

## Unit-4 Marketing of services

Meaning, characteristics of services, problems in services marketing.

1. Introduction-A service is the action of doing something for someone or something. It is largely intangible (i.e. not material). You cannot touch it. You cannot see it. You cannot taste it. You cannot hear it. You cannot feel it. So a service context creates its own series of challenges for the marketing manager since he or she must communicate the benefits of a service by drawing parallels with imagery and ideas that are more tangible.

A product is tangible (i.e. material) since you can touch it or own it. A service tends to be an experience that is consumed at the point where it is purchased and cannot be owned since it quickly perishes. A person could go to a café one day and enjoy excellent service, and then return the next day and have a poor experience. Marketers talk about the nature of a service as being inseparable, intangible, perishable, homogenous and variable.

2. Definitions of services-

Philip Kotler-“A service is any act or performance that one party offer to another, that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product.”

Stanton , Etzal and Walker-“ Service are identifiable, intangible activities, that the main object of a transaction designed to provide want satisfaction to customers.”

Prof. Bovee, Houstone and thill-“ A service is a performance that delivers some combination of benefits to the buyers.”

3.Nature of Services-

1. Inseparable

Inseparable - from the point where it is consumed, and from the provider of the service. For example, you cannot take a live theatre performance home to consume it (a DVD of the same performance would be a product, not a service). The consumer is actually involved in the production process that they are buying at the same time as it is being produced, for example an eye test or a makeover. One benefit would be that if you are unhappy with you makeover you can tell the beautician and that instant feedback means that the service quality is improved. You can't do that with a product. Another attribute is that services have to be close to the person consuming them i.e. goods can be made in a central factory location which has the benefits of mass production. This localization means that consumption is inseparable from production.

2. Intangible-

Intangible - cannot have a real, physical presence as does a product. For example, motor insurance may have a certificate, but the financial service itself cannot be touched i.e. it is intangible. This makes it tricky to evaluate the quality of service prior to consuming it since there are fewer attributes of quality in comparison to a product. Service quality is the perception in the mind of the consumer prior to purchase.

### 3. Perishable

Perishable - in that once it has occurred it cannot be repeated in exactly the same way. For example, once a 100 meters Olympic final has been run, there will not be another for 4 more years, and even then it will be staged in a different place with many different finalists. You cannot put service in the warehouse, or store in your inventory. An interesting argument about perishability goes like this, once a flight has taken off you cannot sell that seat again, hence the airline makes no profit on that seat. Therefore the airline has no choice but to price at peak when it sells a seat at busy times in order to make a profit.

### 4. Variable

Variability- since the human involvement in service provision means that no two services will be completely identical, they are variable. For example, returning to the same garage time and time again for a service on your car might see different levels of customer satisfaction, or speediness of work. If you watch your favourite/favorite music group on DVD the experience will be the same every time you play it, although if you go to see them on tour when they are live no two performances will be identical for a whole variety of reasons.

### 5. Homogeneous

Homogeneity is where services are largely the same (the opposite of variability above). We considered McDonald's above which is a largely homogeneous service, so now let's look at KFC and Pizza Hut. Both of these businesses provide a homogeneous service experience whether you are in New York, or Alaska, or even Adelaide. Consumers expect the same level of service and would not anticipate any huge deviation in their experience. Outside of the main brands you might expect a less homogeneous experience. If you visit your doctor he or she might give one interpretation, whereas another doctor might offer a different view. Your regular hairdresser will deliver a style whereas a hairdresser in the next town could potentially style your hair differently. Therefore standardization is largely embodied by the large global brands which produce services.

Right of ownership is not taken to the service, since you merely experience it. For example, an engineer may service your air-conditioning, but you do not own the service, the engineer or his equipment. You cannot sell it on once it has been consumed, and do not take ownership of it.

## Problems in Service Marketing

Sometimes, service-oriented industries are easier to run than product-oriented industries. For example, a tennis coach might experience no expenses, while a seller of tennis rackets will at least need to buy space to store and sell the tennis rackets. However, those in service industries run into a variety of problems inherent to services that can be difficult to overcome.

1. Simultaneous Production and Consumption- Services are different from products in that services are produced and consumed at the same time, while products are produced and then can be consumed at a later date. For example, dance shoes are made by manufacturers and can sit on a shelf and then sit in a closet for any length of time before they are finally put on. These dance shoes are products. However, if a professional dancer produces a dance for an audience, the dancer performs the dance and the audience consumes the dance at the same time. For the service, the producer must be present to provide the service. For the dance shoes, the producer could be somewhere else, but the consumer can still use the product, the dance shoes.

2. Inconsistency- Those selling products can make sure that their products are consistent. For example, a restaurant can use the exact same process and ingredients to create a meal that has a consistent flavor. However, services are inconsistent. Those serving the food can have varying degrees of efficiency and friendliness, depending on the skills and personality of the servers. Therefore, both business owners and business customers cannot predict the quality of delivered services.

3. Services Can't Be stocked- Service industries have a much more difficult time managing supply and demand than product industries. If a mattress salesman cannot sell a mattress today, she can always sell it tomorrow. However, a hotel owner who doesn't book a hotel room today will forever lose the profit he would have earned from that hotel room today.

4. Unpredictable Service Quality- since customers cannot see the service ahead of time, they cannot always tell if they will like the service. For example, a customer will know that a wrench works after trying it out, but the customer won't know if the plumber will successfully fix the broken toilet until after the plumber arrives and tries to fix it.

5. Professionalism required- Customers have an easier time trusting businesses selling products than businesses selling services. If a business sells a hairbrush, customers can tell that they're getting a hairbrush even if the vendor selling the hairbrush behaves unprofessionally. But a hairstylist must always appear professional or customers may not trust the hairstylist's ability to

cut hair well. Therefore, service providers must commit themselves toward behaving professionally on a much more consistent basis.

## Classification of Services

### A. Consumer Services-

1. Catering and entertainment services- Restaurants, cafeterias and hotels offer food services to numerous individuals and families who face difficulties and inconveniences in preparing themselves due to service, business, and age and so on. Small eating places and houses offer simple and cheaper meals.  
Entertainment services are movies, sports, amusement parks, circuses, car-racing, cricket, billiards, table tennis, football, lawn tennis, golf, music, dancing, dramas, zoo, sanctuaries, picnics, video games, bull-fights and so on.
2. Hotels, motels, -Millions of people go in for boarding and lodging facilities out of sheer necessity, pleasure tour or a business trip. Tourism is growing and hotels and motels are growing in number and size every year.
3. Personal care services- these are the services that groom and shape including improving the physical and mental personalities of the individuals. Beauty parlors, barber's saloons, hair dressers, dry- cleaners, laundries, darners, garment repairers, shoe repairs, hair growing centre's plumbers, painters, interior decorators beauticians, dentists, plastic surgeons all these help in shaping and refining the personalities of the persons and their nests.
4. Medical and surgical services
5. Household services
6. Educational services
7. Automobile services
8. Transport services
9. Communication services
10. Insurance services
11. Financial services
12. Personal security services

### B. Industrial services-

1. Financial services
2. Engineering services
3. Transport services
4. Warehousing service
5. Insurance services
6. Advertising and promotion services
7. Office services
8. Management consultancy services
9. Marketing research services
10. Manpower selection and training
11. Middlemen services
12. Communication services