

SERVICES -INTRODUCTION

- Definition of Services
- Goods- services
- Scope of Services
- Characteristics of Services
- Components of Services
- Classification of Services

Some Basic questions

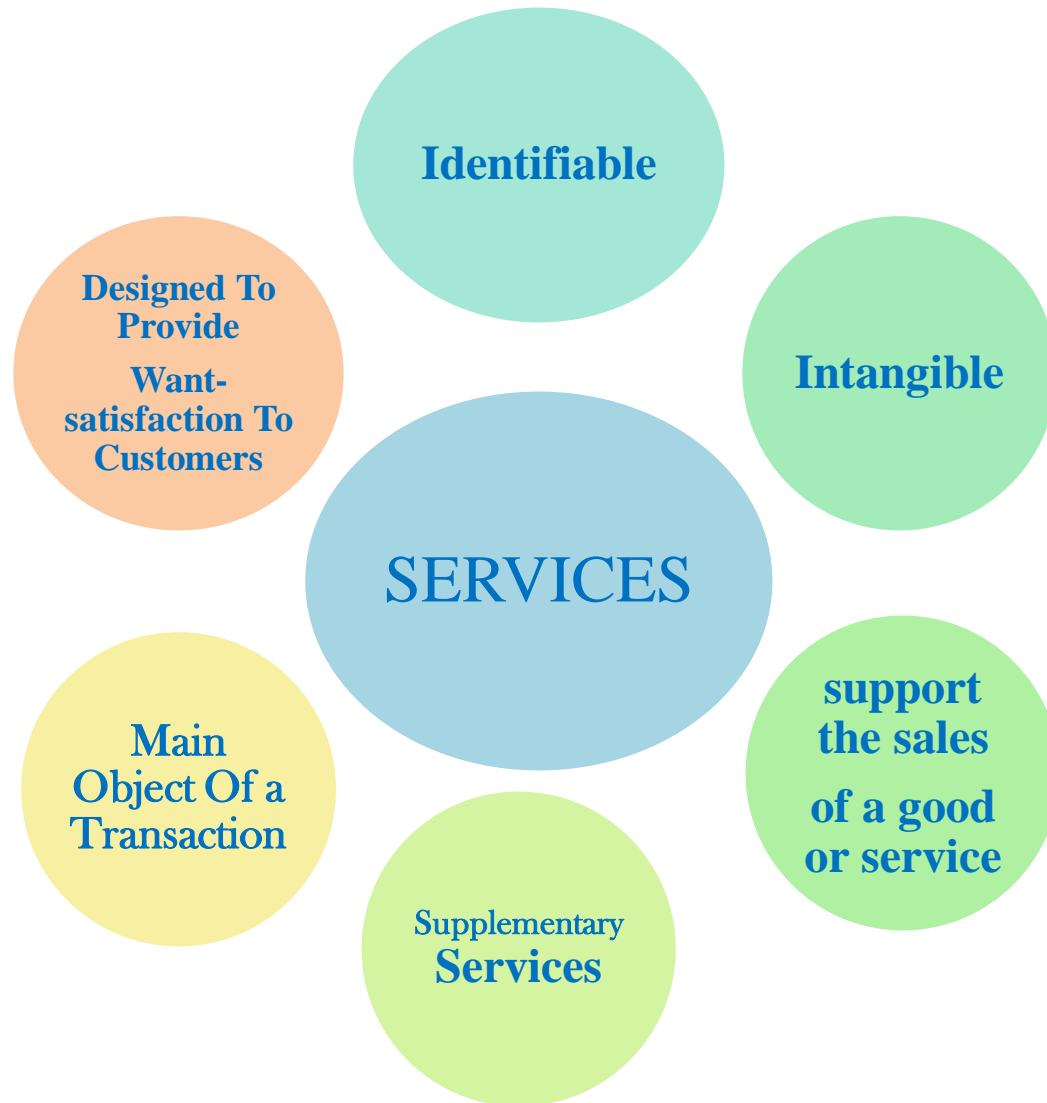
- What is market?
- What is marketing?
- What is services?
- What is STP?
- What is product?
- What are the stages in PLC?
- What is marketing mix?
- What is the difference between consumer and customer?
- What is Branding?

SERVICES

“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**

Definition of Services

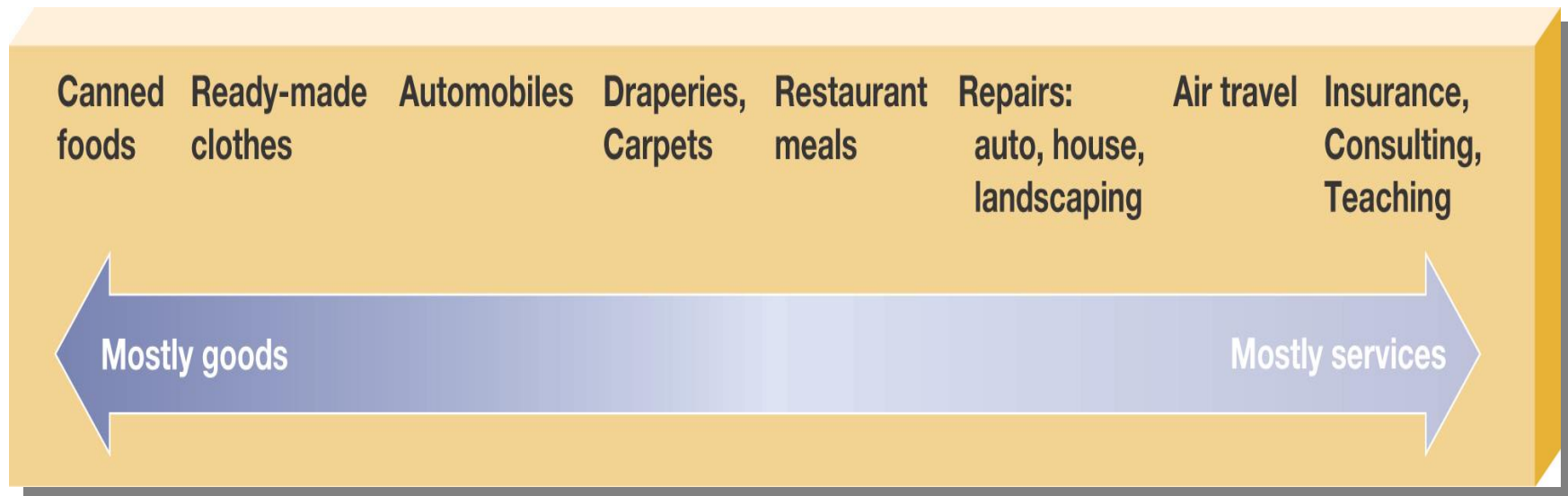


What is a service?

Definition:

Services are separately identifiable activities that satisfy customer needs or wants through essentially intangible benefits, either in their own right or as a significant element of a tangible product.

Goods-Services Continuum



Types of services

- ❖ Professional oriented
- ❖ Consumer oriented

Professional oriented services

- It serves the business market, individual and both market segments
- This service categorized by advisory and problem solving.
- This service Provided by qualified professional known for their speciality include assignment requested by the clients.
- Professional service providers who is independent and not depends any supplier
- They attempt the services by
 - ❖ To define the nature of profession
 - ❖ Lay down the requirement of competence
 - ❖ To Control the practice of the profession
 - ❖ To enforce the code of conduct

Examples of Professional services

- Financial advice
- Advertising
- Business and management consultancy
- Engineering
- Architecture
- Interior design,
- legal and medical
- Other agents like estate agents, stock insurance brokers and market research agencies.

Consumer oriented services

- It is also called Non professional oriented services.
- This service is purely consumer oriented
- It may either may be in the business to business market or be consumer oriented.

Examples of Consumer services

- Office catering services
- Cleaning services
- Holiday tour companies
- Fast food Outlets
- Entertainment companies

Nature of Services

- Every product is the combination of physical (tangible) and non physical (intangible) attributes.
- Services are primarily intangible
- Services are activities, not things
- Production and consumptions of service are more or less simultaneous.
- It has separate marketing approaches, marketing strategies, differs from those for goods.

Nature of Services

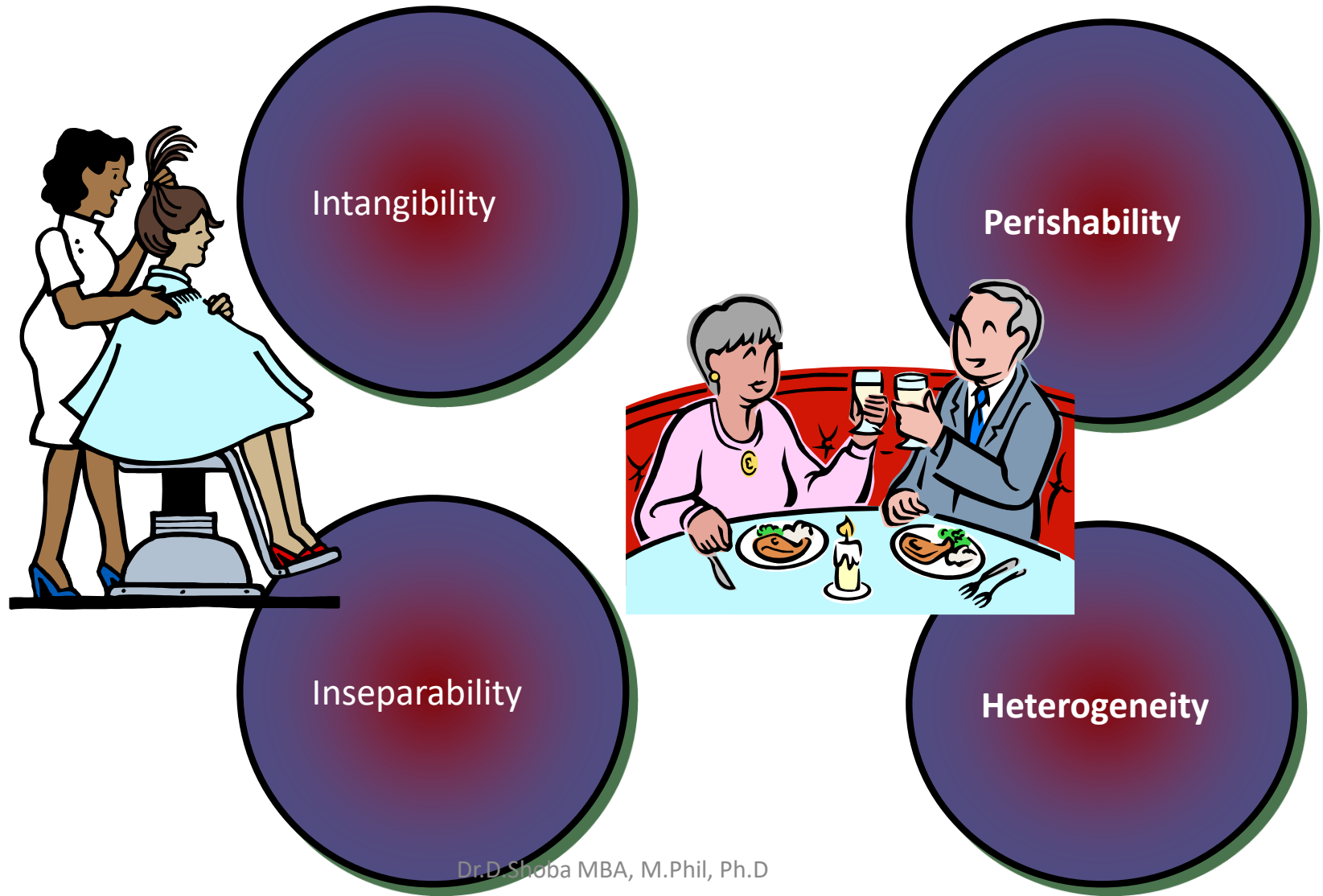
Producer services

- Financial services
(Banking, Insurance, Leasing)
- Shipping and Distribution
(Transportation, warehousing, Wholesaling)
- Professional and technical
(Engineering, Designing, legal services, Accounting,
- Other intermediate services
(Franchising, communication services, Computer data processing, advertising)

Consumer services

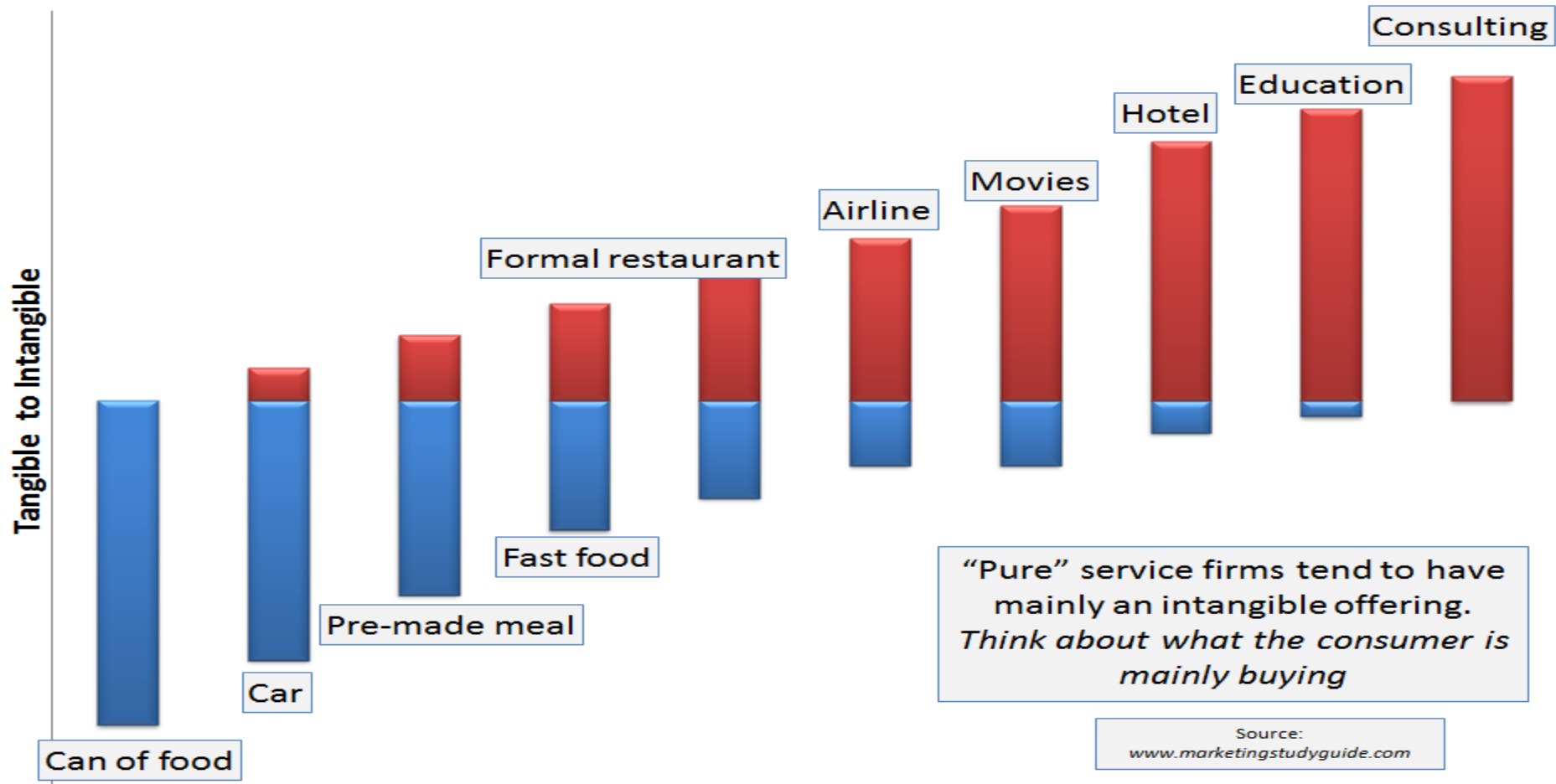
- Retailing
- Health care
- Travel, recreation, Entertainment
- Education
- Other social services
- Other Personal services

Characteristics of Services



Tangible to intangible

Mix of Service and Non-service Elements



Scope of Services



For Profit

Not For
Profit

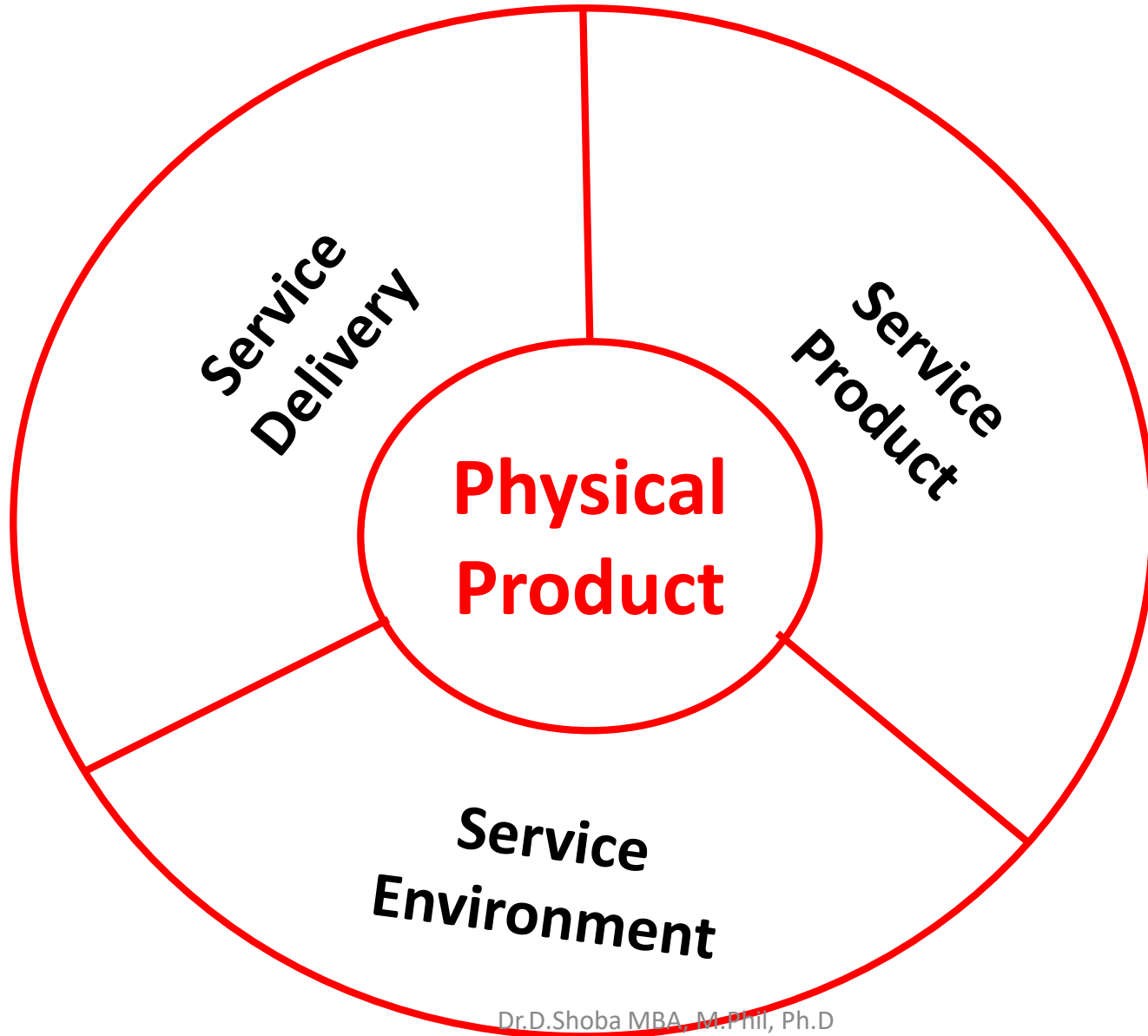


NonProfit

CHARACTERISTICS OF SERVICES

1. Intangibility
 - Make services more sensitivity
 - Focus on the service providers
2. Service variability(Labour intensive)
 - Increase control over the services
 - Switch from People to Machines
 - Reduce perceived Risk
3. Simultaneous production and consumption / Inseparability
 - Sold, produced and consumed at same time
 - Simplicity of Distribution
 - Importance of Many location
 - Image of the service producer (impressing consumer)
4. Service Perishability
 - Service supply management
 - Service Demand management
5. Heterogeneity (Individuality or Variability)
6. Ownership
7. Absence of Quantitative measurement

COMPONENTS OF SERVICE



1. The Physical Product

The various products marketed by a firm involve the physical transfer of ownership of those products. They are tangible and their quality is standardised.

For Example, physical products include T.V., Radio, Refrigerators, Computers, Hair oil, Vacuum Cleaner, Washing Machine, etc.

2. Service Product

A service is an activity or benefit that one party can offer to another which is essentially intangible in nature. Service involve some interaction with customers without effecting transfer of ownership.

For example, people visiting exhibitions, trade fairs are allowed to inspect the consumer durables without being approached by sales representatives. Salesmen are trained in making proper approach to the customer visiting their showrooms.

3. Service Environment

The potential customers form an impression about the service on the basis of service environment. The service environment represents the physical back drop that surrounds the service.

For example, providing hygienic food is the core service in a hotel or restaurant. Customers expect the restaurants to be maintained clean, offer flexible dining hours prompt service, soft music, décor, exotic menu etc.

4. Service Delivery

The Service delivery is one of the important components of service. Service delivery is of great importance to the customer's overall perception about the quality of service. The service provider should give due consideration to the way service is rendered to customers. Services are created as they are consumed.

Nature of Service	Physical Product	Service Product	Service Environment	Service Delivery
University	<ul style="list-style-type: none"> Degree 	<ul style="list-style-type: none"> Courses Guidance Placement Employment 	<ul style="list-style-type: none"> Lecture halls Libraries Laboratories Language Lab Playground Canteen Hostels 	<ul style="list-style-type: none"> Teaching performance Tutorial system Counselling Placement
Super market	<ul style="list-style-type: none"> Goods 	<ul style="list-style-type: none"> Display Assortment Assistance Credit Inventory 	<ul style="list-style-type: none"> Sales Floor Racks 	<ul style="list-style-type: none"> Speed Friendliness Market Information
Hotels	<ul style="list-style-type: none"> Stay Food 	<ul style="list-style-type: none"> Bill Settlement Messages Wake-up calls 	<ul style="list-style-type: none"> Looby Parking space Rooms Reception 	<ul style="list-style-type: none"> Laundry Transport arrangement Multi cuisines Room Service Room Cleaning
Couriers	<ul style="list-style-type: none"> Communication 	<ul style="list-style-type: none"> Service time Collection centres 	<ul style="list-style-type: none"> Waiting hall Sorting space Parcel Office 	<ul style="list-style-type: none"> Promptness in Delivery Billing section

CLASSIFICATION OF SERVICES

1. Classification of Services by Adrian Payne

- (a) Communications and information services
- (b) Public utilities, government and defence
- (c) Health care
- (d) Business, Professional and Personal Services
- (f) Recreational and hospitality services
- (g) Education; and
- (i) Other non-profit organisations

CLASSIFICATION OF SERVICES

2. Classification of Services by Christopher Lovelock

(a) Nature of Service Act

(b) Type of relationship that the service organisation has with its customers

(c) Scope for Customisation and Judgement in Delivery System

(d) Nature of demand and supply for the service

(e) Methods of Service Delivery

Nature or Service Act	Recipient of Services	
	People	Things
Tangible Actions	<ul style="list-style-type: none"> • Health Care • Beauty Saloons • Restaurants 	<ul style="list-style-type: none"> • Freight, Transportation • Dry Cleaning • Veterinary Services
Intangible Actions	<ul style="list-style-type: none"> • Education • Information Services • Entertainment 	<ul style="list-style-type: none"> • Banking • Legal Services • Insurance

CLASSIFICATION OF SERVICES

1. Consumer Service:

- ❖ Food Services
- ❖ Hotels and Motels
- ❖ Personal care services
- ❖ Car services firms
- ❖ Entertainment services
- ❖ Transport services
- ❖ Communication Services
- ❖ Insurance services
- ❖ Financial services

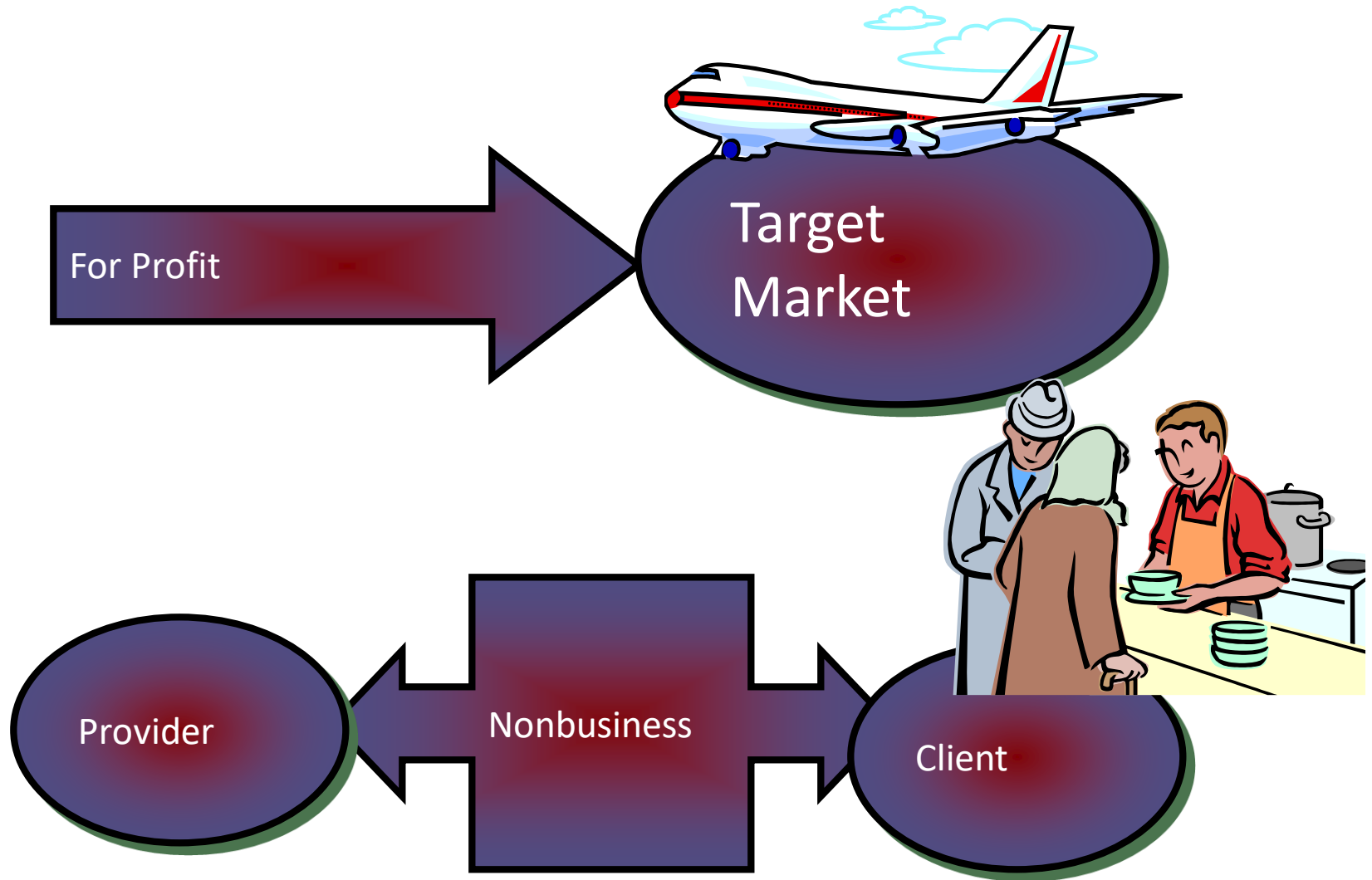
2. Industrial Service:

- ❖ Financial Services
- ❖ Insurance services
- ❖ Transport & warehousing
- ❖ Engineering services
- ❖ Advertising and promotion services
- ❖ Office services,
- ❖ Management consultancy services.

CLASSIFICATION OF SERVICES – Philip Kotler

1. Pure Tangible Goods
2. Tangible Goods with accompanying services
3. Hybrid
4. Major service with accompanying minor goods and services
5. Pure service

Services Customer



Examples of Service Industries

- **Health Care**
 - hospital, medical practice, dentistry, eye care
- **Professional Services**
 - accounting, legal, architectural
- **Financial Services**
 - banking, investment advising, insurance
- **Hospitality**
 - restaurant, hotel/motel, bed & breakfast
 - ski resort, rafting
- **Travel**
 - airline, travel agency, theme park
- **Others**
 - hair styling, pest control, plumbing, lawn maintenance, counseling services, health club, interior design