



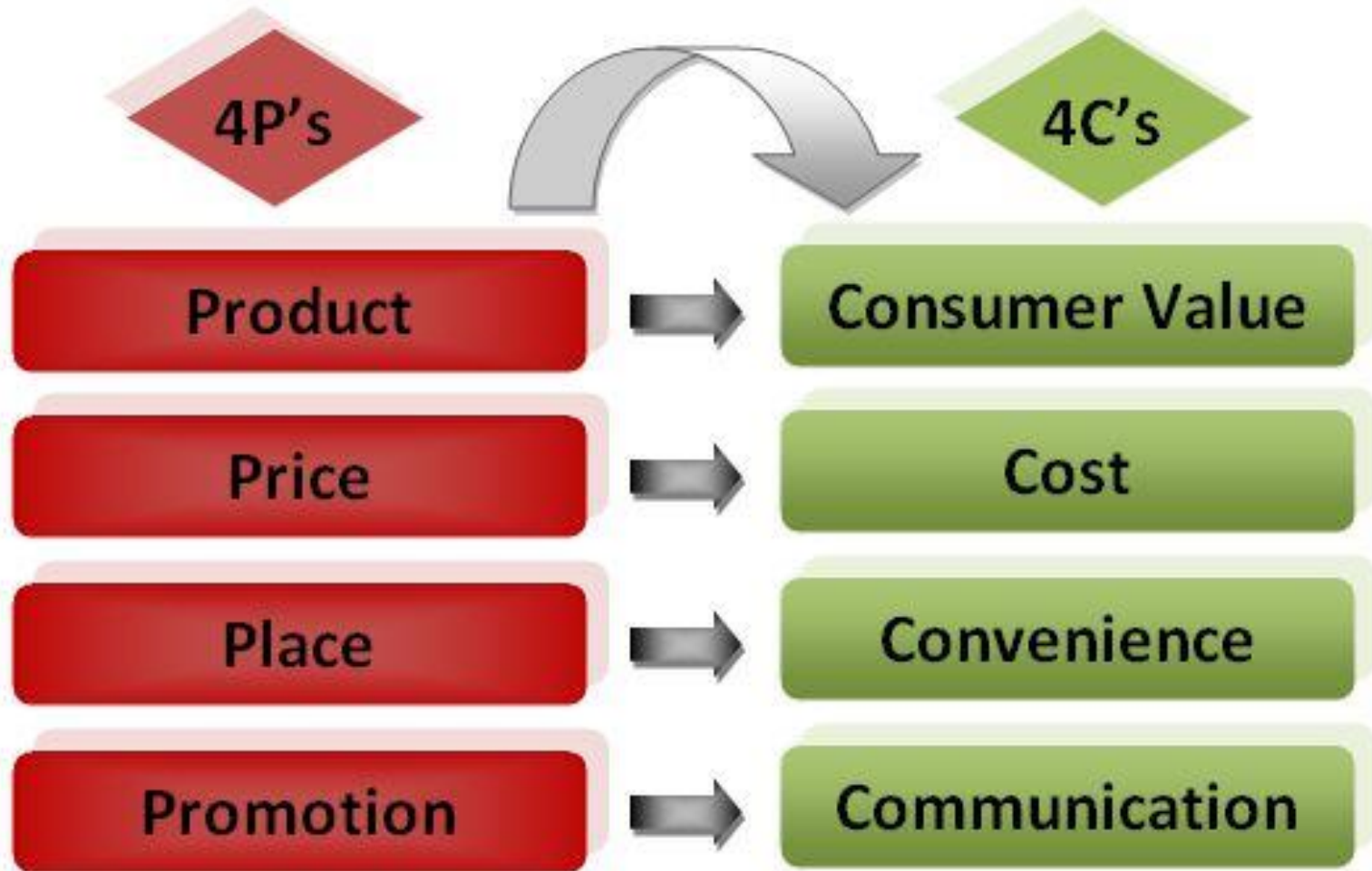
Unit II
Key Elements of Services Marketing
Mix

4 P's of Marketing
- Jerome McCarthy

THE 4 P_s
OF MARKETING



4 P's relevance to 4C's



RAINBOW OF SERVICE MARKETING MIX

PRODUCT

PRICE

PLACE

PROMOTION

PEOPLE

PROCESS

**PHYSICAL
EVIDENCE**

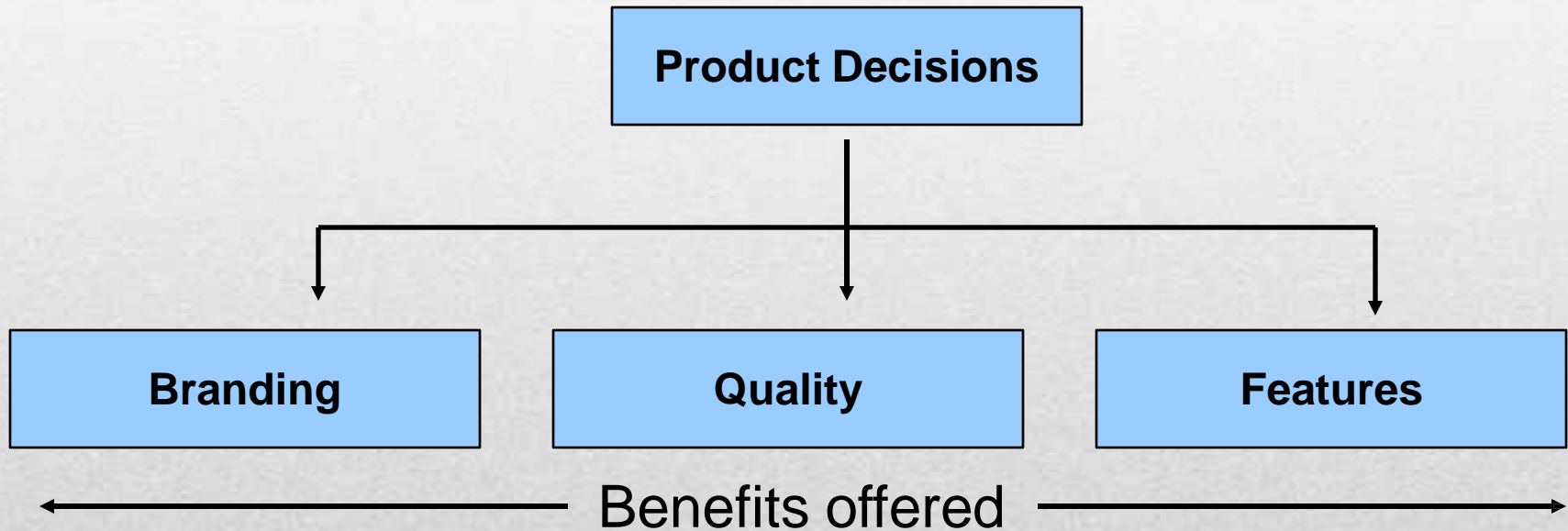
7Ps & 7Cs

The 7 Ps		The 7 Cs
<i>Organisation Facing</i>		<i>Customer Facing</i>
Product	=	Customer/ Consumer
Price	=	Cost
Place	=	Convenience
Promotion	=	Communication
People	=	Caring
Processes	=	Co-ordinated
Physical Evidence	=	Confirmation

1st P - PRODUCT

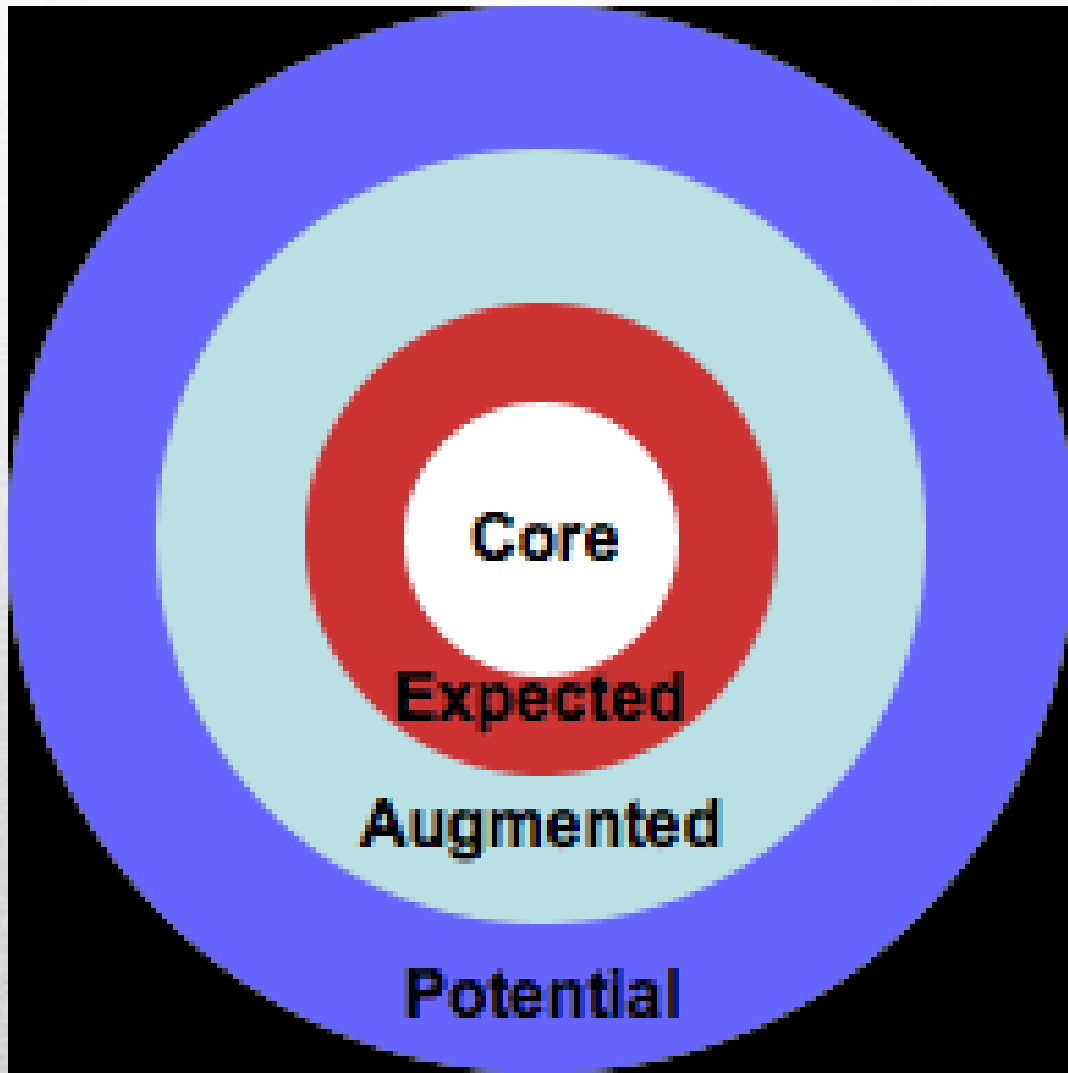


Product



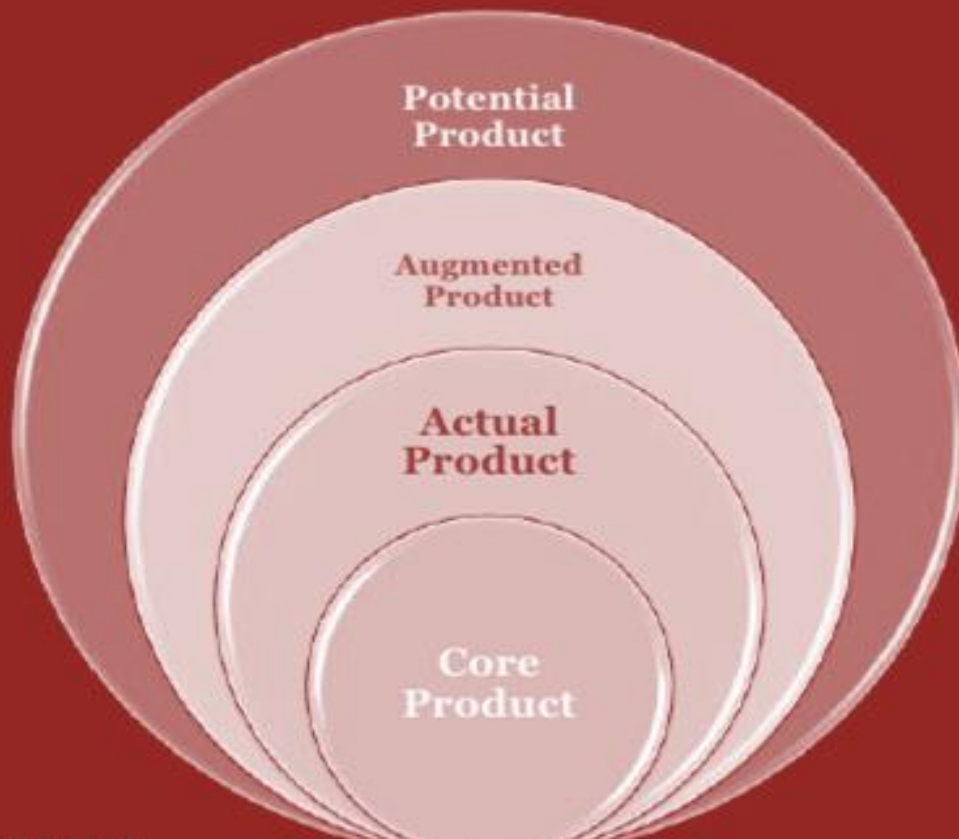
- Customer Value = the 'bundle of benefits' delivered to the customer
 - Need to change benefits as customers' needs change
-

Total Product Concept – Theodre Levitt



Service Product Level

Different levels at which product offers certain benefits that satisfy the customer needs i.e.



Core level

(Basic benefits)

Actual level

*(Design, quality, Packaging
Brand name)*

Augmented level

*(Warranty, installation,
delivery, customer service)*

Potential level

*(customized service
features like hairstyling,
signatures)*

Service Product Concept

Core Service – The Basic Service Product, the benefit the customer is really buying.

It implies that every service product should provide a basic function ñ which goes on to solve a customers problem and satisfies his need.

Eg. Banking – Lending & Borrowing

Airlines – Quick air travel

Insurance – Risk

Education – Learning

Hotels – Lodging & Boarding

Restaurants – Food

Entertainment – Fun

Healthcare – treatment for health

Service Product Concept

Expected Service – reflects the stds reqd or expected by a customer to satisfy their needs and wants.

To stay ahead of the competition, marketers started offering more features like colour, styling, designs, brands, prices, etc., that would attract customers to their products. The intention was that the products would be noticed and bought.

Minimum set of expectations a customer has about a service which the marketer must satisfy.

Eg. Banking – Savings/ Current/ Recurrent / Loan A/c, Bebit cards, Cr Cards, Safe Deposit Vaults, Demat A/c,

Service Product Concept

Augmented Service – includes fundamental services and benefits that distinguishes a company offerings from Competition.

With further competition, marketers sought more differentiation and added more features/attributes to the original product.

At the third level of the product, the features were becoming more and more intangible and they were all services.

This time, they added guarantees/warranties, customer education and training, different payment options, installations, home deliveries, etc.

Eg. Banking – Priority Banking, Mobile Banking, Burgundy Facility, Quick Loans, Customised Payment schemes, Personalised Investment Assistance

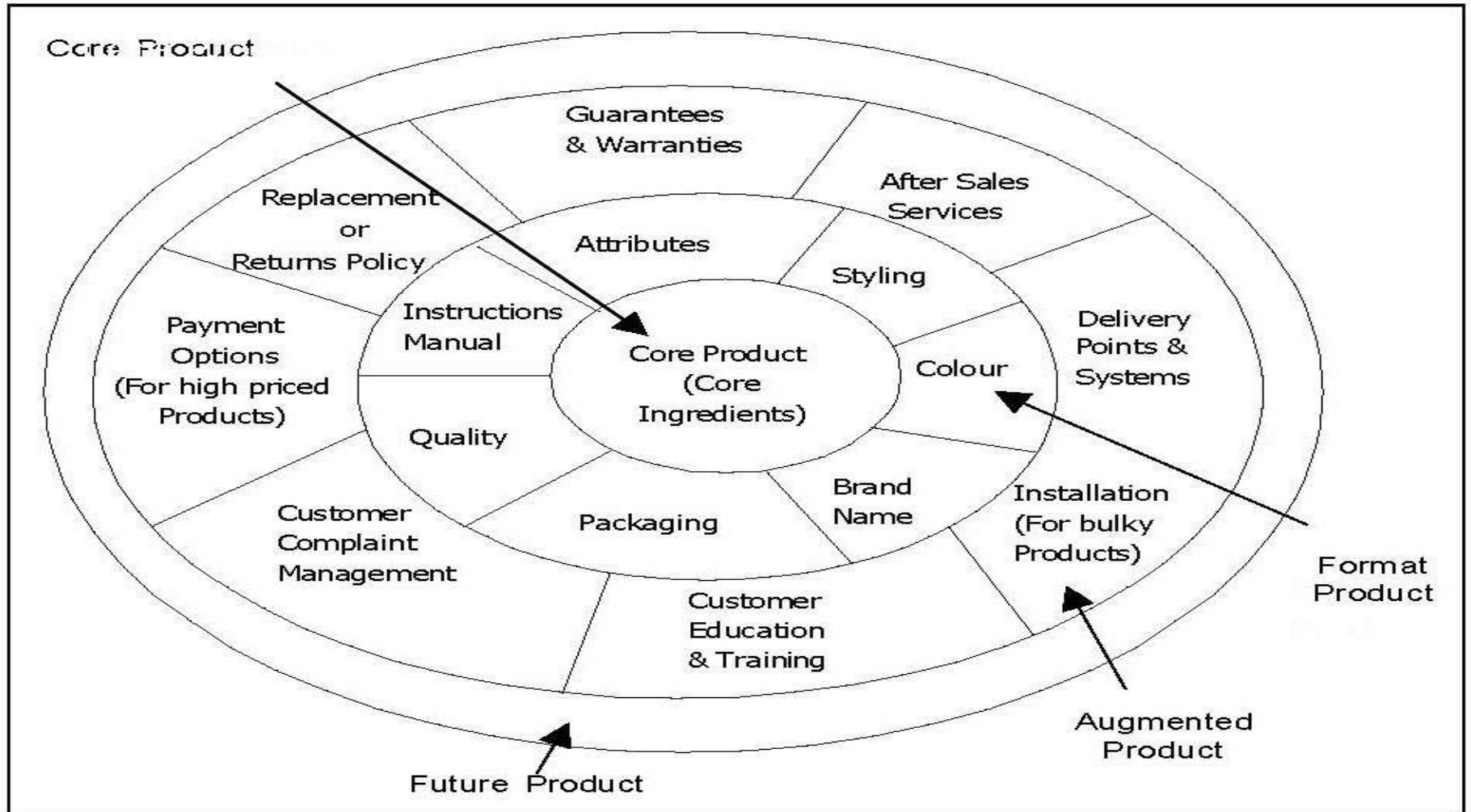
Service Product Concept

Potential Service –Focuses on the Future.
Beyond the Usual, a pleasant surprise.

Eg.

Banking - Child Care during Bank Visit,
Valet Parking

Total Service Concept



Tourism - TPC

Example: Travel major Thomas Cook offers the entire gamut of travel services including ticketing, visa and passport services, tour operation management, foreign exchange facilitation, travel insurance, Para-banking services like travellers' cheques and credit cards

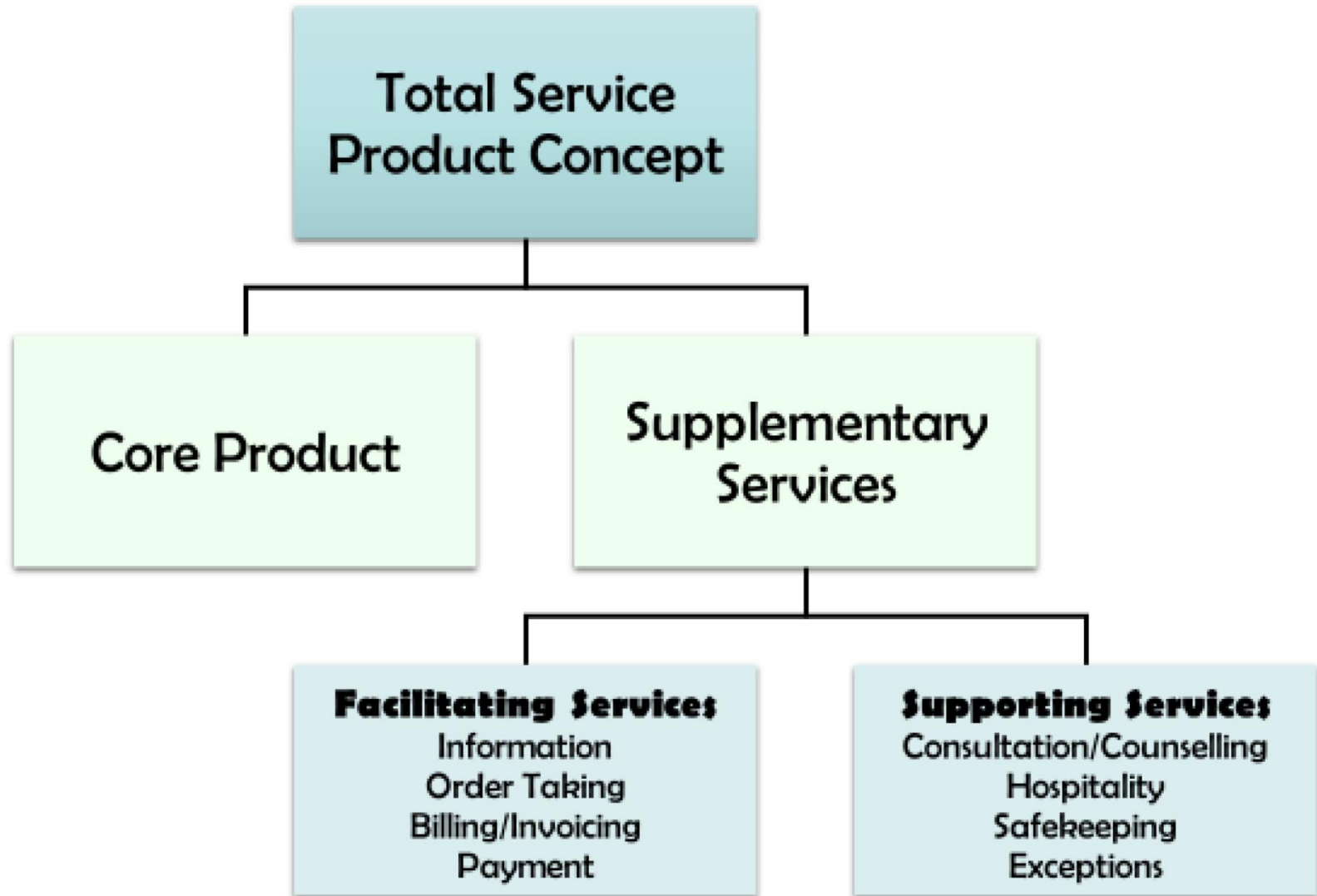
Valet Parking,
Customised Services

Personalised Banking,
Relationship Banking,
Investment Advisory,
Portfolio Mgmt, Loan
on Demand

Savings,
Current,
Lockers, Cheque
Book, ATMs,
Overdraft

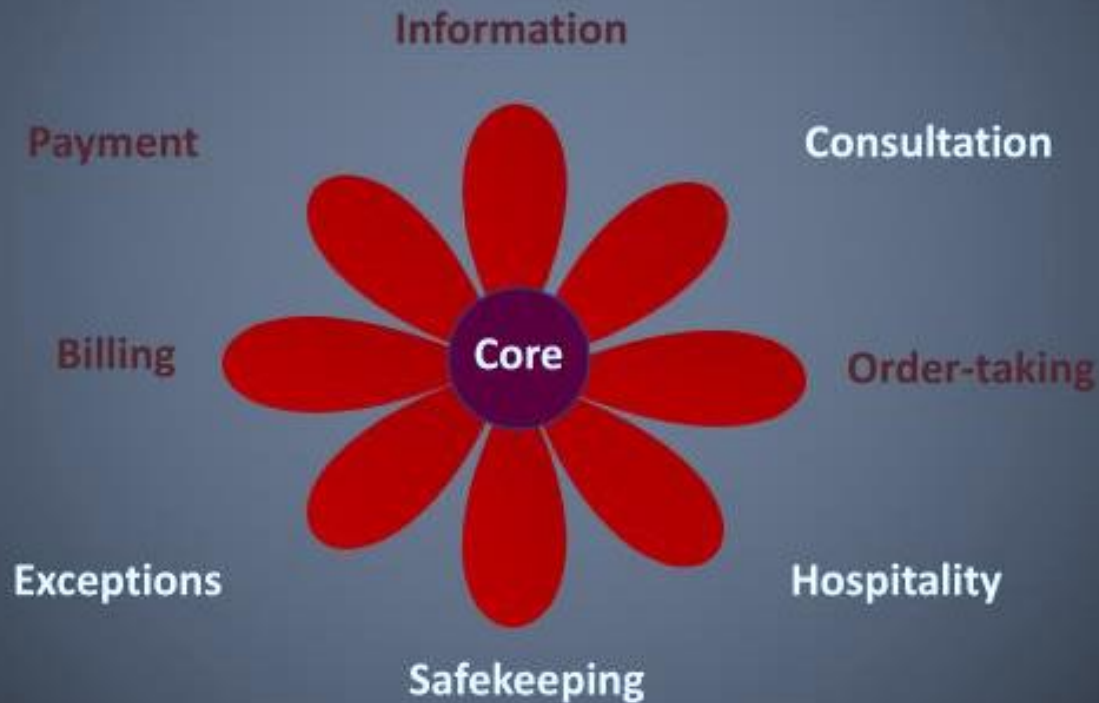
Lending &
Borrowing

Product Concept – Christopher Lovelock is called as Flower of Service



- There are two kinds of supplementary services
 - Facilitating supplementary services — either needed for service delivery, or help in the use of the core product
 - Enhancing supplementary service — add extra value for the customer
 - In a well-designed and well-managed service organization, the petals and core are fresh and well-formed
 - Market positioning strategy helps to determine which supplementary services should be included
-

FLOWER OF SERVICE – Christopher Lovelock



- **Facilitating**

- **Information** — customers often require information about how to obtain and use a product or service
- **Order-Taking** — Customers need to know what is available and may want to secure commitment to delivery. The process should be fast and smooth
- **Billing** — Bills should be clear, accurate and intelligible
- **Payment** — Customers may pay faster and more cheerfully if you make transactions simple and convenient for them

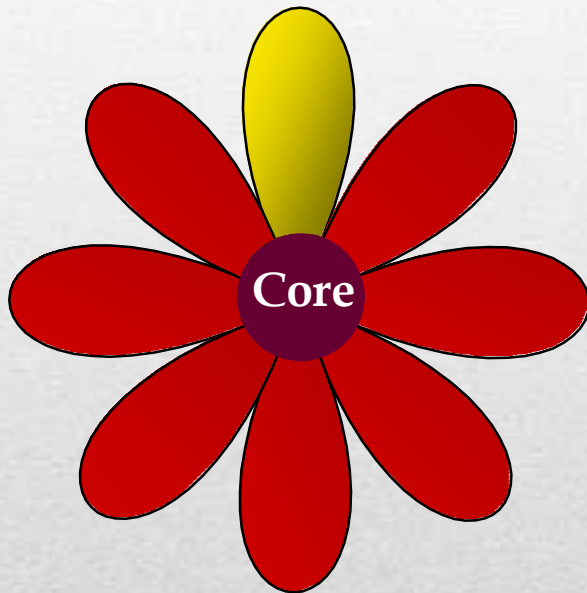


- Enhancing

- Consultation — Value can be added to goods and services by offering advice and consultation tailored to each customer's needs and situation
 - Hospitality — Customers who invest time and effort in visiting a business and using its services deserve to be treated as welcome guests
 - Safekeeping — Customers prefer not to worry about looking after the personal possessions that they bring with them to a service site
 - Exceptions — Customers appreciate some flexibility when they make special requests and expect responsiveness when things don't go according to plan
-

THE FLOWER OF SERVICE: FACILITATING SERVICES

1. INFORMATION



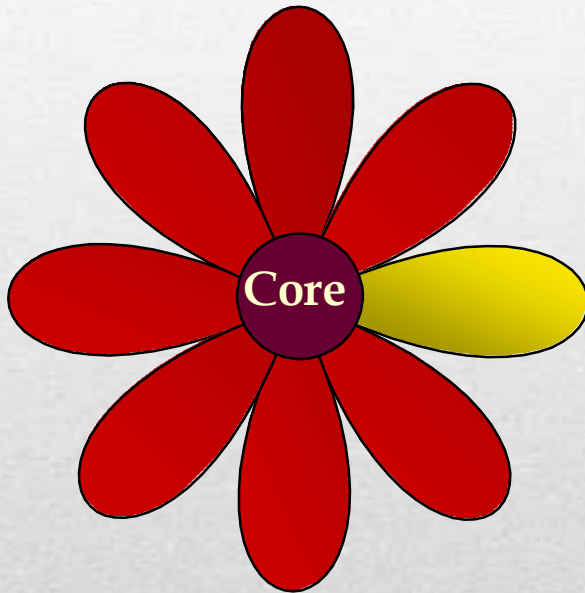
Customers often require information about how to obtain and use a product or service.

Examples of elements:

- **Directions to service site**
- **Schedule/service hours**
- **Prices**
- **Conditions of sale**
- **Usage instructions**

THE FLOWER OF SERVICE: FACILITATING SERVICES

2. Order Taking



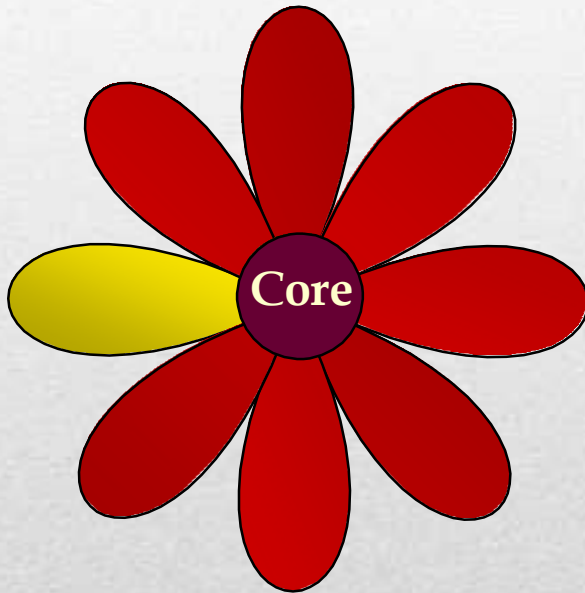
Customers need to know what is available and may want to secure commitment to delivery. The process should be fast and smooth.

Examples of elements:

- **Applications**
- **Order entry**
- **Reservations and check-in**

THE FLOWER OF SERVICE: FACILITATING SERVICES

3. BILLING



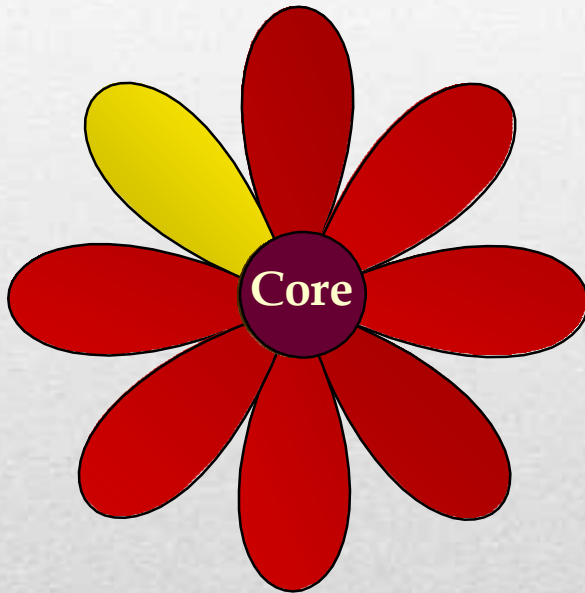
**“How much do I owe you?”
Bills should be clear,
Accurate, and intelligible.**

Examples of elements:

- **Periodic statements of account activity**
- **Machine display of amount due**

THE FLOWER OF SERVICE: FACILITATING SERVICES

4. PAYMENT



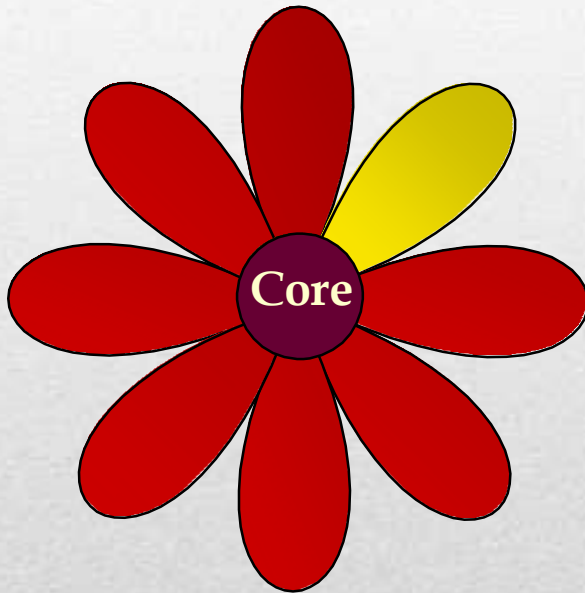
Customers may pay faster and more cheerfully if you make transactions simple and convenient for them.

Examples of elements:

- **Self service payment**
- **Direct to payee or intermediary**
- **Automatic deduction**

THE FLOWER OF SERVICE: FACILITATING SERVICES

5. CONSULTATION



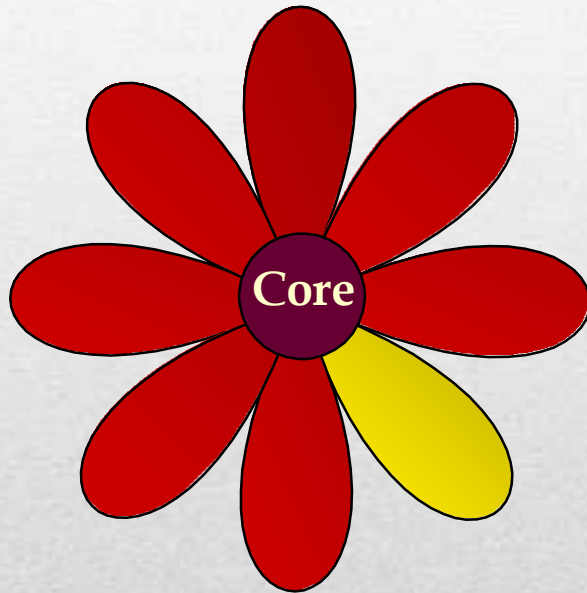
Value can be added to goods and services by offering advice and consultation tailored to each customer's needs and situation.

Examples of elements:

- **Customized advice**
- **Personal counseling**
- **Management consulting**

THE FLOWER OF SERVICE: FACILITATING SERVICES

6. HOSPITALITY



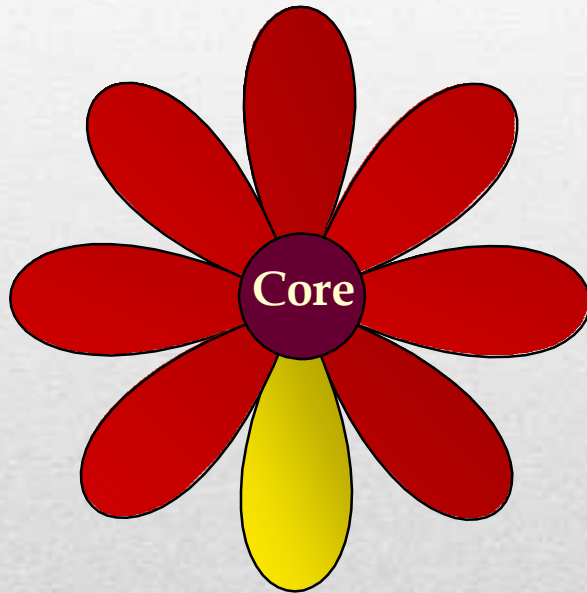
Customers who invest time and effort in visiting a business and using its services deserve to be treated as welcome guests—after all, marketing invited them!

Examples of elements:

- Greeting
- Waiting facilities and amenities
- Food and beverages
- Toilets and washrooms
- Security

THE FLOWER OF SERVICE: FACILITATING SERVICES

7. SAFEKEEPING



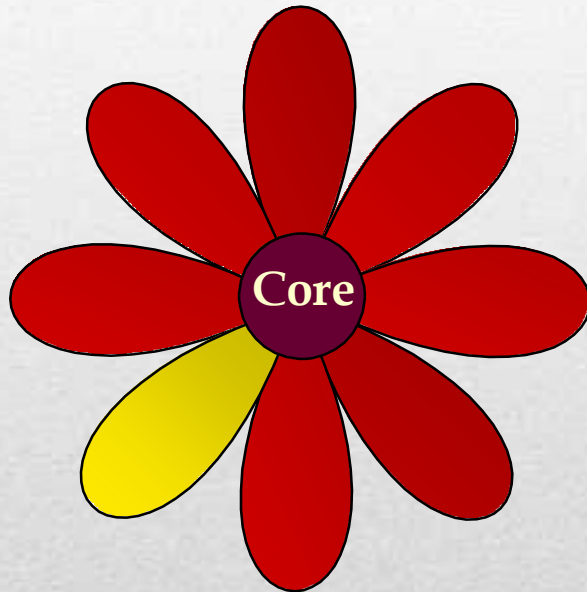
Customers prefer not to worry about looking after the personal possessions that they bring with them to a service site.

Examples of elements:

- **Looking after possessions customers bring with them**
- **Caring for goods purchased (or rented) by customers**

THE FLOWER OF SERVICE: FACILITATING SERVICES

8. EXCEPTIONS



Customers appreciate some flexibility when they make special requests and expect responsiveness when things don't go according to plan.

Examples of elements:

- Special requests in advance
- Complaints or compliments
- Problem solving
- Restitution

New Service Development

Challenges faced for New Service Development

Intangibility

- Too difficult to differentiate between competition
- Too difficult to measure success

Perishability

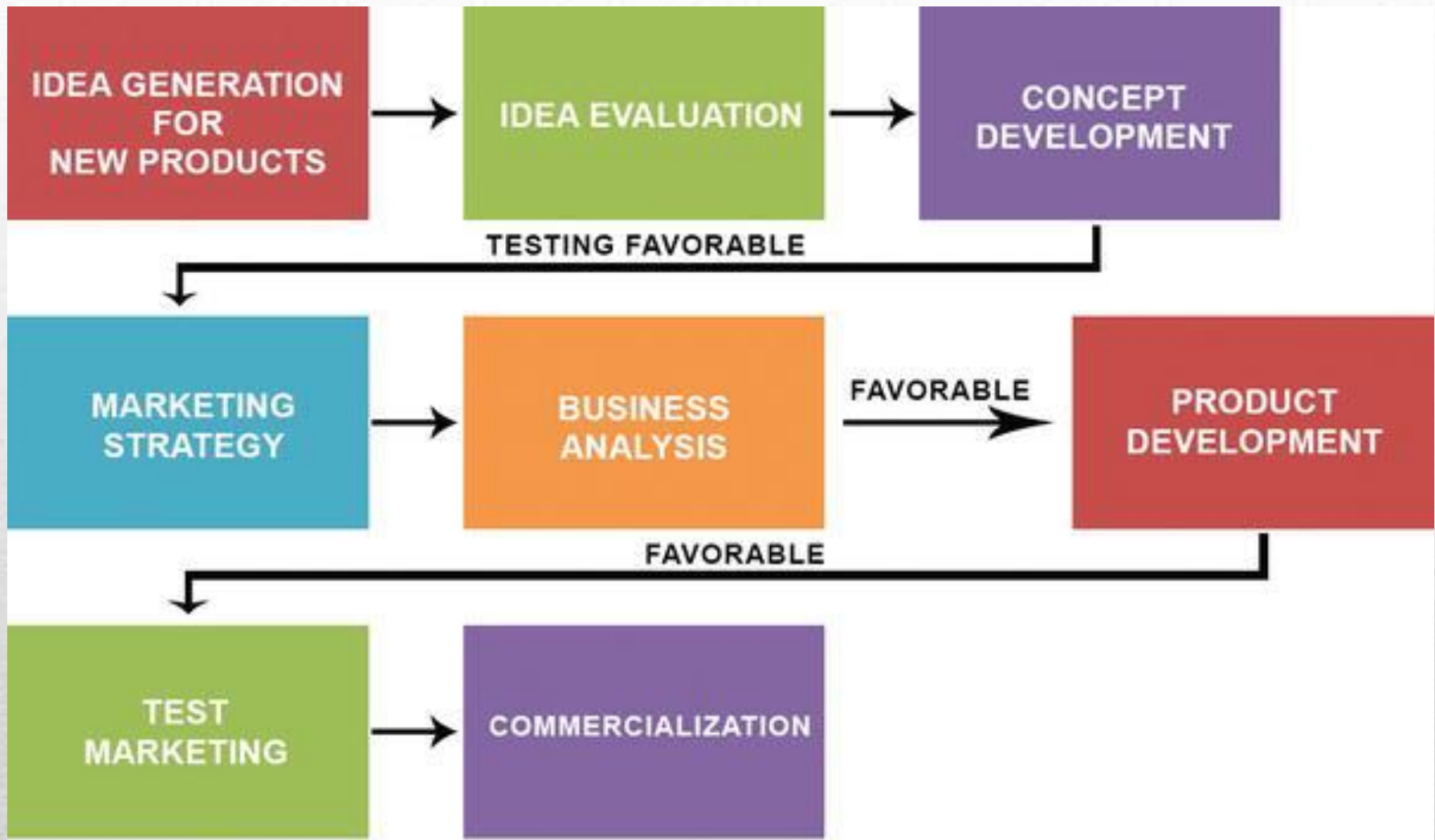
- Too difficult to manage supply and demand
- Strong need for higher level integration

Inseparability

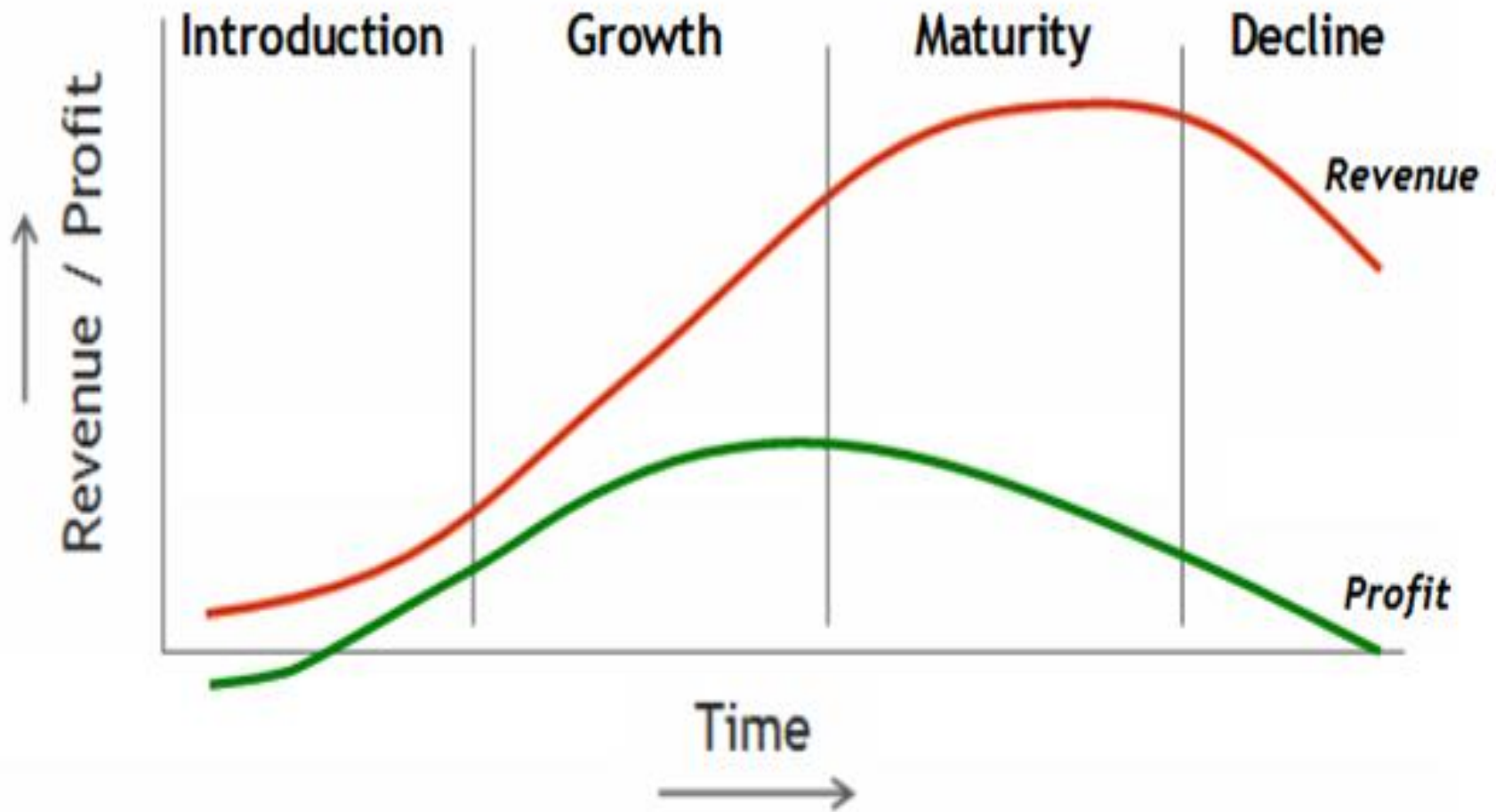
- Importance of Service delivery on time
- Higher level of Customer inputs

Heterogeneity

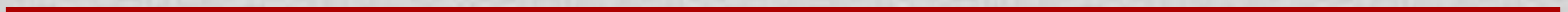
- Difficulty in concept testing
- Difficult to maintain quality



Service Life Cycle



2nd P - Price



Objectives of Price

Survival

Growth

Returns on
Investments

Profits

Marketshare

Factors influencing Pricing Strategies

Internal Factors

Organisational Policy

Skills required for delivery

Positioning Image

Demand in market

Cost of Production

External Factors

Competitor Pricing

Government Regulations & Policies

Demand

Approaches to Pricing

Cost Oriented Pricing

- Cost + Profit%

Demand Based Pricing

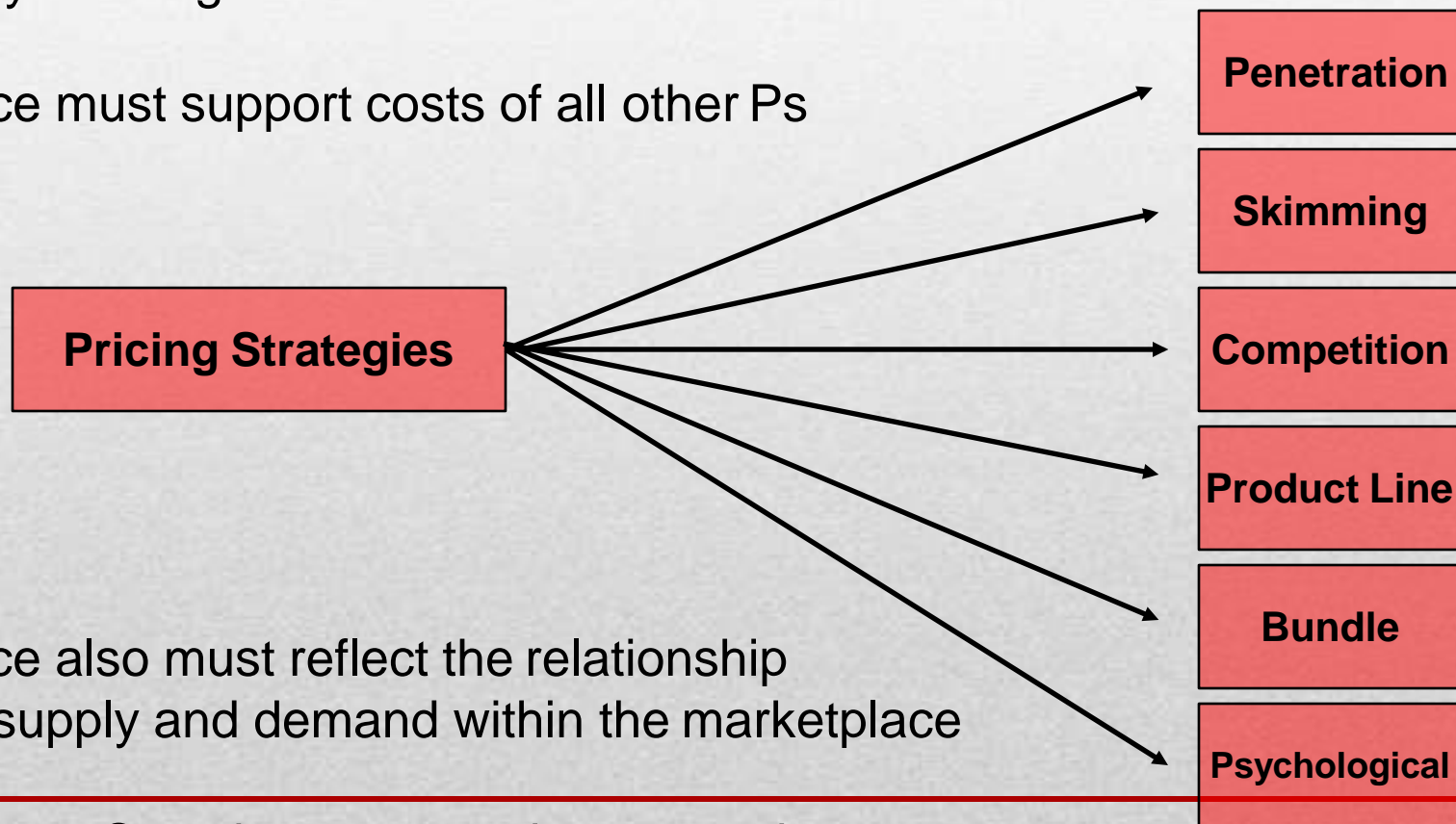
- Penetration
- Skimming
- Differential –
Location & Time
- Relationship Pricing

Competition based Pricing

- Price Bundling
- Leadership Pricing
- Psychological Pricing

Price

- Only 'Price' generates income
- Price must support costs of all other Ps



- Price also must reflect the relationship of supply and demand within the marketplace

- Price = Cost the customer is prepared to pay

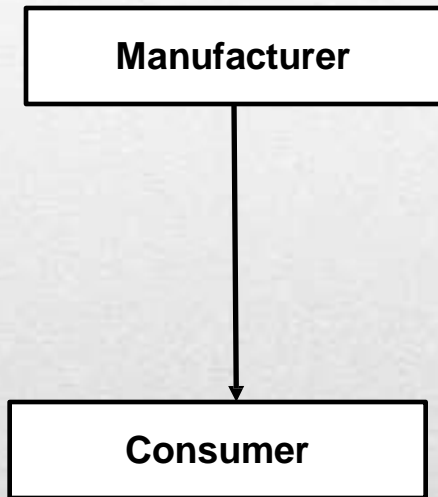
Issues / Challenges in Pricing Services

- Intangibility – difficult to perceive value. Eg. Hospitals
- Perishability – Difficulty of market demand. Eg. Movie theatres, holiday resorts
- Variability – Too people oriented business unlike machinery based standardised production. Eg. Doctors
- Quality Measurement – Better Quality demands High Price or High Price demands better Quality. Eg. Education

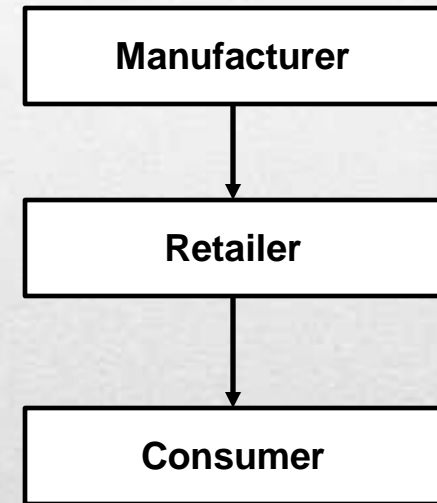
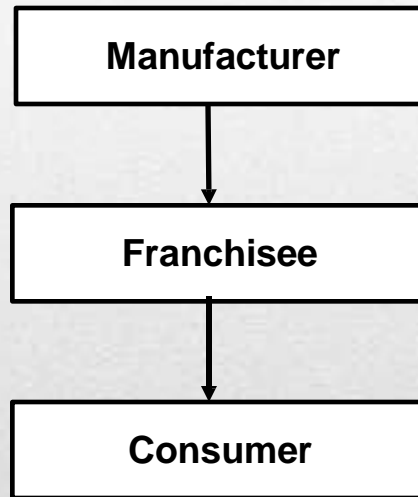
3rd P - Place

Place

Direct Distribution



Indirect Distribution



- The task of Place is deliver the Product to the customer at the right Price
 - There are many options of channel design
 - Channel design should take into account Cost and Convenience for the customer
-

Issues in Place :

Location of the Service Premises ??

Who are the Customers ???

Degree of Involvement with Customers ??

People based Services / Technology based Services ??

Factors that influence Choice of Location

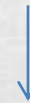
1. Nature of Service – Degree of Inseparability

More



Skill & Expertise reqd
Less flexibility of location
Eg. Surgeon in OT

Less



machine based/ less skill
more flexible location
Eg. painter

Degree of perishability → more

location to be made accessible to customers
restaurants – home delivery

2. Nature of Interaction

Restaurant – customer goes

Home repairs – provider comes

3. Nature of Demand –

Urgent
dentist

Convenience
education / ITES

Special feature
airlines

4. Geographic Location – Customer goes and provider arranges all facilities . Eg. Gym

5. Technology adaptation & advancement – Banks ---net banking. ATM



6. Competitive Positioning – Beauty Parlours,
Restaurants

7. Dependence on Supplementary Services –
Eg. Hospitals → X-Ray, MRI, Pathology

8. Infrastructure facilities – Eg. Retail Malls, IT,
Entertainment

Distribution of Services

- Franchisee – food, apparels
- Agents and Brokers – financial services, insurance, travel
- Electronic Media – Education, Banking, ITES,

Franchising

Factors affecting Franchisee Location

- Area of demand
- Competition in area
- Space availability
- Physical need of parent company

Brokers and Agents

Importance

- Reduced Distribution & Selling cost
- Special Skilled People at work
- Wide geographic representation
- Knowledge of local markets

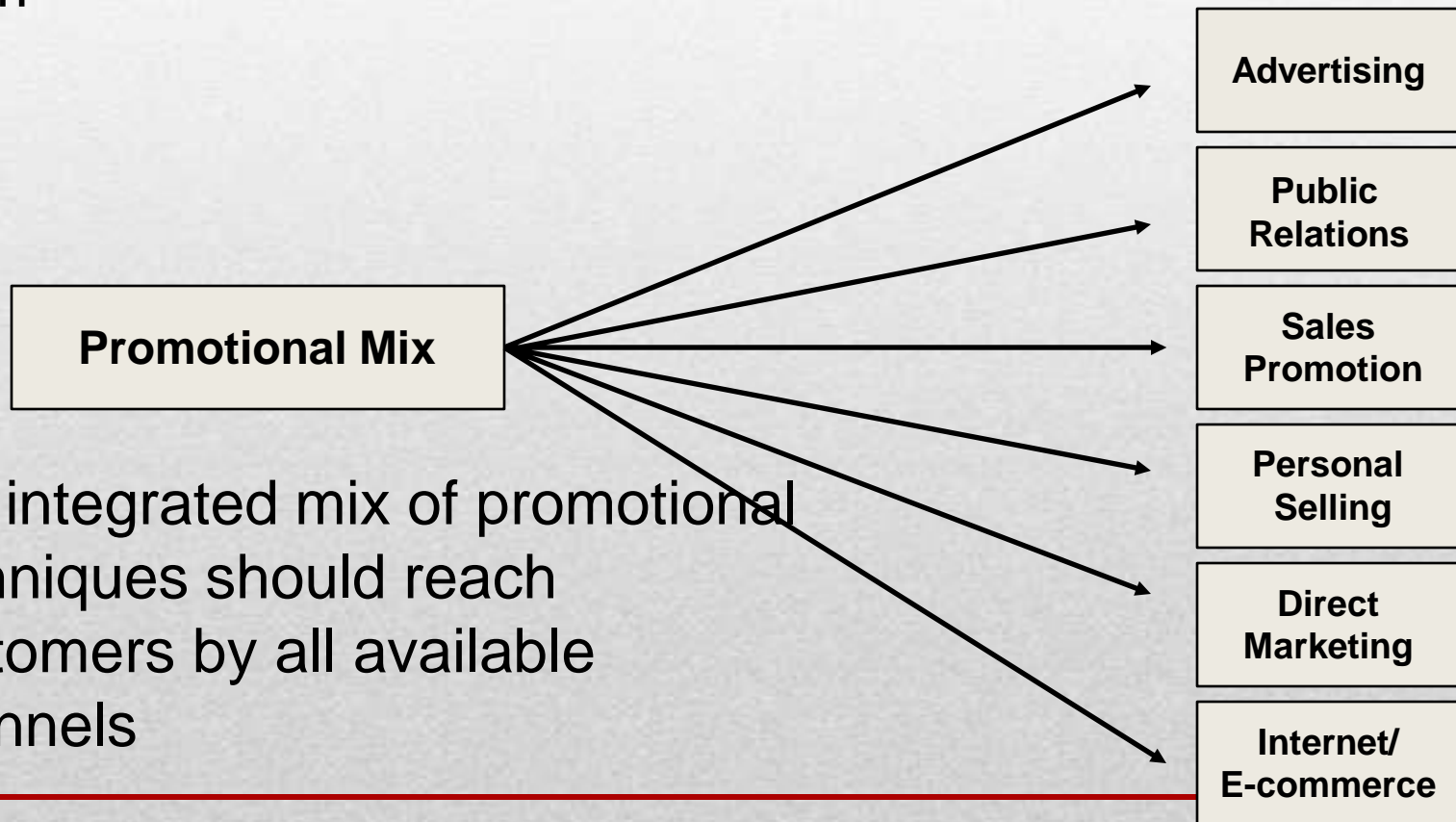
Electronic Channels (less face to face contact)

Advantages :

- Standardised Service
- Cost is low
- Convenient to Customer
- Wide geographic distribution
- Customised offerings

Promotion

- The task of Promotion is to target customers and Communicate with them



- An integrated mix of promotional techniques should reach customers by all available channels



Guidelines for Service Communications

- 1) Provide tangible clues
- 2) Maintain communications Continuity
- 3) Direct Advertising to Employees
- 4) Use of Word of Mouth Publicity
- 5) Promising a service which can be delivered
- 6) Make the service easy to understand .

Promotion-mix or promotion tools are:

- **Advertising:** any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor.
- **Sales Promotion:** a variety of short term incentives to encourage trial of purchase of a product or service.
- **Publicity (PR):** a variety of programs designed to promote / protect company's image or its products.
- **Personal Selling:** face to face interaction with one or more prospective purchasers for the purpose of making presentations, answering questions, and procuring orders.
- **Direct Marketing:** use of non-personal contact (mail, telephone, email etc.) tools to communicate directly (without middlemen) with customers or prospects.

Advertising

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For New Franchisee enquiries call Chandan Bhowmik (9831443366)

Sales Promotion

- Sales promotion is an activity intended to stimulate purchase by adding an incentive to the inherent feature of the service offered.
- Following are some of the sales promotion tools:
Sampling, contest, Rebates, Games, Gifts etc.



Sales Promotion



Taj Exotica Resort & Spa, Maldives

30% cashback at **TAJ**

Use ICICI Bank Credit or Debit Card
on MakeMyTrip

BOOK NOW

make **my** trip

Terms & Conditions apply

Direct Marketing

- Many forms of direct marketing exist
 - – direct mail, telemarketing,
 - - electronic marketing.
- 4 characteristics:
 - Non-public: The message is normally addressed to a specific person.
 - Customized: The message can be customized to appeal to the addressed individual.
 - Up-to-date: A message can be prepared very quickly for delivery to an individual.
 - Interactive: The message can be altered depending on the person's response.



Direct Marketing



FREE DRINK

Screenshot yourself listening to 'ME!' By Taylor Swift and post a photo to Twitter or Instagram using the hashtag #MEBUCKS to receive a voucher for a free drink of choice via Direct Message!

Apple MUSIC Spotify

#PERFECTPARTNERS

Coca-Cola



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Personal Selling



- 3 distinctive features:
 - Personal confrontation: Personal selling involves an alive, immediate, and interactive relationship between two or more persons. Each party is able to observe the other's needs and characteristics at close hand and make immediate adjustments.
 - Cultivation: Personal selling permits all kinds of relationships to spring up, ranging from a matter of fact-selling relationship to a deep personal friendship.
 - Response: Personal selling makes the buyer feel under some obligation for having listened to the sales talk.

Personnel Selling



Personal Selling

- “Globally Motivated, Individually Focused”
- Over 700 sales professionals in 34 regional offices around the world
- Strategic Account Management team dedicated to negotiating **customizable deals with customers**
- Drives profit and leads to stronger and more committed relationships



Finance

Marketing

External Analysis

SWOT

Publicity & Public Relations



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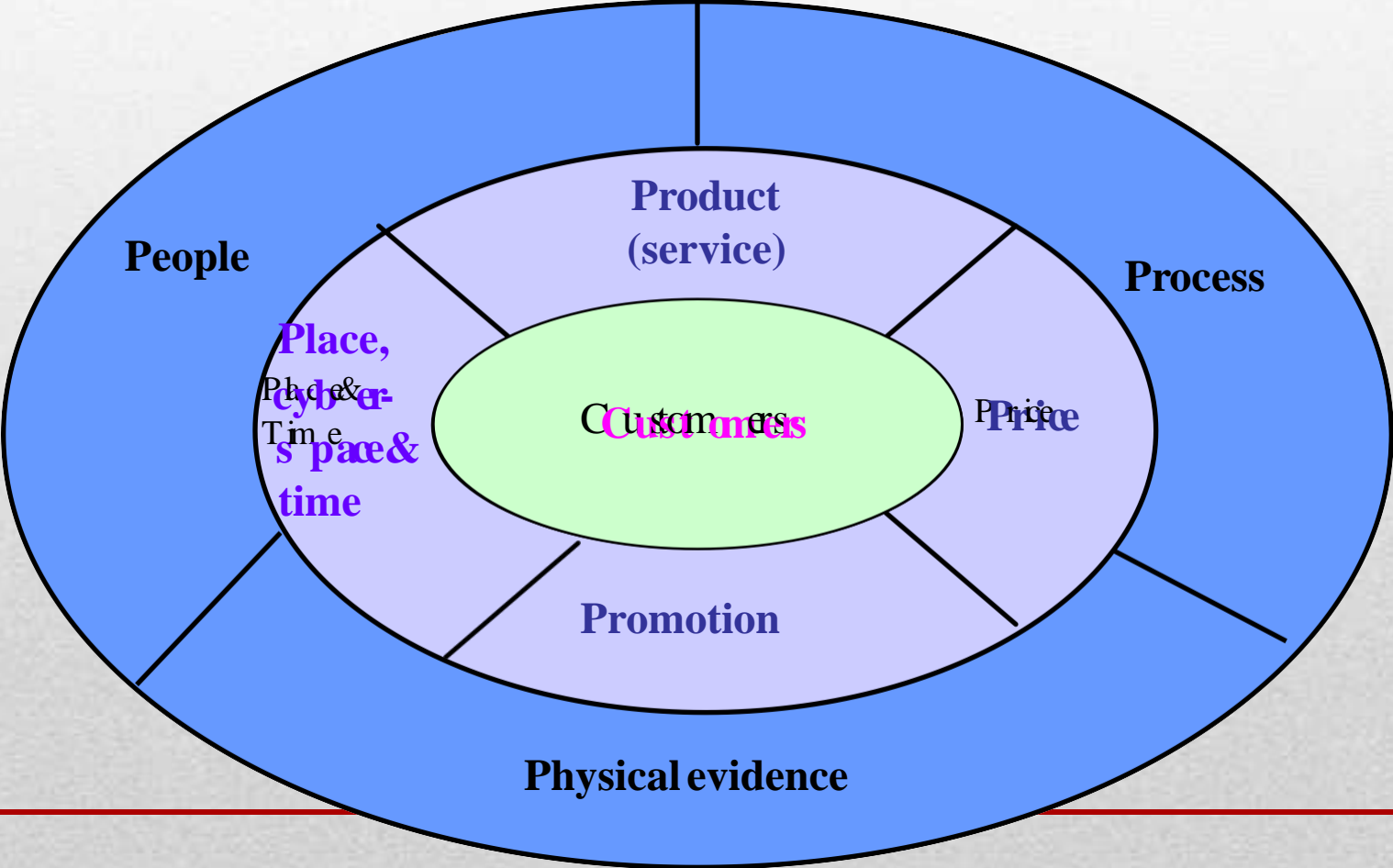
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An expanded marketing mix for services



Extended Marketing Mix in Services



5th P - People



People

- All human actors who play a part in service delivery and thus influence the buyer's perceptions: namely, the firm's personnel, the customer, and other customers in the service environment.

customer

service employees

other customers



What are the People in Services ??

- People refer to all people directly or indirectly involved in the production and consumption of a service,
- Actual Labour/ Skill / Expertise involved in Service Delivery Process
- People are a defining factor in a service delivery process, since a service is INSEPERABLE from the person providing it.
- People have an important role in service delivery, they are relied upon to deliver and maintain transactional marketing and people play an important part in the [customer relationship](#).

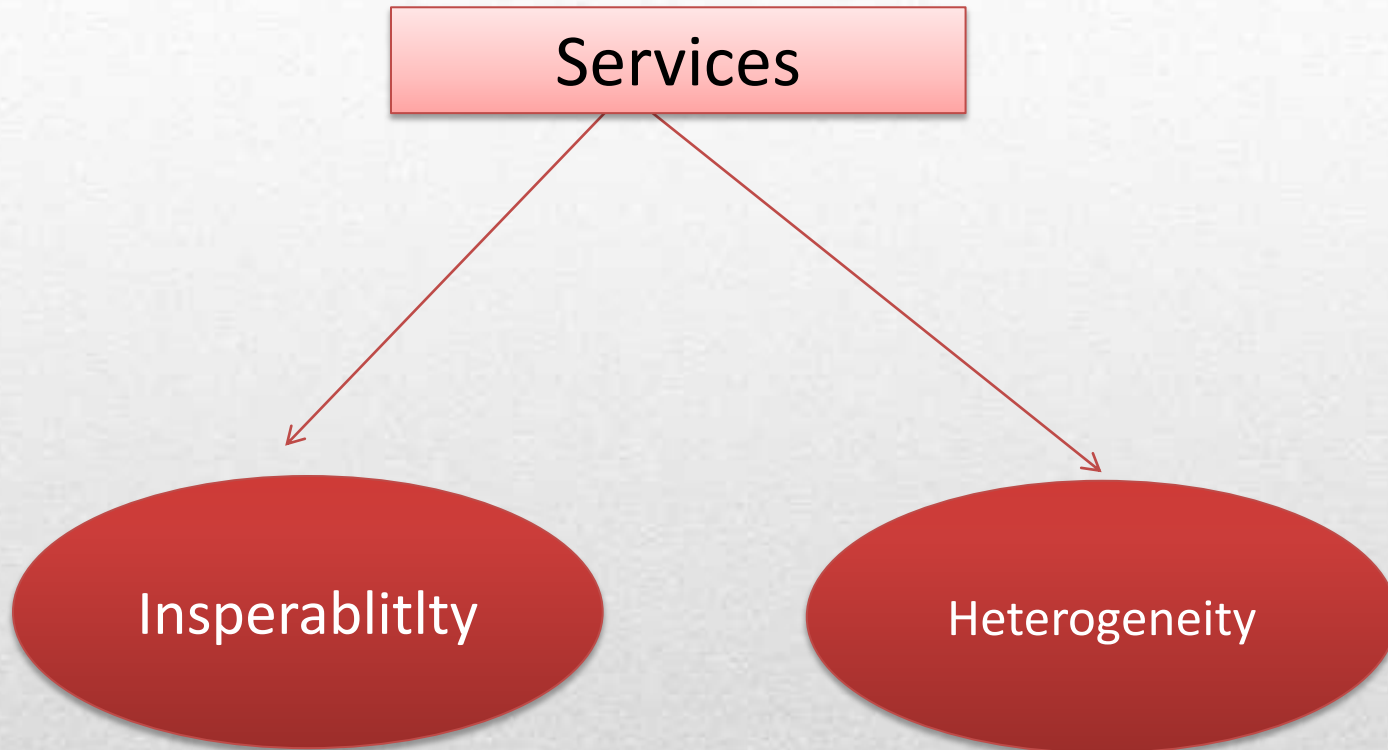
Eg. Employees, Agents, Franchisee Holders, Channel Partners, Customers



Services  **Face / Brand Identity of
the Service Organisation**

Services  **Leave an Impression
about Quality of Service**

Why are PEOPLE important



Why are PEOPLE important (Inseparability)

- Services tend to be produced and consumed at the same moment, and aspects of the customer experience are altered to meet the individual needs of the person consuming it
- Service firms depend heavily on the ability of employees to deliver the service
- People are the transactional interface between the company and its customers
- people deliver the service and they collect money

Services Differ..... (Heterogeneity)

- Service firms must find ways in which they can effectively manage the employees to ensure that their attitudes and behaviours are conducive to the delivery of service quality
- This is especially important in services because employees tend to be variable in their performance, which can lead to variable quality
- i.e. heterogeneity in the performance of services

Managing Internal Customers

Recruitment and Selection

- Recruit customers that possess the competency to perform the necessary tasks

Job Analysis

- Are customers aware of their roles and equipped with the required skills?

Education and Training

- Information required for them to perform their roles via instructions or video demonstration

Motivate

- Ensure that they will be rewarded for good performance

Appraise

- For sub-par performances, improve customer training or change the role or process

Ending

- Last resort: if customer is non compliant consider termination of the relationship

Strategies to power People factor



Strategies to power People factor

- **Recruit the Right People for the Right job** – Identify the job and list the right qualities
- **Selection of the best candidate** – Evaluate the best candidates for the job
- **Induction** - The induction will involve the person in the organization's culture for the first time, as well as briefing him or her on day-to-day policies and procedures.
- **Training – on the job & off the job** – a comprehensive training plan to inculcate the set service benchmark offerings
- **Performance Appraisal** – Monetary & Non-monetary benefits
- **Empowerment** – freedom of operations and taking decisions – gives motivation to the employees for better performance

Conclusion in People

- People are the face of the Service Organisation
- Employees contribute to service quality by creating a favourable image for the firm, and by providing better service than the competitions

Examples :

Hair Stylists in Salon

Personal trainers in Gyms

Doctors and Nurses in medical services

Counsellors and Consultancy

Teachers in Education

Hotel Staff

Chef & Waiters in the restaurant

Banker in the bank

Air hostess/ Ground staff in the flight,

People Strategies

Staff Nurse Recruitment in Lilavati Hospital Mumbai

STAFF NURSE

Nursing Diploma / Degree

0-5 years experience

Application mode:-On-line

NursesJOBVacancy

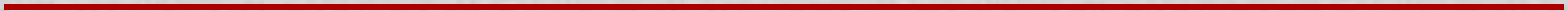




Out Patient Dept. (OPD)



6th P – Physical Evidence



Physical Evidence

- The environment in which the service is delivered and where the firm and customer interact, and any tangible components that facilitate performance or communication of the service.

- Atmosphere
- equipment
- facilities
- uniforms



PHYSICAL EVIDENCE

The Environment in which the service is assembled and delivered
Combined with tangible commodities that facilitates performance or communication of services.

Physical evidence includes the **servicescape**, a term used to describe the physical facility where the service is produced and/or delivered.

Physical Evidence includes all tangible representations of service such as :

- Brochures
- Letterhead
- Business Cards
- Report formats
- Physical Facilities

Elements of Physical Evidence

Physical Facilities

- Buildings
- Furniture
- Company Name
- Brochures
- Stationery
- Uniform
- **Essential evidence to prove existence**

Physical Environment - Servicescape

- Ambience
- Space
- Décor & Artefacts
- Air Quality & Room Temperature
- **Needed Differentiator**

Social Settings

- Appearance of Service personnel
- Uniforms
- **Influences Customer Attitude**

Servicescape

The outward appearance of an organisation which is critical in forming initial impression of setting up customer expectations.

It facilitates Service performance

Ambience

- Temperature
- Light
- Music
- Scent
- Colour
- **Reflects what people think, feel and respond**

Space

- Ease of access
- Proximity
- **Makes customers feel comfortable**

Décor & Artifacts

- Signs
- Symbols
- Artifacts
- **Creates a first impression which communicates with customer**

Physical Evidence in Services

- *Utmost importance – a guarantee that service exists.*
- *The elements of 'marketing mix' which customers can actually see or experience when they use a service, and which contribute to the perceived quality of the service*
- *For eg, the physical evidence of a bank could include the state of the branch premises, as well as the delivery of the banking service itself.*
- *The hotel – its ambience, aroma, colour theme, furniture arrangement, the waiters uniform etc.*

Elements of PHYSICAL EVIDENCE

Exterior Facility

- Buildings & Exterior Design
- Signage & Banners/ Hoarding
- Parking
- Landscape
- Surrounding Environment

Interior Facility

- Interior Design & Layout
- Signage
- Artefacts & Décor
- Equipments & Machinery
- Smell/ Scent / Sound
- Air Quality & Room Temperature

Other Tangibles

- *Business cards*
- *Stationary & Deliverables*
- *Billing statements and Reports*
- *Brochures*
- *Employee performance*
- *Employee appearance and Uniforms*

EXAMPLES OF PHYSICAL EVIDENCE FROM *THE CUSTOMER'S POINT OF VIEW*

Service	Physical Evidence	Other tangibles
Insurance	<ul style="list-style-type: none"> Building Banners Hoardings for Advertisement 	<ul style="list-style-type: none"> Policy itself Billing statements Periodic updates Company brochure Letters/cards
Hospital	<ul style="list-style-type: none"> Building exterior Parking Signs Waiting areas Admissions office Patient care room Medical equipment Recovery room 	<ul style="list-style-type: none"> Uniforms Reports/stationery Billing statements
Airline	<ul style="list-style-type: none"> Airline gate area Airplane exterior Airplane interior (décor, seats, air quality) 	<ul style="list-style-type: none"> Tickets Food Uniforms
Express mail	<ul style="list-style-type: none"> Name of Company on Office Building 	<ul style="list-style-type: none"> Packaging Trucks Uniforms Computers
Sporting event	<ul style="list-style-type: none"> Parking, Seating, Restrooms Stadium exterior Ticketing area, Concession Areas Entrance, Playing Field 	<ul style="list-style-type: none"> Signs Tickets Program Uniforms

Physical Evidence - Strategies....

- ***Recognize the strategic impact of physical evidence.***
- ***Blueprint the physical evidence of service.***
- ***Clarify strategic roles of the servicescape.***
- ***Assess and identify physical evidence opportunities.***
- ***Be prepared to update and modernize the evidence.***
- ***Work cross-functionally.***

Conclusions for PHYSICAL EVIDENCE— THE SIXTH ‘P’

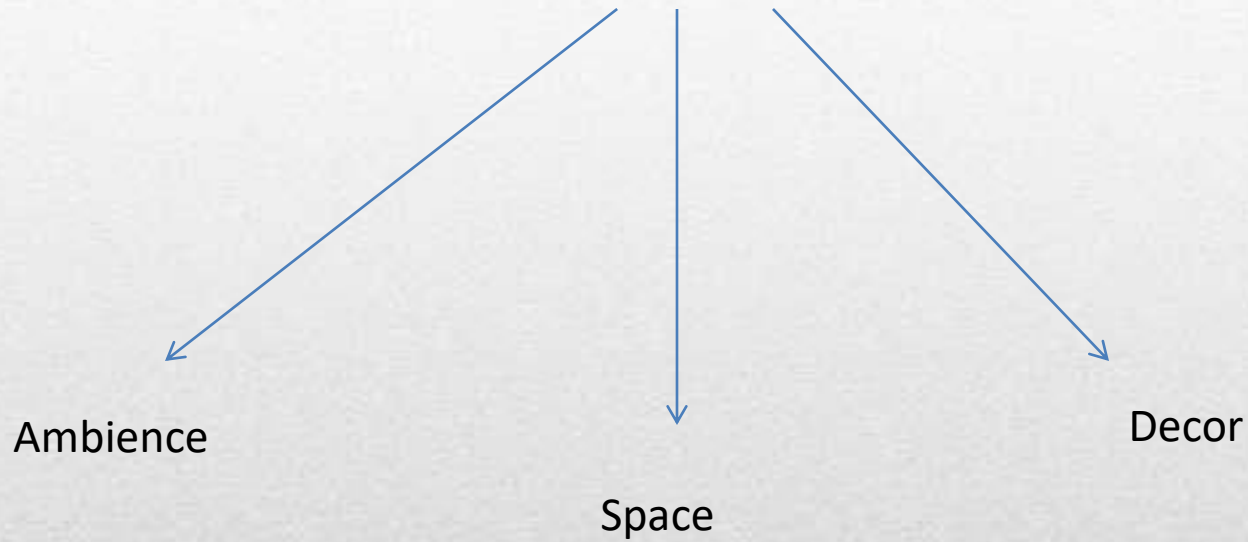
- *‘Servicescape’ or ‘Atmospherics’ creates mood, longing, attraction or desire to visit / recommend service provider by tangibilisation. It includes every tangible touch point i.e. brochure, building, dress of the people, furniture, wall decor etc.***

Physical Evidence of a Bank

- Seating – comfort, layout, availability
- Counters – Query Solving, Information on Counter-board
- Facilities – ATM, Washrooms, parking, digital boards of interest
- Overall Appearance – clean, professional, well-dressed employees, smell of money
- Service Delivery – prompt, efficient
- Atmosphere – professional, empathetic, friendly
- Accessibility – Entrance access

Physical Evidence of a Bank

Banks



Physical Evidence



For Details:-
Full price request form
Call us at 1800233077 / 0800090077
1800233077 (toll free number in India)
Log on to www.axisbank.com
April 2012

Terms & Conditions
Service Charges & Fees

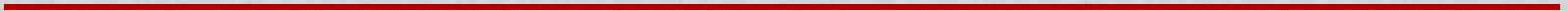
 **AXIS BANK**
PRIME

 **AXIS BANK**
PRIME





7th P - Process



Process

- The actual procedures, mechanisms, and flow of activities by which the service is delivered—the service delivery and operating systems.

service delivery systems

- back stage
- front stage

procedures

policies



Service Process

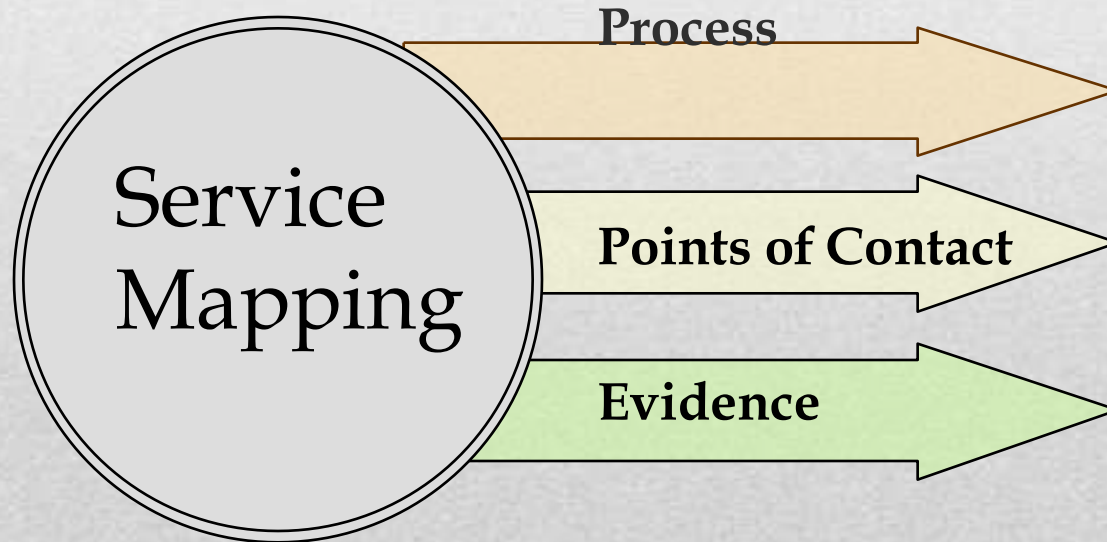
- A process outlines the procedures and methods to be followed to produce and deliver a service. It also determines the extent of customer involvement and participation required in service creation and delivery,
- Process explains a series of activities, their sequence and the role to be played by the service provider, the intermediaries and the customer. It plays an important role in determining the quality of service design, production and delivery.

Service Blueprint

- Picture or map that portrays the service system
- Particularly useful at design and redesign stages of service development.
- Break the service into logical components and to depict the steps or tasks in the processes, the means by which they are executed and evidence of the service as consumer experiences it.

Service Mapping/Blueprinting

A tool for simultaneously depicting the service process, the points of customer contact, and the evidence of service from the customer's point of view.



Blueprint components

- **Customer actions**: it includes steps, choices, activities and interactions that customer performs in the process of purchasing, consuming and evaluating the service
- **Onstage employee actions**: steps and activities that the contact employees performs that are visible to the customer.
- **Backstage employee actions**: steps and activities that occur behind the scene to support onstage activities.
- **Support processes**: covers the internal services, steps and interactions that take place to support the contact employees in delivering the service.

Service Blueprint Components

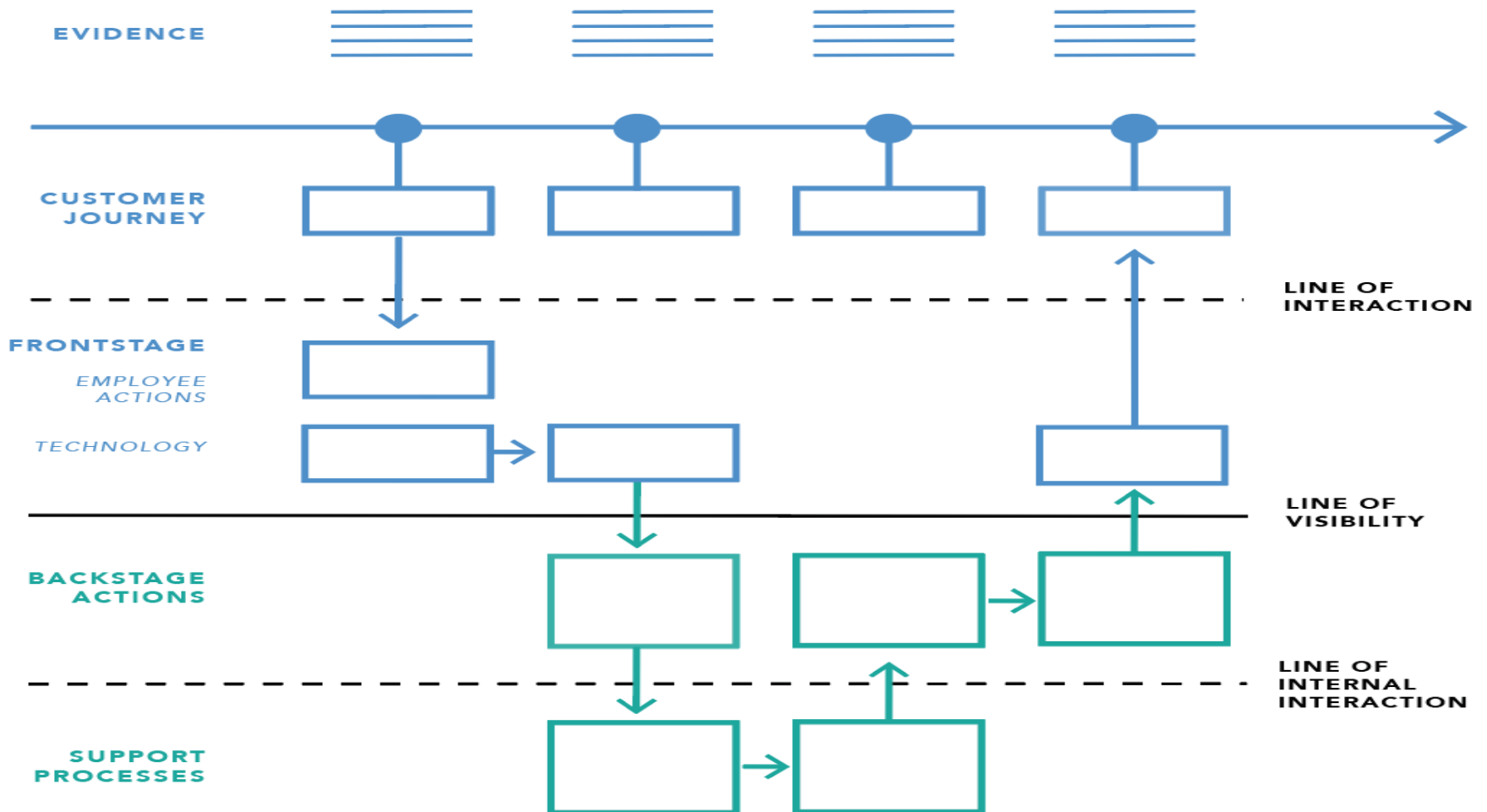
Line of interaction: direct interactions b/w the customer and organization.

Line of visibility: this line separates all service activities that are visible to the customers from those that are not visible.

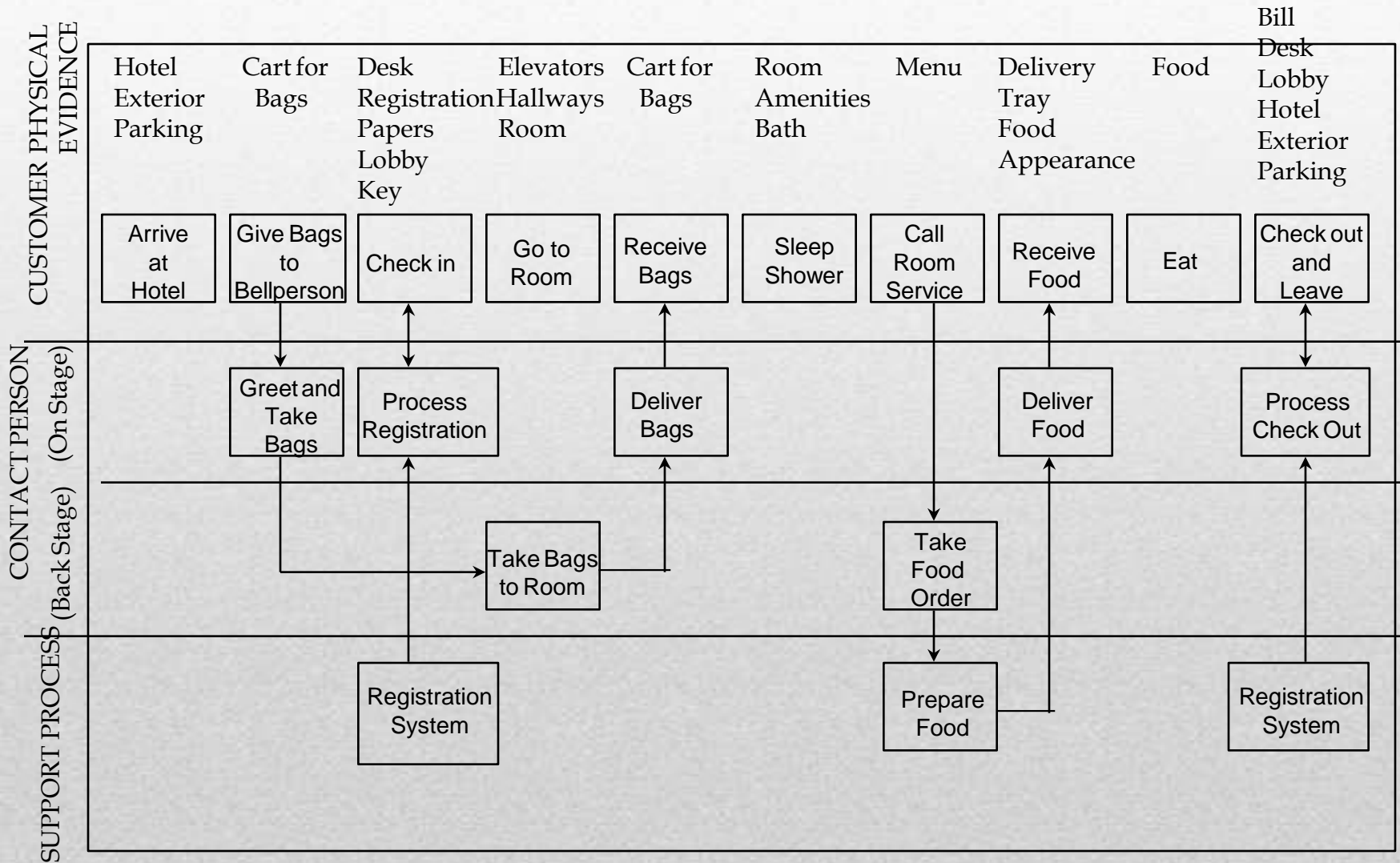
Line of internal interaction: separates contact employees activities from those of other service support activities and people.

Physical evidence – Building, office, Computer, brochures etc

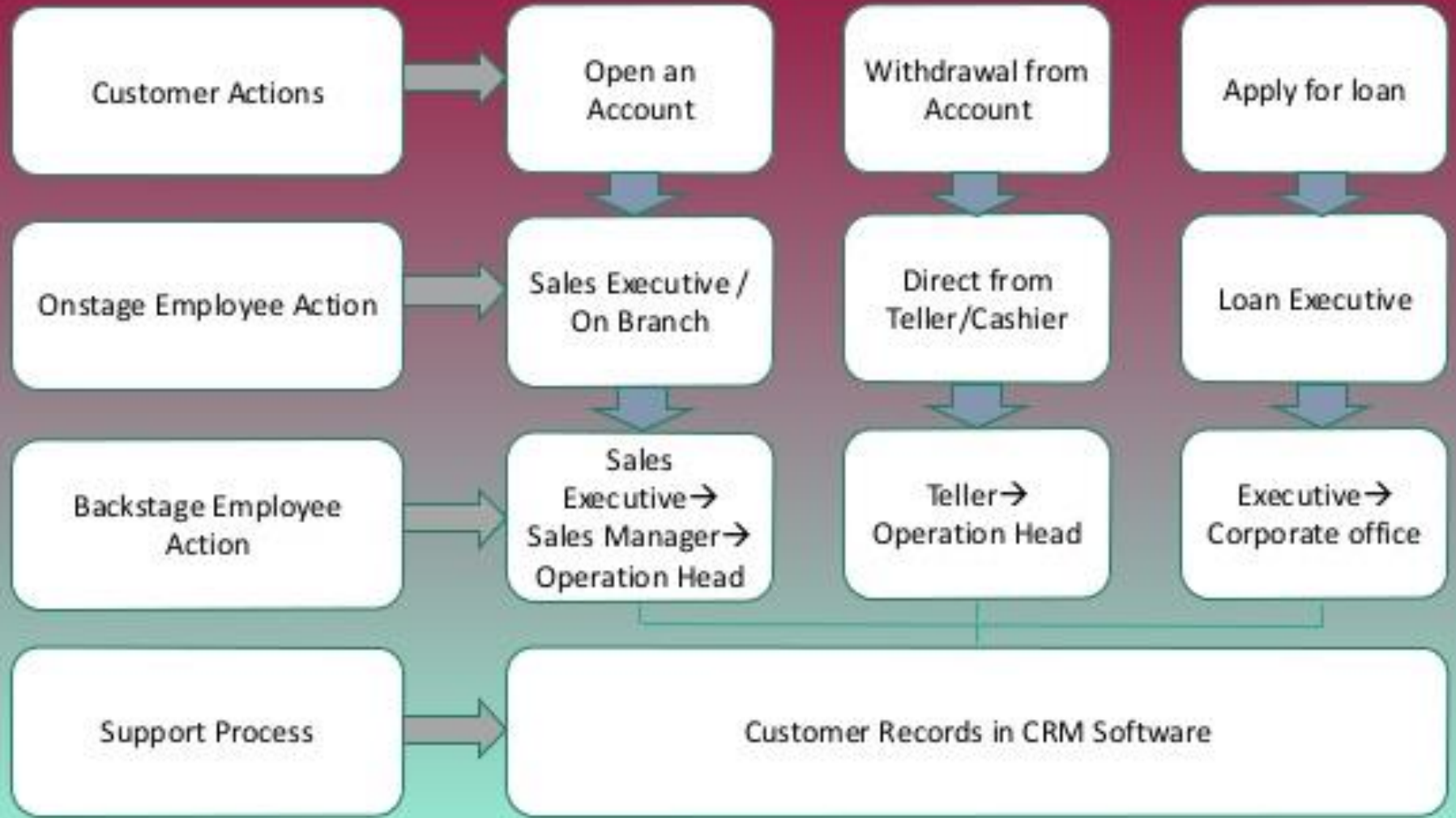
Service Blue Print



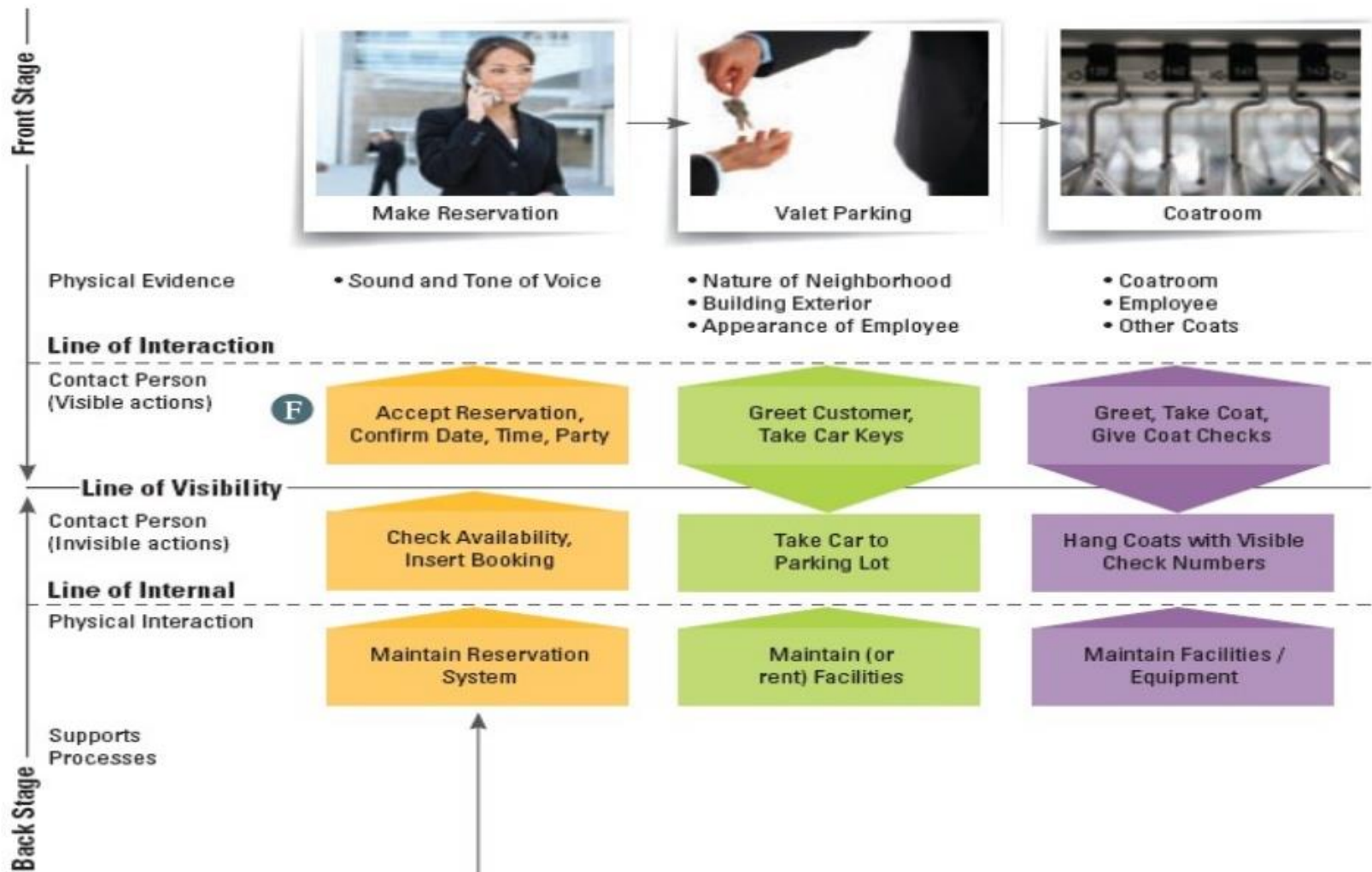
Overnight Hotel Stay



Blueprint of Service



Blueprinting the Restaurant Experience: Act 1

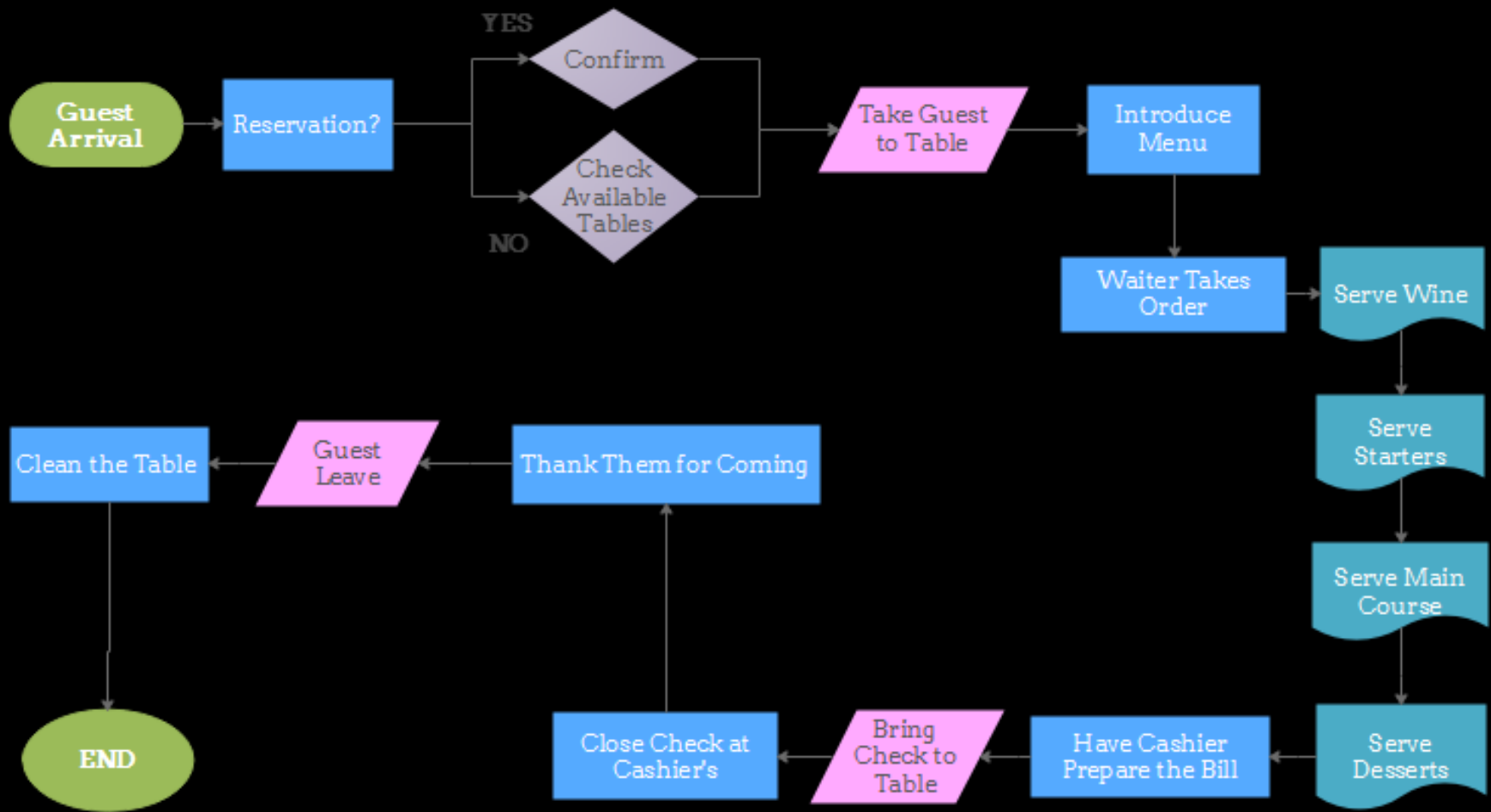


PEOPLE PROCESSING - STAY AT MOTEL



POSSESSION PROCESSING - REPAIR A DVD PLAYER





Building a Service Blueprint

Step 1

Identify the process to be blue-printed.

Step 2

Identify the customer or customer segment.

Step 3

Map the process from the customer's point of view.

Step 4

Map contact employee actions, onstage and back-stage.

Step 5

Link customer and contact person activities to needed support functions.

Step 6

Add evidence of service at each customer action step.

Why is Blue Printing important ??

1. New Service Development
 - concept development
 - market testing
2. Supporting a “Zero Defects” Culture
 - managing reliability
 - identifying empowerment issues
3. Service Recovery Strategies
 - identifying service problems
 - conducting root cause analysis
 - modifying processes
4. Understanding Time Span per Activity
5. Human Resource Planning Requirement
6. Space Planning

Blueprints Can Be Used By:

- **Service Marketers**

- creating realistic customer expectations
- service system design
- promotion

- **Operations Management**

- rendering the service as promised
- managing fail points
- training systems
- quality control

- **Human Resources**

- empowering the human element
- job descriptions
- selection criteria
- appraisal systems

- **System Technology**

- providing necessary tools:
 - system specifications
 - personal preference databases

Expanded Marketing Mix for Services

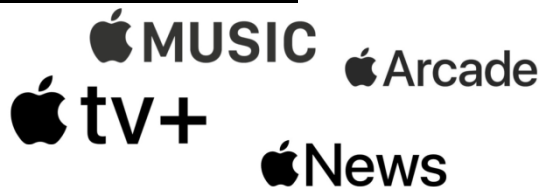
PEOPLE	PHYSICAL EVIDENCE	PROCESS
Employees	Facility design	Flow of activities
Customers	Equipment	Number of steps
Communicating culture and values	Signage	Level of customer involvement
Employee research	Employee dress	
	Other tangibles	

Branding in Services

Branding in Services

The American Marketing Association defines a brand :

A name, term, sign, or design, or a combination of them, intended to identify goods and services of one seller or a group of sellers so as to differentiate them from the competition



Branding in Services

- A brand can convey six levels of meaning:
- **Attributes:** Helps the customer associate certain attributes to the offering, like availability of 24-hour service from Citibank (The Citi never sleeps).
- **Benefits:** The attributes and features of the service should be able to convey the existence and promised delivery of benefits that could be functional (State Bank of India has wide ranging offers for all) and/or emotional (Security is a warm feeling) and (The nation banks on us).
- **Values:** The brand should communicate about the values and beliefs of the service marketer (HDFC extols trust, faith, and expertise: 'With you. Right through'); Delhi Police (With you, for you, Always)
- **Culture:** The service brand can represent certain specific culture (McDonalds is as much about America as Lufthansa is about German culture; dabbawalas about India)
 - **Personality:** The service can project a personality (NIIT suggesting an intelligent personality like Vishwanathan Anand, while Airtel talks about a can-do person).
 - **User:** The brand also suggests the type of customers who uses its service (American Express cards boast that its card holders are achievers).

Importance of Branding in Services

- Services are highly competitive, so need to increase Brand Identity
- A powerful tool for relationship building & customer retention
- Easy to launch a new service offering
- Branding augments the tangible benefits of the service
- Creates an image of quality and consistency
- Reduces price comparison
- Helps to create a unique added advantage
- Helps to develop value perceptions

Service Characteristics & Problems of Branding of Services

- **Intangibility** – makes it difficult to evaluate quality .
Commoditization is difficult. Commoditization refers to the difficulty in establishing uniqueness because technology has made it easier for competitors to copy your successes.
- **Perishability** – Services are produced & consumed simultaneously, service benefit and quality is experienced after purchase. The branding challenge is to first build a strong reputation & image for temptation to purchase
- **Inseparability** – Service brands fail to deliver satisfaction consistence to its delivery & consumption
- **Heterogeneity** – Different employees deliver different perceptions of the brand. Difficult to set a common tone of Internal people

How to create a Brand

Courage to be Different – brand presentation & experience should create a distinct image

Eg. Zoom Cars

Determine your own fate

Eg. Ola / Zomato

Build an emotional Connection

Eg. McD, British Airways

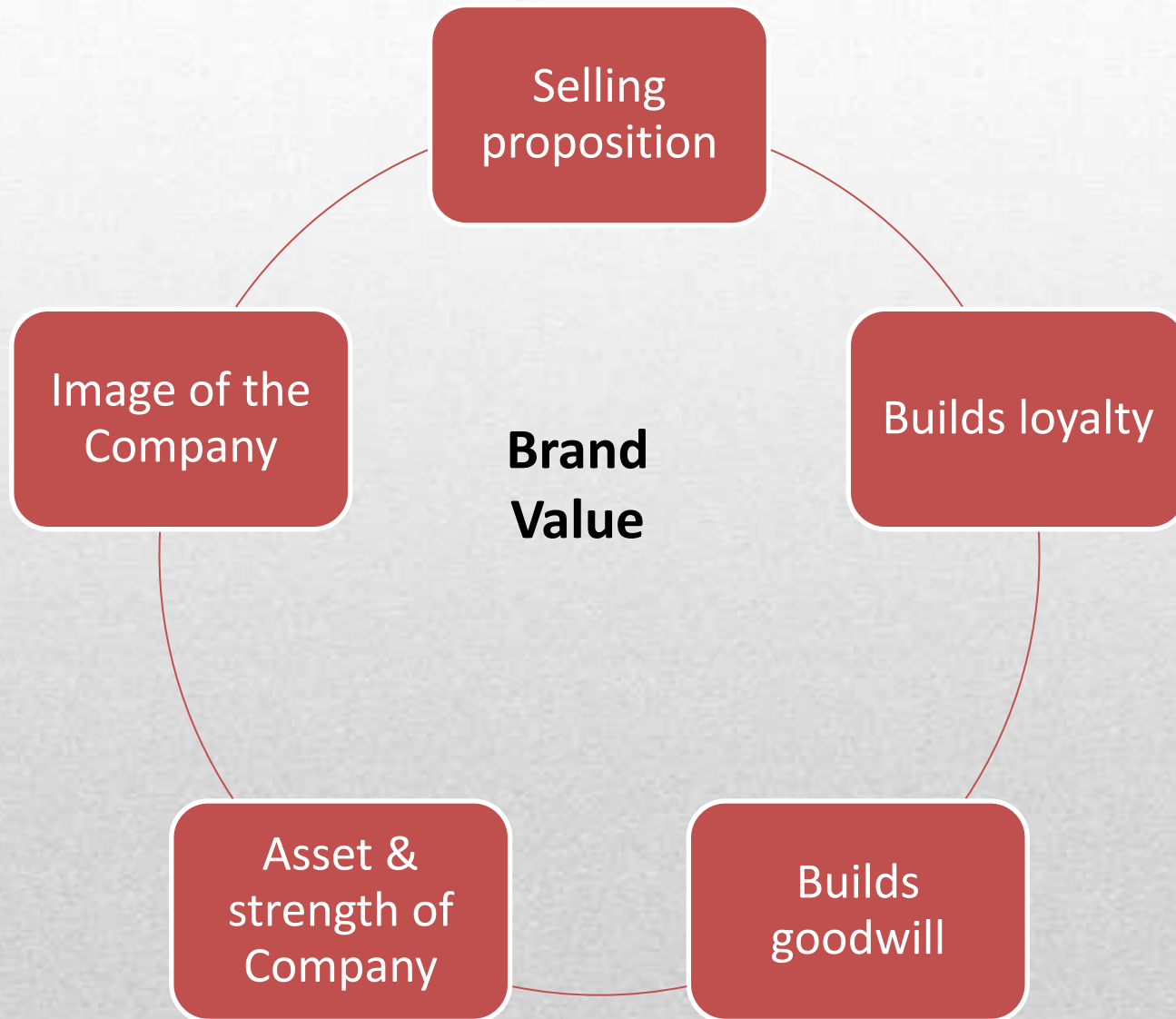
Internalise the Brand - transform vision to reality




Internalise the Brand

- Explain & sell the brand to employees
- Share research strategy to employees
- Creatively communicate the brand within
- Train employees in building Brand consistently
- Reward & Appraise employees who perform in accordance with brand
- Involve employees in caring and nurturing the Brand

Brand Value Proposition





**Service Customers do not switch Brands
very easily ?
Justify.**

Brands seek & build relationship with target audience

Functional Benefits

“What it does”

- Ability to deliver superior functions
- Eg. Walmart, PVR-Inginia

Emotional Benefits

“Feelings from it”

- Satisfaction from it
- Caring
- Romance
- Security
- Eg. ICICI, British Airways

Self Expressive Benefit

“Connectivity”

- Connect to Customers
- Eg. Jio, DMart

Types of Branding Strategies

Individual Name

Blanket Family Name

Umbrella Brand

Separate Family Name

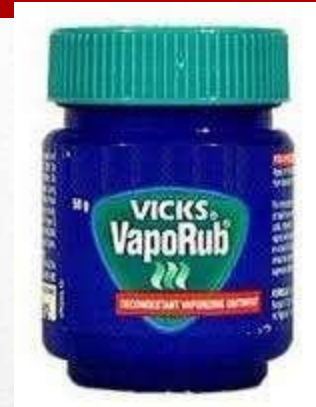
Corporate Name Combined

Co-Branding

Multiple Branding

Individual Name

- Vicks
- Ariel
- Tide
- Head & Shoulder
- Pampers

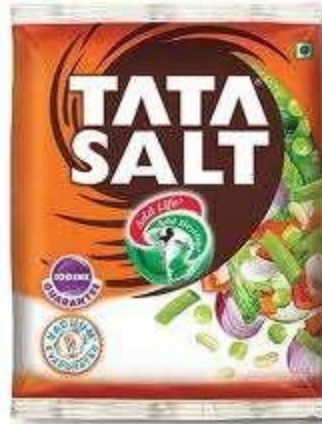


- The major advantage is that if the product does not perform well, it will not hurt the company's image.
- Also known as house of brands

Blanket Family Name

- The blanket family name of the company is used in diverse product categories.
- Low development cost.
- Sales of new product is likely to be strong if the manufacturer's name is good.
- Also known as branding house

Blanket Family Names



TATA
indicom

Umbrella Brand

- If the company offer different products with different benefits but they all extend the same value to the customer, sometimes they are all offered under an overall brand.



NIKE

Separate Family Names

- This is normally used by the companies which produces products of different sectors.
- In this separate family names for all the products are given.
- In this system a separate brand name for each line (one for each category) is used.

Aaditya Birla Group

Grasim
SUITING

UltraTech
CEMENT

The Engineer's Choice



HUL Separate Brand Family

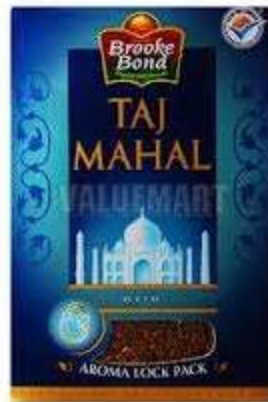


Lakme



Kissan

Brooke Bond



Corporate Name Combined

- In this strategy company combine its name with separate product brand name.



Co-Branding

- It is also known as dual branding.
- It occurs when two or more brand appear together.
- It can be done in four ways:
 - Ingredient co-branding
 - Same company co-branding
 - Joint venture or post merger co-branding
 - Multiple sponsor co-branding

Ingredient co-branding

- When a brand advertises that it has used ingredients or components made by the another brand it is known as intergradient co-branding.
- For example:
 - Dell computers and Intel processors



Same company co-branding

- When the company link its one brand products with the other brand.
- For example:
 - Clinic all clear and Close up



Joint Venture Co-branding

- This include brands that carry two or more brand names due to merger or acquisition.
- For Example:
 - Maruti Suzuki
 - Hero Honda
 - Bajaj Allianz Insurance



Multiple Sponsor Co-branding

- When the product has more than one sponsor.
- For Example:
 - Jet Airways and Citi Bank Card



Multiple Branding

- This strategy refers to the practices of a company having many brands in a single product category.
- For e.g.:
 - Tata has multiple brand in watches as Titan, Fastrack, Sonata, Raga and Edge.



Thank you!
Jim

