

My Story



‘People who can’t do, they teach! (exception is not an example)’

‘Record wise, best coaches are mostly unsuccessful players’

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Service Quality Management for IT/ITES

Marketing in a changing environment



Service Marketing in a changing environment



Selling and Marketing Professional Services

Learning Objectives

In this session we will try to Share:

- a) Recent trends in service Industry, particularly professional services **AND**
- b) The key concepts and techniques associated with selling and marketing professional services

Overview of Bangladesh Economic Growth

Per capita GDP growth has more than doubled since 1990 from US\$ 300 in 1990 to US \$730 in 2011 and now it is \$ 2500.

Happy facts and stories:

- 1) Privatization and Public enterprise reforms
- 2) Agricultural policy
- 3) Financial reforming policy
- 4) Promotion to Service sectors

Trends in Service sector

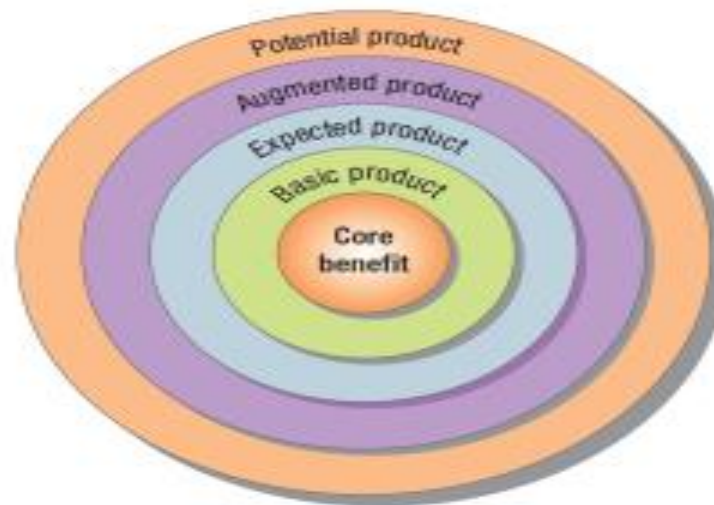
1) The output of services now accounts for 70-80% of the GDP of highly developed countries such as Australia, New Zealand and Singapore.


2) Services are key to the economies of developing nations such as Thailand, Malaysia, China and Indonesia where they account for up to 50% of the GDP.

In the next ten years, 90-95% of all new jobs in highly developed countries are expected to be in the services sector. **3 R In Bangladesh and now it is close to 50% share of GDP for last three decades. (Telco, FI, Restaurant, Hospital and 27 recent sectors are addressed).**



Figure 12.2 Five Product Levels





Most services are multidimensional with both tangible and intangible **elements-such as , bed in a hotel** Few services are without tangibles elements **(IT consultancy)**

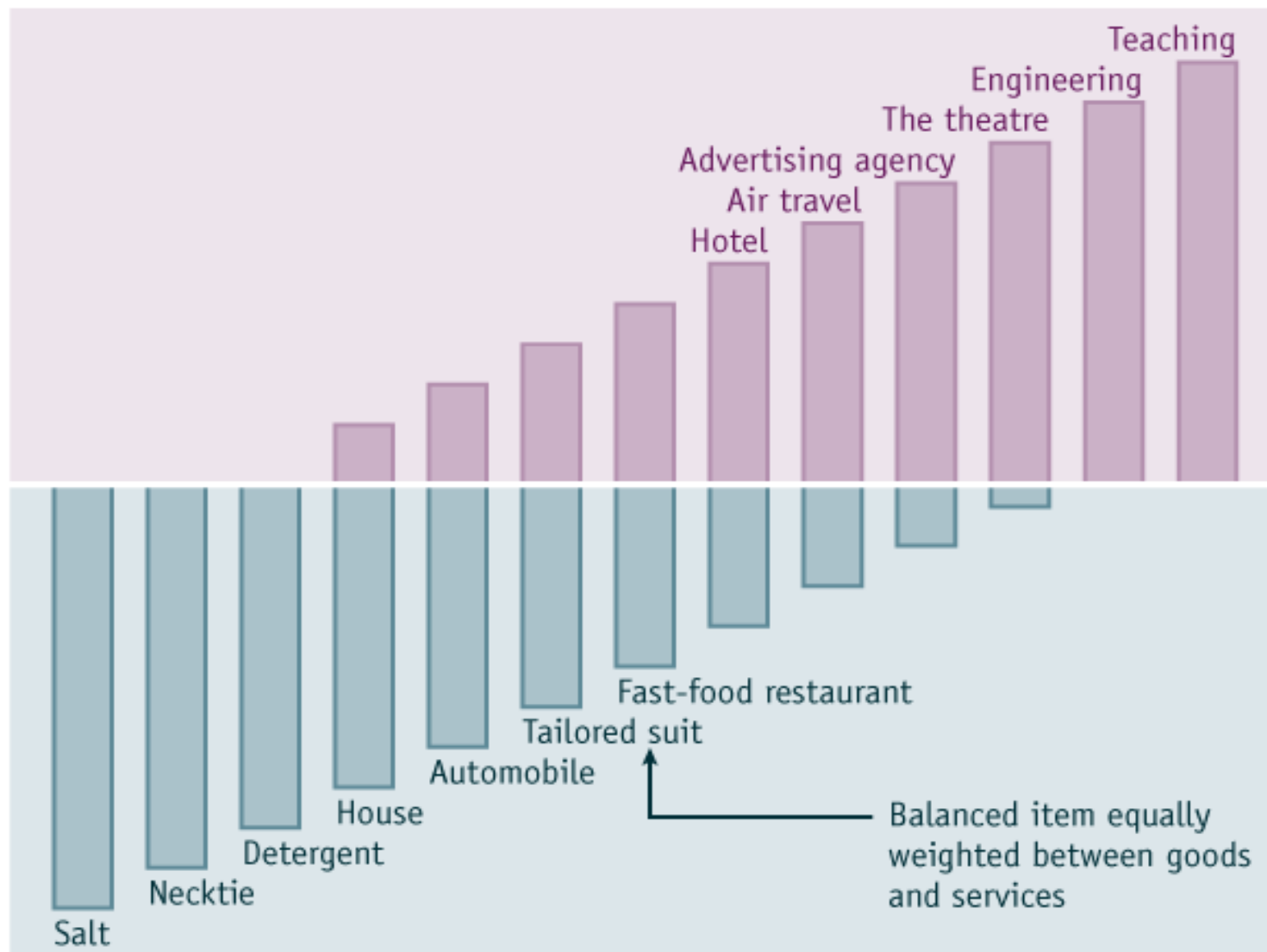
**Intangible
dominant**



Balanced



**Tangible
dominant**



Factors responsible for the transformation of the service economy

a) Internationalisation (e.g. 'Hollowing out' effect, Increased services trade, Global customers).

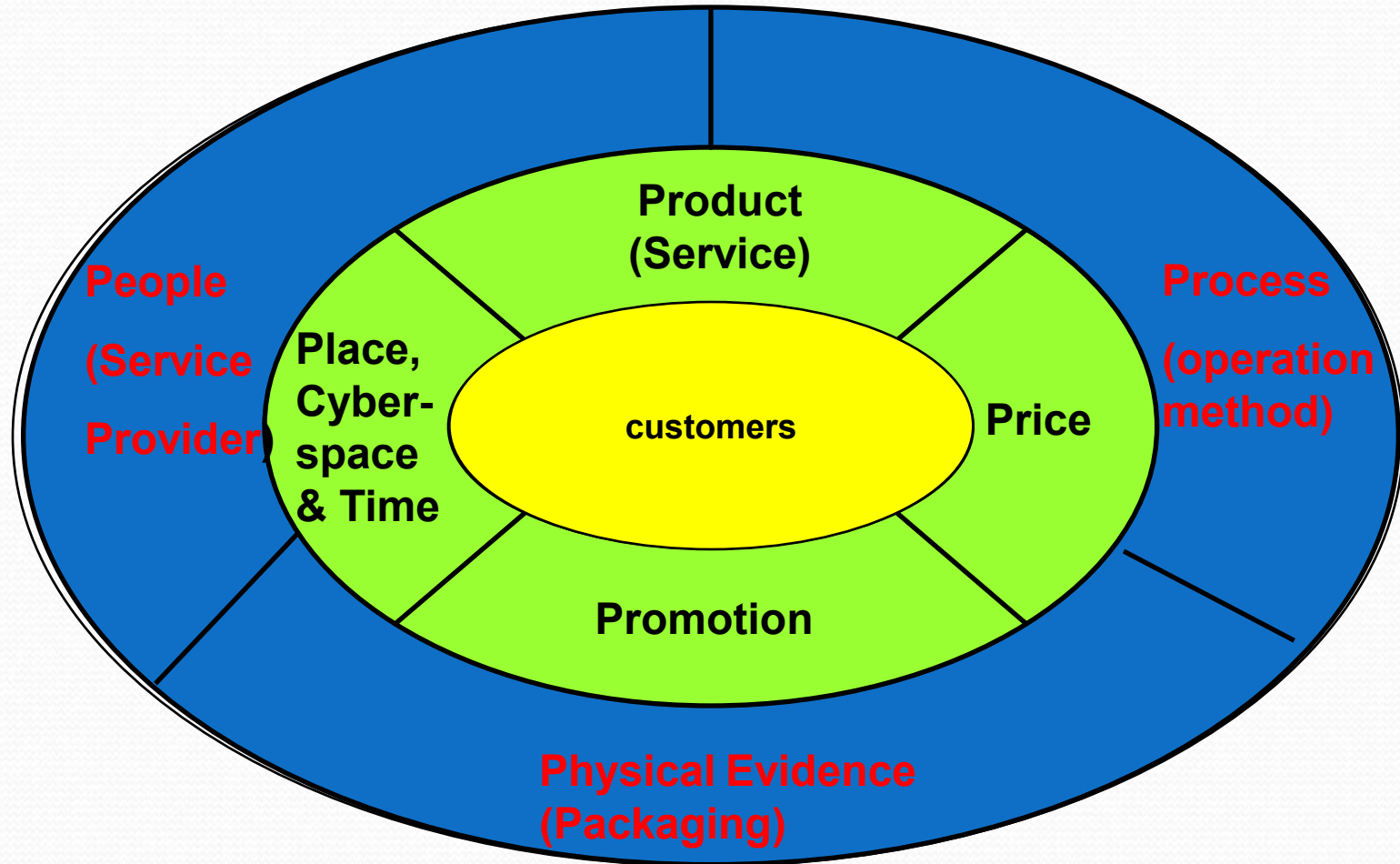
Education sector.

b) Government Regulation (e.g. Deregulation/ privatisation (IT/ITES Sector in BD),

c) Social Changes (e.g. Increased customer expectations, Increased affluence and leisure time, More women in the workforce).

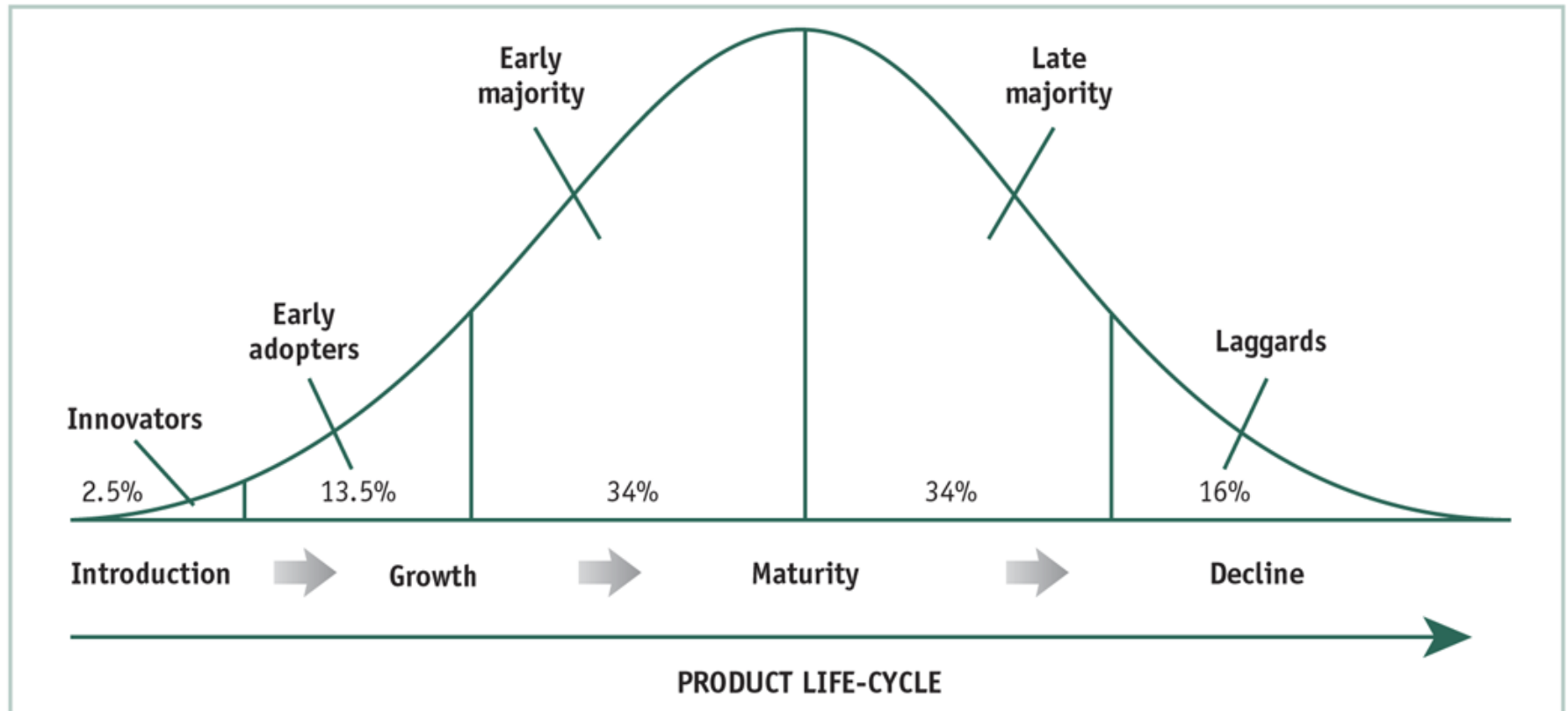
In our market BOP: Health care, education and holiday making

An expanded marketing mix for services sector: Health care



Diffusion of innovation in a Western context

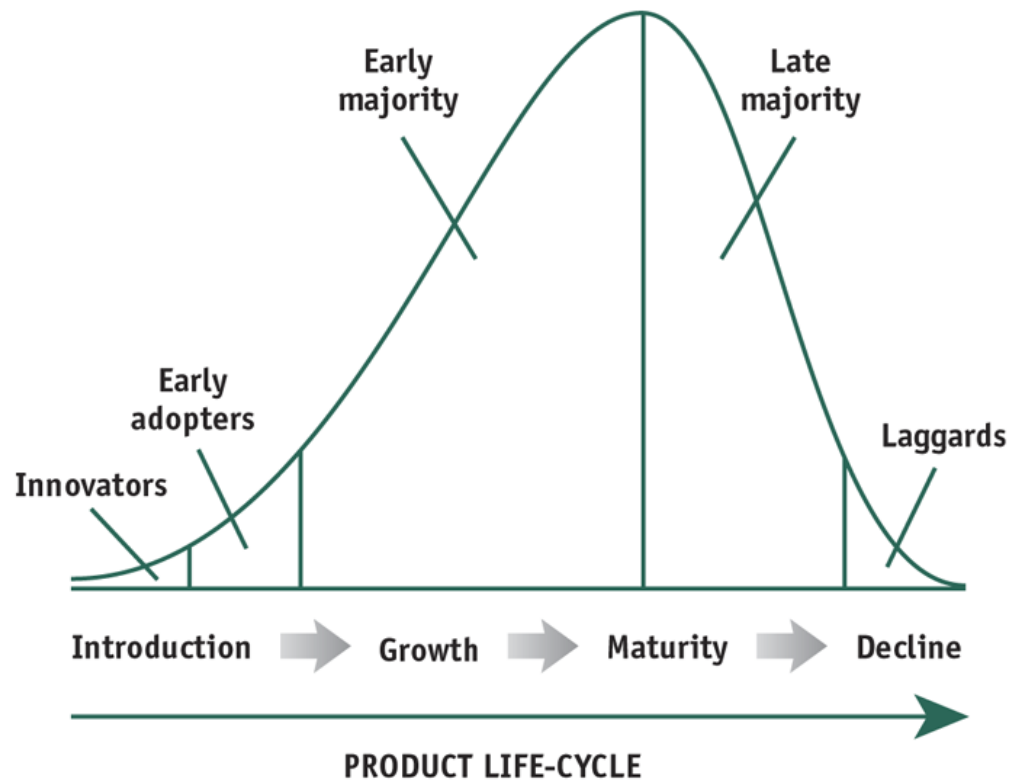
Figure 3.3a Diffusion of innovation in a Western context



Source: H. Schütte & D. Ciarlante, *Consumer Behaviour in Asia*, Macmillan, London, 1998.

Diffusion of innovation in an Asian context

Figure 3.3b Diffusion of innovation in an Asian context



Source: H. Schütte & D. Ciarlante, *Consumer Behaviour in Asia*, Macmillan, London, 1998.

So, how these things can be managed? At least we can try.....

Marketing : Creating demand

Selling: Promote services/products

Professional services may be:

- Financial Institution
- Business Development Consultancy
- BPO
- Telco
- Face book and so on...

Table II Comparison of results between gap-based SERVQUAL scale and ratio-based SERVQUAL scale

| Dimension | Service attributes | E-score | P-score | Gap-based SERVQUAL | | Ratio-based SERVQUAL | |
|----------------|---|---------|---------|--------------------|------|----------------------|------|
| | | | | Score | Rank | Score | Rank |
| Tangible | Has up-to-date equipment (A ₁) | 6.3 | 6.1 | − 0.2 | 22 | 0.968 | 22 |
| | Has visually appealing facilities (A ₂) | 6.1 | 5.4 | − 0.7 | 13 | 0.885 | 13 |
| | Has employees with neat and professional appearance (A ₃) | 5.9 | 5.6 | − 0.3 | 20 | 0.949 | 20 |
| | Has visually appealing materials (A ₄) | 6.3 | 6.0 | − 0.3 | 20 | 0.952 | 21 |
| Reliability | Provides service as promised (A ₅) | 6.7 | 6.0 | − 0.7 | 13 | 0.986 | 16 |
| | Sincerely solves problems (A ₆) | 6.3 | 5.3 | − 1.0 | 1 | 0.841 | 1 |
| | Performs service right, the first time (A ₇) | 6.7 | 5.9 | − 0.8 | 7 | 0.881 | 12 |
| | Provides service at promised time (A ₈) | 6.8 | 5.9 | − 0.9 | 3 | 0.868 | 8 |
| | Maintains error-free records (A ₉) | 5.9 | 5.0 | − 0.9 | 3 | 0.847 | 2 |
| Responsiveness | Keeps customers informed as to when services will be performed (A ₁₀) | 6.1 | 5.2 | − 0.9 | 3 | 0.852 | 3 |
| | Provides prompt service to customers (A ₁₁) | 6.8 | 5.8 | − 1.0 | 1 | 0.853 | 5 |
| | Is willing to help customers (A ₁₂) | 6.1 | 5.4 | − 0.7 | 13 | 0.885 | 13 |
| | Is always ready to respond to customers' requests (A ₁₃) | 6.1 | 5.3 | − 0.8 | 7 | 0.869 | 9 |
| Assurance | Has employees who instill customer confidence (A ₁₄) | 6.1 | 5.3 | − 0.8 | 7 | 0.869 | 9 |
| | Has employees who make customers feel comfortable (A ₁₅) | 6.0 | 5.2 | − 0.8 | 7 | 0.867 | 6 |
| | Has employees who are consistently courteous (A ₁₆) | 5.9 | 5.3 | − 0.6 | 17 | 0.898 | 17 |
| | Has knowledgeable employees that answer customers' questions (A ₁₇) | 6.1 | 5.5 | − 0.6 | 17 | 0.902 | 18 |
| Empathy | Giving customers individual attention (A ₁₈) | 6.1 | 5.4 | − 0.7 | 13 | 0.885 | 13 |
| | Has employees who give customers individual attention (A ₁₉) | 6.0 | 5.2 | − 0.8 | 7 | 0.867 | 6 |
| | Has customers' best interests at heart (A ₂₀) | 6.1 | 5.3 | − 0.8 | 7 | 0.869 | 9 |
| | Has employees who understand customers' needs (A ₂₁) | 6.3 | 5.9 | − 0.4 | 19 | 0.937 | 19 |
| | Has business hours that are convenient to customers (A ₂₂) | 6.1 | 5.2 | − 0.9 | 3 | 0.852 | 3 |
| Overall SQ | | | | − 0.71 | | 0.885 | |

Notes: *E* = Expectation, and *P* = Perception

Selling Professional Services:

Reasons Why Clients Buy



**To Avoid
Pain**



**Reduce
Risk or
Loss**



**Prestige
Ego**



Money



**Enjoyment
Pleasure
Comfort**



**For Other
People**

Reasons Why Clients Don't Buy!



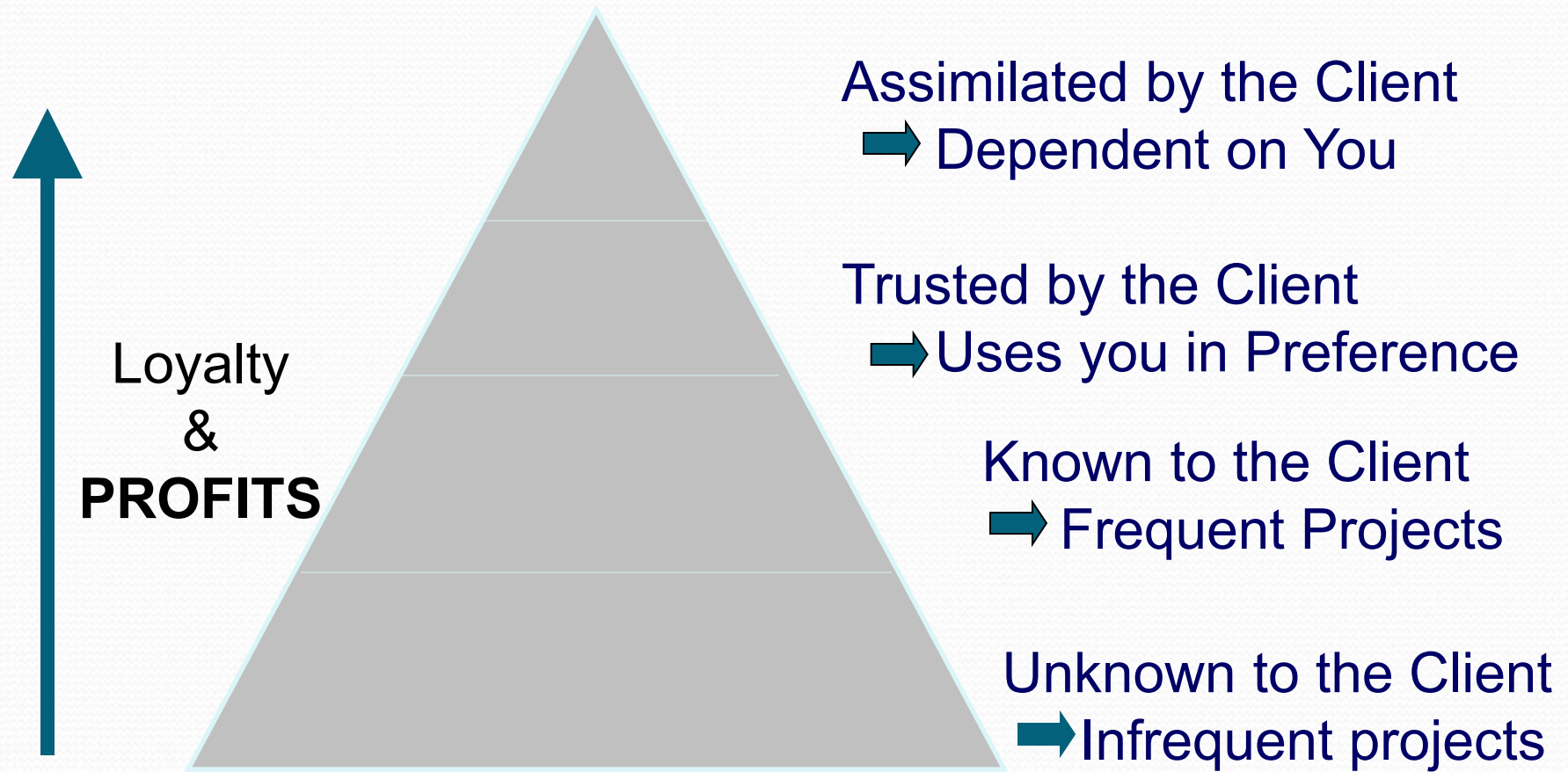
The Selling Equation

- The basic equation of selling can be stated as

$$\text{Activity} \times \text{Skill} \times \text{Attitude} = \text{Results}$$

- This formula applies to sales of professional services through
 - Activity = number of clients visited
 - number of proposals
 - Skill = ability to convert proposals to sales
 - Attitude = professional and enthusiastic approach
 - Results = sales
 - Common Sense??!!

Hierarchy of Partnership: Sharing, Caring and partnership



WHY CUSTOMERS QUIT?

- 1% Die
- 3% Move away
- 5% Develop other friendship
- 9% Leave for competitive reason
- 14% Are dissatisfied with product
- 68% Quit because the customer was not acknowledged, valued or respected.

68% ??!!

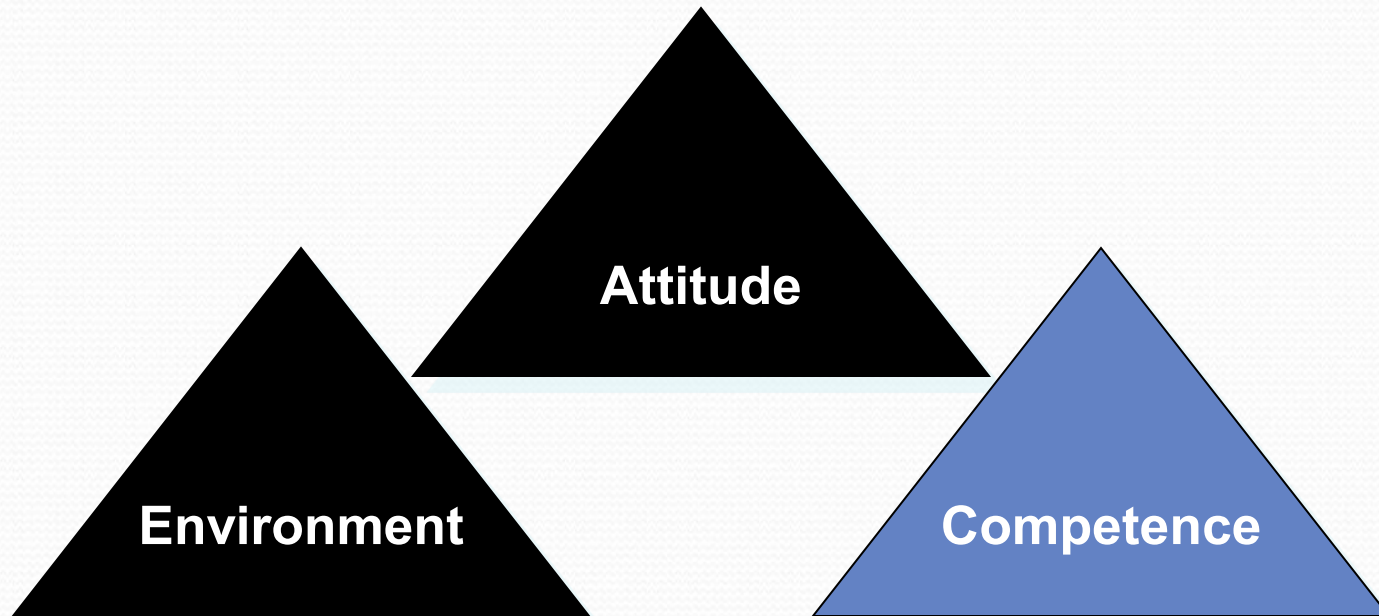


Effective Complaint Handling: Do we really Care??!!

Training, Evaluating and Acting
(Reward or Punishment)

People in the Process

- What impacts people's ability to apply the process and allow complaints to be handled effectively:



Consider Complaints as Research Data for R&D

- Do nothing, but the service provider's reputation is diminished (Current situation of Teletalk though things are changing)
- Take action!!!

Capturing Complaints

Complaints may be made through:

- the service provider's own employees (Part of feedback from Internal marketing)
- intermediary organizations acting on behalf of the original supplier (Chain businesses for hospital and fast food)
- managers who normally work backstage but are contacted by a customer seeking higher authority (Head Cook/Master tailor)
- suggestions or complaint cards mailed or placed in a special box
- complaints to third parties (Employment/Property Agencies)

Factors Influencing Complaining Behaviour (Private VS Public sector)

- Available resources for making a complaint
- Access to a means of registering a complaint
- Knowing who is to blame for the problem
- Demographics e.g. younger and better educated people are more likely to complain

Factors Influencing Complaining Behaviour

- **Level of dissatisfaction** i.e. does it seem worth it?
- **Cost of complaining** e.g. time and effort
Benefits of complaining i.e. value of the outcome?
- **Likelihood of resolution** i.e. belief that the problem will/can be solved satisfactorily.
- Mr. Pithagoras mentioned “It is better not to address your poverty and complaint to others”

Guidelines for Effective Complaint Resolution

- Act fast: time is of the essence to achieve full recovery
- Apologise but do not be defensive: it is important to impress on the consumer that the problem is an infrequent occurrence
- Show understanding for the customer's viewpoint
- Do not argue with customers: gather facts to reach a mutually acceptable solution
- Acknowledge the customer's feelings to help build rapport
- Give customers the benefit of the doubt
- Clarify the steps needed to solve the problem

Thanks for your co-operation

