

Matching Supply and Demand in the Service Industry

By
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Average Waiting Time as a Function of the Utilization Rate

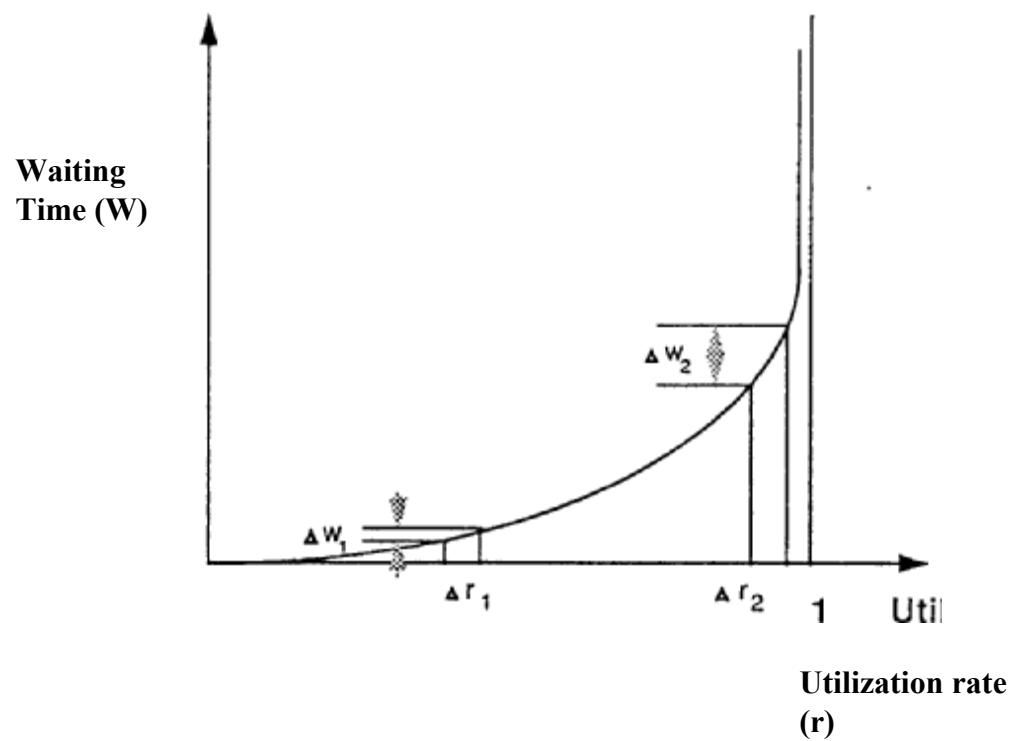


Figure 2

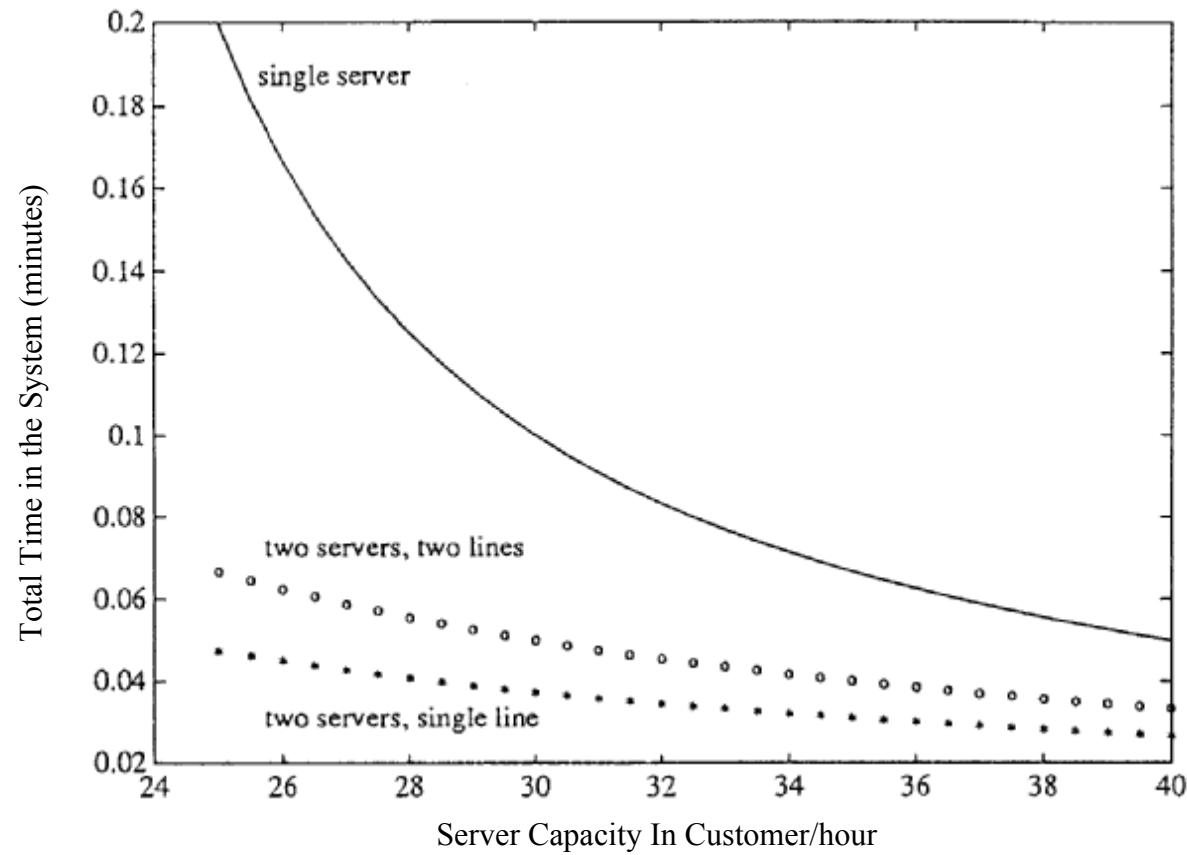
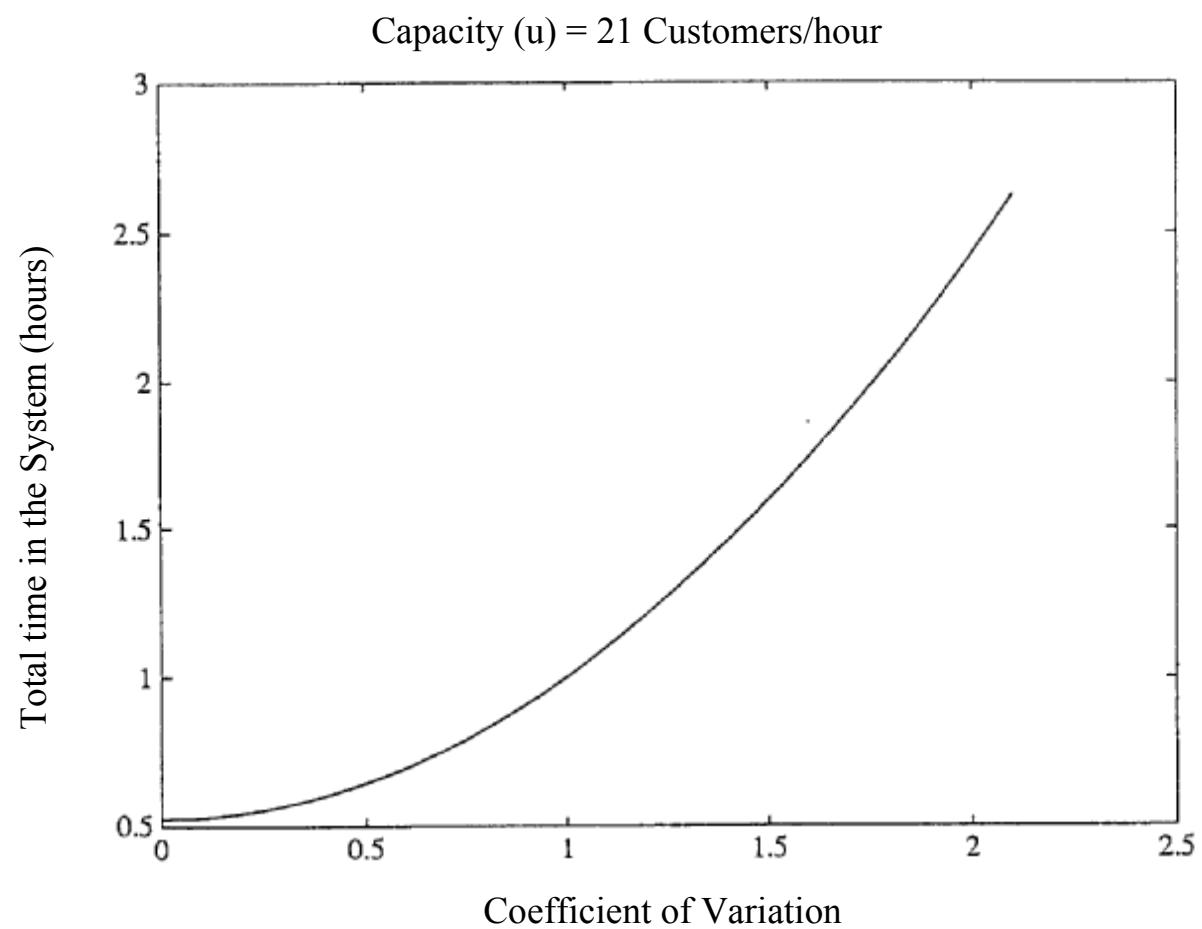


Figure 3



Figures 4 & 5

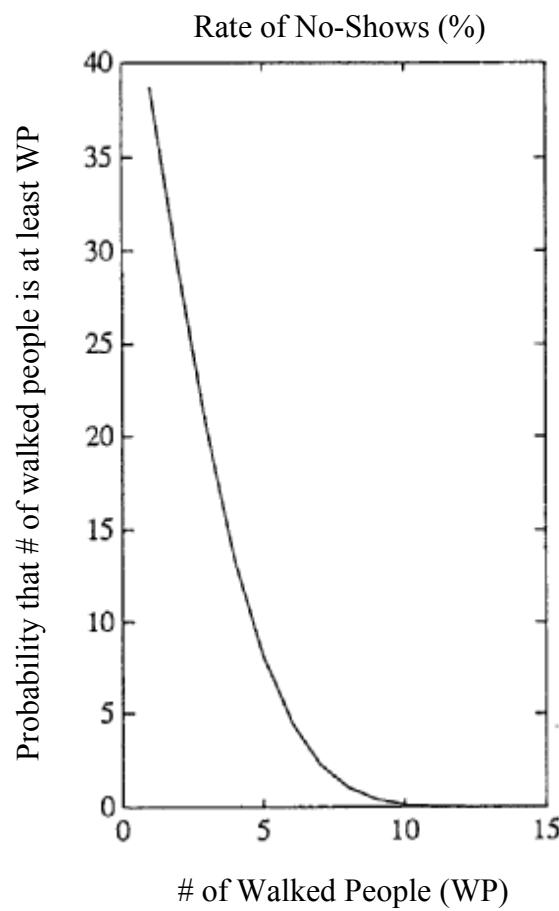
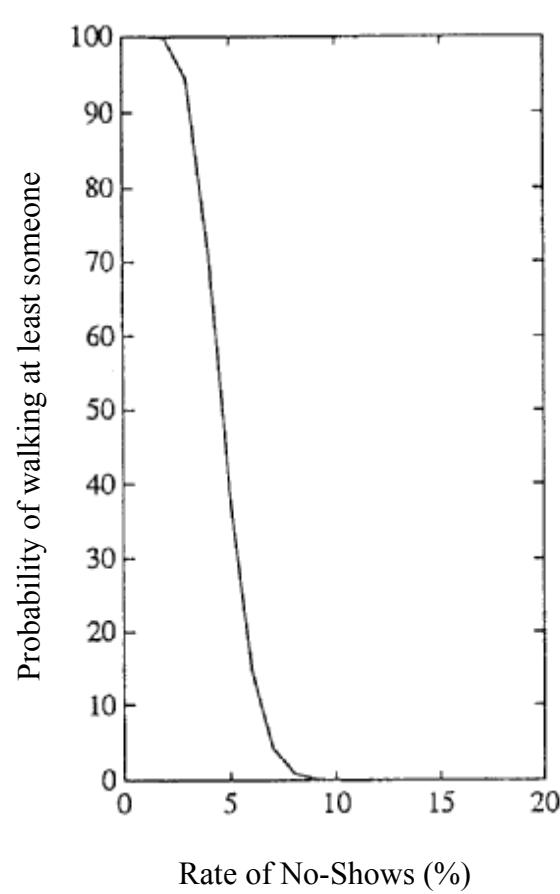
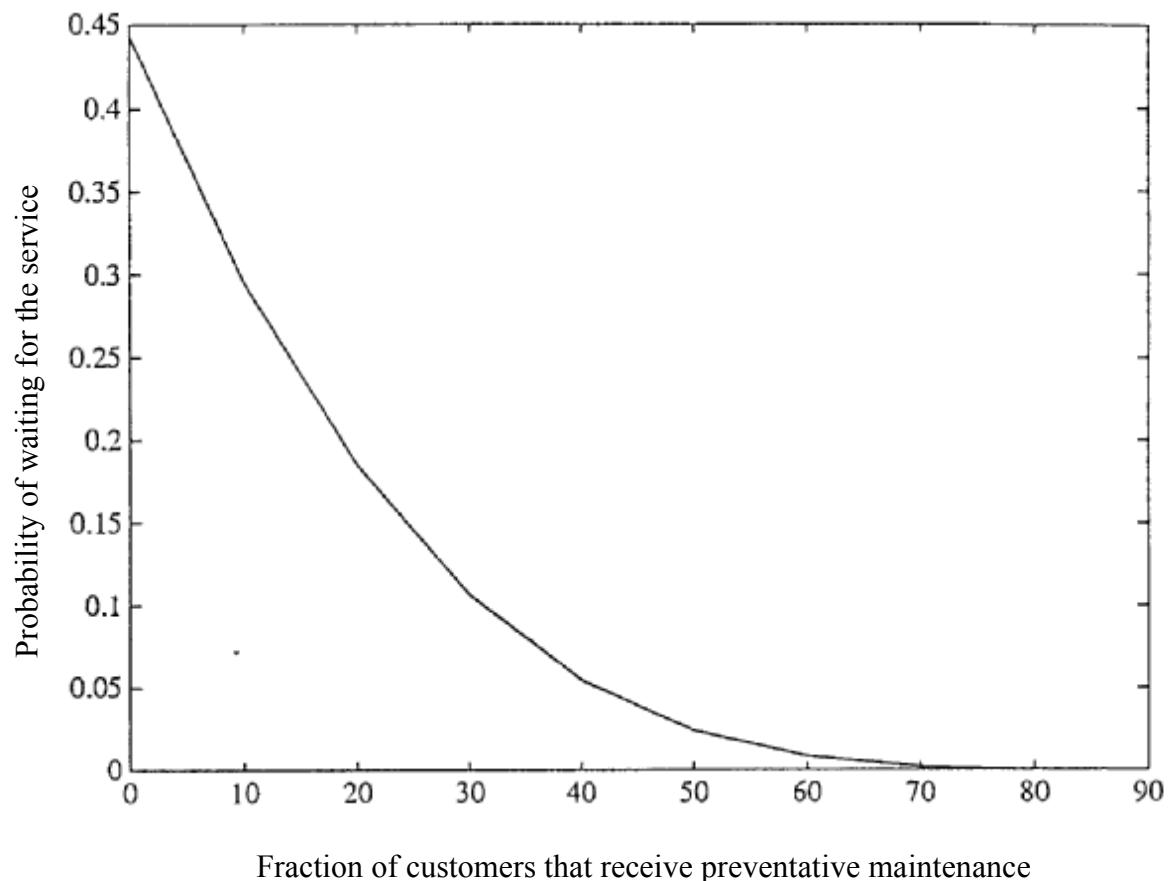


Figure 6



Mechanisms for Matching Supply and Demand

	Supply Management	Demand Management
Tactical Level	Location Sharing Capacity Standardization Automation Information systems Modular facility design Part-time Employees Preprocessing Cross Training Extended Business Hours Preventive Maintenance Cooperation with Competitors Complementary Services	Reservations Direct Marketing Price differentiation Promotion and Sales Complimentary service Information to customers Preventive maintenance of users' equipment
Operational Level	Downgrading of products Overbooking Service length Scheduling Engaging Customers Batching the Service	Pricing Daily Specials