

SERVICES MARKETING

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ABSTRACT

Gone are the days when marketing of products was the only objective of any marketing agency. Even at present most of the business schools and other marketing agencies still focus on marketing of manufacturing products only. Now the situation has been changed. Most of the countries have service economy. So different consultants have chosen to focus on services marketing. The most developed countries have observed that services are playing a major role in growth of GDP of any country. Growth of internet, privatization , increased international travel and international mergers are the main reasons behind the growth of service sector. Behind this, Services can not be stored like products so it is more important to focus on marketing of services .

INTRODUCTION

Services are economic activities offered by one party to another. In other words, Services are the acts performed by the service providers to fulfill the requirements of buyers. Withdrawing money from ATM, getting a haircut, getting financial advice and internet access etc. are the examples of services which we used in our daily lives. Services have unique characteristics so it is more important to focus on marketing of services. Services marketing refers to both business to consumer (B2C) and business-to-business (B2B) services. Services marketing is relatively a new concept in the marketing sector.

Keywords: Services Marketing, 7 Ps, Service Providers, Customer Relationship Management.

MEANING

Services

Services are the Activities and benefits which are offered for sale. Following are the examples of services:

- Internet access
- Telecommunications services
- International travel
- Transportation
- Insurance Services
- Banking Services

Marketing

Marketing is the activity to make consumer aware about the product and services through delivering value to the customers. Customer relationship management is an important part of marketing because it is very important to retain customer for a long time with your product.

Services Marketing

Services Marketing means promotion of economic activities by the organization to its customers. Marketing of services is different from the marketing of products. It is because of intangible nature of services. Services are produced and consumed at the same time. So it is more important to focus on marketing of services rather than marketing of products.

For instance if a seller wants to sale a product it is possible to convince the customer because of tangibility of the product. Seller can convince the customer by describing the characteristics of that particular product. But if an insurance agent wants to convince his client then it will take more efforts to make him ready for insurance policy. So it is very important to understand the concept of services marketing.

OBJECTIVES OF THE STUDY

- To understand the importance of services marketing
- To get knowledge about unique features of services
- To analyze the position of service sector in India
- To study the different strategies used in services marketing
- To become aware about key problems in marketing of services

RESEARCH METHODOLOGY

In the present study secondary data has been collected from published articles in journals, discussion papers and past studies. Various articles, researches, internet websites have been used.

Looking into the requirement of the objectives of study available secondary data is extensively used for the purpose.

IMPORTANCE OF SERVICES

1. Services create more profitable opportunities for the organisation
2. Services plays an important role in GDP growth
3. Services are the benefits received by the customers without having ownership
4. Services create employment opportunities
5. Services create awareness among customers regarding what goes on in market.

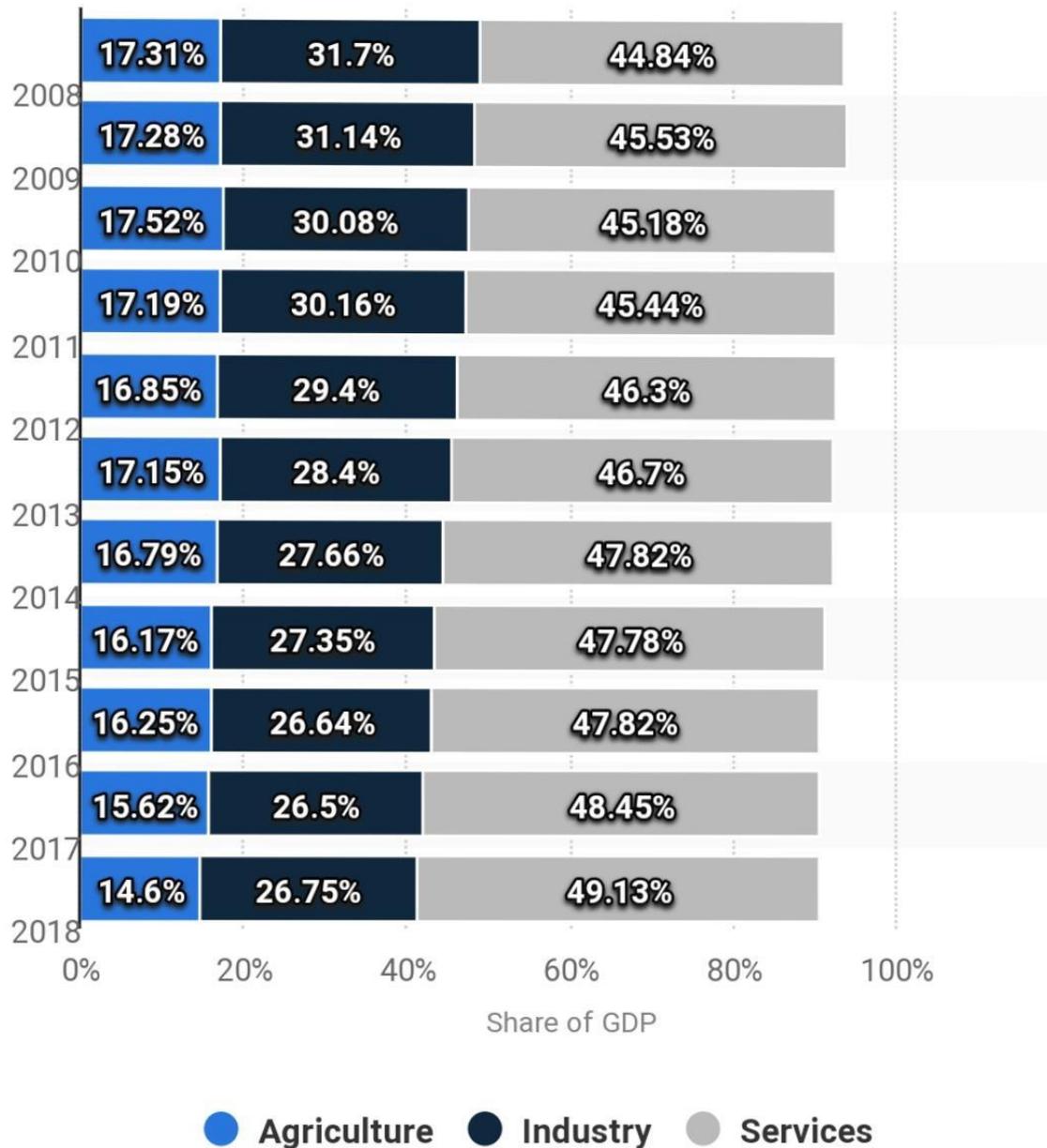
DIFFERENCE BETWEEN GOODS AND SERVICES

Basis	Goods	Services
1. Tangibility	Goods Are tangible.	Products are intangible.
2. Benefits of Ownership	Ownership can be transferred	It cannot be transferred
3. Storage	Goods can be stored	Services cannot be stored
4. Example	Electronic gadgets	Consultancy Services

DATA INTERPRETATION AND ANALYSIS

In 2018, almost half of India's GDP was generated by the services sector, a slight and steady increase over the last 10 years. Among the leading service industries in the country are telecommunications, IT and software.





Source: Statista 2020

CONCEPT OF SERVICES MARKETING

From the above information it is clear that services plays a major role in Indian economy. It is very important to aware the society and other stakeholders about the role of services. For instance, if a person want to apply for a personal loan, then how he will come to know that which banking institution provides loan with lowest interest. This is why the marketing of services is important. But strategies for services marketing are different from the product one. Following are the 7Ps of services marketing:-

- 1. Product:** Generally a product means a physical object but in case of services product is intangible. Services cannot be owned but it can be used. It includes following three components

- Core product:- The core product is the main component that provides the problem solving benefits to the customers
 - Supplementary Services:- These are the supporting service related activities which enhance the perceived value of the core product.
 - Delivery processes:- These are the processes used to deliver core product and supplementary Services.
2. **Place:** Services are created and consumed at the same time so there is not any physical object to move from one place to another. But information is distributed through different channels. Following are the distribution options for serving customers:

Nature of interaction between customer and service organisation	Availability of service outlet (Single Site)	Availability of service outlet (Multiple sites)
Customer goes to service organisation	Theater	Bus Service
Service organisation comes to customer	House painting	Mail delivery
Both transact Remotely	Local TV station	Broadcast Network

3. **Price:** If an organization wants to determine an effective pricing strategy, it must have a good understanding of its costs, value created for customers and competitor pricing. These important factors must be considered before determining the best pricing strategy:

- price charged for the services
- Base for pricing
- Person responsible for collection of payment
- Location at which payment will be made
- Timings for Collecting payment
- Mode of collecting payment

4. **Promotion:** Promotion of services is difficult rather than promotion of products. Due to duplication of services it is more important to set up services as a brand. Banks, insurance companies and various educational institutes promote themselves carefully. Following are the ways to promote services:-

- Advertising
- Personal Selling
- Sales Promotion

- Public Relations
 - Social Media
 - Word of mouth
5. **People:** People here means employees of the organisation. They are the people who directly affect their customers. Services can be copied easily therefore it is more important to monitor the behaviour and attitude of employees. If employees are happy with their job they will make more efforts for customer satisfaction. Unlike product, services can't speak itself so it is more important to train the service providers. Some of the examples are:-
- Trainers
 - Hair dressers
 - Doctors
 - Lawyers

Thus, they all are responsible for creating an image of the organisation.

6. **Process:** Process means all the activities performed by the service provider to deliver services to the customers. This is the most important element because it will decide the future of the organization. It is possible that many organizations provided the same services but if a customer wants to know that which organisation is best for him then he must be considered the activities performed by the organizations.
7. **Physical Evidence:** It refers to a tangible proof of services during interaction between an employee and a customer. Debit cards and credit cards are the best examples of physical evidence. It can be classified into two types:
- **Peripheral evidence:-** These evidences are designed to provide services to the customers in such a way that they feel special themselves. It does not have any value until it is used. For instance, a cheque book issued by a bank has no value till any bank transactions are made.
 - **Essential evidence:-** These evidences can not be possessed by the customers. The comfortable seats in cinema hall, the excellent layout of service organizations are the examples of essential evidence.

CONCLUSION

From the above study, it is clear that marketing of services is not easy. If a marketing manager wants to promote the services then he must know that how to use different tools and techniques effectively. Service organizations mostly face active competition so it is necessary to find out the most creative way to sell their services. Each of the 7Ps has a role to play it depends on the marketer that how to use them effectively. Various factors are responsible to make the economy service oriented like government policies, advanced technology, social changes and globalization. But the most important thing we need to understand is that in case of services customer involvement is must. So Customer relationship management is the main requirement of any service

organisation. The second most important thing is time because services cannot be stored. At last to understand the importance of marketing of services , the statement given below must be considered:-

“ We aren’t in the coffee business, serving people. We are in the people business serving coffee.”

Howard Schultz (Server, 2004)

Starbucks claimed their leadership by focusing on a strategy of new products, a stronger connection with customers, rapid expansion, and uncompromised quality.

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