

SERVICE MARKETING STEP TOWARDS ECONOMIC DEVELOPMENT

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Abstract

Marketing services is distinct from marketing products. The biggest difference is that services lack tangibility. It is an intangible economic activities offered by one party to another. It covers a wide range of activities, such as trading, transportation, communication, financial, real-estate and business as well as community, social and personal services. The objectives of the paper are; explain the role of service market in Indian economic developments and triangle and principles of service market. The study is based on information and secondary data accessed from reputed Journals, various books and authentic websites. The paper is concluded that service industry forms a backbone of social and economic development of a region. It has emerged as the largest and fastest growing sectors in the world economy. Its growth has been higher than that of agriculture and manufacturing sectors. It is larger and most dynamic part of Indian economy and both in terms of employment potential and contribution to national income.

Keywords; Marketing triangle, 7Ps, Economic development, competitive advantages.

INTRODUCTION

Marketing refers to all activities undertaken by a company to promote the buying of product or service. Marketing can be split into two main areas of goods marketing (which includes the marketing of Fast Moving Consumer Goods (FMCG) and durables) and marketing of services. Service marketing is a specialised branch of marketing. Services marketing emerged as a separate field of study in early 1980s, following the recognition that the unique characteristics of services required different strategies compared with marketing of physical goods. Service marketing typically refers to both business to consumer (B2C) and business to business to business (B2B) services and includes marketing of services such as telecommunications services, financial services, all type of hospitality, tourism leisure and entertainment services, car rental services, health care services and professional services and trade services. In any country economic development depend on the growth and evolution of the three sectors of the economy. However in recent years the service sector growing at a very faster rate in the developing countries and is contributing a major share in terms of output, income and employment. Now it has become a larger sector of the economy.

METHODS AND MATERIALS

Methodology

The study is based on information and secondary data accessed from reputed Journals, various books and authentic websites.

Purpose of the study

- To understand the growth and reasons of service market in economic development.
- To know well about triangles and principles of service marketing.

TRIANGLE OF SERVICE MARKETING

The service marketing triangle or the service triangle as it commonly called, underlines the relationships between the various providers of service, and the customers who consume these services. As we know, relationship is the most important in the services sector. The service triangle outlines all the relationships that exist between the company, the employees and the

customers. Furthermore, it also outlines the importance of systems in service industry and how these system help achieve customer satisfaction. There are three type of marketing which happen within the service marketing triangle.

1) Internal marketing (marketing from company to the employee)

It is an important relationship in the service triangle is that between the company and the employees. Training employee, building value and trust, and empowering employees are some of the ways that the company can make their employees a positive influencing force for the customers. Building confidence and motivation in your employees, so that they build excellent relationship with the end customers and the company get the money. An advertising firm always tries to keep its, own employees motivated. They need to be jovial mood because the rest of the times they are using their creative brains very hard to give the ultimate service to their customers.

2) External marketing (marketing from the company to the customers)

Companies use external marketing to make promises to customers. External marketing is the marketing any communication to customers or potential customers that happen before service delivery starts. We use external marketing to create awareness, setting price and service expectation, inform the customers about prerequisite etc. The various forms of external marketing can be advertising, sales promotions, public relations, direct marketing, and internet marketing in today's age. Most of the e-commerce companies are nowadays employed in convincing the customers to buy from their portal only. For this buying, they are communicating various service advantages which the customers have.

3) Interactive marketing (market between customers and the employees)

The marketing which happens on the retail store, in a mall, in a bank, or in any format where the customer comes in touch with the employee, is known as interactive marketing. This marketing within the service triangle happens between the customers and employees. Interactive marketing is also a strong way to influence customers. The various forms of interactive marketing include personal selling, servicing the customer and interacting with customers on social media of other such interactive platforms. It is most commonly used to help customers come to a decision with regards to their purchase decision.

PRINCIPLES OF SERVICE MARKETING

The basic principles of marketing consist of product, price, place and promotion. Together, these four principles are known as "4P" marketing, and include the integration of marketing. For a marketing strategy to be effective, the four components must be used correctly. The challenges of business owner are to determine the appropriate method for each area, and integrate successfully.

Products:

The product you sell can be a physical or intangible service such as sending food home or service cleaning. When you create your product, you need to consider factors such as the name, packaging, different type of users and safety when used. It is also necessary to determine how the product appeals to a specific market segment. The product should meet the needs of particular group of people, such as professionals, housewives, business owners, students or golfers.

Price:

You need to determine the price of the product. If the price is too high, you keep far from potential buyers. If it is too low, you may also have difficulty obtaining profits. You will also have to consider the price of the competition. Some models of common price include the cost plus a profit, in which a fixed percentage of the cost of production is added, and the price based on the value of the product, in which the price is set according to the value consumers perceive the product. The latter kind of price is often used in more expensive luxury items.

Place:

The concept of place refers to the distribution channels; this is where the product will sell and how to hit the market. If you operate a business whose headquarters is home, as sales on internet and you want to send your product directly to consumers. Larger business, such as consumer goods manufactures can sell their products at a grocery wholesaler, who then distributed to retail stores in the field.

Promotion:

Promotion the product or service involves raising awareness among potential customers about its existence. It is likely that advertising is the most famous form of promotion, using media such as television, radio, newspapers and magazines. The websites are also used as an advertising medium. Promotion can serve a variety of purpose, such as gaining market share, improve brand name or bring to market a new product. The effect of promotion will create the need or desire for product, which ultimately will lead to increased sales.

People:

People refer to the staff and salespeople who work for your business, including you. When you provide excellent customer service, you create a positive experience for your customers, and in doing so market your brand to them. In turn, existing may spread the word about your excellent service and you can win referrals. Give your business a competitive advantage by recruiting the right people, training your staff to develop their skill and retaining good staff.

Process:

Process refers to the process involved in delivering your products and services to the customers. It also about being 'easy to do business with', having good process in place ensure that learn more about business process, procedures and standards and also:

- Repeatedly deliver the same standard of service to your customers.
- Save time and money by increasing efficiency.

Physical evidence

Physical evidence refers to everything your customers see when interacting with your business. It is the environment in which the service delivered. This includes:

- The physical environment where you provide the product or service
- The layout or interior design
- Your packaging and branding

Consider how your store's layout, fixtures and signage can build your brand and increase your sales. Physical evidence can also refer to your staff and how they dress and act.

GROWTH OF SERVICE MARKET

In India, the importance of services sector has been increasing continuously decade after decade. India is experiencing a service boom. The service sector is not only dominant sector in India's GDP, but also attracted significant foreign investment flows, contributed significantly to export as well as provided large-scale employment. Notable growth rate has been recorded in many Indian's service sectors such as insurance, transportation, telecommunication, IT sector, electricity, postal services, tourism, banking, health care, entertainment, education, consultancy, etc. With the continuous expansion of service sector, both in terms of volume and diversity, the importance of services sector has been increasing at a high speed. in most of the developing countries, where agriculture and industry dominated the show in generating employment till a few years ago, but things started to change in recent period. Thus it has been observed that the service sector has become a major player in almost all the countries of the world.

Market size

The service sector is the key driver of India's economic growth. The sector has contributed 54.17% per cent of India's Gross Value Added at current price in 2018-19. Net service exports stood at US\$ 60.25 billion in April- December 2018. Nikkei Indian Service Purchasing Managers' Index (PMI) stood at 50.2 in May 2019. The expansion in service activity was driven by boost in capacity and demand along with favourable public service.

Investment

Some of the developments and major investments by companies in the services sector in the recent past are as follows.

- India's earnings from medical tourism could exceed US\$ 9 billion by 2020
- Indian healthcare companies are entering into merger and acquisitions with domestic and foreign companies to drive growth and gain new markets.
- Business travel and tourism spending are expected to increase to US\$ 234.4 billion and US\$ 12.9 billion in 2018, respectively.

Government initiatives

The government of India recognises the importance of promoting growth in service sector and provides several incentives in wide variety of sector such as tourism, education, engineering, communication, transportation, information technology, health care, banking, financing, management among others. The government of India has adopted a few initiatives in the recent past. Some of these are as follows.

- Government of India is working to remove many trade barriers to services and tabled to draft legal text on trade facilitation in services to the WTO in 2017
- Under the Mid-term Review of foreign Trade Policy (2015-20), the central government increased incentives provided under the services Exports from India Scheme (SEIS) by two per cent.

REASONS FOR GROWTH OF SERVICE SECTOR IN INDIA

A) Competitive Advantage

The main reason for growth of service market is competitive advantage. These are large pool of skilled manpower, relatively low cost and a rapidly increasing youth population looking to migrate from agriculture to other sector.

B) Robust demand

India is the export hub for software service. It has a 55% share in US\$ 185-190 billion global sourcing market in 2017. It is also becoming a destination for medical tourism as a result of cheaper but quality health care services.

C) Policy support

Government of India is working to remove many trade barriers to service and tabled a draft legal text on trade facilitation in service to the WTO in 2017

D) Increasing Investment

Service sector is the largest recipient of FDI in Indian with inflow of US\$ 70.91 billion between April 2000 and December 2018

CONCLUSION

The study concludes that the service sector is very important for India, as it is contributing half of the GDP growth in the Indian economy. The service sector is not only dominant sector in India's GDP, but also attracted significant foreign investment flows. Employment is increasing due to development of service sector. The main reasons for growth service sector in India are Indian's competitive advantages, government policy, increasing demand and FDI. There is a very good scope to improve further in the services provided by the companies and government in the field of health care, tourism, education, IT, finance etc. The principles and service triangle would help the firm to make appropriate strategies on different economic conditions. As India is developing very fast, there is a need for changes in the quality and also the speediness of the service.

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