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# Services Marketing : A Global Concept & Ideology

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## *Abstract*

*From evaluating concepts and ideas to tracking the growth of a business, market search advises clients in every step along the way. Services marketing have the number of special packages to help its clients. Developing a marketing strategy is vital for any business. Without one, all efforts to achieve marketing goal are likely to be haphazard and inefficient. Services marketing is marketing based on relationship and value. It may be used to market a service or a product. Marketing a service-base business is different from marketing a goods-base business. Service Marketing has been relatively gaining ground in the overall spectrum of educational marketing as developed economies move farther away from industrial importance to service oriented economies. This paper, however, identifies the quality of Services marketing and focuses its global acceptability.*

## **Services Marketing: A Global Concept & Ideology**

**Services marketing** is marketing based on relationships and values. Marketing a service-base business is different from marketing a goods-base business in the following ways:

1. Purchases by the buyer are intangible
2. The service may be based on the reputation of a single person
3. It's more difficult to compare the quality of similar services
4. The buyer cannot return the service

Service Marketing mix adds 3 more P's, i.e. people, physical evidence, process service and follow-through are keys to a successful venture. The major difference in the education of services marketing versus regular marketing is that instead of the traditional "4 P's," Product, Price, Place, Promotion, there are three additional "P's" consisting of People, Physical evidence, and Process.

**Service marketing** also includes the servicescape referring to but not limited to the aesthetic appearance of the business from the outside, the inside, and the general appearance of the employees themselves. Service Marketing has been relatively gaining ground in the overall spectrum of educational marketing as developed economies move farther away from industrial importance to service oriented economies.

"Managing the evidence" refers to the act of informing customers that the service encounter has been performed successfully. It is best done in subtle

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ways like providing examples or descriptions of good and poor service that can be used as a basis of comparison. The underlying rationale is that a customer might not appreciate the full worth of the service if they do not have a good benchmark for comparisons.

However, it is worth remembering that many concepts, as well as many of the specific techniques, will work equally well whether they are directed at products or services. In particular, developing a marketing strategy is much the same for products and services, in that it involves selecting target markets and formulating a marketing mix. Thus, Theodore Levitt suggested, "instead of talking of 'goods' and of 'services', it is better to talk of 'tangibles' and 'intangibles'. Levitt also went on to suggest that marketing a physical product is often more concerned with intangible aspects (frequently the 'product service' elements of the total package) than with its physical. Sales after service are very important in service sector properties. Charles Revlon made a famous comment regarding the business of Revlon Inc. In the factory we make cosmetics. In the store we sell hope.' Arguably, service industry marketing merely approaches the problems from the opposite end of the same spectrum.

## **Concept of Service Marketing**

### **Characteristics of a Service**

What exactly are the characteristics of a service? How are services different from a product? In fact many organizations do have service elements to the product they sell, for example McDonald's sell physical products i.e. burgers but consumers are also concerned about the quality and speed of service, are staff cheerful and welcoming and do they serve with a smile on their face. The Characteristics of a service that are:

- (1) Lack of ownership
- (2) Intangibility
- (3) Inseparability
- (4) Perishability
- (5) Heterogeneity.

The Service marketing mix involves analyzing the 7'p of marketing involving, Product, Price, Place, Promotion, Physical Evidence, Process and People.

To certain extent managing services are more complicated than managing products, products can be standardized, to standardize a service is far more difficult as there are more input factors i.e. people, physical evidence, process to manage than with a product.

There are five characteristics to a service, which will be discussed below.

#### **1. Lack of ownership.**

You cannot own and store a service like you can a product. Services are used or hired for a period of time. For example when buying a ticket to the USA the service lasts maybe 9 hours each way, but consumers want and expect excellent service for that time. Because you can measure the duration of the service consumers become more demanding of it.

#### **2. Intangibility**

You cannot hold or touch a service unlike a product. In saying that although services are intangible the experience consumers obtain from the service has an impact on how they will perceive it. What do consumers perceive from customer service? The location and the inner presentation of where they are purchasing the service?

#### **3. Inseparability**

Services cannot be separated from the service providers. A product when produced can be taken away from the producer. However a service is produced at or near the point of purchase. Take visiting a restaurant, you order your meal, the waiting and delivery of the meal, the service provided by the waiter is all apart of the service production process and is inseparable, the staff in a restaurant are as apart of the process as well as the quality of food provided.

#### **4. Perishability**

Services last a specific time and cannot be stored like a product for later use. If travelling by train, coach or air the service will only last the duration of the journey. The service is developed and used almost

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simultaneously. Again because of this time constraint consumers demand more.

## 5. Heterogeneity

It is very difficult to make each service experience identical. If travelling by plane the service quality may differ from the first time you travelled by that airline to the second, because the airhostess is more or less experienced. A concert performed by a group on two nights may differ in slight ways because it is very difficult to standardize every dance move. Generally systems and procedures are put into place to make sure the service provided is consistent all the time, training in service organizations is essential for this, however in saying this there will always be subtle differences.

## Service Marketing Mix

Having discussed the characteristics of a service, let us now look at the marketing mix of a service. The service marketing mix comprises off the 7' ps. These include:

- Product
- Price
- Place
- Promotion
- People
- Process
- Physical evidence.

Once you've developed your marketing strategy, there is a "Seven P Formula" you should use to continually evaluate and reevaluate your business activities. These seven are: product, price, promotion, place, packaging, positioning and people. As products, markets, customers and needs change rapidly, you must continually revisit these seven Ps to make sure you're on track and achieving the maximum results possible for you in today's marketplace.

### 1. Product

To begin with, develop the habit of looking at your product as though you were an outside marketing consultant brought in to help your company decide whether or not it's in the right business at this time. Ask critical questions such as, "Is your current product or service, or mix of products and services, appropriate

and suitable for the market and the customers of today?"

Whenever you're having difficulty in selling as much of your products or services as you'd like, you need to develop the habit of assessing your business honestly and asking, "Are these the right products or services for our customers today?" Is there any product or service you're offering today that, knowing what you now know, you would not bring out again today? Compared to your competitors, is your product or service superior in some significant way to anything else available? If so, what is it? If not, could you develop an area of superiority? Should you be offering this product or service at all in the current marketplace?

### 2. Prices

The second P in the formula is price. Develop the habit of continually examining and reexamining the prices of the products and services you sell to make sure they're still appropriate to the realities of the current market. Sometimes you need to lower your prices. At other times, it may be appropriate to raise your prices. Many companies have found that the profitability of certain products or services doesn't justify the amount of effort and resources that go into producing them. By raising their prices, they may lose a percentage of their customers, but the remaining percentage generates a profit on every sale. Could this be appropriate for you?

Sometimes you need to change your terms and conditions of sale. Sometimes, by spreading your price over a series of months or years, you can sell far more than you are today, and the interest you can charge will more than make up for the delay in cash receipts. Sometimes you can combine products and services together with special offers and special promotions. Sometimes you can include free additional items that cost you very little to produce but make your prices appear far more attractive to your customers. In business, as in nature, whenever you experience resistance or frustration in any part of your sales or marketing activities, be open to revisiting that area. Be open to the possibility that your current pricing structure is not ideal for the current market. Be open to the need to revise your prices, if necessary, to remain competitive, to survive and thrive in a fast-changing marketplace.

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### 3. Promotion

The third habit in marketing and sales is to think in terms of promotion all the time. Promotion includes all the ways you tell your customers about your products or services and how you then market and sell to them.

Small changes in the way you promote and sell your products can lead to dramatic changes in your results. Even small changes in your advertising can lead immediately to higher sales. Experienced copywriters can often increase the response rate from advertising by 500 percent by simply changing the headline on an advertisement.

Large and small companies in every industry continually experiment with different ways of advertising, promoting, and selling their products and services. And here is the rule: Whatever method of marketing and sales you're using today will, sooner or later, stop working. Sometimes it will stop working for reasons you know, and sometimes it will be for reasons you don't know. In either case, your methods of marketing and sales will eventually stop working, and you'll have to develop new sales, marketing and advertising approaches, offerings, and strategies.

### 4. Place

The fourth P in the marketing mix is the place where your product or service is actually sold. Develop the habit of reviewing and reflecting upon the exact location where the customer meets the salesperson. Sometimes a change in place can lead to a rapid increase in sales.

You can sell your product in many different places. Some companies use direct selling, sending their salespeople out to personally meet and talk with the prospect. Some sell by telemarketing. Some sell through catalogs or mail order. Some sell at trade shows or in retail establishments. Some sell in joint ventures with other similar products or services. Some companies use manufacturers' representatives or distributors. Many companies use a combination of one or more of these methods.

In each case, the entrepreneur must make the right choice about the very best location or place for the customer to receive essential buying information on the product or service needed to make a buying decision. What is yours? In what way should

you change it? Where else could you offer your products or services?

### 5. Packaging

The fifth element in the marketing mix is the packaging. Develop the habit of standing back and looking at every visual element in the packaging of your product or service through the eyes of a critical prospect. Remember, people form their first impression about you within the first 30 seconds of seeing you or some element of your company. Small improvements in the packaging or external appearance of your product or service can often lead to completely different reactions from your customers.

With regard to the packaging of your company, your product or service, you should think in terms of everything that the customer sees from the first moment of contact with your company all the way through the purchasing process.

Packaging refers to the way your product or service appears from the outside. Packaging also refers to your people and how they dress and groom. It refers to your offices, your waiting rooms, your brochures, your correspondence and every single visual element about your company. Everything counts. Everything helps or hurts. Everything affects your customer's confidence about dealing with you.

When IBM started under the guidance of Thomas J. Watson, Sr., he very early concluded that fully IBM salespeople would represent 99 percent of the visual contact a customer would have with his company, at least initially. Because IBM was selling relatively sophisticated high-tech equipment, Watson knew customers would have to have a high level of confidence in the credibility of the salesperson. He therefore instituted a dress and grooming code that became an inflexible set of rules and regulations within IBM.

As a result, every salesperson was required to look like a professional in every respect. Every element of their clothing—including dark suits, dark ties, white shirts, conservative hairstyles, shined shoes, clean fingernails—and every other feature gave off the message of professionalism and competence. One of the highest compliments a person could receive was, "You look like someone from IBM."

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## 6. Positioning

The next P is positioning. You should develop the habit of thinking continually about how you are positioned in the hearts and minds of your customers. How do people think and talk about you when you're not present? How do people think and talk about your company? What positioning do you have in your market, in terms of the specific words people use when they describe you and your offerings to others?

In the famous book by Al Reis and Jack Trout, *Positioning*, the authors point out that how you are seen and thought about by your customers is the critical determinant of your success in a competitive marketplace. Attribution theory says that most customers think of you in terms of a single attribute, either positive or negative. Sometimes it's "service." Sometimes it's "excellence." Sometimes it's "quality engineering," as with Mercedes Benz. Sometimes it's "the ultimate driving machine," as with BMW. In every case, how deeply entrenched that attribute is in the minds of your customers and prospective customers determines how readily they'll buy your product or service and how much they'll pay.

Develop the habit of thinking about how you could improve your positioning. Begin by determining the position you'd like to have. If you could create the ideal impression in the hearts and minds of your customers, what would it be?

What would you have to do in every customer interaction to get your customers to think and talk about in that specific way? What changes do you need to make in the way interact with customers today in order to be seen as the very best choice for your customers of tomorrow?

## 7. People

The final P of the marketing mix is people. Develop the habit of thinking in terms of the people inside and outside of your business who are responsible for every element of your sales and marketing strategy and activities.

It's amazing how many entrepreneurs and businesspeople will work extremely hard to think through every element of the marketing strategy and the marketing mix, and then pay little attention to the

fact that every single decision and policy has to be carried out by a specific person, in a specific way.

Your ability to select, recruit, hire and retain the proper people, with the skills and abilities to do the job you need to have done, is more important than everything else put together.

In his best-selling book, *Good to Great*, Jim Collins discovered the most important factor applied by the best companies was that they first of all "got the right people on the bus, and the wrong people off the bus." Once these companies had hired the right people, the second step was to "get the right people in the right seats on the bus."

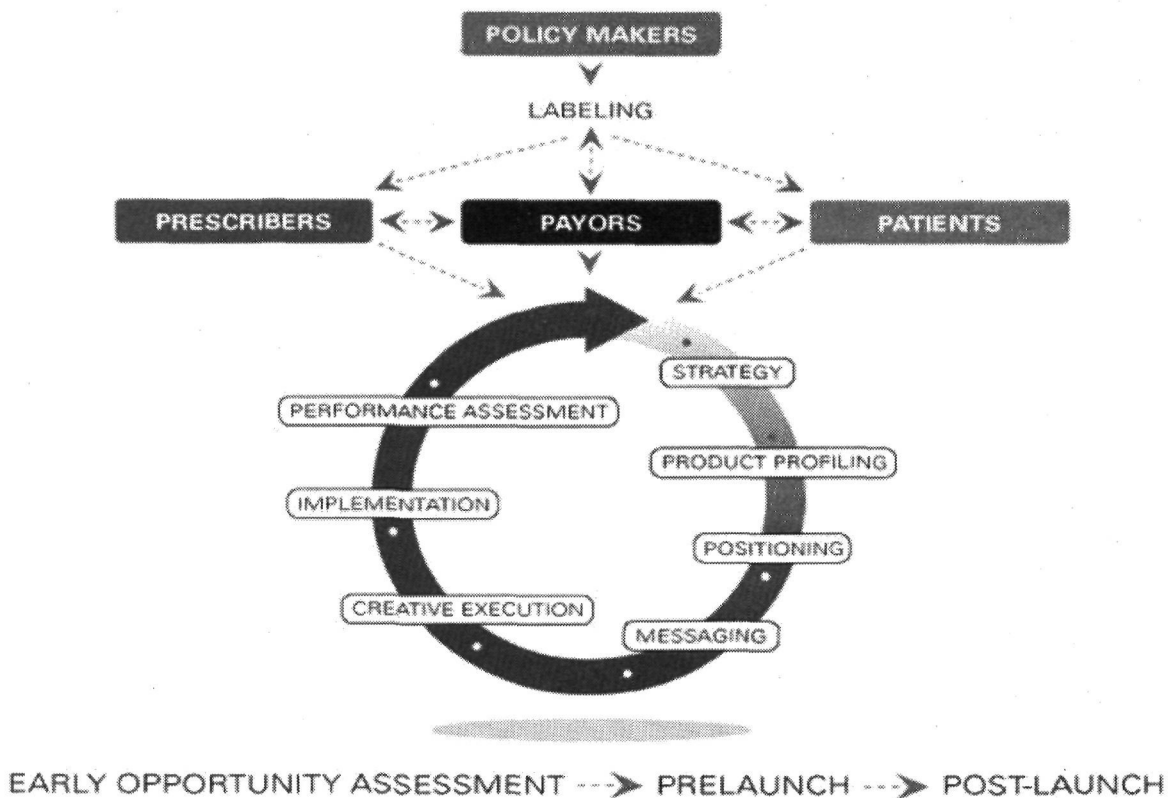
To be successful in business, you must develop the habit of thinking in terms of exactly who is going to carry out each task and responsibility. In many cases, it's not possible to move forward until you can attract and put the right person into the right position. Many of the best business plans ever developed sit on shelves today because the people who created them could not find the key people who could execute those plans. Here is a brief list of what services we find and the types of browser-based tools we can build.

- Custom development
- E-commerce
- Intranets / extranets
- Informational sites
- Search engine optimization
- Webmaster services
- Content management systems
- HTML email blasts (mass mailings) and Internet marketing
- Database administration
- Integration of third-party applications
- Flash development
- Ad banner development
- Document management
- Collaboration tools
- Web services using XML
- Security protocol
- Database design
- Performance testing
- Scoping and wire-framing
- Reporting tools
- Product catalogs
- Shopping carts

- Secure checkout
- Automatic PDF generation
- Package tracking
- Touch screen interfaces
- User customization
- Complex security modeling

## Marketing Research Services

By focusing on the global success of your product in a market where multiple stakeholders influence ROI, we provide information in the context of today's marketplace. Our research offerings explore the perceptions, motivations and related behaviors of your key audiences and we integrate that information to provide a complete picture across all stages of the product lifecycle.



A **service** is the action of doing something for someone or something. It is largely intangible (i.e. not material). A product is tangible (i.e. material) since you can touch it and 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 have excellent service, and then return the next day and have a poor experience. So often marketers talk about the nature of a service as:

**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).

**Intangible** - and 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.

**Perishable** - in that once it has occurred it cannot be repeated in exactly the same way. For example, once

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a 100 meters Olympic final has been run, there will be not other for 4 more years, and even then it will be staged in a different place with many different finalists.

**Variability**- since the human involvement of service provision means that no two services will be completely identical. 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.

**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.

People are the most important element of any service or experience. Services tend to be produced and consumed at the same moment, and aspects of the customer experience are altered to meet the 'individual needs' of the person consuming it. Most of us can think of a situation where the personal service offered by individuals has made or tainted a tour, vacation or restaurant meal. Remember, people buy from people that they like, so the attitude, skills and appearance of all staff need to be first class. Here are some ways in which people add value to an experience, as part of the marketing mix - training, personal selling and customer service.

## **Characteristics of Service Marketing**

### **1. Training**

All customer-facing personnel need to be trained and developed to maintain a high quality of personal service. Training should begin as soon as the individual starts working for an organization during an induction. The induction will involve the person in the organization's culture for the first time, as well as briefing him or her on day-to-day policies and procedures. At this very early stage the training needs of the individual are identified. A training and development plan is constructed for the individual, which sets out personal goals that can be linked into future appraisals. In practice most training is either 'on-the-job' or 'off-the-job.' On-the-job training involves training whilst the job is being performed e.g. training of bar staff. Off-the-job training sees learning

taking place at a college, training center or conference facility. Attention needs to be paid to Continuing Professional Development (CPD) where employees see their professional learning as a lifelong process of training and development.

### **2. Personal Selling**

There are different kinds of salesperson. There is the product delivery salesperson. His or her main task is to deliver the product, and selling is of less importance e.g. fast food, or mail. The second type is the order taker, and these may be either 'internal' or 'external.' The internal sales person would take an order by telephone, e-mail or over a counter. The external sales person would be working in the field. In both cases little selling is done. The next sort of sales person is the missionary.

Here, as with those missionaries that promote faith, the salesperson builds goodwill with customers with the longer-term aim of generating orders. Again, actually closing the sale is not of great importance at this early stage. The forth type is the technical salesperson, e.g. a technical sales engineer. Their in-depth knowledge supports them as they advise customers on the best purchase for their needs. Finally, there are creative sellers. Creative sellers work to persuade buyers to give them an order. This is tough selling, and tends to offer the biggest incentives. The skill is identifying the needs of a customer and persuading them that they need to satisfy their previously unidentified need by giving an order.

### **3. Customer Service**

Customer services teams support many products, services and experiences. Customer services provided expertise (e.g. on the selection of financial services), technical support (e.g. offering advice on IT and software) and coordinate the customer interface (e.g. controlling service engineers, or communicating with a salesman). The disposition and attitude of such people is vitally important to a company. The way in which a complaint is handled can mean the difference between retaining or losing a customer, or improving or ruining a company's reputation. Today, customer service can be face-to-face, over the telephone or using the Internet. People tend to buy from people that they like, and so effective customer service is vital. Customer services can add value by

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offering customers technical support and expertise and advice.

Process is another element of the extended marketing mix, or 7P's. There are a number of perceptions of the concept of process within the business and marketing literature. Some see processes as a means to achieve an outcome, for example - to achieve a 30% market share a company implements a marketing planning process.

Another view is that marketing has a number of processes that integrate together to create an overall marketing process, for example - telemarketing and Internet marketing can be integrated. A further view is that marketing processes are used to control the marketing mix, i.e. processes that measure the achievement marketing objectives. All views are understandable, but not particularly customer focused.

For the purposes of the marketing mix, process is an element of service that sees the customer experiencing an organization's offering. It's best viewed as something that your customer participates in at different points in time. Here are some examples to help you build a picture of marketing process, from the customer's point of view.

Going on a cruise - from the moment that you arrive at the dockside, you are greeted; your baggage is taken to your room. You have two weeks of services from restaurants and evening entertainment, to casinos and shopping. Finally, you arrive at your destination, and your baggage is delivered to you. This is a highly focused marketing process.

Booking a flight on the Internet - the process begins with you visiting an airline's website. You enter details of your flights and book them. Your ticket/booking reference arrives by e-mail or post. You catch your flight on time, and arrive refreshed at your destination. This is all part of the marketing process.

- Deliver value through all elements of the marketing mix. Process, physical evidence and people enhance services.
- Feedback can be taken and the mix can be altered.
- Customers are retained, and other services or products are extended and marketed to them.

- The process itself can be tailored to the needs of different individuals, experiencing a similar service at the same time.

Processes essentially have inputs, throughputs and outputs (or outcomes). Marketing adds value to each of the stages. Take a look at the lesson on value chain analysis to consider a series of processes at work.

## Conclusion

Service involves both a provider and a client working together to create value. **Services marketing** is marketing based on relationship and value. It may be used to market a service or a product. Marketing a service-based business is different from marketing a goods-based business. A doctor interviews a patient, does some tests, and prescribes some medicine - the patient answers the questions, cooperates with the tests, and takes the medicine faithfully. Perhaps technologies and other people are involved in the tests or in the assignment and filling of prescriptions. Doctor, patient, others, and technologies together, co-create value - in this case, patient health. These relationships and dependencies can be viewed as a system of interacting parts. In many cases, a service system is a kind of complex system - a system in which the parts interact in a non-linear way. As such, a service system is not just the sum of its parts, but through complex interactions, the parts create a system whose behavior is difficult to predict and model. Service Marketing has been relatively gaining ground in the overall spectrum of educational marketing as developed economies move farther away from industrial importance to service oriented economies.

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