

PRESENTATION

ON

CLASS: T.Y.BMS

SUBJECT: SERVICES MARKETING

CHAPTER- 4

SERVICE MARKETING MIX

PRESENTED BY:

PROF. RAMESH P.GUPTA



INTRODUCTION :

- The marketing mix concept was popularised by an American Professor Jerome McCarthy in terms of 4 Ps- Product, Price, Promotion and Place.
- Some modifications in the 4Ps are required when applied to services due to some special features of services.

STAGES IN NEW SERVICE DEVELOPMENT :

- Idea Generation
- Idea Screening
- Testing the concept
- Business Analysis

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- Service Development
- Market Testing
- Launch

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Definition of Product :

- “ A product is anything that can be offered to market for attention, acquisition, use or consumption that satisfy a want or need. It includes physical objects (TV), service (banking), person (political person), place (holiday resort), organisation and idea (Aids awareness).”

- Philip Kotler

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Customer Benefit Concept:

- The customer is the starting point.
- Customers buy certain benefits and value.
- Eg- When customer buys medicine he buys hope.
- Eg- When he goes on tour he buys pleasure.

Service Concept:

- Service concept determine the aim and intention of the organisation.
- It is based on the idea that the actual service offered .
- Eg- When customer buys medicine he buys hope.
- Eg- Core service etc.

Service offer and Service Package :

- Service offer is the element that makes up the total service package.
- It includes both tangible and intangible component of service.

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Service Life Cycle :

- **Introduction**
- **Growth**
- **Maturity**
- **Decline**

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Objectives of Pricing :

- **Survival**
- **Growth**
- **Maximise Profits**
- **Leadership**
- **Maximise Market Share**

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Methods of Pricing in Services :

- **Cost based pricing**
- **Demand based pricing**
- **Competition based pricing**

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Pricing Strategy :

1. New Service Pricing Strategy :

- **Skimming Strategy**
- **Penetration Pricing**

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2. Differential Pricing / Segmentation Pricing :

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3. Service-Mix Pricing :

a) Captive Service : (Additional service)

- Eg – Software developing firms who are given annual maintenance contract offer free upgrades of software to their clients.

b) Competing services :

- In this, the service firm competes with its own offering.
Eg- Airlines

c) Optional additional service :

- Eg- Resort.

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4. Price Bundling:

- It means pricing and selling the services as a group rather than an individual offering.
- Eg- Health Clubs.

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5. Competitors Pricing:

- The core benefits are largely similar.
- It try to influence the consumer preference.

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6. Marginal Pricing:

- The marginal cost is the cost of last unit of output.
- Eg- Airlines carry empty seats.

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7. Relationship Pricing:

- In this type of pricing the lifetime value of the customer is taken into account.
- The main objective is to encourage customer loyalty by rewarding it.
- It is an elusive art.

VARIOUS TOOLS USED IN SERVICE PROMOTION :

- Advertising (TV, Radio, Newspaper, Magazines)
- Sales Promotion (Contest, games, trade fairs, coupons)
- Personal Selling (Direct Feedback)
- Word of mouth communication (Share experience)
- PR (sponsorship of events, journals)

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- **Sponsorship**
- **Direct Marketing**

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CHANNELS IN SERVICE DELIVERY :

- **Agents and Brokers**
- **Electronic Media**
- **Franchising**

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PEOPLE :

TYPES OF SERVICE PERSONNEL:

- **High Contact Personnel:**

Eg- Hospital, Education, etc

- **Low Contact Personnel:**

Retailing, post office, etc

- **Skilled and Professional:**

Eg- Doctor, lawyers, Chartered Accountant, etc

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- **Non-professional:**

Eg- Courier delivery boy, waiters, etc.

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PROCESS:

- The service process refers to how a service is provided or delivered to a customer.
- Delivery system is a creative process.
- Design and layout for effective customer and work flow.

DESIGNING SERVICE PROCESS:

1. The Service Itself :

- It is necessary to understand whether the service itself is process dependent.
- Most of the equipment based services like laundry and lawn care, insurance and banking are process dependent.

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2. Customer Participation :

- In case of most service system the customer is present when the service is being performed.
- Customer can be made a productive labour.
- Self-service.

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3. Degree of Customer Contact :

- It refers to the physical presence of the customer in the system.
- Customer contact can be measured in reference with time.

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4. Location of Service Delivery :

- The service delivery process should be located either at the service provider's premises or carried out at the customer place.
- Eg- Painting (Home)
- Eg- Medical, legal advice (Provider's premises)
- Services being delivered without the customer and supplier meeting.
- Eg- ATMs.

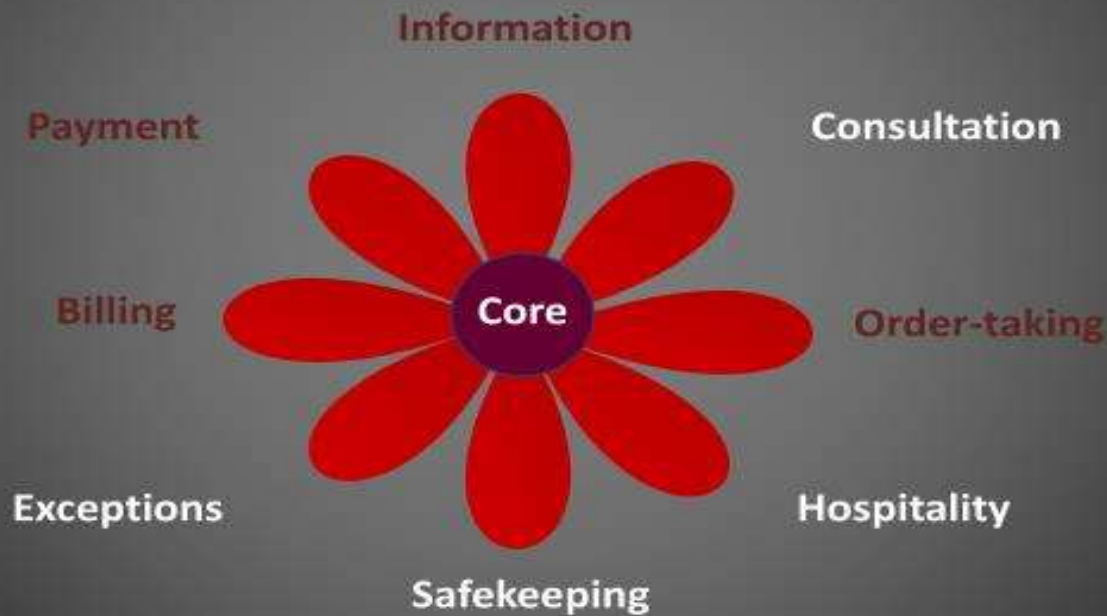
PHYSICAL EVIDENCE

- Physical Evidence is termed as the social environment along with the tangible cues.
- Physical Evidence includes all the efforts taken by the service provider to tangibles their services, they include physical facilities (food, seating).
- Physical Environment elements are ambience, space, décor (parking entrance & exit)

SERVICE FLOWER FOR A HOTEL INDUSTRY:



FLOWER OF SERVICES



SERVICE FLOWER FOR A HOTEL INDUSTRY:

- ▶ Christopher Lovelock developed the Flower of service, which indicates the core service surrounded by a cluster of supplementary services.
- ▶ The flower consisting of eight petals, four of them are **“facilitating supplementary”** services and the other four are **“enhancing supplementary”** services.
- ▶ **“facilitating supplementary”** services - aid in the use of core product.
- ▶ **“enhancing supplementary”** services - extra value for customer.

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- ▶ The facilitating supplementary services include information, order taking, billing, and payment.
- ▶ Enhancing supplementary services include consultation, hospitality, care taking and exceptions.

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FACILITATING SERVICES:

1. Information:

- Customers need information on various elements of a service. The service marketer also wants to inform, attract, and persuade the customers.
- Following are the examples of information elements :
Signboards to service site, Conditions for sale and supply, Service performance hours, Reservation, Charges for service, Directions for using the service etc.

FACILITATING SERVICES:

2. Order Taking :

- Order taking includes order entry and reservation or check-ins.
- Reservation means booking restaurant table or a hotel room.
- Order entry can be received through a variety of sources such as sales personnel, phone, email, etc.

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- The process of order taking should be fast, polite & accurate so that customer do not waste time.
- Technology can be used to make order taking easier & faster ensuring completeness & accuracy.

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3. Billing & Payment:

- Billing must be clear because the customers buy many other services along with the core service.
- Unusual delays in billing can be frustrating especially if the customer is waiting at the service site.

ENHANCING SERVICES :

1. Consultation:

- Consultation involves a dialogue with customer to probe the customer requirement & then develop a tailored solution.
- Consultation consist of immediate advice from a knowledgeable service person in response to the request.

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2. Hospitality:

- Hotel is a hospitality related service.
- It should ideally reflect pleasures at meeting new customers and greeting old ones when they return.
- The quality of hospitalization offered by a hotel plays an important role in determining customer satisfaction because one cannot easily have the service facility until the delivery of the core service is completed.

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3. Safe-Keeping :

- Customer require safe-keeping facilities for their personal possession of goods purchased or rented by them.
- On site safe-keeping services for hotels include coatrooms, baggage transport, handling and storage, safekeeping of valuables & even child care & pet care.

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4. Exceptions :

- When the normal services delivery is disrupted due to special request, unusual delays and performance failures, firm should make provisions for exceptions.
- There are four types of exception :
 1. Special request
 2. Problem solving
 3. Handling of complaints/suggestion
 4. Restriction

The image features a large, irregular splash of teal watercolor paint centered on a white background. The splash has a soft, textured appearance with varying shades of blue and green. In the center of this splash, the words "Thank You" are written in a dark teal, cursive script font. The text is slightly shadowed, giving it a three-dimensional effect as if it's floating within or attached to the paint. At the bottom left corner of the image, there is a decorative graphic element consisting of a dark teal triangle pointing upwards, a black diagonal line, and a light blue triangle pointing downwards, creating a layered, geometric look.

Thank You