

The Changing Face of Services Marketing

Ms.R.Sangeetha

Assistant Professor, Department of Commerce (SF), Vellalar College for Women (Autonomous), Erode

Abstract: A service is an activity or benefit that one can offer to another that is essentially intangible and does not result in the ownership of anything. Service industry today dominates the economic scene in all the countries. Over a period of few decades we have seen the rise and unprecedented growth of service industry in almost all sectors including technology and telecommunications, health care, education, media, Utilities, financial and banking sector etc. Service industries growth has been characterized by focusing on customer service which here to pushed the product companies too to reorient themselves to look at the customers first. The marvelous growth and economic contributions of the service sector have pinched increasing attention to the issues and problems of service sector industries. The present study aims to analyse the changing face of services marketing.

Keywords: Service, Business, Marketing, Economy

I. Introduction

A service is an activity or benefit that one can offer to another that is essentially intangible and does not result in the ownership of anything. Service 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 services, car rental services, air travel, health care services and professional services. In exchange for money, time, and effort, service customers expect value from access to goods, labor, professional skills, facilities, networks, and systems; but they do not normally take ownership of any of the physical elements involved.

Characteristics

➤ Intangibility

Services are intangible and do not have a physical existence. Hence services cannot be touched, held, tasted or smelt. Services cannot be inventoried, and therefore fluctuations in demand are often difficult to manage.

➤ Heterogeneity

Given the very nature of services, each service offering is unique and cannot be exactly repeated even by the same service provider. Services are heterogeneous across time, organizations, and people, ensuring consistent service quality is challenging.

➤ **Perishability:** Services cannot be stored, saved, returned or resold once they have been used. Once rendered to a customer the service is completely consumed and cannot be delivered to another customer.

➤ Pricing of Services:

Pricing decision about services is influenced by perishability, fluctuation in demand and inseparability. Quality of a service cannot be carefully standardized. Pricing of services is dependent on demand and competition.

➤ Service quality is not statistically measurable:

It is defined in form of reliability, responsiveness, empathy and assurance all of which are in control of employee's direction interacting with customers. For service, customer's satisfaction and delight are very important; Employees directly interacting with customers are to be very special and important. People include internal marketing, external marketing and interactive marketing.

Characteristics	Marketing Strategies to solve the Problems
Intangibility	Stress tangible cues Use personal sources more than non-personal sources Promote or stimulate word-of mouth communications Create strong brand/ organizational image Engage in post purchase communications
Inseparability	Emphasize selection and training of public contact personnel Manage customers Use multi site locations
Heterogeneity	Industrialize service

	Customize service
Perishability	Use strategies to cope with fluctuating demand Make simultaneous adjustment in demand and capacity to achieve a closer match between the two.

Significance of Service Marketing

➤ **Generation of employment opportunities:**

The components of the service sector are wide and varied. For example, the service sector includes personal care, education, Medicare, communication, tourism, hospitality, banking, insurance, transportation, consultancy services, etc. The organised and systematic development of the service sector would create enormous employment opportunities.

➤ **Optimum utilisation of resources:**

Service firms such as personal care services, the entertainment services, tourism services, hotel service contribute to the growth of the economy without consuming any natural resources. In a sense, the growth of service firms of this kind conserves natural resources. Thus, services marketing help conserve the valuable resources for future generations.

➤ **Capital formation:**

There are indications that services will grow more rapidly in the near future. Economic, social and political factors signal an expansion of the service sector. Investments and job generations are far greater in the service sector compared to manufacturing.

➤ **Increased standard of living:**

The standard of living of the people in any country would be decided on the basis of quality and standard of products consumed or services availed in the day-to-day living.

➤ **Use of environment-friendly technology:**

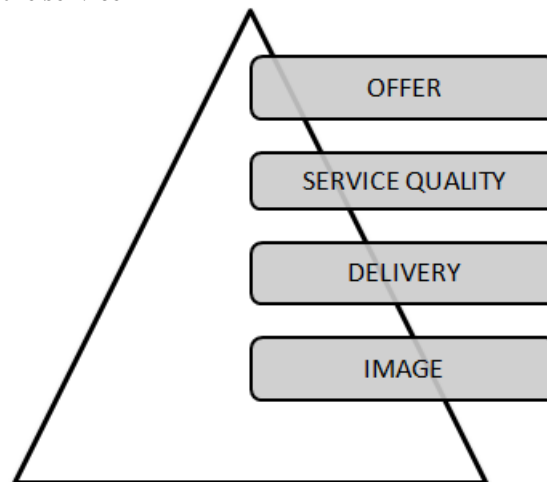
Nowadays, almost all services are found to be technology-driven. Developed countries are making full use of latest technology while rendering services. Technologies used by service generating organizations such as banks, insurance companies, tourism, hotels, communication and education services are not detrimental in any way to the environment.

Use of the Extended Marketing Mix

The 4Ps marketing mix which represents Product, Place, Pricing and Promotion, have been most widely employed as a model for product marketing. It shows the company preparing an offer mix of the product and price, with an integrated promotion mix to reach the target consumers through the selected distribution channels. Booms and Bitner (1981) suggested the extension of the 4Ps framework to include three additional factors: People, Physical evidence and Processes as marketing mix variables for services marketing:

- 1) People refer to all people directly or indirectly involved in the consumption of a service. Due to the inseparability of production and consumption for services which involves the simultaneous production and consumption of services, service firms depend heavily on the ability of contact employees to deliver the service. As delivery of services occurs during interaction between contact employees and customers, attitudes and behaviors of the service providers can significantly affect customers' perceptions of the service. This is important, because customers' perceptions of service quality and its value can influence customer satisfaction, and in turn, purchase intentions.
- 2) Physical evidence refers to the environment in which the service is assembled and in which the seller and customer interact, combined with tangible commodities that facilitate performance or communication of the service. As services are intangible, customers are searching for any tangible cues to help them understand the nature of the service experience.
- 3) Process is referred to the procedures, mechanisms and flow of activities by which the service is creating and managing effective service processes are essential tasks for service firms. This is more so due to the perishability of services which means that services cannot be inventoried, stored for reuse or returned. Hotel rooms not occupied and airline seats not purchased cannot be reclaimed. Another distinctive characteristic of the service process that provides evidence to the Customer is the standardized or customized approach based on customer's needs and expectations.

Key factors to differentiate the service



Function of Services in Economy

Services are a dominant force in countries around the world as can be seen in the global feature. The marvelous growth and economic contributions of the service sector have pinched increasing attention to the issues and problems of service sector industries. There was a time when it was believed that the industrial revolution was the only solution to the problems of poverty, unemployment and other ills of society. Services stroke the lives of every person every day whether it is in the field of food services, communication, leisure services, maintenance services, travel, amusement parks etc. Services are gradually more being used by the corporate as well as the household sector. It is predictable that globalization has become the standard in the service industry. This is evidenced by a growing number of businesses that a service firm operates in more than one country. Those have since evolved their business practices. The changes in the world economy and business practices have determined the focus on service: the fact that services dominate the modern economies of the world; the center on services as competitive business crucial; specific needs of the deregulated and proficient service industries; the role of new service concepts increasing from technological advances; and the understanding that the unique characteristics of services result in unique challenges.

II. Conclusion

Marketing of Services has emerged as an important sub discipline of marketing in its own right. It has evolved phenomenally to emerge as a major field of study with far reaching implications in today's increasingly service driven economies. Today almost all of the challenges in service marketing arise from the basic characteristics of services like intangibility, heterogeneity, inseparability and perishability. A piece of these characteristics poses definite challenges and requires specific strategies. These burning challenges swivel around understanding customer needs and prospect for service, tangibilizing the service offering, dealing with a multitude of people and delivery issues, and keeping promises made to customers.