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RESEARCH ARTICLE

SERVICE SECTOR: MYRIAD FACADES

Priyanka Shah

P.G Deptt of Commerce ,TMBU, Bhagalpur, Bihar, India.

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Abstract

In this paper, we discuss the Services Sector of the economy, can be broadly grouped into three broad segments namely, the public sector, private corporate sector and the household sector. The first two are generally referred to as the organized part of the economy, as the accounts of all the business transactions of these sectors are recorded in specified documents and are made available as public documents at regular intervals. The remaining part of the economy, that is the household or unorganized sector, constitutes all unincorporated enterprises including all kinds of proprietorship and partnerships run by the individuals.

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Introduction:-

Franchising

Typically the output of this time is content (information), service, attention, advice, experiences, and/or discussion (also known as "intangible goods"). Other examples of service sector employment include:

Franchising (from the French for honesty or freedom) is a method of doing business wherein a "franchisor" authorizes proven methods of doing business to a "franchisee" for a fee and a percentage of sales or profits. Various tangibles and intangibles such as national or international advertising, training, and other support services are commonly made available by the franchisor, and may indeed be required by the franchisor, which generally requires audited books, and may subject the franchisee or the outlet to periodic and surprise spot checks. Failure of such tests typically involves non-renewal or cancellation of franchise rights.

Advantages:

Quick start

As practiced in [retailing](#), franchising offers franchisees the advantage of starting up a new business quickly based on a proven trademark and formula of doing business, as opposed to having to build a new business and brand from scratch (often in the face of aggressive competition from franchise operators). A well run franchise would offer a [turnkey](#) business: from site selection to lease negotiation, training, mentoring and ongoing support as well as statutory requirements and troubleshooting. Brand name recognition by the public can result in faster growth of gross sales on which royalties are paid and on which profits can be grown for the franchisees after the franchisees achieve breakeven status.

Expansion

After their brand and formula are carefully designed and properly executed, successful franchisors are able to quickly grow their networks and expand rapidly across countries and continents, and can earn profits commensurate

Corresponding Author:- Priyanka Shah

Address:- P.G Deptt of Commerce ,TMBU, Bhagalpur, Bihar, India.

with their contribution to those societies. Additionally, the franchisor may choose to leverage the franchisee to build a distribution network and franchisees with multiple units may grow their profits as well.

Also with the help of the expertise provided by the franchisors the franchisees are able to take their franchised business to that level which they wouldn't have had been able to without the expert guidance of their franchisors whose brands are well advertised and visible and attractive to the consumer public.

Training

Franchisors often offer franchisees significant training, which is not available for free to individuals starting their own business. Although training is not free for franchisees, it is supported through the traditional franchise fee that the franchisor collects. Franchisees typically pay for their own travel and personal expenses when attending mandatory training sessions conducted by their franchisor in his home state, or outside of the geographical area in which the franchisee intends to locate his business.

Challenges

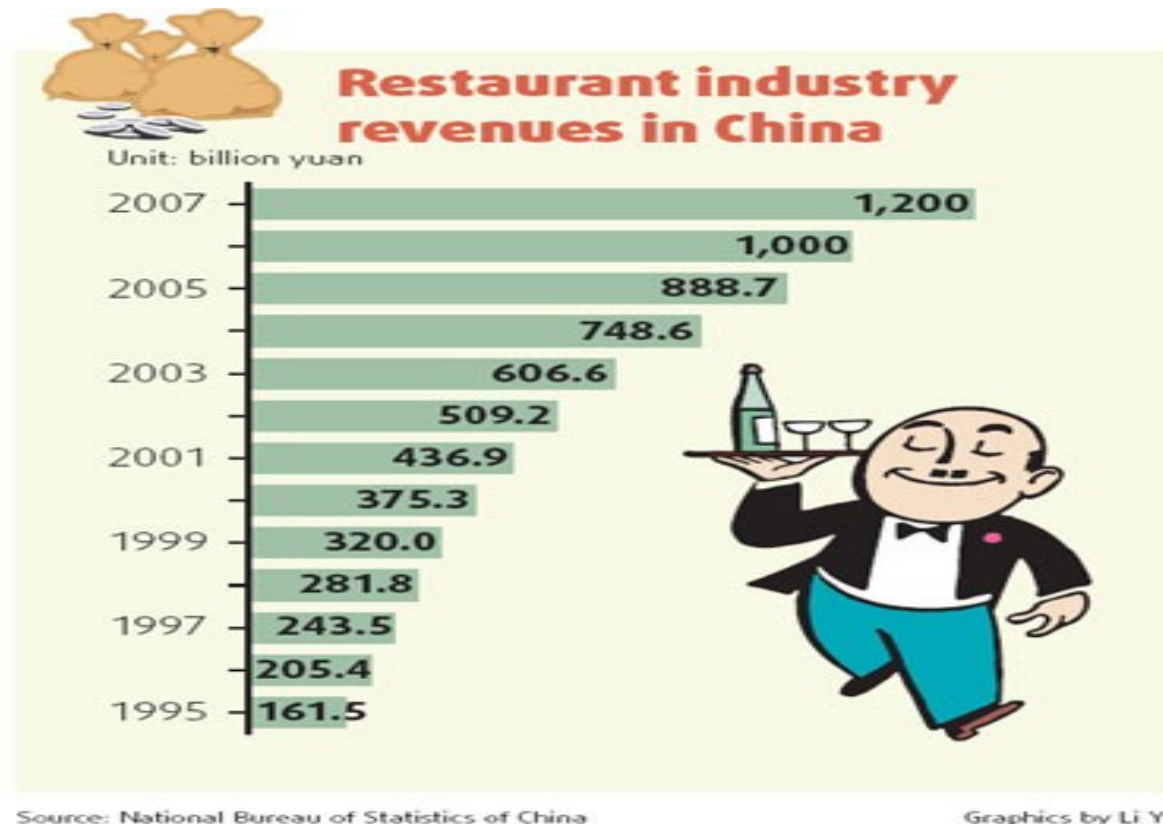
For franchisees, the main disadvantage of franchising is a loss of control. While they gain the use of a system, trademarks, assistance, training, marketing, the franchisee is required to follow the system and get approval for changes from the franchisor. For these reasons, franchisees and entrepreneurs are very different. The United States Office of Advocacy of the SBA indicates that a franchisee "is merely a temporary business investment where he may be one of several investors during the lifetime of the franchise. In other words, he is "renting or leasing" the opportunity, not "buying a business for the purpose of true ownership." Additionally, if original franchisees only attain breakeven status with no actual profits in the operation of their franchised businesses, on which they are able to pay their royalties and overhead and service their debt, they are contractually obligated under the terms of the typical franchise agreement to complete the entire term of the contract. Franchisees are free only under the terms of the franchise agreements to transfer/sell their breakeven businesses with the approval of their franchisor, but generally the sale of a breakeven franchised business results in a wash or a loss for the original owner of the franchise who financed and built the original physical unit that leases and wears the brand name.

Chance of Failure

Opening up a business as a Sole Trader has just under a 50% chance of failure. Opening up your business as a franchise drastically reduces your chances of failure. One in twelve business establishments is a franchise. There are conflicting statements published in the media and on the Internet concerning less chance of failure between independent small businesses and franchised small businesses. This is discussed in the article Beguiling Heresy: Regulating the Franchise Relationship, Paul Steinberg and Gerald Lescatre.

Restaurants are a retail establishment that serves prepared food to customers. Service is generally for eating on premises, though the term has been used to describe take-out establishments and food delivery services. The term covers many types of venues and a diversity of styles of cuisine and service.

A restaurant owner is called a restaurateur; both words derive from the French verb restaurer, meaning to restore. Restaurants are one end of the supply chain in the foodservice industry, along with catering companies and non-restaurant food preparers. There is usually much competition in most cities since barriers to entry are relatively low. The amount of competition can make it hard to make a profit. In most First World industrialized countries, restaurants are heavily regulated to ensure the health and safety of the customers.



Challenges

The typical restaurant owner faces many obstacles to success, including raising initial capital, finding competent and skilled labour, maintaining consistent and excellent food quality, maintaining high standards of safety, and the costs of minimizing potential liability for any [food poisoning](#) or [accidents](#) that may occur.

Additionally, when economic conditions deteriorate—for example, when gasoline prices increase—households typically spend less on dining out.

News media

refers to the section of the mass media that focuses on presenting current news to the public. These include print media (newspapers, magazines); broadcast media (radio stations, television stations, television networks), and increasingly Internet-based media (World Wide Web pages, weblogs).

The term news trade refers to the concept of the news media as a business separate from, but integrally connected to, the profession of journalism.

By covering news, politics, weather, sports, entertainment, and vital events, the daily media shape the dominant cultural, social and political picture of society. Beyond the media networks, independent news sources have evolved to report on events which escape attention or underlie the major stories. In recent years, the [blogosphere](#) has taken reporting a step further, mining down to the experiences and perceptions of individual citizens.

An exponentially growing phenomenon, the blogosphere can be abuzz with news that is overlooked by the press and TV networks.

Leisure industry

is segment of the economy covering [entertainment](#), [recreation](#), and [tourism](#) related products and services consulting. The development of concepts like the [eight-hour day](#) and the limited [working week](#) has meant that modern industrial

mankind has increasingly the need to occupy itself outside sleep and work. The leisure industry has arisen to cater for the spending of this time.

Healthcare

is the prevention, treatment, and management of illness and the preservation of mental and physical well being through the services offered by the medical, nursing, and allied health professions. According to the World Health Organization, health care embraces all the goods and services designed to promote health, including “preventive, curative and palliative interventions, whether directed to individuals or to populations”. The organized provision of such services may constitute a health care system. This can include a specific governmental organization. In most developed countries and many developing countries health care is provided to everyone regardless of their ability to pay.

Waste management

is the collection, transport, processing, recycling or disposal of waste materials. The term usually relates to materials produced by human activity, and is generally undertaken to reduce their effect on health, aesthetics or amenity. Waste management is also carried out to reduce the materials' effect on the environment and to recover resources from them. Waste management can involve solid, liquid or gaseous substances, with different methods and fields of expertise for each.

Waste management practices differ for developed and developing nations, for urban and rural areas, and for residential and industrial, producers. Management for non-hazardous residential and institutional waste in metropolitan areas is usually the responsibility of local government authorities, while management for non-hazardous commercial and industrial waste is usually the responsibility of the generator. Waste collection methods vary widely between different countries and regions. Domestic waste collection services are often provided by local government authorities, or by private industry. Some areas, especially those in less developed countries, do not have a formal waste-collection system.

Real estate

or immovable property is a legal term (in some jurisdictions) that encompasses land along with anything permanently affixed to the land, such as buildings. Real estate is often considered synonymous with real property (also sometimes called realty), in contrast with personal property (also sometimes called chattel or personality). However, in some situations the term "real estate" refers to the land and fixtures together, as distinguished from "real property," referring to ownership rights of the land itself.

The terms real estate and real property are used primarily in common law, while civil law jurisdictions refer instead to immovable property.

With the development of private property ownership, real estate has become a major area of business. Purchasing real estate requires a significant investment, and each parcel of land has unique characteristics, so the real estate industry has evolved into several distinct fields. Specialists are often called on to value real estate and facilitate transactions. Some kinds of real estate businesses include:

1. Appraisal: Professional valuation services
2. Brokerages: Assisting buyers and sellers in transactions
3. Development: Improving land for use by adding or replacing buildings
4. Property management: Managing a property for its owner(s)
5. Real Estate Marketing: Managing the sales side of the property business
6. Real Estate Investing: Managing the investment of real estate
7. Relocation services: Relocating people or business to a different country

Within each field, a business may specialize in a particular type of real estate, such as residential, commercial, or industrial property. In addition, almost all construction business effectively has a connection to real estate.

"Internet Real Estate" is a term coined by the internet investment community relating to the parallel that exists between high quality internet domain names and real-world, prime real estate. Many internet companies actually use the address of properties as domain names.

Mortgages Industry

In recent years, many economists have recognized that the lack of effective real estate laws can be a significant barrier to investment in many developing countries. In most societies, rich or poor, a significant fraction of the total wealth is in the form of land and buildings.

In most advanced economies, the main source of capital used by individuals and small companies to purchase and improve land and buildings is [mortgage loans](#) (or other instruments). These are loans for which the real property itself constitutes collateral. Banks are willing to make such loans at favorable rates in large part because, if the borrower does not make payments, the lender can [foreclose](#) by filing a court action which allows them take back the property and sell it to get their money back. For investors, profitability can be enhanced by using an [off plan](#) or pre-construction strategy to purchase at a lower price which is often the case in the pre-construction phase of development.

But in many developing countries there is no effective means by which a lender could foreclose, so the mortgage loan industry, as such, either does not exist at all or is only available to members of privileged social classes.

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