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TYPES OF SERVICES IN ECONOMIC REPRODUCTION PROCESSES

The peculiarities of value-added services and productive services are studied in the article.

Key words: value-added services, productive services.

Problem.. *In the late XX century in the countries with the market economy the services portion in gross domestic product (GDP) structure has grown from 70% to 75% averagely in 2008-2010 due to the National bureau of economics researches in the US. The services portion in GDP structure in 27 European Union countries in 2010 has grown up to 5% comparing with 2009 (the data of Statistics Committee of the European Union).*

The most noticeable was transport and logistics services (i.e. storage, wholesale and retail trade etc) increasing. We can mark the decreasing of the “traditional” commodity production and at the same time the growing of both “traditional” services and “productive services”.

The analysis of the recent research and publications *regarding the problems of the service economics allowed to systematize services as category definition.*

Services are defined as economically useful activity that has a peculiarity of the specific commodity (activity) by scientists. Service is determined as an influence directed on alteration of the human or object state.

Due to K. McConnell and S. Brue “The service is something invisible and the customer or government are ready to provide something valuable in exchange to it” [4].

Shvydanenko G. has given an urgent definition to productive service as “immaterial production result that turned out directly as an activity that refers to the change of consumer characteristics of the products”.

Services that create “the value to consumer” (both to internal business unit of the corporate association and outside client) are pressing. Rapprochement of the economical forms of the real sector and services activities is another tendency in service sector development. This resulted in the forming of specific kind of service such as “productive service”.

Purpose of the article. *The objective of the research is to define the role of the services in production, intermediate and ultimate consumption areas, and also their role in the enterprise operation activity. One should set the following tasks for that goal:*

1) the analysis of the approaches of understanding of economic sense of the services;

2) the study of such specific services as services that create “the value to consumer” and “productive services”.

The main material. For some years past national economy is moving after the developed countries model regarding to services portion in GDP structure.

Current state of the services sector in Ukraine has the following special features [2]:

1) dynamic progress with the availability of the large reserves of the specific structure expansion, increasing of the services turnover;

2) achievement of the best turnover and specific structure indicators by the joint ownership enterprises;

3) dependence of the small business development in services sector on the government maintenance.

According to the official data of the Ukrainian State Committee on Statistics the services sector in Ukraine is increasing (table 1).

Table 1

Dynamics of the services turnover adjusted for VAT

Indicator	Years			
	2005	2009	2010	2011
Services turnover, million UAH	95832,3	224583,6	256406,0	308160,6
Rate of services turnover increasing, %	100,00	234,35	267,56	321,56
Public services turnover, million UAH	27376,9	53920,3	59660,0	69986,9
Rate of public services turnover increasing, %	100,00	196,96	217,92	255,64

It is rather difficult to distinguish services in “pure” aspect at the production and consumption stages. Methodical difficulties and complication in the calculation of the services portion in GDP structure arise because services are not separated from goods in macroeconomic indicators.

Services are independent labor direction objects and additional consumption source. According to the State standard specification ISO 9001:2009 the service is one of the four general categories of the product, and the necessary premises of its provision are the following:

1) subjects during the interaction are represented by the staff, equipment;

2) direct interaction of the consumer and supplier can be substantial for providing the services;

3) supplying or using the material kinds of the product can be a part of providing the services;

4) service is related to production and goods supplying.

Thus, services are the economical kind of the activity, i.e. actions or certain work fulfillment, that are characterized as immaterial, i.e. the absence of materialized form [5]. Services can be characterized due to the features opposite to materialized commodities.

The classic industrial production conception of the “commodity” category is that it’s a material object that can be created, sold and used later. At the same time the buying of the products is almost always accompanied by the service provision. The buying of the service is often accompanied by the attendant products.

According to the classical economics theory and marketing fundamentals, the basic features of the service are:

- *imperceptibility at the moment of purchase and probable character of the results of buying and consumption of the service;*
- *inconstancy of the results, which quality is decreasing or disappearing in time;*
- *rather clear definiteness in time as a rule;*
- *the servicing process is an integral part of the subject of provision these services;*
- *tendency of outsourcing services growth has formed;*
- *possibility of the service individualization and individuation of consumer servicing.*

As to services differentiation according to the rate of “materiality/immateriality”, the approach where the continuum for the goods with “100% materiality and 100% immateriality” is considered to be appropriate.

The community for the results in both industrial production (“industrial goods”) and services operation process (“services”) is that both industrial goods and service are commodities under the assumption of free turnover. At the same time the service as a commodity has some specific characteristics. But the current marketing concept has a definition “attendant services” regarding to the industrial goods.

Value-added services become urgent with the development of economy globalization in the area of operational management, marketing and logistics [6]. Functional managers draw their attention to the business processes that create values for clients or enterprise as a whole. A consumer of these services can be a division of an enterprise or/and strategic business units (responsibility centers). These services are divided into four types:

1) information support of technical characteristics of the product, its handling and production cost of both internal and external consumers that can use this information for their operations or product development;

2) product quality problems removal (service support of an enterprise of external and internal consumers);

3) support during the selling for increasing of production scales (visual demonstration of technology, equipment, production systems);

4) operation technical support (ability of an enterprise to recommence functional properties of products rapidly or reinforce stocks quickly to except the opportunity of client's stoppage).

Provision of the value-added services to external customers give two following preferences: 1) creation of competitive privileges because in most cases it's easier to copy the product than reproduce service infrastructure, technology of service provision etc; 2) such services create certain affirmative interconnection with the clients of the firm.

Different types of technical services of the technical systems and/or science absorbing products directly refer to productive services.

Thus, the process of service provision has the next special features: 1) they can be connected directly with the product in material form; 2) connection with production of material goods and provision of services is absent.

Then there are two kinds of services: 1) productive; 2) non-productive. In scientific literature there is often used a synonym to "industrial services" that sounds like "productive services". Regarding to the differences between the terms "industrial services" and "productive services" they can be defined the following way.

Industrial services is an intermediate link that is consumed by both manufacturers of industrial products and consumer goods and products manufacturers and public organizations.

Productive services are considered as the type of work at the production stage. These services are specific and they distinguish from the general approach regarding services because their provision does not meet in time and space, and also the creation of the new material product happen [1]. The example of productive services can be complicated work of science absorbing products technical support, major repairs and equipment modernization.

In State products and services classifier productive services are represented by the next services: 1) technical support; 2) assembling; 3) recondition; 4) forging; 5) pressing; 6) minting.

In statistics register productive services are divided due to the following types of work: 1) equipment and transportation means, mechanism modernization and repair; 2) prepackaging, polymerization and refinement of oil bought; 3) both own equipment and client's equipment assembling, starting up and preparation; 4) collection of the sets of instruments bought.

Productive services are considered in reproduction process on the micro-and macro levels.

In the first case it is thought out with fixed assets cost renewal, particularly in the part of technical systems. Technical services, repair and modernization services can be provided by the enterprise forces i.e. its service infrastructure divisions. During the process of renewal of complicated machinery and equipment (for example, aviation technical devices) the above mentioned services can be provided by the outside specialized service organization.

In another case productive services form appropriate economy subindustries, that is confirmed by Economic activities classifier and analytical data of Ukrainian State Committee on Statistics.

Conclusions and directions for the further researches. *The analysis of the sense of productive services and their role in current economy enables to make the following conclusions: 1) the role of services and their portion in present economy of developed countries is increasing. There is a tendency that can be considered as regularity and its can be determined by industrial economy transformation to the post-industrial one; 2) due to current marketing concept the service is a specific kind of a product with the lined special features; 3) enterprise's business processes are focused on value-added client services; 4) merger of real sector and service sector areas is taking place, and it is shown in the productive services development as a part of operational activity of an enterprise.*

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