



SRI AKILANDESWARI WOMEN'S COLLEGE, WANDIWASH

SERVICE MARKETING

Class : II PG M.com

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UNIT 1

▶ INTRODUCTION

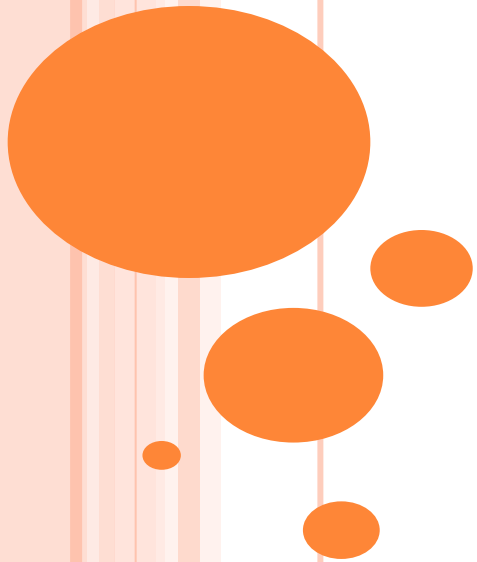


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INTRODUCTION FOR SERVICE MARKETING

- ▶ Service is an act or performance offered by one party to another that essentially intangible and does not normally result in ownership of anything. Its product may or may not be tied the physical product.

DEFINITION

- ▶ The American Marketing Association defines services marketing as an organizational function and a set of processes for identifying or creating, communicating, and delivering value to customers and for managing customer relationship in a way that benefit the organization and stake-holders.



CHARACTERISTICS

- ▶ 6 Characteristics of services marketing:
- ▶ Perishability.
- ▶ Changing Demand.
- ▶ Intangibility.
- ▶ Inseparability.
- ▶ Heterogeneity.
- ▶ Pricing of Services.





EVALUATION OF SERVICE SECTOR

- ▶ The service sector, also known as the tertiary sector, is the third tier in the three-sector economy. Instead of product production, this sector produces services maintenance and repairs, training, or consulting.
- ▶ Examples of service sector jobs include housekeeping, tours, nursing, and teaching.

GROWTH OF SERVICE SECTOR

- ▶ The services sector is a key driver of India's economic growth. The sector contributed 55.39% to India's Gross Value Added at current price in FY20#. GVA at basic prices at current prices in the second quarter of 2020-21 is estimated at Rs. 42.80 lakh crore (US\$ 580.80 billion), against Rs.



NATURE OF SERVICE SECTOR

- ▶ Intangibility.
- ▶ Inconsistency.
- ▶ Inseparability.
- ▶ Storage.



Nature of Service marketing

- Marketing of Intangible Products
- Non-Transfer of ownership
- Expanded Marketing Mix
- Inseparability of consumption and production
- Heterogeneous products
- Managerial Function

INTANGIBILITY

- ▶ A service is not a physical product that you can touch or see. A service can be experienced by the buyer or the receiver. Also, you can not judge the quality of the service before consumption.



INCONSISTENCY

- ▶ There can be no perfect standardization of services. Even if the service provider remains the same, the quality of the service may differ from time to time.



NSEPARABILITY

- ▶ One unique characteristic of services is that the service and the service provider cannot be separated. Unlike with goods/products the manufacturing and the consumption of services cannot be separated by storage.



STORAGE

- ▶ The production and consumption of services are not inseparable because storage of services is not possible. Being an intangible transaction there can never be an inventory of services.



SCOPE OF SERVICES

- ▶ A scope of services sets out precisely what services a consultant will be performing on a project. Scopes of services may also be prepared for contractors where they are carrying out design work, or for consultants appointed by contractors on design and build projects.



CLASSIFICATION OF SERVICES

- ▶ Classification of Service Marketing – 2 Major Classification:
 - ▶ Consumer Service Marketing
 - ▶ Industrial Service Marketing.



Classification of Service



THE CHALLENGES OF SERVICE MARKETING

- ▶ 1. INTANGIBILITY
- ▶ 2. LACK OF OWNERSHIP
- ▶ 3. PERISHABILITY
- ▶ 4. HETEROGENEITY
- ▶ 5. INTERACTIVITY



ISSUES IN SERVICE MARKETING

- ▶ Shifting customer priorities and expectations
- ▶ Contact through multiple channels
- ▶ Surprising demographics
- ▶ Greater importance placed on customer service
- ▶ Move towards frequent testing



UNIT- II

SERVICE MARKETING OPPORTUNITIES



ASSESSING MARKET SERVICE POTENTIAL

- ▶ A market opportunity assessment is the process of synthesising market research and client data to identify opportunities for growth in a specific market or business area and formulate an actionable strategy to realise this growth.



- ▶ Market Size.
- ▶ Market growth rate.
- ▶ Profitability.
- ▶ Competition.
- ▶ Product and consumer type.



Market Size

Market growth

Competition

Profitability

Consumer and product type

MARKETING MIX

▶ **DEFINITION:**

. A marketing mix includes multiple areas of focus as part of a comprehensive marketing plan. The term often refers to a common classification that began as the four Ps: product, price, placement, and promotion.

Effective marketing touches on a broad range of areas as opposed to fixating on one message.



THE 7 P'S OF MARKETING

- ▶ Product
- ▶ Prices
- ▶ Promotion
- ▶ Packaging
- ▶ Place
- ▶ Positioning
- ▶ People



SERVICE MARKETING ENVIRONMENT

- ▶ The service marketing environment refers to all internal and external factors, which directly or indirectly influence the organization's decisions related to marketing activities. Internal factors are within the control of an organization; whereas, external factors do not fall within its control.





SERVICE MARKETING TRENDS

- ▶ 10 Trends identified in the Service Sector in 21st Century
 - ▶ Personalization
 - ▶ Understanding of Customer Expectation
 - ▶ Credibility
 - ▶ Simplification
 - ▶ Internationalization



- ▶ Bundling
- ▶ Rationing
- ▶ Virtual experience
- ▶ Market spaces
- ▶ Multi-dimensional competition



TYPES OF MARKET SEGMENTATION

- ▶ Demographic Segmentation
- ▶ Behavioral Segmentation
- ▶ Geographic Segmentation
- ▶ Psychographic Segmentation



SERVICE MARKETING TARGETING AND POSITIONING

▶ **What Is the STP Marketing Model?**

The STP Marketing Model can help you to analyze your product offering and the way you communicate its benefits and value to specific groups.

▶ STP stands for:

- ▶ **S**egment your market.
- ▶ **T**arget your best customers.
- ▶ **P**osition your offering.



ROLE OF CULTURE IN SERVICE MARKETING

- ▶ Culture has a huge effect on consumer behaviours. It is what determines why certain products sell well amongst certain ages, nationalities and businesses but not in others. It's what actually moulds target audiences. At a global scale, what sells well in the Western world, may not in the Middle East.



SERVICE CHANNEL

- ▶ Service channels aid companies in carrying out business transactions. The term supply chain is used to describe the long channel stretching from acquiring raw materials to delivering finished products to customers. The supply chain channel includes elements of other marketing channels.



PRICING OF SERVICE METHODS

- ▶ Cost plus pricing.
- ▶ Mark-up pricing.
- ▶ Break-even pricing.
- ▶ Target return pricing.
- ▶ Early cash recovery pricing.



INTEGRATED SERVICE MARKETING

- ▶ Integrated marketing communication refers to integrating all the methods of brand promotion to promote a particular product or service among target customers. In integrated marketing communication, all aspects of marketing communication work together for increased sales and maximum cost effectiveness.



Service Integration Management



Service Integration Management

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SERVICE CULTURE

- ▶ “We define service culture as] a shared purpose where everyone is focused on creating value for others inside and outside the organization.”
- ▶ Our shorthand definition of service culture is “where employees are obsessed with customer service.”



FRANCHISING

- ▶ A franchise (or franchising) is a method of distributing products or services involving a franchisor, who establishes the brand's trademark or trade name and a business system, and a franchisee, who pays a royalty and often an initial fee for the right to do business under the franchisor's name and system.



HEALTH CARE

- ▶ Strategic planning in healthcare organizations involves creating objectives and setting goals for where the organization sees itself in the long-term. With these goals and objectives in mind, you can create a plan to achieve them



HOSPITALITY

- ▶ A guestologist seeks to understand and plan for the expectations of an organization's targeted customers before they ever enter the service setting, so that everything is ready for each guest to have a successful and enjoyable experience.



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graph TD; HI((Hospitality Industry)) --- FBP((F & B Prod.)); HI --- FBS((F & B Service)); HI --- AM((Accommodation Mangt.)); HI --- FO((Front Office));
```

**F & B
Prod.**

**F & B
Service**

**Accomm-
-odation
Mangt.**

**Hospitality
Industry**

**Front
Office**

TOURISM

- ▶ A tourism marketing strategy is a structured document that outlines your current position in the marketplace, what you hope to achieve going forward, and how you're going to make that happen. In other words, it provides a framework, so you're not floundering around, wondering what to do next



FINANCIAL LOGISTICS

- ▶ Logistics refers to the overall process of managing how resources are acquired, stored, and transported to their final destination. Logistics management involves identifying prospective distributors and suppliers and determining their effectiveness and accessibility.



EDUCATION CONSULTANCY

- ▶ An Educational Consultant (EC) is a consultant who helps parents/students and organizations with educational planning.
- ▶ An EC offers similar services to school counselors, but is normally self-employed or employed by consulting firms, while school counselors are employed by schools.



ENTERTAINMENT UTILITY INFORMATION TECHNIQUE SERVICE

- ▶ Entertainment service management is the system for coordinating field service operations. It includes scheduling work orders, dispatching service technicians, tracking labor hours and job statuses and invoicing the completed job.



PUBLIC UTILITY INFORMATION TECHNIQUE SERVICE

- ▶ Public utilities are services provided by the government or state, such as the supply of electricity and gas, or the train network. Water supplies and other public utilities were badly affected.



CLOSING CUSTOMER GAPS

- ▶
- ▶ Listen to your customers.
- ▶ Find out what your agents know.
- ▶ Experience the customer journey firsthand
- ▶ Implement changes in your business that will narrow the gap
- ▶ Understand that it's an ongoing process.

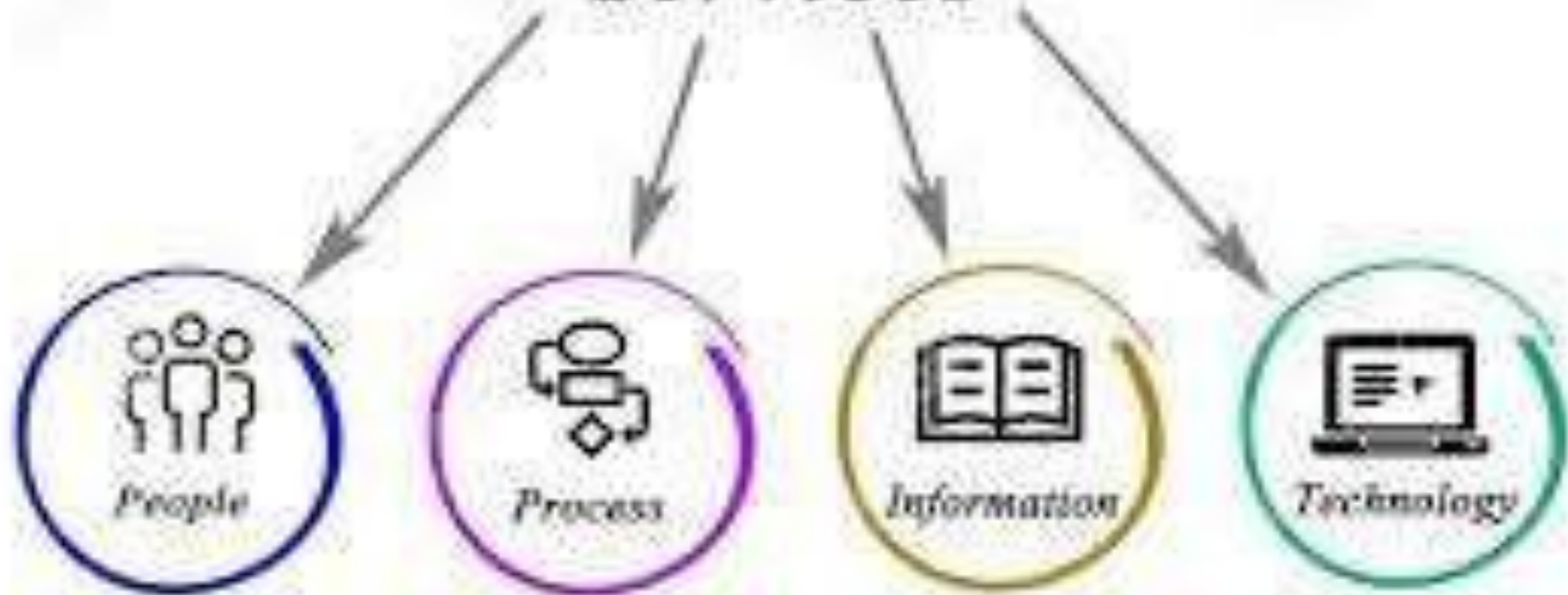


STRATEGIES TO MATCH PROMISES

- ▶
- ▶ Focus on the tangibles.
- ▶ Use brand icons to make the service tangible.
- ▶ Use association, physical representation, documentation and visualization.
- ▶ Feature service employees in communication.
- ▶ Feature satisfied customers in the communication.



Integrated Services



MARKETING COMMUNICATIONS

- ▶ Marketing communications strategy is the strategy used by a company or individual to reach their target market through various types of communication. It includes your message the medium and the target.



