UNIT-1
UNDERSTANDING SERVICES MARKETING

Chapter 1: Understanding Services Marketing

This chapter introduces us to the world of marketing for companies that offer services rather than physical products. It helps us understand the unique aspects of marketing services.

Real-time Example: Think of a hair salon. They don't sell physical products, but they provide haircuts and styling services. So, this chapter would teach how the salon can effectively market their services to attract customers.

Chapter 2: Customer Expectations of Service

In this chapter, we learn about what customers expect when they use a service. There are different types of expectations, and various factors can influence what customers want from a service.

Real-time Example: Imagine you go to a restaurant. You expect the food to be tasty, the service to be friendly, and the environment to be clean. If any of these expectations aren't met, you might be disappointed.

Chapter 3: Pricing & Promotion Strategies for Services

This chapter talks about how services are priced and promoted. It explores how companies decide on the right price for their services and how they promote them to attract customers.

Real-time Example: Consider a fitness center. They have to decide how much to charge for their gym memberships. If they offer extra services like personal training, they might charge more. They also need to promote their services, like offering a free trial to attract new members.

Chapter 4: Service Promotion

Here, we delve into the role of marketing communication in promoting services. This involves how companies communicate the value of their services to customers and the strategies they use.

Real-time Example: Think about a mobile service provider. They use advertisements to tell you about their network coverage, data plans, and call quality. These ads are a part of their marketing communication to show you why their service is better.

Chapter 5: Marketing Plans for Services

This chapter guides us through the process of creating marketing plans for services. It covers everything from understanding the situation, forming strategies, allocating resources, and monitoring the effectiveness of the marketing efforts.

Real-time Example: Let's say a travel agency wants to promote their vacation packages. They would need a marketing plan that outlines which destinations to focus on, how much budget to allocate for advertising, and how to track if their plan is bringing in more customers.

In a nutshell, this course helps us understand how companies that offer services, like salons, restaurants, gyms, and travel agencies, can effectively market themselves to attract customers, meet their expectations, set prices, promote their offerings, and create solid marketing plans.

Chapter 6: Marketing Strategy Formulation

In this chapter, we dive deeper into creating marketing strategies specifically tailored for services. We learn how to analyze the market, understand customer needs, and develop strategies that align with the unique characteristics of services.

Real-time Example: Let's consider a healthcare clinic. They might formulate a marketing strategy to focus on providing exceptional patient care, offering shorter waiting times, and personalized treatment plans to stand out from other clinics.

Chapter 7: Resource Allocation and Monitoring in Marketing Planning

Here, we explore how to effectively allocate resources, such as budget and manpower, to carry out the marketing plan for services. We also learn how to monitor the plan's progress and make adjustments if needed.

Real-time Example: Imagine an online streaming platform. They allocate resources to create original content, improve their user interface, and invest in advertising. By monitoring subscriber growth and viewer engagement, they can make informed decisions about where to allocate more resources.

Chapter 8: Role of Technology in Services Marketing

This chapter focuses on the growing influence of technology in services marketing. It discusses how digital tools, social media, and online platforms play a crucial role in promoting and delivering services to customers.

Real-time Example: Consider a food delivery service. They use a mobile app to showcase their menu, allow customers to place orders, and track deliveries in real-time. This technology enhances the overall service experience.

Chapter 9: Managing Service Quality

In this chapter, we learn how to ensure and maintain the quality of services. Service quality is essential because it directly impacts customer satisfaction and loyalty.

Real-time Example: Think of an e-commerce platform. They need to ensure that products are accurately described, orders are delivered on time, and customer service is responsive. This guarantees a positive experience for shoppers.

Chapter 10: Customer Relationship Management in Services

The final chapter delves into building strong customer relationships in the context of services. It covers techniques to engage customers, understand their preferences, and foster loyalty.

Real-time Example: Let's say you have a credit card with a bank. The bank may offer you personalized rewards based on your spending patterns, provide timely assistance when you need it, and keep you informed about new services they offer. This strengthens your relationship with the bank.

In summary, the complete service marketing course teaches us how to understand, price, promote, and plan services effectively. It emphasizes crafting strategies, allocating resources, embracing technology, ensuring quality, and building lasting customer relationships. These principles are vital for businesses that offer various services to succeed in a competitive market.

UNIT-1

UNDERSTANDING SERVICES MARKETING

INTRODUCTION:- A service is the non-material equivalent of a good. A service provision is an economic activity that does not result in ownership but implying an exchange of value between seller and buyer in the market place, and is what differentiates it from providing physical goods.

It is claimed to be a process that creates benefits by facilitating a change in customers, a change in their physical possessions, or a change in their intangible assets.

According to zeithaml and bitner, “Service are deeds, processes and performances “.

1.1 CHARACTERISTICS OF SERVICES MARKETING:-

1. Intangibility

Services are things that you can't touch or see before you decide to use them. Unlike physical products that you can hold, like a phone or a book, services are experienced through actions or interactions.

Real-life Example: Think of a music streaming service like Spotify. You can't physically touch the songs or albums, but you can listen to them once you subscribe to the service.

2. Inseparability

This means that services are often produced and used at the same time. The person providing the service and the person receiving it are involved in the process together.

Real-life Example: When you go to a restaurant, the chef prepares your meal and serves it to you right there. The production (cooking) and consumption (eating) happen at the same time.

3. Variability / Heterogeneity

Services can vary a lot from one instance to another. Each service experience can be unique because the circumstances and people involved can change.

Real-life Example: Consider a hair salon. Even if you always go to the same stylist, your haircut might turn out a bit different each time due to factors like the length of your hair that day or your preferences.

4. Perishability

Services can't be stored for future use. If they're not used at the time they're available, they can't be saved for later.

Real-life Example: Imagine you have a reservation at a spa. If you don't show up, the spa loses the opportunity to provide that service to someone else at that specific time.

Other Characteristics of Services:

Ownership: Unlike physical products that you can buy and resell, services are often consumed as they are without the possibility of resale.

Service as Performance: Services involve actions or performances, like a live concert or a theater play, rather than a tangible item.

Simultaneity: Services are usually provided directly to the customer and don't go through traditional distribution channels like products.

Quality Measurement: It's a bit tricky to measure the quality of services in the same way you measure products. It's not as straightforward as counting the number of items.

Nature of Demand: Demand for services can go up and down more dramatically than for products, often due to changing circumstances or trends.

Customer Involvement: Customers often play a role in the creation of the service, like in a haircut where you provide input on the style you want.

Labour Intensity: Services often depend heavily on the skills and efforts of people who provide the service, like doctors, teachers, or customer service representatives.

Real-life Example: When you call a customer service hotline, the quality of your experience depends a lot on the skills and attitude of the person on the other end of the line.

These characteristics help us understand why marketing services can be different from marketing physical products and require specific strategies to meet customer needs effectively.

1.2 CLASSIFICATION OF SERVICES:-

1. By Market Segment

Services can be categorized based on the types of customers who use them.

- **End Consumer Services:** These services are for individuals, like getting a haircut, going for physiotherapy, or enjoying a spa treatment. These services cater directly to people's personal needs.

- **Business Consumer Services (B2B Services):** These services are for organizations. For example, a company might hire management consultants, get machinery repaired, or use legal services to help with their operations.

2. By Degree of Tangibility

This classification depends on how tangible or physical the service is.

- **Highly Tangible:** These services provide a physical product along with the service. Think of car rental or using a vending machine. You get a tangible item, like a rental car or a snack.
- **Service Linked to Tangible Goods:** Some services are connected to products. For instance, when you buy a phone, you might also get a warranty or after-sales service.
- **Highly Intangible:** These services don't provide a physical product. For example, when you receive psychotherapy, consultancy, or legal advice, you're not getting something you can touch but rather an experience or knowledge.

3. By Skills of Service Providers

This categorization is based on the skills of the people providing the service.

- **Professional Services:** These services require well-trained and skilled providers. Doctors, pilots, IT consultants, and corporate trainers fall into this category.
- **Non-Professional Services:** These services don't require specialized training. For example, when someone offers lawn care or house painting, they might not need formal training.

4. By Business Orientation

Services can be classified based on the organization's profit motive or societal goals.

- **Non-Profit Organizations:** These services focus on serving the community rather than making profits. Examples are services provided by charities or NGOs.
- **Commercial Organizations:** These services aim to generate revenue and profits. Most businesses fall under this category.

5. By Degree of Regulation

This classification looks at how much government regulation applies to a service.

- **Highly Regulated:** These services are subject to strict government rules and policies. Examples include mass transit systems, hospitals, and utilities.
- **Limited Regulated:** Some services have moderate regulation, like catering or fast-food businesses.

- **Non-Regulated:** These services have little to no government control. For instance, services like computer time, leisure activities, lawn care, and house painting usually have fewer regulations.

6. By Type of End Users

This classification is based on who uses the services.

- **Consumer Services:** These services are for individual customers, like getting a haircut or going to a beauty salon.
- **Business to Business (B2B) Services:** These services are used by companies to enhance their operations, such as hiring consultants or getting legal advice.
- **Industrial Services:** These services are contracted between organizations and service providers. For example, a company might hire a service to install machines or maintain their plant.

Understanding these classifications helps us better grasp the diverse nature of services and how they cater to different customer needs and market dynamics.

1.3 SERVICE IN MODERN ECONOMY & SIGNIFICANCE OF SERVICES:

1. Aid to Primary and Secondary Sectors

Services play a big role in helping other sectors grow. Imagine you're a farmer (primary sector) and you need to transport your crops to the market. You'll need services like transportation and storage to get your goods there. Similarly, if you run a factory (secondary sector) that makes products, you'll need services like banking, insurance, and trade to manage your operations effectively.

2. Creates Employment Avenues

Many people find jobs in the service sector. Think about jobs in software companies, airlines, entertainment, tourism, retail stores, and more. So, when new jobs are created, like in call centers or hospitality, it boosts the economy by providing employment opportunities.

3. Contribution to National Income

The service sector has become a major contributor to a country's income. For instance, in India, the service sector has been growing rapidly and adding a significant portion to the country's total income. This growth is expected to continue in the future.

4. Provision for Basic Services

Certain services are crucial for a functioning society. Consider hospitals, schools, post offices, police stations, and courts. These services are essential for people's well-being and a well-organized society.

5. Adds to Comforts and Leisure

Services like hotels, tourism, entertainment, and travel add to people's comfort and leisure. When you go on vacation, stay at a hotel, enjoy entertainment, or travel to a new place, you're benefiting from these services.

6. Improvement of India's Image

Some services like software development, business process outsourcing (BPO), and information technology enabled services (ITES) have helped improve India's reputation on the global stage. Companies around the world rely on Indian professionals for software solutions, customer support, and more.

7. Increase in Exports

Because the service sector is performing well, it has boosted India's exports. This means that services provided by Indian companies are being used and paid for by people and organizations in other countries. As a result, India's position as a service exporter has grown, making it a more competitive player in the global economy.

In a nutshell, the service sector isn't just about individual services; it's about a collection of activities that impact our lives and the economy as a whole. From creating jobs to contributing to a country's income, the service sector is a vital part of the modern economy.

1.4 MARKETING SERVICES VERSUS PHYSICAL SERVICES:-(write in Table)

1. Perishability

- **Services:** Services can't be produced and stored before they're used. They're created when you actually receive them. Think of a concert ticket – once the show is over, you can't use the same ticket for another concert.
- **Physical Goods:** Goods can be produced and stocked in advance. For example, a clothing store can keep shirts in stock for customers to buy whenever they visit.

2. Inseparability

- **Services:** Services are often connected to the person providing them. When you get a haircut, you're interacting with the hairstylist. This makes services inseparable from the person who delivers them.

- **Physical Goods:** Goods can be produced and sold separately from the people making them. A factory can produce shoes that customers buy without needing to interact with the shoemaker.

3. Variability

- **Services:** Services can vary a lot each time you receive them. Your experience at a restaurant can be different depending on the chef, the staff, and other factors.
- **Physical Goods:** Goods usually have consistent quality. When you buy a branded smartphone, you expect the same quality each time.

4. Tangibility

- **Services:** When you buy a service, you're getting something intangible, like insurance coverage.
- **Physical Goods:** Buying a product means you get something tangible, like a phone or a book.

5. Trust

- **Services:** Trust is a big deal in services since they often involve personal interactions. For example, you trust a dentist to provide quality dental care.
- **Physical Goods:** Trust matters here too, but the focus might be more on the product itself. You trust a company to deliver a reliable smartphone.

6. Time

- **Services:** Services need time to be performed. You can't provide a service without actively doing it.
- **Physical Goods:** Once goods are produced, they can be sold at different times without needing ongoing effort.

7. Deliverability

- **Services:** Services are provided when ordered, so delivery times can vary. For instance, if you order a home cleaning service, they'll come to your house on the scheduled day.
- **Physical Goods:** Products can be made in advance and then delivered quickly to customers, like when you order a book online.

8. Impulse Buys and Needs

- **Services:** Services are rarely impulse buys. You don't suddenly decide to get a haircut on a whim.

- **Physical Goods:** Some products, like candy at a checkout counter, are designed for impulse buying. Others fulfill specific needs, like buying a coat for winter.

9. Relationship Building

- **Services:** Building a good relationship with customers is crucial in service-based businesses. A hairstylist might gain loyal clients by providing excellent service.
- **Physical Goods:** While relationships matter here too, they might not be as central to product-based businesses. People might buy shoes without knowing much about the shoemaker.

10. Returnability

- **Services:** Services are generally not returnable. Once you've had a meal at a restaurant, you can't 'return' the experience.
- **Physical Goods:** Products can often be returned if they're defective or not as described, like returning a dress that doesn't fit.

11. Marketing Elements

- **Services:** Marketing services includes more than just the traditional marketing "4 Ps" (product, price, place, promotion). It also involves aspects like the people providing the service, the process of delivering it, and the physical evidence of the service quality.
- **Physical Goods:** Marketing physical goods focuses mainly on the traditional "4 Ps," with less emphasis on the direct involvement of people and the experience of using the product.

Understanding these differences helps us tailor marketing strategies for services and physical goods, recognizing their unique characteristics and how customers interact with them.

UNIT-2
CUSTOMER EXPECTATIONS OF SERVICE

1.1 SERVICE EXPECTATIONS: MEANING, TYPES AND MODELS!

Service Expectations: What Customers Anticipate

Service expectations are what customers think might happen or should happen when they engage with a service. Imagine it like this: when you order a meal at a restaurant, you have certain ideas about how good the food will be, how attentive the service will be, and how much you'll enjoy the experience overall. These thoughts are your expectations.

Different Types of Expectations:

1. Will Expectations: Average Prediction This is what you predict will happen based on everything you know. It's like guessing how good a movie will be based on reviews, trailers, and your past experiences with that genre. If the service turns out better than what you expected, you might say, "The service exceeded my expectations!"

2. Should Expectations: What You Deserve This is what you feel you deserve from the service. It's like expecting a certain level of quality when you buy a product. For example, when you order a pizza, you should expect it to be delivered hot and fresh. It's what you think ought to happen, even if you're not entirely sure it will.

3. Ideal Expectations: Best Scenario This is what you hope would happen in a perfect world. It's like imagining the best possible outcome. For instance, when you book a hotel room, you might ideally expect a room with an amazing view and all the amenities you desire.

4. Minimally Acceptable Expectations: Bare Minimum This is the lowest level of quality that you're willing to accept. It's like expecting your internet to work at a basic level. If the service meets this level, you might not be thrilled, but you won't be upset either.

5. Worst Possible Expectations: Nightmare Scenario This is what you fear could happen but hope never does. It's like imagining your flight getting delayed or losing your luggage when you travel.

How Expectations Change: Experience and Influence

Experience: Your past experiences shape what you expect. If you've had great service before, you'll expect good service again. If you've had bad experiences, your expectations might drop.

Influence: Expectations can also be influenced by advertising, word of mouth, and personal beliefs. For instance, if everyone's talking about how delicious a certain restaurant's food is, your expectations for that place might go up.

Real-World Example: The Auto Industry Think about the auto industry. In the past, American car companies like GM, Ford, and Chrysler produced cars with a certain quality level. Then Japanese car manufacturers entered the market with higher-quality cars. Suddenly, people's expectations for car quality jumped because they saw what was possible. The American companies faced challenges because their customers now expected better quality.

In summary, service expectations are like what you imagine will happen when you use a service. They can change based on your experiences, what you believe you deserve, and what you ideally hope for. These expectations impact how satisfied you are with the service provided.

1.2 TYPES OF EXPECTATIONS:

Explicit Expectations: These are specific and clearly defined expectations that customers have about a product or service. It's like having a checklist of features or qualities you want.

Example: If you're buying a smartphone, explicit expectations could include a high-resolution camera, fast processing speed, long battery life, and a large storage capacity.

1. **Implicit Expectations:** These are expectations that are influenced by general norms and industry standards. They're not explicitly stated, but customers assume them based on common practices.

   Example: When you visit a restaurant, you implicitly expect that the food will be prepared hygienically, the service staff will be courteous, and the ambiance will be comfortable.

2. **Static Performance Expectations:** These are related to the actual performance and quality of a product or service. They involve how well something works and its reliability.

   Example: When you buy a laptop, static performance expectations include factors like the laptop starting up quickly, running smoothly without freezing, and having a clear and bright screen.

3. **Dynamic Performance Expectations:** These expectations are about how a product or service will improve or change over time.

   Example: When purchasing a subscription for an online streaming service, dynamic performance expectations might involve anticipating regular updates with new movies and TV shows.

4. **Technological Expectations:** These are expectations related to advancements in technology and the features that come with it.

   Example: For a fitness tracker, technological expectations might include the ability to track heart rate, sleep patterns, and sync with a mobile app for detailed health insights.

5. **Interpersonal Expectations:** These expectations revolve around the interactions between customers and service providers. It's about how well the staff treats you and addresses your needs.

   Example: When staying at a hotel, interpersonal expectations involve the staff being friendly, helpful, and responsive to your requests.

6. **Situational Expectations:** These expectations are influenced by specific circumstances or events, which can affect how you judge a product or service.

   Example: Booking a flight during holiday seasons might lead to situational expectations about longer wait times at the airport due to higher passenger traffic.

In a nutshell, these types of expectations shape how customers perceive and evaluate products and services. They can arise from personal experiences, industry standards, technology trends, and more. Understanding and meeting these expectations is crucial for businesses to satisfy customers and build loyalty.

1.3 FACTORS THAT INFLUENCE CUSTOMER EXPECTATIONS

OF SERVICE

Personal Needs: Customers' expectations of service can be influenced by their individual needs. These needs can be physical (like hunger), social (wanting to connect with others), psychological (seeking comfort), or functional (needing something to perform a specific task).

Example: Imagine a person looking for a restaurant to dine in. If they're feeling socially inclined, they might expect a friendly atmosphere where they can socialize with friends. If they're hungry, they'll expect prompt service and a satisfying meal.

1. **Lasting Service Intensifiers:** These are personal factors that make customers particularly attentive to the service they receive.

   - **Derived Service Expectations:** Customers' expectations can be influenced by people around them. For instance, if friends praise a specific hotel's service, you might expect excellent service too when you visit.

- **Personal Service Philosophy:** Each customer has their own view of what good service means. Some may value a personal touch, while others prioritize efficiency.

2. **Sources of Adequate Service Expectations:**

- **Temporary Service Intensifiers:** These are short-term situations that increase a customer's awareness of their need for service.

  Example: A person who's just been in a car accident might need immediate assistance from their insurance company, expecting a quick response and support during the stressful situation.

- **Perceived Service Alternatives:** Customers consider other options available to them. More choices can lead to higher expectations of quality and value.

  Example: In a small town with limited restaurants, customers might have lower expectations since there are fewer alternatives. In a big city with numerous restaurants, they might expect more variety and better service.

- **Self-Perceived Service Role:** Customers who actively participate in the service process may have higher expectations of personalized service.

  Example: Someone who regularly attends allergy shots and follows their allergist's recommendations might expect more individualized care.

- **Situational Factors:** Factors beyond the control of the service provider can impact expectations.

  Example: If a natural disaster like Hurricane Katrina disrupts services, customers will understand that the service provider's capabilities are limited due to the situation.

- **Predicted Service:** Customers' predictions about the service level they'll receive can affect their expectations.

  Example: If an airline has a reputation for excellent customer service, a passenger who expects to fly with them may predict a higher level of service compared to an airline with a poor reputation.

3. **Sources of Both Desired and Predicted Service Expectations:**

- **Explicit and Implicit:** Customers form expectations from direct statements and indirect cues provided by the company.

  Example: If a hotel advertises "luxury accommodations," explicit expectations would include luxurious rooms and amenities. Implicit expectations would involve assumptions about the level of comfort and service quality based on the luxury claim.

- **Word of Mouth:** Customers hear about others' experiences and form expectations based on these stories.

Example: If friends rave about a new restaurant, you might expect a great dining experience when you visit based on their positive word of mouth.

- **Past Experiences:** Previous interactions with a company shape expectations for future interactions.

  Example: If you had a fantastic customer service experience with a particular brand in the past, you'll likely expect similar excellent service the next time you engage with them.

In summary, these factors influence how customers perceive and anticipate the service they receive, whether based on their personal needs, social interactions, previous experiences, or the information they gather from various sources.

1.4 ISSUES IN INVOLVING CUSTOMERS SERVICE EXPECTATIONS

Serving Multiple Customers at Once: Dealing with more than one customer simultaneously can be overwhelming. If you need to take a pause to handle multiple requests, it's best to communicate clearly. For instance, if you're on a call with a customer and another inquiry comes in, you can say, "I need a moment to look into this for you. Would you mind holding briefly?" This way, customers understand that you're addressing their needs but also managing others efficiently.

1. **Responding Without Having a Solution:** Sometimes, customers demand quick answers, but you might not have one ready. In these cases, it's better to take your time to research or consult with colleagues before providing a thoughtful response. For instance, you can say, "I'll need to investigate this further to provide accurate information. Can I email you with the details later today?" This shows you're committed to finding a solution rather than giving a rushed or incorrect answer.
2. **Dealing with Angry Customers:** Handling upset customers is challenging. When facing someone who's upset, it helps to remain calm. Imagine the person is like a frustrated teenager and respond with patience and empathy. For example, if a customer is angry about

a delayed order, respond by acknowledging their frustration and assuring them that you're working on a solution.

3. **No Solution to the Customer's Problem:** If you don't know how to solve an issue immediately, it's okay to admit it. Instead of saying, "I don't know," you can say, "I'll need some time to look into this further and consult with our team. Can I get back to you by email?" This approach shows that you're proactive and committed to resolving the problem.
4. **Refusing Bigger Discounts:** Sometimes customers ask for larger discounts, but it's not feasible. It's important to be honest and explain why. For example, if a loyal customer requests a bigger discount, you can say, "I understand your request, but our current pricing is set to cover our costs. Further discounting would impact our ability to provide quality service."
5. **Lacking a Feature or Product:** If a customer asks for a feature or product that's not available, be straightforward. For instance, if a user wants a feature your software doesn't have, you can say, "Unfortunately, we don't offer that feature right now. We'll consider adding it based on customer demand."
6. **Dealing with Service Outages:** During service outages or crises, honesty is crucial. Let customers know what's happening and assure them that your team is actively working on a solution. For instance, if your website experiences technical issues, you can say, "We're aware of the problem and our team is working to fix it. We appreciate your patience."

By addressing these challenges with transparency, empathy, and professionalism, you can provide better customer service experiences even in complex situations.

1.5 CUSTOMER DEFINED SERVICE STANDARDS

Customer-Defined Service Standards: Service standards are the benchmarks that help customers, employees, and management understand what level of service to expect. These standards can be defined by the company itself or by the customers' expectations. Customer-defined service standards are those that are based on what customers actually expect and want from a service.

Differentiating "Hard" and "Soft" Standards: "Hard" standards are tangible and measurable aspects of service, such as response time, resolution time, or specific product features. For instance, an online retailer might promise next-day delivery for all orders placed before a certain time.

"Soft" standards are more subjective and relate to the overall experience, like friendliness, communication, or personalization. A hotel's soft standard could involve greeting guests with a smile and using their names during check-in.

Importance of the Service Encounter Sequence: The service encounter sequence refers to the steps a customer goes through when interacting with a service. It's crucial for developing customer-defined standards because these standards should match the customer's expectations at each stage. For example, in a restaurant, customers expect timely seating, prompt order taking, accurate delivery of food, and a pleasant farewell.

Translating Expectations into Definable Actions: To create customer-defined service standards, businesses need to convert customer expectations into specific behaviors and actions. If a car rental company wants to meet the customer's expectation of "fast and efficient service," they might set a standard for staff to complete the rental process within 10 minutes.

Process for Setting Customer-Defined Standards:

1. **Gather Customer Expectations:** Collect feedback, conduct surveys, or analyze customer complaints to understand what customers value most in your service.
2. **Map Customer Process Blueprint:** Identify each touchpoint a customer has with your service, from initial contact to post-service follow-up.
3. **Observe Customer Experience:** Observe how customers interact with your service and where they might encounter pain points or positive experiences.
4. **Align with Company Goals:** Ensure that the customer-defined standards are consistent with your company's goals and values.
5. **Set Tangible Targets:** Create specific, measurable targets for different aspects of the service. For instance, a tech support team might aim to resolve customer issues within 24 hours.
6. **Implement and Monitor:** Train employees to meet these standards consistently and regularly monitor performance to ensure adherence.

Real-Life Example: Imagine you run an online clothing store. Customer feedback indicates that fast shipping is a priority. To develop a customer-defined standard, you set a "hard" standard: "All orders placed before 3 PM will be shipped the same day, ensuring delivery within 2 business days." This aligns with customers' expectations for quick delivery and sets a measurable target for your team to follow.

In this way, you're taking customer expectations and turning them into actionable standards that guide your service delivery.

UNIT-3

PRICING & PROMOTION STRATEGIES FOR SERVICES

1.1 SERVICE PRICING:-

Service Pricing vs. Goods Pricing: In the world of business, pricing services is quite different from pricing physical goods. While goods typically have a straightforward price, services go by different names depending on the industry. For instance, charges for advertising are called commissions, while healthcare services have fees, and stock services have brokerage fees. Unlike goods, where prices are often influenced by market demand, services can be more complex in their pricing.

Costs Involved in Service Pricing: When determining the price of a service, there are different costs to consider, both monetary and non-monetary.

1. **Monetary Costs:**

   - **Variable Costs:** These are costs that directly relate to producing a single unit of the service. For instance, in a restaurant, the cost of ingredients and the wages of the chef preparing a meal are variable costs.
   - **Fixed Costs:** These costs aren't directly tied to each unit of service but are necessary for the business to operate. For example, the rent of the restaurant space, employee salaries for management, and other overhead costs fall under fixed costs.
   - **Financial Costs and Profits:** This includes elements like depreciation (the decrease in value of assets), interest paid on loans, and the desired return on investment.

2. **Non-Monetary Costs:**

   - **Time:** The time a customer has to invest in receiving the service. Waiting time at a government healthcare facility can be longer than at a private hospital.
   - **Search Effort:** The effort customers put into finding and selecting a particular service. Just like researching different stores to find the best deal on a product, customers may visit multiple service providers.
   - **Convenience:** Services can sometimes be less convenient than goods. Physical goods are widely available, whereas services might have limited locations.
   - **Psychic Costs:** This refers to the emotional or psychological discomfort associated with using a service. Going to a dentist can be anxiety-inducing.

Real-Life Example: Imagine you're comparing two car repair shops for an engine repair. One shop is known for quick service but charges a higher price, while the other offers a lower price but has a longer waiting time. In this case, you're not just considering the monetary cost but also the time you'll need to wait and the convenience factor. Additionally, if you're apprehensive about car repairs, you might experience psychic costs associated with the anxiety of the process.

So, service pricing involves not only the actual money you pay but also the time, effort, convenience, and even emotional comfort that you're giving up to receive the service.

1.2 SERVICE PRICING OBJECTIVCES:-

Service Pricing Objectives: When a service-based business decides on its pricing strategy, it's essential to have clear goals in mind. There are two main categories of pricing objectives: monetary and non-monetary.

Monetary Pricing Objectives: Within monetary pricing objectives, there are three basic categories:

1. **Revenue-Oriented Objectives:** These objectives are focused on maximizing the income earned by the organization. Service businesses aim to generate more revenue than they spend on operations. They want to cover their costs and make a profit. There are different types of costs to consider:
    - **Fixed Costs:** These are expenses that remain constant regardless of the number of customers. For example, rent for a storefront.
    - **Semi-Variable Costs:** These costs change based on the number of customers or volume of services. For instance, the salaries of employees whose workload increases as customers increase.
    - **Variable Costs:** These costs are directly linked to producing additional units of the service. For example, the cost of ingredients in a restaurant's dish or the cost of printing an additional copy of a document.

Example: A restaurant's goal might be to cover fixed costs (rent, utilities) and achieve a certain profit margin by generating enough revenue through food sales. They need to set their menu prices in a way that covers all these costs and ensures they make a profit.

2. **Operations-Oriented Objectives:** These objectives focus on optimizing the use of resources and capacity. The goal is to match the demand for services with the organization's ability to provide them. This ensures that resources are used efficiently without causing overcapacity or underutilization.

Example: A hotel might adjust its room rates based on peak and off-peak seasons. During high-demand periods like holidays, they may increase prices to match the high number of guests. Conversely, during slow seasons, they might offer special discounts to attract more customers and fill up their rooms.

3. **Patronage-Oriented Objectives:** Some businesses do not face immediate capacity

limitations and focus on attracting more customers. Their objective is to enhance customer loyalty and create repeat business.

Example: A gym might offer discounted memberships for long-term commitments to attract more members. Their pricing strategy aims to encourage people to join and maintain their membership, ensuring a steady stream of loyal customers.

In simple terms, service pricing objectives can vary from maximizing profit to optimizing resource utilization or attracting and retaining customers. It all depends on the specific goals and circumstances of the service-based business.

1.3 ESTABLISHING NON-MONETARY PRICING OBJECTIVES:-

Non-Monetary Pricing Objectives: When it comes to pricing objectives, not all organizations focus solely on generating profits. Non-profit organizations, like charities, community service groups, and support organizations, have different priorities. They consider their mission, values, and purpose when setting prices or seeking contributions. Here are some ways non-monetary pricing objectives are applied:

1. **Mission and Values:** Non-profit organizations have a mission to fulfill, whether it's supporting a cause, providing community services, or advancing a particular goal. Their pricing strategies align with these missions. For example:

   Example: An animal protection organization might offer low-cost adoption fees for pets to encourage more families to adopt animals. Their pricing strategy reflects their mission to find loving homes for animals.

2. **Affordability and Fairness:** Non-profits aim to provide their services to as many people as possible, often considering affordability and fairness.

   Example: A community housing organization might set affordable rental rates for low-income families to ensure everyone has access to decent housing. Their pricing strategy focuses on creating social impact rather than maximizing revenue.

3. **Support and Donations:** Non-profits often rely on donations and community support to operate. Their pricing objectives might involve encouraging donations or membership.

   Example: A cultural center that offers educational programs might provide free or low-cost events to the public. They rely on donations and grants to cover their expenses while making their services accessible to all.

4. **Communicating Values:** Non-profits use pricing as a way to communicate their values and what they stand for to the community.

   Example: An environmental conservation group might offer workshops and events at nominal fees to encourage participation. This strategy communicates their commitment to environmental education.

In simple terms, non-monetary pricing objectives focus on more than just revenue. They consider the organization's mission, community impact, affordability, and the values they want to convey. Non-profit organizations strive to make a positive difference while using pricing strategies to align with their broader goals.

1.4 FOUNDATIONS OF PRICING OBJECTIVES:-

Foundations of Pricing Objectives:

When deciding on the price of a service, businesses consider three key factors: costs, competition, and the value the customer perceives in the service. Think of these factors as the building blocks for setting the right price.

1. **Costs:** To make a profit, businesses need to cover the costs involved in producing and offering their service. This includes expenses like materials, labor, marketing, and overhead. They then add a margin on top of these costs to ensure they make a satisfactory profit.

   Example: Imagine a bakery offering custom cakes. They need to consider the cost of ingredients, labor, baking equipment, and delivery. To price their cakes, they'll add up all these costs and include a markup that allows them to cover their expenses and make a reasonable profit.

2. **Value:** Value refers to what the customer perceives they're getting in return for the price they pay. It's a bit subjective because different customers value things differently. Some customers might prioritize low prices, while others focus on quality or unique features.

   Example: Let's say you're choosing between two mobile phone plans. One plan is cheaper, but it offers fewer features and limited data. The other plan is pricier but comes with unlimited data and more perks. Depending on your needs and preferences, you might value the second plan more because it offers better features for the price.

3. **Competition:** Businesses also consider what their competitors are charging for similar services. If there's little difference between services, customers might choose based on price. This can lead to price competition, where businesses adjust their prices to attract more customers.

   Example: Think about fast-food restaurants. Many offer similar types of food, like burgers and fries. If one restaurant lowers its prices, others might follow suit to stay competitive and attract customers.

In simple terms, businesses set their service prices by balancing these three factors: ensuring they cover their costs, offering value that matches customer perceptions, and staying competitive with similar services. The right price finds a sweet spot between what the business needs, what customers are willing to pay for the value they receive, and what competitors are offering.

1.5 PRICING AND DEMAND

1. Price Elasticity:

Think of price elasticity as a measure of how much demand for a service changes when its price changes. If demand changes a lot when the price changes a little, it's called "elastic." If demand barely changes when the price changes, it's called "inelastic."

- **Elastic Demand:** If a small price drop leads to a big increase in customers, the demand is elastic. For instance, when a coffee shop offers a 20% discount, and many more people start coming in for coffee, that's elastic demand.
- **Inelastic Demand:** If a price change doesn't significantly affect the number of customers, the demand is inelastic. For example, if a utility company raises the price of electricity slightly, most customers will still use a similar amount because they need electricity regardless of the price.

2. Yield Management:

Yield management is about using pricing strategies to make the most profit by allocating resources effectively. It's like a puzzle where you try to sell the right amount of your service at the right price.

- **Example:** Imagine an airline using yield management to sell airplane seats. During holidays or peak travel times, they might charge higher prices because they know many people want to fly. But during less popular times, they might offer lower prices to attract more passengers.

3. Fencing Mechanism:

Fencing mechanisms are ways to separate different customer groups and offer different prices or conditions to each group.

- **Physical Fences:** Think of a hotel offering different room types at different prices. They have regular rooms, but they also offer suites with extra amenities at higher prices.
- **Non-Physical Fences:** Consider a restaurant that has lower prices during early hours to attract more customers for dinner. This encourages people to come in earlier, filling up tables that might otherwise be empty.

4. Customer-Led Pricing: Auctions and Bids:

This is like an online bidding game where customers suggest the price they're willing to pay for a service.

- **Example:** Online platforms like eBay let people bid on products. Imagine you're bidding on a rare comic book. You and others keep bidding until the highest bidder wins. This lets customers decide what they're willing to pay, creating a dynamic pricing system.

These pricing concepts help businesses find the right balance between making a profit, meeting customer needs, and staying competitive. Just like finding the perfect price for your favorite ice cream – not too expensive that you won't buy it, but not too cheap that it doesn't cover the costs of making it!

5. PUTTING SERVICE PRICING STRATEGY INTO PRACTICE:

FACTORS CONSIDERED IN DEVELOPING SERVICE PRICING STRATEGIES:

1. Total Amount of Pricing:

- **Cost Consideration:** Before setting a price for a service, a business needs to understand its costs. This helps determine the lowest price they can charge without losing money.
- **Market Sensitivity:** Businesses also need to assess how much customers are willing to pay for the service. This reflects the perceived value of the service and what customers can afford.
- **Competitive Pricing:** Looking at what competitors are charging helps set a reasonable price that doesn't make the service too expensive compared to similar offerings.

2. Basis for Pricing:

- **Service Unit:** Decide what customers are paying for. Is it completing a specific task, using a service for a certain amount of time, or accessing a performance or event?
- **Price Bundling:** Sometimes services combine tangible and intangible elements. For instance, a spa might charge for using their facilities and also include massages and treatments as part of the package.

3. Discounting and Payment:

- **Discounts:** Businesses may offer discounts to attract more customers during slow periods or to promote a new service.
- **Collection of Payment:** In some cases, businesses might use intermediaries (third parties) to handle billing or payment collection, which can save time and money.

4. Communicating Prices:

- **Methods of Payment:** Decide how customers can pay. Cash might be simple, but credit cards or online payment methods offer more convenience and security.
- **Place of Payment:** Determine whether customers pay before or after receiving the service. Airline tickets are usually paid for in advance, while restaurant bills are settled after eating.
- **Timing of Payment:** Depending on the service, payment can be upfront (like buying a ticket) or after the service is provided (like a restaurant bill).
- **Communicating Prices:** Businesses need to make their pricing clear to customers. This can be done through advertising, websites, brochures, or any means that informs customers of the cost before they make a decision.

Example: Imagine you're a spa owner. To set prices, you need to know the cost of providing each service, like massages and facials. Then, you consider what people are willing to pay for these services. You notice other spas offer discounts during weekdays, so you decide to do the same to attract more customers on slower days. You let customers know about these discounts through your website and social media posts.

In essence, setting service prices involves understanding costs, customer preferences, competition, and effectively communicating these prices to potential customers.

UNIT-IV

SERVICE PROMOTION

1. ROLE OF MARKETING COMMUNICATION:

Strategies for engaging consumers and influencing how they think, feel, and act toward a brand or market offering through the use of communications. The role of marketing communication in communicating value to customers in target market can be explained with following points:

1. Increases Awareness:

- **What It Means:** When a new service is introduced, or if a business wants to reach new customers, marketing communication helps make people aware of the service's existence.
- **Example:** Imagine a new yoga studio opening in town. They use flyers, social media, and local newspaper ads to let people know about their classes and benefits.

2. Increases Knowledge and Preference:

- **What It Means:** Just knowing about a service isn't enough. Marketing communication also helps educate potential customers about the service's features, benefits, and why it's better than other options.
- **Example:** A bank introduces a new online banking app. They use ads to explain how easy it is to use, its security features, and how it can save time compared to traditional banking.

3. Maximizes Sales:

- **What It Means:** The ultimate goal of promotion is to boost sales. It's not enough for people to know and like a service; they need to take action and actually use it.
- **Example:** A restaurant offers a limited-time discount on their new menu items. This promotion attracts more customers and increases sales during that period.

4. Increases Customer Traffic:

- **What It Means:** Some businesses use promotions to encourage customers to visit more frequently. They create loyalty programs or special offers for returning customers.
- **Example:** A coffee shop has a loyalty card where customers get a free coffee after buying a certain number of drinks. This encourages people to visit often and collect stamps.

5. Motivates Intermediaries:

- **What It Means:** Intermediaries, like distributors or retailers, play a role in delivering the service to customers. Marketing communication can motivate these intermediaries to promote the service more effectively.
- **Example:** A travel agency partners with hotels to offer vacation packages. The agency runs promotions that encourage the hotels to actively promote their packages, leading to more bookings.

In simple terms, marketing communication helps services get noticed, understood, and chosen by customers. It drives sales, encourages repeat business, and even motivates the partners that help deliver the service. Effective communication can lead to more customers and a better overall experience for everyone involved.

2. IMPLICATION FOR COMMUNICATION STRATEGIES:

1. Tangible Clues:

- **What It Means:** Unlike physical products that can be seen and touched before purchase, services are intangible. Customers often look for tangible cues or evidence related to the service to make a decision.
- **Example:** When booking a hotel online, customers often look for photos of the rooms, facilities, and amenities to get a sense of what they'll experience during their stay.

2. Word-of-Mouth:

- **What It Means:** Since services are experienced after purchase, customers rely on the opinions and experiences of others who have used the service before.
- **Example:** Before choosing a restaurant, people often ask friends or check online reviews to learn about others' dining experiences.

3. Ownership:

- **What It Means:** Services are not owned like physical products. Customers consume or experience them temporarily but don't physically possess them.
- **Example:** When people attend a concert, they don't take home the performance, but they experience the event during the show.

4. Ties with Customer:

- **What It Means:** Services often involve interactions between customers and service providers. Customers prefer meeting service providers to build trust and reduce uncertainty about the service's quality.
- **Example:** Before hiring a personal fitness trainer, customers might have a face-to-face meeting to discuss their fitness goals and get a sense of the trainer's expertise and approach.

In simpler terms, when promoting services, it's important to provide tangible evidence or visual cues that help customers understand what they'll get. Word-of-mouth and reviews play a significant role in influencing decisions. Since services aren't owned, customers focus on the experience itself. Building a personal connection with service providers can reduce customers' worries and enhance their confidence in the service's quality.

3. MARKETING COMMUNICATION / PROMOTION MIX:

1.Advertising:

- **What It Means:** Sharing messages about your service through non-personal media like TV, radio, print, or online platforms.
- **Example:** A dental clinic running TV ads to promote their teeth whitening services.

2. **Personal Selling:**

- **What It Means:** Direct interactions between salespeople and potential customers to address their needs.
- **Example:** A real estate agent giving a personalized tour of a property to a potential buyer.

3. **Sales Promotion:**

- **What It Means:** Short-term techniques to stimulate demand, often involving discounts or special offers.
- **Example:** An online clothing store offering a 50% discount on select items for a limited time.

4. **Publicity:**

- **What It Means:** Generating news or media coverage to create interest in your service.
- **Example:** A tech company receiving media coverage for launching a

groundbreaking new app.

5. **Public Relations:**
    - **What It Means:** Building positive relationships and managing communication with various stakeholders.
    - **Example:** A restaurant hosting a charity event to showcase their commitment to community involvement.
6. **Direct Marketing:**
    - **What It Means:** Communicating directly with potential customers to encourage responses or transactions.
    - **Example:** An email campaign from an online fitness platform offering a personalized workout plan.
7. **E-commerce / Internet / Online Marketing:**
    - **What It Means:** Promoting services through online channels, websites, social media, and more.
    - **Example:** An online travel agency advertising vacation packages on their website and social media platforms.
8. **Sponsorship:**
    - **What It Means:** Investing in an activity or event for exposure and branding opportunities.
    - **Example:** A beverage company sponsoring a music festival and having their logo prominently displayed at the event.
9. **Packaging:**
    - **What It Means:** Presenting your service visually and functionally to enhance its value and appeal.
    - **Example:** A luxury spa designing elegant packaging for their gift certificates to create a premium impression.
10. **Corporate Communications / Identity:**
    - **What It Means:** Creating a consistent and recognizable image for your brand across all communication.
    - **Example:** A technology company using the same logo, color scheme, and tone of voice in their website, brochures, and advertisements.
11. **Word-of-Mouth:**
    - **What It Means:** Customers talking positively about your service to others, influencing their decisions.
    - **Example:** Friends recommending a new fitness app to each other based on their positive experiences.

12. **Event Marketing:**

- **What It Means:** Linking your brand with a specific event to create a memorable experience for customers.
- **Example:** An electronics company sponsoring a tech conference and showcasing their latest products at the event.

In essence, the marketing communication mix includes a range of strategies to effectively reach and influence customers through various channels and methods. Each of these strategies plays a role in building awareness, engaging customers, and driving them to take action towards your service.

UNIT-5

MARKETING PLANS FOR SERVICES

1.MARKETING PLANNING AND SERVICES:

Introduction to Marketing Planning: Marketing planning is like creating a roadmap for a business to achieve its marketing goals. It involves figuring out how to sell products or services effectively. Just like planning a trip, where you decide on destinations, routes, and activities, marketing planning is about deciding how to market products or services to customers.

Characteristics of Services Marketing Planning:

1. **Formal and Systematic Approach:**
    - What It Means: Marketing planning follows a structured and organized approach in deciding how to promote products or services.
    - Example: A software company systematically plans how to launch and market a new software product, considering factors like features, target audience, and promotional strategies.
2. **Rational Activity:**
    - What It Means: Marketing planning involves logical thinking and careful consideration to make informed decisions.
    - Example: A restaurant plans its menu items and pricing based on market research, customer preferences, and cost analysis.
3. **Forward-Looking:**
    - What It Means: Marketing planning focuses on the future, anticipating market trends and planning accordingly.
    - Example: A fashion retailer plans its marketing strategy for the upcoming season, considering the latest trends and customer preferences.
4. **Optimistic and Pessimistic Component:**
    - What It Means: Marketing planning aims to seize opportunities while minimizing risks and failures.
    - Example: An online travel agency plans promotions for vacation packages, hoping to attract customers while being prepared for possible changes in travel restrictions due to unforeseen events.
5. **Decision-Making Process:**
    - What It Means: Marketing planning involves making choices on various aspects of marketing, like product features, pricing, and promotional methods.
    - Example: An electronics company decides to offer a discount on its latest smartphone model to boost sales and compete with rival brands.
6. **Marketing Department:**
    - What It Means: Marketing planning is typically done by the marketing department of a company, where different teams collaborate to develop the overall marketing

strategy.

- Example: An automobile manufacturer's marketing department plans a campaign to launch a new car model, involving teams for advertising, social media, and events.

In simple terms, marketing planning is like creating a game plan for a business to effectively market its products or services. It's about making thoughtful decisions, looking ahead, and taking advantage of opportunities while managing potential challenges. The marketing department plays a key role in crafting and executing these plans to achieve business goals.

2. ELEMENTS OF SERVICES MARKETING PLANNING:

1. Setting of Objectives:

- What It Means: Objectives are the goals a company wants to achieve through its marketing efforts.
- Example: A fitness center might set an objective to increase membership by 20% within the next six months by targeting local residents and offering special promotions.

2. Strategies:

- What It Means: Strategies are well-thought-out plans to achieve the objectives.
- Example: An e-commerce store's strategy might be to focus on social media marketing to engage with customers, promote products, and drive traffic to its website.

3. Policy:

- What It Means: Policies are guidelines that help the organization make consistent decisions in line with its objectives.
- Example: An airline's policy could be to provide complimentary snacks and beverages on all flights to enhance the passenger experience.

4. Procedure:

- What It Means: Procedures outline the step-by-step process to implement strategies and policies.
- Example: A hotel's procedure for handling guest check-in might include verifying identification, providing room keys, and explaining amenities.

5. Programme:

- What It Means: A program is a detailed plan that outlines specific actions needed to achieve a particular goal.
- Example: A marketing program for a music festival could include booking artists, setting up ticket sales, arranging stage setups, and organizing logistics.

6. Schedule:

- What It Means: A schedule sets deadlines for completing tasks in the marketing plan.
- Example: A software development company might create a schedule indicating that coding will be completed by the end of month one, testing in month two, and release in month three.

7. Budget:

- What It Means: A budget is a financial plan that allocates funds to different marketing activities.
- Example: A restaurant's marketing budget could include expenses for advertising, hosting events, and creating a loyalty program.

In simpler terms, when a company plans its marketing, it starts by setting clear goals (objectives) it wants to achieve. Then, it develops strategies to achieve those goals and creates guidelines (policies) to ensure everyone is on the same page. Detailed plans (procedures) outline the step-by-step process for implementation. Programs include all actions needed, while a schedule ensures tasks are completed on time. Lastly, the budget allocates funds for each marketing activity. All these elements work together to guide a company's marketing efforts and help it achieve success.

3. MARKETING PLANNING PROCESS:

1. Strategic Context:

- Mission: The organization's purpose and reason for existence.
- Corporate Objectives: The high-level goals the organization wants to achieve.

Example: An eco-friendly clothing brand's mission could be to promote sustainable fashion. Its corporate objective might be to reduce its carbon footprint by 30% in the next three years.

2. Situation Review:

- Marketing Audit: An assessment of the organization's current marketing efforts.
- SWOT Analysis: Identifying the organization's Strengths, Weaknesses, Opportunities, and Threats.
- Key Assumptions: Recognizing the underlying factors that could impact the marketing plan.

Example: An online bookstore's marketing audit might reveal that its website is user-friendly but lacks mobile optimization. In the SWOT analysis, an opportunity could be to expand its reach by offering audiobooks.

3. Marketing Strategy Formulation:

- Establishing Marketing Objectives: Defining specific, measurable goals for the marketing efforts.
- Developing Means: Figuring out how to achieve those marketing objectives.
- Forecasting Outcome: Predicting the potential results of the chosen strategies.
- Identifying Alternatives: Considering different approaches to reaching the objectives.

Example: A travel agency's marketing objective could be to increase bookings by 20% in the upcoming year. To achieve this, they might develop means like launching exclusive travel packages, collaborating with influencers, and enhancing their online booking platform.

4. Resource Allocation and Monitoring:

- Implementation of Marketing Programs: Putting the developed strategies into action.
- Monitoring, Control, and Review: Continuously tracking the progress, making adjustments as needed.

Example: An electronics retailer implements a marketing program that includes advertising new product launches and offering special discounts during holidays. They monitor sales data and website traffic regularly to assess the effectiveness of their marketing efforts.

In simpler terms, the marketing planning process involves understanding the organization's mission and objectives, analyzing the current situation, creating strategies to achieve goals, and then implementing and monitoring those strategies. This step-by-step process helps organizations make informed decisions and stay on track to reach their marketing goals.

4. STRATEGIC CONTEXT:

1. Strategic Context:

- **Defining Organization Mission:** This is like figuring out the main purpose and direction of your company. It's like answering the question, "Why does our business exist?" Your mission statement guides what your company does and how it operates.

Example: An organic food store might have a mission statement like, "Our mission is to provide healthy and sustainable food options to our community, promoting wellness and environmental consciousness."

- **Formulating Corporate Objectives:** After knowing the mission, you set specific goals or objectives that align with it. These objectives help measure how well your company is moving toward fulfilling its mission.

Example: If the organic food store's mission is to promote wellness, their objective could be, "Increase the number of locally sourced products by 20% within the next year."

So, in simple words, strategic context involves understanding why your business exists (mission) and then setting clear goals that match that purpose (objectives).

2. Designing Organization Mission: Your organization's mission statement is like the heart of your business. It's a short, powerful statement that captures the essence of what you do and why. It's not just about products, but the value you provide.

Example: Google's mission is "to organize the world's information and make it universally accessible and useful." This shows that Google's focus is on making information easy to find and use.

3. Corporate Goals and Objectives: Once you have a mission, you need to set specific objectives to achieve it. These are like steps on the path to your mission.

Example: Let's say a fitness center's mission is "to promote health and well-being in our community." An objective could be, "Increase membership by 15% over the next six months."

In a nutshell, the mission is your big "why," and objectives are the specific targets that help you fulfill that "why." It's all about having a clear direction and goals to measure your progress toward making your mission a reality.

5. SITUATION REVIEW:

Certainly, let's break down the concepts of situation review, marketing audit, SWOT analysis, and key assumptions with real-life examples:

1. Situation Review: After defining the mission and corporate goals, it's important to understand the external and internal factors that impact your business. External factors include competition, social conditions, economic trends, and legal aspects. This helps you assess the environment in which your organization operates.

Example: An online fashion retailer needs to review external factors like changing fashion trends, competitors' pricing strategies, and the overall economic climate to make informed decisions about their offerings and pricing.

2. Marketing Audit: A marketing audit is like a thorough check-up for your marketing activities.

It's a formal review that examines how well your marketing strategies and plans are working and if they align with your goals.

Example: An electronics company conducts a marketing audit to assess how effectively their recent advertising campaigns boosted sales and increased brand recognition among their target audience.

3. SWOT Analysis: SWOT stands for Strengths, Weaknesses, Opportunities, and Threats. It's a way to analyze your company's internal strengths and weaknesses, as well as external opportunities and threats in the market. This helps you identify areas where you can excel and areas you need to improve.

Example: A small bakery does a SWOT analysis and realizes that their strength lies in offering unique, artisanal baked goods, but a weakness is their limited online presence. They see an opportunity to expand by creating an e-commerce platform. The threat is increasing competition from larger chain bakeries.

4. Key Assumptions: Assumptions are educated guesses about factors that can impact your business. They're like predictions you make based on your understanding of the market and your organization's capabilities.

Example: A new restaurant assumes that their innovative menu items will attract health-conscious customers looking for fresh and organic ingredients. This assumption drives their marketing strategy and menu development.

In simple terms, situation review helps you understand your business environment, a marketing audit is like a check-up for your marketing efforts, SWOT analysis helps you evaluate strengths and weaknesses, and key assumptions are educated guesses that guide your marketing decisions.

6. MARKETING STRATEGY FORMULATION:

Sure, let's break down the process of marketing strategy formulation with simple explanations and real-life examples:

1. Establishing Marketing Objectives: This step involves setting clear and specific marketing goals that align with the overall objectives of the organization. These objectives help guide your marketing efforts and ensure that they contribute to the bigger picture.

Example: A fitness center's marketing objective could be to increase membership by 20% within the next six months, aligning with the company's goal of expanding its customer base.

2. Developing Means to Achieve Marketing Objectives: Once you have your objectives in place, you need to figure out how to achieve them. This involves creating a plan of action, deciding which marketing strategies to use, and allocating resources accordingly.

Example: A software company aiming to increase user engagement might develop a strategy that includes improving user interface design, introducing new features, and running targeted email campaigns to educate users about the benefits of these changes.

3. Forecasting the Outcome: Since services can't be stored for later use, it's important to predict future demand accurately. This helps you allocate resources effectively and manage service delivery efficiently.

Example: A travel agency forecasts an increase in vacation bookings during the summer months based on historical data, allowing them to hire additional staff and ensure they have enough travel packages available.

4. Identifying the Alternatives: Not all strategies will work perfectly, so it's important to have backup plans and alternatives in case your initial strategy doesn't yield the expected results.

Example: A restaurant plans to launch a new menu to attract more customers. However, they also have a contingency plan to offer discounts or special promotions if the new menu doesn't generate the desired customer response.

In simpler terms, marketing strategy formulation involves setting goals, planning how to achieve them, predicting outcomes, and preparing for different scenarios. Just like planning a trip, you set your destination, decide how to get there, check the weather forecast, and have a backup plan in case things don't go as expected.

7. RESOURCE ALLOCATIONS, MONITORING & DETAILED PLANNING:

Certainly, let's simplify the concepts of resource allocation, monitoring, and detailed planning in marketing strategy with real-world examples:

1. Identification of Marketing Program: After creating the strategies, it's time to put them into action. This involves breaking down your strategies into specific plans and actions that your team will carry out to achieve the objectives.

Example: An e-commerce company with a strategy to boost holiday sales might create a marketing program that includes launching special holiday-themed promotions, sending out targeted email campaigns, and enhancing its online user experience to attract more shoppers.

2. Monitoring, Control, and Review: Implementing strategies is not enough; you need to track how well they're performing. Monitoring and control involve regularly assessing whether you're on track to meet your objectives and making adjustments if needed.

Example: A hotel chain running a promotional campaign to increase occupancy rates closely monitors its room bookings and revenue. If they notice a decline in bookings, they might adjust their marketing efforts or offer last-minute deals to attract more guests.

3. Establishing Required Performance Targets: This step involves setting specific targets that align with your marketing objectives. These targets should be clear, achievable, and assigned to responsible individuals within your team.

Example: A tech company aiming to increase website traffic might set a target to achieve a 20% increase in monthly website visits over the next quarter. The responsibility for achieving this target could be assigned to the digital marketing manager.

4. Designing Corrective Courses of Action and Contingency Planning: Sometimes things don't go as planned. Corrective actions involve identifying problems early and making adjustments to get back on track. Contingency planning is about preparing alternative strategies in case unexpected situations arise.

Example: An event planning company organizing an outdoor festival has a contingency plan in case of bad weather. If rain is forecasted, they might quickly set up tents and move activities indoors to ensure the event's success.

In simpler terms, this phase involves putting your plans into action, closely monitoring progress, making adjustments if needed, and having backup plans in case things don't go as expected. It's like steering a ship: you set a course, watch the navigational instruments, adjust the route if necessary, and have lifeboats ready in case of emergencies.