

Services Marketing



Services Communication



Learning Outcome

- Knowledge on the critical aspects of communication in service.
- Describe the service communication process.
- Discuss the steps necessary to manage the firm's service communication strategy effectively.

Promotion/communication

The firm's promotion, or communications **informs**, **persuades**, and **reminds** target markets (including consumers, employees, and stockholders) about the firm's goods and services for the purpose of achieving organizational objectives.



Promotion/communication

Communication mix

The array of communications tools available to marketers including advertising, personal selling, sales promotions, publicity, and sponsorships.

With so many channels delivering messages to customers and prospects, it becomes crucial for firms to adopt the concept of IMC (**integrated marketing communications**).



Communication in service

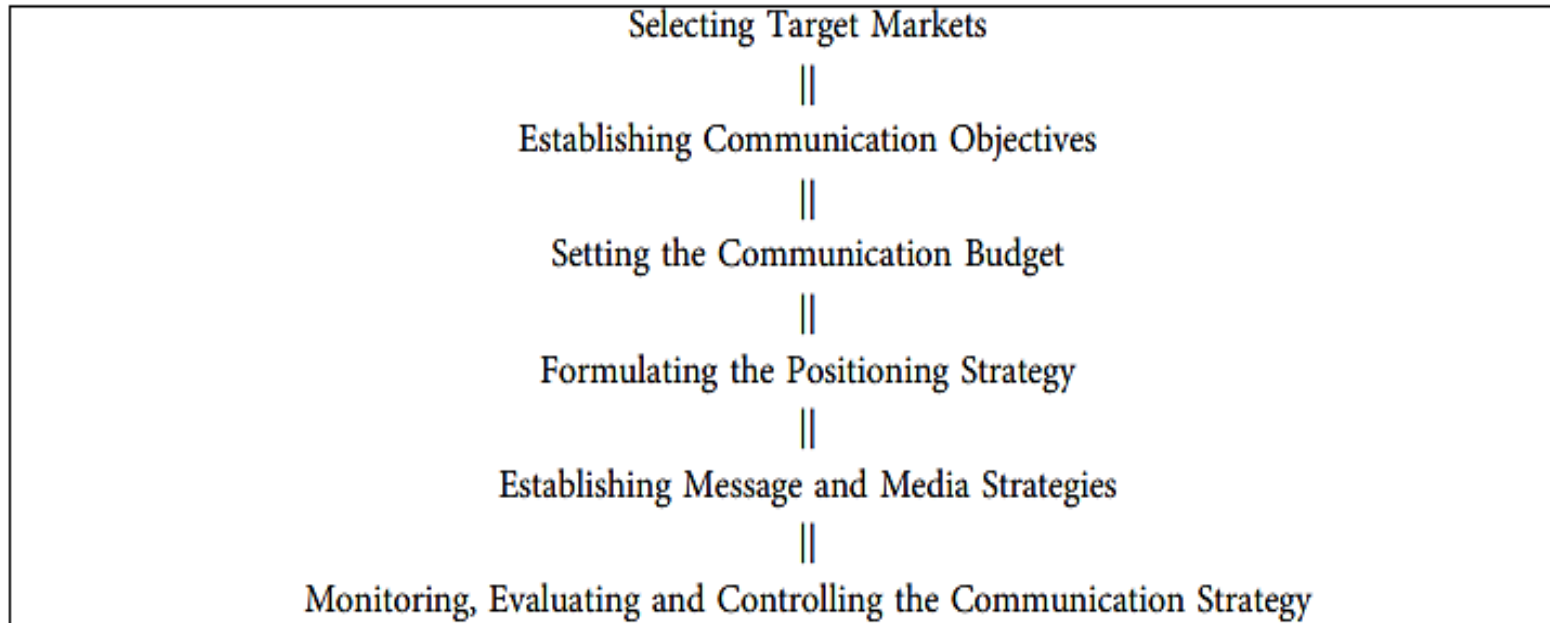
Critical thought!

Communication must be viewed more broadly than just as media advertising, public relations (PR), social media, and professional salespeople.

- **Location and atmosphere of a service delivery facility,**
- **Corporate design features** such as the consistent use of **colors** and **graphic elements,**
- **The appearance and behavior of employees, the design of a website**

All these contribute to an impression in the customer's mind that reinforces or contradicts the specific content of formal communication messages.

Service Communication Process



Service Communication Process

Selecting Target Markets

- Segmenting the market.
- Segments that become the focus of the firm's marketing efforts become target markets.



Service Communication Process

Establishing Communications Objectives

- To inform, persuade, and remind current and potential customers about the firm's service offerings.
- The above **broad objectives** are typically undertaken to achieve additional **strategic objectives** such as **increases in sales, positive changes in consumer attitudes, and increasing overall consumer awareness** of the firm and its offerings.



Service Communication Process

Establishing Objectives

Communications

- Firm's communication mix often relate directly to the service offering's stage within its product life cycle (PLC)

PRODUCT LIFE CYCLE STAGE	COMMUNICATION OBJECTIVE	COMMUNICATION TACTICS
Introduction	Informational	Introduce the service offering. Create brand awareness. Prepare the way for personal selling efforts. Encourage trial.
Growth and Maturity	Informational and Persuasive	Create a positive attitude relative to competitive offerings. Provoke an immediate buying action. Enhance the firm's image.
Maturity and Decline	Persuasive and Reminder	Encourage repeat purchases. Provide ongoing contact. Express gratitude to existing customer base. Confirm past purchase decisions.

Service Communication Process

Establishing Communications Objectives

- When setting objectives, objectives should be **SMART**
 - **Specific** (e.g., sales, awareness, etc.)
 - **Measurable** (increase sales by 10 percent)
 - **Achievable** (realistic and reachable)
 - **Relevant** (Relevant to people who implement)
 - **Time-bound** (e.g., six months, one year, etc.)

Service Communication Process

Setting the Communications Budget

- The communications budget should provide the necessary resources for the service firm to meet its established communication objectives.



Service Communication Process

Setting the Communications Budget

Techniques:

BUDGET SETTING TECHNIQUE		DESCRIPTION
Top-down Budgeting		Budget is set by upper management.
Bottom-Up Budgeting		Budget is set by the product-level or brand manager.
Bottom-Up/Top-Down Budgeting		Budget is set by the product-level or brand manager and then revised by upper management.
Top-Down/Bottom-Up Budgeting		Budget is set by upper management and then revised by the product-level or brand manager.
Percentage-of-Sales Technique		Budget is set based on a percentage of the previous year's sales.
Incremental Technique		Budget is increased by a fixed percent every year.
All-you-Can-Afford Approach		Budget is set based on what is left over after the firm pays for operating expenses and planned profits.
Competitive Parity		Budget is set based on promotional spending behavior demonstrated by the competition.
Objective-and-Task Method		Budget is set based on the amount necessary to achieve stated communication objectives.

Service Communication Process

Formulating the Service Firm's Positioning Strategy

A successful positioning strategy communicates to customers how the service firm distinguishes itself from competing alternatives.

Typical examples of positioning strategies used by both goods and service firms :

PRODUCT DIFFERENTIATION	PERSONNEL DIFFERENTIATION
Features	Competence
Performance	Courtesy
Conformance	Credibility
Durability	Reliability
Reliability	Responsiveness
Repairability	Communication Style
Design (integrates the above)	
IMAGE DIFFERENTIATION	SERVICE DIFFERENTIATION
Symbols	Delivery (speed, accuracy)
Written, audio/visual media	Installation
Atmosphere	Customer training
Events	Consulting service
	Repair
	Miscellaneous service

Service Communication Process

Formulating the Service Firm's Positioning Strategy

Effective positioning is particularly critical for service firms where **intangibility** clouds the consumer's ability to differentiate one service provider's offering from the next.



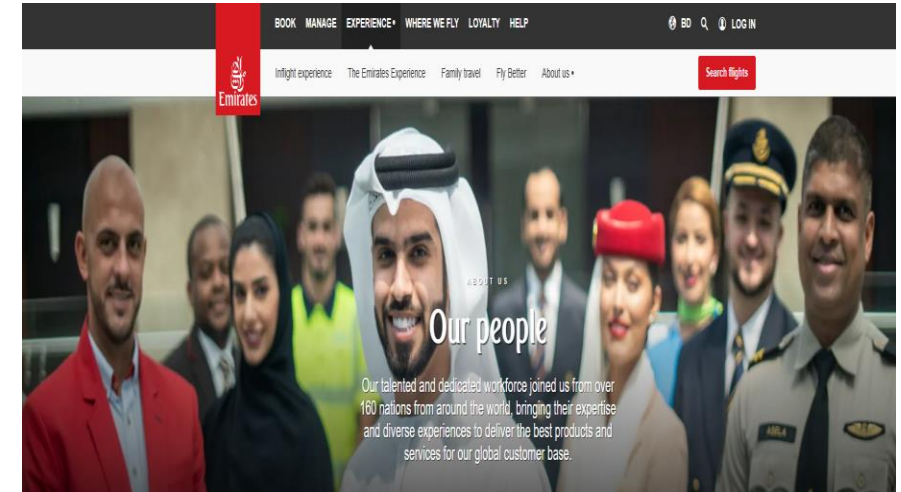
<https://www.ritzcarlton.com/>

Service Communication Process

Formulating the Service Firm's Positioning Strategy

Frequently, in support of the service firm's positioning strategy, the **copy of the communication** mix needs to be adjusted to appeal to the customers.

Copy: The content of the firm's communication message.



The women of Emirates

<https://www.emirates.com/bd/english/about-us/our-people/>

Service Communication Process

Establishing Message and Media Strategies

Message content must be created that conveys the positioning strategy to current and potential customers.

The message also needs to be effectively delivered to customers via **effective media strategies**.

Singapore Airlines Cabin Crew

Timeless elegance meets contemporary service.



FLIGHT STEWARDESS/
STEWARD



LEADING STEWARDESS/
STEWARD



CHIEF STEWARDESS/
STEWARD



INFLIGHT MANAGER

Service Communication Process

Establishing Message and Media Strategies

- **Media Strategies for Targeting Nonusers**
 - media advertising,
 - selling performed by a sales force
 - rather than a service provider, public relationships, and sponsorships.

If the message is difficult to communicate or a great deal of persuasion is needed, personal communication may be most appropriate.



Service Communication Process

Establishing Message and Media Strategies

- **Media Strategies for Targeting Users**
 - Users can be reached through all the channels mentioned earlier.
 - Can be further reached by communications through the **service provider themselves**.



Service Communication Process

Establishing Message and Media Strategies

The role of the service provider is multifaceted:

- Type 1 service staff
- Type 2 service staff
- Type 3 service staff



Service Communication Process

Establishing Message and Media Strategies

- **Type 1 service staff:**
 - Deal with customers quickly and effectively in “once only” situations.
 - Large numbers of customers are present.
 - Effective communication requires: Establishing customer relationships very quickly, dealing efficiently with customer problems, rapid messages that customers can easily understand.



Service Communication Process

Establishing Message and Media Strategies

- **Type 2 service staff:**
 - Deal with numerous, often repeat customers in **restricted interactions** of somewhat **longer duration**.
 - Relatively intense communication.
 - Effective communication requires: effective listening skills, the ability to establish trust, and interpreting customer information.



Service Communication Process

Establishing Message and Media Strategies

- **Type 3 service staff:**
 - More extended and complex interactions with customers.
 - Effective communication requires: ability to listen and process complicated information, to think creatively in face-to-face interactions with consumers, and to provide information in a clear and understandable manner.



Service Communication Process

Monitoring, Evaluating and Controlling the Communication Strategy:

- Evaluation: Comparing communication outcomes with previously stated objective.
- Communication strategies do not always lead to immediate increases in sales.
- **Lagged effect:** When demand for the service is infrequent, and therefore the success of the communication strategy may not be realized until a later point in time.



Class Practice:

**Watch the following ad and
explain it from a service
marketer's perspective:**

https://www.youtube.com/watch?v=0gvE_BvpElc

Reading materials

Services Marketing: Concepts, Strategies, & Cases- by K. Douglas Hoffman, & John E. G. Bateson, from South-Western Cengage Learning.

Thank you