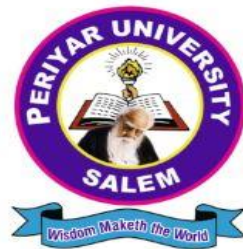# PERIYAR UNIVERSITY

(Reaccredited by NAAC 'A++' Grade - State University - NIRF Rank 59 - NIRF Innovation Band of 11-50)

SALEM - 636 011, Tamil Nadu, India.

CENTRE FOR DISTANCE AND ONLINE EDUCATION (CDOE)

BACHELOR OF BUSINESS ADMINISTRATION

SEMESTER - VI

CORE PAPER: SERVICES MARKETING

(Candidates admitted from 2024 onwards)

PERIYAR UNIVERSITY

CENTRE FOR DISTANCE AND ONLINE EDUCATION (CDOE)

B.B.A 2024 admission onwards

CORE-XIV

SERVICES MARKETING

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Service Marketing

Course Code	*24DUBA20*	*Credits*	*04*
Course Title	*Service Marketing*	*Hours/ Week*	*05*
Course Objectives	*Service marketing is a specialized branch of marketing focused on promoting and selling intangible services rather than physical products. A course on service marketing aims to equip students with the knowledge and skills necessary to effectively market services. By the end of the course, students should be able to develop and implement effective marketing strategies for various types of services, understand the critical role of service quality and customer satisfaction, and leverage technology and innovation to enhance service delivery.*		
Course Outcome	*Upon completing a course in service marketing, students should achieve a range of specific learning outcomes that demonstrate their understanding and ability to apply key concepts and techniques in real-world contexts.* 1. *Students should be proficient in conducting market research, understanding customer needs, and analyzing competitive landscapes.* 2. *Students should be able to identify, assess, and develop strategies to mitigate risks associated with service.*		

	3. *By achieving these outcomes, students will be well-prepared to take on roles in service marketing, equipped with the knowledge and skills needed to navigate the complexities of marketing intangible services in a competitive and dynamic environment.*
Unit I	***Introduction of Marketing Service*** *Marketing Services: Introduction growth of the service sector -* *The concept of service. Characteristics of service –* *classification of service designing of the service,* *blueprinting using technology, developing human resources,* *building service aspirations*
Unit II	***Marketing Mix*** *Marketing Mix in Service Marketing: The seven Ps: product decision, pricing strategies and tactics, promotion of service and distribution methods for services. Additional dimension in services marketing people, Physical evidence and process.*
Unit III	***Business Plan Preparation*** *Effective Management of Service Marketing: Marketing demand and supply through capacity planning and segmentation - internal marketing of services – external versus internal Orientation of service strategy.*

Unit IV	*Delivering Quality Service*
	Delivering Quality Service: Causes of service – quality gaps- SERVQUAL-SERVPEF. The customer expectations versus perceived service gap. Factors and techniques to resolve this gap. Customer relationship management. Gaps in services - quality standards, factors and solutions – the service performance gap – key factors and strategies for closing the gap. External communication to the customers- the promise versus delivery gap - developing appropriate and effective communication about service quality.
Unit V	*Various Marketing of Service*
	Marketing of Service with Special Reference To: 1.Financial services, 2. Health services, 3. Hospitality services including travel, hotels and tourism, 4. Professional service, 5. Public utility service, 6.Educational services and e-services.
Text Books	*1.Reddy P.N. (2011)– Services Marketing – Himalaya Publication* *2. Christopher Lovelock ,Jochen Wirtz (2016)– Services Marketing – World Scientific Publisher* *3. The Journal Of Services Marketing* *4.Valarie A Zeithmal and Mary JO Bitner, Services Marketing: Integrating Customer Focus across the firm, Tata Mc Graw Hill NewDelhi* *5 C. Bhatta charjee, Services Marketing ,Excel Books,NewDelhi*
Reference Books	*Dr. B. Balaji, Services Marketing and Management, S. Chand & Co, New Delhi.*

2. S.M. Jha, Services marketing, Himalaya Publishers, India

3. Baron, Services Marketing, Second Edition. Palgrave Macmillan

4. Dr. L. Natarajan Services Marketing, Margham Publications, Chennai.

5.Thakur.G.S. Sandhu supreet& Dogra Babzan, Services marketing, kalyanni Publishers, Ludhianna.

Self-Learning Material Development – STAGE 1

Introduction of Marketing Service

Marketing Services: Introduction growth of the service sector - The concept of service.

Characteristics of service – classification of service designing of the   service, blueprinting

using technology, developing human resources,   building service aspirations

Unit Module Structuring

1. *Marketing Services*

2. *Introduction growth of the service sector*

3. *The concept of service*

4. *Characteristics of service*

5. *Classification of service designing of the service*

6. *Blueprinting using technology*

7. *Developing human resources*

8. *Building service aspirations*

STAGE – 2 – Modules Sections and Sub-sections structuring

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1.1.3	Definition of Market Service		7
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1.2.2	Nature of Service		9
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UNIT 1 – *Introduction of Marketing Service*

Contents of the Unit 1

Marketing Services: Introduction growth of the service sector - The concept of service. Characteristics of service – classification of service designing of the   service, blueprinting using technology, developing human resources,   building service aspirations

Unit Objectives

1. To understand the factors driving the growth of the service sector and its impact on the global economy.

2. To define Grasp the fundamental concept of services and how they differ from tangible products.

3. Identify and analyze the unique characteristics of services and their implications for marketing.

4. Learn to classify services based on various criteria to better understand their nature and requirements.

5. Develop the ability to design effective service processes that enhance customer satisfaction and operational efficiency.

1.1   Introduction

1.1.1 Marketing Service

Service marketing is the marketing and selling of intangible products (non-physical products). Services comprise all of those personal facilities which we require from time to time like; medical care, education, renting of living spaces and vehicles, haircut, spas, musical concerts, dance classes, etc. However, the purpose of service marketing is to utilize the effective method of communication to create demand for service among customers like advertisement, promotional deals or offers.

1.1.2 Meaning

A service is a set of singular and perishable benefits which is Delivered from the accountable service provider, mostly in close coactions with his ser-vice suppliers, Generated by functions of technical systems and/or by distinct activities of individuals, respectively, Commissioned according to the needs of his service consumers by the service customer from the accountable service provider, Rendered individually to an authorized service consumer at his/her dedicated trigger, And, finally, consumed and utilized by the triggering service consumer for executing his/her upcoming business or private activity.

1.1.3 Definition

"Services are activities, benefits or satisfaction which are offered for sale or provided in connection with sale of goods". - The American Marketing Association

"Services are those separately identifiable essentially intangible activities, which provide want satisfaction when marketed to consumers and/or industrial uses and which are not necessarily tied to the sale of a product or another service". – Stanton

1.2 Growth and Evolution of Service Marketing

1.2.1 Reasons For The growth Of Services In India

Economic prosperity: One of the vital elements for the development of interest for administrations is the financial luxuriousness. As per the NCAER concentrate on the size of the center pay shopper are raising quick and the level of the extremely unfortunate family's declining. The country family in the upper pay class is developing at a lot quicker pace than the metropolitan families in the relating classifications. The Economic progression Process decidedly affects the Indian families. Their pay as well as their use has been pushed, driving an interest forsome labor and products.

Changing Role of Women: Traditionally the Indian lady was restricted to family exercises. In any case, with the changing time there has been an adjustment of the customary perspective in the general public. Ladies are presently permitted to work. They are utilized in guard administrations, police administrations, postal administrations, programming administrations, wellbeing administrations, medical clinic administrations, media outlets, Business Process Outsourcing and so on. The level of working ladies has been developing quickly. The changing job of ladies has made a business

opportunity for various item and administrations. Acquiring ladies like to recruit administrations to limit the multitude in ous jobs that they are expected to perform. The interest by lady is compelling assistance associations to be more creative in their methodology.

Cultural Changes: Change is the hidden way of thinking of culture spot of progress in Indian culture isn't uniform. Be that as it may, during the last century the variables of progress are noticeable. The development of the family unit framework instead of the conventional <mark>joint family framework drives an interest for a large group of administrations like schooling, medical services, diversion, telecom, transport, the travel industry, etc</mark>. There has' been an obvious change in the points of view connecting with venture, relaxation time discernment, etc which has spurred gigantic interest for administrations.

Development of Markets: During the most recent couple of many years the distributer and the retailer populace has filled in the country. Metropolitan India has turned into a group of wholesaling and retailing business. In the Semi - metropolitan regions, retailing has spread to the alcoves and corners of the roads and in the provincial regions retail business is altogether present. Another type of associations, offering showcasing administrations has come up. The public authority likewise offers advertising administrations to the limited scale agrarian ranchers, craftsmen and other customary business areas, <mark>for example, advancement of managed markets, trade advancement committees, improvement sheets and so on.</mark>

Market direction: The changing serious circumstance and request supply positions has constrained the assembling association to move their way of thinking from creation direction to advertise direction. Market is a help work that has been included the association. The tensions in the market has additionally constrained the assembling associations to have <mark>promoting research, book keeping, examining, monetary administration, human asset the board and advertising research divisions which are all administrations capacities.</mark>

Health-Care Consciousness: In India, the medical services market has developed significantly. The expanded future is the consequence of the cognizance of individuals in regards to the medical problems. The development of wellness clubs, symptomatic focuses, clinical guiding, and wellbeing related data locales are the impressions of the developing requests for medical care administrations. The public authority as well as the social associations has taken up the mass missions to make mindfulness among the uneducated people and the provincial populace on wellbeing administration. Thus, the development of wellbeing related administrations.

Economic progression: The financial advancement of the 1991 has gotten many changes the Indian situation. With the Disinvestment and the Privatization approaches the state claimed imposing business models in many help regions reached a conclusion Multinationals were allowed to enter the Indian market. Liberal loaning approaches and lower financing costs spurred many individuals to become independently employed. Various areas like Banking, Insurance, Power projects, Telecommunication, Hospitality area, Health Services, Entertainment, Air transport, and Courier administrations saw serious rivalry, because of the passage of multinationals. The progression of reliable assistance innovation from different regions of the planet changed the disposition of the Indian shopper towards sources

1.2.2 Nature of Services
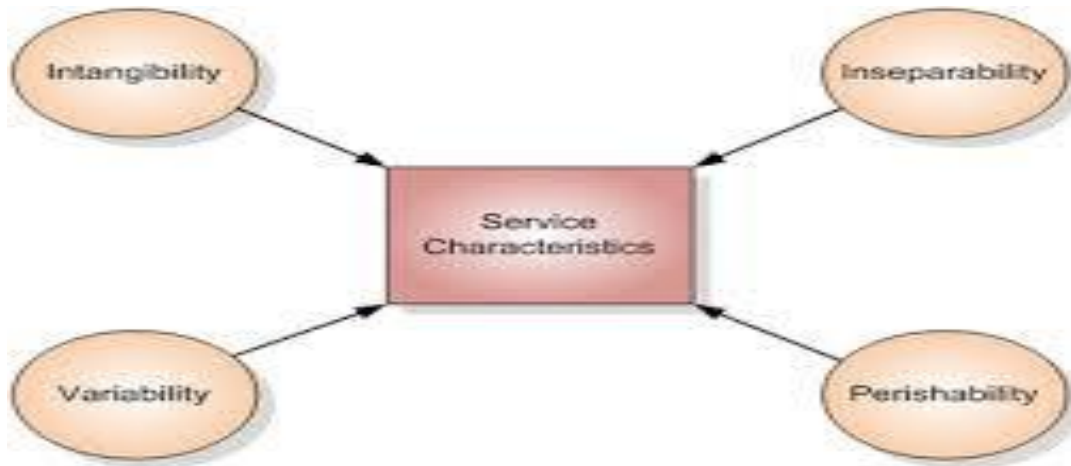
1.Intangibility Services are intangible in nature. It means that the services provided to a consumer cannot be touched, seen, or felt, instead, they can be experienced only. As individuals cannot taste, feel, or touch a service, they cannot determine its quality before consumption; hence, it gives rise to the purchase. Therefore, it is essential for the service providers to continuously work on their services to provide desired results to the customers. For example, a doctor should provide a favorable experience to a patient.

2. Inconsistency As there is no tangible product in the services, they are inconsistent in nature and have to be exclusively performed by the service provider every time. Besides, different customers have different expectations, wants and demands. Therefore, the service providers should alter their offer to meet the customers' requirements as closely as possible. For example, beauty parlor services, etc.

3.Inseparability The production and consumption of services are inseparable as they cooccur. For example, if we manufacture a television today, we can sell it at a later date. However, we cannot do the same with services, as they have to be consumed as and when they are produced. Even though the

service providers can design a substitute for their services as per the requirements, customer interaction is an essential part of services.

4.**Inventory** As discussed earlier, services do not mean any tangible component; therefore, we cannot store them for future use. In simple terms, services are perishable in nature, and one cannot store the service itself but can store some associated goods to the service for future use. For example, one can purchase an airplane ticket and store it, but can experience the journey only when the airlines provide it to the customer.

5. **Involvement** A customer is involved in the production of the service. In simple terms, as the customer is the recipient of the service, their participation at the time of service delivery is a must. However, the service providers can make necessary changes in the services as per the need of the customer. For example, Urban Clap cannot provide massage service if the customer is not present or does not participate

1.2.3 Scope of Service Marketing

A service business is one where the perceived value of the offering to the buyer is determined more by the service rendered than the product offered. In this way the   nature and scope of services pose different challenges for managers in service businesses. Such businesses include those that provide an almost entirely intangible offering, such as legal services, health care and cleaning services and businesses that offer both services and products such as restaurants and retail outlets.

1. Service as an organization:

It is the entire business or not-for-profit structure that resides within the

Service sector. For example, a restaurant, insurance company a charity.

2. Service as core product:

The commercial outputs of a service organization such as a bank account, an insurance policy or a

holiday.

3**. Service as product augmentation:**

Any peripheral activity designed to enhance the delivery of a core product. For example, provision of

a courtesy car, complimentary coffee at the hairdresser.

4. Service as product support:

Any product or customer-oriented activity that takes place after the point of delivery. For example,

monitoring activities, a repair service, up-dating Facilities.

5. Service as an act that is service as a mode of behavior such as helping out and giving advice.

1.2.4 Product and services

Product	services
Products are objects or systems made available for consumer	Services are transactions where no physical goods are transferred from the seller to the buyer
Tangible Intangible	Intangible

Products are manufactured, stored, and ransported	Cannot be manufactured, stored, and ransported
Can be returned or replaced	Cannot be returned or replaced
Products sold can be identical	Each delivery of a particular service is never exactly the same

1.3 The concept of service

The service concept outlines how a service provider can realize the value and desired outcomes of its services. The service concept can best be described as the way in which an organization would like to have its services perceived by its stakeholders. It describes the non-tangible aspects of service delivery and is an integral part of the value proposition of service providers. Whereas with tangible objects the final product is mostly the sum of its parts, this is certainly not the case with services.

The service concept consists of the holistic combination (i.e. all element should be considered equally) of four dimensions

1.   Service operation: the way in which the service is delivered;

2.   User experience: the user's direct experience of the service;

3.   Service outcome: the benefits and results of the service for the user;

4.   Value the benefits the user perceives as inherent in the service, weighed against the cost of the service.

The four dimensions of the service concept form a key to defining how the stakeholders in an organization perceive the value of services, minimizing the gap between user expectations and the service delivery operation

The service concept plays an important role in determining the Service Automation strategy for organizations, and the subsequent design and development activities. It is positioned as a high-level and overarching concept that gives input to the overall strategy of the service provider.

Let's Sum Up

Dear Learners, in this third section, we have made an attempt to have an Understanding concept and over all factors and connection discuss here.

1.4 Characteristics of Services

Characteristics of Services

INTANGIBILITY

PERISHABILITY

INSEPARABILITY

USER PARTICIPATION

VARIABILITY

LACK OF OWNERSHIP

1. Lack of ownership - One cannot own or store a service as it can be done in case of a product. Service is consumed at the point of sale and does not result ownership. Services are used or hired for a period of time. For example buying a movie ticket the service lasts for two or three hours, but customer want and expect complete entertainment and excellent service for that time period.

2. Intangible - Services are intangible in nature, you cannot touch it, cannot see it, cannot taste it. You cannot touch or hold a service as you can do with a product. For example one cannot touch or hold the services provided by his financial adviser. This makes it difficult to evaluate the quality of service prior to consuming it since there are fewer attributes of quality in comparison to a product.

3. Inseparable - Service is inseparable in nature means to say that it cannot be separated from the service provider. A product when produced can be taken away from its producer whereas a service is produced at or near the point of purchase. For example visiting a restaurant, you order your meal, wait for the meal, meal delivered to you and services provided by waiter/waitress are all part of service production process and is inseparable.

4. Perishable - Service last for specific time period, it cannot be stored as like a product for future use. Service production and utilisation goes simultaneously. For example watching a movie in cinema hall, service will only last the duration of the show. Again because of this time con-straint consumers demand more.

5. Heterogeneous - It is very difficult to make each service experience identical, for example you travelling by plane the service quality may differ from the first time you travelled by that airline to the second, because the air hostess is less or more experienced. Systems and procedures are followed in service production process to minimize this heterogeneity and to provide consistent services all the time.

6. Service Firms - Customer Service in a service firm is highly interactive in nature. Customer interacts with the firm physical facilities, personnel, tangible elements like the price of the ser-vice. The success of any service firm depends on how its performance is judged and perceived by the customer.

Today, Service Firms are becoming highly competitive, so, it is essential for service firms to provide high quality services for their survival.

<mark>**Let's Sum Up**</mark>

Dear Learners, in this fourth section, we have made an attempt to have an Understanding charcterstices of this service

1.5 Classification of service designing of the service

There are two types of services;

Consumer Service	Industrial Service
• Food Services • Hotels and Motels • Personal care services • Car services firms • Entertainmentservices • Transport services • Communication Services • Insurance services • Financialservices	• Financial Services • Insurance services • Transport & warehousing • Engineering services • Advertising promotion services • Office services, • Management consultancy services.

1. **By Sector**:

   - o **Consumer Services**: Personal services like healthcare, education, and leisure.

   - o **Business Services**: Professional services like consulting, legal, and financial services.

2. **By Nature of Service Act**:

   - o **People Processing**: Services directed at customers (e.g., healthcare, salons).

   - o **Possession Processing**: Services directed at physical possessions (e.g., repair, cleaning).

   - o **Mental Stimulus Processing**: Services directed at people's minds (e.g., education, entertainment).

   - o **Information Processing**: Services directed at intangible assets (e.g., banking, insurance).

3. **By Relationship with Customers**:

   - o **Continuous Services**: Ongoing relationships (e.g., banking, subscriptions).

   - o **Discrete Services**: One-time interactions (e.g., consulting, repair).

Designing the Service

1. **Service Concept**:

   - o Define the core benefit and value proposition.

   - o Align service features with customer needs and expectations.

2. **Service Design**:

   o Design service processes, environments, and delivery systems.

   o Focus on customer experience and service efficiency.

3. **Blueprinting**:

   o Create a visual representation of the service process.

   o Identify customer actions, front-stage and back-stage activities, and support processes.

4. **Service Encounter**:

   o Manage touch points where customers interact with the service.

   o Ensure seamless and positive interactions to enhance customer satisfaction.

Let's Sum Up

Dear Learners, in this fourth section, we have made an attempt to have an Understanding over all principles and classification the service

1.5.1 Services Design

A service involves creation and delivery of core benefits in order to satisfy an identified need of the customer. As a process, it refers as to how a service is provided or delivered to a customer. In a competitive market, the importance of the actual process in service delivery has been recognized.

SERVICE DESIGN PROCESS AND TOOLS

VISION	PERSONAS	LOCATION PLAN	JOURNEY MAP	BLUEPRINT
Values, philosophy and goals to provide direction and guide decision-making	Representative users based on research into motivations and behaviors	Determining what services are offered where, when, and by whom	Mapping service use over time, identifying the touchpoints in the user experience	Guidance on delivery of a service across different channels for staff and systems

©brightspot strategy

1.5.2 Factors Influence Designing Service Process

1. The Service Itself

2. Customer Participation in the process

3. Location of Service Delivery

4. Level of Customer Contact

5. Degree of Standardisation

6. Complexity of the service

1.6 Blueprinting Using Technology

1.6.1 Blueprinting

A service blueprint is a flow chart of the service process. It conveys the service concept by showing all the elements or activities and their sequencing and interaction. It is pictorial description of the service system showing the service at an overview level. It explains how each job or department functions in relationship to the service as a whole. Blueprinting was developed by Shostak in 1987.

1.6.1 Technology & Service Productivity

Service organisations can improve their productivity by introducing systems and technology in their operations. Under the systems approach to services marketing technology, engineering and management sciences are implemented into service industries. The systems approach looks at the task as a whole. The systems approach identifies the key operations to be performed, devises new ways of performing each operation, eliminates superfluous practices through new methods and improves the coordination of processes within the system

1.6.2 Application of technology to service Activities

1.   **Hard Technology** Hard technologies substitute machinery, tools and other engineering devices for labour intensive performance of service work. The following examples can be offered for the application of hard technologies in the service sector. Example: Automatic car washes, airport x-ray equipment, automatic car vending equipment, audio computers, the consumer credit card and bank balance checking machine.

2.   **Soft Technology** Soft technology means substituting pre-planned systems for individual service operations. Though the systems involve some technology, the basic characteristic is the system itself. Example: Fast food restaurants such as MC Donald, Wendy, Pizza hut, Kentucky Fried Chicken follow rationale division of labour. Use of soft technologies in these organistions ensures the benefits in the forms of high quality, cost control, speed and efficiency, cleanliness and low prices.
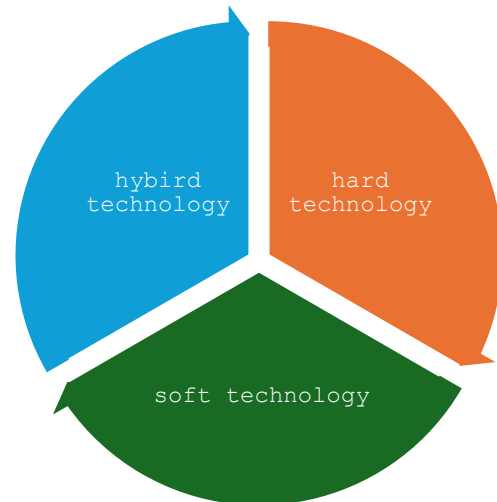
3.   *Hybrid technologies* combine hardware with carefully engineered systems to bring greater efficiency, order and speed to the service process. <mark>Example:</mark> The cost of energy can be substantially saved by careful programming for types and grades of roads, location of stops, congestion of roads, toll road costs and mixing point access.

Service Blueprinting:

- Map out the entire service process using diagrams.
- Highlight potential fail points and areas for improvement.

Technology Integration:

- Use technology to automate processes and improve service delivery (e.g., self-service kiosks, mobile apps).
- Leverage data analytics for personalized service and better decision-making.

<mark>**Let's Sum Up**</mark>

Dear Learners, in this sixth section, we have made an attempt to have an Understanding over all principles and technology integration and service provided through blue printing process

<mark>**1.7 Developing human resource**</mark>

Human Resource Management (HR) is an overall activity of the company that involves the relationship between the organization and employees who are assets in marketing services. Management's view regarding internal marketing will create HR work effectiveness before dealing with consumers. There are 2 important aspects in internal marketing, namely: Each employee from each department has a role

as internal customer and supplier. Alignment of mission, strategy and goals is an important element to create high commitment to every employee.

1. **Technology Integration**:

   o Use technology to automate processes and improve service delivery (e.g., self-service kiosks, mobile apps).

   o Leverage data analytics for personalized service and better decision-making.

Developing Human Resources

1. **Recruitment and Selection**:

   o Hire individuals with the right skills, attitudes, and customer orientation.

2. **Training and Development**:

   o Provide ongoing training to enhance service skills and product knowledge.

   o Develop soft skills like communication, empathy, and problem-solving.

3. **Employee Empowerment**:

   o Enable employees to make decisions and take actions to solve customer issues.

   o Foster a sense of ownership and accountability.

4. **Performance Management**:

   o Set clear performance standards and provide regular feedback.

   o Recognize and reward excellent service delivery.

Let's Sum Up

Dear Learners, in this sixth section, we have made an attempt to have an Understanding developing human resource development and employer and employee relationship recognize.

The service generating organizations building service aspirations in the process of generating demand for the services. The aspirations may be generated in two ways, namely, generating aspirations to serve the users and generating aspirations to use the services. Service aspirations of organization engaged in generating services focus on offering quality services. Quality is generally conceptualized as an attitude towards service.
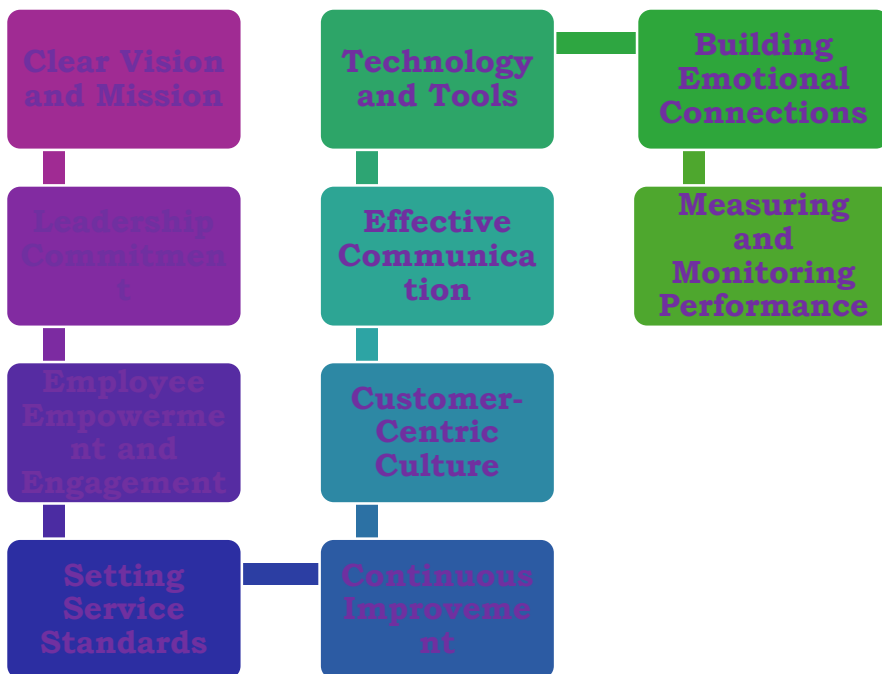
1. Define a Clear Vision and Mission

- Vision Statement: Articulate a clear, inspiring vision that reflects the long-term aspirations for service excellence. This should capture the essence of what the organization wants to achieve in terms of customer service.

- Mission Statement: Develop a mission statement that outlines the organization's purpose, core values, and commitment to delivering outstanding service.

2. *Leadership Commitment*

- Role Modeling: Leaders should embody the service aspirations and demonstrate a commitment to service excellence in their actions and decisions.

- Communication: Consistently communicate the importance of service quality and customer satisfaction throughout the organization.

3. Employee Empowerment and Engagement

- Training and Development: Provide ongoing training and development programs to equip employees with the skills and knowledge required to deliver excellent service.

- Empowerment: Empower employees to make decisions and take actions that enhance customer satisfaction. This includes giving them the authority to resolve issues on the spot.

- Recognition and Rewards: Implement recognition and reward programs that celebrate employees who exemplify the service aspirations. This can include employee of the month awards, bonuses, or public recognition.

4. Customer-Centric Culture

- Customer Feedback: Encourage and actively seek customer feedback to understand their needs, preferences, and perceptions of the service.

- Customer Journey Mapping: Map out the entire customer journey to identify key touch points and opportunities for enhancing the service experience.

- Customer Involvement: Involve customers in service design and improvement processes through focus groups, surveys, and advisory panels.

5. Continuous Improvement

- Quality Management: Implement quality management systems and processes to ensure consistent service delivery and continuous improvement.

- Benchmarking: Regularly benchmark against industry standards and best practices to identify areas for improvement.

- Innovation: Foster a culture of innovation where employees are encouraged to come up with new ideas and approaches to improve service delivery.

6. Setting Service Standards

- Service Level Agreements (SLAs): Establish clear service level agreements that define the expected standards of service and performance metrics.

- Standard Operating Procedures (SOPs): Develop detailed SOPs that provide guidelines for consistent service delivery across all customer interactions.

7. Effective Communication

- Internal Communication: Ensure that all employees are aware of the service aspirations and their role in achieving them through regular meetings, newsletters, and internal portals.

- External Communication: Communicate the organization's commitment to service excellence to customers through marketing materials, website content, and customer interactions.

8. Technology and Tools

- Customer Relationship Management (CRM) Systems: Utilize CRM systems to manage customer interactions, track service performance, and personalize the customer experience.

- Feedback Tools: Implement tools and platforms that make it easy for customers to provide feedback and for the organization to act on that feedback promptly.

9. Building Emotional Connections

- Personalization: Offer personalized service that makes customers feel valued and understood. This can include personalized recommendations, greetings, and follow-ups.

- Empathy and Understanding: Train employees to show empathy and understanding in all customer interactions, addressing customer concerns with genuine care and concern.

10. Measuring and Monitoring Performance

- KPIs: Establish key performance indicators (KPIs) related to customer satisfaction, service quality, and operational efficiency.

- Regular Reviews: Conduct regular reviews and audits to assess performance against the established standards and identify areas for improvement.

- **Service Culture**:
  - Cultivate a culture focused on customer service excellence.
  - Encourage values like empathy, responsiveness, and reliability.

- **Customer-Centric Mindset**:
  - Put customers at the heart of business decisions.
  - Strive to exceed customer expectations and build long-term relationships.

- **Continuous Improvement**:
  - Implement mechanisms for collecting customer feedback.
  - Use feedback to drive continuous service enhancements.

- **Brand Promise**:
  - Clearly communicate the service promise and consistently deliver on it.
  - Build trust and loyalty through reliable and superior service experiences.

In summary, the growth of the service sector underscores the importance of understanding the unique characteristics of services, designing effective service processes, leveraging technology, developing a skilled workforce, and fostering a customer-centric culture. These elements are crucial for delivering high-quality services that meet and exceed customer expectations.

Let's Sum Up

Dear Learners, in this seventh section, we have made an attempt to have an Understanding over all principles and building aspiration and loyalty .

Unit Summary	This unit provides a foundational understanding of the growth and importance of the service sector, the unique characteristics and classification of services, and the critical elements involved in designing, managing, and delivering high-quality services using both human and technological resources.

check your progress	1. **Which characteristic of services distinguishes them from physical products?**
	
	    A. Tangibility
	
	    B. Perishability
	
	    C. Storable
	
	    D. Inflexibility
	
	2. **Which of the following best describes the intangibility of services?**
	
	    A. Services cannot be stored for later use.
	
	    B. Services cannot be separated from their providers.

C. Services cannot be seen, touched, or tasted before purchase.

D. Services vary in quality based on who provides them.

3. **In service blueprinting, which element represents the customer's actions?**

   A. Frontstage actions

   B. Backstage actions

   C. Support processes

   D. Line of interaction

4. **What is the primary goal of using technology in service delivery?**

   A. To reduce costs

   B. To replace human workers

   C. To enhance the customer experience

   D. To increase product variety

5. **Which of the following is NOT a typical classification of services?**

   A. Business services

   B. Consumer services

   C. Tangible services

   D. Professional services

6. **What does the perish ability characteristic of services imply?**

   A. Services can be returned if not satisfied.

   B. Services cannot be stored for future use.

   C. Services can be inventoried.

   D. Services are always available.

7. **Service variability means that:**

A. Services are uniform and consistent.

B. Services are produced and consumed simultaneously.

C. Service quality depends on who provides them and when.

D. Services can be returned or resold.

8. **What is the purpose of service blueprinting?**

    A. To reduce costs

    B. To map out the service process

    C. To eliminate employee roles

    D. To develop new technology

9. **Which factor is crucial for developing human resources in the service sector?**

    A. Advanced technology

    B. Rigorous training programs

    C. Low-cost labor

    D. Outsourcing services

10. **Building service aspirations primarily involves:**

    A. Reducing service costs

    B. Setting high service quality standards and goals

    C. Limiting service offerings

    D. Outsourcing service functions

short questions	1. **What are the key characteristics that distinguish services from goods?** 2. **Explain the concept of service blueprinting.** 3. **Why is technology important in service marketing?**
essay type question	1. Discuss the growth of the service sector and the unique challenges it presents in terms of service design, blueprinting, and human resource development.
check your self	1. B. Perish ability 2. C. Services cannot be seen, touched, or tasted before purchase. 3. D. Line of interaction 4. C. To enhance the customer experience 5. C. Tangible services 6. B. Services cannot be stored for future use. 7. C. Service quality depends on who provides them and when. 8. B. To map out the service process 9. B. Rigorous training programs 10. B. Setting high service quality standards and goals

Activities	
	Role-Playing Exercise
Case Studies	**Starbucks Expansion** Analyze how Starbucks has grown its service offerings globally. Focus on factors such as market demand, cultural adaptation, and branding strategies.**Objective**: Understand the growth strategies of a leading service company.

Gloss ary	1. Service Sector: The segment of the economy that provides intangible products such as healthcare, entertainment, education, and financial services.
	2. Service: An intangible activity or benefit that one party offers to another, which does not result in the ownership of anything.
	3. Intangibility: A characteristic of services indicating that they cannot be seen, touched, tasted, or stored.
	4. Inseparability: The characteristic of services that denotes that production and consumption occur simultaneously.
	5. Heterogeneity (Variability): The quality of services that indicates they are diverse and lack uniformity because they depend on who provides them and when they are provided.
	6. Perishability: The characteristic of services that means they cannot be stored, saved, returned, or resold once they have been used.
	7. Service Design: The process of planning and organizing people, infrastructure, communication, and material components of a service to improve its quality and the interaction between service providers and customers.
	8. Service Blueprinting: A visual diagram that depicts the processes involved in delivering a service, highlighting customer actions, front-stage and back-stage employee actions, and supporting processes.

Open sources	S.No	Topic	E content links	QR code
E Content links	1.	Service Marketing	https://youtu.be/ pIMILAG0vGE?si= BzvY4rmeJLNELRVG	
	2.	characteristics of service	https://youtu.be/xCMiKzLiBmI?si=iFM-75Eu0EJkekWr	
	3.	blue printing using technology	https://youtu.be/-glgJ9U_Fsk?si=e8Lz8oIed3wJwDcx	
	4.	difference between product and service	https://youtu.be/OmMYDjn_WSY?si=KY-rHv3GW7hWrtQ1	

	5.	service design tools and process	https://youtu.be/g9PdL2z8ilI?si=RGat7lXd 2CD41M_N	
	6.	the concept of service	https://youtu.be/R6xrXtvge1M?si=dmsUQ9X wM6aE-EJ1	
self assessment questions	2. What are the main factors contributing to the growth of the service sector in recent years? 3. How can a service organization effectively communicate and implement its service aspirations? 4. Why is developing human resources critical for service organizations?			
Suggested Reading	1. . http://dx.doi.org/10.1108/02651339410061937. 2. http://dx.doi.org/10.1300/j396v24n01_03. 3. https://www.scribd.com/document/18037862/Principles-of-Service-Marketing-and-Management			
Reference	1. https://youtu.be/HNOY8GLVy_8?si=pDn_9e0GrCZZFvcb 2. https://youtu.be/QwqDABGEWFo?si=6bIXJMmWFwfOrRxn			

Self-Learning Material Development – STAGE 2

marketing mix

Marketing Mix in Service Marketing: The seven Ps: product decision, pricing strategies and tactics, promotion of service and distribution methods for services. Additional dimension in services marketing people, Physical evidence and process

Unit Module Structuring

9. *Marketing mix in service*

10. *The seven Ps*

11. *Product decision*

12. *Pricing strategies and tactics*

13. *Promotion of service and distribution*

14. *Method of service*

15. *Additional dimensions in service marketing people*

16. *Physical evidence and proces*

STAGE – 2 – Modules Sections and Sub-sections structuring

section 1.1	Marketing Mix	Illustrations	Page No
1.1.1	Introduction of Service		3
1.1.2	what is service		3
1.1.3	marketing strategy		3
Section 1.2	elements of marketing mix	Illustrations	Page No
1.2.1	product management decision		6
1.2.2	brands		7
1.2.3	classification of brand decisions		8
1.2.4	PLC concept		8
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1.3	price		15
1.3.1	Importance Of Price Mix		15
1.3.2	Factors Affecting Of Pricing		16

UNIT 2 – *Marketing mix*

Contents of the Unit 2

Marketing Mix in Service Marketing: The seven Ps: product decision, pricing strategies and tactics, promotion of service and distribution methods for services. Additional dimension in services marketing people, Physical evidence and process.

1.1 Introduction

1.1.1 Service
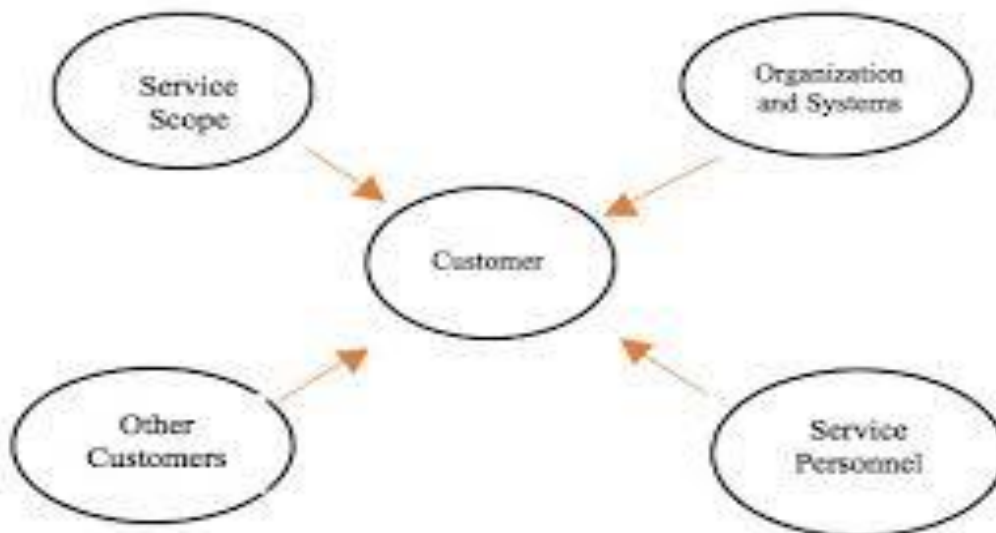
Service is the action of doing something for someone or something. It is largely intangible. A product is tangible (i.e. material) since you can touch it and own it. A service tends to be an experience that is consumed at the point where it is purchased, and cannot be owned since it quickly perishes. A person could go to a café one day and have excellent service, and then return the next day and have a poor experience.

Services marketing is marketing based on relationship and value. It may be used to market a service or a product.

Marketing strategy involves segmenting the market, targeting one or more segments and positioning the product/service towards the targeted segment(s). After marketers select a target market, they direct their activities towards profitably satisfying that segment. Although they must manipulate many variables to reach this goal, marketing decision making can be divided into four areas: product, price, place (distribution) and promotion (marketing communication). The total package forms the marketing mix – the blending

of the four elements to fit the needs and preferences of a specific target market. These are the four variables that a marketer can use in different combinations to create value for customers. Several of the sub-elements in each of the four Ps that constitute the marketing present in the firm's 'factory', interact directly with the firm's personnel and are actually part of the service production process.

1.2 Elements of marketing mix

Elements of the Marketing Mix	Sub-elements
Product	➢ Product design ➢ Product positioning ➢ Product name and branding ➢ Packaging and labeling ➢ Breadth and depth of product line ➢ Level and type of customer service ➢ Product warranty ➢ New product development process ➢ Product life cycle strategies
Price	➢ Manufacturer, wholesaler and retailer selling prices

|	
	➤ Terms and conditions
	➤ Bidding tactics
	➤ Discount policies
	➤ New product pricing (Skim Vs. Penetrating pricing)
People	➢ Employees
	➢ Recruiting
	➢ Training
	➢ Motivation
	➢ Rewards
	➢ Teamwork
	➢ Customers
	➢ Education
	➢ Training
Place	➢ products and service
	➢ Customer access to your products
	➢ competition by designing your retail space
	➢ employing effective
	➢ Visual merchandising techniques.
	➢ Retail business, location is an important part of your marketing strategy.

	➢ Your customers may require a quick turnaround or prefer to purchase locally manufactured goods. ➢ Right business location will be an important marketing tactic if you are starting a new business.
Promotion	➢ advertising, ➢ direct marketing, ➢ In-store promotional activities are included in successful marketing strategies. ➢ Digital promotion ➢ online events, chats, ➢ social media groups, ➢ live streams
Physical Evidence	➢ Facility design ➢ Service ambience ➢ Equipment ➢ Signage ➢ Employee dress ➢ Point-of-sale displays ➢ Other tangibles (e.g. business cards)

Process	➢ Flow of activities
	➢ Service script (number of steps)
	➢ Customer involvement

1.2.1 Product Management Decisions

The marketing literature defines a product as 'anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need. It includes physical objects, services, places, organizations and ideas. Such a definition refers to the planned component of the product that a firm offers. But in many service firms, the product also includes an unplanned component. For example, it may be a broken chair in a restaurant or a delayed departure of a flight or simply, a long wait on the customer support helpline.

Product Levels
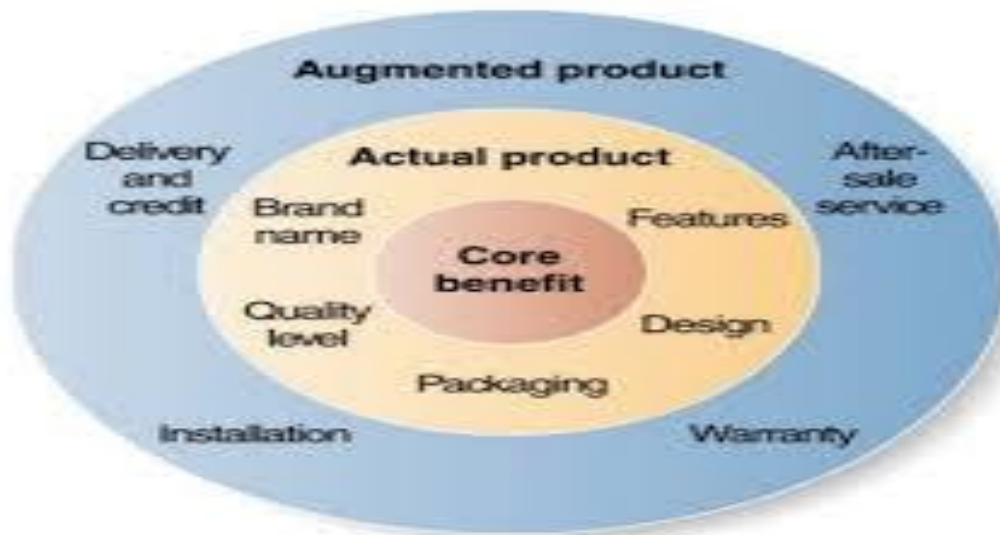
The challenge for the service managers is to minimize (if not eliminate) these unplanned components and make sure that the customers get what they expected. To facilitate this, a multi-level view of the

'product' helps. It may view the product as comprising of the core product, the facilitating product, the supporting product and the augmented product.

➢ *Core product* – This is the most basic level of the product and it answer the question

– What is the buyer really buying?

➢ *Facilitating product* – It is the service/good that must be present for the customer to use the core product.

➢ *Supporting product* – It is the extra product offered to add value to the core product and helps to differentiate it from the competition.

➢ *Augmented product* – It includes accessibility, atmosphere, customer interaction with the service organization, customer participation and customers' interaction with each other. All these elements combine with the for a mobile phone service provider, the core product is telephony/communication service. The facilitating product refers to its infrastructure, mobile handsets, and retail outlets, re-charge options and so on. The supporting product refers to the value-added services like zero-balance call or one-touch services. The augmented product refers to its customer support or helpline, retail reach, atmospherics and so on.

Product (Service) Decision

Service Offering:

- Define the core service, supplementary services, and the overall service package.

- Ensure the service meets customer needs and provides value.

Service Differentiation:

- Innovate and customize services to stand out in the market.

- Focus on unique features, quality, and customer experience.

Service Quality:

- Implement standards and procedures to maintain consistent service quality.

- Use tools like SERVQUAL to measure service quality and identify areas for improvement.

Branding:

- Develop a strong brand identity and reputation.

- Use branding to build trust and recognition among customers.

Let's Sum Up

Dear Learners, in this first section, we have made an attempt to have an Understanding over all principles of this service and including element of service mix
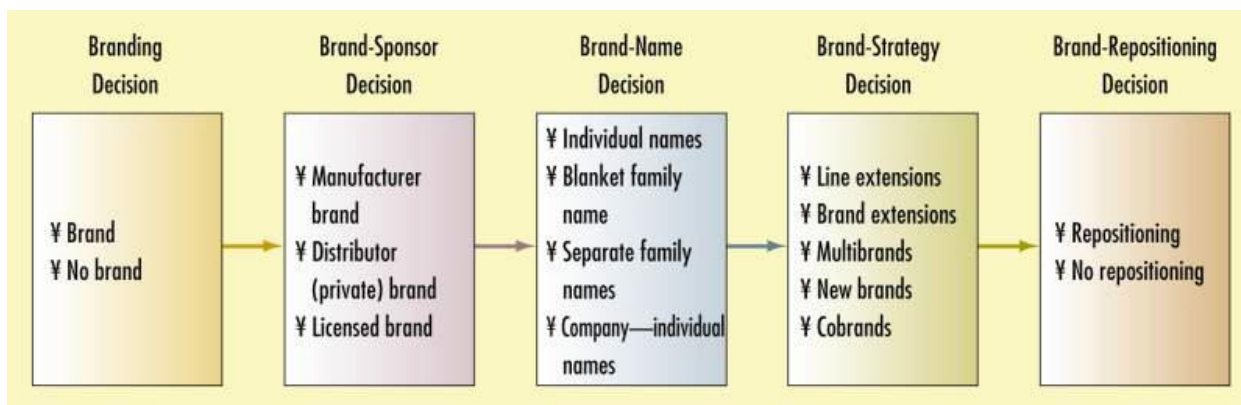
1.2.2 Brands

"Brands are among a company's most valuable assets and smart companies today realize that capitalizing on their brands is important. These companies know that brands are more than just products and services. They know that the brands are also what the company does and more

importantly, what the company is A brand is a critical component of what a company stands for. It implies trust, consistency and a defined set of expectations. The strongest brands in the world own a place in the customer's mind and when they are mentioned almost everyone thinks of the same things."

Figure illustrates a classification of branding decisions right from the decision to brand, who is the brand sponsor, the decision concerning the brand name, the brand strategy decision (to leverage on the brand name) and the brand reposition decision (to give a new lease of life to an ageing product in its life cycle).

Branding Decision	Brand-Sponsor Decision	Brand-Name Decision	Brand-Strategy Decision	Brand-Repositioning Decision
¥ Brand ¥ No brand	¥ Manufacturer brand ¥ Distributor (private) brand ¥ Licensed brand	¥ Individual names ¥ Blanket family name ¥ Separate family names ¥ Company—individual names	¥ Line extensions ¥ Brand extensions ¥ Multibrands ¥ New brands ¥ Cobrands	¥ Repositioning ¥ No repositioning

1.2.3 Classification of Branding Decisions

1.2.3.1Product Life Cycle (PLC) Concept

Products and services, like people, pass through stages as they age. Humans progress from infancy to childhood to adulthood to retirement to death, and successful products progress through four basic stages, namely,

➢ *Introduction* – a period of slow sales growth as the product is being introduced into the market. Profits are non-existent at this stage because of the heavy expenses of product introduction. Also, the introduction takes time, and sales growth is apt to be slow. Some product may linger in the introduction stage for many years before they enter a stage of rapid growth. For instance, the small and independent beauty parlors have been around quite some time. But with so many rapid changes in the social climate, even big names like HLL and Marico industries have entered this market in a big way. In the introductory stage, there are only a few competitors who produce basic versions of the product, because the market is not ready for product refinements. The firms focus on selling to buyers who are ready to buy, usually the higher-income groups. Prices tend to be on the high side because of low output, production problems and high promotion and other expenses.

➢ *Growth* – a period of rapid market acceptance and increasing profits. Competitors will enter the market, attracted by the opportunity for profit. It happened in the Indian domestic aviation industry with Air Deccan entering the market as a low cost carrier (LCC). Soon there was a rush of LCCs like Spice Jet, Go Air, Indigo and others. Prices remain where they are or fall only slightly. Firms keep their promotion spending at the same or at a slightly higher level to meet competition and continue educating the market. The firm users several strategies to sustain rapid market growth as long as possible:

☐ Improve product quality and add new product features and models

☐ Enter new market segments

☐ Enter new distribution channels

☐ Shift some advertising from building product awareness to building product conviction and purchase

☐ Lower prices at the right time to attract more buyers

➢*Maturity* – a period of slow down in sales growth because the product has achieved acceptance by most of its potential buyers. This slow down causes supply to exceed demand. The resulting overcapacity in the market leads to greater competition. Profits level off or decline because of increased marketing outlays to defend the product against competition. The only to increase sales significantly is to steal customers from the competition. Thus, price wars and heavy advertising are often the means used to do this, both of which add to the marketing cost. Weaker competitors start dropping out. The industry eventually contains only well-established competitors in the main market segments with smaller competitors pursuing the niche markets. Instead of just defending the product, a firm should consider modifying target markets and the Marketing mix elements.

➢ *Decline* – a period when sales decline quickly and profits drop. It may be because of reasons like technological advances, shifts in consumer tastes and increased competition. As sales and profits decline, some firms may withdraw from the market. Those remaining may reduce the number of their product offerings. They may drop smaller market segments and marginal trade channels. They may cut the promotion budget and reduce their prices further. Carrying a weak product can be very costlyto the firm, and not just in terms of reduced profit. Keep weak weak products delays the search for replacements, creates a lopsided product mix, hurts current profits and weakens the company's foothold on the future. For these reasons, firms must pay attention to their ageing products. Regularly reviewing sales, market shares, costs and profit trends for each of its products will help to identify products in the decline stage.

PRODUCT LIFE CYCLE

SALES

INTRODUCTION   GROWTH   MATURITY   DECLINE

TIME
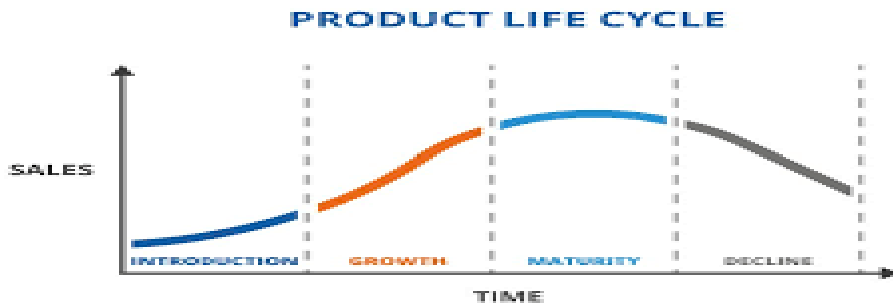
Product Life Cycle stages and corresponding marketing responses

	Development Phase	Introduction Phase	Growth Phase	Maturity Phase	Decline Phase
Strategic Goal	Make your product known and establish a test period	Acquire a strong market position	Maintain your market position and build on it	Defend market position from competitors and improve your product	"Milk" all remaining profits from product
Competition	Almost not there	Early entry of aggressive competitors into the market	Price and distribution channel pressure	Establishment of competitive environment	Some competitors are already withdrawing from market
Product	Limited number of variations	Introduction of product	variations and models	Improvement – upgrade of product	Price decrease Variations and

					models that are not profitable are withdrawn
Price goal	High sales to middle men	Aggressive price policy (decrease) for sales increase	Re-estimation of price policy	Defensive price policy	Maintain price level for small profit
Promotion	Goal Creation of public –market	product awareness	Reinforcement of product awareness and preference	Reinforcement of middle men	Maintain loyal to middle men Gradual decrease
Distribution Goal	Exclusive and selective distribution through certain distribution channels and creation of high profit margins for middle men	General and reinforced distribution through all distribution channels available	General and reinforced distribution with good supply to the middle men but with low margins of profit for them	General and reinforced distribution with good supply to the middle men but with low margins of profit for them	Withdrawal from most channels of distribution except those used in the development phase

1.2.3.1 New Product Development

A company has to be good at developing new products. It also has to be good at managing them in the face of changing tastes, technologies and competition. As discussed in the previous section, every product seems to go through a life cycle: it is born, passes through several stages, and eventually dies as younger products come along that better serve consumer needs. Because all products eventually decline, a firm must find new products to replace ageing ones. Also, in order to cater to a wider audience whose tastes and preferences differ, a firm must develop new and different products for its portfolio. One estimate suggests that half of the profits of all U.S. companies come from products that did not exist ten years ago.

A company can obtain new products in two ways. One is through acquisition. It can also obtain new products through new product development (NPD) by setting up its own research and development (R&D) department. Some examples of NPD among service firms are: AIR INDIA EXPRESS, a low-cost, no-frills service from AIR INDIA; Diabetes health insurance introduced by ICICI; the foray of Reliance industries into fresh food retail business.

Effective management of the new product development process increases the likelihood of a new product's success. As essential contribution to new product success comes from a six-step development process:

1. Idea generation – NPD starts with idea generation, the systematic search for new ideas. A company typically has to generate many ideas to find a few good ones. The search for new product ideas should be systematic rather than haphazard. Otherwise, the company risks finding new ideas that will not be compatible with its type of business. New product ideas are gained from internal sources (say, employees),customers, competitors, distributors and suppliers.

2. Idea screening – Its purpose is to spot good ideas and drop poor ones as soon as possible. Several organizations maintain checklists of development standards to

determine whether to abandon an idea or consider it further. These checklists typically include such factors as product uniqueness, availability of raw materials and the proposed product's compatibility with current product offerings, existing facilities and present capabilities. The screening stage may also allow for open discussions of new-product ideas among representatives of different functional areas in the organization.

3. Business analysis – A product idea that survives the initial screening must then a thorough business analysis. The analysis at this stage assesses the new product's potential market, growth rate and likely competitive strengths. It involves a review of the sales, costs and profits projections to determine whether they satisfy the company's objectives.

4. Development – It turns the concept into a prototype of the product. This conversion process is a joint responsibility of the firm's development engineers/designers, who turn the original concept into a product, and its marketers, who provide feedback on consumer reactions to the product design, package, colour and other features. Prototypes may go through numerous changes before the original mock-up reaches the stage of a final product.

5. Test marketing – To gauge consumer reactions to a product under normal conditions, many firms test market their new product offerings. Up to this point, a product development team has obtained consumer information by submitting free products to consumers, who then give their reactions. Other information may come from shoppers' evaluations of competing products. Test marketing is the first stage at which the product must perform in a real-life business environment. It allows the marketers to

gain experience in marketing the product, to find potential problems and to learn where more information is needed before the company goes to the great expense of full introduction. Test marketing evaluates the product and the entire Marketing program in real market situations.

6. Commercialization – The few product ideas that survive all the steps in the development process emerge ready for full-scale marketing. Commercialization of a major new product can expose the firm to substantial expenses. It must establish marketing programs, fund outlays for production facilities, and acquaint the sales force, marketing intermediaries and potential customers with the new product. In launching a new product, the firm must make four decisions, viz., when, where, to whom and how.

Let's Sum Up

Dear Learners, in this second section, we have made an attempt to have an Understanding classification brand decisions , PLC cycle, new product development of this service.

1.3 Price

The amount of money charged for a product or service, or the sum of the values that consumers exchange for the benefits of having or using the product or service.

Price is the cost of the product that the consumer pays. During product marketing, it is important to set a price that reflects the current market trends and is affordable for consumers, yet at the same time is profitable for the business. Price can fluctuate based on the supply and demand and the product's sales cycle. While some businesses might lower the price to compete with the market, others might inflate it -- especially if they are promoting a luxury brand.

==Example== Price points play a vital role in making a product successful. For example, if a product is overpriced, only a few consumers will purchase it. Conversely, a product that is priced too low can give consumers an impression of inferior quality, thus preventing them from purchasing it.

1.3.1 Importance of Price Mix

Here are the key points highlighting the importance of price mix:

- Price mix directly impacts a company's revenue stream, affecting overall profitability and financial stability.

- Proper pricing strategies can help a business stand out in the market, attracting price-sensitive customers and gaining a competitive edge.

- Prices convey a message about the quality and value of a product or service, shaping how customers perceive the brand.

- Strategic pricing allows businesses to enter new markets, attract a broader customer base, and expand their market share.

- An Effective price mix helps in optimizing profits by balancing production costs, demand, and customer willingness to pay.

- Appropriate pricing enhances the brand image, positioning the product as premium, affordable, or offering great value for money.

- Prices can complement promotional activities, such as discounts and special offers, driving sales and creating buzz around products.

- A flexible price mix enables businesses to adjust prices swiftly in response to market fluctuations and changing consumer demands.

- Fair and consistent pricing fosters trust among customers, encouraging repeat business and building long-term customer relationships.

1.3.2 Factors Affecting Pricing

The factors given below play a crucial role in determining the optimal price point for a product. Here are the key factors affecting price:

Production Costs: The expenses incurred in manufacturing or acquiring the product, including raw materials, labor, and overhead costs, directly influences the pricing strategy.

Market Demand: The level of demand for the product in the market affects its price. Higher demand often allows for higher prices, while low demand may require competitive pricing strategies.

Competitor Pricing: Prices set by competitors influence a company's pricing decisions. It is essential to analyze competitor pricing strategies to remain competitive in the market.

Perceived Value: Customers' perception of the product's value, quality, and uniqueness influences the price they are willing to pay. Effective marketing and branding can enhance perceived value.

Seasonal Demand: Price elasticity often varies with seasonal demand. Companies may adjust prices during peak seasons to maximize revenue or offer discounts during off-peak periods to stimulate sales.

Consumer Preferences: Identifying the preferences and buying habits of the target audience helps in creating prices that line with what consumers are ready to pay for the goods.

Distribution Channels: The costs involved in distribution, including shipping, storage, and retailer margins, determine the final retail cost of the product.

Steps for Developing a Pricing Strategy for Your Export Services Business

1.3.3 Types of Pricing Strategies

Pricing strategies are designed to achieve different objectives, depending on the company's goals and market conditions. Here are the main types of pricing strategies:

Penetration Pricing:

This strategy involves setting a lower initial price for a product or service to enter the market quickly and gain market share.

+ *Price Skimming:*

In price skimming, businesses set an initially high price for a new or innovative product to maximize profits from early adopters and customers willing to pay a premium.

+ *Cost-Plus Pricing:*

Cost-plus pricing involves adding a markup to the production cost to determine the selling price.

+ *Competitive Pricing:*

With this method, an enterprise sets its prices based on the prevailing market rates and the prices paid by competitors. It attempts to be in line with the industry norm and avoid being over- or underpriced.

+ *Value-Based Pricing:*

It centres around the price of a product or service based on how much value it gives to customers. Companies might charge premium rates if their items are considered as unique or delivering superior benefits.

+ *Bundle Pricing:*

Bundle pricing involves selling multiple products or services together as a package at a lower price than the sum of their individual prices. This encourages customers to purchase more items.

+ *Psychological Pricing:*

This strategy leverages the psychology of pricing to influence consumer behavior. It includes tactics such as setting prices at $9.99 instead of $10 to create a perception of a lower price.

+ *Promotional Pricing*:

Promotional pricing strategies involve temporary price reductions, discounts, and special offers to attract customers, clear excess inventory, or stimulate sales during specific periods.

Let's Sum Up

Dear Learners, in this third section, we have made an attempt to have an Understanding on the price-meaning and importance pf price mix , factors affecting pricing strategies .

1.4 Place

A "place" refers to one of the essential elements of the marketing mix, also known as the 4Ps, which includes product, price, promotion, and place. Place, in this context, signifies the distribution channels and methods used by a company to make its products or services available to the target customers. It involves all the activities and intermediaries that help in transferring the product from the manufacturer to the end consumer.

1.4.1 Importance of Place Mix

The place mix is an important component of the marketing mix and is critical to the overall business strategy. It is concerned with ensuring that everything is in its proper place and that all procedures run smoothly.

The introduction of an improper location mix has the potential to harm the company by:

- Increasing operational complexity and cost

- Reducing responsiveness and adaptability

- Significantly increasing operational costs

1.4.2 Elements of Place Mix

The place mix comprises two key elements that could help an organization in meeting its distribution and business goals.

They are as follows:

- Physical Distribution

- Channel of Distribution

Physical Distribution

Physical distribution involves the tangible process of storing and transporting products from the manufacturer to the end consumer. It encompasses several key elements:

1. Inventory Management:

Inventory management is a multifaceted process involving meticulous forecasting of demand patterns, monitoring stock levels, and ensuring a delicate balance between supply and demand. By accurately predicting customer needs, businesses can optimize their inventory, avoiding both excess and shortage.

2. Warehousing:

Warehouses serve as pivotal nodes in the distribution network. They play a critical role in the storage, organization, and safeguarding of products. Proper warehouse management includes efficient space utilization, inventory rotation, and security measures to prevent theft or damage.

3. Transportation:

Choosing the right transportation methods is paramount to the physical distribution process. Companies must weigh factors such as distance, volume, speed, and cost-effectiveness when selecting modes of transportation. Whether it's trucks for regional deliveries, ships for international shipments, or airplanes for expedited services, the choice of transportation profoundly influences delivery times, costs, and the condition of products upon arrival.

4. Order Processing:

Order processing involves a series of steps, from order receipt to product shipment. Streamlining this process is essential for timely and accurate deliveries. Efficient order processing includes real-time inventory tracking, automated order fulfillment, and quality packaging.

Channel of Distribution

Channel of distribution, also known as the distribution channel, refers to the pathway through which products or services move from the manufacturer to the end consumer. It involves various entities:

DISTRIBUTION CHANNEL
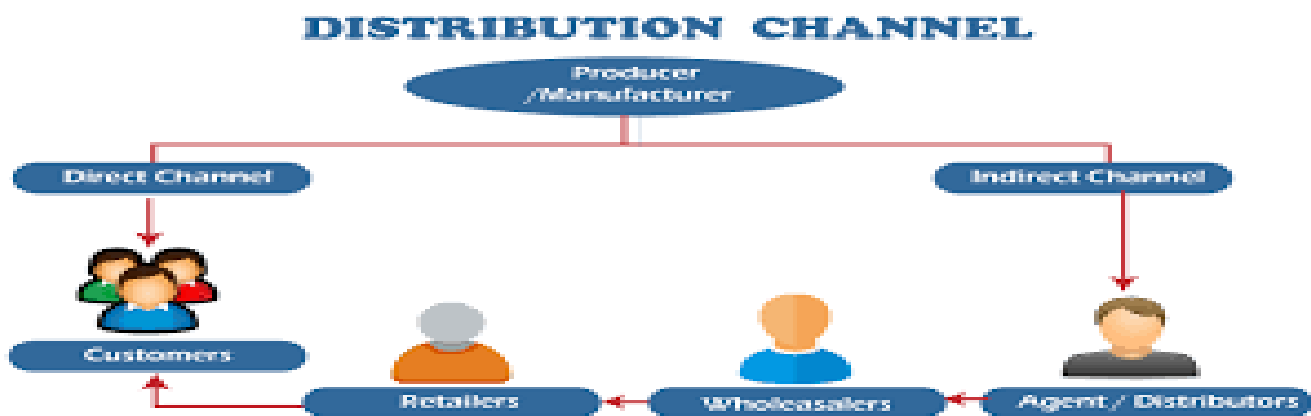
1. Manufacturer:

Manufacturers are the originators of products, crafting them from raw materials or components. They are responsible for ensuring product quality, innovation, and adaptation to market demands. Manufacturers strategize their distribution channels based on product characteristics, target audience, and market reach, laying the foundation for the entire distribution process.

2. Wholesalers:

Wholesalers bridge the gap between manufacturers and retailers. By purchasing goods in bulk, they achieve economies of scale, making products more affordable for retailers. Wholesalers also offer services such as bulk breaking, inventory management, and transportation consolidation.

3. Retailers:

Retailers are the final link in the distribution chain, directly interacting with consumers. They curate products, create appealing displays, and offer personalized services. Retailers can be physical stores, online platforms, or a combination of both.

4. Agents and Brokers:

Agents and brokers act as intermediaries who facilitate transactions between buyers and sellers. They bring market knowledge, negotiation skills, and industry expertise to the table.

Types of Channels of Distribution
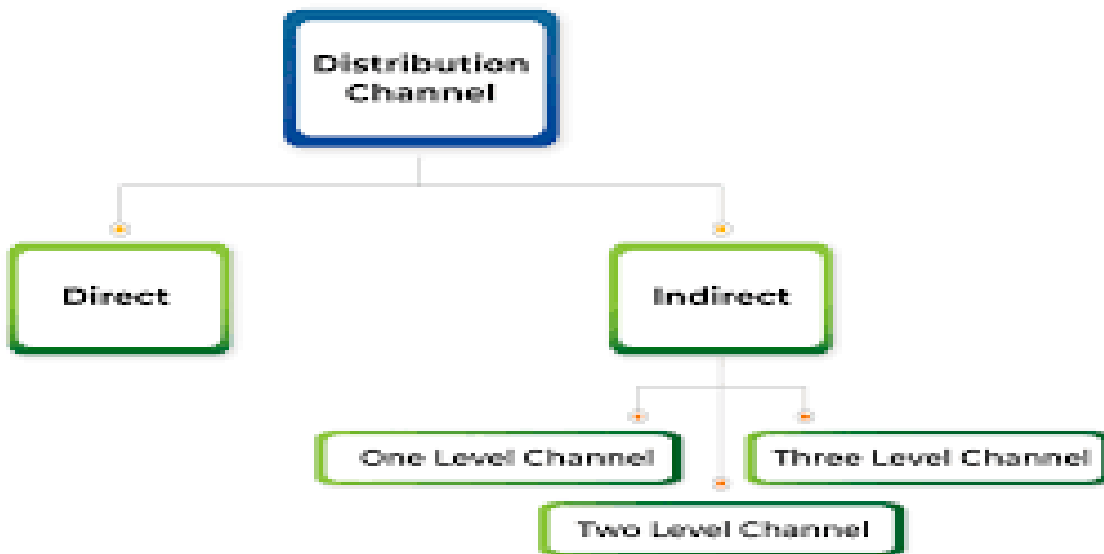
One-Level Channel (Direct Distribution):

In a one-level distribution channel, also known as direct distribution, products move directly from the manufacturer to the end consumer without any intermediaries. This streamlined approach allows businesses to maintain full control over the entire distribution process.

Service Delivery Channels:

- Choose appropriate channels for delivering services (e.g., physical locations, online platforms, mobile apps).
- Ensure accessibility and convenience for customers.

Franchising:

- Expand service reach through franchising models.
- Maintain consistency in service quality across franchise locations.

Direct Channels:

- Provide services directly to customers through company-owned outlets or online platforms.

Intermediaries:

- Use intermediaries like agents, brokers, or resellers to reach a broader customer base.

Multi-Channel Distribution:

- Implement a combination of channels to provide flexibility and convenience to customers.

- Ensure seamless integration and consistency across channels.

Two-Level Channel (Indirect Distribution):

A two-level distribution channel introduces intermediaries between the manufacturer and the end consumer. Wholesalers or retailers typically serve as these intermediaries. Manufacturers sell their products to wholesalers, who, in turn, distribute them to retailers. Retailers, in the final stage, sell the products to the end consumers.

Three-Level Channel (Extended Indirect Distribution):

In a three-level distribution channel, an additional layer of intermediaries is introduced between the manufacturer and the end consumer. Typically, this includes agents or brokers who act on behalf of the manufacturer to negotiate sales with wholesalers or retailers.

Dual Distribution:

Dual distribution combines both direct and indirect channels to expand market reach. Companies employing dual distribution leverage their online platforms or company-owned stores for direct sales while also partnering with retailers, wholesalers, or agents.

Let's Sum Up

Dear Learners, in this fourth section, we have made an attempt to have an Understanding physical distribution,channel distribution and over all service

1.5 Process

Process means the way in which a service is provided to the customer. It is the actual procedure, mechanism and flow of activities through which a service is delivered. All these systems support the delivery of services along the way demonstrating the benefits to the final clients.

Many customers no longer simply buy a product or service - they invest in an entire experience that starts from the moment they discover your company and lasts through to purchase and beyond.

Service Delivery Process:

- Design efficient and customer-friendly service processes.

- Map out service blueprints to identify and eliminate bottlenecks.

Standardization vs. Customization:

- Balance standardization for consistency and customization for personalized service.

- Adapt processes to meet varying customer needs.

Technology Integration:

- Use technology to streamline processes, enhance service delivery, and improve customer experience.

- Implement systems for booking, payment, customer relationship management (CRM), and feedback collection.

Quality Control:

- Implement quality control measures to ensure consistent service standards.

- Regularly review and improve processes based on customer feedback and performance metrics.

In summary, the seven Ps of service marketing provide a comprehensive framework to address the unique challenges and opportunities in marketing services. By effectively managing product decisions, pricing strategies, promotion, distribution, people, physical evidence, and processes, service providers can enhance customer satisfaction, build strong relationships, and achieve business success.

- That means the process of delivering the product or service, and the behaviour of those who deliver it, are crucial to customer satisfaction. A user-friendly internet experience, waiting times, the information given to customers and the helpfulness of staff are vital to keep customers happy.

- Customers are not interested in the detail of how your business runs, just that the system works. However, they may want reassurance they are buying from a reputable or 'authentic' supplier.

- Remember the value of a good first impression. Identify where most customers initially come into contact with your company - whether online or offline - and ensure the process there, from encounter to purchase, is seamless.

- Ensure that your systems are designed for the customer's benefit, not the company's convenience.

Promotion refers to the process of informing and persuading the consumers to buy certain product. By using this process, the marketers convey persuasive message and information to its potential customers. The main objective of promotion is to seek buyers' attention towards the product with a view to:

arouse his interest in the product; inform him about its availability; and

☐ inform him as to how is it different from others.It is thus a persuasive communication and also serves as a reminder. A firm uses different tools for its promotional activities which are as follows:

☐ Advertising

☐ Publicity

☐ Personal selling

☐ Sales promotion

These are also termed as four elements of a promotion mix. Let us have a brief idea about these promotion tools.

1) Advertising: Advertising is the most commonly used tool for informing the

present and prospective consumers about the product, its quality, features,

availability, etc. It is a paid form of non-personal communication through different media about a

product, idea, a service or an organization by an identified sponsor. It can be done through print media

like newspaper, magazines, billboards, electronic media like radio, television, etc. It is a very flexible

and comparatively low cost tool of promotion.

2) Publicity: This is a non-paid process of generating wide range of communication to contribute a

favorable attitude towards the product and the organization. You may have seen articles in

newspapers about an organization, its products and policies. The other tools of publicity are press

conference, publication and news in the electronic media etc. It is published or broadcasted without

charging any money from the firm. Marketers often spend a lot of time and effort in getting news items

placed in the media for creation of a favorable image of the company and its products.

3**) Personal selling:** You must have come across representatives of different

companies knocking at your door and persuading you to buy their product. It is a direct presentation

of the product to the consumers or prospective buyers. It refers to the use of salespersons to persuade

the buyers to act favorably and buy the product. It is most effective promotional tool in case of industrial

goods.

4) Sales promotion: This refers to short-term and temporary incentives to

purchase or induce trials of new goods. The tool include contests, games, gifts,

trade shows, discounts, etc. Sales promotional activities are often carried out at retail levels.

A promotional mix is part of the overall marketing mix, which is the foundational model many

companies use. The marketing mix is made up of four essential parts that can form a strong strategy

when used together:

- *Price:* The price is how much money consumers pay for your product. You should consider

  taking time to come up with a price where the company makes a profit but the cost is still

  attractive to the consumer.

- *Product:* The product is the service or good that meets the customer's demand or need. You

  may revise this over the years to adapt to changes in the market

- *Promotion:* Promotion involves all marketing techniques and strategies, such as special offers,

  advertising or sales promotions. The product and price are the result of a promotion.

- *Place:* Place entails knowing the best area in which to distribute your product. This can include

  knowing the demographics and purchasing habits of the consumers in that location.

2.6.1 promotional mix

These steps offer suggestions on how to use a promotional mix:

1. Establish your target audience.

2. Create advertisements.

3. Use public relations.

4. Utilize sales promotion.

5. Consider direct marketing.

1. Establish your target audience

You should consider determining your target audience before you begins any promotion. There are several factors to consider such as age, sex and income. Effective campaigns take into consideration your most likely consumers. For example, consider whether your product caters more towards women or men. You can also estimate how far people might travel to get your service so you can advertise within that radius. These steps can help you create a more defined target audience to make your promotional mix more effective.

2. Create advertisements

Advertising is any type of promotion or presentation of services, ideas and goods by a particular sponsor. This is a great way to communicate with a large number of people at once and is one of the most common ways to promote a product. Your company may dedicate a large part of its budget to advertising alone, including radio, magazines, television and newspapers.You can work together with your team to figure out what type of advertising is best for you. If you are selling something locals would buy, the local newspaper can be a good option for ad placement. When selling a product anyone in the country can buy, you should consider placing ads in a few national magazines.

3. Use public relations

A company may use a public relations company to help their promotional mix and attempt to influence a certain group's attitude toward their business. Public relations efforts often create and keep a positive image for a company while promoting it. Public relations targets specific groups of people including stockholders, employees, environmentalists, customers, residents or unions. You might work with them to inform them of any important details they should promote and who your target audience is.There are a variety of activities that to consider, such as inviting consumers to view your product at a special showing. It is helpful to have someone in public relations, as they are in charge of creating lists of people to email, communicating with potential buyers and answering questions the public might have about your service. These steps can help create a successful event where they promote your product and may get people to purchase it.

4. Utilize sales promotion

Sales promotion prompts consumers to quickly decide on your service. It involves non-routine and short-term incentives like price reduction sales, coupons, rebates or special deals like buy-one-get-one-free to motivate consumers and dealers to purchase what you are selling.An example of a sales promotion is offering a certain percentage off the total price if someone buys your product within a set period of time. You can communicate these deals to consumers with online or print advertisements. The promotion could be a coupon code that offers 15% off the product when a customer purchases it between certain dates.

5. Consider direct marketing

Another part of a promotional mix is direct marketing, which is used to deliver a service or message. This method has grown in popularity over the years since it saves time and money for companies. Several ways you may use direct marketing include mailing advertisements to potential

customers, going door-to-door to sell your service or having a kiosk in a shopping center to promote your product. This type of marketing can make the experience more pleasant and personal for consumers.

<mark>**Let's Sum Up**</mark>

Dear Learners, in this sixth section, we have made an attempt to have an Understanding meaning of process and process service and strategies.

1.7 Physical Evidence

PHYSICAL EVIDENCE

The physical evidence is a combination of the environment and branding where the service is provided to a customer by a service representative.

The physical evidence capital would be:

- A service brochure
- A request for proposal
- Social media accounts
- A corporate website
- Other unique deliverables from your organization.

Physical evidence comprises elements incorporated into a service to make it tangible and somewhat measurable. **As part of the** marketing mix**, it refers to the place and atmosphere where customers buy or use the** product**.** It also helps in the positioning of the brand and in targeting the right kind of

customers. **For example, the physical evidence of a restaurant may be its décor, menu design, ambiance, etc.** You can find many examples of Physical evidence in use in the hospitality industry. Airlines offer premium travel as well as economy classes. Similarly, restaurants are known to be 3-star, 4-star, 5-star. All such differentiation, and the target customer that accompanies such differentiation, is because of the use of physical evidence in marketing.

Service Environment:

- Design service environments (e.g., offices, stores, online platforms) to enhance customer experience.

- Ensure cleanliness, comfort, and aesthetic appeal.

Tangibles:

- Provide physical cues like brochures, uniforms, signage, and branded materials to reinforce service quality.

- Use tangible elements to create a lasting impression.

Facilities:

- Maintain well-equipped and properly functioning facilities.

- Ensure facilities support efficient service delivery and customer comfort.
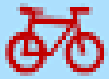
1.7.1 Components of Physical Evidence

When creating the marketing mix, it's important to consider the components of physical evidence and their use in widening reach and generating conversions in the target market. Here we are going to discuss the five main components of the physical evidence in detail –
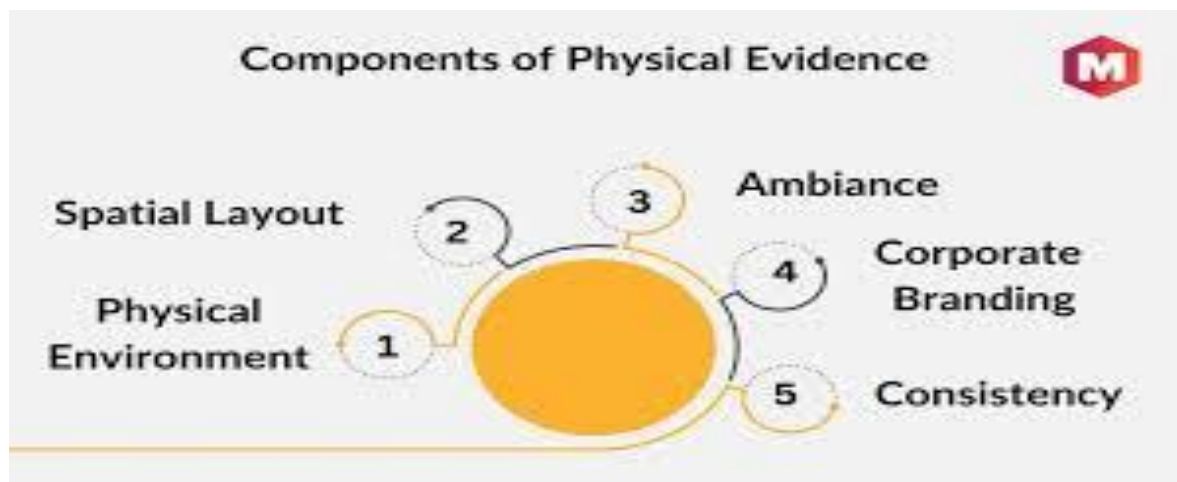
Physical Environment: This refers to the atmosphere or environment where customers buy and use a product. It includes the physical structure of the place, such as <u>colors</u>, lighting, furniture, interior design, layout, etc. The physical environment comprises factors such as the overall atmosphere, arrangement, and other relevant elements related to the surroundings. The physical environment refers to the place and immediate surroundings where the customer uses or experiences the service or product. It is a crucial aspect of physical evidence as it can influence the atmosphere and overall impression of the service or product's worth.

Spatial Layout: The spatial layout of a service setting or place refers to the arrangement of physical elements like furniture and equipment that work in conjunction with the physical environment. It affects the overall ambiance and customer experience while using the product or service. For example, a restaurant's spatial layout could consist of tables and chairs in different arrangements, depending on the desired atmosphere.

Ambiance: Ambiance refers to the overall atmosphere of a place or service setting. It is created by lighting, music, and other sensory elements that create an emotional experience for customers. Ambiance can influence customers' feelings towards a product or service and thus affect their <u>decision making</u> process. Setting the mood of the physical environment is heavily influenced by this key factor. Ambiance refers to the way you create a specific mood or atmosphere that influences your customers' experience.

Corporate Branding: Corporate branding and decoration refer to the visual elements used in a service setting or place to identify it with its company. This includes decorations, logos, color schemes, and other visual cues that create a connection between the customer and the product or service. The perception of customers can be positively or negatively influenced by corporate branding and decoration; it is an important factor in creating a lasting impression.

Consistency: Consistency is a fundamental element in delivering a successful service experience. Consistency means that all areas of the product or service should be consistent with each other, from the customer's point of view. Marketers focus on providing uniform services across different locations, offering consistent pricing and quality control measures, and having consistency in employees' behavior. Ensuring that physical evidence is consistent is crucial for providing customers with a clear understanding of what they can expect when using your product.

There are two types of physical evidence that add value to the intangible aspect of a service or product – peripheral evidence and essential evidence. Let's explore the role of these –

Peripheral Evidence

This refers to any physical element that is an accessory or a complement to the service or product, such as the layout of a store, the design of the packaging, and other <u>customer service</u> amenities. For example, the ambiance of a restaurant can create an unforgettable dining experience for customers. It may also refer to things like napkins used in the restaurant, or uniforms worn by staff members. All of these elements are considered to be peripheral evidence as they add value to the <u>customer experience</u>.

Essential Evidence

These are the physical elements that form part of the core service or product offering. It refers to the components, elements, or products that are necessary for customers to use or experience the service.for example, if you're selling a product, such as clothes, then the physical fabric of the clothing is considered essential evidence. The same goes for services like spas —the massage tables, oils used in treatments, or the ingredients used to make the products all essential evidence.

Both peripheral and essential evidence can have a positive impact on <u>customer satisfaction</u> since they often help create an overall positive experience. They also help in building trust and credibility for the brand, which ultimately leads to <u>customer loyalty</u> and optimizes your <u>marketing strategy</u>. So if you're looking to create a great customer experience, take the time to evaluate both types of evidence and ensure that they are up to your customers' standards.

Dear Learners, in this seventh section, we have made an attempt to have an Understanding over all principles and physical evidence of this service

Unit Summary	The Seven Ps framework provides a comprehensive approach to service marketing, addressing the unique challenges and opportunities associated with marketing intangible offerings. By focusing on product decisions, pricing strategies, promotion, distribution methods, people, physical evidence, and process, service marketers can effectively attract and retain customers, differentiate their offerings, and deliver high-quality experiences. This integrated approach ensures that all aspects of the service delivery are aligned to meet customer expectations and achieve business objectives.
self assessment question	1. **Which of the following is NOT one of the original four Ps of the marketing mix?** A. Product B. Price C. People D. Place

2. **In the context of the seven Ps, what does 'Physical Evidence' refer to?**

A. The physical appearance of the product

B. The tangible aspects that help customers evaluate a service

C. The physical locations where services are delivered

D. The process of delivering the service

3. **Which P in the marketing mix is concerned with setting the right price to attract customers and meet the company's objectives?**

A. Product

B. Price

C. Promotion

D. Place

4. **What does the 'Process' element of the seven Ps in service marketing focus on?**

A. The way the service is delivered

B. The technology used in service delivery

C. The quality of the physical environment

D. The pricing strategy

5. Which pricing strategy involves setting a low price to attract customers and gain market share quickly?

A. Price skimming

B. Penetration pricing

C. Value-based pricing

D. Cost-plus pricing

6.In services marketing, 'People' primarily refers to:

A. Customers

B. Competitors

C. Employees and customers

D. Shareholders

7. Which promotional strategy is most commonly used in service marketing to create awareness and build relationships?

A. Direct mail

B. Personal selling

C. Trade promotions

D. Public relations

8. The 'Place' element in the marketing mix for services often refers to:

A. The physical product locations

B. Distribution channels

C. The service environment

D. Online marketplaces

9. Which of the following is an example of 'Physical Evidence' in a service setting?

A. Employee uniforms

B. Service pricing

C. Advertisement

D. Customer feedback forms

10. Which process strategy is designed to enhance service efficiency and reduce wait times for customers?

A. Standardization

	B. Customization C. Differentiation D. Diversification
short questions	1. What are the key characteristics that differentiate a service product from a tangible product? 2. What factors should be considered when setting the price for a new service? 3. Why is personal selling particularly important in service marketing? 4. Give an example of how signage can enhance the physical evidence of a service location
essay type question	1.Explain the concept of dynamic pricing and provide an example 2. Discuss the significance of the seven Ps in the marketing mix for services and how they differ from the traditional four Ps used in product marketing.
check your progress	1. **Answer:** C. People 2. **Answer:** B. The tangible aspects that help customers evaluate a service 3. **Answer:** B. Price 4. **Answer:** A. The way the service is delivered 5. **Answer:** B. Penetration pricing 6. **Answer:** C. Employees and customers

	7. **Answer:** B. Personal selling
	8. **Answer:** C. The service environment
	9. **Answer:** A. Employee uniforms
	10. **Answer:** A. Standardization
Activities	*Customer Interaction Role-Play*
Case Studies	**Ritz-Carlton Hotels** Ritz-Carlton offers luxurious hotel accommodations and personalized services tailored to high-end clientele. High prices reflect the luxury and exclusivity of the Ritz-Carlton experience. High-end advertising in luxury magazines, digital platforms, and through influencers.
Glossary	1. **Service Design**: Creating services that meet customer needs and expectations. 2. **Service Quality:** Ensuring consistency and reliability in service delivery. 3. **Service Differentiation**: Developing unique features or benefits to stand out from competitors.

	4. **Advertising**: Using media such as television, radio, online, and print to reach target audiences.
	5. **Sales Promotion:** Offering incentives like discounts, coupons, and loyalty programs to attract customers.
	6. **Public Relations:** Managing the service's public image through press releases, events, and community involvement.
	7. **Personal Selling:** Direct interaction between sales personnel and potential customers to persuade them to purchase the service.
Suggested Reading	3. Grönroos, Christian. "From Marketing Mix to Relationship Marketing." *Management Decision* 32, no. 2 (March 1994): 4–20. 4. Kubo, Tomokazu. "Variation of Marketing Mix:." *Japan Marketing Journal* 42, no. 1 (June 30, 2022): 17–27. 5. Saint-Esteven, Alain. "Marketing mix et diététique." Bordeaux 2, 1992.
Reference	1. http://dx.doi.org/10.7222/marketing.2022.032. 2. http://www.theses.fr/1992BOR2P004.

E-Content

Sl.No	Topic	E-Content Link	QR Code
1	Elements Of Marketing Mix	Https://Youtu.Be/7ghdn4aerdw?Si=Q2ydw_G5tsbhserp	
2	New Product Development	Https://Youtu.Be/W0j9wecb3xs?Si=Xwt0yjggmhetrz-E	
3	Place Mix	Https://Youtu.Be/Rznouga7sig?Si=Yvewxdyfifj2tDtj	
4	classification of brand decision	https://youtu.be/Hge9UNlz-e8?si=QSZXRWo9YvHmtYis	
5	marketing strategy	https://youtu.be/F_QskcoBKuA?si=JZPRhu3a_y6wWClH	
6	pricing strategy	https://youtu.be/xTw7JUxWsYM?si=RS0o0l1EWx_4Hjk3	
7	physical evidence	https://youtu.be/sh3qGFXD6wM?si=Mewztnh0f7hOoT43	

2.15   Suggested Books & Reference

1. A. R. Hubbert, "Customer Co-Creation Of Service Outcomes: Effects Of Locus Of Causality Attributions", Doctoral Dissertation, Arizona State University, Tempe, Arizona, 1995.

2. Adrian Buckley, The Essence Of Services Marketing, Prenticehall Of India Private Limited, New Delhi, 2003.

3. B. H. Booms And M. J. Bitner, Marketing Strategies And Organizational Structures For Service Firms, In Marketing Of Services, Ed. J. H. Donnelly And W. R. George (Chicago: American Marketing Association, 1981), Pp.47-51.

4. C. Gronroos, Service Management And Marketing, (Lexington, Ma: Lexington Books, 1990)

Self-Learning Material Development – STAGE 3

Effective Management Service

Effective Management of Service Marketing: Marketing demand and supply through capacity planning and segmentation - internal marketing of services – external versus internal Orientation of service strategy

Unit Module Structuring

17. *Effective Management of Service Marketing*

18. *Marketing Demand And Supply Through Capacity Planning And Segmentation*

19. *Internal Marketing of Services*

20. *External Versus Internal Orientation of Service Strategy*

STAGE – 2 – Modules Sections and Sub-sections structuring

section 1.1	Effective Marketing Service	Illustrations	Page No
1.1.1	Introduction		3
1.1.2	key management strategies for service		3

1.1 INTRODUCTION

Effective marketing management is a process that informs businesses of how to promote and sell their products, from idea to execution. This can include researching a company's consumer, setting realistic goals, developing new market-penetration strategies, as well as executing effective marketing plans within budget.

Many companies rely on marketing managers to inform and direct the way their brand looks, feels, and communicates across all channels. Marketing managers are also responsible for coordinating with other departments (like public relations, sales, or human resources) to ensure that the strategies that they employ are successful.

Social media ads. Promotional emails. In-store signage. These are all influenced by marketing management.

Market segmentation, thus, is the process of dividing the total market into one or more parts (submarkets or segments) each of which tends to be homogeneous in all significant aspects

1.1.1 Key management strategies for service business

Services business involves direct interaction with your customers. The sole objective of a service business is to satisfy customer expectations by delivering what they want. To attain maximum outputs from your service business, your management should follow these steps:

1. **Know who your customers are:**
   o Always meet their expectations and deliver them what they expect from your service.
   o Set strategies to respond to customers' needs.
   o Serve them as per their demand.
   o Maintain a profile for recording customers' wants and needs so that you can understand the current demand.

- o Evaluate your performance by evaluating customers' feedback.

- o Express gratitude towards the client's work.

- o Listen to your customers.

2. **Treat customers well:**

- o Done, customers work on time.

- o Do their work in a professional way.

- o Treat your customers with respect.

- o Make them feel important.

3. **Fulfill your commitments with customers:**

- o Always meet the deadlines, even at the price of sacrificing money or your personal activity.

- o Build a dependability reputation.

- o Do extra, but don't charge an additional cost for meeting your commitments.

- o Always focus on implementing process improvement strategies

4. **Maintain confidentiality:**

- o Always keep your client's confidential information protected.

- o Do not exploit their personal information.

- o Avoid sharing their data with any third party without their consent.

- o Honor your customer.

5. **Be open to your customers:**

- o Set parameters and guidelines for customers.

- o Tell them your policies and rules.

- o Make the original agreements clear.

- o   Inform them about cost implications for any tasks.

- o   Define the procedures undergone in a specific task.

- o   Do not hesitate to discuss payment schedules or fees.

6. **Protect the interest of your business and customers:**

- o   Get your business insured by an appropriate insurance company.

- o   Make the safety of your customers and premises your priority.

- o   Get safeguard against professional liability.
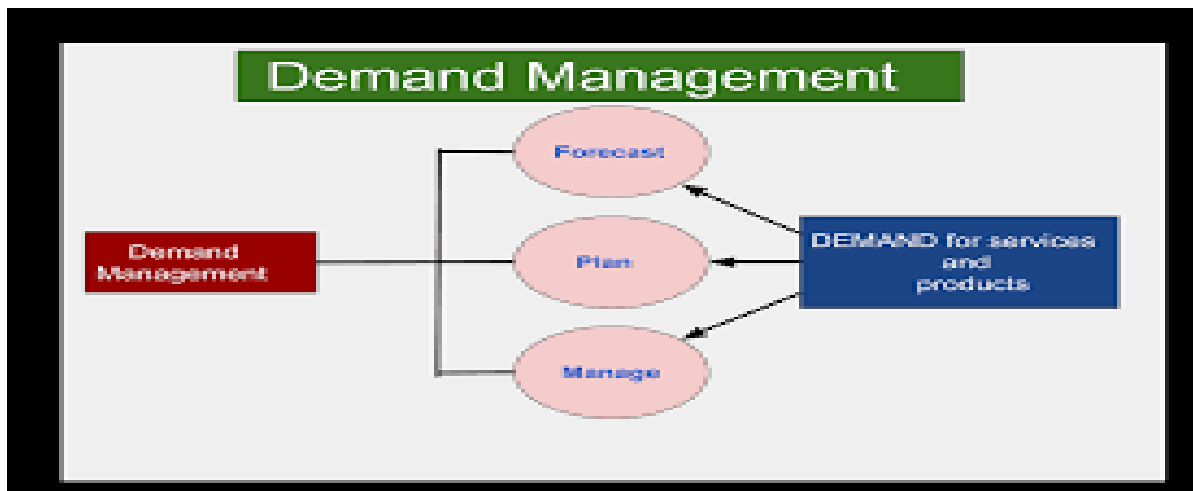
7. **Know your capacity:**

- o   Hard-working is good but do not accept too many jobs.

- o   Accept what you are capable of doing only.

- o   Make commitments only for the things you can deliver.

Let's Sum Up

Dear Learners, in this first section, we have made an attempt to have an Understanding on the key management strategies for service business.

1.2 Demand and Supply Management:

Demand and supply management continues to be a challenge for service managers. Despite the importance of this aspect of management and the impact it can have on profits, little is understood about this sometimes ambiguous aspect of service management. Indeed, interviews show that although services use many demand and supply management options, managers do not think of this area as a whole — rather working at individual pieces without necessarily recognizing how these pieces fit together.

1.2.1 Definition of Demand Management:

 'All the activities and decisions management carries out in order to plan and implement how they will attempt to influence the level of demand for any service offered at any point in time'.

The 'products' have in effect perished. The situation is the same for services such as counseling where the unit of capacity is time. Perish ability is a significant issue for services then and can best be summed up as follows:

● If demand far exceeds capacity it cannot be met as in manufacturing, by taking goods from a warehouse.

● If capacity far exceeds demand the potential revenue from that service is lost. Where service capacity is largely fixed and demand is subject to variation, organizations can experience any of the following situations:1

● Excess demand – the level of demand exceeds maximum available capacity

● Demand exceeds optimum capacity – the service is less than adequate

● Demand and capacity are well balanced – this is the level of optimum capacity

● Excess capacity – demand is below optimum capacity

1.2.2 Role of demand management

Demand management covers multiple areas, including strengthening inventory levels and planning, trade and promotion planning and customer service.

Demand management is a process that supports supply management (SM). Supply management applies to managing all of an organization's sourcing, developing, manufacturing and delivery activities, including moving materials, services and goods from suppliers. The supply is a complex, interconnected system that enables companies to build products and bring them to market. A company may be a critical link in other businesses' supply chains.

1.2.3 Problems in Services Supply

Supply of services is a more complicated and uncertain process than Supply of manufactured goods. Due to the experiential nature of services being intangible and perishable, it is hard to assess the capacity of delivery of the service to the consumers. Secondly, due to lack of objective ownership of services, justifying the capacity of services becomes complex. Supply is one of the most important elements of Production and Marketing of Services. Though study of Demand and Supply may not receive its due attention in service firms, yet it is a critical factor to determine the success and otherwise of a firm.

There are several factors affecting the firms decision to fix a capacity level of services- Customers expectations, Competitive pricing, Legal framework governing marketing of services, Social environment and the technological environment affecting the marketing and consumption of services.

The following are some of the constraints faced by the Service Marketers to finalize the supply capacity of the Services:

a)   No Standard Input Cost:

While the product manufacturing may have standard input cost and a uniform level of finished goods quality, the services may be diverse in its own character as well as in its features than others. This diversity makes a standard supply of services difficult. For example, for various services, a hotel manager may be incurring different costs. The demand for different services would be different depending upon the demand from different segments of consumers based on income. Hence, the service manager may have a tough time in deciding how much arrangement for various services needs to be made.

b)   Services being Perishable cannot be stored to cater to demand fluctuations:

One of the most important factors affecting the pricing of services is the Perishable nature of Services. Since the demand fluctuations of services cannot be met by creating Services Inventory, it is very difficult for the marketer to fix a price to meet different demand levels. One might have come across low rate of the movie tickets during odd hours like for early morning shows or during weekdays, when less audience is expected. This may also be observed when various Airlines charge a lower air fare during off seasons. This is the strategy made use of by the Service providers to offset the perishable nature of the services.

c)   Services being intangible make cost calculation difficult:

Another dimension that can complicate the demand pattern is the high Intangibility in the Services. Since the component of Intangibility is very high for Services, it becomes difficult to calculate the cost of various activities or processes. For intangible yet homogeneous services like dry cleaning , it is easier to calculate the cost per unit and thus have an expected demand pattern flowing, for various

items. However, in case of non-uniform services like Health practitioners, Nutritionists, Image Consultants, Lawyers etc. there is no standard service being provided to the buyer, no uniform cost structure per unit and hence the calculation of actual demand may be difficult. It may be said that more customized service being offered to the customer, greater flexibility there can be in demand estimation of the service. In such cases the demand may be arrived at by estimating the paying capacity of the target customers.

d) Government Regulations:

For some services, the supply may be fixed by the Government or other regulatory agencies of the land. Some of the examples of services in which the supply may be subject to governmental regulations could be the capacity of Railways, Toll taxes, Electricity supply or water supply. In some services, the trade associations may also play a direct or an indirect role in supply fixation. For some International services like Waterways, Airways etc the supply of services may be affected by International agreements or understanding.

Despite the various problems involved in the process of estimating the supply level for a service, it remains the most significant activity of Service marketing as it is the timely availability of the required service in required quantity which directly contributes in the Sales profit and growth of a firm.

Marketing Demand and Supply through Capacity Planning and Segmentation

Capacity Planning:

- **Demand Forecasting**: Estimate future customer demand using historical data, market trends, and predictive analytics.

- **Capacity Management**: Align service capacity with demand to avoid underutilization or overburden. Techniques include:

- o **Chase Demand Strategy**: Adjust service capacity to match demand fluctuations (e.g., hiring temporary staff during peak periods).

- o **Level Capacity Strategy**: Maintain constant capacity and manage demand through pricing and promotions.

- o **Yield Management**: Maximize revenue by adjusting prices based on demand patterns (commonly used in airlines and hotels).

Segmentation:

- **Market Segmentation**: Divide the market into distinct groups based on demographic, geographic, psychographic, and behavioral characteristics.

- **Targeting**: Select the most attractive segments to focus marketing efforts on.

- **Positioning**: Develop a unique value proposition and marketing mix tailored to the needs of targeted segments.

1.2.4 Purpose of Demand Management

Demand management formulates an action plan to meet current and anticipated conditions in target markets. The process provides data and insights to marketing, demand planning. production and sales forecasting teams to help them achieve company goals.
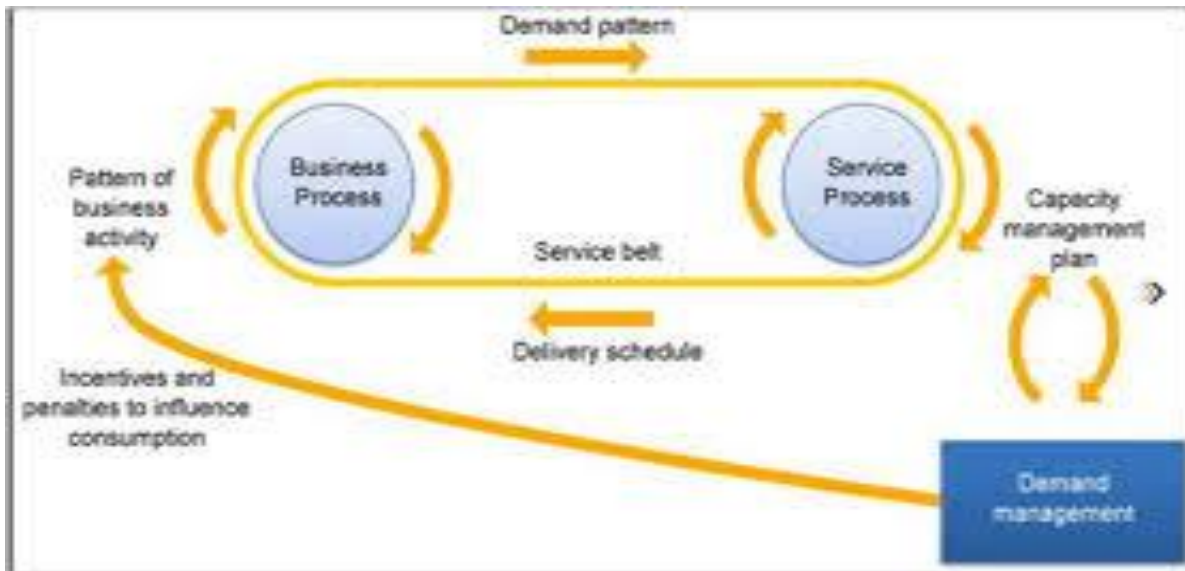
Demand management formulates an action plan to meet current and anticipated conditions in target markets.

The process provides data and insights to marketing, demand planning. Production and sales forecasting teams to help them achieve company goals.

1.2.5 Demand Pattern:

The service output in various organizations can be worked out on the basis of demand curves which may be charted out for a given period of time through statistical analysis. There are several demand curves which may be used to predict the demand for various services. There are a number of demand curves like:

a)   Stable and Constant demand

b)   Stable and Cyclic demand

c)   Linear and accelerating demand

d)   Linear and diminishing demand

e)   Life cycle demand etc.

A service organization can make use of a number of techniques to understand the demand patterns. Some of these are:

a) **Charting Demand Pattern-** This refers to a systematic process of understanding the demand of a service being witnessed over a period of time and then making a judgment about the future demand. For this evaluation of demand often the organization making use of MIS are more accurately able to chart the demand pattern

b) **Predictable cycles-** Often the factors that affect demand can be categorized as predictable and unpredictable. The predictable factors can facilitate in charting a demand pattern for a service.

c) **Random demand Fluctuations-** In general, the demand patterns do not follow very predictable pattern for services. There may be random fluctuations of demand which may not be easily identifiable.

d) **Market Segments and demand patterns-** one of the most simplified method of charting out a demand pattern is the division of market into homogeneous market segments and the development of their segregated demands. This facilitates in accurately identifying demand patterns across the various segments.

Let's Sum Up

Dear Learners, in this second section, we have made an attempt to have an Understanding meaning and definition of demand and supply management, role of demand and demand pattern.

1.3 Matching Demand and Supply

Managing Demand and Capacity

Balancing Demand and Productive Capacity

- Fluctuating demand is a major challenge for many types of capacity-constrained service organizations, including airlines, restaurants, vacation resorts, courier services, consulting firms, theaters, and call centers.
- Most services are perishable and normally cannot be stockpiled for sale at a later date, posing a challenge for any capacity-constrained service that faces wide swings in demand.

A service organization needs to have a clear understanding of the supply constrains and the demand patterns, to be able to match demand and supply for the service at a given period of time. There are two approaches to manage the balance between the demand and supply. The first is to smooth the demand fluctuations and accomplish a match between the demand and supply. The second is the ability of the service organization to adjust the service production to match the demand fluctuations of the market.

Strategies for Matching Supply and Demand:

- **Flexible Workforces**: Utilize part-time, temporary, and on-call staff to handle demand fluctuations.

- **Cross-Training Employees**: Train employees to perform multiple roles to increase flexibility.

- **Reservation Systems**: Implement booking systems to manage demand and reduce wait times.

- **Differential Pricing**: Use peak and off-peak pricing to shift demand and optimize capacity utilization.

For managing to strike a balance between the demand and supply, the service firm can attempt to keep the consumers away during the duration when the demand is more than supply. This may be done through:

a)   **Differential pricing:** Differential pricing of services during peak time and during slow time. Differential Pricing is also called as the Flexible pricing. In this tactic, the Service seller may charge a different price to overcome the 'Perishability' characteristic of the Services and manage the demand fluctuations of the market. This tactic means charging a different price for the service. The differences may be based on:

i) Customer's ability to Pay- the Service marketer may charge a different price for different set of customers for almost the same level of service. For example, Electricity board may charge a different price for Supply of Electricity from Domestic and Commercial consumers.

ii) Time Differentials- Different prices may be charged for almost the same service on a different time of purchase. A restaurant may give some discount on its regular dishes on the off-peak hours. Similarly, Airlines may offer lower prices during off-season to the customers.

iii) Place differentials- A service may be charged differently depending on the place of its deliver or consumption. Rent of a room or a building may be charged differently on the basis of its location. Cinema Hall tickets may be priced differently for a same movie depending on the row in the Hall.

b) **Discount Pricing**– Such a practice means to offer a discount to an intermediary for rendering a service. This tactic is often used to generate demand during off-seasons. For example, a DJ may charge a lesser price for playing in a marriage if contacted via a Banquet hall owner or an Advertisement booked through an Advertising Agency may be charged less.

c) **Varied Service Offering**– Services being intangible, there is a lot of variation in the input and output as also in the demands and expectations of the customers. Thus, there are several service support activities offered to the customer of a similar service. The cost of each of these activities may be added up to arrive at a final price of the service being offered.

For instance, A DTH operator may charge a differential pricing from a subscriber buying a different set of Satellite channels. The pricing of the DTH subscription depends upon the subscriber's choice of channels he wants to watch. Thus the DTH operator charges different price for different channel combinations.

Let's Sum Up

Dear Learners, in this third section, we have made an attempt to have an Understanding over all principles of this service.

1.4 Capacity planning through supply segmentation

Capacity planning for Services is a very complex task and there are several hurdles in determining one best level which a service firm will decide upon. Often a trade-off between the Demand and Supply may be noticeable in Service Marketing. This may happen when due to dynamic market situations, the service manager constantly has to plan the supply level.

Key sectors leveraging supply chain optimization to up their segmentation strategy

Complex and fluctuating supply chains demand tailored operating models to effectively address product, customer, and distribution needs. Segmentation helps design targeted supply chain strategies, enhancing cost-efficiency, service, and sustainability for many sectors.

Here are the key sectors that enjoy the great benefits of doing regular supply chain optimization to up their segmentation strategy.

1. Food and Beverage

For food and beverage brands, improving product segmentation strategies involves optimizing the supply chain to better meet customer demands while reducing costs. With a supply chain optimization solution like AIMMS, global brands can:

Streamline supplier relationships: Identify and partner with reliable suppliers to reduce lead times, improve product quality, and manage costs in constantly changing circumstances.

Balance cost and carbon footprint: Model a strategic digital twin of your supply chain network and use it to run multiple trade-off scenarios between cost and sustainability metrics.

2. Retailers

For major retail companies, managing product variety   involves
balancing the needs of various customer segments and
ensuring the right products are available at the right time.   Supply
chain optimization solutions can help retailers:

Optimize assortment planning: Identify the ideal product mix for each location by analyzing customer preferences, demographic data, and local competition.

Implement store-specific replenishment: Automate replenishment processes to ensure that each store receives the right products at the right time, reducing stock outs and inventory carrying costs.

Enhance warehouse management: Optimize warehouse layout and processes to increase efficiency, reduce labor costs, and improve order accuracy.

3. Oil & Gas

For energy providers like oil and gas companies, managing product variety involves optimizing the supply chain to meet the diverse needs of various stakeholders. Scenario planning technology can assist   energy providers in:

Improving transportation and logistics: Utilize advanced analytics to optimize transportation routes and modes, reducing fuel consumption, costs, and carbon emissions.

Strengthening risk management: Identify and mitigate supply chain risks, such as geopolitical disruptions and natural disasters, to ensure the continuity of operations.

4. Electronics

Electronics companies face a unique challenge in managing product variety due to rapidly changing technology and customer preferences. AIMMS helps companies in this sector by:

Accelerating decision-making on your product mix: quickly add or remove products from your offering and evaluate the best way to consolidate and flow your products throughout your network based on their costs, selling price, and profit margins.

Improving demand-supply alignment: Utilize advanced analytics to match production levels with customer demand, reducing excess inventory and lost sales.

Enhancing reverse logistics: Implement efficient processes for repairs, recycling to minimize costs, improve customer satisfaction, and reduce environmental impact.

We can freely conclude that a product offering has a strong influence on how you structure your business supply chain operations. Having the right resources, skills, and technologies to analyze scenario data will help you make the right decisions.'

Let'sum up

Dear Learners, in this fourth section, we have made an attempt to have an Understanding capacity planning and factors affecting of capacity planning.

1.5 Internal Marketing

Imagine a situation where you plan to buy an Insurance policy and you are interacting with a sales personnel. During discussion you learn that he himself is a owner of a competitive Life Insurance cover. What would be your reaction? Would you purchase a policy from this insurance executive? May be no! For any service organization to survive and grow, it needs to undertake marketing at two different levels-External Marketing: where the services are promoted to end consumers, and Internal marketing: where the services are promoted to the employees and other collaborators associated with the service organization. Internal marketing is as important as external marketing for a simple reason that the success of a Brand in the external market depends upon the confidence the internal staff reflect in their behavior and attitude. Here Internal marketing does not necessarily mean selling a service to the staff, it only means building the confidence of the internal staff in the services being marketed by the service organization.

### 1.5.1 Internal Marketing – Meaning

Internal Marketing refers to a marketing organisation"s efforts to motivate its employees and generating a trust amongst them for the service firm. The service marketer must ensure that it works in collaboration with its employees for the well being of the employees and also of the organization. The core to the success of an organization is the confidence that its employees have in the vision and strategy of the marketing activities for the fulfillment of not only the organizational objectives but also of the individual objectives.

1.5.2 Definition

According to Kotler and Armstrong, "Internal Marketing is orienting the service delivery employees and other supporting service people to work as a team to provide customer satisfaction."

According to Burkitt and Zealley, "The challenge for internal marketing is not only to get the right messages across, but to embed them in such a way that they both change and reinforce employee behavior."

From the above definitions, it may be inferred that Internal Marketing refers to the process within a service organization to motivate and empower their employees at all the hierarchical positions to consistently offer a quality and a satisfying service experience to the consumers.
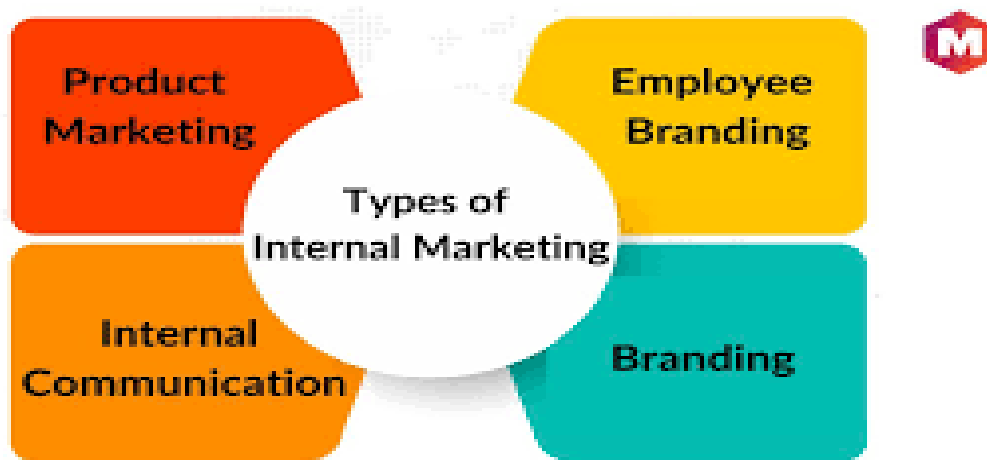
1.5.3 Concept of Internal Marketing

It is originated from the idea of involving the employees of the service organization in the service encounters to improve the service quality by having a positive customer-employee interaction. Internal marketing is not only critical in service organizations, even in manufacturing organizations, quality service can act as a differentiating factor. According to Dunne and Barnes, Internal Marketing has two focuses. Firstly, it should be designed to complement the external marketing through increased customer-employee interaction. The employees should be actively be involved in the development of external marketing communication and promotional strategies. Secondly, it should aim at encouraging the internal staff so that they deliver the critical quality dimensions of Productivity and efficiency.

The term Internal marketing was coined by Berry in 1981 and defined it as "viewing employees as internal customers, viewing jobs as internal products that satisfy the needs and wants of these internal customers while addressing the objectives of the organization". It is felt that unless the internal employees are convinced about the service that they market, they cannot generate sales. Only if the employees are treated as internal customers and their needs and wants are met they become more committed and enthusiastic about the services they market. Once the employee is satisfied with a service and has had a firsthand experience of the same, he is likely to develop a positive perception about it and offer an immediate feedback to the consumers query.

Concept of Internal Marketing:

- Treat employees as internal customers and the workplace as the internal market.
- Aim to motivate, educate, and empower employees to deliver high-quality service.

Objectives:

- Align employee behavior with organizational goals and service standards.

- Foster employee engagement, satisfaction, and loyalty.

Strategies:

- **Employee Training and Development**: Provide ongoing training programs to enhance skills, knowledge, and service orientation.

- **Communication**: Maintain open and transparent communication channels to share company goals, updates, and feedback.

- **Rewards and Recognition**: Implement incentive programs to recognize and reward outstanding service performance.

- **Empowerment**: Give employees the authority and resources to make decisions and solve customer problems independently.

  - **Internal Branding**: Promote the organization's values and culture internally to create a strong brand identity among employees.

1.5.4 Internal Marketing process:

Involving the employees in the development of the marketing strategies is one of the first steps to internal marketing. However, there are various ways in which the organization can design internal marketing:

a) **Aligning Organizational objective with employee attitude:** One of the most important strategies to do internal marketing is to align the overall organizational objectives with the attitude of the employees. The service staff should be involved and taken into confidence while designing the external promotional and communication marketing plans. The service personnel should always be clearly informed about the vision of the organization and their role in the fulfillment of the vision should

also be briefed. This helps in the alignment of organizational purpose with that of the employee's attitude which is reflected during the service encounters.

b) **Comprehending the Organizational Core values:** Every employee of the organization should be introduced to the core values and philosophy of the organization. This is important as it is the employees who reflect the organizational values to the customers. Thus, understanding and appreciating the basic values of the organization by the service staff is essential to be reflected to the consumers, in turn.

c) **Coordination:** Having acquainted the employees to the driving philosophy of the organization and the overall vision statement to all, it is useful to coordinate the efforts of all employees to achieve the common purpose of customer satisfaction and organizational growth. This step is critical as humans have a tendency for conflicts. The service manager must ensure that each individual in the organization understands his role in the service production and delivery and knows what he has to do and when. The concept of Total Quality Management can also be introduced at this step to explain the important role that each and every individual plays in the service delivery.

d) **Developing congenial environment:** Creation of an open and trustworthy atmosphere is the next step in Internal marketing process. The employees should feel confident to share their views with their immediate seniors as well as with the top authorities for the purpose of improving the service quality or reduction in the customer waiting time.

e) **Empowering employees:** Internal Marketing is facilitated with having empowered employees in the organization. The level of belongingness and motivation is directly proportional to the degree of empowerment offered to the service staff. When the employees feel that they are authorized to facilitate and expedite the customers service delivery, they become more creative and enthusiastic to satisfy the consumers, which is the aim of the organization also.

f) **Reward:** Internal marketing can also be done by rewarding the service employees for their exceptional performance in discharging their duties. Critical cases may be given a special consideration along with the routine services offered by the employees. This not only motivates the winning employee but also generates a healthy competition amongst the other service personnel.

Let's Sum Up

Dear Learners, in this fifth section, we have made an attempt to have an Understanding meaning and definition of internal marketing, process and concept of marketing.

1.6 Services Marketing Triangle

Services marketing rest upon three significant components for being successful:

a) Internal Marketing

Internal Marketing is the most important dimension of Services marketing. The employees of the organization should be involved in the development of the external marketing and motivated to share the company"s vision so that they enable the delivery of the promises of high service quality to the consumers. Internal Marketing may include internal communication which makes use of a number of channels or mediums to share information.

The Services Marketing Triangle

b) External Marketing

External Marketing refers to all the communication and promotions directed to the prospective consumers with the intension to encourage the sale of a service for the satisfaction of their needs and wants.

c) Interactive Marketing

This is the last dimension of Services Marketing which highlights the importance of direct interaction of service employees with the potential consumers of the services for the delivery of high quality service. Services are typically characterized by the interaction between the customers and service providers. This is because the services are produced and consumed at the same time, hence the interaction cannot be avoided between provider and consumer of the services. Marketing of services have increasingly become interactive due to the consumer"s access to technology driven modes, especially the Internet, for being in touch with service provider.

1.6.1 Prerequisites for Internal Marketing

From the discussion above, it is clear that Internal marketing aims to involve and motivate the internal staff and other collaborators of a service organization to share the organizational vision and work enthusiastically for the accomplishment of the organizational objectives through consumer satisfaction. There are a few variables in the organization which needs to be considered for a successful internal marketing.

a) Internal Communication

The primary aim of Internal Marketing is to create customers and service quality conscious service staff. This is possible to achieve only when the employees are informed about the organizational core values, guiding philosophy, vision, Marketing strategies, long term and short term objectives, consumers needs and expectations, priorities of different consumer segments etc., which is sought to be done through Communication. Using Top-down or bottom-up approach, the top management must ensure that the employees share the organizational values as well as objectives for fulfilling the goal of Internal Marketing of creating consumer- conscious service employees . Just like the external communication, the internal communication should also be attractive and catchy for the employees to get attracted to and convinced with. Further, just like the external communication, managers must gather feedback about the effectiveness of the internal communication also.

b) Organizational Culture

Organizational culture refers to the set of shared beliefs and norms in the organization which influence the behavior of all the employees. Culture facilitates the understanding of the organizational functioning and also serves as a guide for the employees. For a service transaction to take place, employees of different hierarchical levels may interact with the consumers. Hence, it is important for all to be integrated with the organizational culture, by recognizing that they are a part of the organization and their interests are linked with those of the organization as a whole.

c) Managerial Skills and Competencies

Managerial skills are visible in the long term and short term planning done by them and its effective implementation. The competencies of the managers are reflected in making Internal Marketing

successful by building relations with all the employees in the chain of service creation and service delivery. For the effective Internal marketing, managers should possess competencies of Interpersonal relations, decision making, conflict management, leadership, introspection, peer management etc.

d) Linking Internal and External Communication

All along the implementation of the Internal Marketing, the Service Marketers must ensure that the messages being conveyed in the Internal and external communication are the same. The service employees would echo the message contents that they have been hearing to the prospective customers. Any mismatch between the message contents of internal and external communication can lead to confusion, thereby adversely affecting the outcomes of Internal Marketing.

1.6.2 Barriers to Internal Marketing

While the above variables are significant for the successful implementation of Internal Marketing, there are some factors which hinder the process of Internal marketing.

a) Resistance to change

Whenever a new idea is to be implemented, a likely reaction by those getting affected is to resist the new idea or the proposed change. Many a times people resist the change due to lack of complete information, fear of loss of authority, fear of loss of promotional opportunities or job security , to name a few. Service managers must confront such factors leading to resistance to change and ensure that all employees concerned are able to appreciate and accept the proposed implementation of Internal Marketing.

b) Failure to fix responsibilities

Often the service organizations are unable to identify the position and delegate the requisite responsibility to effectively implement Internal Marketing. This is evident when the service employees are able to take a decision concerning quality service delivery but are unable or unwilling to do it.

c) Lack of support from the top management

Even when all the variables within an organization are in right perspective for the implementation of Internal marketing, nothing can be achieved if it does not have the support of the top level management. For an effective Internal Marketing, the employees down the line should get supportive and substantial indicators from the top management for its implementation else the whole exercise will be futile.

d)   Managerial incompetence

If the service managers responsible for the internal marketing are incompetent or does not rightly appreciate the concept of Internal marketing, the implementation cannot be effectively done. Often, the managers are unable to catch the indicators affecting the service quality level or the employee motivational levels and thus fail in their duty of putting Internal marketing process in place and may only pay a lip service to the concept.

1.6.3 Effective internal marketing

Internal marketing is a company's strategy for promoting its brand to its employees. By aligning employees with the company's vision and operations, internal marketing helps create a positive customer experience.

When executed correctly, effective internal marketing initiatives can lead to increased <u>employee engagement</u>, satisfaction and motivation, leading to higher customer satisfaction rates.

Strategies

There are various strategies to promote internal marketing, which are mentioned below as follows:

- **Brand Awareness:** A crucial part of an internal marketing plan should be assisting employees in comprehending the background and objective of the business. Additionally, it's a vital step in creating a healthy workplace atmosphere. It increases the awareness among the employees, and they help engage with the brand if they are given a sense of belonging.
- **Communication Apps:** One of the most fundamental uses for communication apps is employee communication. Internal marketing can use these apps to disseminate brand information or company updates to keep everyone on board with overarching business goals. For example, apps like Slack can provide effective methods to gauge participation.
- Team Bonding Activities: A fun method for workers to get to know one another in a calm atmosphere is essential. Examples include team outings the organization coordinates.
- Employee Appreciation Programs: An effective internal marketing campaign can be built on a solid employee appreciation program. It is especially applicable to companies with fewer employees and smaller staff sizes. Team members benefit from recognition by understanding that management is aware of and values their efforts.

1.6.4 The Benefits of Internal Marketing

Internal marketing operates on the idea that the opinions of a company's customers are based on their experiences with the business, not just with the products.

By treating employees as "internal customers," internal marketing helps employees align with the company's vision and operations. In turn, they provide their customers with a consistent and valuable experience.

Ultimately, a company with high levels of employee engagement is more likely than its competitors to have higher external <u>customer satisfaction</u>, <u>employee retention</u> and profitability rates.

Let's Sum Up

Dear Learners, in this sixth section, we have made an attempt to have an Understanding meaning and barriers of internal marketing, benefits of internal marketing, pre – requisite if internal marketing.1.7 External Marketing

<u>External marketing</u> simply means promoting your brand's identity, products, and services beyond your brand's physical boundaries.

External marketing is a method for small businesses to reach their target audience and increase their brand awareness.

Different types of content and materials are used in external marketing.

Here are some examples of marketing to the outside.

- Websites
- Social media interaction
- Print, radio, and TV ads.

External marketing is a way to build brand equity and value by answering customers' questions.

Effective External Marketing Builds rapport with potential clients and strengthens The Brand's Existing Ones.

1.7.1 Benefits of External Marketing for Your Target Audience

1. Information dissemination

2. Image building and management

3. Expanding your brand's reach

1. Information Dissemination

External communication facilitates business through sharing of information that relates to customers, suppliers, stakeholders, etc. This spreading of information may be done through print and online communications that bring up bring awareness.

2. Image Building and Management

How your customers and stakeholders see your brand impacts your brand's success.

Through external marketing, your brand presents the positive image you want your target audience to appreciate and relate to.

You connect with your customers through external communication. It also manages your brand's image and brand voice by addressing your customers' concerns and questions.

3. Expanding Your Brand's Reach

External marketing is casting a net to reach your target audience or demographic. It not only serves to keep the interest of current customers but encourages potential customers to try your high-quality products and services.

With external marketing, your brand can tap into new partnerships and encourage collaboration with other brands.

3.7.2 External Marketing Strategies

What external marketing strategies can you do?

1. Advertise

2. Present brand information

3. Network through marketing channels

1. Advertise

Advertising is an important part of your external marketing strategy; it tells your customers what your brand offers.

But take note: your advertising strategy also depends on where your customers are most often interacting with your brand. Are they mostly online? Or are your customers more likely to see your ads on   TV?

To nurture customer relations, you can have opt-in emails where they could receive news about your products and services.

Check out our latest survey report on small business advertising trends.

2. Present Brand Information

Presentations of your brand information can be done not just with your customers. Your brand can also participate in expos to reach new customers and tap potential partners.

These marketing efforts can be done through case study examples or other social media content that can attract potential customers.

3. Network

Build connections for your brand through a networking campaign. This can be done through events such as seminars, demos, and expos.

Your brand can also network online through social media, PR company contacts, news outlets, and social media influencers.

Set up specific brand metrics that can quantify this external marketing process.

3.7.3 External Communication: Making Connections

Here are different types of external communication methods that work with marketing tools:

1. Online content

2. Emails and newsletter subscription

3. Social media channels

4. Press releases

5. Live events

1. Online Content

This refers to your website content and the use of SEO, as well as blogs. Your customers and partners must be able to get information about your brand and offerings online.

Online content can also refer to video content and website design elements. For external marketing purposes, ensure that all types of content are user-friendly for site visitors.

2. Emails and Newsletter Subscription

Sending digital newsletters and email updates to your subscribers helps your brand to stay connected with your target customers. Online updates can serve as advertising.

Use email marketing strategies while focusing on user experience when drafting newsletter content.

3. Social Media

Social media is an essential tool for information dissemination and marketing. It helps your customers reach you. In turn, your brand can quickly respond to your customers' concerns.

Focus your company's external marketing energy on social media channels that hit your target audience.

4. Press Releases

Press releases include magazine or newspaper write-ups as well as TV and radio advertising. Having your content released to a known media outlet allows for a wider reach. This can also factor in as one of your marketing campaigns.

5. Live Events

Live events such as product demos, seminars, conferences, expos allow people to see your product and services for themselves.

External marketing in-person can attract people to look beyond their smart phone.

External vs. Internal Orientation of Service Strategy

External Orientation:

- **Customer-Centric Approach**: Focus on understanding and meeting the needs and expectations of external customers.

- **Market Research**: Conduct regular market research to gather insights into customer preferences, behaviors, and satisfaction.

- **Customer Relationship Management (CRM)**: Implement CRM systems to manage interactions with customers and build long-term relationships.

- **Service Customization**: Offer personalized services to cater to individual customer needs and preferences.

Internal Orientation:

- **Employee Focus**: Prioritize the needs and well-being of employees to ensure they are motivated and equipped to deliver excellent service.

- **Internal Communication**: Foster a culture of open communication and collaboration within the organization.

- **Employee Development**: Invest in employee training, development, and career growth opportunities.

- **Internal Service Quality**: Ensure that internal support functions (e.g., HR, IT) provide high-quality services to frontline employees.

Balancing External and Internal Orientation:

- **Integrated Service Strategy**: Develop a service strategy that balances the needs of both external customers and internal employees.

- **Internal-External Feedback Loop**: Create mechanisms for feedback from both customers and employees to continuously improve service delivery.

- **Alignment of Goals**: Ensure that the organization's goals and objectives align with the needs of both customers and employees.

- **Employee-Customer Interface**: Recognize that employees are often the face of the organization to customers; their satisfaction and engagement directly impact customer experiences.

<mark>**Let's Sum Up**</mark>

Dear Learners, in this seventh section, we have made an attempt to have an Understanding meaning and benefits' of external marketing, strategies and making connection of external communication

Unit Summary	Involves forecasting demand and aligning service capacity to meet that demand. Ensures optimal resource utilization and customer satisfaction. Dividing the market into distinct groups of customers with similar needs or characteristics. Helps tailor services to meet specific segment requirements. Concentrates on internal processes, employee performance, and service quality. Ensures that internal operations support the overall service strategy.

Self Assessment Questions	**1. Which of the following is a key aspect of managing service demand and supply?** A. Product differentiation B. Capacity planning C. Brand positioning D. Price skimming **2. Internal marketing of services focuses primarily on which group?** A. Customers B. Competitors C. Employees D. Suppliers **3. What is the main difference between external and internal orientation of service strategy?** A. Internal focuses on product features, while external focuses on marketing campaigns.

B. Internal focuses on customer satisfaction, while external focuses on profit maximization.

C. Internal focuses on employee engagement, while external focuses on customer engagement.

D. Internal focuses on competitor analysis, while external focuses on market research.

4. **Which segmentation strategy is most effective for service marketing?**

A. Geographic segmentation

B. Demographic segmentation

C. Psychographic segmentation

D. Behavioral segmentation

5. **Capacity planning in service marketing involves which of the following?**

A. Estimating future sales volumes

B. Managing workforce schedules

C. Planning promotional campaigns

D. Designing new services

6.**The primary focus of internal orientation in service strategy is:**

A. Market research

B. Competitor analysis

C. Employee engagement

D. Customer satisfaction

7. **Which of the following best describes external orientation in service strategy?**

A. Focusing on internal processes and efficiency

B. Prioritizing customer needs and market trends

C. Developing new technologies for service delivery

D. Enhancing employee satisfaction and productivity

8. **Effective segmentation in service marketing helps to:**

A. Increase production efficiency

B. Identify and target specific customer groups

C. Reduce marketing costs

D. Enhance employee training programs

9. **Which of the following is a key benefit of internal marketing?**

A. Improved customer loyalty

B. Enhanced employee satisfaction and retention

C. Reduced operational costs

D. Increased market share

10. **Which of the following best describes capacity planning in service marketing?**

A. Estimating future sales volumes

B. Managing the workforce to meet service demand

C. Designing new service features

D. Planning promotional campaigns

Short Questions	1. Define capacity planning in the context of service marketing.
	2. Explain the concept of internal marketing of services.
	3. What is the importance of segmentation in service marketing?

Essay Type Question	1. Discuss the differences between internal and external orientation of service strategy, and explain why both are essential for effective service management. 2. Discuss the differences between internal and external orientation of service strategy, and explain why both are essential for effective service management
check your progress	1. B. Capacity planning 2. C. Employees 3. C. Internal focuses on employee engagement, while external focuses on customer engagement 4. D. Behavioral segmentation 5. B. Managing workforce schedules 6. C. Employee engagement 7. B. Prioritizing customer needs and market trends 8. B. Identify and target specific customer groups 9. B. Enhanced employee satisfaction and retention 10. B. Managing the workforce to meet service demand
Activities	Role-Playing Exercise: You are the manager of a mid-sized hotel. The tourism season is about to begin, and you need to prepare your team for the influx of

guests. Your goal is to align internal operations with the anticipated increase in demand while ensuring high service quality.

Roles:

1. Hotel Manager (You)

2. Front Desk Staff

3. Housekeeping Supervisor

4. Maintenance Supervisor

5. Marketing Manager

Glossary	**Capacity Planning:** The process of determining the production capacity needed by an organization to meet changing demands for its products or services. **Segmentation:** Dividing a broader market into distinct subsets of consumers with common needs or characteristics. **Internal Marketing:** Strategies used to motivate employees and improve internal communication to ensure they can deliver high-quality services. **External Orientation:** A strategic approach focused on understanding and meeting the needs of customers and responding to market conditions. **Internal Orientation:** A strategic approach focused on optimizing internal processes and employee performance to support the overall service strategy.

Open sources	S.No	Topic	E content links	QR code
E Content links	1.	capacity planning	https://youtu.be/9jNI-rxIh40?si=BG_hCy_H4FF0NdiG	
	2.	internal marketing	https://youtu.be/bgWvnv7QH9c?si=XoDHEPQvvFBdFWu0	
	3.	External Marketing	https://youtu.be/QsLQs2U7QDQ?si=HkGdGazfGviaSBpL	
	4.	Demand And Supply	https://youtu.be/A6LGHT31zsQ?si=BxcDvCUJMI8qJEXX	
	5.	Service Triangle	https://youtu.be/jUT5xfUssyo?si=Z0j6LMLNAIT0mjnJ	
	6.	Internal Vs External Marketing	https://youtu.be/9mByw-WvsRY?si=f3kmgbu4Jqp9lCib	

Delivering Quality

self assessment questions	1. Emphasize the importance of internal marketing and communication in preparing for the high-demand season. 2. Discuss how the strategies practiced can be implemented in real situations to ensure high customer satisfaction and efficient service delivery.
Suggested Reading	4. . http://dx.doi.org/10.1108/02651339410061937. 5. http://dx.doi.org/10.1300/j396v24n01_03. 6. https://www.scribd.com/document/18037862/Principles-of-Service-Marketing-and-Management
Reference	6. https://youtu.be/HNOY8GLVy_8?si=pDn_9e0GrCZZFvcb 7. https://youtu.be/QwqDABGEWFo?si=6bIXJMmWFwfOrRxn

Delivering Quality Service: Causes of service – quality gaps- SERVQUAL-SERVPEF. The customer expectations versus perceived service gap. Factors and techniques to resolve this gap. Customer relationship management. Gaps in services - quality standards, factors and solutions – the service performance gap – key factors and strategies for closing the gap. External communication to the customers- the promise versus delivery gap - developing appropriate and effective communication about service quality.

Unit Module Structuring

1. *Introduction Delivering Quality Service*

2. *Causes of service*

3. *quality gaps*

4. *SERVQUAL*

5. *SERVPEF*

6. *The customer expectations versus perceived service gap*

7. *Factors and techniques to resolve this gap.*

8. *Customer relationship management*

9. *Gaps in services*

10. *Quality standards, factors and solutions, the service performance gap*

11. *key factors and strategies for closing the gap*

12. *External communication to the customers, the promise versus delivery gap*

13. *Developing appropriate and effective communication about service quality.*

STAGE – 2 – Modules Sections and Sub-sections structuring

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Delivering Quality Service: Causes of service – quality gaps- SERVQUAL-SERVPEF. The customer expectations versus perceived service gap. Factors and techniques to resolve this gap. Customer relationship management. Gaps in services - quality standards, factors and solutions – the service performance gap – key factors and strategies for closing the gap. External communication to the customers- the promise versus delivery gap - developing appropriate and effective communication about service quality

## 1.1   Delivering quality service
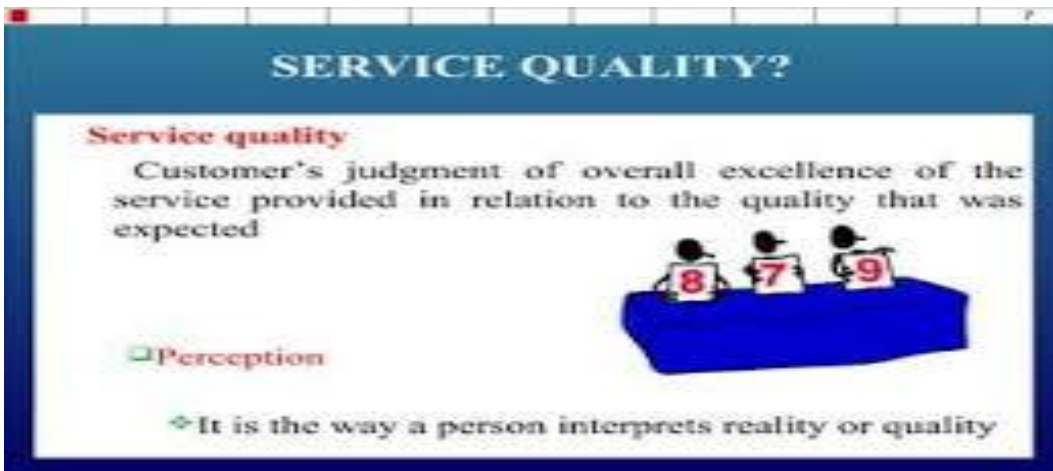
Service delivery in the government sector refers to the provision of services and benefits to citizens by government agencies and departments. This can include a wide range of services, such as healthcare, education, social services, public safety, infrastructure, and more.

The goal of service delivery in the government sector is to meet the needs and expectations of citizens in an efficient and effective manner, while also upholding the principles of transparency and accountability.

1.1.1 Quality of Service Delivery: Determinants

There are several factors that can impact the quality of service delivery in the government sector. These include:
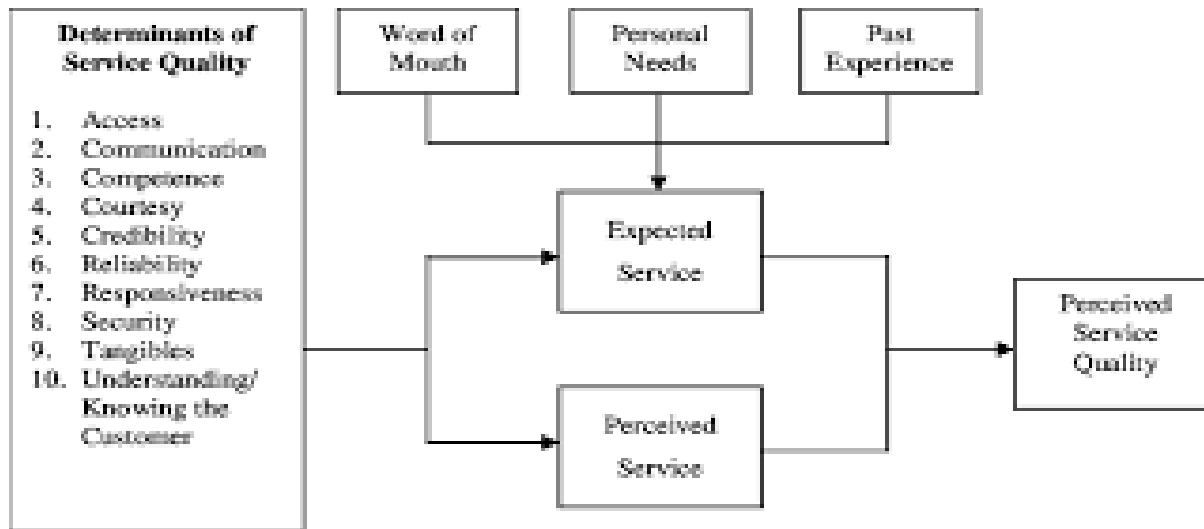
1. ***Adequate resources**: Ensuring that there are sufficient financial and human resources available to deliver services is essential for maintaining the quality of service delivery.*

2. ***Competent and well-trained staff**: The skills and knowledge of government employees are critical to the delivery of high-quality services. Providing ongoing training and professional development can help ensure that staff has the necessary skills and expertise to deliver services effectively.*

3. ***Clear policies and procedures**: Establishing clear policies and procedures can help ensure that services are delivered consistently and efficiently.*

4. ***Effective communication and collaboration**: Good communication and collaboration between agencies and departments can improve the coordination and delivery of services.*

5. ***Technology****: The use of technology can improve the efficiency and effectiveness of service delivery, but it is important to ensure that the technology used is reliable and user-friendly.*

6. ***Responsiveness to changing needs and expectations****: Governments must be responsive to the changing needs and expectations of their citizens and continually seek ways to improve and innovate their service delivery.*

7. ***Transparency and accountability****: Ensuring transparency and accountability in the service delivery process can help build trust and confidence among citizens.*

1.1.2 Challenges to Quality of Service Delivery

There are a number of challenges that governments face in ensuring the delivery of high-quality services to their citizens. Some of the main challenges include:

1. ***Limited resources****: Governments often have to balance the demands of providing a wide range of services with limited financial and human resources. This can make it difficult to deliver services at the level of quality that citizens expect.*

2. ***Bureaucracy and red tape****: Complex policies, procedures, and regulations can create delays and inefficiencies in the service delivery process.*

3. ***Lack of coordination between agencies****: Different government agencies and departments may have conflicting priorities or a lack of communication, which can hinder the delivery of services.*

4. ***Balancing the demands of different interest groups****: Governments must often balance the demands and needs of different groups, such as different age groups, income levels, or geographic areas. This can make it difficult to meet the needs and expectations of all citizens.*

5. ***Technological challenges****: The use of technology can improve the efficiency and effectiveness of service delivery, but implementing and maintaining new technologies can also present challenges.*

6. *Political considerations*: Political pressures and considerations can sometimes influence the priorities and decision-making of governments, which can impact the delivery of services.

1.1.3 Measures to Improve Quality of Service Delivery

1. **Establish clear goals and performance standards**: Defining clear goals and performance standards can help ensure that services are delivered consistently and effectively.

2. **Involve citizens in the service delivery process**: Engaging citizens in the service delivery process can help ensure that services meet the needs and expectations of those they are intended to serve.

3. **Use performance data to drive continuous improvement**: Regularly collecting and analyzing performance data can help identify areas for improvement and inform efforts to continuously improve service delivery.

4. **Invest in training and professional development**: Providing ongoing training and professional development can help ensure that government employees have the necessary skills and expertise to deliver high-quality services.

5. **Simplify policies and procedures**: Streamlining policies and procedures can help reduce bureaucracy and improve the efficiency of service delivery.

6. **Use technology to improve efficiency**: The use of technology can improve the efficiency and effectiveness of service delivery, but it is important to ensure that the technology used is reliable and user-friendly.

7. **Foster collaboration and coordination between agencies**: Encouraging collaboration and coordination between different government agencies and departments can help improve the delivery of services.

8. *Foster a culture of customer service*: Creating a culture of customer service within government agencies can help ensure that employees are focused on meeting the needs and expectations of citizens.

Let's Sum Up

Dear Learners, in this first section, we have made an attempt to have an understanding on the meaning and qualities and defined challenges of customer service

1.2 Causes of service quality .

1. **Inseparability of production and consumption and labour intensity**.

The provision of service, as distinct from the manufacture of goods, occurs in the presence of customers. Inevitably as with any human encounter, problems do arise. The service employee may exhibit poor presentational skills, conduct himself improperly and dress inappropriately. All of these and more may influence the customer's perception of service quality. The intensive involvement of humans in service delivery will always have the potential to pose problems for quality.

2. **Inadequate services to intermediate or internal customers.**

The frontline employee is by definition at the 'sharp-end' of the service delivery system. To execute the service effectively, the employee requires proper support from further back in the organization

Let's Sum Up

Dear Learners, in this second section, we have made an attempt to have an understanding causes of service quality

1.2   *Service quality*
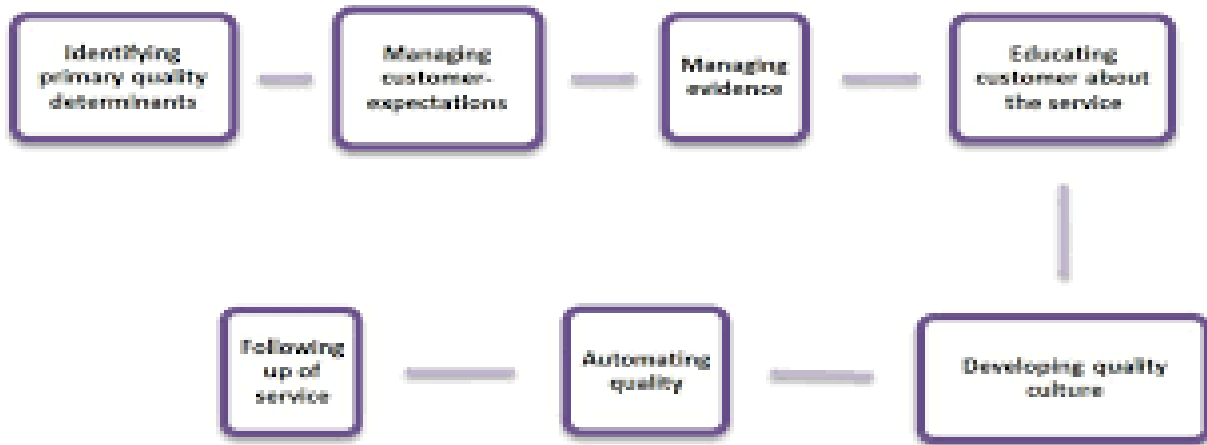
Service quality is very important for customers as well as service providers. To achieve competitive advantage, the service organizations are focusing more on the quality. The concept of quality has drawn massive attention in academic and business circles. There are many definitions of quality. The word quality means different things to different people. To address such issues as the measurement of service quality, the identification of causes for shortfall in service quality and the design and implementation of corrective actions, it is essential for the service providers to have a common understanding of the concept of quality.

4.3.1 David Garvin identifies five perspectives on quality:

Different Perspectives of Service Quality

Transcendent:	Quality = Excellence. Recognized only through experience
Product-based:	Quality is precise and measurable
User-based:	Quality lies in the eyes of the beholder
Manufacturing-based:	Quality is in conformance to the firm's developed specifications
Value-based:	Quality is a trade-off between price and value

1. The transcendent view of quality is synonymous with innate excellence; a mark of uncompromising standards and high achievements. This view point is often applied to the performing and visual arts. It argues that people learn to recognize quality only through the experience gained from repeated exposure. From a practical stand point, however, suggesting that managers or customers will know quality when they see it is not very helpful.

2. The product-based approach sees quality as a precise and measurable variable. Differences in quality it argues, reflects differences in the amount of an ingredient or attribute possessed by the product. Because this view is totally objective, it fails to account for difference in the tastes, needs, and preferences of individual customers.

3. The premise that quality lies in the eyes of the beholder is the basis for user-based definitions. These definitions equate quality with maximum satisfaction. This demand-oriented, subjective perspective recognizes that the wants and needs of each customer is different.

4. The manufacturing oriented approach is basically supply based and is concerned with engineering and manufacturing practices. The manufacturing based approach focuses on conformance to internally develop0ed specifications, which are often driven by productivity and cost-containment objectives.

5. Quality is defined in terms of value and price by value-based definitions. Quality comes to be defined as 'affordable excellence' by considering the trade off between performance and price. These views of David Garvin help us to explain the conflicts that arise between managers in different functional areas. In many senses quality is subjective. For many people quality implies excellence or luxury. Quality can also be measured in terms of fitness for purpose. In seeking quality service, customer needs and expectations may vary. Service quality is not easy to measure in precise manner. The nature and characteristics of services can have an impact on quality issues.

It is very difficult to measure and assess the service quality because of the Intangibility of many services.

➢ Inseparability of the service from the service provider highlights the role & influence of the people in the service transaction, and on quality levels.

➢ A service is never exactly repeated and will always be variable to certain extent because of the heterogeneous characteristic of service.

➢ The perishable nature of services can lead to customer dissatisfaction if demand cannot be met. The most appropriate approach in defining and measuring service is the user-based approach. The

idea that quality is subjective and will be strongly linked to the individual's needs and expectations recognizes that customers have different criteria for judging service quality.

This user-based approach equates quality with maximum levels of satisfaction. Valarie Zeithaml, A.Parasuraman & Leonard Berry identified Ten criteria consumers use in measuring and assessing service quality

1. Competence is the possession of the required skills and knowledge to perform the service. For example, there may be competence in the knowledge and skill of contact personnel, knowledge and skill of operational support personnel and research capabilities of the organization.

2. Courtesy: is the consideration for the customer's property and a clean and neat appearance of contact personnel, manifesting as politeness, respect, and friendliness.

3. Credibility: includes factors such as trustworthiness, belief and honesty. It involves having the customer's best interests at prime position. It may be influenced by company name, company reputation and the personal characteristics of the contact personnel.

4. Security: enables the customer to feel free from danger, risk or doubt including physical safety, financial security and confidentiality.

5. Access is approachability and ease of contact. For example, convenient office operation hours and locations.

6. Communication: means both informing customers in a language they are able to understand and also listening to customers. A company may need to adjust its language for the varying needs of its customers. Information might include for example, explanation of the service and its cost, the relationship between services and costs and assurances as to the way any problems are effectively managed.

7. Knowing the customer: means making an effort to understand the customer's individual needs, providing individualized attention, recognizing the customer when they arrive and so on. This in turn helps to delight the customers by rising above their expectations.

8. Tangibles: are the physical evidence of the service, for instance, the appearance of the physical facilities, tools and equipment used to provide the service; the appearance of personnel and communication materials and the presence of other customers in the service facility.

9. *Reliability: it is the ability to perform the promised service in a dependable and accurate manner. The service is performed correctly on the first occasion, the accounting is correct, records are up to date and schedules are kept.*

10. *Responsiveness: it is the readiness and willingness of employees to help customers by providing prompt timely services, for example, mailing a transaction slip immediately or setting up appointments quickly.*

<mark>**Let's Sum Up**</mark>

Dear Learners, in this third section, we have made an attempt to have an understanding measuring and assessing of the service quality, five perspective of quality .

<mark>*1.5 Service Quality Gap*</mark>

Businesses using SERVQUAL to measure and manage service quality deploy a questionnaire that measures both the customer expectations of service quality in terms of these five dimensions, and their perceptions of the service they receive. When customer expectations are greater than their perceptions of received delivery, service quality is deemed low.

In addition to being a measurement model, SERVQUAL is also a management model. The SERVQUAL authors identified five Gaps that may cause customers to experience poor service quality. Let us discuss these Service Gaps and how can these be closed:

Gap 1: Requirements Gap– This is the first Gap discussed in the model which is the result of ignorance of marketers understanding of what the consumer desires or expects. Failure to identify the consumer's core need for buying a service results in Requirements Gap. This gap can be addressed through the following actions:

i) Marketing research- a systematically planned and implemented marketing research can help management in identifying what the consumers seek and desire while purchasing a service.

ii) Open Communication- there should be adequate and clear communication between the consumers and the service delivery personnel on one hand and between the service delivery employees and the management on the other hand to better understand the consumer's expectations.

iii) Consumer relations- the service transaction with a consumer should be with the view to develop a long term relationship instead of only making a one point of time sales.

iv) Managing Service recovery- this is a means of understanding the reason of dissatisfaction of an employee with a service and ensuring to offer a rectified service to the aggrieved consumer. At the same time, it is important to learn lessons from this experience so that such a deficiency of service delivery may not happen in any future service encounter.

Gap 2: Design Gap- This is the second gap which may occur due to the basic design of the service being offered to the consumer. The marketers may fail to incorporate satisfactory service standards and hence may not be able to design a quality service. This gap may be overcome by the following steps:

i) Good Service design- The service should be clearly designed from creation to its delivery. Then the firm must work on developing a connect with the consumers perception of the service design so that the deliberately created design is positively taken by the target consumers.

ii) Adding performance standards- A good service design should be based on the performance standards desired by the consumers. Every step must be taken not to fall below the expectations of the consumers on such specified levels.

iii) Developing physical evidence- *this relates to offering an appropriate service physical evidence to the consumer as this would be the only variable visible to the consumer. From here the consumer could be convinced of a quality service experience in line with his expectations.*

Gap 3: Quality Specification and delivery Gap

This is the gap between service quality specification and service delivery. This gap may arise through service personnel being poorly trained, incapable or unwilling to meet the set service standard. The possible major reasons for this gap are:

· Deficiencies in human resource policies such as ineffective recruitment, role ambiguity, role conflict, improper evaluation and compensation system

· Ineffective internal marketing

· Failure to match demand and supply

· Lack of proper customer education and training

*Gap 4: Imbalance between promotional communication and internal performance*

Gap 4 is the difference between service delivery and external communication. Consumer expectations are highly influenced by statements made by company representatives and advertisements. The gap

arises when these assumed expectations are not fulfilled at the time of delivery of the service. For example, the hospital printed on the brochure may have clean and furnished rooms, but in reality it may be poorly maintained, in which case the patients' expectations are not met. The discrepancy between actual service and the promised one may occur due to the following reasons:

· Over-promising in external communication campaign

· Failure to manage customer expectations

· Failure to perform according to specifications

Gap 5: Satisfaction Gap

The satisfaction gap is between expected service and experienced service. This gap arises when the consumer misinterprets the service quality. For example, a physician may keep visiting the patient to show and ensure care, but the patient may interpret this as an indication that something is really wrong.
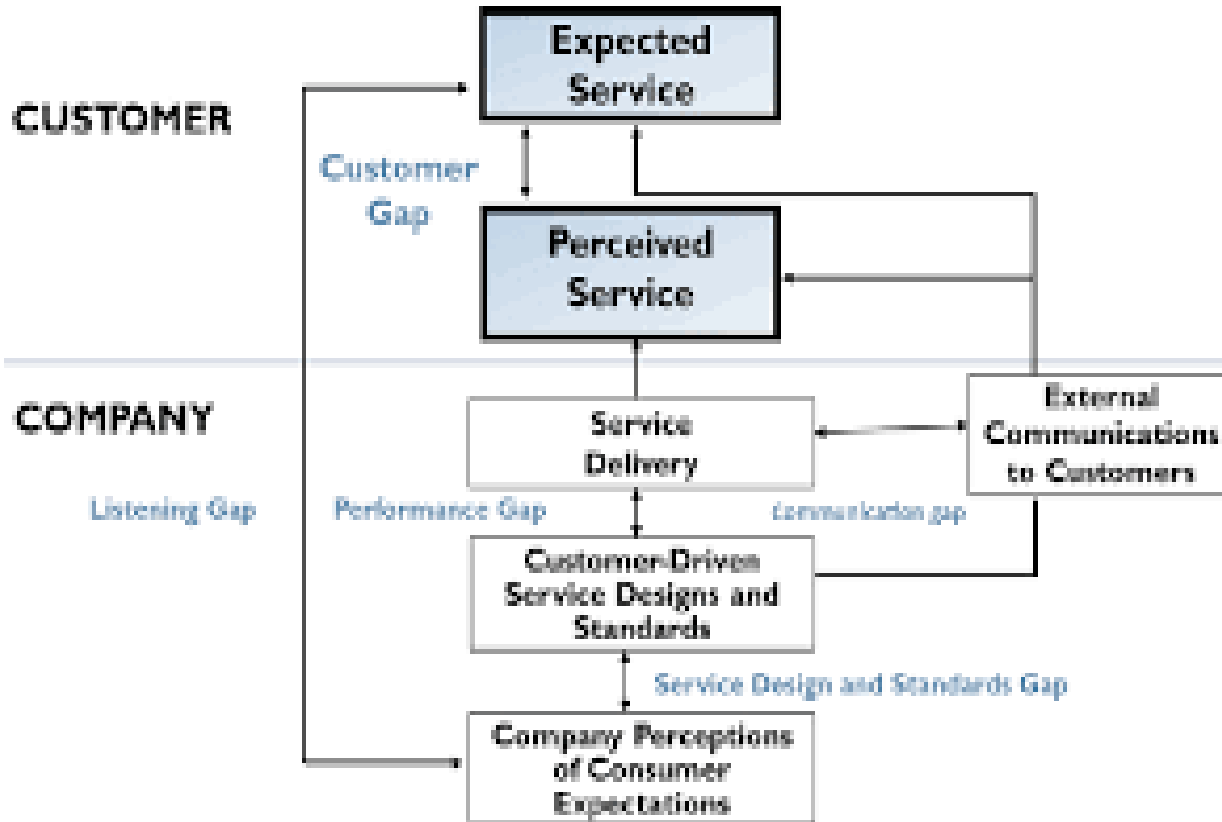
Let's Sum Up

Dear Learners, in this fifth section, we have made an attempt to have an understanding Cleary given five service quality gap

1.6 SERVQUAL – SERVEF

The SERVQUAL model *was created by researchers A. Parasuraman, Valarie Zeithaml, and Leonard L. Berry in 1985 to measure and drive quality in the service and retail sector. The SERVQUAL* model *is a framework for measuring service quality and customer satisfaction through five dimensions: reliability, responsiveness, assurance, tangibles, and empathy.*

SERVQUAL uses a questionnaire with paired statements for each category to figure out how good the service is. Customers are asked to rate their hopes and impressions of the service on a Likert scale, which usually goes from 1 (strongly disagree) to 7 (strongly agree). The evaluation gathers information about what customers expected and what they actually got. This lets organizations compare the two and find any gaps.

The SERVQUAL model figures out the gap score for each measure by taking the average score for perception and subtracting it from the average score for expectations. A positive gap score means that customers' perceptions don't match up with their goals, showing where changes need to be made.

By using the SERVQUAL model, companies can figure out where they need to focus their efforts to improve the quality of their services. It gives businesses a way to measure and improve customer satisfaction and helps them understand and meet customer expectations

1.6.1 Dimensions of SERVQUAL Model

The SERVQUAL model is based on these ten factors. Together, they make a complete framework for evaluating and improving service quality.

The ten original dimensions of the SERVQUAL model or service quality model are as follows-

1. *Tangibles*

Refers to how the service setting looks, including the facilities, equipment, and the way the service staff looks.

2. *Reliability*

Focuses on giving the promised service correctly and reliably, ensuring that performance is consistent and services are delivered as promised.

3. *Responsiveness*

Measures how ready service providers are to help customers and how quickly they can respond to their needs or requests.

4. *Communication*

Assesses how well service providers and customers can talk to each other, such as by giving clear and understandable information, actively listening, and sending correct information.

5. *Credibility*

It relates to how trustworthy, believable, and honest the service provider is. This includes things like competence, knowledge, and ethical behavior.

6. *Security*

Focuses on how safe and protected customers feel during the service experience, including protection of personal information, financial security, and physical safety.

7. *Competence*

Refers to the knowledge, skills, and abilities that service providers need to do their jobs and deliver the service successfully.

8.   *Courtesy*

Measures the courtesy, respect, and friendliness that service providers show their customers, which makes for a good and welcoming service experience.

9.   *Understanding*

Assesses how well service providers show they understand customers' needs, preferences, and standards and how well they tailor their services to meet those needs.

10.   *Access*

Measures how easy it is for customers to get the service, taking into account things like convenience, availability, and the lack of barriers or other problems in getting the service.
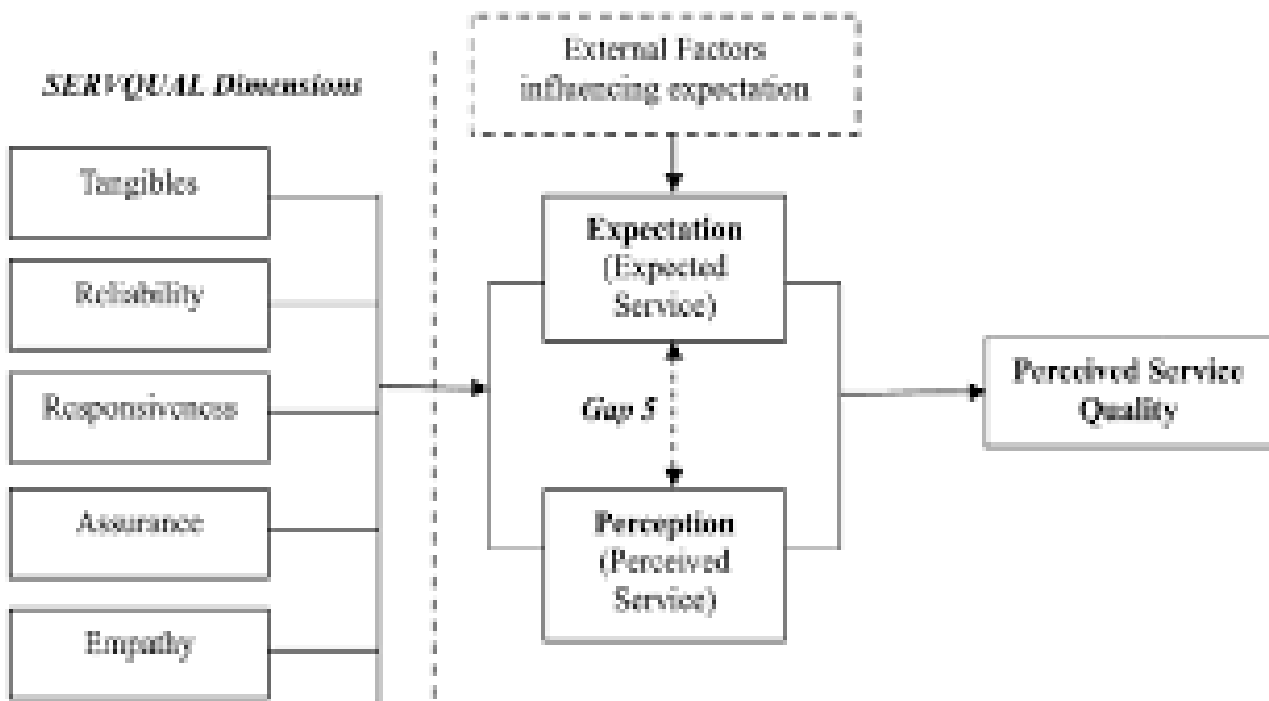
6.1.2 Applications of SERVQUAL

Here are some applications of Servqual:

- ***Service quality measurement***

Servqual is used to assess customer service quality. It helps determine customer expectations vs service impressions. This data can help detect service quality issues and develop solutions.

- ***Customer satisfaction assessment***

Understanding customer satisfaction can help keep and recruit customers. Customer satisfaction can be measured with Servqual. Companies can assess how well their services match customer needs by comparing customers' expectations and views across the five dimensions.

- ***Service improvement and innovation***

Service providers can use Servqual to identify improvement opportunities. Organizations can focus on improving customer perceptions by assessing gaps between expectations and perceptions in each category. This aids service innovation and continuous improvement efforts.

- ***Competitive benchmarking***

Servqual may assess service quality across companies in the same industry. Organizations can determine their competitive position, strengths, and weaknesses by measuring and comparing customer perceptions and expectations. This data informs competing strategies.

- ***Training and development***

Servqual identifies service staff training and development needs. Organizations can discover training needs by studying dimensions where service providers score low. This improves personnel skills and customer service.

- ***Service recovery***

Servqual can assess the recovery process after a service breakdown. Organizations can assess recovery efforts by comparing customer perceptions before and after the service outage. This improves service recovery strategies.

<mark>**Let's Sum Up**</mark>

Dear Learners, in this sixth section, we have made an attempt to have an understanding on the dimensions of service quality gap, process and application SERVQUAL gap.

<mark>**1.7 The customer expectation and perceived service gap**</mark>

Gap between expected service and experienced service: This gap arises when the consumer misinterprets the service quality. The physician may keep visiting the patient to show and ensure care, but the patient may interpret this as an indication that something is really wrong.

The fifth or Customer gap represents the overall difference between the customer's expectations for and perception of the level of service received. This gap can occur due to service issues from gaps 1–4 or can reflect an error in the customer's judgment of the service received. The customer's perception is influenced by a range of factors including personal experience and needs, advertising and word of mouth. For example, a customer may have experienced excellent service during a meal but incorrect charges on the bill or boisterous diners at the next table may taint the experience and leave the customer dissatisfied overall. The key point to recognize is that

CUSTOMER EXPECTATION VS. CUSTOMER PERCEPTION

Customer Expectation represents the actual expected service & Customer Perception revels the actual received service.

the fifth gap can't be closed directly; in order to close the customer gap, a retailer needs to close gaps 1–4. Obtaining customer feedback is the key to identifying the root cause(s)—that is, the underlying service gap(s)—and, ultimately, closing the Customer gap.

7.1.1 Factors Contributing to the Customer Gap

Unclear Communication

When companies fail to communicate their offerings clearly, customers may form inaccurate expectations. For instance, ambiguous product descriptions or misleading advertisements can create a significant gap.

Example: *A technology company introduces a new product with a complex technical description that is not easily understood by the average consumer. The gap widens when customers misinterpret the product's features, expecting functionalities that the product does not possess.*

Inconsistent Service Quality

Fluctuations in service quality contribute to the gap in service. If customers experience inconsistencies in the level of service across different interactions or touchpoints, it can lead to dissatisfaction.

Example: *A hotel chain maintains high service standards in some locations but experiences inconsistencies in others. Customers who have positive experiences in one branch may anticipate a similar level of service elsewhere, leading to a perceptual gap when their expectations are not met.*

Unmet Promises

When companies make promises regarding their products or services and fail to fulfill them, it widens the gap in service. Unmet expectations can result from delayed deliveries, poor customer support, or product defects.

Example: *An e-commerce platform guarantees next-day delivery during a promotional campaign but fails to fulfill this promise due to unforeseen circumstances. The resulting gap arises when customers expect prompt delivery based on the company's assurance, only to be disappointed.*

Lack of Personalization

Customers increasingly expect personalized experiences. When companies overlook individual preferences and provide generic services, it can contribute to a significant gap between what customers anticipate and what they actually receive.

Example: *An online streaming service recommends content solely based on popularity without considering individual viewing habits. Subscribers may feel a gap between their expectation of personalized content recommendations and the generic suggestions they receive.*

Let's Sum Up

Dear Learners, in this seventh section, we have made an attempt to have an understanding customer expectation and perceived service gap and factors of service gap and inconsistency gap in service model.

1.8 Gap in service

The GAP Model of Service quality helps to identify the gaps between the perceived service and the expected service. Five Gaps occur in the Service Delivery Process. They are:

1. *The gap between Customer Expectation and Management Perception*

2. *The gap between Service Quality Specification and Management Perception*

3. *The gap between Service Quality Specification and Service Delivery*

4. *The gap between Service Delivery and External Communication*

5. *The gap between the Expected Service and Experienced Service.*

8.1.1 GAP MODEL OF SERVICE QUALITY

GAP 1: Gap between Management Perception and Customer Expectation

This gap arises when the management or service provider *does not correctly analyze what the customer wants or needs. It also arises due to insufficient communication between contact employees and managers. There is a lack of market segmentation. This Gap occurs due to insufficient market research. For Instance- A café owner may think that the consumer wants a better ambience in the café, but the consumer is more concerned about the coffee and food they serve.*

GAP 2: Gap between Service Quality Specification and Management Perception

This gap arises when the management or service provider might correctly comprehend what the customer requires, but may not set a performance standard. It can be due to poor service design, Inappropriate Physical evidence, Unsystematic new service Development process.

An example would be restaurant Managers who may tell the waiters to provide the order of the consumer quick, but do not specify "How Quick".

GAP 3: Gap between Service Quality Specification and Service Delivery

This gap may arise in situations existing to the service personnel. It may occur due to improper training, incapability or unwillingness to meet the set service standards. It can be due to inappropriate evaluation and compensation systems. Ineffective Recruitment is the main cause of this gap.

The failure to match the supply and demand can create this gap. There is also a lack of empowerment, Perceived Control, and framework. An example would be a restaurant having very specific standards of the food communicated but the restaurant staff may not be given proper instruction as to how to follow these standards.

GAP 4: Gap between External Communication and Service Delivery

Consumer Expectations are highly influenced by the statements made by the company representatives and advertisements. This gap arises when these assumed expectations are not fulfilled at the time of Delivery of Service.

An example would be a restaurant that has printed on its menu that it serves 100% Vegetarian Food but in reality, it serves Non-Vegetarian Food as well. In this situation, consumer expectations are not met.

GAP 5: Gap between Experienced Service and Expected Service

This gap arises when the consumer misunderstands the service quality. For Instance, A Restaurant Manager may keep visiting their consumer to ensure quality check and consumer satisfaction, but the consumer may interpret this as an indication that something is fishy or there is something wrong in the service provided by the restaurant staff.
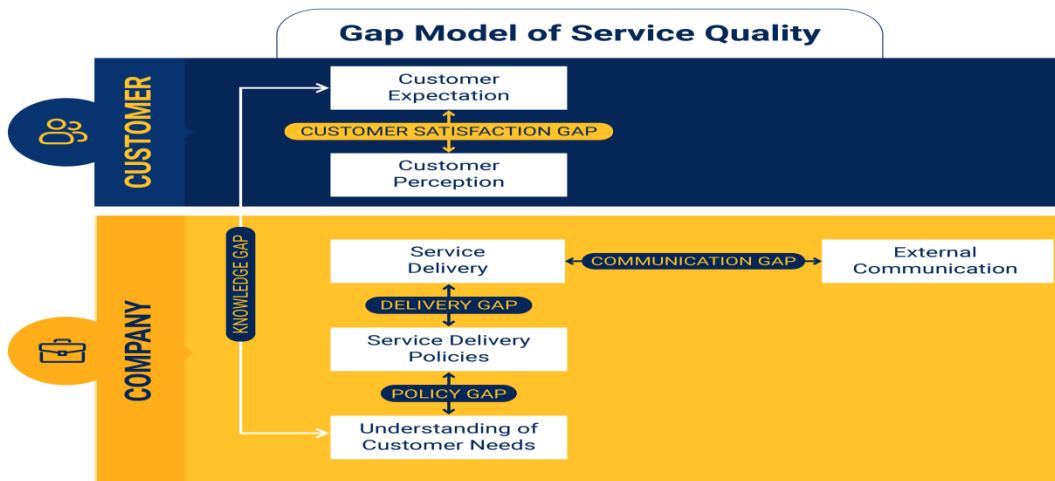
The Gap Model provides a combined, centralized view of the relationship between your customers and your company, highlighting five distinct gaps that contribute to an unsatisfactory customer experience:

- *Gap 1: The Knowledge Gap*

The knowledge gap tackles the difference between customer expectations and the perceptions of their needs, as seen by management. This usually occurs when the management team does not fully understand what the customers really want.

- *Gap 2: The Policy Gap*

The policy gap means the difference between the perception of needs by management and the actual specification of the service provided. This happens when the management understands what the customers want but it doesn't translate into correct specifications and orders to the rest of the company.

- *Gap 3: The Delivery Gap*

The delivery gap refers to the difference between the specification of the service and the service that's being produced by the company. This occurs when the people who "produce" the service are unable, unwilling, or just do not know how to fully reach the specified & needed standard of that service.

- *Gap 4: The Communication Gap*

In the case of the communication gap, we're looking into the difference between the service produced by the company and overall communication. This mostly happens when the service expectations formed by customers based on corporate communication are not met at all.

- *Gap 5: The Customer Gap*

And finally, the customer gap refers to the difference between customer expectations and customer perceptions. This may arise when the customer sees a characteristic of service quality as something undesirable. This gap is also now used to identify overall customer dissatisfaction, which appears as the result of the sum of the other gaps.

Let's Sum Up

Dear Learners, in this eight section, we have made an attempt to have an understanding service quality gap and map given here.

1.9 Quality Standards

Quality standards refer to sets of guidelines, systems, methods, requirements, and specifications followed by an organization to ensure consistent process and product quality. Mostly prevalent in manufacturing, quality standards are established by industry regulatory boards to help drive customer satisfaction and maintain compliance. Globally, ISO quality standards are the most widely accepted set of standards applicable to various industries.

8.1.1 Important

Any product or service that's free from any manufacturing defect, deficiency, or process variation is considered of good quality. This is achieved through the holistic process of quality assurance *and* quality control.

Thus, to ensure and maintain good manufacturing practices, a set of manufacturing quality standards must be established and followed for the purpose of uniformity across the entire manufacturing process.

Additionally, some of the benefits of quality standards include the following:

- *Continuous improvement of quality outcomes*

- *Efficient adherence to regulatory requirements and compliance*

- *Reduced process variation and product defects*

- *Improved worker productivity and safety*

- *Enhanced customer satisfaction*

- *Seamless flow of operations*

9.1.2 Principles of quality

In setting quality assurance standards, the 7 principles of quality management also apply to help establish a more fitting Quality Management Standard (QMS) based on your business and industry. That said, the principles of quality standards are the following:

- ***Customer Focus*** *– This guides the organization in ensuring that customer needs and expectations are met by setting quality standards aligned with them.*

- ***Leadership*** *– This pertains to the organization's commitment to implement leadership principles across the organization to promote a healthy culture of collaboration.*
- ***Engagement of People*** *– This is key to maintaining worker engagement toward providing better value to the organization and customers.*

- *Process Approach* – *This refers to the way of treating all projects and processes as part of a holistic functioning system to drive all efforts into sustaining the business.*

- <u>Improvement</u> – *This emphasizes the need for an organization to continuously improve by encouraging proactive innovation and consistent recognition of successful initiatives.*

- *Evidence-based Decision-making* – *This empowers people to value the importance of data and analysis and how they can put them into practical applications such as maintaining quality standards.*

- *Relationship Management* – *This enables organizations to look at the overall supply chain management and how it affects the processes, stakeholders, and suppliers.*

Let's Sum Up

- Dear Learners, in this ninth section, we have made an attempt to have an understanding quality standards and principles of quality standards

1.10 The Service Performance Gap

The service performance gap is the discrepancy between development of customer-driven service standards and actual service performance by company employees.Even when guidelines exist for performing services well and treating customers correctly, high-quality service performance is not a certainity.Standards must be backed by appropriate resources (people, systems, and technology) and also must be enforced to be effective-that is,employees must be measured and compensated on the basis of performance along these standards.Thus even when standards accurately reflect customer expectations,if the company fails to provide support for those standards if it does not facilitate,encourage, and required their achievement-standards no good.When the level of services delivery falls short of what customer expect as

well.Narrowing the performance gap- by ensuring that all the resources needed to achive the standards are in place reduce the customer gap

10.1.1key factors and strategies for closing the gap in service marketing

Do your research.

Even if you did your homework before starting your business, reevaluating your customers' needs and your competitors' capabilities is a must. Your product may lack key technology features or, perhaps, the users would like to get AI-powered recommendations like those offered by your competitors.

Create and test the customer journey map.

Think about your buyer's journey from the first contact to the post-purchase service. Write down each stage and contact your support service team pretending to be your own customer. This way, you can track down weak points, whether it's a lack of expertise, data or technologies that degrade the service quality.

Look at your metrics.

Numbers are your best friends to help track service quality. Regularly track and analyze the following metrics to identify customer service gaps:

• *Average issue handling time*

• *First call/chat/email resolution rate*

• *Percentage of unattended requests*

• *Number of agents available per client per hour*

• *Average wait time on hold*

• *Average response time*

• *Conversation to close rate*

• *Customer satisfaction score*

We use the 'Service Quality Model' developed by Parasuraman et al (1988) to help us identify, understand and reduce any shortfalls of our service delivery. By closing the five 'gaps' in service quality below we aim to improve our service to students.

Closing Gap 1: Learn what customers expect and their exact wants

To close this gap we need to increase our understanding of student expectations and needs by:

- *Conducting research including surveys, interviews with student and undertaking analysis of complaints and other feedback.*

- *Improve our understanding by making sure that feedback from and frontline staff supporting students is fed back to those making decisions about service delivery.*

- *Getting those decision makers 'closer to the customer'.*

- *Converting research and feedback into information, insight and action.*

Closing Gap 2: Improve Service Standards

For the second gap we need to revise our service quality standards by:

- *Specifying standards that more closely reflect student expectations.*

- *Making sure quality is defined from the customer's point of view.*

- *Set, communicate, and reinforce customer-centred service standards*

- *Be open to new ways of serving students that overcome barriers to delivering quality service.*

- *Standardise repetitive work tasks to ensure consistency and reliability*

- *Measure staff performance and provide regular feedback to the service team.*

Closing Gap 3: Improve Service Delivery

We need to make sure that service performance matches specifications by:

- *Recruiting and retaining student-customer-centred people.*

- *Making sure all staff are aware of their roles and what is expected of them in terms of service quality.*

- *Making sure all staff understand how they can contribute to the student-customer experience.*

- *Giving staff the technical training needed to perform their assigned tasks.*

- *Educating staff about customer expectations, perceptions, potential problems and service recovery.*

- *Moving decision making closer to the customer and giving staff greater discretion in how the help students reach their objectives.*

Closing Gap 4: Meet Your Promises

We need to make sure that our performance levels match our marketing promises by:

- *Consistent service delivery to our stated and advertised service standards.*

- *Making sure that advertising content accurately reflects those service characteristics that are most important to customers*

- *Asking front line staff to contribute when designing new advertising*

- *Asking staff to comment about messaging to delivered to student-customers.*

- *Testing communications with student representative to make sure messages are clear and effective.*

- *Identifying and explaining the uncontrollable reasons for shortcomings in service performance*

Gap 5: Perceptions

Educate customers to see reality of service delivery by:

- *Getting the customer to communicate what they want at the time they arrive at the counter*

- *Getting the customer to communicate what they wanted through feedback after their interaction with the service.*

- *Managing student-customers' expectations by letting them know what is and is not possible and the reasons why.*

- *Sharing feedback from student-customers with those making decisions about service delivery where they are dissatisfied with our performance.*

Let's Sum Up

Dear Learners, in this tenth section, we have made an attempt to have an understanding service marketing and key factors , strategies of service

1.11 External Communications

To thrive in the 21st-century marketplace, every organization must understand the importance and necessity of external communications. Even though the media and methods have evolved, the goal remains the same — maintaining a reputable brand image to increase output and sales successively.

To structure your business with no thought toward maintaining external communications is to crash your company even before it gets off the ground. It sounds harsh, but it is true. This is why many large corporations and organizations that trade different products and services sink millions and billions into maintaining a steady stream of external communications.

Your company may have fewer resources than other giant corporations. However, you can find a path unique to your organization's visions and goals and leverage that to boost your external communications process. With the rise of the digital workplace, strategic communication within and outside is paramount to the organization's smooth operations. A lot can go wrong within a day if there is no proper means of communication in place.

In today's world of business, effective corporate communication *is crucial and a big part of external communication. What else is? In this article, we'll explores external communications, their importance and benefits, various channels of external communications, and how you can leverage these channels to boost your brand relations and increase productivity and sales.*

11.1.1 Importance and benefits of external communication

Effective external communication goes a long way in defining the success rate of any business. A solid external communication game makes customers feel more connected and emotionally attached to brands.

A simple monthly newsletter about an upgrade to a product or service keeps the customer in the loop with an assurance of security dealing with the brand. As an aside, it is also a great way to boost employee experience *when employees receive timely updates about happenings in the company.*

Here are some other advantages of external communication:

1. *Developing community relations:* *External communication helps businesses build community relationships. By sharing information and updates about the company's activities, businesses can create a positive image and build trust with the community.*

2. *Communicating and leveraging information:* *External communication helps businesses share information about their products or services and their benefits which can be used as leverage to attract new customers, retain current ones, and gain a competitive advantage in the market.*

3. *Building brand identity:* External communication is critical to building a brand identity. A consistent message across all external communication channels helps to create a strong brand identity and increase brand awareness.

4. *Optimizing external networks:* External communication helps businesses optimize their external networks by building relationships with suppliers, investors, and partners.

5. *Relations with suppliers:* External communication helps businesses to maintain good relations with their suppliers. By sharing information about their plans and requirements, companies can ensure a steady supply of goods and services.
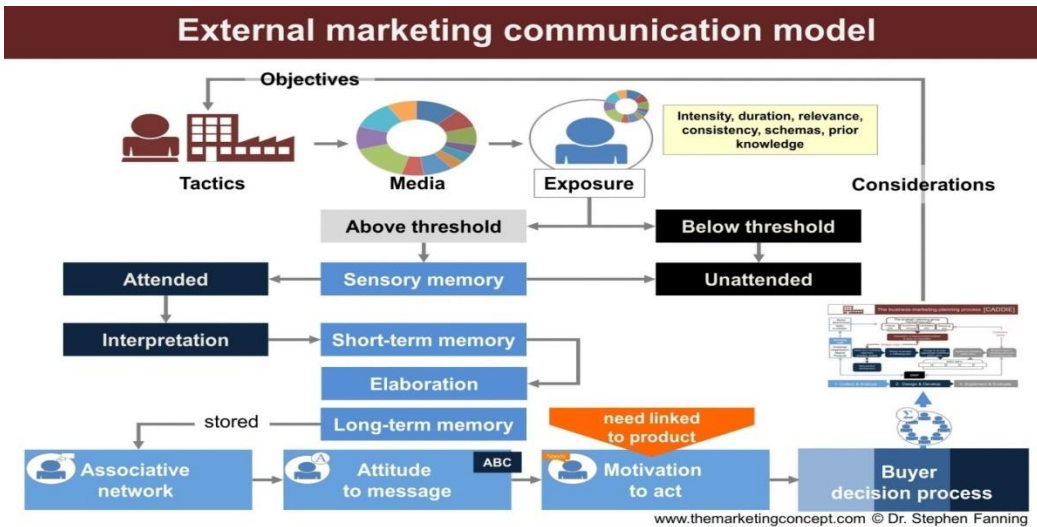
==Your business can leverage many external communication tools to communicate with external stakeholders. The following are some examples:==

1. *Social media:* Businesses can effectively communicate with customers and establish brand recognition by utilizing social media platforms like Facebook, Twitter, and LinkedIn.

2. *Email:* An email is a powerful tool for businesses to communicate with customers, suppliers, and investors. It is an efficient way to share updates, news, and other important information.

3. *Newsletters:* Newsletters are a great way to inform customers and other stakeholders about the company's activities, products, and services.

4. *Presentations:* *Presentations are an effective way to communicate with investors, partners, and other stakeholders. They help to showcase the company's strengths and plans.*

5. *Events/Conferences:* *Events and conferences allow businesses to network with stakeholders, showcase their products and services, and build relationships.*

6. *Press releases:* *Press releases are an effective way to share important news and updates with the media.*

7. *Blogs:* *Blogs are an excellent tool for businesses to share information, insights, and ideas with customers and other stakeholders.*

Let's Sum Up

Dear Learners, in this eleventh section, we have made an attempt to have an understanding external communication and benefits, merits of communication given and importance .

1.12 The promise versus delivery gap

Brands live in our minds. They are constructs of our beliefs and experiences about them. Our beliefs are based on what we heard and experienced about a brand before. They are the internalisation of all the marketing's explicit and implicit promises. This is what we expect to experience next time we meet the brand. And then, when we actually meet the brand, we compare our experience, the delivery of the marketing's promises to our pre-existing beliefs. Whatever the result of this comparison may be — confirming, exceeding or conflicting our expectations — that will be the brand for us for that moment. The promises vs the delivery.

YOUR BRAND

*from marketing perspective*
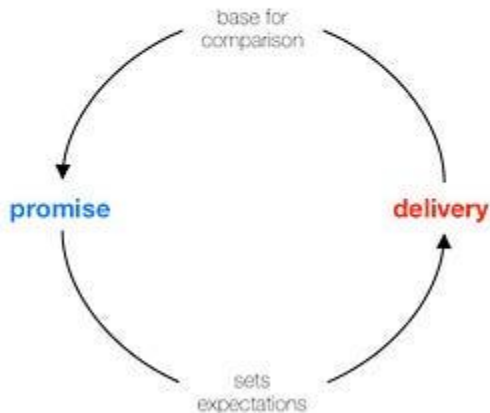
from people's perspective

This idea suggests that your brand is ever changing with every single brand-people interaction. It also means that promises set expectations about delivery and experiences, and also correct beliefs. One will have an effect on the other regardless the marketer's intent.

People's individual and unconscious comparisons determine your brand. So you can understand your brand's health by a simple division: it is the ratio of its delivery and promise. To be precise, the sum of all the beliefs and all the experiences of your entire market.

Simple?

Well, we will tell you where your marketing should focus at least:

- *Do you over-promise (or under-deliver, if you will)? Give your product or service a decent boost.*

- *Should we just say to do what you already do well to do it a bit braver and louder? Do so.*

- *Do you exactly walk your talk? Well, it will change soon, so you better 'walk faster and nicer'.*
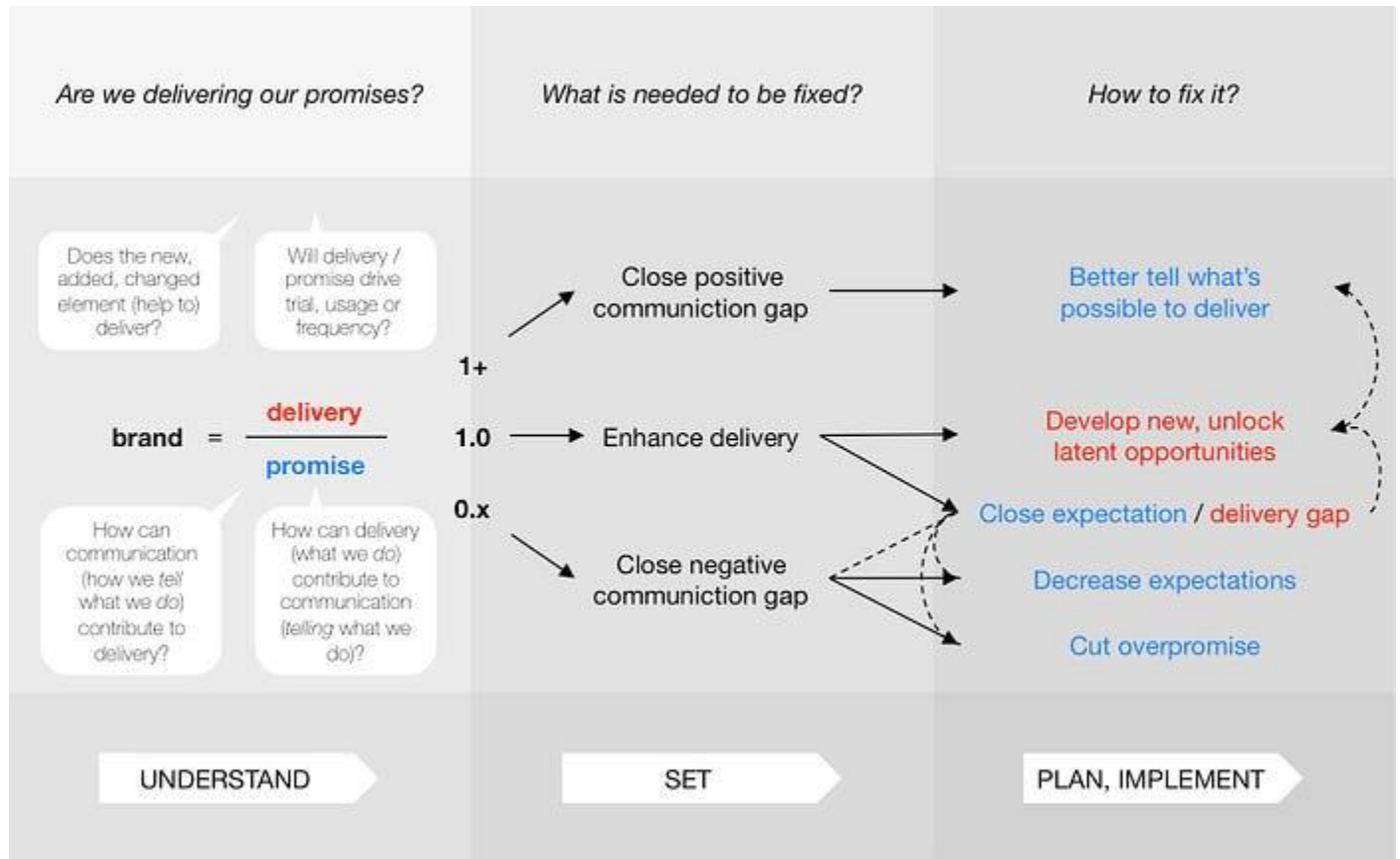
OK, see the details of the three different cases.

Closing a positive communication gap

If your brand's delivery exceeds its promise their dividend will be over one. This result suggests that you have a positive communication gap. You can close this gap by telling better what is possible to deliver. Telling it to more people, telling it braver and clearer. The answer to your problem lays in communication.

Enhancing delivery

If you deliver exactly what you promise your score will be one. This may suggest you reached perfect harmony. But things do not stay still unless they are dead. Stay prosperous, and thus be able to control changes you yourself have to change. It is time to develop new or unlock latent opportunities in your offer and in the way your consumers experience it. Product and service design will help you there.

Closing a negative communication gap

When your brand's promise exceeds its delivery your score goes below one. This signals that you are over-promising. You either simply stop it and start a more realistic communication or you start decrease the expectations of your consumers. Beyond communication means you can close this gap by product or service development.

Developing Appropriate And Effectives Communication About Service Quality

Enhancing and developing better <u>customer service communication skills</u> should be part of your overall customer service strategy. <mark>Here are 10 areas to focus on to improve your</mark> <u>customer communication</u>.

#1 Practice patience and empathy

Show that you care for your customers even if they share their frustration. Some customers need that extra word of assurance or a higher level of engagement to feel satisfied with the outcome. Also, being patient allows you the time to figure out the root cause of the problem and how to provide an effective solution instead of closing the loop in a hurry.

#2 Communicate clearly and concisely

Develop command over your language and product knowledge to inspire trust in your customers. Clarity requires you to break down complexities into concepts that are easily digestible for your customers. For example, while they don't need to know the nitty-gritty of what caused a bug, you may need to explain what really happened in simpler terms.

Clear communication prevents <u>customer frustration</u> by ensuring that there are no miscommunications. Make sure that you're using positive language when communicating with a customer. Positive language means telling your customer what you can do for them rather than what you can't.

For example, instead of saying, "That's not something I deal with. Jessica is in charge of billing, and she's not here right now," say something like, "I understand. Please let me find that out for you and get back to you as soon as I have this information."

#3 Listen to your customers intently

Waiting on hold forever to get the help you need can be very frustrating, but having a customer support rep get you an incorrect answer is even worse when it comes to customer frustration! So listening carefully to what customers are saying is probably the single most effective strategy to provide the solution they need. You might not be able to help them, and perhaps you need to contact someone else, but ultimately, if you understand their actual problem, you'll give them a solution. Listen to your customers with attention to specific details, understand their problems' magnitude, and identify internal areas of improvement.

#4 Display emotional intelligence

Speak the customers' language and acknowledge what issues they are facing by putting yourself in their shoes. Empathizing with a problem or frustration your customer can go a long way – customers feel better when you're honest and genuinely care about fixing their issue.

Here's an example of how to display emotional intelligence while dealing with an angry customer:

Customer: *"I ordered it a month ago, and when I finally received it, it's the wrong size! I've been on hold forever — you seriously treat customers this way?!"*

Representative Response: *"I'm so sorry you had to wait. From my understanding, you either need to exchange the product you received with the right size or return it for a refund. Do I understand this correctly?"*

Other examples of emotional intelligence you can use during a conversation are:

- *"I understand what you are going through."*

- *"I would be equally frustrated in your place."*

- *"I want to help you."*

- *"I can see why you're frustrated."*

- *"Thanks for bringing this to our attention!"*

- *"I completely understand why you're asking for this."*

#5 Be proactive in your approach

Going the extra mile with a customer is a fantastic way to <u>delight your customers</u>. Anticipating potential issues that your customers may face and providing a solution can save them a headache. For instance, you can communicate foreseeable issues in advance via email or chat,, and offer help instantly when customers are showing visible signs of frustration using <u>website widgets</u>. Proactive communication can play a major role in ensuring why your customers stick to your brand.

#6 Use data to know your customers better

Consider the following stat: It's five times more expensive to acquire new customers than retain your current ones.[4] Knowing this, it's a no-brainer to find out why customers are leaving and focus on keeping them. Knowing who your customers are and what drives them to buy your product or request for your service are crucial to business growth and success. Use analytics to identify customer groups and their needs to offer them personalized experiences and stand out from the competition.

#7 Add creativity into the mix

Customer service can get very monotonous. So when the right opportunity presents itself, add some creativity to delight your customers. Creative responses, especially on social media, can get a positive response, even if it's for solving a grievance. As long as you're consistent with your brand, your customers will enjoy humor and creativity!

However, use discretion when it comes to humor and creativity. There might be some situations, issues, or customers that would not appreciate a light-handed reply. To avoid mishaps, drawing out the lines of acceptable or unacceptable scenarios in which to allow a free hand, is critical.

#8 Enable employee engagement

Support your customer service agents, enabling them to discuss their problems with experts who can connect with what they go through. Not only will this encourage knowledge sharing and collaboration across the organization but also present newer opportunities to delight customers. You may want to set up some time every week and encourage agents to convene and share pain points or key learnings.

It is important that your support team can easily communicate and help each other on a day-to-day basis. This can be done by choosing a help desk software that comes with an in-built collaboration tool. For instance, Freshdesk enables agents to collaborate on the internal chat tool that can be accessed right within the tool. Alternatively, you can also integrate communication software with your helpdesk software to facilitate smooth collaboration.

#9 Ask for customer feedback and fine-tune your support

<u>Customer feedback</u> *is one of the most important aspects of improving your customer experience. When a customer picks up the phone, sends you an email, or messages you on social media, they give you the chance to improve your product – don't miss out. By listening to what customers are saying, you can refine and improve your customer support. Therefore, an integral part of customer service communication is reaching out to customers and asking for their feedback.*

#10 Manage time efficiently

As the saying goes, "time is money." Tracking your time for different types of issues, committing to <u>Service Level Agreements (SLAs)</u>*, analyzing scenarios that cause delays, and working on them are*

all part of improving your customer service communication. For example, assigning a resolution SLA with a deadline for when the ticket needs to be closed or resolved can ensure that the customer gets their issue resolved with quality responses and action, not just quick answers.

You can leverage workflow automation to save time spent on repetitive processes. For instance, instead of manually going through tickets to keep parameters up-to-date, you can set up an automation rule that scans all your tickets every hour and updates relevant properties automatically.

Let's Sum Up

Dear Learners, in this 12th section, we have made an attempt to have an understanding promise versus delivery gap and responsive of gap model with diagram.

1.13 unit summary

This unit explores the concept of delivering quality service, focusing on the causes of service-quality gaps, specifically within the SERVQUAL and SERVPERF models. It addresses the discrepancy between customer expectations and perceived service, identifying factors contributing to this gap and techniques to bridge it. Customer Relationship Management (CRM) is emphasized as crucial for maintaining high service standards. The unit also covers gaps in service quality standards and solutions, the service performance gap, and strategies for closing these gaps. Effective external communication about service quality is discussed, highlighting the importance of aligning promises with delivery to manage customer expectations.

1.14 self assessment questions

1. Which model primarily focuses on measuring the performance aspect of service quality?

A) SERVQUAL

B) SERVPERF

C) CRM

D) Service-Quality Gap

2. What is the primary focus of the SERVQUAL model?

A) Measuring employee performance

B) Evaluating customer satisfaction with tangible products

C) Assessing gaps between customer expectations and perceived service

D) Analyzing financial performance of a service organization

3. What does the promise versus delivery gap refer to?

A) The difference between service costs and revenue

B) The gap between promised service and actual service delivered

C) The gap between customer satisfaction and customer loyalty

D) The difference between expected and perceived service

4. What is a key technique for closing the service-quality gap?

A) Increasing advertising budget

B) Improving employee training

C) Reducing product prices

D) Expanding market reach

5. What does the promise versus delivery gap refer to?

A) The difference between service costs and revenue

B) The gap between promised service and actual service delivered

C) The gap between customer satisfaction and customer loyalty

D) The difference between expected and perceived service

6. **SERVPEF focuses on measuring:**

    A. Customer expectations

    B. Customer perceptions of service performance

    C. Employee performance

    D. Service costs

7. **Which of the following strategies is crucial for closing the service performance gap?**

    A. Setting unrealistic service standards

    B. Enhancing customer engagement

    C. Improving internal communication and coordination

    D. Increasing service prices

8. **Which gap in service quality occurs when there is a difference between service quality specifications and service delivery?**

    A. Knowledge gap

    B. Policy gap

    C. Delivery gap

    D. Communication gap

9. **Which of the following is NOT one of the five dimensions of SERVQUAL?**

    A. Reliability

    B. Responsiveness

    C. Resilience

    D. Assurance

10. **The customer expectations versus perceived service gap is also known as:**

   A. The service performance gap

   B. The communication gap

   C. The knowledge gap

   D. The service quality gap

Short Answer

1. What is the service performance gap and what are some key factors that contribute to it?

2. What are some techniques for closing the service-quality gap?

3. What is the SERVQUAL model?

4. Explain the concept of the service quality gap.

5. What are the primary objectives of Customer Relationship Management (CRM)?

Essay Type Question

1. Discuss the significance of effective external communication in managing the promise versus delivery gap in service quality. Include strategies that organizations can implement to ensure alignment between customer expectations and actual service delivery.

2. Explain the significance of Customer Relationship Management (CRM) in maintaining service quality and describe how it can be used to close the service performance gap.

3. Discuss the various service quality gaps identified in the SERVQUAL model and the key factors and strategies for closing these gaps.

Check Your Self

1. B) SERVPERF

2. c) Assessing gaps between customer expectations and perceived service

3. B) The gap between promised service and actual service delivered

4. B) Improving employee training

5. B) The gap between promised service and actual service delivered

6. B. Customer perceptions of service performance

7. C. Improving internal communication and coordination

8. C. Delivery gap

9. C. Resilience

10. D. The service quality gap

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Glossary

SERVQUAL: A model for assessing service quality by identifying gaps between customer expectations and perceptions.

SERVPERF: A performance-based model for measuring service quality that focuses on the customer's perception of service performance.

Service-Quality Gap: The difference between customer expectations of service and their perceptions of the actual service received.

Customer Relationship Management (CRM): A strategy for managing an organization's relationships and interactions with current and potential customers. **Service Performance Gap:** The gap between the service quality specifications set by an organization and the actual service delivered.

External Communication: The process of communicating with customers and the public to manage expectations and perceptions of service quality.

Promise versus Delivery Gap: The discrepancy between what an organization promises to deliver and what is actually delivered.

1.15 Suggested Reading & Reference

1. "Services Marketing: Integrating Customer Focus Across the Firm" by Valarie A. Zeithaml, Mary Jo Bitner, and Dwayne D. Gremler

2. "Service Management: Operations, Strategy, Information Technology" by James A. Fitzsimmons and Mona J. Fitzsimmons

3. "Customer Relationship Management: Concept, Strategy, and Tools" by V. Kumar and Werner Reinartz

4. "Managing Service Quality: An International Journal"

5. "Total Quality Management for Services" by D. D. Wacker and J. F. Wacker

6. "The Service-Dominant Logic of Marketing: Dialog, Debate, and Directions" edited by Robert F. Lusch and Stephen L. Vargo

7. https://youtu.be/QwqDABGEWFo?si=6bIXJMmWFwfOrRxn

1.16 E-content

Sl.no	Topic	E-Content Link	QR Code
1	Delivery Quality Service	https://youtu.be/4KDbREgAKUI?si=HzU_W-w-jDHdGNE5	
2	Service Quality	https://youtu.be/LfKYPJrIepM?si=xmKMZUFURK3lEmb6	
3	SERVQUAL	https://youtu.be/CAcAJbfmpgo?si=Sp8tBQHYYUZs4hXi	
4	Application Of Service Quality	https://youtu.be/qZ6kkkKLglY?si=cwbRZvair_y2FU0D	
5	Service Gap	https://youtu.be/iGjl5S0tpYI?si=MIo_jl60u5NRrJRL	
6	External Communication	https://youtu.be/vrtSTcAmSO8?si=cycatZnQX0rz85HR	

Self-Learning Material Development – STAGE 5

Various Marketing of Service

Marketing of Service with Special Reference To: 1.Financial services, 2. Health services, 3. Hospitality services including travel, hotels and tourism, 4. Professional service, 5. Public utility service, 6.Educational services and e-services.

Unit Module Structuring

21. *Marketing Services*

22. *Financial services*

23. *Health services*

24. *Hospitality services including travel, hotel and tourism*

25. *Professional service*

26. *Public utility service*

27. *Educational services and e-services*

STAGE – 2 – Modules Sections and Sub-sections structuring

UNIT 5 – *Various Marketing Service*

Contents of the Unit 5

Marketing of Service with Special Reference To: 1.Financial services, 2. Health services, 3. Hospitality services including travel, hotels and tourism, 4. Professional service, 5. Public utility service, 6.Educational services and e-services.

1.1 MARKETING SERVICE

1.1.1 INTORDUCTION

Service marketing is a form of marketing businesses that provide a service to their customers use to increase brand awareness and sales. Unlike product marketing, services marketing focus on advertising intangible transactions that provide value to customers. Advertisers use effective services marketing strategies to build trust with their customers and show them how their service can benefit them. Businesses may base their services marketing strategies on the promotion of ideas, benefits and promises to help them sell their services.

1.1.2   Financial services

Financial service marketing encompasses the strategies and tactics employed by financial institutions to promote and sell their products and services to potential and existing customers. This specialized form of marketing focuses on understanding consumers' unique needs and behaviors in the financial sector, tailoring messages and offerings to meet those needs.

It involves a blend of traditional and digital marketing techniques to enhance brand visibility, customer engagement, and customer acquisition and retention. The goal is to demystify financial products, making them accessible and appealing to a broad audience while maintaining the integrity and trustworthiness paramount in the financial industry

Characteristics:

- Intangibility: Financial services are highly intangible and often involve complex and abstract concepts.

- Trust and Credibility: Building trust is crucial due to the sensitive nature of financial information.

Marketing Strategies:

- **Product Development**: Create a range of products tailored to different customer needs (e.g., savings accounts, investment products, insurance policies).

- **Personalization**: Use data analytics to offer personalized financial advice and services.

- **Education and Information**: Provide educational content to help customers understand financial products and make informed decisions.

- **Digital Channels**: Enhance online and mobile banking platforms for convenient and secure access to financial services.

- **Customer Relationship Management (CRM)**: Implement CRM systems to manage customer interactions and build long-term relationships.

1.1.3   Importance of Financial Service

- The significance of financial service marketing cannot be overstated. In an era where consumer trust is both fragile and invaluable, effective marketing strategies serve as a bridge between financial institutions and their clientele.

- Educating the public about complex financial products and services is crucial, making them more approachable and understandable. Moreover, it helps build and maintain the reputation of financial brands, a key factor in customer loyalty and retention.

- Financial service marketing drives innovation, encouraging institutions to develop customer-centric products and services. By staying attuned to consumers' evolving needs and preferences, financial firms can tailor their offerings, ensuring relevance and competitiveness in the market.

Furthermore, in the digital age, where information is abundant, and attention spans is short, financial service marketing helps firms to cut through the noise, Concept delivering targeted messages that resonate with the right audience.

1. Customer Outreach Customer outreach is one of the oldest and simplest marketing strategies for banks and financial institutions to adopt. However, it's also one of the most effective. Customer

outreach is quite simply the concept of reaching out to customers to fill existing needs surrounding education, awareness, and help. This scales to a small organization in the form of free consultations and webinars and to larger ones in the form of financial education such as debt management programs or financial education in schools.

2. Self-Service and Digitization Where baby boomers and previous generations largely preferred to receive products through sales representatives who could advise them and set up personalized (or not) accounts for them, millennials and Generation Z often want to do everything themselves with as little contact with human representatives as possible. Setting up and promoting digitized financial products and customer service or experience portals that enable customers to sign up for services online, change products and services online, and view their information without going into a branch is an effective and increasingly necessary trend for financial organizations. However, it is not a marketing strategy that applies to every organization, as you may not sell products only services.

3. Social Media United States population is on a social media account and many use social for up to 4-5 hours per day. Your smart and consistent use of one or more social media platforms is a valuable financial marketing strategy that you cannot afford to ignore. Millennials, Generation Z, and even Baby Boomers use social media platforms to connect with brands, learn from peers, and follow current events and news. Maintaining a steady presence on one or more sites with a strategy in place to offer value to followers will help you to build brand trust, create marketing opportunities, and grow your customer base.

4. Automation and Big Data Most financial organizations have more data than they know what to do with, but that is quickly changing. Today, customer experience platforms and automation tools make it easier than ever to utilize and apply data as part of your marketing strategy for financial services.

For example, big data can tell you who is saving up for a big purchase and most likely to need pre-approval for a loan, big data can help you identify and offer services before or after they are needed, it can help you to target specific customers for additional customer service or digital financial education, and can help you to cut down on needed customer service

5. Digital Story telling Story telling is still one of the most effective marketing mediums, whether on social media, video, ads, or cross-channel platforms extending into the real world. Here, your marketing strategy should encompass telling a story that captures interest and evokes emotion to interest, excite, and move the viewer. Here, your goal is to create relatable and shareable content which can educate, entertain, or help the reader in some way – and hopefully manage all three at once.

Let's Sum Up

Dear Learners, in this first section, we have made an attempt to have an understanding on the importance of financial service include a description of Concept delivering targeted messages that resonate with the right audience.

1.2   Health services

Health Industry recently the healthcare industry was at the crossroads, still unsure which way to go. Today, it is in for exciting times. Low costs, combined with excellent facilities, have provided the perfect formula for India to become a major player in the $2.8 trillion worldwide healthcare industry.

Characteristics:

- High Involvement: Health services often involve significant personal and emotional involvement.

- Quality of Care: Quality and trust are paramount in health services.

Marketing Strategies:

- **Patient-Centered Care**: Focus on patient needs and preferences to enhance satisfaction and outcomes.

- **Branding and Reputation**: Build a strong brand reputation based on quality of care, expertise, and patient testimonials.

- **Digital Health Solutions**: Offer telemedicine, online appointment booking, and digital health records to improve accessibility and convenience.

- **Community Engagement**: Participate in community health programs and awareness campaigns.

- **Referral Programs**: Encourage satisfied patients to refer others through structured referral programs.

Today the cost of healthcare in India is only one-tenth the cost in the US in cases of major surgeries. With costs of providing healthcare low, and with global standards available, the world cannot compete with us. The cost of a heart surgery at Apollo is $2,500 as compared to $30,000 in the US. Bone marrow transplants cost $50,000 in India as against $400,000 in US.

India's attraction as a low cost, high-quality centre for healthcare may be new but the signs are visible. In 1998-99, Apollo Hospitals conducted heart surgeries on 91 patients from Tanzania. In Chennai, Apollo treats around 30 Sri Lankans a day. Daily 40 patients are from Muscat registered in Apollo hospitals in Delhi, Chennai and Hyderabad for treatment. "Healthcare not only brings in direct purchase of healthcare, but it also encourages a lot of expenditure, on travel, lodging and boarding. Which, translated, means foreign exchange".

Benefits of strategic planning in healthcare

Helps become proactive

Increases operational efficiency

Enhances market share and profitability

Makes the business more durable

And India has enough embassies and tourism development corporations to spread the message.

Out Door Sport

1. Golf

2. Water sports: jet-ski, windsurfing, boating

3. Tennis

4. Adventure sports: 'paint ball' battle games, hot air ballooning, sky diving

In Door Sport

1. Snooker

2. Gymnasia and health clubs

3. Ice and roller-skating

4. Ten – pin bowling

Let's Sum Up

Dear Learners, in this second section, we have made an attempt to have an understanding on the recent concept of tourism development.

1.3 Hospitality Service Including Travel, Hotels & Tourism

Hospital Services Marketing has grown in importance for hospitals, looking to strengthen their position in a increasingly competitive healthcare market place.

A world-class hospital is a multi-disciplinary super specialty medical centre of international standards. Most hospitals today are well equipped with the most advanced diagnostic and treatment facilities. They try for total health care-preventive and curative.

Most hospitals in India have grown to a truly world class stature over the years. Some hospitals in India have grown to a truly world class stature over the years. Some hospitals have even obtained ISO

9002 certification. Ex., Malaya hospital, Bangalore. ISO 9002 quality assurance is a structured and user friendly set of systems, which allows the staff at all levels of the hospital to follow simple procedures, which make the most complex tasks easy and efficient. It frees the senior management of everyday stress in observing and monitoring tasks, which have to be completed on daily basis.

Virtual Hospital Strategy

Hospital will soon go hi-tech, not so much in terms of sophisticated medical equipment, but in that a patient's kith and kin can virtually visit him/her from any part of the world and the patient too can communicate with them and relieve their undue anxiety.

Bangalore has emerged as a pioneer in the design of an interactive website used in making virtual visits to hospitals, thus introducing a human element hitherto outthought of. This breakthrough in the usage of information technology for patients was achieved by the Bangalore-based Think Ahead Incorporated, designing the website for a hospital here. The primary advantage of this technology is the mitigation of undue anxiety of relatives particularly sons and daughters, children of patients who

are settled abroad-who cannot at the beside of patients undergoing treatment for a heart ailment or a major surgery. The 'Virtual Family Visit' allow relatives to see real-time images of patients through audio video files which can be downloaded on their computer by entering the hospital website through the internet.

These files of the patient are shot by the hospital using a Webcam (web camera) to show the convalescing patient and his message for his family members. The files are then unloaded in the hospital website.

The family members can also communicate with the patient by way of sending on-line get well cards to patients. Besides, they can also get reports of the patient's condition from the doctor-in-charge, if the relative so desires.

Characteristics:

- Experience-Based: Hospitality services are centered around providing memorable experiences.

- Perishability: Unsold inventory (e.g., hotel rooms, flight seats) cannot be recovered once the time has passed.

Marketing Strategies:

- **Experience Marketing**: Highlight unique experiences and personalized services.

- **Loyalty Programs**: Implement loyalty programs to encourage repeat business.

- **Social Media and Influencer Marketing**: Leverage social media platforms and influencers to showcase offerings and engage with customers.

- **Dynamic Pricing**: Use revenue management systems to adjust prices based on demand and optimize occupancy rates.

- **Partnerships and Packages**: Create packages and partnerships with other service providers (e.g., airlines, local attractions) to offer bundled experiences.
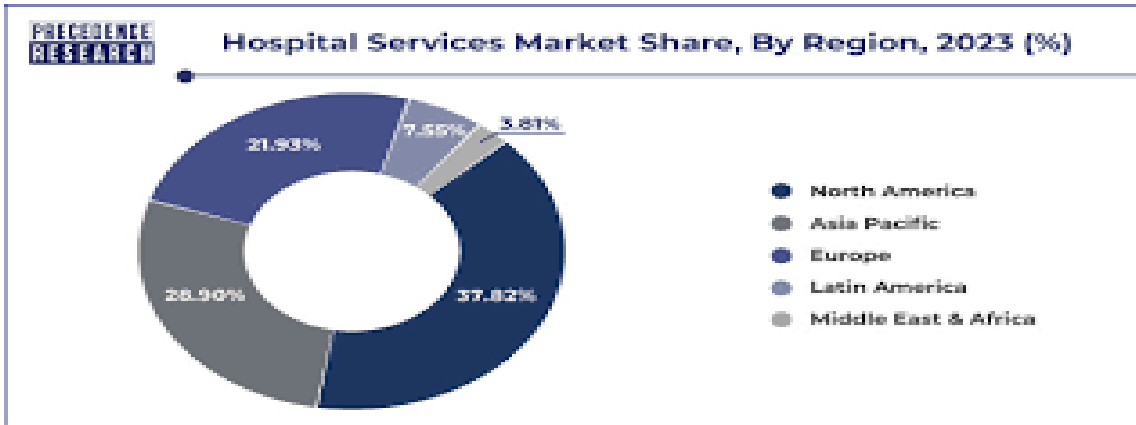
Travel

Transportation

- **Airlines**: Provide domestic and international flights.

- **Railways**: Offer intercity and regional train services.

- **Bus Services**: Local and long-distance bus travel.

- **Car Rentals**: Companies providing vehicles for temporary use.

- **Cruise Lines**: Offer sea travel and vacation experiences.

Travel Agencies and Tour Operators

- **Travel Agencies**: Assist in planning and booking travel arrangements.

- **Tour Operators**: Organize and sell package tours which include transportation, accommodation, and activities.

1.3.1 Transport Marketing

The environment in which the corporations are functioning is unique and it is entirely different from that of commercial and industrial enterprises. Some of the important elements of marketing environment for transport services are presented below followed by brief analysis of each of the elements.

One of the important and unique features of demand for transport service is that it is a derived demand. Because, the demand for transport service arises due to the demand for other goods and services arise

Airlines, Cruise and Ferry Lines, Passenger Railways, Coach and Bus Travel, Car Hire: The range of airline services has increased considerable, not only in terms of frequency of flights and number of destinations, but also in terms of different services, and differing levels of service to meet different passenger needs. This shows the important role marketing plays as competition and demand intensifies. Passenger rail services have also changed, and their role in tourism is wide as with, for example, Eurorail tickets allowing extensive international travel at a basic (service) standard for students and budget tourists, to the luxury of the Venice-Simplon Orient Express-where the train voyage is the holiday.

Cruise lines are operating different services tailored to consumers' budgets, and other shipping lines involved in the tourist industry, especially the car ferry operators, are broadening and upgrading their range of services and facilities to meet consumer expectations, and to remain competitive.

Coach and bus companies have acted in a similar fashion and these, together with car rental companies, are also included in this sector.

1.3.2 Tour Operators Package Tours

Specialty Tours Tour operators are the firms which specialize in providing the whole holiday package, incorporating travel and accommodation needs for the consumer.

They range from highly specialized operations such as Abercrombie and Kent who take small groups on safari or expedition-type holidays, to large operators offering services at all different levels to cater for budget, family, or singles holidays to 'near' or 'faraway' destinations.

Thomas Cook is one of the best known of such operators; they also offer travel agency and financial services to their consumers. An independent local coach firm may also be a tour operator, and indeed, many transportation companies also offer holiday packages.

1.3.3 Tourism Destination Operators: Theme Parks, Heritage Centers

This is a new category in many senses, as it is an area of the tourism industry which has seen massive growth in the development of theme parks and other types of artificial tourist destinations in recent years. However, Disneyland and Disneyworld in America were the forerunners of this development in tourism marketing, and they have been well established for decades. It is due to the recent growth, and the continuing trends, which make it an area which should be considered separately as a tourism industry.

The new Euro Disney theme park in France is an example of a tourism destination operation. On a smaller scale, heritage parks which are being developed from Britain's industrial wasteland such as Wigan Pier, which attracted over half a million tourists in 1991, and similar attractions now represent a significant amount of tourism activity.

All the above sectors of the tourism industry, while quite distinct in them, have many aspects in common. There are certain features of tourism marketing which differ from other industries. The impact of environmental forces, for example, can provide different pressures opportunities for tourism than for other service sector industries

1.3.4 Airline Marketing

The air transport is the modern and efficient component of the transportation system. The expansion of air transport through the world has been post-Second World War phenomenon. India did not lag behind in developing air transport. Its progress after the commencement of the First Five-Year Plan has been accelerated keeping in view the growing economic activities in the country.

In the field of international passenger originating or terminating in a particular destination air transport plays a very important role so far as passenger traffic is concerned. In international passenger traffic, air transport is fast developing and capturing the traffic handled by sea transport.

Air transport, which handled almost an equal number of passengers as sea transport, now accounts for nearly four times the traffic by sea.Jet adopted three ways to keep an eye on its performance in areas that were important to customer service (called key result areas or KRAs in JET jargon). The first was feedback from its customer service department whose staff strength. The second was part-time consultants flying undercover and the third was the customer service questionnaire placed on all Jet flights and answered by about 700 of the 17,000 passengers who took Jet's 255 flights daily. 156 The KRAs where it constantly tried to improve its performance were as follows: *(a) Check-in:* The process normally took 40 seconds, but if an error at the counter pushed the time taken to much more than 2 minutes, it exceeded the threshold of customer tolerance, as per international standards. In November 1998, 91 per cent of Jet passengers felt that the airline was able to check them in less than two minutes.

(b) Customer complaints: When customers at some airports complained of long check-in waiting period, Jet used the allotted space to create more counters and reduced waiting time to within international standards. The customer feedback also prompted them to introduce 'through check-in', a service offered by all international airlines.

(c) In-flight meals: Customer feedback on the eye appeal, taste and quality was regularly sought. Finding that more than 50 per cent travelers preferred Indian cuisine, appropriate modification were undertaken.

(d) Boarding experience: wherever possible, effects were made to use aerobridges to reduce boarding time to within 8 minutes.

(e) Cabin crew service: This included friendliness, efficiency and clarity of announcements made.

(f) Baggage arrival: The aim was to release baggage before the first business class passenger was ready to claim it and ensure priority baggage was given due priority in practice.

(g) Overall efficiency of service: This was measured in terms of efficiency (combination of speed and accuracy), friendliness and willingness to help. On-time performance reports were checked every day.

All the 30 airports sent their feedback to Jet's Mumbai head office by the first week of every month. This was collated by the 15th to draw up a customer service performance map for the entire Jet network, after which specific points were studied.

Let's Sum Up

Dear Learners, in this third section, we have made an attempt to have an

Understanding on Tour Operators Package Tours and airline marketing

1.3.4 Hotel

Why Customer Service Is Important in Hotel Industry?

Get Repeat Customers

Differentiate Your Business From Competitors

Poor Customer Service Can Be Costly

Hotels

Types of Accommodations

- **Hotels:** Ranging from budget to luxury, providing various services and amenities.

- **Motels:** Typically located along highways offering basic lodging.

- Resorts: Provide lodging, dining, entertainment, and recreational facilities.

- **Bed and Breakfasts:** Offer a home-like atmosphere with breakfast included.

- **Hostels:** Budget-friendly accommodations with shared rooms and facilities.

- **Vacation Rentals:** Houses, apartments, or condos rented for short-term stays*.*

Hotel Services

- **Front Desk Services:** Guest check-in/check-out, information services.

- **Housekeeping:** Cleaning and maintaining guest rooms and public areas.

- **Food and Beverage:** Restaurants, bars, room service.

- **Concierge:** Assisting guests with reservations, directions, and local information.

- **Event Planning:** Organizing events, conferences, and weddings.

Hotels Accommodation includes hotels, ranging from the biggest international chains recognizable worldwide such as Hilton and Holiday Inn to small independent establishments.

In order to gain recognition in an increasingly competitive marketplace, many smaller independent hotels have grouped together, adopting a consortium approach.

- ✓ Under a 158 central brand name, they can offer central reservations services, for example, and present a recognizable identity to consumers, which enable them to compete against the larger,

more established chains. Other types of accommodation are also well established in tourist markets, notably self-catering apartments and 'club'-type complexes.

✓ Centre Parcs are today's answer to the Butlins-type holiday camps of the 50s and 60s, while Mark Warner Holidays are also successful in their inclusive 'club' formula. Kadavu Resorts Kadavu Resorts was set up in the year 2001 in the then sleepy fishing village of Azhinhillam on the banks of the river Chaliyar in the northern districts of the state of Kerala.

✓ Designed to inculcate architectural designs of the local maplah and Hindu culture, Kadavu was intended to be a luxury resort-cum-business hotel with the distinct charm of the serene kerala landscape. The most differentiating factor of Kadavu Resort was its entrance. "The unique view that one gets as one enters the lobby is outstanding.

✓ Spread over 10 acres of prime waterfront land, the landscape using plants and trees, enhances the ethnic feel of the entire resort. It is built from a special rust stone indigenous to the Malabar region and the architecture here harmoniously blends the Maplah with the Hindu styles giving the resort an absolutely unique appearance. The hotel has 17 independent cottages and 57 elegantly styled rooms or suites. The rooms are centrally air-conditioned with views that offer a breathtaking blend of the crystal clear backwaters surrounded by coconut plantations.

✓ Moreover the lucid movements of the 'vallams' (local canoes) or fishermen in their 'vanchis' (local canoes) or fishermen in their vanchis' (local fishing canoes) on the backwaters provide a panoramic view. Apart from all these, the hotel also provides an Ayurvedic rejuvenation center offering traditional ayurvedic therapies, amphitheatre with a daily cultural programme, a coffee shop and a multicuisine restaurant serving Malabar delicacies.

✓ It also has one of the largest amoeba shapped swimming pools in south India with a Jacuzzi and a separate children's pool, a children's park and play area and a tennis court. For meeting

and banquet functions, the hotel also has facilities like 'Chaliar" – the Conference Hall, 'Thekkini'
– the banquet space and pool side lawns which can seat 20 to 1,200 people.

The following points emerge regarding tourism marketing:

Tourism Services

- *Guided Tours:* Tours led by knowledgeable guides providing insights about attractions.

- *Adventure Tourism:* Activities such as hiking, diving, and safari tours.

- *Eco-Tourism:* Focus on sustainable travel and visiting natural, undisturbed areas.

Travel and Tourism Marketing

- *Destination Marketing Organizations (DMOs):* Promote regions as travel destinations.

- *Online Travel Agencies (OTAs):* Platforms like Expedia and Booking.com.

- *Social Media:* Engaging potential travelers through platforms like Instagram and Facebook

➢ Tourism marketing is a process of creating a product or providing a service. ➢ Tourism marketing comprises fact-finding, data gathering, analyzing (marketing research), communication to inform and promote (Promotion), ensuring and facilitating sales, selection of marketing, planning (distribution), coordination, control and evaluation (marketing, planning and auditing) and developing professionally sound personnel (people).

➢ Tourism marketing is an integral effort to satisfy tourists and more so, it is a device to transform the potential tourists into the actual tourists.

➢ Tourism marketing is the safest way to generate demand, expand market and increase the market share.

➢ Tourism marketing is a managerial process to promote business. Tourism is a very complex industry due to its multiple activities, which satisfies the needs of the tourist (customer). Tourism embraces

transportation, accommodation, food catering, tourist attraction, as well as organizers like tour operators and travel agents. *The various sub-sectors of tourism namely-lodging, transport, are themselves complete industry.*

1. Understand Your Customers The first thing you need to do is to understand your ideal customers. You need to know their demographic information; as well as what drives them to book and how they prefer to book. Questions to ask yourself during this brainstorming session are: What motivates them [your ideal customer] to travel? Where do they find information about their destination? How do they prefer to book? What annoys them about the research and booking process? You can build at least 3 customer personas from your answers to those questions. You can then develop your branding, website and marketing strategy around the personas. Keep your unique selling point and what drives you as a business in mind. You'll need to convey that in an appealing way to reach your customers on a more personal level.

2. Optimize Your Website Your website is the foundation for all your internet marketing efforts. As such, you should optimize it frequently to improve user experience and boost your conversion rates.If your site performs poorly on mobile, is cluttered, too slow, or just too old, you definitely need to optimize it. You can test your site performance and speed with SEO Grader tool.

3. Focus on Mobile According to Think with Google, 48 percent of US Smartphone users are comfortable researching, planning and booking their entire trip on their mobile devices. The stats are similar in Europe: 45 percent of UK travelers and 44 percent of French travelers are comfortable planning and booking their entire trip on their mobile devices. That the mobile experience should be as good as the website experience, if not better. Users need to be able to perform the same tasks, as comfortably, their mobile devices as they can on the desktop version of your website. To highlight the

importance of the mobile experience, the same Think with Google study found that 33 percent of mobile users have a negative perception of a brand if their mobile experience is slow.

4. Be Social: Social media is one of the most effective marketing channels for the tourism industry. That's if you choose the right platform (where your customers are) and set up a strategy for each platform

Integration of Services

The hospitality industry thrives on the integration of services across travel, hotels, and tourism sectors to provide seamless and memorable experiences for customers. This integration includes:

- **Booking Platforms**: Unified systems for booking flights, hotels, and tours.

- **Customer Relationship Management (CRM)**: Maintaining customer preferences and histories to personalize services.

- **Loyalty Programs**: Rewards and benefits across various services to encourage repeat business.

- **Technology Integration**: Mobile apps and online portals for easy access to services and information.

Trends and Innovations

- **Sustainable Tourism**: Practices that minimize environmental impact and support local communities.

- **Smart Hotels**: Use of technology for enhanced guest experiences (e.g., keyless entry, virtual concierges).

- **Personalized Travel Experiences**: Custom itineraries and services tailored to individual preferences.

- **Health and Wellness Tourism**: Travel focused on health, wellness, and medical treatments.

- **Cultural and Experiential Travel**: Immersive experiences that allow travelers to engage with local cultures and lifestyles.

The hospitality service industry is dynamic, constantly evolving to meet the changing preferences and expectations of travelers. By integrating advanced technology, sustainable practices, and personalized services, the industry aims to enhance the overall travel experience.

<mark>**Let's Sum Up**</mark>

Dear Learners, in this third section, we have made an attempt to have an Understanding types of accommodation and emerge regarding tourism marketing Integration of Services, Trends and Innovations.

1.4 Professional service

Professional Services Protech BPO Protech, a Raipur based BPO firm was established in April 2003. It offers comprehensive IT-enables services, data processing services, and software solutions, consulting and training to its clients across the country.

Characteristics:

- Expertise and Credibility: Professional services rely heavily on the expertise and reputation of the service provider.

- Relationship-Based: Building and maintaining client relationships is key.

Marketing Strategies:

- **Thought Leadership**: Establish the firm as a thought leader through content marketing, webinars, and speaking engagements.

- **Networking and Referrals**: Leverage professional networks and client referrals to generate new business.

- **Client Education**: Offer workshops, seminars, and informational content to educate clients on relevant issues.

- **Personal Branding**: Promote individual practitioners' expertise and achievements to enhance credibility.

- **Customized Solutions**: Provide tailored solutions to meet specific client needs and challenges.

- ✓ Protech makes it easier for their customers to understand the impact of technology on their businesses and help them to conceptualise business transformation initiatives. Hence it provides cost effective, flexible and quality solutions for the contemporary complex market place. Protech has created a sustainable, economically feasible business model in the area of services and solutions.

- ✓ Presently, it has a seventy member team with expertise in various domains and technologies and is positioned to double its strength by the end of the year 2003. The management team comprises individuals with experience in business solutions and consulting.

✓ The employees at Protech have shown their tremendous learning capacity with a learning curve of more than 60 per cent. The Protech problem lies in getting the contract. It has no history to back its stupendous performance and claim a contract, nor does it have access to direct US and other foreign markets. Just serving as a sub-contractor to big companies is not bringing in sufficient revenue for the company. Related to the revenue problem is the high attrition rate as compared to industry.

✓ Protech is facing a serious problem of retaining its talented pool due to very low wages paid to them. The location of the company has also been a major hurdle. For instance, at times the contracts required a large number of talented professionals, particularly lawyers and accountants. In a city like Raipur, the availability of such professionals in large numbers turned out to be a daunting task. The company even lost a few contracts due this hurdle.

Being a very new set-up the entire process of the company is yet to be put in place. Companies operating in the industry should compete on the process or system they have in place. Having such a process/system helps them to provide very high level of service.

Let's Sum Up

Dear Learners, in this fourth section, we have made an attempt to have an Understanding all principles of public utility services

1.5 Public utility service

The Dabbawalla Business Model The concept of dabbawalla delivery system started in Mumbai in the mid 1880s. The city's population then was a mere 10 lakhs as against the more than 1.30 crore it is today. There were no buses or suburban railways at that time, and the dabbas were transported on bicycles, hand carts, bullock carts and tangas (horse carriages).

The service cost its customers around 2 annas (12 paise). Over the years, this evolved into a complex network 164 of delivery, and in their peak days in 1955, the dabbawallas were delivering close to 2 lakh tiffins per day. The core factor that has sustained this business model is the desire of the average middle-class Mumbaiker to eat homemade food.

The dabba or aluminum box consists of discrete compartments, which hold rice, roti, dal, curd, etc. – the Staple diet of most North Indians. Eating out of the dabba comes closer than anything else to the feeling of eating at home.

The second important factor is the highly evolved transportation system in Mumbai. Mumbai's suburban electric trains and BEST buses efficiently connect disparate and far flung regions of Mumbai making the food delivery system a viable model. The above factors are coupled with the fact that the dabbawallas charge a pittance for their delivery – the charge (in the year 2001) is around ` 200 for an entire month. This is far less than what it would cost for a person to eat in hotels or other eateries.

Thus healthy, home-made food delivered at a highly competitive rate made the dabbawalla business an unbeatable model-at least till the late 1990s.

Characteristics:

- Essential Services: Public utilities provide essential services such as water, electricity, and gas.

- Regulatory Environment: These services are often regulated by government bodies.

Marketing Strategies:

- **Customer Communication**: Maintain clear and transparent communication regarding service changes, outages, and maintenance schedules.

- **Community Engagement**: Engage with the community through public meetings, social media, and educational programs.

- **Sustainability Initiatives**: Promote efforts towards sustainability and environmental responsibility.

- **Service Reliability and Quality**: Emphasize reliability and quality of service to build trust and satisfaction.

- **Customer Support**: Provide efficient and accessible customer support channels to address inquiries and issues.

Dear Learners, in this fifth section, we have made an attempt to have an Understanding over all principles of this service.

1.6. Educational services and e-services.

Service marketing in the fields of educational services and e-services is focused on delivering value and fulfilling the needs and expectations of students and users through various channels and platforms. Here's a detailed look at how marketing strategies are applied in these areas:

Characteristics:

- Intangible and Experience-Based: Education is intangible and often evaluated based on the learning experience and outcomes.

- Increasing Digitalization: E-services and online education are growing rapidly.

Marketing Strategies:

- **Content Marketing**: Offer valuable content such as blogs, webinars, and whitepapers to attract and educate potential students.

- **Online Presence**: Develop a robust online presence with user-friendly websites and active social media profiles.

- **Accreditation and Quality Assurance**: Highlight accreditations, affiliations, and quality assurance measures to build credibility.

- **Alumni Networks**: Leverage alumni networks for testimonials, referrals, and mentorship programs.

- **Flexible Learning Options**: Provide flexible learning options, including online courses, part-time programs, and blended learning formats.

- **Personalized Learning Paths**: Use technology to offer personalized learning paths and track student progress.

Educational Services

Types of Educational Services

- *K-12 Schools:* Primary and secondary education institutions.

- *Higher Education:* Universities, colleges, and technical schools.

- *Vocational Training:* Specialized training programs for specific trades.

- *Online Education:* Virtual classes and degree programs.

- *Tutoring Services:* Supplemental education and exam preparation*.*

Marketing Strategies in Educational Services

- *Brand Positioning:* Establishing the institution's reputation and unique selling points (USPs), such as academic excellence, innovative programs, and campus facilities.

- *Digital Marketing:* Utilizing SEO, content marketing, social media, and email marketing to reach prospective students and parents.

- *Open Houses and Campus Tours:* Offering firsthand experiences to prospective students and their families.

- *Alumni Networks:* Leveraging alumni success stories and networks for brand advocacy and engagement.

- *Partnerships and Collaborations:* Partnering with businesses, governments, and other educational institutions for expanded opportunities and visibility.

- *Scholarships and Financial Aid:* Highlighting available financial support to attract a diverse student body.

- *Program Differentiation*: Emphasizing unique programs, such as study abroad opportunities, interdisciplinary courses, and research facilities.

- *Personalized Communication:* Tailoring messages and outreach efforts to specific segments based on their interests and needs.

Trends in Educational Services Marketing

- *Personalized Learning Experiences:* Adapting programs to fit individual learning styles and career goals*.*

- *Technology Integration:* Implementing advanced learning management systems (LMS) and virtual classrooms.

- *Global Outreach:* Attracting international students through targeted campaigns and global partnerships.

- *Student-Centric Approaches:* Focusing on student satisfaction and outcomes to drive word-of-mouth referrals and reputation.

Education is a service that is geared primarily to the consumer market. There is a category of consumers for whom education and the pursuit of knowledge are expressive motives. Educational institutions in developing countries have always faced more demand than they could cope with. Formal education begins at the school age and depending upon the choice, vocation and circumstances of the pursuant, it matures into intermediate and higher levels of learning, ramifying into professional and specialized fields.

Apparently, the benefits sought from higher and professional or vocational courses are more tangible or measurable in terms of

(a) Entry qualifications to a chosen profession,

(b) Certification to enable practicing a profession or

(c) Relative ease of access to a suitable form of living hood. Covering the field of marketing of education per se, in its entirety is somewhat impossible.

The focus here is, therefore, limited to the coaching centers that provide guidance for Common Aptitude Test (CAT). The CAT is a qualification test for all the students in India and abroad to enroll themselves in one of the six IIMs (Indian Institute of Management) and a host of other reputed management institutions. The number of institutes providing coaching for the same across the country runs into four figures. This is probably the reason why the industry is as big as 120 crore rupees per annum. 172 Coaching Institutes for *CAT Examination*

 (A) *Institute of Management Studies (IMS)* Located in almost every major town/city in the country, the IMS recently celebrated its 25th anniversary. With personal counseling, huge course material,

best faculty attracted to its ranks, and an unmatched reach all over the country, the IMS gives its students, an edge that takes them a notch above the rest. An unmatched leader in its category, IMS claims that every second IIM grad has enrolled with IMS. Recognized as the 44th most trusted brand in service industry*, it is ranked fourth in the education sector after Kendriya Vidyalaya, Indian Institute of Technology (IITs) and Delhi Public School. Surprisingly, the survey rated the IMS a rank above Indian Institute of Management (IIMs), which happens to be the bread and butter of IMS's business. The IMS was a pioneer in many initiatives in its sector like the 'mock CAT', which is a national level test, intended to give the students a feel of real competition. Some of the well-known courses in classroom offerings of IMS are:

➢ *IMS CAT Foundation* (for students not comfortable in Maths and English)

➢ CATapult (long-term extensive training starting from basic areas: 12 months)

➢ CAT Classic (medium term training focusing on CAT and other exams: 6 months)

➢ CAT Cruncher (short term training spanning across 9 weeks) All courses are provided through the 54 IMS centers located across the country. However the fee structure vary across the centers.

(B) *Career Launcher:* Career Launcher is a relative newcomer in the industry compared to IMS. With more than 50 centers located in India and the Middle East, it caters its service to almost 15000 students every year. With divisions like Student Services, Institutional Services and Academic Support Services, it caters to the classroom needs of both Indian and international students for the MBA entrance examinations in India. Its competitiveness lies in the extensive technological investment that has done to supplement its core entrance preparation programme. Its classroom course offerings include.

➢ Pegasus Extended (Full length; 18 months)

➢ Pegasus Foundation (40 hrs-8 weeks programme for those who have lost touch in Maths/DI) 173

➢ Pegasus Integrated (160 hours full stretch programme) ➢ Pegasus Gallop (Medium Length; 6-12 months)

(C) *Career Forum:* Career Forum is one of the smaller service providers that is in operation since the last twelve years. It is located in only six cities and has 24 centers. What makes it stand apart is the high pressure rate (approximately 520 interview calls from each city) which is probably attributed to the fact that it is located in major cities which provides maximum number of students to the IIMs. Besides, it has a significant presence in Western and South India (only two centers in Delhi and no location in the Eastern part of the country). The classroom offerings of Career Forum are:

➢ FocusCAT: The generic classroom coaching that has three versions (a) long-term (10-month programme)

(b) medium term (5-6) months programme)

(c) Weekend batches (spans across 5-6 months)

➢ CATscan: All India 'mock CATS' which gives students an exposure to CAT-like environment

D) Time Institute

The TIME Institute has its branches spread in select places all over India and extensively in the southern part of the country. Headquartered in Hyderabad, it is not a technology-oriented institute. It has targeted mostly the second rung cities and towns in an aggressive manner. Knowing that there is

a significant chunk of places where other big institutes have not reached, it has already spread its branches accordingly and has significantly made its presence known. In places like Calicut, it is so established that even institutes like IMS had to wrap up their business because of the strong brand equity that TIME has enjoyed in such places. However, it is worth nothing that TIME has a decent presence in metros as well, but probably it is not doing that well there as far as results are concerned. The nature of courses that are offered are similar with a flat fee structure across branches. TIME remind us of the South West Airlines who have made their motto as 'No Frills' airline providing the minimal basic necessities. Similarly, TIME has focused quite a lot on classroom, faculty and flat course structure.

Probably, this is the reason why they have only the following courses in offer: (a) Regular Long-Term (b) Regular Medium-Term (c) Regular Short-Term. All the three come with an option of (a) Weekend Batch (b) Weekday Batch (c) Morning/Evening Batch.

1. Mobile Optimization

In terms of internet accessing platform, mobile users have surpassed laptop users, making it clear that mobile is the most common platform used toaccess internet. Mobile is also highly popular among students.

Hence, while developing the website, educational institutions must remember to make their sites mobile-friendly. Mobile optimization is the first and foremost strategy for higher education. If your site does not support mobile platforms, then you will be missing out on a great number of potential students.

2. Technical SEO

Today, SEO is no longer limited to keywords and language. Google Analytics are constantly changing and only the technically strong websites will be listed on the top search results. However, to optimize

your webpage technically, you may require assistance from a web developer. Nevertheless, technical SEO is a strategy that educational institutions cannot neglect.

3. Link Building

Link Building must be your fundamental criteria while formulating an effective SEO strategy for your educational institution. Today, the quality of a web page is not restricted to content alone. The average time spent by on your website by a visitor depends on relevant back links present on your website. Suppose your website is devoid of back links. Then, the user will skim through your website information and then jump to another website for more information. However, when you provide several back links to access other related information on your website, the user engagement can be retained as they navigate through your website for a much longer duration. Hence, include a lot of back links to engage and retain your webpage visitors.

4. Re-targeting Campaigns

Re-targeting is a slow but steady process and has higher effectiveness than Traditional targeting. Re-targeting is not only cost effective, but also yields more conversion rates. The major advantage of retargeting is that it enables you to reach out to prospective students who have shown an interest in your education services via various channels across the internet. Re-targeting is also a successful strategy to expand the size of your target audience. You can initially start the campaign to spread brand awareness and later on you can re-target prospective students who have considered your educational institution as an option.

5. Managed Ad Placement

Managed Placement is a process of placing your PPC ads on relevant web pages that are related to your program. For example, suppose if you want to promote your latest online course on data

management – then it is beneficial to place your ads on a website related to data education, which is more likely to be visited by a potential student for that course. You can also display you ads on web pages that are dedicate to higher education and career advancement. In this way, managed ad placement not only helps to regulate marketing budget, but also helps to reach the most appropriate prospects in an efficient way.

6. On-page SEO

SEO is an indispensible element of every successful digital marketing strategy. After all, it is SEO that enhances your brand visibility on search engines, which is the primary platform for a user's searches. So make sure that the content on your web page is well optimized for searches. You need to consider several criteria such as including affluent title tags, appropriate meta descriptions, optimum keyword density, refined headers, internal links, etc.

7. Conversion-Oriented Content

Initially, the desired rate of conversion must be decided based on your business objectives. This helps to craft quality content that is focused on enhancing conversion rate. Conversion-oriented content, by its nature, aims at addressing potential students in the sales funnel. Conversion-oriented content can be generated by describing details about your institution such as its amenities, infrastructure, campus facilities, faculty details, placement records, fees structure etc. which will directly persuade students to link with you.

8. Traffic Oriented Content

In a successful digital marketing strategy, language is not the only parameter considered in generating quality content. Today, the 'quality' of content is determined by whether the content is capable of increasing traffic as well as page ranking. So make sure that your content is focused towards

generating more traffic and enhancing rankings. This can be achieved by carrying out a keyword research with special focus on long-tail variations of core keywords.

Types of E-Services

- **E-Commerce**: Online retail and shopping platforms.

- **E-Banking**: Online banking and financial services.

- **E-Government**: Online public services and information portals.

- **E-Health**: Telemedicine, online health consultations, and digital health records.

- **E-Learning**: Online education and training programs.

- **E-Entertainment**: Streaming services, online gaming, and digital media.

- **E-Consulting**: Online professional services like legal advice, business consulting, and therapy.

Marketing Strategies in E-Services

- **User Experience (UX)**: Ensuring a seamless, intuitive, and engaging user interface to retain customers.

- **Content Marketing**: Creating valuable and relevant content to attract and inform users.

- **Social Media Marketing**: Engaging with users on platforms like Facebook, Instagram, Twitter, and LinkedIn.

- **SEO and SEM**: Optimizing for search engines to drive organic traffic and using paid search ads to increase visibility.

- **Email Marketing**: Sending personalized and targeted emails to keep users informed and engaged.

- **Customer Reviews and Testimonials**: Leveraging positive feedback to build trust and credibility.

- **Premium Models and Trials**: Offering free basic services or trial periods to attract new users and convert them into paying customers.

- **Loyalty Programs**: Implementing reward systems to encourage repeat usage and customer loyalty.

- **Data Analytics**: Using data insights to understand user behavior and tailor marketing strategies accordingly.

Trends in E-Services Marketing

- **AI and Machine Learning**: Personalizing user experiences and improving service recommendations.

- **Omni-Channel Presence**: Providing consistent and integrated experiences across multiple platforms and devices.

- **Mobile Optimization**: Ensuring services are easily accessible on mobile devices.

- **Cyber security Focus**: Highlighting robust security measures to gain user trust.

- **Subscription Models**: Offering subscription-based access to services for steady revenue and customer retention.

- **Interactive and Live Features**: Incorporating live chats, webinars, and interactive content to engage users in real-time.

Both educational services and e-services are continually evolving, driven by technological advancements and changing consumer expectations. Effective service marketing in these areas requires a deep understanding of target audiences, the ability to leverage digital channels, and a commitment to delivering exceptional value and experiences.

Additional Considerations for Marketing Services

Technology Integration:

- Utilize technology to enhance service delivery, improve customer interactions, and streamline operations.

- Implement advanced analytics to gain insights into customer behavior and preferences.

Customer Experience (CX):

- Focus on delivering exceptional customer experiences across all touchpoints.

- Collect and analyze customer feedback to continually improve service quality.

Brand Loyalty:

- Build strong brand loyalty through consistent service quality, personalized experiences, and effective communication.

- Implement loyalty programs and incentives to encourage repeat business.

Ethical Marketing:

- Ensure all marketing practices are ethical and transparent.

- Build trust with customers by being honest and providing clear information about services.

By tailoring these strategies to the unique characteristics and needs of each service sector, organizations can effectively market their services, enhance customer satisfaction, and achieve long-term success.

Let's Sum Up

Dear Learners, in this sixth section, we have made an attempt to have an Understanding types of and emerge regarding marketing strategies Integration of Services, Trends in education & E.service .

1.7 Unit Summary

Service marketing involves promoting and selling intangible services rather than physical products. Unlike product marketing, service marketing emphasizes relationships and value. This unit explores the unique challenges and strategies of marketing services across various industries. Effective marketing in financial services focuses on building trust, emphasizing security, and offering personalized solutions. Marketing in health services prioritizes patient care, confidentiality, and reliability. Success in hospitality marketing hinges on creating memorable experiences and leveraging digital platforms. Marketing professional services involves highlighting expertise, reliability, and personalized solutions marketing public utility services focuses on transparency, customer service, and reliability. Effective service marketing requires understanding customer needs, leveraging digital channels, building trust, and providing personalized experiences. The common thread across all sectors is the emphasis on customer-centric strategies, transparency, and the use of technology to enhance service delivery and engagement.

1.9   Self Assessment Questions

1. **Which of the following is a key strategy in marketing financial services?**

   a. Emphasizing physical store presence

   b. providing personalized financial advice

   c. Limiting customer interaction

   d. Offering one-size-fits-all products

2. **In health services marketing, what is a primary focus to attract and retain patients?**

   a. Aggressive advertising

   b. High pricing strategies

   c. Patient care and confidentiality

   d. Limited service offerings

3. **What is an effective marketing strategy for the hospitality industry?**

   a.Ignoring customer feedback

   b. offering generic travel packages

   c. Creating personalized travel experiences

   d. Reducing online presence

4. **Which marketing approach is essential for professional services?**

   a. Ignoring client feedback

   b. Highlighting expertise and reliability

   c. Avoiding digital marketing

   d. Using only traditional advertising methods

5. **What is crucial for marketing public utility services?**

   a.High-cost advertising campaigns

   b. Transparency and reliability

   c. Ignoring community engagement

   d. Offering limited service options

6. **In marketing educational services, what strategy is vital?**

a.Providing one-size-fits-all programs

b. Limiting access to digital tools

c. Emphasizing accessibility and quality

d. Reducing student-teacher interaction

7. **Which of the following is important in marketing e-services?**

   a. Offering static content

   b. Ensuring a seamless user experience

   c. Avoiding social media engagement

   d. Providing limited customer support

8. **What is a common marketing strategy across financial, health, hospitality, professional, and educational services?**

   a. Ignoring customer feedback

   b. Building trust and providing personalized experiences

   c. Limiting online presence

   d. offering one-size-fits-all solutions

9. **Which digital tool is widely used in marketing across various service sectors?**

   a. Print advertising

   b. SEO and content marketing

   c. Door-to-door sales

   d. Radio advertisements

10. **What is a critical component of service marketing that enhances customer retention?**

a. Offering generic services

b. ignoring technological advancements

c. implementing loyalty programs

d. Reducing service options

Short answer

1. What is the primary objective of marketing in financial services?

2. How do health services ensure patient retention through marketing?

3. What role does customer feedback play in the hospitality industry?

4. Give one example of a marketing strategy for professional services.

5. What is a key focus in the marketing of public utility services?

Essay type Answer

1. Discuss the importance of trust and personalization in the marketing of financial services.

2. Explain how digital health tools have transformed health services marketing.

3. How do personalized learning experiences and technology integration impact the marketing strategies of educational services and e-services?

4. Evaluate the importance of transparency and customer engagement in the marketing of public utility service

1.10 Check your progress

1. **Providing personalized financial advice**

2. **Patient care and confidentiality**

3. **Creating personalized travel experiences**

4. **Highlighting expertise and reliability**

5. **Transparency and reliability**

6. **Emphasizing accessibility and quality**

7. **Ensuring a seamless user experience**

8. **Building trust and providing personalized experiences**

9. **SEO and content marketing**

10. **Implementing loyalty programs**

1.11 Activities

1. Market Research Project: Conduct a survey to understand customer expectations in health services.

2. Digital Campaign Design: Create a mock digital marketing campaign for a hotel

1.12 Glossary

1. **Intangibility**: The lack of physical presence in services.

2. **Patient-centric**: A healthcare approach that focuses on the needs and preferences of patients.

3. **Branding**: Creating a unique image and identity for a product or service in the consumer's mind.

4. **Regulatory Compliance**: Adherence to laws and regulations relevant to an industry.

5. **Accreditation**: Official recognition of meeting certain standards of quality in education.

1.13 Suggested Reading & Reference

1. Services Marketing: People, Technology, Strategy by Christopher Lovelock and Jochen Wirtz 2001

2. Marketing Health Services" by Richard K. Thomas2005

3. "Marketing for Hospitality and Tourism" by Philip Kotler, John T. Bowen, and James C. Makens2002

4. Professional Services Marketing: How the Best Firms Build Premier Brands, Thriving Lead Generation Engines, and Cultures of Business Development Success" by Mike Schultz and John E. Doerr.2014"Marketing Education" by Harry Tomlinson2017

1.14 Open sources - E Content links

S.No	Topic	E- Content Link	QR Code
1.	Marketing service	https://youtu.be/3jm4hJ5_n0U?si=yPVkTLQ3CBDEBMzr	
2.	Financial Service	https://youtu.be/pJNzaqS-Xts?si=r58QL_GhJsKtyVJj	

3.	Health Service	https://youtu.be/_gyoJDDZ5IY?si=I31zhkx66k0Ln68c	
4.	Hospital Service	https://youtu.be/so43Y9wn9-g?si=HvVp8B3MPpIVczbj	
5.	Tourism	https://youtu.be/7sPNnGNDExY?si=D_IYhQdC4RZi1QZM	
6.	Educational Service	https://youtu.be/wiyn2zCi58w?si=L1_QIV0d5cdlshgL -EJ1	