



SHRI SHANKARLAL SUNDARBAI
SHASUN
JAIN COLLEGE FOR WOMEN

MAM6Y

SERVICES MARKETING

Unit : I - V

Unit – I

Syllabus:

Marketing Services:

- Introduction growth of the service sector.
- The concept of service.
- Characteristics of service
- Classification of service, designing of the service, blueprinting using technology, developing human resources, building service aspirations.

MEANING.

- **Services marketing** typically refers to both business to consumer (B2C) and business-to-business (B2B) **services**, and Includes **marketing** of **services** such as telecommunications **services**, financial **services** all types of hospitality, tourism leisure and entertainment **services**, car Rental **services**, health care **services**

Marketing of services

- Financial services
- Healthcare
- Tourism
- Professional or consultancy services
- Telecommunication

Financial Services - Banking

- Product – letter of credit
- Promotion – advertising, etc
- Price mix – charge rates for overdrafts
- Place mix – ATM
- People – VRS





Financial Services - Insurance

- Product – policies
- Promotion – advertising, etc
- Price mix – premium charged against policies
- Place mix – accessibility to branches
- People – usage of updated technology e.g.: com,



Health service

- Product – emergency services, ambulance
- Promotion – advertising, etc
- Price mix – hospital charges and consultancy fee
- Place mix – accessibility of the service
- People – usage of updated technology
- Process – joining phase the intensive consumption phase
detachment phase
feedback



Tourism service

- Product – accommodation
- Promotion – advertising, etc
- Price mix – transportation
- Place mix – various channels of distribution
- People – tour operators



Professional service

- Product – legal services
- Promotion – advertising, etc
- Price mix – consultancy fee
- Place mix – various channels of distribution
- People – professionals with great excellence



Telecommunication service.

- Product – local calls
- Promotion – advertising, etc
- Price mix – based on users
- Place mix – easy accessibility
- People – use of technology



The service sector

- The services sector has been growing at a rate of 8% per annum in recent years
- More than half of our GDP is accounted for from the services sector
- This sector dominates with the best jobs, best talent and best incomes

Introduction

It is the part of the product or the full product for which the customer is willing to see value and pay for it.

Definition:

Service is defined as an actions of organizations that maintains and improves the well – being and functioning of people. Hasen field and Richard A. E.



Features of Service.

Service characteristics	Implications	Marketing Strategies
Intangibility	Sampling difficult. Difficult to judge quality and value in advance. Not possible to patent or have copyright. Relatively difficult to promote.	Focus on benefits. Use brand name. Use personalities to personalize service. Develop reputation. Increase tangibility
Inseparability	Requires presence of performers and producers. Direct sale. Limited scale of operations. Geographically limited market.	Learn to work in large groups. Work faster. Train more service performers.
Heterogeneity	Difficult to standardize quality.	Careful training and selection of personnel. Define behaviour norms. Reduce role of human element. Mechanize and automate maximum possible operations.
Perishability	Can not be stored. Problem of demand fluctuation.	Better match between supply and demand by price reduction, Seasonwise
ownership	Customers has access to but not ownership of facility or activity.	Stress advantages of non ownership such as easier payment scheme.

Evolution of Service sector

- The crawling out stage (prior to 1980)
- Scurrying about stage (1980-85)
- Walking erect stage – 1986 onwards.

Reasons for Growth

- Demographic changes
- Economical changes
- Social changes
- Political and legal changes
- Technological changes

Concept of Services

- “Services are activities , benefits or satisfaction which are offered for sale or provided in connection with sale of goods”.
 - The American Market Association

Difference between physical goods and services

Physical goods	Services
Tangible	Intangible
Homogeneous	Heterogeneous
Production and distribution are separated from consumption	Production, distribution and consumption are simultaneous processes
A thing	An activity or process
Core value processed in factory	Core value produced in the buyer-seller interaction
Customers do not participate in the production process	Customers participate in production
Can be kept in stock	Cannot be kept in stock
Transfer of ownership	No transfer of ownership



Components of service

COMPONENTS OF SERVICE





Characteristics of services

Distinctive Characteristics of Services



Classification of services

- By Adrian Payne
- By Christopher Lovelock
- By Philip Kotler



Classification of services By Adrian Payne

CLASSIFICATION OF SERVICES

1. Classification of Services by Adrian Payne

- (a) Communications and information services
- (b) Public utilities, government and defence
- (c) Health care
- (d) Business, Professional and Personal Services
- (f) Recreational and hospitality services
- (g) Education; and
- (i) Other non-profit organisations



Classification of services - By Christopher Lovelock

CLASSIFICATION OF SERVICES

2. Classification of Services by Christopher Lovelock

- (a) Nature of Service Act*
- (b) Type of relationship that the service organisation has with its customers*
- (c) Scope for Customisation and Judgement in Delivery System*
- (d) Nature of demand and supply for the service*
- (e) Methods of Service Delivery*



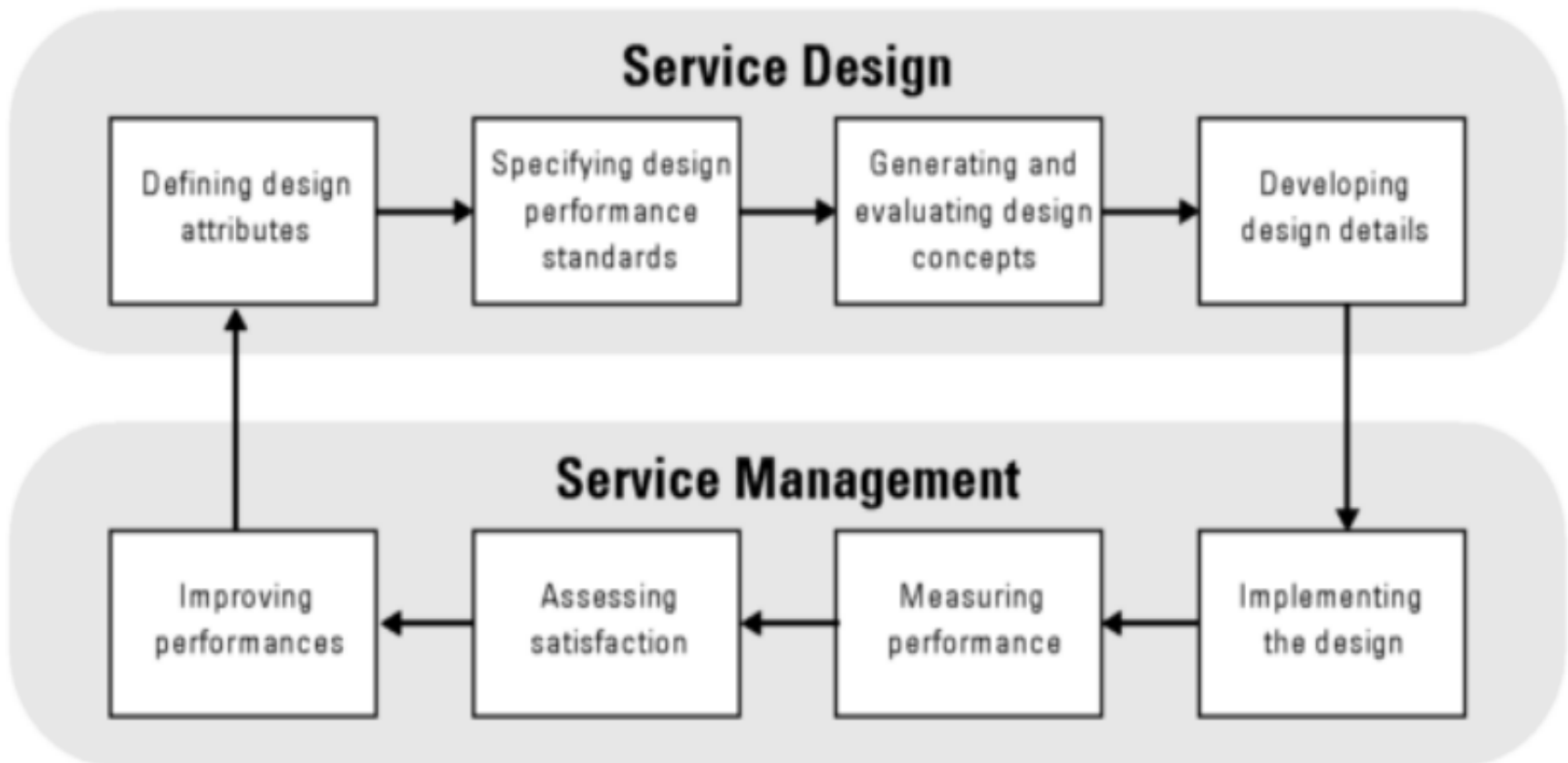
Classification of services – Philip Kotler

CLASSIFICATION OF SERVICES – Philip Kotler

1. Pure Tangible Goods
2. Tangible Goods with accompanying services
3. Hybrid
4. Major service with accompanying minor goods and services
5. Pure service



Service Design and management model





Service Blueprint- Components

-flow chart of service process

- Customer actions
- Line of interaction
- Onstage contact and Employee action
- Line of visibility
- Backstage contact and Employee actions
- Line of internal interaction
- Support process



Technology and service productivity

Application of technology to service activities

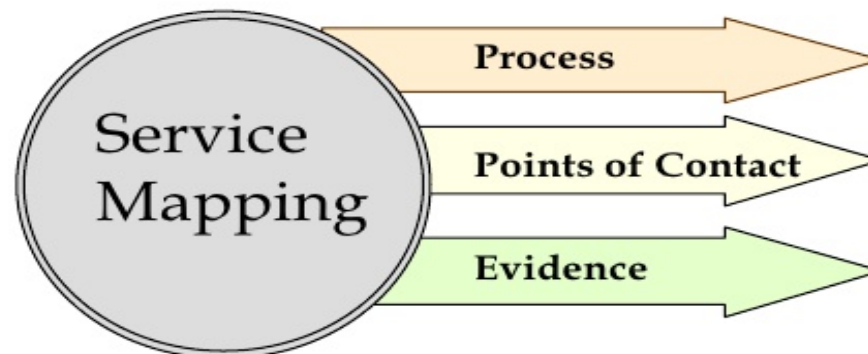




Service Mapping

Service Mapping/Blueprinting

A tool for simultaneously depicting the service process, the points of customer contact, and the evidence of service from the customer's point of view.



Syllabus : Unit : II

Marketing Mix in Service Marketing: The seven Ps:
product decision
pricing strategies and tactics
promotion of service and distribution methods for
services.

Additional dimension in services marketing-
people, physical evidence and process

Marketing mix

Services Marketing Mix refers to the combination of marketing activities an organization engages in to promote and sell intangible services, as opposed to tangible products.

In addition to the four Ps of traditional product marketing--product, price, place and promotion--the services marketing mix includes the three Ps of service marketing--people, process and physical evidence. The Services Marketing Mix is also referred to as the Extended Marketing Mix.

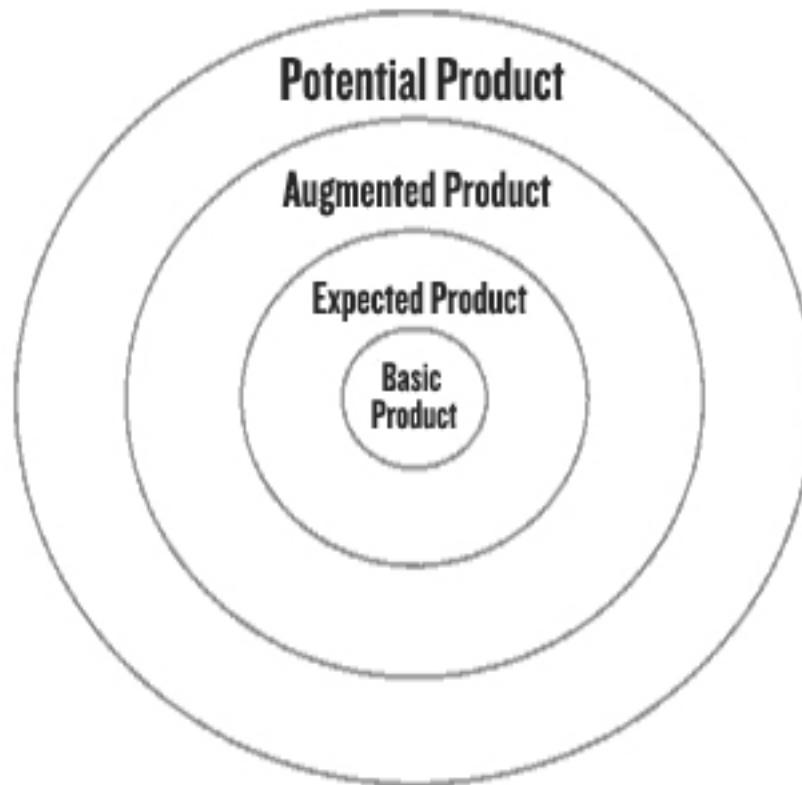
7 Ps of marketing mix



Product



SHRI SHANKARLAL SUNDARBAI
SHASUN
JAIN COLLEGE FOR WOMEN



Price



- Pricing decisions are important for determining the value of service as perceived by the customer and building image for the service

Promotion



Also Word of Mouth

Place



- Direct distribution
- Through an agent / broker
- Two-level middlemen participation

People



SHRI SHANKARLAL SUNDARBAI
SHASUN
JAIN COLLEGE FOR WOMEN

- Contact personnel
 - High contact personnel
 - Low contact personnel
 - Skilled and professional
 - Non-professionals
- Support personnel or non-contact employees
 - Management support personnel
 - Technical support personnel



Physical evidence

PHYSICAL EVIDENCE & SERVICECAPE

Physical evidence is the environment in which the service is delivered, in which the firm and the customer interact + any tangible commodities that facilitate performance or communication of the service

The Physical Facilities are also referred to as *Servicescape* - a form of non-verbal communication between the firm , employees and the customers



Elements of physical evidence

- Servicescape (physical facility)
 - Facility exterior
 - Facility interior
- Other tangibles

Videolink:

<https://www.youtube.com/watch?v=g9Ge2YGZuIA>

Process



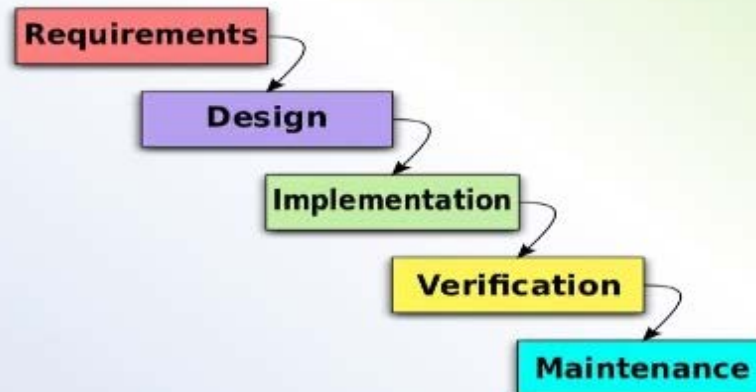
SHRI SHANKARLAL SUNDARBAI
SHASUN
JAIN COLLEGE FOR WOMEN

accenture
High performance. Delivered.

Infosys

Process

- Infosys pioneered the Global Delivery Model (**GDM**). The basic objective of this model is to take the work to the place where talent is available (**Nothing but outsourcing**).



24-08-2015

Marketing Mix Of Accenture And Infosys

26

Syllabus – Unit III

- Effective Management of Service Marketing
- Marketing demand and supply through capacity planning and segmentation
- internal marketing of services
- external versus internal Orientation of service strategy



Management of service marketing

MARKETING MANAGEMENT PROCESS FOR SERVICES (Fig. 3.1)



Strategies for managing demand and supply

- Understanding capacity constraints
 - Time
 - Labour
 - Equipment
 - Infrastructure



Strategies for managing demand and supply

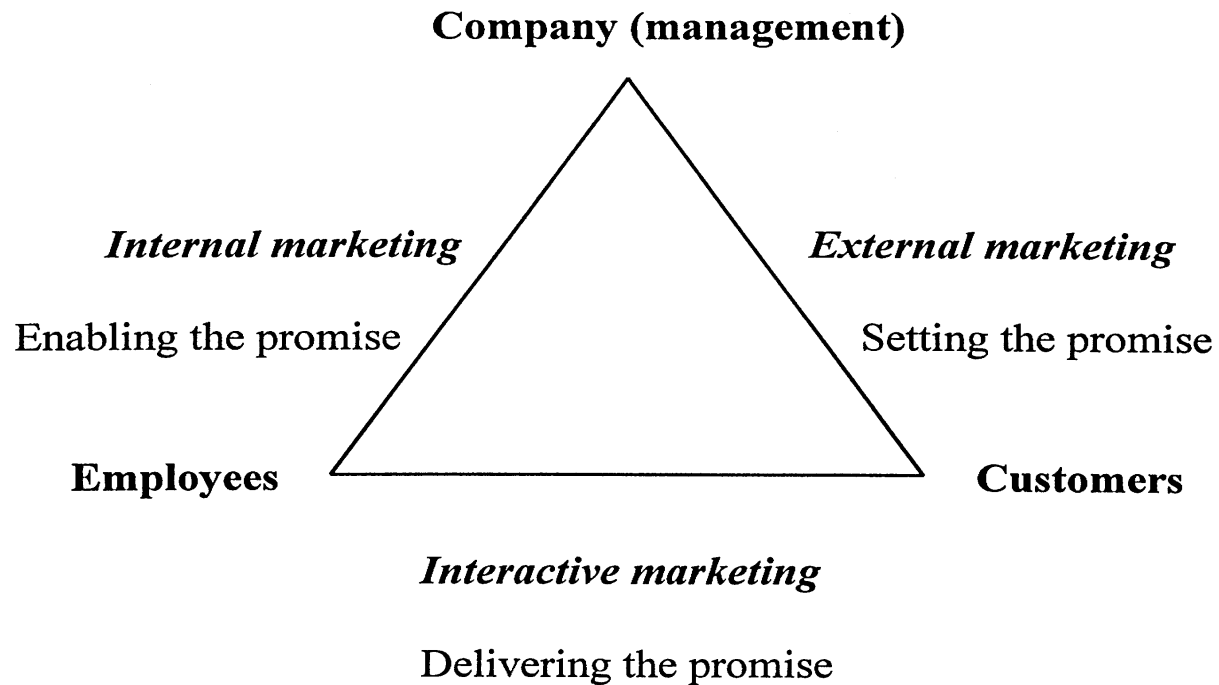
- Understanding demand patterns
 - Charting demand patterns
 - Predicting cycles
 - Identifying random demand fluctuations
 - Disaggregating demand pattern by market segment
- Capacity planning
- Managing capacity to match demand

Strategies for managing demand and supply

- Managing demand to match capacity
- Strategies to follow when demand and capacity cannot be matched (waiting line strategies)



Service triangle



Source: Zeithaml and Bitner (1996).



Internal marketing



<http://study.com/academy/lesson/what-is-internal-marketing-definition-examples.html>

External marketing

- Involves traditional marketing efforts such as market research, personal selling, advertising, direct mail, sales promotion, pricing and public relations.
- <http://study.com/academy/lesson/external-market-research-definition-sources.html>

Interactive marketing

- Otherwise known as real-time marketing; promises are kept by the firms' employees, subcontractors or agents (service providers)



Relationship marketing

- It seeks to build and maintain a base of committed customers who are profitable for the organisation.





Goals



FIGURE 6.2
The Goal of Relationship
Marketing:
Moving Customers Up the
Ladder

Syllabus Unit IV

- Delivering Quality Service:
- Causes of service –
- quality gaps.
- The customer expectations versus perceived service gap.
- Factors and techniques to resolve this gap. Customer relationship management.
- Gaps in services –

Syllabus Unit IV

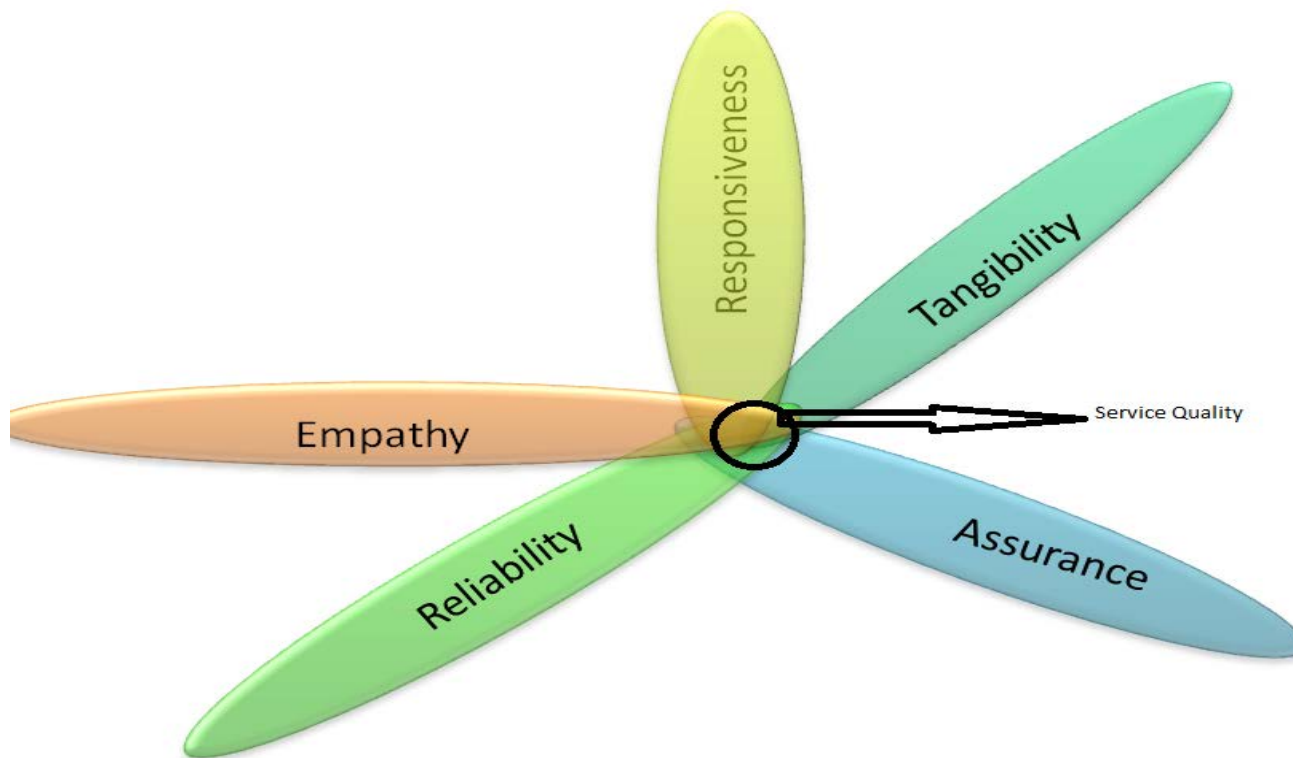
- Quality standards, factors and solutions
- the service performance gap
- key factors and strategies for closing the gap. External communication to the customers-
- The promise versus delivery gap
- Developing appropriate and effective communication about service quality.

Quality of service

<http://study.com/academy/lesson/service-quality-definition-dimensions.html>



Dimensions of service quality





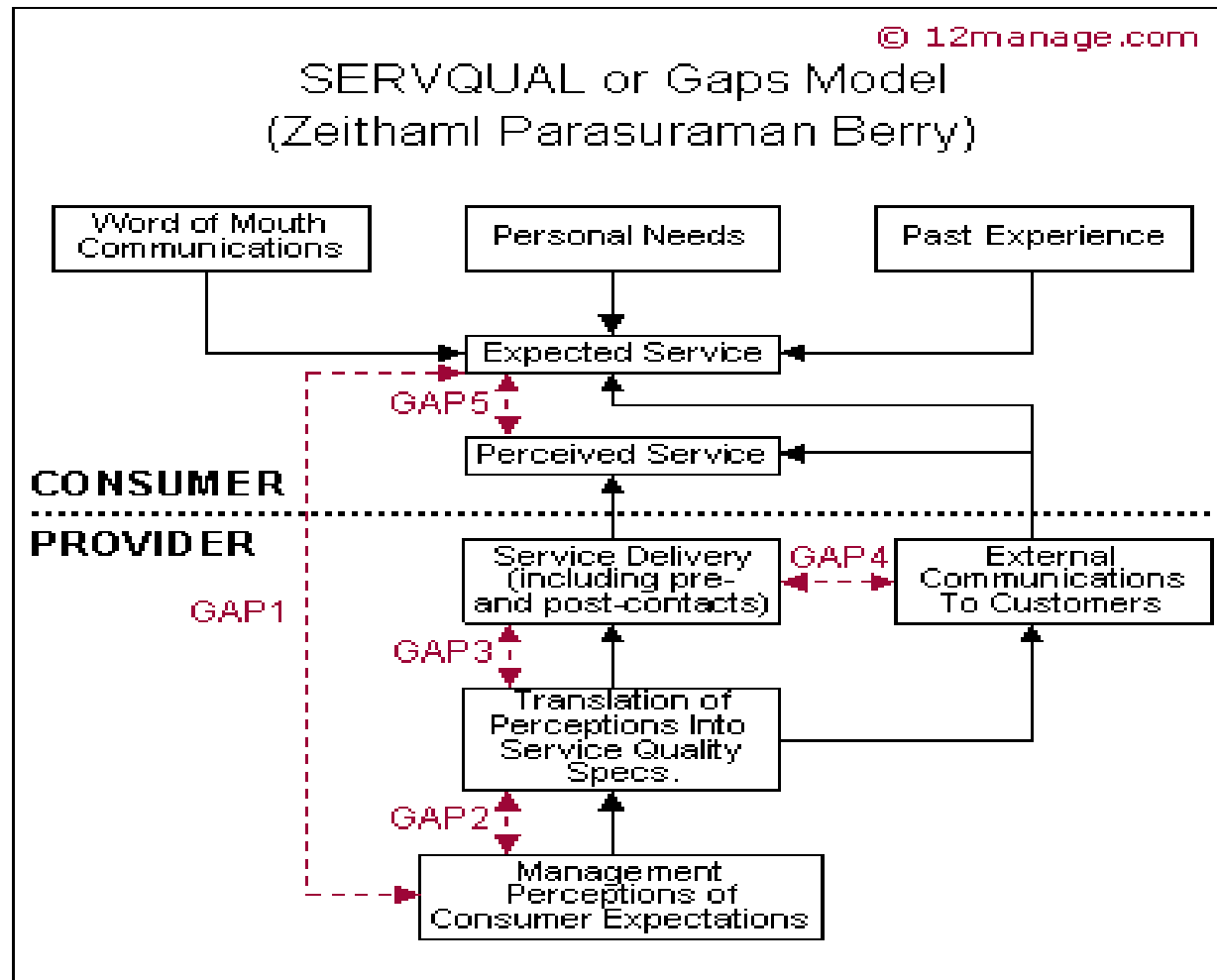
Dimensions of service quality

Chart 1 - Original model and refined model of the five assessment dimensions of Parasuraman et al.

Original Model	Refined Model	Description
Tangibility	Tangibility	Physical aspects of what is provided to users.
Reliability	Reliability	The ability to accurately accomplish what was promised.
Responsiveness	Responsiveness	Ability to help users and promptly provide the service, capturing the notion of flexibility and the ability to adjust the service to the users' needs.
Competence Courtesy Credibility Safety	Guarantee	Competence and courtesy extended to users and the safety provided through operations.
Access Communication Understanding the user	Empathy	Individual attention provided to users.

Source; Marshall G, Murdoch L, 2001

Gap analysis



Gap analysis



SHRI SHANKARLAL SUNDARBAI
SHASUN
JAIN COLLEGE FOR WOMEN



Gaps in the model and strategies to overcome

- Gap 1: Customer Expectations – Management Perceptions Gap
- Gap 2: Management Perceptions - Service Quality Specifications Gap
- Gap 3: Service Quality Specifications - Service Delivery Gap
- – Gap 4: Service Delivery - External Communications Gap
- – Gap 5: Expected Service - Perceived Service Gap (or the Service Performance Gap)
- <https://www.youtube.com/watch?v=8xXReyiFtBY>

Customer Expectations - Management Perceptions Gap

- Collect data on customer expectations
- Relate customer data to overall service strategy
- Increase management contact with customers
- Increase internal communications
- Track performance on satisfaction

The Service-Performance Gap

- Provide data on performance, on definition of standards **for** excellent service
- Provide opportunity to change and to grow
- Provide training - educate employees about customers
- Harmonise roles - define in customer service terms
- Develop team environment - work together

The Service-Performance Gap

- Empower people to solve problems
- Provide support to employees to create high performance service

The Promise-Delivery Gap

- Break down barriers between departments
- Communicate freely
- Understand and mentor internal customers
- Standardise and communicate policies and procedures
- Communicate standards, policies and procedures to customers
- Emphasize primary characteristics
- Manage customer expectations

Expected Service - Perceived Service Gap

- This gap is the result of the other gaps & the gap the customer notices
- Feedback on this gap (complaints) is diagnostic of the other gaps
- Here is where we obtain information that provides the imperative for improvement.
- Proactively seeking feedback here is essential for improvement



CRM - Objectives

- Turning prospects into advocates
- Minimising defections
- Having a large proportion of loyal advocates
- Having a profitable relationship
- Using cross selling opportunities



Benefits of customer retention

- Benefits for customers
- Benefits for organisation
- studycart24.com/academy/lesson/service-quality-definition-dimensions.html

Syllabus - V

Marketing of Service With Special Reference To:

1. Financial services,
2. Health services,
3. Hospitality services including travel, hotels and tourism,
4. Professional service,
5. Public utility service,
6. Educational services.

Marketing of services with special reference

<http://study.com/academy/lesson/what-is-a-market-reference-point-definition-examples-quiz.html>

Marketing of services

- Financial services
- Healthcare
- Tourism
- Professional or consultancy services
- Telecommunication



Financial Services - banking

- Product – letter of credit
- Promotion – advertising, etc
- Price mix – charge rates for overdrafts
- Place mix – ATM
- People – VRS





Financial Services - Insurance

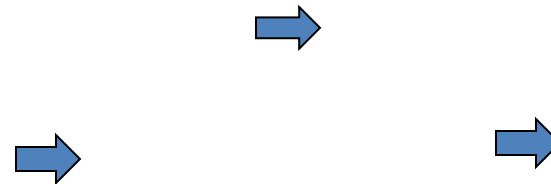
- Product – policies
- Promotion – advertising, etc
- Price mix – premium charged against policies
- Place mix – accessibility to branches
- People – usage of updated technology e.g.: com,



Health service



- Product – emergency services, ambulance
- Promotion – advertising, etc
- Price mix – hospital charges and consultancy fee
- Place mix – accessibility of the service
- People – usage of updated technology
- Process – joining phase the intensive consumption phase
detachment phase
feedback



Tourism service

- Product – accommodation
- Promotion – advertising, etc
- Price mix – transportation
- Place mix – various channels of distribution
- People – tour operators



Professional service

- Product – legal services
- Promotion – advertising, etc
- Price mix – consultancy fee
- Place mix – various channels of distribution
- People – professionals with great excellence



Telecommunication service

- Product – local calls
- Promotion – advertising, etc
- Price mix – based on users
- Place mix – easy accessibility
- People – use of technology

