not met.
				Periodic customer surveys and reviews should be conducted among the wider customer base to determine the level of satisfaction to re-evaluate identified targets.

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**5.2 Classification Based on Human Interactions**

**Table 2 Distinctions Based on Human Interactions**  
(Clause 5.2)

S. No. (1)	Sub-classes (2)	Example of Service (3)	Service Explanation and Positive Effect (4)	Potential Constraint (5)	Recommended Control (6)
1.	Personal Service– Provider End  (Delivery persons are located at the supplier designated premises that must be approached to avail the service)	Counter based services, call center services	The delivery of these services uses human skills and competence, understanding of diverse customer needs, ability to make situation-based judgements to provide specific services and solutions to individual customers.  Personal services are provided essentially because their delivery requirements cannot be achieved by automated service delivery modes.	a) Lack of competence of the service delivery person  b) Display of unpleasant / unacceptable behavior by the delivery person  c) Fatigue and monotony leading to human errors  d) Inconsistency of availability of information, aids and resources at the transaction point  e) Inappropriate grooming and hygiene (as applicable)	a) Having the requisite competence, understanding, behavioral traits, functional capability, empathy and the willingness to resolve customer queries and unique needs, or their absence is what differentiates the quality of service and customer perception. These are achieved through qualification, training and continuous professional development of the service delivery persons.  b) While initial service design should determine the expected range of customer expectations and adequate monitoring mechanism establish to identify instances of service failure due to human error, lack of knowledge or competence or altercations with customers for systematical improvements in the service transactions through training, coaching and mentoring of the service delivery personnel.

S. No. (1)	Sub-classes (2)	Example of Service (3)	Service Explanation and Positive Effect (4)	Potential Constraint (5)	Recommended Control (6)
2.	Non-Contact Service – Provider End (Delivery mode is located at the suppliers’ designated premises that must be approached	Self-service vending kiosks, ATMs, automated car wash, IVR services, home stays	Due to automation, these services are available round the clock, can be replicated at multiple locations and can also be configured to provide partial customized (see 5.1, S. No. 2) solutions through menu options and use of algorithms.	a) These services may have the challenge of serving a wide range of customer needs that needs through the pre-designed, guided and logic-based customer interactions and responses. Any situation not covered through the available choices leads to unfulfilled expectations leading to	c) When services are delivered from the suppliers designated service points, the service provider must be facilitated with the necessary aids for fulfilling the service. This includes information, materials, equipment, and facilities. Some of these may be availed through internal supply processes such as information through the IT system, or materials through an inventory management system. The system should be designed to ensure that there are no gaps in the supplies to the delivery personnel.  a) The service design should be done anticipating a wide range of customer needs and expectations, including lack of comprehension of the options menu.  b) Special attention needs to be paid to the mode of communication whether visual, audio or text based that are clear, concise and unambiguous. There should be at least one option available for escalating the

S. No. (1)	Sub-classes (2)	Example of Service (3)	Service Explanation and Positive Effect (4)	Potential Constraint (5)	Recommended Control (6)
	to avail the service)			customer dissatisfaction and attrition.  b) Insufficient guidance to the customer on menu selection leads to loss of customer’s time and extended engagement of equipment and facility.  c) Equipment failure or malfunction leads to service outage.	communication to in-person interaction if the customer is unable to receive the service.  c) Human assistance should be provided when new automated systems are introduced which may be complex to use.  d) The failure of equipment or facility, or exhaustion of materials should be coupled with triggers and alarms, and the service design should include provision for recovery within the shortest possible time.
3.	Personal Service – Customer End	Home tuitions, home repairs, Salon Services delivered at home, plumbing, Maintenance Services	These services are delivered at the customer’s location by a service provider at pre-agreed time and convenience.  The services also have the potential to provide customized solutions (see 5.1) and are based on human interaction.	The constraints related to service delivery through human interactions as given in 5.2, S. No. 1 shall also apply to delivery at customer end. An essential characteristic of these services is that all the necessary resources required for service delivery must be available to the service delivery personnel at the	a) When services are provided by service personnel at the customer’s locations, the requisites of competence, functional capability, understanding, knowledge, behavioral attributes and the features of service design are the same as mentioned in 5.2 S. No. 1.  b) The service design should determine all possible situations that may arise on site and provide



S. No. (1)	Sub-classes (2)	Example of Service (3)	Service Explanation and Positive Effect (4)	Potential Constraint (5)	Recommended Control (6)
				customer location. Any absence of these resources such as include tools, consumables, IT equipment, backend support/ information channels on mobile phone such as may result in service failure or delays.	for adequately equipping the service personnel. Observed gaps should be recorded and looped back into the service design or service process for continuous improvement.
4.	Non-contact Service – Customer End  (Service can be availed from customer’s location without interactions with a service delivery person)	Web based services such as airline web-check in, railway ticket booking, hotel internet banking, home delivery services, automated contact centers	a) These services provide the convenience to the customer receiving the services from anywhere, potentially at all times (unless time restrictions are stated).	The challenges for such services are similar to impersonal services provided at providers end (See 5.2, S. No. 2)  Additionally, service delivery may be constrained due to system failure or network outage.	a) The services should be designed with simpler user interface, smooth and logical user interaction that requires proper sequencing of process steps aided with clear and understandable guidance.  b) The interface should be accessible to customers across a wide range of device screens including desktop, notebook, tablets, mobile phones etc.  c) Service provider should ensure that customers personal information remains confidential and the system is secured against cyber-attacks.

S. No. (1)	Sub-classes (2)	Example of Service (3)	Service Explanation and Positive Effect (4)	Potential Constraint (5)	Recommended Control (6)
					d) Complex services should be supplemented by chat box, bots or in-person interaction.

**5.3 Classification based on Intensity of Experience**

**Table 3 Distinction based on Intensity of Experience**  
(Clause 5.3)

S. No. (1)	Sub-classes (2)	Example of service (3)	Service explanation and Positive effect (4)	Potential constraint (5)	Recommended control (6)
1.	Experienced through direct perception by individual customers after consumption (always noticed)	Call centres, healthcare, transportation, Insurance, Hospitality, Education Services, Cab Services, Portfolio Management	Services that are directly and individually experienced by the service recipient provide the greatest opportunity for feedback, often during the service delivery itself.	Services that are actively sought and directly consumed by service recipients have the greatest highest impact in terms of experience that results in satisfaction or dissatisfaction.  The gap between service expectation and service perception is the strongest in such service transactions. In majority of cases, the intensity of dissatisfaction perceived is greater than the nature or measure of service deficiency.	The element of human interaction within the service execution should be designed with greater attention to perceived response of the customer. A method should be determined and established to capture the customer perception and relate those with the level of service quality. When persistent failures occur, additional monitoring and checks should be introduced complemented with prompt remedial action.

<p>2. Experienced Individually by Default, Noticed When Minor Or Major Deficiencies Occur</p>	<p>Electricity supply, water internet service, central air-conditioning</p>	<p>These services are generally provided at the community level but are consumed individually to facilitate ease of living. They are mostly delivered in the non-customized mode (See 5.1, S.no. 3) are continuous use (see 5.4, S. no. 4) and have the potential to be fully standardized and automated.</p>	<p>These services are experienced by customers for their presence, but are noticed during outages or gross deviation from service standards (such as low internet speed). Due to high degree of dependence, their absence or deviation disrupts the normal routine of the service recipient and can cause high degree of inconvenience.</p>	<p>The service design for such services should provide for robust, self-detecting and self-correcting processes to the extent possible. Additionally, the processes for responding to customer complaints should be prompt, with prescribed norms for remedial action including service recovery.</p> <p>The service provider should ensure that effective restoration plans are in place for potential disruption of services.</p>
<p>3. Experienced Collectively by Default, Noticed Only When Major Deficiencies Occur</p>	<p>Municipal services, Housekeeping, Public information services, traffic signals, Fire protection, public transports, MICE (Meetings, Incentives, Conferences, and Exhibitions) sector</p>	<p>These services are provided at the community level and are consumed collectively. They facilitate the presence of societal order, facilitate ease of community living, and if purposed, for ensuring safety and security.</p>	<p>These services exist in the background and are deemed to be essential. Deficiencies are experienced when there is a prolonged outage or major or prolonged deviation from service standards, or a service failure during emergency calls. However, their absence may have large scale consequences and cause disruption, chaos and losses</p>	<p>Proactive Service continuity for such services need to be ensured through appropriate planning, implementation, regular monitoring checks and periodic audits that verify the availability of resources and process integrity.</p> <p>For critical services, back up resources are essential for quick recovery.</p> <p>The service provider should conduct public perception surveys to evaluate the effectiveness of the service provided.</p>

The service provider should ensure that effective restoration plans are in place for potential disruption of services.

**5.4 Classification based on Consumption Pattern**

**Table 4 Distinction based on Consumption Pattern**  
*(Clause 5.4)*

<b>S. No. (1)</b>	<b>Sub-classes (2)</b>	<b>Example of service (3)</b>	<b>Service explanation and Positive effect (4)</b>	<b>Potential constraint (5)</b>	<b>Recommended control (6)</b>
1.	Discrete - Single Occasion Use	Realty services, Interior decoration, Insurance facilitation, Clinical surgeries, Event management, Passport issue or renewal	<p>These services are provided to fulfil one time requirement of customers (repeat may happen as another discrete engagement).</p> <p>Typically, these services are strongly dependent on referrals.</p> <p>These services being single occasions services they may not target customer loyalty. Quite often they are customized; hence the classification of services mentioned in Item 5.1, S.no. 1 or Item 5.1 S.no. 2 may also apply.</p>	<p>Services consumed on single occasion basis (or with large intervals) may be critically important to the consumer and may have long lasting effects. Due to the perceived risks, consumers do a lot of fact finding before entering into a contractual agreement with a service provider. Service delivery may involve multiple and stage wise transactions and the service outcome may evolve or get modified mid-course. In these services bad experiences during the</p>	<p>Service provider of such services should proactively engage the customer throughout the entire journey including the service delivery process, any initially agreed or modified service outcome, and related service standards.</p> <p>When services are customized, the assessment of customer needs and engagement should be taken into account (See item 5.1, S.no. 1 or 5.1, S.no. 2)</p> <p>When such services are provided by service delivery personnel, the controls related to competence, training and professional development</p>

	<p>entire customer journey may result in dissatisfaction, and may adversely impact referrals.</p>	<p>should be pursued (see also item 5.2, S.no. 1 and item 5.2, S.no. 3)</p> <p>Where service delivery time and/or costs may vary during the course of service delivery due to change in scope or inputs, the service agreement should include initial time and cost estimates based on agreed outcomes, with the provision of their revision. However, the customer should be informed such cost revisions and their consent should be obtained along with together available options.</p> <p>In the event of poor experiences or complaints, the customer recovery process should be initiated to ensure conversion to customer advocacy.</p>
<p>2. Discrete - Airline travel, Random, long distance Intermittent trains, medical Use consultations, courier services, Legal counselling services, Hotel,</p>	<p>These services have the potential of retaining a loyal customer base for repeat use of services, if high satisfaction levels can be achieved.</p>	<p>When consumers use the same or similar services on an intermittent basis, they generally do fact finding about the service provider, service delivery processes and service standards on the first occasion, but rely on their previous expectation the same</p>

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Restaurant, Repair service	<p>level of service consistency. Any observed shortcoming in meeting customer expectations, or service standards leads to dissatisfaction, and attrition.</p> <p>Unavailability or delays in service delivery are major causes of customer dissatisfaction and attrition.</p> <p>When a service is infrequent, shortages of resources, absence of personnel, or lack of knowledge may occur, leading to service failure.</p>	<p>experience on the second for subsequent transactions.</p> <p>Service provider must ensure consistency of service delivery and outcomes across multiple service outlets, delivery personnel, settings, and time zones through standardized resources, processes, competencies, and communication.</p> <p>The service provider also needs to continuously track competitive service offerings to determine and address any gaps.</p> <p>Intermittently consumed services may be availed by customers either on a planned basis (such as air travel) or in emergent situations (such as product repair). In both cases the customer expects the service to be available when required, and delivered according to the agreed schedule. Time commitments should be met through demand planning (See 5.5, S. No.1), and appropriate training of</p>
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					personnel and monitoring of service delivery processes.
					In the event of poor experiences or complaints, the customer recovery process should be initiated to ensure conversion to customer advocacy.
<b>3.</b>	Discrete - Annual Periodic or Maintenance Regular Use Contract services, Banking services, City public transport, third party inspection / certification		These services are used by customers on a repetitive basis and over time, both the service provider and recipient develop a mutual comfort level. Attrition in such services takes place only when disruptions or deterioration in service delivery are experienced. There is a greater tolerance for minor or occasional deficiencies.	Consumers place high reliance on the availability and quality of services they avail on periodic or regular basis and align their personal or business schedules on the assumption that the service will be available as per the agreed schedules or on demand. Major disruptions, outages and delays may have a significant impact and result in losses to the customer.	Maintaining service continuity without major disruption is critical for such services. Service providers must set up alarms and triggers based on indicators that predict potential failure, and ensure adequate redundancy and back-up systems for quick restoration when failure occurs.  Consumers also expect to be informed of potential or actual service disruptions and estimated restoration time; hence communication systems should be designed for progressive intimation to the customers. Similar to intermittently used services (See 5.4.2), periodic services also demand consistency of processes and outcomes,

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				hence the responses should also be designed accordingly.
4. Continuous Use	Internet Banking Service Provision, Electricity, water, gas supply, Civic Services, Media Services, OTT Services,	These services become integral to personal and professional routines of customers. The level of mutual comfort between supplier and provider and dependence on the service reliability is even higher than regular intermittent use (see 5.4, S. No. 3). In many situations customer attrition may not be an option. Once established and the delivery processes are optimized, such services generally require low maintenance.	The critical indicator of continuous services is the frequency and extent of outages, or a drop in the optimum service characteristic (such as power voltage, frequency, or internet speed).  Outages or drops in service level may occur due to peaking of demand or due to breakdowns. Major disruptions may have a deep impact and result in losses to the customer.	The service provider should plan the consumable resource and equipment capacity with sufficient margin (higher than known previous levels or estimated peak demand) to avoid sudden collapse.  For critical services, the service provider should have business continuity plans to enable quick recovery and restoration in the event of disruption. Planned disruptions should be informed to the customers with sufficient advance notice.
5. Hybrid – Continuous with Discrete Elements	Banking, Chartered accountancy, Wealth/Treasury management, Municipal service, AMC service, Data centre managed service	These services have components that operate continuously and others that are utilized intermittently.  In many cases, the intermittent use may be dependent on the continuous elements. The hybrid solutions enable seamless engagement and enhancing comfort level for the customer.	Customer place high reliance on the continuous availability of the service for the purpose it is contracted, customers expect all intermittent transactions to be seamlessly integrated and available on demand. Any incidences of non-availability, non-	The service provided should segment the different elements of service pack, based on their type of use (continuous or discrete) and apply the controls as mentioned in the related service classifications (see 5.4)  In the event of poor experiences or complaints, the customer recovery process



Customers place high reliance on the continuous availability of the contracted service and expect all intermittent transactions to be seamlessly integrated and accessible on demand. Any instances of non-availability, non-conformance of service, or issues with service provider personnel may result in dissatisfaction and negatively impact the overall engagement with the continuous service.

conformance of service or service provider personnel may lead to dissatisfaction and impact the larger engagement for the continuous service.

should be initiated to ensure customer retention.

**5.5 Classification based on Consumption Demand**

**Table 5 Distinction based on Consumption Demand**  
*(Clause 5.5)*

<b>S. No.</b>	<b>Sub-classes</b>	<b>Example of service</b>	<b>Service explanation and Positive effect</b>	<b>Potential constraint</b>	<b>Recommended control</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>
1.	Regular, Consistent Demand with Minor Variation	Education, insurance, home delivery services, Utility supplies, Banking, Senior living, assisting living	Services where the demand is consistent across time of the day, day of the week, months and seasons enable the service provider to dedicate resources. This results in better consistency in service standards and delivery performance	Due to predictable nature of demand, such services often lack the ability to meet contingent situations, where external factors (war, pandemic, civil disorder etc.) may present unexpected surge or slump in demand.	Service providers, who provide services in consistent demand environment, should evaluate contingent situations and prepare service continuity plans for such scenarios. These may include arrangements where additional resources including personnel, equipment, products, and service channels can be accessed and deployed in quick time.

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2. Fluctuating Demand, Predictable	Power supply, Travel & tourism, wedding planners	<p>These services encounter fluctuating consumption demand with cycles of lean and busy periods.</p> <p>When service demand goes through predictable or known cycles, service providers have the opportunity to maintain, develop or improve their assets and other resources during the lean phase.</p> <p>Service providers can also utilize the period by deploying resources for other businesses.</p>	<p>The lack of ability to meet surge may lead to disruptions, delays or non-conformances in service delivery.</p> <p>A prolonged slump may lead to loss of resources that may be difficult to retrieve when the demand picks up and lead to similar effect.</p> <p>Unlike services that see consistent demand, the extent of fluctuation may be wider than expected and lead to resource crunch during peak demand. If the service provider is part of a sector that is witnessing similar surge, it may be difficult to arrange for additional assets, consumables or persons, leading to service denial and customer dissatisfaction.</p> <p>Prolonged period of slump or loss of demand</p>	<p>Service providers should also assess the risk of laying off employees in periods of unforeseen slump, and have plans to ramp up or reinstate the resource base as demand resumes to normal levels.</p> <p>As the fluctuations follow a trend, service providers must conduct initial and periodic analysis based on time of the day, day of the week, specific months or seasons etc., together with known triggers or causes of the variation. This information can be used for development of statistical prediction models that can be used as part of such analysis.</p> <p>The deployment of assets and resources should be aligned and fine-tuned with the change in demand, that may include contractual arrangement with independent professionals for re-engagement.</p>
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3.	<p>Fluctuating Demand, Unpredictable Timing, Predictable on Volume</p>	<p>Fire services, on-road assistance, breakdown maintenance, Emergency Medical services</p>	<p>Services with unpredictable demand are more difficult to manage and to provide consistent standards of service delivery. However, where the average volume of demand during the day or over weeks, months is consistent, service providers are able to develop an asset base and service delivery units that can be coordinated through central planning and dynamic control to provide services within committed timelines.</p>	<p>The key characteristic of these services is the unpredictability of time when a service call will be made, which may further coincide with simultaneous calls from other customers.</p> <p>In many of such services (e.g. fire services), the window of reacting and responding to the customer is very short. Any delay beyond the standard response time</p>	<p>The planning for designing these services should include prior studies and trends analysis that provides a fairly consistent band of overall service volume in a given period (day, week, month). This assists in building capacity and resources with some margin to be able to cater to the overall demand.</p> <p>The response to this type of service is to keep all resources in a state of readiness at all times, and to have well-defined standard procedures and timeline for the</p>

				may lead to losses to the customer, dissatisfaction, and penalties to the service provider if provided under contract or regulations.	service support to be provided from the time of call.  Service providers should conduct mock drills or simulations and also maintain a full log of services provided to determine delays or other shortcomings encountered, and to use this information for augmenting the service design and for removing constraints.  Collaborative arrangements with other services provider can be made to supplement the demand.
4.	Fluctuating Demand, Unpredictable on Timing and Volume	Disaster and Crises management services, stock exchange, ATC Management, Road Traffic Management	These services are developed with the known purpose of catering to unpredictable demands for both volume and time. In several situations, they play a critical role in mitigating distress situations for service clients and citizens.	The completely unpredictable nature of service demand creates additional constraint on the service provision, as the scale of demand combined with the urgency may present seemingly unserviceable situations.	In addition to the controls exercised for service classification (see 5.3), for such services, the service provider should develop and sustain resource availability in a highly flexible mode (such as cross unit mobilization, provision of borrowing resources from other organizations, having empaneled persons with verified competency.  In such services, the speed of response is critical; hence the deployment of resources from other sources should ensure their

availability at all times and a process for quickly requisitioning their availability and deployment. The readiness of the service units should be tested and ensured through regular mock drills, simulations, inspections and checks of all service elements.

Where such services are provided through digital mode (e.g. stock exchange), the system including software and hardware, and the bandwidth capacity should be selected and deployed with an adequate margin to be able to service high and sudden surges in demand.

**5.6 Classification based on Contractual Agreements**

**Table 6 Distinctions based on Contractual Agreements**  
*(Clause 5.6)*

<b>S. No.</b>	<b>Sub-classes</b>	<b>Example of service</b>	<b>Service explanation and Positive effect</b>	<b>Potential constraint</b>	<b>Recommended control</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>
1.	Off Shelf formal contract)	The Restaurant (no services, tailoring services, catering services, salons	Services that are offered without any formal or informal contracts or agreements are usually risk free from the provider’s perspective, and therefore afford more opportunities	Due to lack of common understanding, there could be occasions where the expectation of the customer is at large variance with delivered service that leads to disputes,	As formal contracting may not be feasible, the service provider should devise alternate modes for communicating to the customer/ consumer, the precise service outcomes offered as well as the service standards, service mode, service delivery channel and

			to innovate and flexibility on service standards.	dissatisfaction and complaints.	and service delivery processes. These can be done through written brochures, website content, text messages, display boards or even oral narration by the service provider before service commencement.
2.	Implied Terms of agreement	Legal, chartered accountancy, financial advisory services, medical practitioners	These services are provided based on oral agreements, or through signing of informal contracts or engagement letters without stating explicit terms. However, due to existence of regulatory norms, or widely accepted market practice the obligations of service providers and sometimes service recipients are well established and can be referred or invoked in cases of dispute. The existence of such norms provides a degree of trust and confidence to customers towards protecting their interest.	The lack of formal contract between customer and service provider can lead to disputes, and due to deeper knowledge of the statutory or market norms, the service provider is better placed in protecting his interest. This situation places the customer in a disadvantaged position. Dissatisfied customers may take the dispute to legal recourse.	With a view to avoid disputes, service providers should ensure that their customer has a full understanding of the nature of services provided, the service outcomes, the service standards and any limitations or exclusions. Where statutory provisions exist, they should be referred to in the engagement document. Clear understanding should be developed between service provider and the customer in relation to service risks such as data privacy and Confidentiality, unauthorized access to information assets and documents.
3.	Legally Binding Contract – One Sided	Internet services, Insurance, Airlines, Banking services	A majority of internet-based services as well as financial services can be accessed only after the customer agrees to a	a) In many cases, the terms and conditions are very elaborate, written in complex legal text and usually not fully	a) The service provider should ensure that the contractual conditions are balanced, provide adequate protection to customer in the event of service failure or

			formally drafted contract document. The acceptance of the contract by the customer provides indemnity to the service provider against legal action by the customer.	read by the customer before signing. <b>b)</b> The contract is often written in text that favor's the service provider, placing the customer at a disadvantage and may not be held legally valid.	deficiencies, and the critical conditions are communicated in plain language with the positive intent of making the customer aware.  <b>b)</b> Importantly, the service contract should provide positive protection to the customer on privacy and security, including cyber security.
<b>4.</b>	Legally Binding Contract – Two Sided	Outsourced services such as AMCs, Housekeeping, Consulting; Accreditation / Certification services	The presence of two-sided contracts such as SLAs provide clear understanding of the services being provided, the service outcomes, service delivery mode, service standards and the remedial action in case the contractual conditions are not met. The terms may also include resource availability, volume capacities, competencies, contingency situations, back-up arrangements, privacy protection. The contractual terms may also include obligations to be discharged by the customer for service fulfilment because the contracts are negotiated, there are higher	The signing of negotiated legally binding contracts places obligation on the service provider to ensure compliance to the contractual conditions. Non-compliances may lead to customer seeking compensation, or penalty, or legal redressal.	The service design for such services is often negotiated and developed in consultation with the customer, including process descriptions, resource deployments, information exchange, communication channels, reporting formats and intervals. Service providers should negotiate and include in the contract, necessary tolerances in compliance levels to service standards, where risk factors prevent full compliance at all times.  The service provider should ensure that the compliance to different elements of the service delivery is adhered to, through training, mentoring, monitoring, audits and proactive corrections and corrective actions, to ensure

possibilities of agreed protection of interests of both parties.

the service outcome remains within the agreed levels.

In contracts where the chances of disputes are high, the contract should include provision for arbitration on mutually agreed terms.

**5.7 Classification based on Product Complementarity**

**Table 7 Distinctions based on Product Complementarity**  
*(Clause 5.7)*

<b>S. No.</b>	<b>Sub-classes</b>	<b>Example of service</b>	<b>Service explanation and Positive effect</b>	<b>Potential constraint</b>	<b>Recommended control</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>
1.	No Product Associated	Consulting, legal consulting, software as a service (SAAS), telecom services	The absence of any associated product enables the service provider to focus entirely on the service elements. This implies the service provider has no processes to manufacture or procure products, build inventory, maintain their conformance, packaging, supply, replacement, or warranty management	As pure services are more intangible in attributes, there are greater chances of gaps between customer expectations and the provided service standards.	When dealing with pure services, the service provider should accord additional consideration that  <b>a)</b> The service design takes into account the full complement of service characteristics applicable to the service, based on customer expectations.  <b>b)</b> The service delivery personnel have the requisite qualifications, competence, and updated knowledge necessary for service delivery and for ensuring compliances, if any, on behalf of the client.



c) The service provider should set up internal processes for systematic handling of customers information, meeting the contractual/statutory requirements, service monitoring, measurement and improvement. Where higher risk is perceived, clearly defined procedures and performance indicator(s) should be established.

d) Channels of communications including feedback should be established with clearly defined responsibilities or automated transmission of information based on pre-defined triggers

2.	Services associated with Information Products	Education, Training, self-guided tour services (pre-recorded audio information)	Information that is documented or pre-recorded and used during service delivery such as training material, books, examination paper, audio guides during tour provides more consistent and better service outcomes as compared to one that is based on individual's personal knowledge.	Information products may contain inherent service design deficiencies, content errors, be outdated or may not be available at the point of use or service transaction. This may lead to service deficiency that may manifest during service delivery or post-delivery when the customer or service	The purpose of the information should be determined in the context of service delivery and outcome, and the information product should be designed to fulfill the purpose.  With a view to avoiding gaps in communication, the presentation of the information and the language should be simple, concise and contain explanations where chances of mis-interpretation are high.
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			provider uses the information.	Information should be reviewed for adequacy at periodic intervals and improved especially when service errors are identified with the information as possible root cause.
3.	<p>Services incorporating IT Products</p> <p>Services provided through Apps: – news, streaming music / videos, messaging, QR code scan, calculator,</p> <p>Subscription services such as Office, Accounting, Collaboration tools, OTT</p>	<p>These services use software products that are essential for the service delivery to take place. The IT products typically include a user interface and user interaction that can be used offline or online, depending on the type of service.</p> <p>The service elements may range from updating, maintaining the software products, using the software as a medium to connect users, or providing remote services through the app.</p> <p>The incorporation of IT products, enable access to a wide and diverse set of services delivered to the customers, in a user-friendly environment. These services are often available round the clock,</p>	<p>The presence and availability of many competitive software integrated services presents the difficulty of selection to the potential customer.</p> <p>Software / Apps may have inherent issues such as:</p> <p><b>a)</b> bugs, that may make them inappropriate to use in certain conditions</p> <p><b>b)</b> interfere with other system operations</p> <p><b>c)</b> data privacy risks especially where they require to access customer’s data</p> <p><b>d)</b> Vulnerability to malware, spyware.</p>	<p>The service provider should ensure that the design of the IT product facilitates the service delivery without compromising with the user’s personal security and device integrity.</p> <p>The IT product design cycle should include robust validation and verification protocols before release.</p> <p>There should be a plan to monitor usage conditions and difficulties encountered, with a feedback mechanism to resolve errors and bugs.</p> <p>Updates and improvements to the IT products should be explained to the customer, and be optional.</p> <p>Where required, the IT product should be available across user’s devices with appropriate backup information.</p>

		across devices and geographies.	e) strain on computing resources of the user's device		
			f) Incompatibility with software and hardware versions.		
4.	Services integrating Non-Physical Products (other than IT products)	Electricity, Internet as a service, broadcasting services, audio-visual content-based services, facilities,	Non-physical products are products that lack material shape but have measurable characteristics similar to physical products. Examples: voltage, frequency of electricity transmission; speed of internet; classification rating Their presence is felt only in the context of their usage. They are usually available on an uninterrupted basis.	Non-physical products are consumed simultaneously as they are received, that implies they cannot be stored and have to be on uninterrupted basis. They are supplied over dedicated channels and are based on infrastructural arrangements and installations which require continuous monitoring and maintenance. Because they lack physical form, deviation in their quality or availability can be difficult to detect at the point of use.	The supplier of services that incorporate non-physical products must ensure that the associated infrastructural arrangements and installations are designed to cater to their consumption demand at all times without deterioration or disruption. For eg: load balancing, redundancies.  For critical services, the service provider should have in place business continuity plans to enable quick recovery and restoration in the event of disruption. Planned disruptions should be informed to the customers with sufficient advance notice. (See 5.4 S. No. 4 continuous use)  Monitoring the critical characteristics should be carried out on a continuous or regular basis at the supply end as well as at distribution points and where

					feasible at the consumption points.
					The controls applicable to services under continuous supply may also be referred S. No. 5.4.4 where applicable
5.	Services incorporated material products	Restaurant / catering services, healthcare, water supply, product rental services	Physical products constitute an integral and complementary part of such service provision.  As they can be seen and felt, consumers feel more confident in procuring and consuming them as compared to pure services or non-physical products. Physical products may be consumed immediately such as food or water, or may be retained and consumed later.  In some cases, physical products may constitute the predominant portion of the supply provision and the service may only be complementary, for example installation and commissioning of the product.	Consumers evaluate the overall experience when consuming products and services together, and an unsatisfactory experience with either, may lead to overall dissatisfaction.  Gaps in the product supply chain and inventory management often become a cause of service failure or disruption.	When services are differentiated on grades or consumer segments, it is essential that the products associated with the service cater to the same level of customer expectation (example 5-star hotel).  In all cases, the products should meet customer needs and serve the functional and expected purposes. This may require conformance to product specifications, its safe handling and storage, verification or certification depending on product type and use.  When products are sourced from other organizations, the service provider should establish the criteria for their acceptance.  In situations where correct usage of the product is important, the service provider should ensure that the delivery personnel are competent for the relevant processes.

Customer complaints with products should be dealt through complaint handling procedures that may include repair, replacement and/or corrective actions.

**5.8 Classification based on Equipment/Infrastructure Complementarity**

**Table 8 Distinctions based on Equipment/Infrastructure Complementarity**  
*(Clause 5.8)*

S. No.	Sub-classes	Example of service	Service explanation and Positive effect	Potential constraint	Recommended control
(1)	(2)	(3)	(4)	(5)	(6)
1.	Services with no associated equipment or infrastructure	Manpower supply, Tour-guides, auditing,	<p>These services are supplied without the aid of any equipment, even though they may include associated products.</p> <p>The service provider can focus on the service elements without the encumbrance of managing equipment or infrastructure.</p>	<p>The presence of infrastructure such as equipment, office space, and buildings enable the customer to relate to a service supplier in a more tangible manner. Their presence inspires confidence.</p> <p>In the absence of any associated equipment or infrastructure, establishing creditability of the service provider possess a challenge</p>	Where possible, a service provider should endeavor to associate the service with a physical address or a website to provide confidence to a potential customer. Where it is not feasible, a service provider may need to use other means to provide confidence such as authorized identity cards, referrals, reviews, certifications, or formal contracts.

				especially during the first engagement.	
				Services that are delivered without the aid of any equipment or infrastructure are primarily competence based and may therefore lead to higher incidence of service error.	
2.	Services incorporating equipment / infrastructure, facility or space provided by supplier	Front end equipment: e - service kiosks, ATMs, Public Transport Services, Gyms, Fire services, car rental services, Hotels  Back-end equipment: Cloud services, cargo services, ware houses	These services can be supplied only with the simultaneous use of the associated equipment, infrastructure, facility or space that is provided by the service supplier.  As the equipment/infrastructure can be seen and used or related with, consumers gain more confidence in availing services associated with them.  The service provider can differentiate from competitive services through deployment of superior equipment, facilities, or ambience to	Service failures or disruptions often occur due to malfunctioning or outage of the related equipment or infrastructural arrangements (such as internet outage or loss in speed, out of service ATMs). These may occur due to poor quality of equipment or lack of maintenance.  Customers associate the quality of service with the type/class/brand of equipment / infrastructure present	The type/class/brand and technical requirements of the associated equipment and infrastructure, including building spaces are often an integral part of the service design. The considerations in selection of equipment should be based on:  <b>a)</b> Their ability to perform the essential functions under normal and abnormal conditions.  <b>b)</b> Their availability during the expected times of use  <b>c)</b> Safety and security especially where human interactions are involved  <b>d)</b> Their capability to deliver the features (characteristics and

		create better customer experiences	and with their performance.	attributes) of services that are promised
			The constraints applicable to continuous services (See 5.4 S. No. 4) or services in regular periodic use (See 5.4 S. No. 3) also apply to services dependent on equipment and infrastructure	e) Ease and cost of operation and maintenance  The service provider should ensure that the equipment, infrastructure, facility, or space are suitably maintained through monitoring and maintenance arrangements.
3.	Services incorporating equipment / infrastructure (consumer owned)	Net banking, E-commerce (computer) App based services (mobile handset), on-site testing / calibration services (testing equipment, environment control)	These services can only be delivered when the customer has the necessary equipment, infrastructure, facility, or space. The customer has more confidence as he has direct control of the equipment.  The service provider will not be held liable for a service delivery failure, if it is attributed to the resources at the customer's end.	A customer may not be aware of the requirements for the equipment, infrastructure, facility or space and any shortcoming may lead to denial of service.  A service provision may display error or disruption, due to customer owned resource deficiency and the reasons may not be evident until a cause analysis is conducted.  in cases, where these are not pre-agreed
				A service provider should ensure through pre-delivery interactions that the requirement for necessary equipment, infrastructure, facility, or space has been fully understood by the customer. Where the chances of deviations are anticipated, the communication should be in writing or other visual modes.  In cases, where the consequence of non-conforming service may be high, a prior verification of the resources should be carried out before commencement of service delivery.

**5.9 Classification based on Automation**

**Table 9 Distinctions based on Automation**  
*(Clause 5.9)*

S. No.	Sub-classes	Example of service	Service explanation and Positive effect	Potential constraint	Recommended control
(1)	(2)	(3)	(4)	(5)	(6)
1.	Non-Automated Service	All human skills-based services	This service is provided wholly by human intervention. Process has no possibility to be automated due to its nature of delivery. Such services have a potential for creating a differentiation and customer emotional perceptions.	<p>Due to the variability of delivery owing to individual perceptions, beliefs and paradigms at both the service providers and consumers ends, ensuring consistency poses a challenge and often results in customer’s dissatisfaction.</p> <p>As non-automated services are delivered by humans, the possibility of errors and inconsistency is higher compared to automated services. (Also see potential constraint under 5.2, a)</p> <p>Process of delivery and customer experience is difficult to objectively monitor in real time.</p>	<p>As non-automated services are essentially provided by humans, the service provider should ensure qualification criteria and its fulfilment through experience, education, training and continuous professional development of the service delivery persons. (Also see recommended control 5.2 a)</p> <p>While initial service design must determine the expected range of customer expectations, there should be adequate monitoring mechanism to identify instances of service failure due to human error, lack of knowledge or competence or altercations with customers to systematically improve the service transactions through training, coaching and mentoring of the service delivery personnel.</p>



S. No.	Sub-classes	Example of service	Service explanation and Positive effect	Potential constraint	Recommended control
(1)	(2)	(3)	(4)	(5)	(6)
2.	Partially Automated - IT Reliant	E-commerce such as home delivery services, food delivery services, Banking, partly automated parking, warehousing,	<p>Service has possibility for partial automation for repetitive tasks. Human intervention may be required for the physical delivery of the service or product. The presence of automation enables more reliable, consistent and often quicker services relative to those provided by human intervention.</p> <p>Human interaction provides an opportunity to create customer experience that is differentiated.</p>	<p>Because partially automated services require a interaction and synchronization of automated and human processes, they may not always perform to full effectiveness due to gaps in design or in specific situations, leading to service errors.</p> <p>As part of the service contains human interaction, consumer expectations relate to emotional responses which may not be available in the automated component leading to dissatisfaction</p> <p>The presence of both automated and personal responses may lead to dissatisfaction as in-person presence of the</p>	<p>Design of the delivery process should consider the potential customer expectation and behaviour in order to prevent errors both in automated and human processes.</p> <p>Training of service delivery personnel including refresher training aimed at appropriate behaviours combined with skills &amp; qualification creates the desired customer experience.</p> <p>Depending upon the risks perceived in the automated/human processes, monitoring of the service delivery should be part of the service design. Monitoring can be by observation and feedback.</p> <p>The service design and processes need to be periodically updated based on customer feedback and reviews.</p>

S. No.	Sub-classes	Example of service	Service explanation and Positive effect	Potential constraint	Recommended control
(1)	(2)	(3)	(4)	(5)	(6)
3.	Fully Automated	IVR and BOT based information services, Online Insurance (self-service), Net banking, stock trading, ATM, Online travel bookings, auto car wash,	These services have the potential to be fully automated and are standardised, can cater to large number of concurrent users and are generally available 24/7. These services do not involve any human interaction on the supply side.	<p>service provider leads to higher expectation of emotional engagement by the customer.</p> <p>The standardised nature of automated services restricts the fulfilment of requirements that are non-routine or special. Service glitches, disruptions and outages create customer dissatisfaction, especially when alternate service channels are not available. Overloading of fully automated systems may result in increased transaction time or system breakdown results in denial of service. Unclear directions and long narrative instructions create frustration and</p>	<p>Proper understanding of expected volumes and designing with redundancies and factors of overload prevents overload situations or denial of service.</p> <p>Design should incorporate as many scenarios as possible and new learnings quickly incorporated into the system.</p> <p>Periodic testing and maintenance of the delivery system should be performed to verify conformance to design and user expectations. Fully automated services should be designed to be scalable based on expected demand patterns and provisions for redundancies may be considered.</p> <p>Having fall back human support mitigates the emotional response due to accessibility challenges.</p>

S. No.	Sub-classes	Example of service	Service explanation and Positive effect	Potential constraint	Recommended control
(1)	(2)	(3)	(4)	(5)	(6)
				increased access/transaction time. Fully automated services may not be able to cater to users having accessibility challenges.	

**5.10 Classifications based on Service Risks**

**Table 10 Distinctions based on Service Risks**  
(Clause 5.10)

S. No.	Sub-classes	Example of service	Service explanation and Positive effect	Potential constraint	Recommended control
(1)	(2)	(3)	(4)	(5)	(6)
1.	Physical Security/ Safety Risks to Humans	Adventure tourism, ropeways, amusement parks, healthcare, transportation	Services that may contain inherent serious risks to humans that use them. Some are essential to perform routine tasks such as transportation, and some are availed choice based such as adventure tourism and sports that deliver thrill and fun.	1. The mitigating elements of the risks associated or inherent in the service may not be adequate to cover the overall risk which may include hardware material and human error.  2. External factor beyond the control of the service provider such as environmental condition may lead to	The service provider should identify and evaluate potential risk related to appropriate design of equipment, processes, and human factor.  Laying down SOPs with process/monitoring control addressing operating parameters, equipment and human activities commensurate with the evaluated risks

S. No. (1)	Sub-classes (2)	Example of service (3)	Service explanation and Positive effect (4)	Potential constraint (5)	Recommended control (6)
				<p>higher than assessed risk level.</p> <p>3. The perception of risk by the service recipient may be higher than actual risk leading to not availing the service.</p> <p>4. The perception of the receiver of the service may be that the risk has been adequately addressed thereby avoiding necessary precautions while availing the service leading to potential mishaps and reputational loss.</p> <p>The use of services that are designed to increase adrenaline develop a fear of an accident or death. To achieve this the activities involve generating thrill due to speed, falls, flying,</p>	<p>Ensuring compliance with regulatory requirements and safety standards.</p> <p>Ethical and accurate information to users relating to the risks involved.</p> <p>Adequate competence building with respect to related services and mitigating action.</p> <p>Equipment is tested prior to use and during use including stress testing where applicable.</p> <p>Adequate provision of safety devices such as safety harnesses, life jackets, emergency response equipment as applicable.</p> <p>Laying down emergency response plan to address adverse event, natural disaster with related operating procedures.</p> <p>In the event of any adverse event, emergency response plans are activated. Civil Emergency services activated.</p>

S. No. (1)	Sub-classes (2)	Example of service (3)	Service explanation and Positive effect (4)	Potential constraint (5)	Recommended control (6)
2.	Services associated	Freight, warehousing,	Assets are a crucial part of the provision of services.	<p>dropping and the equipment and methods may fail or break causing harm to humans.</p> <p>Services that are aimed to assist humans through treatments are necessary to restore the quality of life for affected people can worsen the conditions or create other adverse results.</p> <p>Travel which is needed as part of life poses risks to humans due to speeds or heights. People trust modes of travel and generally accept that to be safe, without any deeper analysis of risks.</p> <p>People follow others, especially similar others and many others.</p>	Physical security of assets involves provision for protection

S. No. (1)	Sub-classes (2)	Example of service (3)	Service explanation and Positive effect (4)	Potential constraint (5)	Recommended control (6)
	with Physical Security Risks Assets	Cash handling vault services, to services,	<p>These assets vary between low-cost assets to very high value. Irrespective of the cost of the asset the criticality is important to be understood.</p> <p>The assets associated with a service may be owned by the service provider or the service recipient.</p> <p>Physical assets are necessary to provide continuity of services e.g. telecom services.</p> <p>Asset security services cover the risk of the service recipient to third party arrangements.</p>	<p>loss has a direct financial impact.</p> <p>Theft, damage, breakdown of assets affects the service delivery and its quality.</p> <p>Facility/equipment assets that handle other material assets may not be adequately designed or operating in appropriate conditions leading to damage or loss. For eg: ATM machines, baggage handling machines, car washing service.</p> <p>Assets may be rendered in operable due to threats arising from network connectivity.</p>	<p>against theft, sabotage, damage, breakdown through adequate controls. Physical controls would include isolation, lock down, preventive and breakdown maintenance.</p> <p>Provision of instruction manuals for appropriate use of equipment is essential to ensure continued service delivery and maintaining the quality.</p>
3.	Services subject to information risks	Net banking, cloud services, SaaS, data storage services, IoT services	Services that have a large dependence on connectivity to the internet or other networks are subject to cyber security risks.	Extended and widespread use of interconnected devices increase the threats due to	A proactive approach to identification of threats and vulnerability followed by designing, implementing the mitigating controls and

S. No. (1)	Sub-classes (2)	Example of service (3)	Service explanation and Positive effect (4)	Potential constraint (5)	Recommended control (6)
			<p>Connected services enable efficiency and continuity at adequate service quality delivery at lower costs. Larger networks and faster data transfer allow innovation in service quality and delivery.</p>	<p>deliberate hacking, transfer of malware; and interference due to cookies or incompatible software. These may lead to compromised data, lost data, unusable data as well as misuse. Since the handling storage and use of information gets extended, the threats increase as well as chances of vulnerabilities are created.</p>	<p>evaluating their effectiveness, provide the best available protection. This covers the entirety of the information technology architecture that includes hardware, end points, software, applications, networks, cloud and storage.</p>
			<p>Cyber security enables confidentiality, integrity and availability of information. Network connected applications software (App), create ease of availing services through the digital mode across devices and are also subject to cyber security measures.</p>	<p>Personal data and confidential information provide value and business advantage to its service provider. At the same time adds to accountability and liability of personal data protection.</p>	<p>Testing for adequacy, through vulnerability analysis and penetration testing, stress testing provides valuable inputs to create threat models. Identified weaknesses in any aspect of the IT systems should require prompt and adequate actions, such as software patches.</p> <p>Provision for incident response plans should be in place and tested at regular intervals. People responsible for cyber security should be adequately trained and where required certified. People’s behavior should be monitored to detect trends of potential risks.</p>

**5.11 Classification based on Transaction Time**

**Table 11 Distinctions based on Transaction Time**  
(Clause 5.11)

<b>S. No.</b> <b>(1)</b>	<b>Sub-classes</b> <b>(2)</b>	<b>Example of service</b> <b>(3)</b>	<b>Service explanation and Positive effect</b> <b>(4)</b>	<b>Potential constraint</b> <b>(5)</b>	<b>Recommended control</b> <b>(6)</b>
1.	Real-time Transaction - Simultaneous Consumption Active	Majority of services – such as airlines in flight services, counter based services, Healthcare (OPD, surgical, ambulance), banking and other financial services, training (online and in-person), online learning, online order placement (e-commerce) education.	These services are consumed simultaneously as they are being produced and are being experienced directly by the service recipients.  By nature of the business, in all these services the customer interacts with the business on a real-time basis that may last for a single interaction or a series of interaction.  making it challenging for the service provider to ensure continual careful execution, measurement, monitoring and improvement of the service delivery processes	Inability to inspect, identify, and correct errors before the customer experiences the service  Because these services are delivered based on pre-determined process parameters, they do not permit adequate flexibility even when necessary or required.	The service provider should:  <b>a)</b> ensure clear understanding of customer needs and requirements prior to putting the service into delivery mode (i.e. Service design phase),  <b>b)</b> Ensure adequate fool proofing / mistake proofing steps to be able to identify and fix issues prior to customer interface,  <b>c)</b> Ensure that all component/elements of the service are in place for the service to be delivered.  <b>d)</b> Ensure appropriate monitoring methods on periodic or continuous basis to enable resolution of customer concerns as well as to facilitate correction in the short term.  <b>e)</b> Identify and implement metrics to ensure errors are captured, corrected and



S. No. (1)	Sub-classes (2)	Example of service (3)	Service explanation and Positive effect (4)	Potential constraint (5)	Recommended control (6)
					<p>eliminated and to measure and analyze other process parameters  <b>f) Robust complaints management system in place to fix chronic issues in the service delivery processes</b></p>
2.	Real-time Transaction - Simultaneous Consumption Passive	Bank account maintenance, credit card maintenance, Facility maintenance such as hospitals, hotels, cloud storage services, law and order maintenance	<p>These services are consumed simultaneously as they are being produced and are experienced by the service recipient without direct physical interaction. The processes for these services run in the background to enable the customer needs being met to his satisfaction and or contractual obligations.</p> <p>In these service processes there is some flexibility to make correction without the customer experiencing the deficiency.</p>	<p>Inability to inspect, identify, and correct errors before the customer experiences the service.</p> <p>Because these services are not directly experienced by the customer on a regular basis, they are often critical, and operate on trust with regard to customer needs or contractual arrangements. It is therefore essential that a service provider ensures integrity of the processes as well as the service outcomes at all times. Any disruptions, deviations or breach may have adverse</p>	<p>The service provider has to ensure that all component/elements of the service are in place for the service to be delivered.</p> <p>The control for these services are similar to those given for Real-time Transaction - Simultaneous Consumption Active. However, the service provider must apply the internal monitoring control with greater emphasis on business continuity and resilience, potential and actual risks for deviation especially where it impacts customers agreed contractual terms or regulatory requirements. This entails laying down more stringent service specifications and compliance rates.</p>

S. No. (1)	Sub-classes (2)	Example of service (3)	Service explanation and Positive effect (4)	Potential constraint (5)	Recommended control (6)
				consequences both for the customer and service provider.	
3.	Produced And Outcome Delivered with Time Lag	Aircraft preparation, cleaning of hotel room, construction, market surveys, Shipping and delivery (retail e-commerce, cargo and couriers), Marketing and advertisement services Loans (auto, mortgage, education) offer creation	Services which have a component of preparation / ground work, to be performed by the service provider prior to customers experiencing the service and the associated product. This provides the opportunity to the service provider to pre inspect/monitor the service component before they are provided.	Incomplete and inadequate understanding of customer requirements, negligence during the preparation, lack of effectively trained staff to execute the process,	The service provider should ensure:  a) Establishment of well documented processes to ensure consistent and accurate execution which should be used for training and awareness of staff.  b) Appropriate monitoring methods on periodic or continuous basis to enable resolution of customer concerns as well as to facilitate correction in the short term.  c) Identify and implement metrics to ensure errors are captured, corrected and eliminated and to measure and analyze other process parameters  d) Robust complaints management system in place to fix chronic issues in the service delivery processes

S. No.	Sub-classes	Example of service	Service explanation and Positive effect	Potential constraint	Recommended control
(1)	(2)	(3)	(4)	(5)	(6)
					e) Wherever the service is dependent on large complements of trained and competent staff, the service provider should maintain adequate bench strength basis track record of attrition percentage.

**5.12 Classification based on Supply / Consumption Points**

**Table 12 Distinction based on Supply / Consumption Points**  
(Clause 5.12)

S. No.	Sub-classes	Example of service	Service explanation and Positive effect	Potential constraint	Recommended control
(1)	(2)	(3)	(4)	(5)	(6)
1.	Consumed At Supplier’s Outlets	Hotels, hospitals, Over the counter services, airports, restaurants, ATM, public service providers	Services wherein customers typically visit the supplier’s facility in person to avail the service that may lead to partial or complete service transaction. Service provider has larger control on service provision including flexibility and effective response to unplanned and unanticipated expectations.	High peaks and slump in footfalls leading to inconsistent service delivery. (see 5.5)  Lack of clear understanding on how to use the service due to inadequate instructions and or assistance at the point of use.  Lack of approachability (Such as distances, physical	The service provider should:  a) Constantly monitor the demand and proactively deploy adequate resources to manage peaks and dips  b) Provide clear instructions, including audio-visual as required for availing the service.  c) Provide assistance at the point of use for customers that are not in a position to understand provided instructions.

S. No. (1)	Sub-classes (2)	Example of service (3)	Service explanation and Positive effect (4)	Potential constraint (5)	Recommended control (6)
2.	Consumed At Consumer's Location	on-line learning, home deliveries and home collections (Courier, Laundry, carpet cleaning, medical samples) water supply, facility management services, home services (such as beauticians, massages, maintenance, home tuitions) home care, repair services)	These services are provided to consumers at their location (home, office etc.) that provides the benefit of convenience, approachability and or customization (See S No. .5.1)	<p>access, availability) of the service outlet may lead to difficulty in availing the service.</p> <p>Services delivered at the customer's location may not be available when required.</p> <p>Only partial services may be available at the customer's location.</p> <p>Monitoring of service delivery/quality including behavioral aspects may be difficult.</p>	<p>d) Conduct detailed analytics of service demand including target customer, volume, frequency &amp; nature of use. Based on the outcome of the analytics determine appropriate options such as improving the location of the outlets, provide the service through alternate delivery channels, provide services at customers locations.</p> <p>Service provider should ensure: Preventative actions to avoid customer dissatisfaction should be determined and adequate measures implemented such as resource planning to meet delivery commitments, informing the customer of constraints.</p> <p>Inform the customer about the limitations of services available at the customer end, and channels and outlets available for availing other related services.</p> <p>Staff development, training and qualification, validation through customer feedback, spot-checks, mystery shopping and effective complaints management</p>

<b>S. No. (1)</b>	<b>Sub-classes (2)</b>	<b>Example of service (3)</b>	<b>Service explanation and Positive effect (4)</b>	<b>Potential constraint (5)</b>	<b>Recommended control (6)</b>
3.	Consumed At Third Party Outlet	Outsourced services: e-kiosks, visa, passport, examination Centre, incubation services, co-working spaces	Services providers in turn outsource parts or all of their service processes to an organization that specializes in that business with the intention of consistency of service and cost reduction,	Inadequate understanding between service provider and the third party (outsourced agency) leading to service errors and TAT issues in the delivery processes High attrition in the outsourced agency Inadequate trained staff delivering the service	Clear SLAs between the two parties that covers all hard and soft metrics such as TAT, Accuracy, Min training for staff and constant monitoring and customer feedback should be taken into account to determine the gaps and address them.
4.	Consumed in virtual mode	Contact centre / BPO/KPO Cloud services, data centre	These services are supplied from provider end and consumed at consumer location simultaneously in virtual mode. This dispenses the needs for physical presence, provides convenience, improves consistency of service and reduces cost.	Shortfall in meeting turnaround time (TAT) and accuracy (Service conformance level) and outcome metric such as customer satisfaction score arising from: <b>a)</b> high dependence on quality of network services. <b>b)</b> inadequate understanding between service	Planned business continuity should be determined and provided.  A systematic performance review mechanism to continuously evaluate constraints, gaps, trends of conformance/non-conformance, feedbacks and complaints with to resolve the issues through renegotiated terms or through process improvements.

S. No. (1)	Sub-classes (2)	Example of service (3)	Service explanation and Positive effect (4)	Potential constraint (5)	Recommended control (6)
				<p>provider and the parent organization.</p> <p>c) limitations of process boundaries, resources and authorization of service provider in the SLAs.</p> <p>d) mismatch between latest policies and technology updates and the approved processes /SOP's</p> <p>e) Inadequately trained staff.</p>	
5.	Consumed In-Transit	Taxis, public transport, ambulance,	<p>These services are avail as a part of transportation provided by service providers and may include associated services such as catering, life support, internet services.</p> <p>Other associated services catering, medical aid refer other relevant section of the standard may be referred.</p>	<p>Maintenance of the transport facility may not be adequate to sustain expected quality and safety.</p> <p>Lack of relevant and current information to passengers/customer leading to confusion, delays, misses</p>	<p>Service provider should have information systems rendered through various media to enable easy access to accurate and updated information relating to transport schedules, routes, operating times, need for reservations etc.</p> <p>Service provider should plan and execute preventive maintenance and monitoring program for transport and associated</p>

S. No. (1)	Sub-classes (2)	Example of service (3)	Service explanation and Positive effect (4)	Potential constraint (5)	Recommended control (6)
				Non maintenance of schedules especially for public transports.  Behavior (see) of the service personnel may be inadequate.  Other associated services may not meet assured service standards/ customer expectations.	equipment with planned replacement policy.  Service provider should continuously determine causes that lead to delays in schedules and have policy to mitigate the constraints.  Immediate information should be provided to register and potential customers on the expected delays.

**6 SERVICES CLASSIFICATION BY SERVICE RECIPIENT**

- a) Classification based on entity
- b) Classification on the basis of age profile
- c) Classification on the basis Consumer Awareness level
- d) Classification on the basis Accessibility challenged

**6.1 Classification based on Entity**

**Table 1 Distinction based on Entity**  
*(Clause 6.1)*

S. No. (1)	Sub-classes (2)	Example of service (3)	Service explanation and Positive effect (4)	Potential constraint (5)	Recommended control (6)

<p>1.</p>	<p>Individual consumer (Self consumption)</p>	<p>Hotels, hospitals, retail banking, airports, tailoring, salon services,</p>	<p>These services are designed to cater to individual consumers because of which, the service experience is based on individual perception. The service provider has the opportunity of customizing the services to individual consumer's needs. Where human interaction is involved, personal touch &amp; empathy play an important role.</p>	<p>Because consumer expect personalized service delivery the service provider has to cater to multiple variables and needs. Because of this the probability of not meeting customer expectation is higher.</p>	<p>The service provider should conduct wide evaluation of consumer needs, expectation and consumption trend under different condition and circumstances while designing the service. The service delivery should be based on prior understanding and anticipation of the needs of specific consumer based on demography, past experience (known preferences). The service delivery should cater to modification based on customer's expressed needs to the extent practicable.</p> <p>The service provider should explore the use of technology where it can assist in catering to individual needs (such as AI/ML based technologies).</p>
<p>2.</p>	<p>Group consumers</p>	<p>Classroom education / training, Housekeeping, group/family travel, senior living/ old age home, creche, conference</p>	<p>These services are provided to a group of consumers assuming common needs. Such services enable economy of scale while providing minimum level of services that is acceptable to all group members.</p>	<p>As these services cater to common needs, it may be difficult to satisfy individual needs. Because the service experience is always perceived individually based on a person's individual expectations and past experience, therefore</p>	<p>The service design and mode of delivery for group consumers should ensure the setting of minimum and median level of service standard based on common expectations to achieve a minimum level of satisfaction/perception that should be measurable.</p> <p>To the extent practicable the service provider should make</p>



				there may be gaps in the ability of the service to fulfil all the needs and may lead to dissatisfaction.	provisions to cater to individual needs as part of the service design.
3.	Mass consumers	Broadcast services, news, public transport, public utility services, exhibitions,	These services are designed to cater to mass consumption. The service provider has the advantage of building economy of scale. The service experience involves service provided on B2C platform where many customers get serviced simultaneously.	The major constraint in these services is that the service provider may not know the individual consumer who will be availing the service. This leads to the inability to cater to their needs that may be over and above the common service elements provided. Some of these needs may be specific to consumer's classes. Some features of the services on the other hand (such as content of broadcast media may not be suitable or acceptable to all consumers). As many of the mass consumer's services are continuous (See 6.1 S. No. 3) or under regular periodic use the constraints	The services design for these services should be based on wide scale evaluation of consumers needs and expectation taking into account variability among different classes of consumer. However, the service provider must identify the class of consumers who will be consuming services so that the services can be design to cater to the broader needs of the class. The service provider should identify and provide specific services to consumer segments based on their common needs (such as special arrangements for disabled persons) that may be over and above the minimum service elements being provided. The service provider should ensure that the service design takes into account the full complement of service characteristics applicable to the service, based on customer expectations.

				applicable to these services may also be referred.	
4.	Organization/institutional consumer	Manpower supply, payroll management, security, consultancy,	Services to organizations are usually provided under formal contracting arrangements (see 5.6, S. No. 4). This provides the opportunity to the service provider to understand and determine the specific needs of the organization and plan its service processes and resources according to the contractual requirement.	The prominent concern in service supply to organization is the identification and establishment of transaction channels both for the service delivery as well as managing commercial obligations. In absence of clear arrangements service failure may occur, for e.g. due to gaps in communication, diverse needs within the organization. It is possible that all organizational needs may not be fully customized when the service provider is providing the common services to mass consumers especially where the recipient organization is smaller in size.	The service provider should negotiate with the organization the terms of the supply of services that should include channels for communications, delivery, times, resources as part of the Service Level Agreement. Arrangement should be made for review and dispute resolution.  Where common services are provided across mass consumer base, the controls applicable to mass consumers will apply (See 6.1 S. No. 3)

**6.2 Classification on the basis of Age Profile**

**Table 2 Distinction based on Age profile**  
*(Clause 6.2)*

<b>S. No.</b>	<b>Sub-classes</b>	<b>Example of service</b>	<b>Service explanation and Positive effect</b>	<b>Potential constraint</b>	<b>Recommended control</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>
1.	Children	School education, creche, pediatric healthcare, children’s amusement,	As these services are dedicated to children from infancy to adolescence, their design is done on the considerations of the mental faculty of the children and their special needs and interest distinct from adults. The service provider has the advantage of tailoring the services to a select band of customers who have really large complement of fairly standardized needs. Service provider also develop new service types for children that aid their learning and development.	Because children do not have the capability to discern and decide the specific services suitable for them the services present additional risk as compared to adults. Services that are provided without restrictions for adults have the potential of being accessed by children and influencing them in a manner detrimental to them (e.g. social media content). Service providers also face the challenge of engaging children over longer time spans.	The services have to be designed with special considerations for children that will ensure their consumption with intended outcome simultaneously ensuring their safety and security (both physical and emotional). Where content is a part of the service delivery it needs to be suitable for the age group both from the perspective of assimilation as well as undesired influence. Restriction or suitable guidance should be in place when children are likely to access adult services.
2.	Adults (Excluding senior citizens)	All services other than those specifically for children and senior citizen	The services that are consumed by people as individuals (See 6.1 S. No. 1), group consumers (See 6.1 S. No. 2) and mass consumers (See 6.1 S. No. 3)	The constraints are similar to the service consumed by people as individuals ((See 6.1 S. No. 1), group consumers (See 6.1 S.	The recommended control is similar to the service consumed by people as individuals (See 6.1 S. No. 1), group consumers (See 6.1 S. No. 2) and mass consumers

		other than children’s and senior citizens.	No. 2) and mass consumers (See 6.1 S. No. 3) other than children’s and senior citizens.	(See 6.1 S. No. 3) other than children’s and senior citizens.	
<b>3.</b>	Senior citizens	Geriatric/elderly care, old age homes, pension disbursement services	<p>The assumption for senior citizens includes a loss of physical ability, endurance, and in some cases impairment of mental faculty, which may deprive them from experiencing the intended service outcome.</p> <p>These services therefore cater to assist senior citizen to mitigate these challenges.</p> <p>The service provider has the advantage of tailoring the services to a select band of customers who have really large complement of fairly standardized needs.</p> <p>In addition to dedicated services, general services often have additional provisions to cater to the senior citizen segment.</p>	<p>As a customer group, senior citizens are well informed have strong opinions, may be inflexible and may have physical constraints. The service provider therefore has this challenge to provide services to customers who may be difficult to satisfy</p>	<p>The services have to be designed with special considerations for senior citizen that will ensure their consumption with intended outcome simultaneously ensuring their safety, security and emotional well-being. To the extent practicable the services may be customized to their specific needs and desire.</p> <p>The service design and mode of delivery should consider, dedicated and suitably trained people and resources to support and assist them with special safety features.</p>

**6.3 Classification on the basis of Consumer Awareness Level**

**Table 3 Distinction based on Consumer Awareness level**  
*(Clause 6.3)*

S. No.	Sub-classes	Example of service	Service explanation and Positive effect	Potential constraint	Recommended control
(1)	(2)	(3)	(4)	(5)	(6)
1.	First time user	Any services avail at first time	Service provider constantly engages with new customers. An advantage with new customer is that they are unbiased.	<p>a) It takes longer for new customer to engage/connect before entering to contract.</p> <p>b) Customer may be unaware of how to navigate through the service processes, due to lack of prior information</p> <p>c) The bad experience in the first engagement may leads to permanent attrition.</p>	<p>a) The service provider should anticipate the lack of understanding, awareness and the difficulties that a first-time user may encounter and provide suitable guidance through means such as user instruction FAQs, displays, websites, helpdesk, counsellor, facilitator.</p> <p>b) Service provider should provide assistance to the customers, in particular first-time users, during the different stages of the service provision based on anticipated difficulties, especially during service initiation.</p> <p>c) The service provider can monitor and measure feedback and grievance of first-time user as a separate category of customers.</p>
2.	Informed/ knowledgeable (customer with clear knowledge	B to B services, Banquet services, BPO/KPO services,	The service assumes the knowledge of service offerings to the customers. Greater and prior understanding of services	An informed customer invariably has higher expectations from the service provider that is drawn from the past	The terms of the contract should be exhaustive, clear and precise covering all aspects of service delivery

	and understanding of service offered)		terms and offering that leads to clearer contract terms.	experiences and other benchmarks that leads to lesser tolerance to service, higher incidence of complaints and disputes.	and anticipated disputes (see 5.6) The service provider should ensure that the service design takes into account anticipated customer expectations, learnings from previous suggestions and complaints.
3.	Uninformed/partially informed customer (such as uneducated/underprivileged)	Public services (public health services, PDS services), other common services	These services are either dedicated to certain sections of the society who are deemed to be under privileged or from rural background, or services that are being provided to all consumers including the above categories. These customers generally represent a homogeneous group with common or similar service requirements.	<p><b>a)</b> Customer may be unaware of how to navigate through the service processes, due to lack of understanding.</p> <p><b>b)</b> Technology used in service provision could be a constraint with the uninformed customers.</p>	<p><b>a)</b> Ease of instructions &amp; simplicity should be built into the service design.</p> <p><b>b)</b> The service provider should anticipate the lack of understanding, awareness and the difficulties that an uninformed customer may encounter and provide suitable guidance through means such as helpdesk including vernacular languages, counsellor, facilitators, audio-visual guidance.</p> <p><b>c)</b> Service provider should provide assistance to such customers during the different stages of the service provision based on anticipated difficulties.</p>

**d)** User friendly technology may be adopted in service provision.

**6.4 Classification on the basis of Accessibility Challenged**

**Table 4 Distinction based on Accessibility Challenged**  
(Clause 6.4)

S. No.	Sub-classes	Example of service	Service explanation and Positive effect	Potential constraint	Recommended control
(1)	(2)	(3)	(4)	(5)	(6)
1.	Visually challenged	Any service Braille signages in railways, air lines, movie halls etc.	The service design should have special provision for visually challenged persons like talking ATMs/ Magnifying glass availability	The service provider has to specifically make provision for Accessible tools like Braille in the product offering, audio messaging where, possible.	Audio messaging in service areas for visually challenged persons.
2.	Physically challenged	Wheelchair services in a hospital/ Airport/Railway station	It has been felt that physically challenged persons need special arrangements in the environment for their mobility and independent functioning.	The Service Provider has to specifically make provision for accessibility in service areas like ramps in public transport stops, location of the parking area, drop-off point etc. in the product offering where, possible.	Special provisions like ramps in places like Hospitals, schools etc. to be made

S. No.	Sub-classes	Example of service	Service explanation and Positive effect	Potential constraint	Recommended control
(1)	(2)	(3)	(4)	(5)	(6)
				Size of Public pathways/ use of pushbuttons for traffic lights are some suggested methods.	
3.	Hearing / speech impaired	News readers using sign languages for Hearing / speech impaired	The service design and mode of delivery should consider	All the service points should address hearing	Special provisions like visual/pictures should be made for Hearing/speech impaired. Enhanced use of assisted technologies like amplified telephones etc.

**7 SERVICES CLASSIFICATION BY CONTEXT**

- a) Classification based on Context of purpose
- b) Classification based on Context of service zone
- c) Classification based on Context of demography

**7.1 Classification based on Context of purpose**

**Table 1 Distinction based on Context of Purpose**  
(Clause 7.1)

S. No.	Sub-classes	Example of service	Service explanation and Positive effect	Potential constraint	Recommended control
(1)	(2)	(3)	(4)	(5)	(6)
1.	Voluntary service, non-commercial	Public shelters, charitable healthcare, NGO’s services, voluntary relief camp	These services are provided by individuals, voluntary organizations, commercial organizations (under social responsibility activities) for	a) Because voluntary services are dependent on aid and/ or volunteering, lack of resources may lead to	The service provider should set up systems to ensure: a) The scope of the project or program for the concerned



		<p>services, civil defense volunteers, Voluntary services from for-profit organizations such as CSR</p>	<p>various social, environmental, or community-related causes where the service recipients are not required to pay for the services availed.</p> <p>These services often complement or supplement public services and benefit the society at large.</p> <p>They support community development and engagement, and help underprivileged segments. Voluntary services play a major role during emergency situations such as providing relief to affected population following natural disaster.</p>	<p>inconsistent or inadequate provision of such services.</p> <p><b>b)</b> Low accountability may lead to inconsistent service quality.</p> <p><b>c)</b> Performance below expected levels may lead to trust deficit amongst stakeholders, such as donors, recipients and employees.</p> <p>The services may need to be delivered under time constraint, particularly during emergency responses</p>	<p>services is commensurate with available and committed resources including finances.</p> <p><b>b)</b> All resources including people, equipment, facilities, materials, software deployed for the provision of the services are managed efficiently.</p> <p><b>c)</b> Robust financial management including auditing of income and expenses.</p> <p><b>d)</b> Taking necessary measures for building and sustaining integrity and reputation of the organization, including transparent communications, audits and reviews, published performance reports.</p> <p>Adequate skill development that will facilitate performing under time constraints and emergency situations (see 5.10).</p>
2.	Commercial	All services other than voluntary and regulatory public services	Commercial services embed contractual accountability between service provider	There may be significant gaps in service delivery related to:	The Service provider should: <b>a)</b> Establish systems to monitor and review

			<p>and the customer whether explicit or implicit.</p> <p>The service provider of commercial services mostly has the prerogative of selecting customer segments, quality levels and price based on value proposition and other differentiators.</p>	<p><b>a)</b> contractual commitments (see 5.6, S.no.4) and what is delivered</p> <p><b>b)</b> price and quality of services</p> <p><b>c)</b> customers perception vis-à-vis expectations and needs.</p>	<p>contractual commitments at the service design, operational and post-delivery stages.</p> <p><b>b)</b> Conduct regular market research and consumer service to study market conditions, competitive offerings and evolving customer expectations to calibrate price and quality levels of the services offered.</p> <p><b>c)</b> Maintain good relationships with service consumers to align with their perceptions and preferences.</p> <p><b>d)</b> Focus on providing excellent customer service and memorable customer experiences.</p> <p><b>e)</b> Continuously update knowledge and technology to stay abreast with competitive offerings.</p> <p>Providing detailed information about the service, such as through written contract, website, communication etc.</p>
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<p>3.</p>	<p>Public Service (non-regulatory)</p>	<p>Postal services, public transports, public healthcare services, sanitation services</p>	<p>Non regulatory public services are similar to commercial services except they are provided by the state. These services may be charged on use basis, may be subsidized, or may be provided free, funded by public exchequer.</p> <p>They fulfill societal needs and predominantly work with nonprofit motive. Public services may operate in competitive environment.</p>	<p>Public services by nature involve public accountability on the part of the service provider. Due to lack of profit motive and resource crunch, public services often become deficient in meeting service standards leading to dissatisfaction.</p> <p>As public services are also consumed by uninformed, partly informed or underprivilege customers, the constraints applicable to them will apply see 6.3.</p>	<p>Public service standards should be detailed and displayed for public knowledge in local language.</p> <p>Adequate attention to motivate staff to ensure they are responsive and service centric.</p> <p>Performance measurement should be done with wider coverage to include all customer segments with a view to ensure consistent quality levels across all outlets and channels.</p> <p>The names and designations of person responsible for providing the services as well as those responsible for receiving and resolving grievances (including escalation where applicable) should be made available in public domain.</p> <p>See 6.3 for the recommended control for the services consumed by uninformed, partly informed or underprivilege customers.</p>
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<p>4.</p>	<p>Public Service (regulatory)</p>	<p>Services provided for regulatory purposes such as:  Police, adjudication, taxation, central banking, telecom,</p>	<p>Regulatory services comprise of process essential to ensure compliances with the relevant regulatory objectives that include policy building, consultations, notifications, approval licensing, surveillance, enforcements, prosecutions etc.</p> <p>While majority of these process are mandated by relevant laws and regulations, some of the principles of service orientations apply to these such as protection of citizen rights, information, behavioral expects, timeless, facilities, equipment associated with service delivery.</p>	<p>Regulatory services could overlook the importance of fairness, objectivity, non-discrimination that may lead to disproportionate action and/or misuse of authority, including rent seeking.</p> <p>Regulated public services are often constraint due to inadequate resources that lead to delays, inefficiency, lack of facilities etc.</p>	<p>Design of regulatory services, and their delivery modes should be based on the fundamental principles of good regulatory practices such as equitable approach, transparency, communication, efficiency effectiveness, accessibility and accountability.</p> <p>Regulatory services should be notified after conducting prior impact assessment, which should be reviewed periodically.</p> <p>Suitable modes of timely evaluations and approvals, checks and balances should be in-built to ensure they are delivered in the intended manner. A system of raising complaints and appeals should be integral in the service design.</p>
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**7.2 Classification based on Context of Service Zone**

**Table 2 Distinction based on Context of Service Zone**  
(Clause 7.2)

S. No.	Sub-classes	Example of service	Service explanation and Positive effect	Potential constraint	Recommended control
(1)	(2)	(3)	(4)	(5)	(6)
1.	Domestic within country	Several – All services – Healthcare services, Utility Services (Electricity, Gas supply, Waste disposal services, Retail & Grocery Services)	Both service provider and recipients share similar cultural background that leads to common understanding and expectations in terms of service standard and manner of service delivery.  Services and services contract are subject to common laws which are understood by the parties involved.  Being in the domestic territory, relatively easy to track service status, raise complaints and file dispute/court cases, if required.	a) There could be a differential in service standards to domestic recipients as compared to overseas customer  b) Service expectations may differ from visiting citizens of other nation as well as those belonging to another region within domestic territory.	a) Where differentiated standards are offered to overseas customer as compared to domestic as a conscious choice it should be ensured that services to domestic customer are not compromised.  b) Service delivery and language should be customized to the extent feasible, based on specific requirements/characteristics of a region. In case of foreign citizens, the terms of contract and/or service explanation should be more explicit to overcome differentiated understanding of cultural aspects and legal requirements.
2.	International Cross borders services	- Certification, BPO, consulting, contract research	a) These services may be offered online or through physical presence of personnel deputed to the recipient’s territory.  b) The experience gains in dealing with international customers leads to learning	a) Because of remote relationship, large information asymmetry may exist that may lead to lack of trust and disputes  b) As bilateral/multi-lateral services may	Pre contract due diligence and negotiations should address the following:  - Resolving differences in information structure, channels of communication,

S. No.	Sub-classes	Example of service	Service explanation and Positive effect	Potential constraint	Recommended control
(1)	(2)	(3)	(4)	(5)	(6)
			and improving service standards and developing the capability of delivering services globally.	involve application of legal requirements of one or more countries it may be difficult to execute contract and resolve contractual and legal disputes.  c) Differences in legal requirements for personal and commercial data protection and data localization may lead to difficulties in addressing these aspects during and after execution of contract	language, formats of reporting etc.  - Highlighting differences in legal requirements pertaining to service sector and providing for addressing these during the execution of contracts including disputes.  - Highlighting differences in requirements pertaining to personal and commercial data protection and data localization and providing for addressing these in the service contract.

**7.3 Classification based on Context of Demography**

**Table 3 Distinction based on Context of Demography**  
(Clause 7.3)

S. No.	Sub-classes	Example of service	Service explanation and Positive effect	Potential constraint	Recommended control
(1)	(2)	(3)	(4)	(5)	(6)
1.	Rural setting	Common consumer	Services provided in the rural setting are critical in	Delivering services in rural settings poses	Substituting continuous service with intermittent

S. No. <b>(1)</b>	Sub-classes <b>(2)</b>	Example of service <b>(3)</b>	Service explanation and Positive effect <b>(4)</b>	Potential constraint <b>(5)</b>	Recommended control <b>(6)</b>
		services, agriculture related services, animal husbandry services, primary health and education services, rural banking services.	<p>shaping the quality of life, economic opportunities, and overall well-being of the rural population that may have restricted access to the full range of services available in the urban setting.</p> <p>Understanding these services from a demographic perspective helps in identifying how they cater to the specific needs of different groups within the rural population, such as farmers, women, children, and the elderly.</p>	<p>several challenges due to the specific demographic and geographic characteristics of these areas. These may include:</p> <p>Shortage of qualified Professionals, Limited Infrastructure, Geographical constraints, restricted access to technology, limited transport and communication, limited understanding of service to be availed, literacy constraint.</p>	<p>service (such as health care camps), training of local population to support service delivery (such as maintenance services, midwife services),</p> <p>Providing services through cooperative setups and self-help groups (such as leasing and rental services of farm equipments)</p> <p>Using internet communication for specialized services (tele medicine, weather information, agro marketing information, e-learning),</p> <p>Sensitization and orientation training of service professionals delivering services in rural settings.</p>
2.	Urban setting	All services relevant to urban setting	Services explanation and positive effects as described for other classifications given in this standard as relevant to urban setting.	Potential constraints as described for other classifications given in this standard as relevant to urban setting. In Urban settings, service	Service provider may apply recommended controls as described for other classifications given in this standard as applicable to relevant constraints. Service provider should factor higher

S. No.	Sub-classes	Example of service	Service explanation and Positive effect	Potential constraint	Recommended control
(1)	(2)	(3)	(4)	(5)	(6)
				providers generally encounter more informed and demanding customers as compared to rural settings leading to dissatisfaction and higher incidents of complaints and disputes.	awareness and expectation levels of consumers in the urban setting in service design, delivery mode and training of service professionals. They may also setup robust grievance and disputes handling systems to enable service recovery.

## 8 SERVICES CLASSIFICATION BY TRADE MODES (GATS)

The General Agreement on Trade & Services (GATS) defines services in four 'modes' of supply, depending on the territorial presence of the supplier and the consumer at the time of the transaction.

Classification by mode	Description	Example of service
Mode 1 — Cross border trade	From the territory of one Member into the territory of any other Member	Consultancy or market research reports, tele-medical advice, distance training, or architectural drawings
Mode 2 — Consumption abroad	In the territory of one Member to the service consumer of any other Member	Tourists, students, or patients to consume the respective services.
Mode 3 — Commercial presence	By a service supplier of one Member, through commercial presence, in the territory of any other Member	Subsidiary, or representative office of a foreign-owned and — controlled company (bank, hotel group, construction company,
Mode 4 — Presence of natural persons	By a service supplier of one Member, through the presence of natural persons of a member in the territory of any other Member	Independent supplier (e.g., consultant, health worker) or employee of a service supplier (e.g., Consultancy firm, hospital, construction company).