

A CONCEPTUAL STUDY OF SERVICE MARKETING

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ABSTRACT: *The need and importance of service marketing is rising so rapidly as today's consumer not only focus on goods but also gives equal importance to services. The growth of service sector has now been considered as the indicator of economic progress of any country. Economic history witnesses that almost all developing nations has experienced a shift from agriculture to service industry. In present scenario, no product can be marketed without the help of services marketing. Service marketing means marketing of services against tangible products as services are intangible in nature. In this research paper, the characteristics of services, benefits of service marketing to the organization and problems faced by the organization in marketing services has been discussed. In marketing discipline, service marketing has become a well-established area of enquiry. This paper also attempts to understand the importance of service marketing in present marketing arena.*

Key Words: *Service marketing, inconsistency, intangible, etc.*

Introduction

In present marketing situation, if goods are not backed by the services then it will be very difficult to sell the products to the customers. In India, service industry has contributed towards Indian GDP which has increased employment in the country and also attracted foreign investment. Earlier, service sector was considered as an aid to the marketing and production of goods and because of this, it did not have its own separate relevance. It first came into force in 1980s and a debate started on whether marketing of services is different from marketing of goods/products so as to consider it a separate discipline. Therefore, 1980 was the year in which there was a shift in thinking.

By mid 1990s, service marketing got its own importance as a significant sub-discipline of marketing. Hence, the concept rises such as relationship marketing, customer retention, franchising of services, etc. To get to know more about this it is very important to discuss the features of services in service marketing so that this knowledge can contribute more towards development.

Objectives

- To study the concept of service marketing.
- To analyze the challenges faced by the service marketing.
- To find the ways to overcome the challenges.

Types of services

In service marketing there are two types of services:

Core services- A service which is the main reason of transaction that means it is not provided with any product or something. For ex. The Cobbler mending the shoes.

Supplementary services- Services which are rendered as supplement to the sale of a product which is tangible. For ex. Home delivery on purchase of television.

Characteristics of services

- Intangibility- Nature of services is intangible i.e. it does not have physical existence. That's why services cannot be held, touched, tasted or smelt. This is the primary difference which distinguishes a product from a service.
- Variability/ Heterogeneity- Each offering of service is unique as no person can provide same service again and no two persons can provide services identically. Products can be produced massively and are homogenous in nature but same is not with the services.
- Perishability- Another vital feature of services is that they cannot be saved, stored, returned or resold once they are delivered to the customer. For ex. If a customer is not satisfied with his haircut then barber cannot return the service. They cannot be resold from one person to another. One salesman cannot provide same services in place of other.

- Inseparability- A service is inseparable from its service provider. The service provider and customer must be in same place. Moreover, the services are generated & consumed in same place, within same time frame.

Importance of service marketing

Intangibility of services makes it challenging and yet the service marketing is extremely important. Here are some benefits or some reasons which makes services a crucial task.

- A significant differentiator- Sometimes service work as a differentiator to face competition and to attract new customers. For ex. There are two fast food chains offering same kind of products then here comes service marketing to the rescue. By improving their services they can attract as well as retain the consumers.
- Importance of relationships- In marketing of services, relationship is the key factor as services are intangible. Therefore, seller has to develop a trust in the eyes of customer. Seller needs to listen to the need of consumer and fulfill them accordingly & appropriately. This will build a long lasting relationship, a loyal customer and a positive word of mouth.
- Customer retention- Retained customer is the result of customer satisfaction. In such a high competition it is very important to retain the customers than attracting new ones. The services offer great scope for customization as per consumer needs and involves quick feedback from customers as well. It makes delivery of services more effective. Thus customer satisfaction leads to customer retention & attracts new customers as well.

Challenges in service marketing

Nothing is free from challenges so as service sector. It has to face challenges to get improved. Some challenges mainly on account of its characteristics are discussed below.

- Customer retention- One of the major challenges faced by the service provider firm is retaining the customers as customers move from one service provider to the other very quickly. Therefore, firm providing services must undertake surveys for customer satisfaction and according to the result they need to change the marketing strategies, marketing mix, bring innovative methods & techniques other than their competitors.
- Intangibility- The intangibility feature of service is a challenge in itself. A service cannot be seen therefore a customer cannot decide that which service provider would be best until & unless the customer gets the service. Service provider can't demonstrate the services as it is difficult to do so. Customer can't evaluate services before purchasing them.
- Inseparability- It is not easy to separate the services from the service provider and no two sellers can provide same services as other. This feature of service again creates a problem by restricting geographical reach. As if a customer like haircut of a particular salon then either he has to go to that salon or the barber from that salon should reach to the customer that means you can't separate both, a service and its provider. This creates geographical constraint. Moreover person who needs that service should visit the service provider; customer cannot send any other person in place of him/her.
- Inconsistency- Performance of service may vary from one person to another even within same organization. Different service providers provide same services differently. This sometimes creates the problem of lack of standardization & controlling quality. No two customers will receive the same kind of services from a same service provider.
- Perishability- Services are highly perishable in nature. Therefore, the demand of services & supply of services did not match. Therefore, services are supplied as and when they are demanded by the customer. Due to perishable nature services cannot be kept in inventory i.e. they cannot be stored to meet the demand. Goods are produced massively, i.e. mass production of goods is possible but mass production of services is not possible.

How to overcome these Challenges?

As every problem has a solution. Therefore, these challenges can be solved and can be treated as an opportunity. Let's discuss the solutions or ways to overcome the above mentioned challenges.

- Challenge of Customer Retention- In service marketing, retaining the customers is a difficult task but it can be possible through conducting surveys where the consumers are asked questions related to the experiences they get from the services they received. In this way, all the positive and negative

aspects related to services will be collected and then it can be analyzed. After analyzing related policies can be made to improve the negative feedback.

- Challenge of Intangibility- Challenge of intangibility can be overcome by creating strong corporate image so that a trust & confidence can be developed among the consumers. Positive corporate image is very much necessary in service marketing. Pleasant ambience, pleasant appearance through interior & exterior décor would highly contribute to overcome the challenge of intangibility. Service providing firm can also improve its services by providing training to the employees to get more efficient and this will lead to improve service quality.
- Challenge of Inseparability- This challenge creates the problem of geographical reach. This problem can be curtailed by giving franchising agreement. Through franchising, a firm can develop its business beyond international boundaries & there will be no geographical constraint. Providing training to the support staff can also help to overcome this challenge. The firm can take the help of automatic machines like use of automations such as ATMs by banks to deal with certain services.
- Challenges of Inconsistency- There are lot of ways to overcome this challenge. Technological support can be taken to bring consistency in services. Providing training to employees and make them specialized in each task can help to achieve consistency. Firm can get questionnaires filled from the customers to know about what they think and what they expect from firm's services. Providing motivation to employees will also help in maintaining consistency, as motivated employees work better than demotivated ones.
- Problem of Perishability- Issue of perishability can be resolved through providing complimentary services during non-peak hours. As this would increase the demand of the service due to complimentary services. Low pricing during non-peak timings can also overcome the above problem. For ex. Tickets for the movie are cheaper on weekdays than weekends. Other methods or ways could be- vary the use of facilities during off peak periods & differential pricing. These are some ways to overcome the perishability challenge.

Conclusion