



Services Marketing

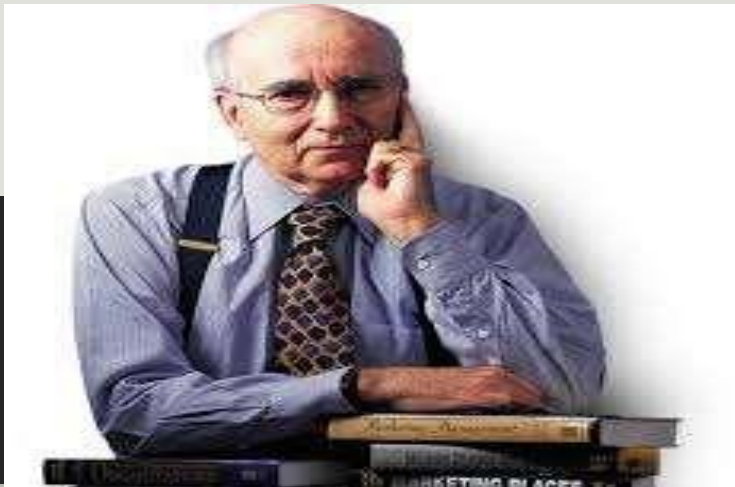
INTRODUCTION TO SERVICE MARKETING

Reference Books :

1. **Services Marketing - Zeithmal & Bitner**
2. **Services Marketing - C.Bhattacharjee**
3. **ICFAI Module in Library**

“ A Service is an act of performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product.”

- Philip Kotler

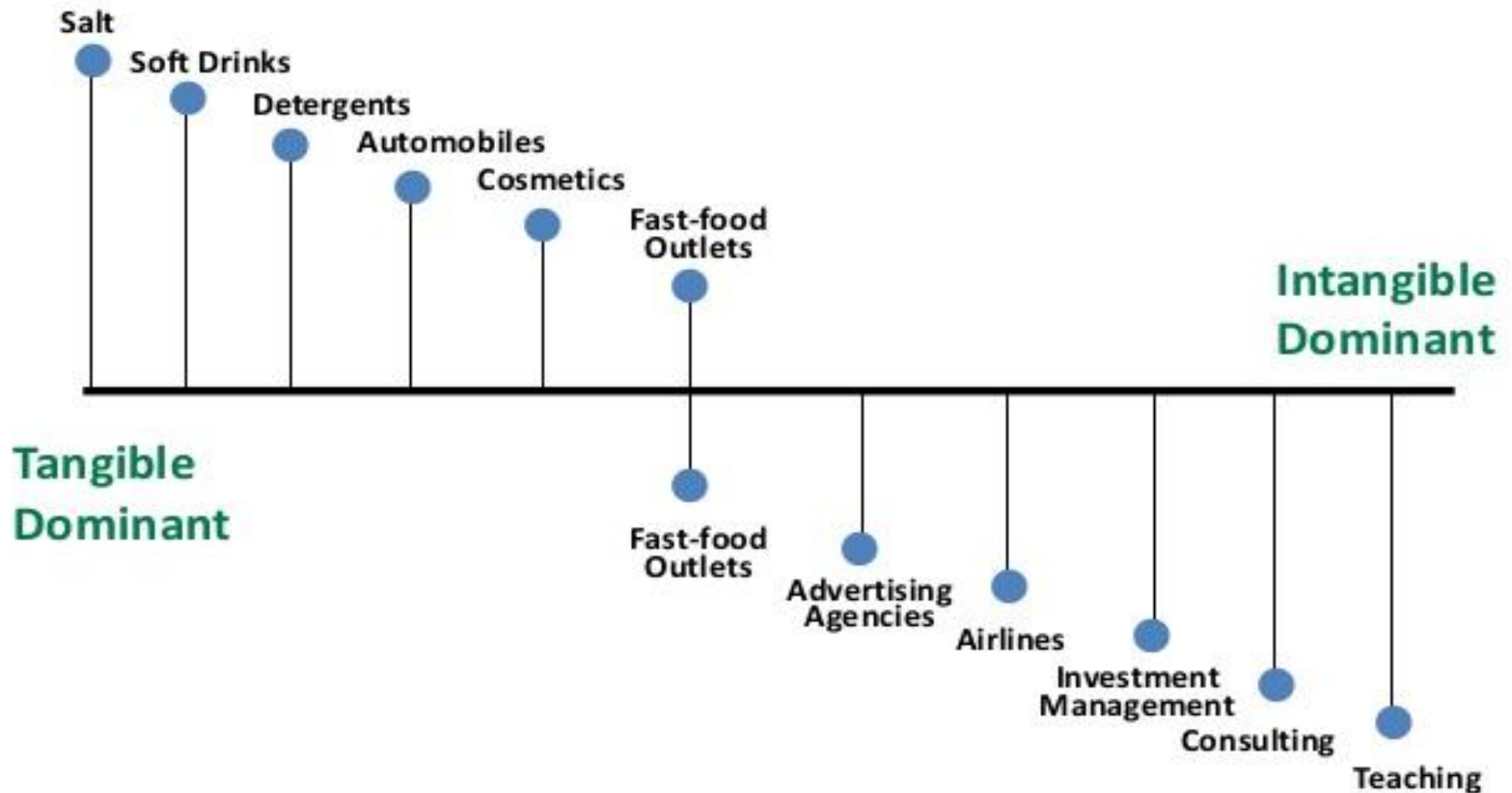


SERVICE DEFINITION

Services are different than Goods ????

Pure services offering	Pure product offering
Intangible	Tangible
Heterogeneous	Homogeneous
Production, distribution and consumption are simultaneous processes	Production and distribution are separated from consumption
More difficult to demonstrate	Can be demonstrated before moment of purchase
Cannot be transported	Can be transported
Is an activity or a process	Is a physical entity
Is produced in interaction between buyer and seller	Is produced in a specialized remote facility
Customers participate in production process	Customers in general do not participate in the production process
Cannot be stored	Can be stored
Property cannot be physically transferred	Property is physically passed on to new owner

Tangibility Spectrum



CHARACTERISTICS OF SERVICE MARKETING

1. INTANGIBILITY
2. PERISHABILITY
3. INSEPARABILITY
4. HETEROGENEITY
5. OWNERSHIP
6. SIMULTANEITY
7. QUALITY MEASUREMENT
8. NATURE OF DEMAND

INTANGIBILITY

- ❓ Services are intangible we cannot touch them as they are not physical objects.
- ❓ A consumer feels that he has the right and opportunity to see, touch, hear, smell or taste the goods before they buy them but this is not applicable to services.
- ❓ The services are not known to the customer before they take them.

INTANGIBILITY EXAMPLE

- ❓ Mobile network providers like Vodafone , Airtel , Reliance , etc.



PERISHABILITY

- ❑ Value of service exists at the point when it is required.
- ❑ Services perish as soon as they are used.
- ❑ Services last for a specific time and cannot be stored like a product for later use.



INSEPARABILITY

- ❑ Services cannot be separated from the service provider.
- ❑ Thus, the service provider would become a part of a service.
- ❑ Production and consumption of services go hand in hand.

INSEPARABILITY EXAMPLE

- ❑ Taxi operator drives taxi, and the passenger uses it.
- ❑ The presence of taxi driver is essential to provide the service.



HETEROGENEITY

- ❑ The quality of services cannot be standardized.
- ❑ Systems and procedures are put into place to make sure the service provided is consistent.
- ❑ The service firms should make an effort to deliver high and consistent quality by selecting good and qualified personnel for rendering the service.

HETEROGENEITY EXAMPLE

- ❑ Live concerts like singing , dancing and comedy shows , movies , etc.



OWNERSHIP

- ❑ In the sale of goods, after the completion of process, the goods are transferred in the name of the buyer and he becomes the owner of the goods.
- ❑ But in the case of services, the users have only an access to services.
- ❑ They cannot own the service.

OWNERSHIP EXAMPLE

Membership of a gym



SIMULTANEITY

- ❑ Services cannot move through channels of distribution and cannot be delivered to the potential customers and user.
- ❑ Either users are brought to the services or providers go to the user.
- ❑ It is right to say that services have limited geographical area.

COST & SIMULTANEITY EXAMPLE

- ❑ When the producers approach the buyer to deliver services the cost of those services is increased. On the other hand it cost time and money for the buyers to come to producers directly.
- ❑ A doctor's visit to home.
- ❑ Electronics service, repair & maintenance centers.

QUALITY MEASUREMENT

- ❑ A service sector requires another tool for measurement.
- ❑ We can measure it in terms of service level.
- ❑ It is very difficult to rate or quantify services.

QUALITY MEASUREMENT EXAMPLE

- ❓ We can quantify the food served in a hotel but the way waiter serves the customer or the behaviour of the staff, timely delivery , hygiene etc. cannot be ignored while rating the total process.
- ❓ Thus the firm sells good atmosphere, convenience of customers, consistent quality of services, etc.

NATURE OF DEMAND

- ❑ The services are fluctuating in nature.
- ❑ The demand of services can be abnormal, sudden seasonal, situational & dependent.
- ❑ Therefore, while identifying the salient features of services one cannot ignore the nature of demand.

NATURE OF DEMAND EXAMPLE

- Service quality level deteriorates during peak hours in hotels, transportation etc.
- E-Retailers offering huge discounts on festive occasions
- A marketer should effectively utilize the capacity without deteriorating the quality to meet the demand.



Few Additional Characteristics

- I. Services are sold exclusively on the basis of benefits they offer.**
- II. Services cannot be made available in advance.**
- III. Time utility is critical.**
- IV. Services cannot be transferred.**
- V. A service once consumed cannot be returned.**

Video on Services Characteristics

<https://www.youtube.com/watch?v=OOa2tkDBRi4>

Implications of Unique Characteristics of Services

Intangibility

```
graph LR; A[Intangibility] --- B[Demonstration is difficult]; A --- C[Sampling is difficult]; A --- D[No Impulse purchase]; A --- E[Design the service package is difficult];
```

Demonstration is difficult

Sampling is difficult

No Impulse purchase

Design the service package is difficult

Strategies to Overcome the Challenge:

1. Brand Personality Association
2. Documentation for Marketing
3. Facts & Figures for Marketing

Perishability

```
graph LR; A[Perishability] --- B[Storage of Service is not possible]; A --- C[Problem of Delayed Sales]; A --- D[Demand cannot be estimated]; A --- E[Opportunity Loss];
```

Storage of Service is not possible

Problem of Delayed Sales

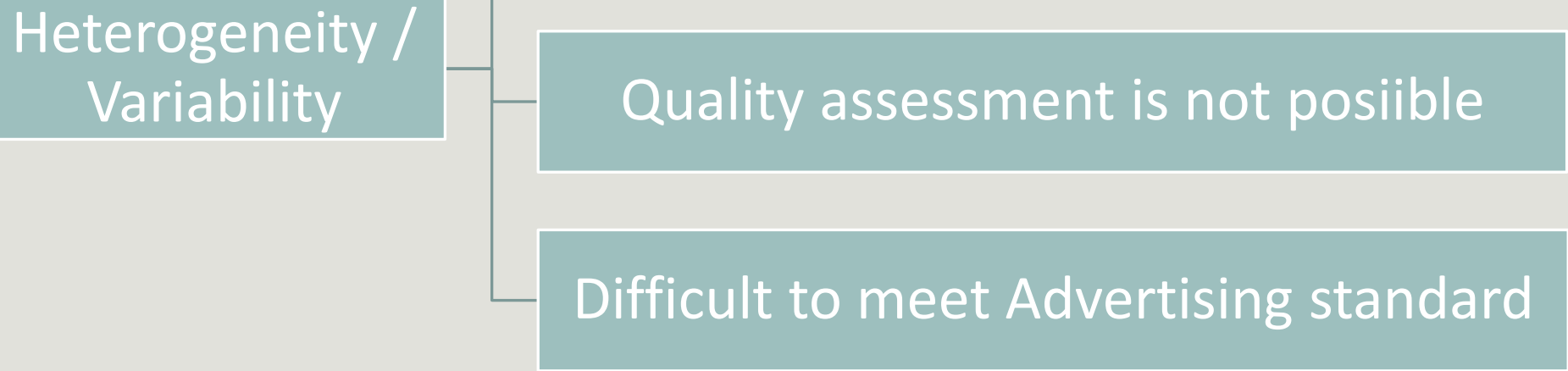
Demand cannot be estimated

Opportunity Loss

Strategies to Overcome the Challenge:

1. Over Marketing – try excess demand
2. Offer Complimentary Services
3. Match Demand & Supply

Heterogeneity /
Variability



Limited Standardisation

Quality assessment is not possible

Difficult to meet Advertising standard

Strategies to Overcome the Challenge:

1. Focus on Standardisation
2. Training as a Internal Marketing Strategy
3. Introduce Automation to reduce Human Interaction
4. Monitor Customer satisfaction through feedback and surveys

Inseparability /
Simultaneity

Geographic Expansion is not possible

Service Quality maintenance

Limited Capacity of transactions

Strategies to Overcome the Challenge:

1. Automation – Videoconferencing / Robotic / Machine based approach
2. Standardisation of process
3. Training to Internal Staff Members

Customer
Participation



Difficult to control customers

Production is dependant on Customer
knowledge & ability to participate

Strategies to Overcome the Challenge:

1. Educate Customers & train
2. Effective External Marketing Strategies

No Ownership

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graph LR; A[No Ownership] --- B[High Consumer Dissonance]; A --- C[Impulsive evaluation by customers];
```

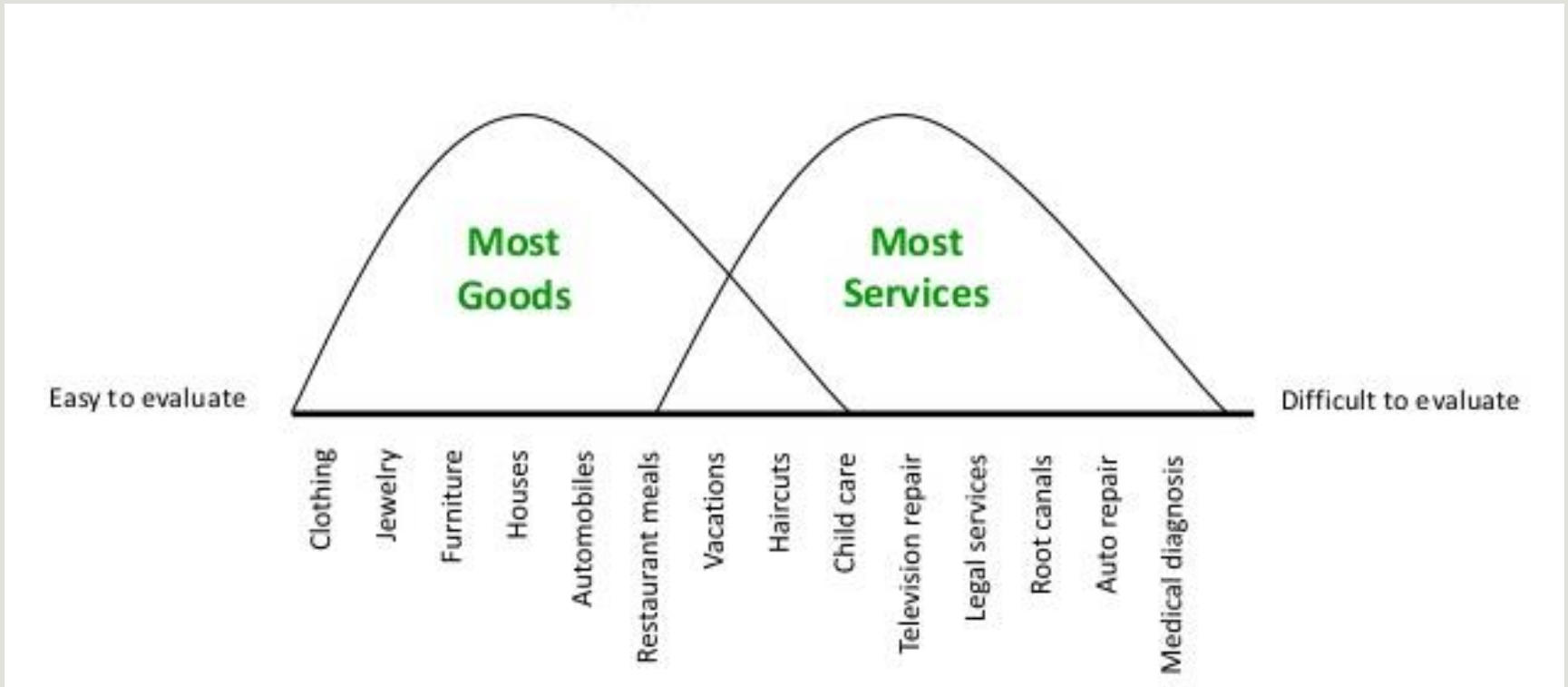
High Consumer Dissonance

Impulsive evaluation by customers

Strategies to Overcome the Challenge:

1. Tangibilise Communication as far as possible
2. Build strong Customer relationships

Product – Service Continuum



Product – Service Continuum

- ▶ **Pure Goods:** At the pure end of the continuum, goods that have no related services are positioned. Ex: tomatoes, books, pen, chemicals, soaps, jewellery etc., they are very tangible and would fall in the pure goods at the end of the continuum.
- ▶ **Pure Services:** At the pure services end of the continuum, we find services that are not associated with physical products. Ex: a teacher, a doctor, a consultant, a financial adviser etc., they provide very intangible benefits and would fall in the pure service at another end of the continuum.
- ▶ **Core Goods and Core Services:** Products that are a combination of goods and services fall between the two ends. Entities such as automobiles industries, hotels, airlines, etc., provide a service and a product and therefore would be located near the middle of the

Consumer Evaluation Processes for Services

Search Qualities

- attributes a consumer can determine prior to purchase of a product

Experience Qualities

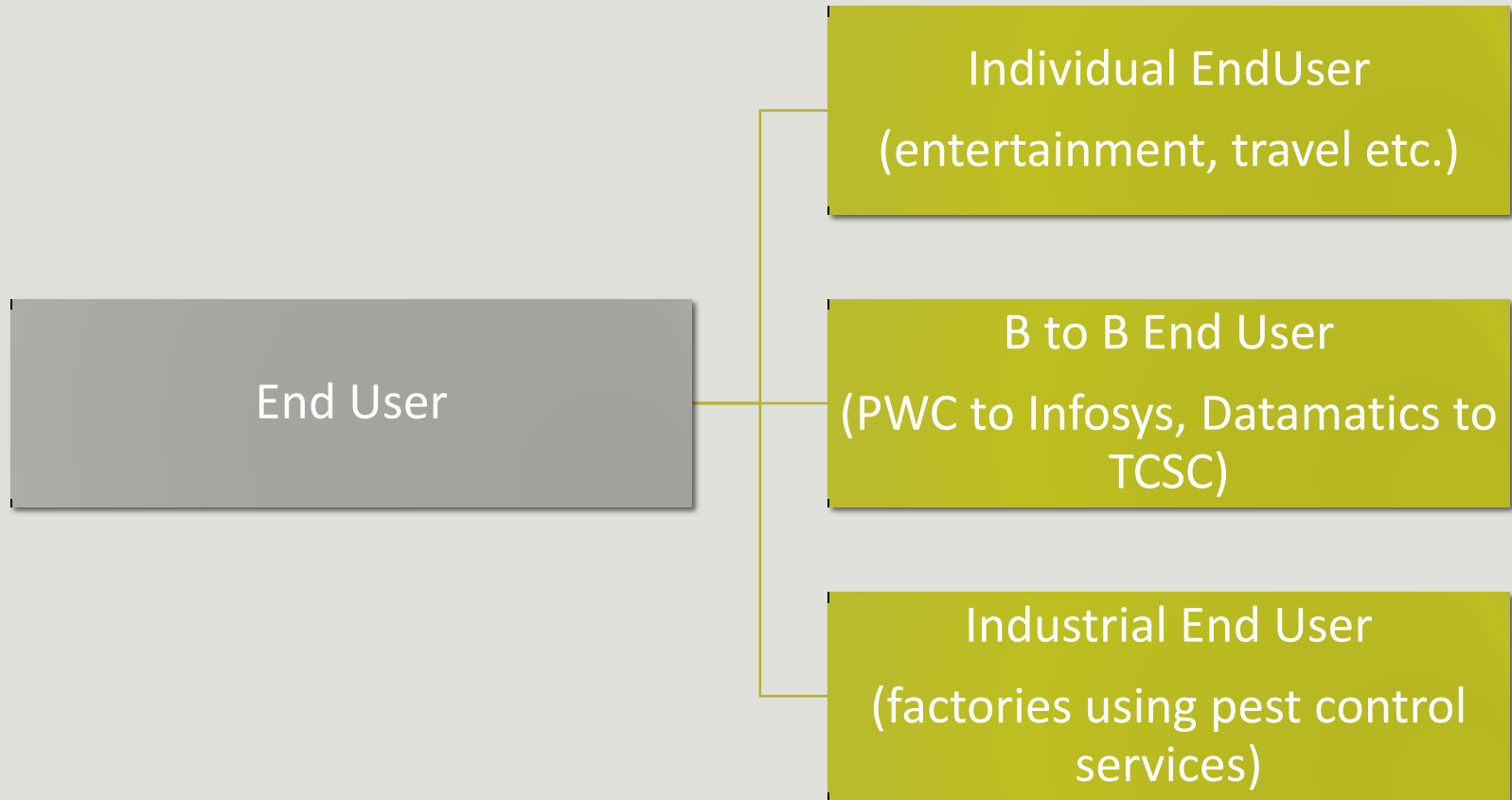
- attributes a consumer can determine after purchase (or during consumption) of a product

Credence Qualities

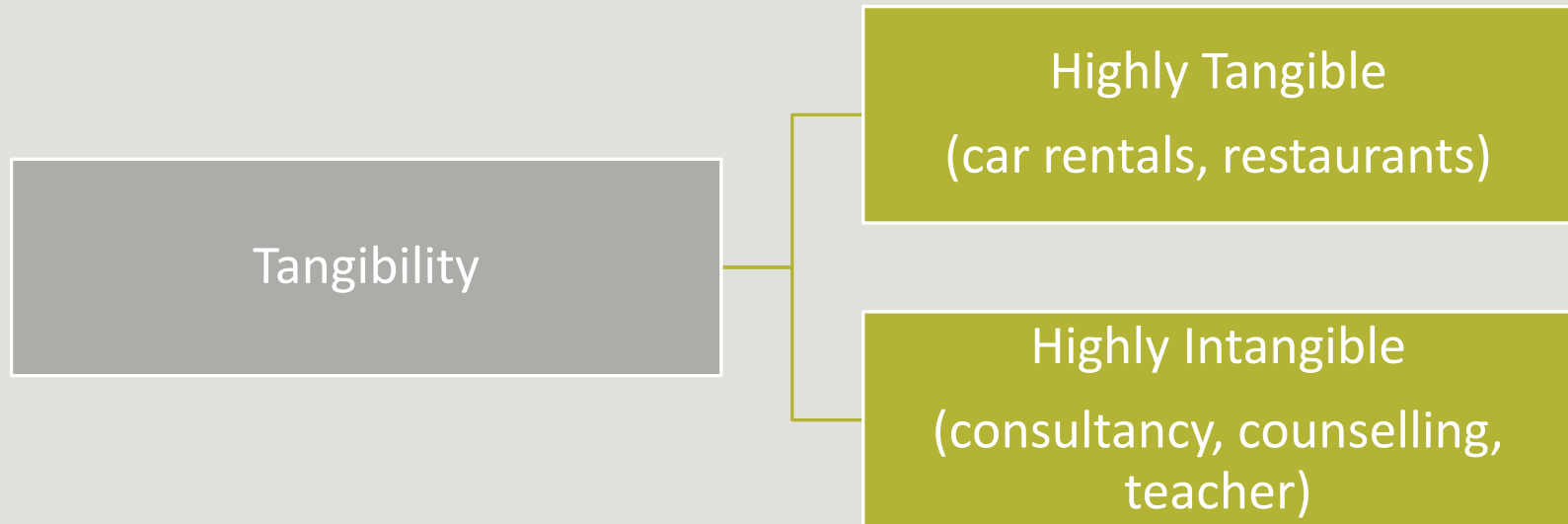
- characteristics that may be impossible to evaluate even after purchase and consumption

Classification of Services

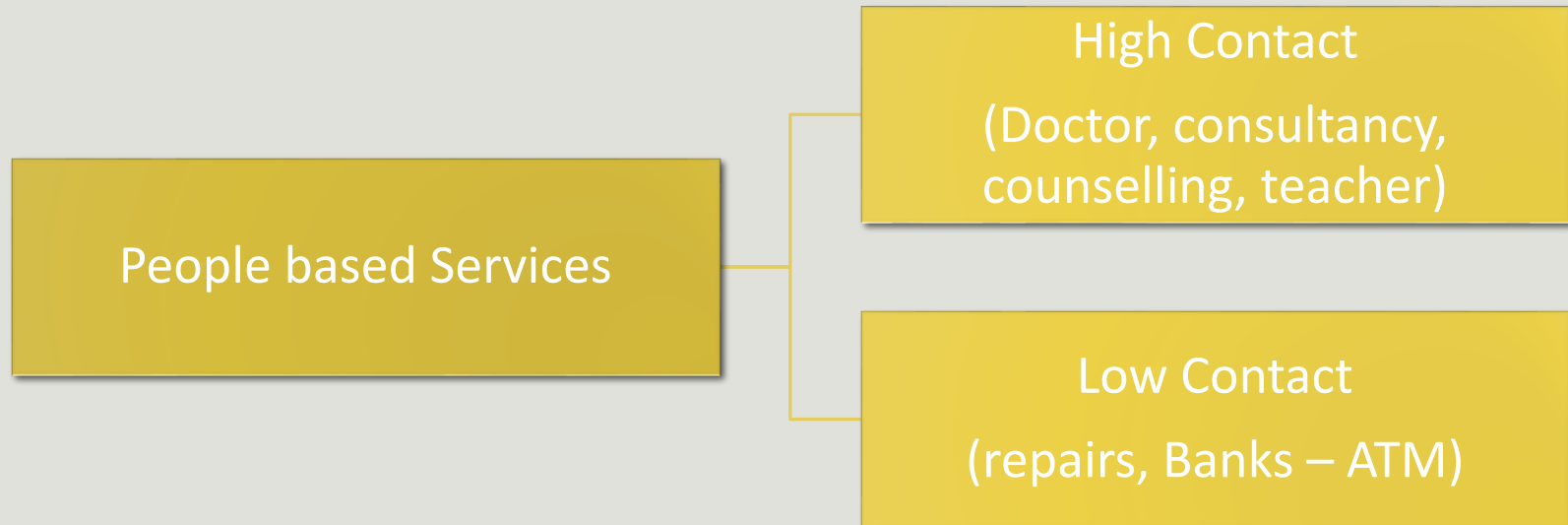
Classification on basis of End User



Classification on Degree of Tangibility



Classification on Degree of Contact



Classification on Degree of Expertise

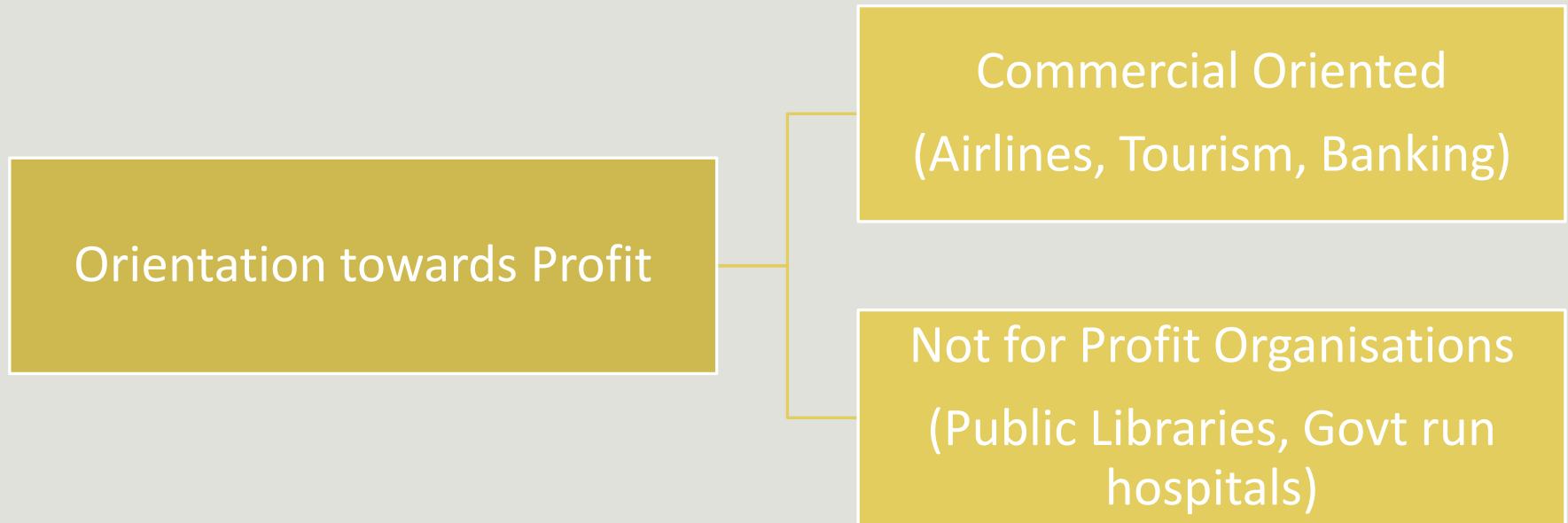
Expertise

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graph LR; A[Expertise] --- B[Highly Professional Services  
(Doctor, consultancy, counselling, teacher)]; A --- C[Non Professional Services  
(Tailors, Cobblers, Construction workers)];
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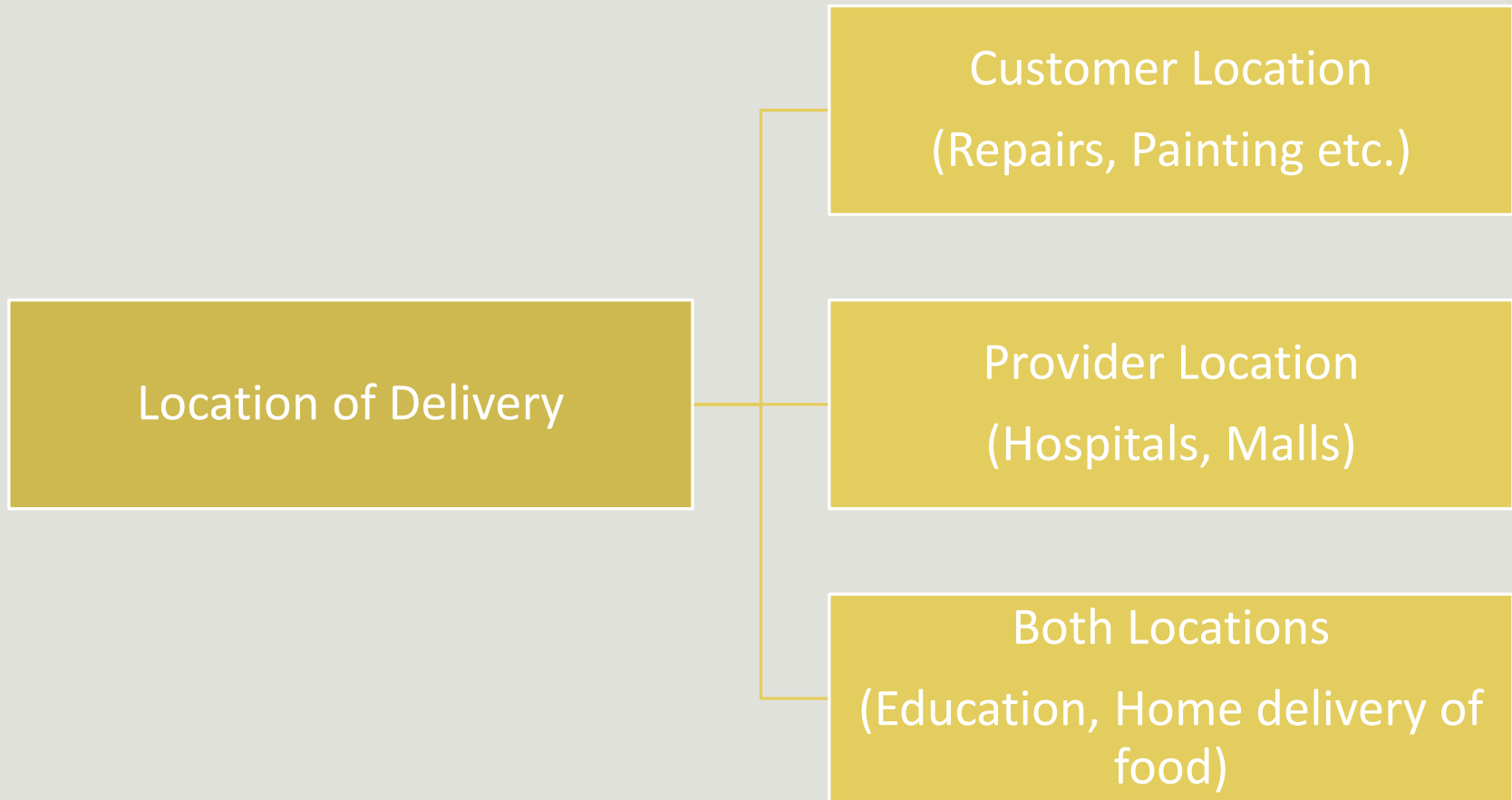
Highly Professional Services
(Doctor, consultancy, counselling, teacher)

Non Professional Services
(Tailors, Cobblers, Construction workers)

Classification on basis of Orientation to Profit



Classification on basis of Location of Delivery









Service Marketing Triangle

Service Marketing Triangle

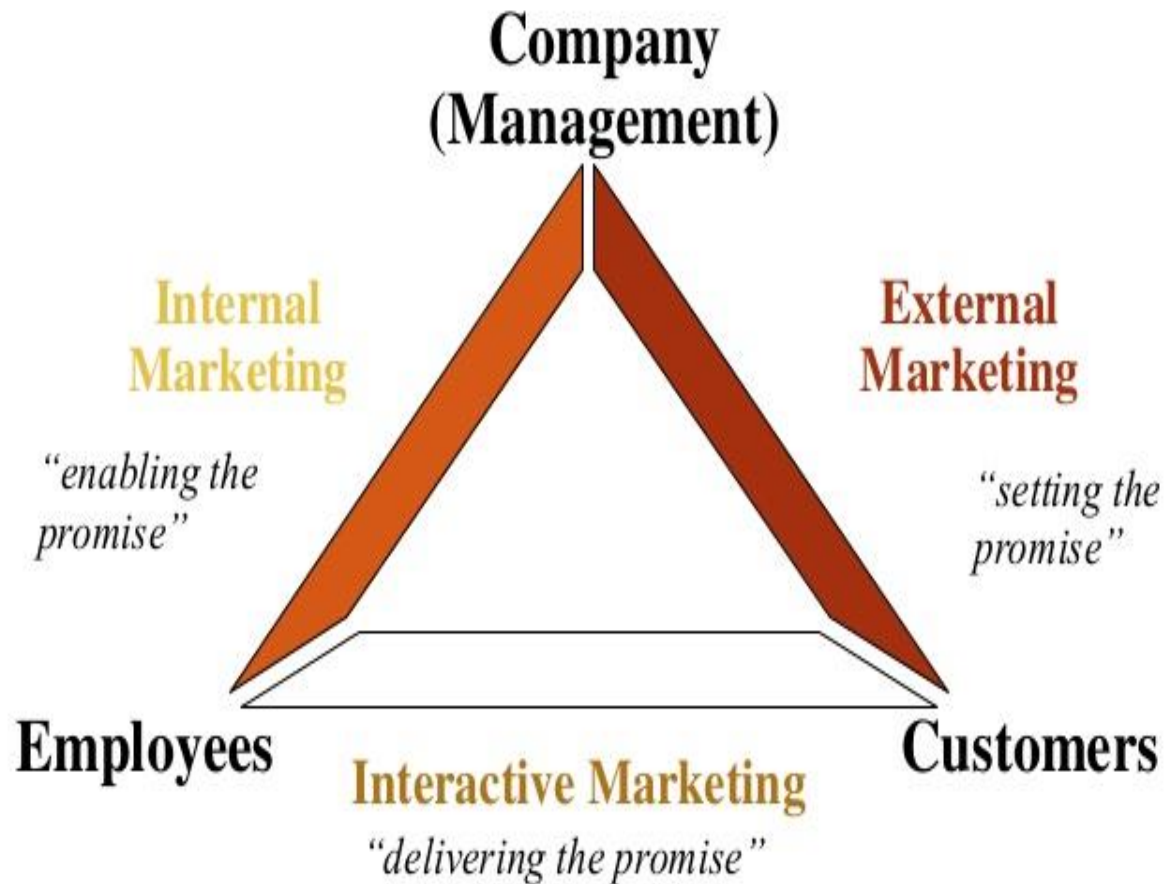
Service marketing triangle a dynamic model where there are three interlinked groups that work together to *develop, promote, and deliver* services.

These key players are labeled on the points of the triangle – *Company, Customer* and *Providers(employees)*.

Between these three points on the triangle, there are three types of marketing :

- *External Marketing: marketing communications between Company and Customers*
- *Internal Marketing: communications between Company and employees*
- *Interactive Marketing: marketing Experiences between Customer and employees*

The Services Marketing Triangle



Source: Adapted from Mary Jo Bitner, Christian Gronroos, and Philip Kotler

Services are a game of PROMISE

Here, "promise" means to assure the customer about the services that are being offered which will be provided to them in time and with same quality and quantity as mentioned.

Points of the triangle



- Each side of the service marketing triangle represents a type of marketing, and the types interact between the entities on the points where the sides meet.
- At the top of the triangle sits your business organization.
- At each corner at the bottom of the triangle are your customers and your employees who interact with and provide the services to your customers.

External Marketing: *(setting the promise)*

- Marketers directly interact with the customers in order to know their needs
- Set price, create awareness, design the promotional strategies
- Performed to capture the attention of the market and interest of the customer towards the company's services.
- Consist of :
 - ∅ Advertising,
 - ∅ Sales Promotions
 - ∅ Public Relations
 - ∅ Direct Marketing
 - ∅ Making Service availability

Communication and The Services Marketing Triangle Company (Management)



Internal
Marketing:
*(enabling the
promise)*

- Internal processes which enables service marketers to deliver promises to customers
- Marketing to employees
- Company view its employees as its internal customers and orient the Vision, Mission of the Company to them.
- It involves Recruiting the right people, training the employees, motivating them, teamwork programs, teaching them customer satisfaction techniques, etc.
- The company shares its goals with its employees and communicate with them on a regular basis

Interactive marketing: *(delivering the promise)*

- **Moment of Truth, Service Encounter**
- This refers to the significant moment of interaction between the front-office employees and customers
- This is the most important part of the service triangle, creates the first impression of the Company Services
- If the employee fails to deliver at this level then all the efforts made towards establishing a relationship with the customer would be wasted.
- Interactive marketing is the most important part of the service marketing triangle because it establishes a long term or short term relations with customers.
- The interaction is two-way, since employees also gain feedback about the service offerings

The Service Encounter

is the “moment of truth”

occurs any time the customer interacts with the firm

can potentially be critical in determining customer satisfaction and loyalty

types of encounters:

- remote encounters
- phone encounters
- face-to-face encounters is an

opportunity to:

- build trust
- reinforce quality
- build brand identity
- increase loyalty



The moment of truth is when the Customer and Service Personnel meet - also called as Service Encounter



The point when the skill, motivation and the tools employed by the service personnel and the expectations and behaviour of the customer create a service experience

Moment of Truth

Conclusion

- Now a days market leaders are aware of the external threats and opportunities that affects their business. They also know how to communicate with their clients and employees in order to achieve organizational goals.
- Service triangle has great importance and its components are essential in the success of any business. A well established business always follows the strategies of service marketing triangle.

Strategic Implications of the services marketing triangle:



Company should more concentrate on customer satisfaction rather than its own convenience.



Good ambience and culture should be developed and maintained in the organization.



Service personnel should be very good at knowledge, skills and empowered in performing the task.



Good delivery associated activities should be developed.

Video on Service Marketing Triangle of a Luxury Hotel

https://www.youtube.com/watch?v=3jm4hJ5_n0U&feature=youtu.be

Purchase Process for Services



Role of Services in Modern Economy

Year Percent

1950-51 28.0

1990-91 42.5

2000-01 50.5

2013-14 60.0

CONTRIBUTION
OF SERVICE
SECTOR TO
GDP

ROLE OF SERVICE SECTOR IN MODERN INDIAN ECONOMY

Service Sector has the highest growth rate more than 50% of the GDP

Growth is particularly marked in public services, IT and financial services.

The annual growth rate of service sector in India was above 9% since 2001, which contributed to 57% of GDP in 2012- 13.

India is the major exporter of IT services, BPO services and software services.

- The IT industry continues to be the largest private sector employer in India.

- India is also the fourth largest start-up hub in the world with over 3,100 technology start-ups in 2014-15
- Employment in service sector is around 50%.
- Service tax collection is to the tune of 5000 crore. 83% of this is contributed by Service sectors.

Role of Services in Modern Economy

Wider utility

Shift in the economy

Liberalization, Privatization and Globalization

Reducing share of Agriculture sector

Increase in the National Income

Generation and expansion of job opportunities

Optimum utilization of untapped resources

Service tax is an important tool for revenue collection

Reasons for Growth of Services in India (Very Imp Q)

Economic
Affluence

Changing Role of
Women

Cultural Changes

IT Revolution &
Growth

Development of
new Markets eg.
Hospitality,
organic agriculture

Health Care
Consciousness

Market
Orientation –
growing
competition

Economic
Liberalisation

Rampant
Migration

Service Tax -
source of revenue

Export Potential –
need for Banking,
Insurance

Service Marketing Environment

Services Marketing Environment

All organizations operate within the marketing environment. The marketing environment is made up of two parts –

- 1) Internal environment
- 2) External environment

Internal : It consists of all factors which are internal to company.

These environmental factors are controllable ex: mission, vision, objectives, human resources, physical resources, financial resources, labor management relations etc.

External : It consists of all factors which are external to company. These environmental factors are beyond the control of marketers.

The external marketing environment is made up of two parts

– **Micro Environment and Macro Environment**

Micro Environment/Internal Environment

The micro environment represents all the internal influences which relates to a particular organization and its publics.

Factors close to the company that affect its ability to serve its customers

Macro Environment/External Environment

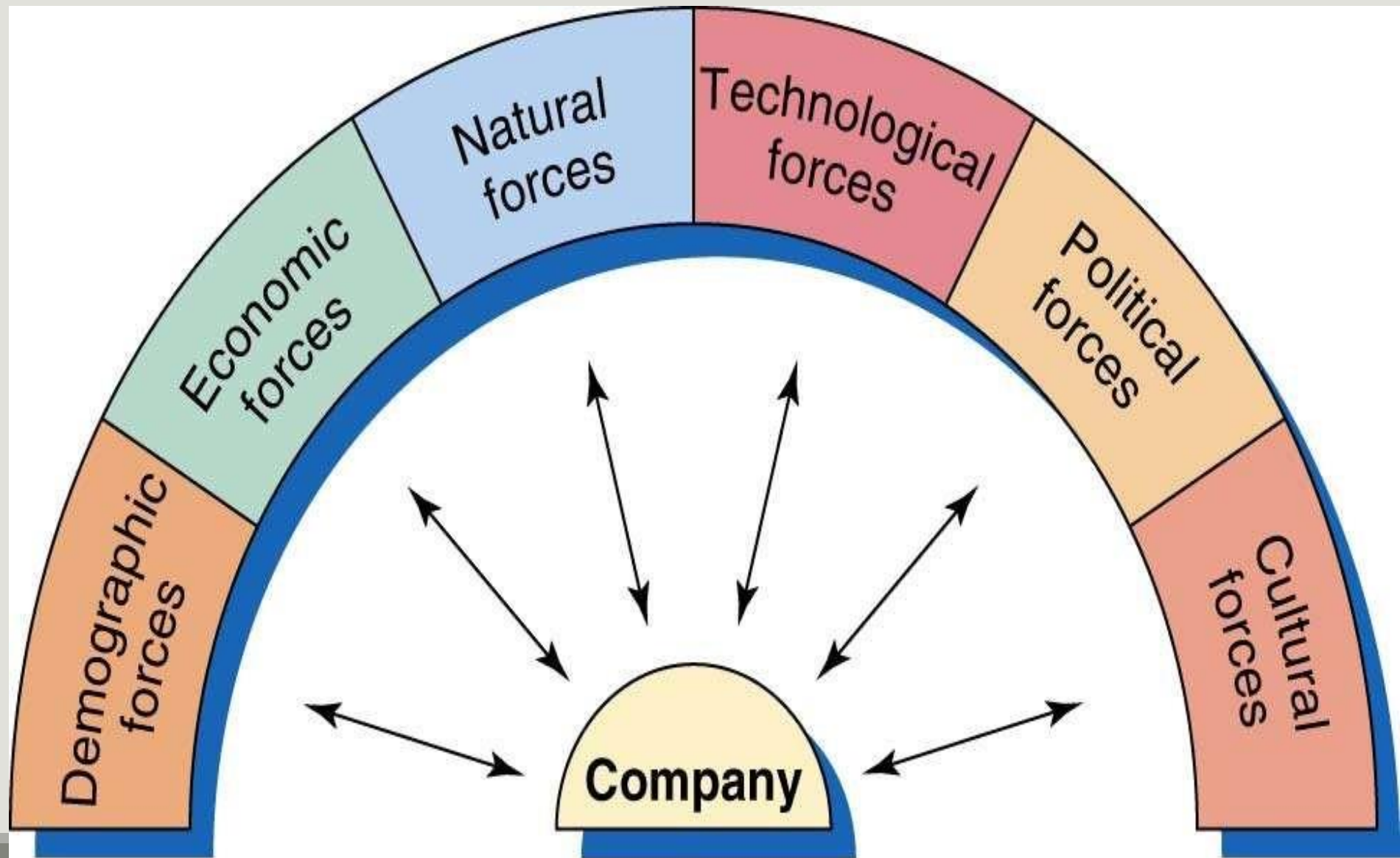
The macro Env represents all the outside influences which have impact on an organization's marketing or business activity.

These are larger societal forces that affect the microenvironment.

FACTORS IN THE MICRO ENVIRONMENT



FACTORS IN THE MACRO ENVIRONMENT



Factors Stimulating the Transformation of the Service Marketing Environment

Government
Policies

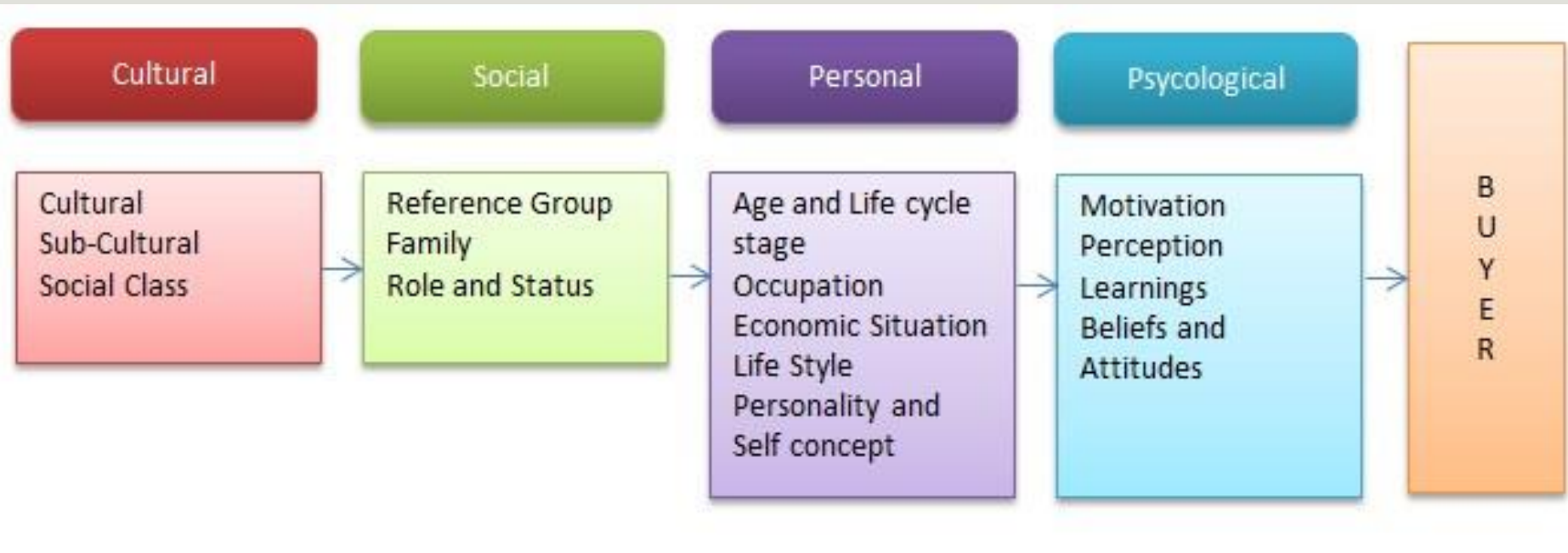
Social Changes

Business
Trends

Advances in
Information
Technology

Convergence

Consumer Behaviour in Services



Factors affecting Consumer Behaviour in Services

	High involvement	Low involvement
Significant differences between brands	Complex buying behavior	Variety-seeking buying behavior
Few differences between brands	Dissonance-reducing buying behavior	Habitual buying behavior

TYPES OF BUYING DECISIONS

COMPLEX BUYING BEHAVIOUR

- ▶ High consumer involvement
- ▶ Significant perceived difference between brands
- ▶ Usually happens when product is expensive, risky, purchased infrequently like a PC, neuro surgery, SOTC vacations



DISSONANCE REDUCING BUYING BEHAVIOUR

- ▶ High involvement, Less perceived difference between brands
- ▶ Expensive, risky and infrequently purchased products like carpets, entertainment, fast food centres



HABITUAL BUYING BEHAVIOUR

- ▶ Low consumer involvement, Little significant brand difference
- ▶ Purchase is out of habit not customer loyalty
- ▶ Low cost, frequently purchased products like salt
- ▶ Brand familiarity is important
- ▶ Ad campaigns with repetition and short duration
- ▶ Salons, Beauty Parlour

VARIETY-SEEKING BUYING BEHAVIOUR

- ▶ Low consumer involvement
- ▶ Significant perceived difference
- ▶ Lot of brand switching happens
- ▶ Ex: Cookies, biscuits, entertainment, retail



Consumer Expectations in Services

DEFINITIONS

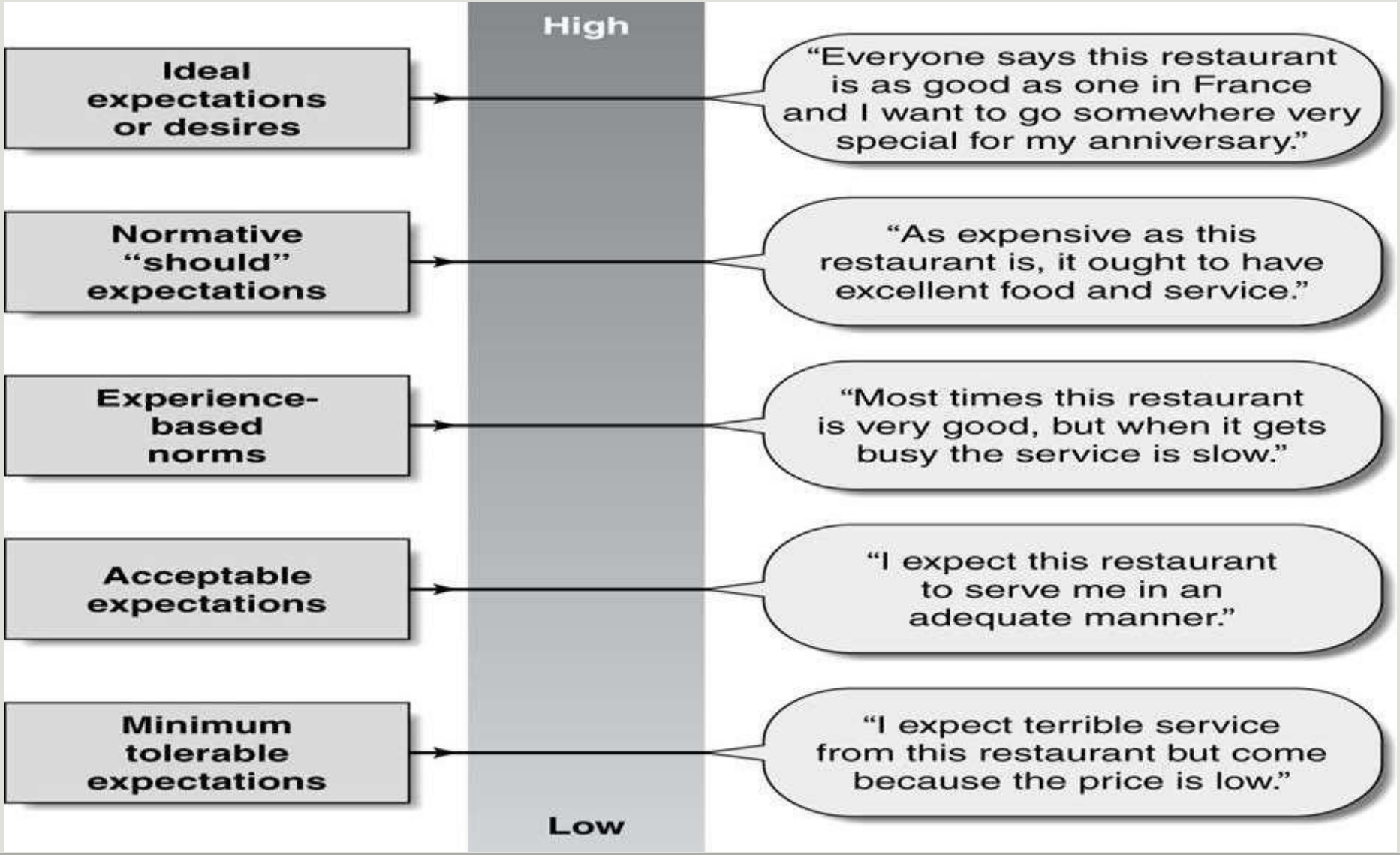
Customers have different expectations :

- Desired service – customer hopes to receive
- Adequate service – the level of service the customer may accept

Customer Expectations

- Beliefs about service delivery
- Serve as standards or reference points against which performance is judged.
- Customers compare their perceptions of performance with these reference points when evaluating service quality.

Possible Service Expectations

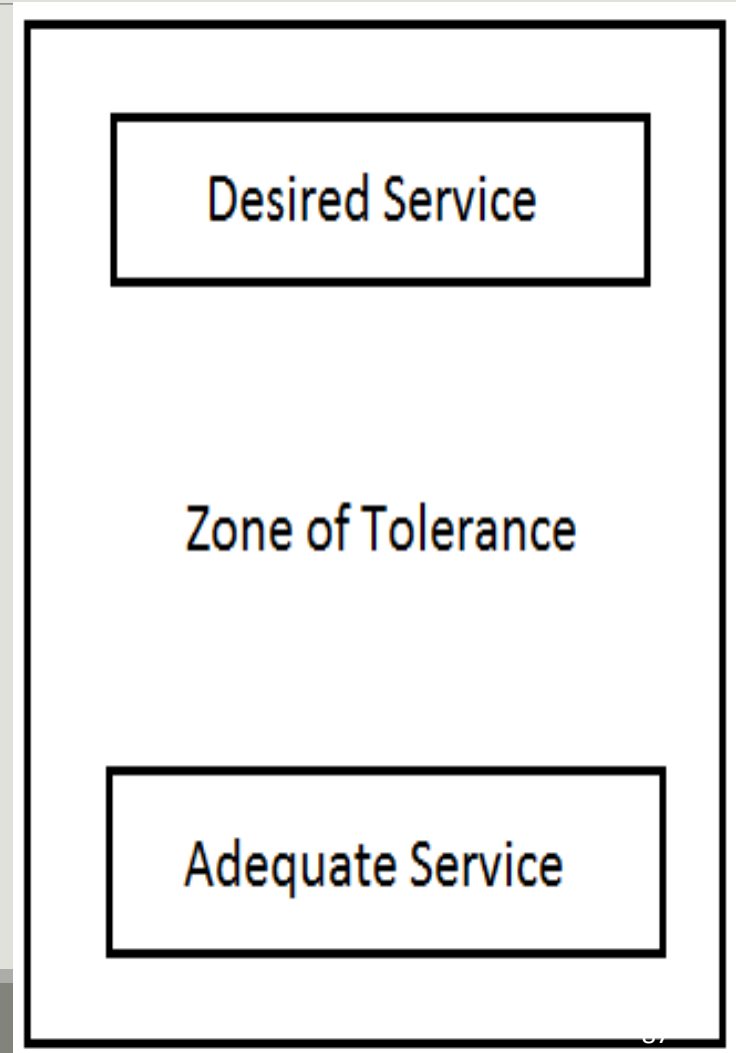


Types of Service Expectations

- **Desired Service Expectation**
 - It is the level of service that the customers expect to receive
 - It is mental expectation of customers which he hopes and wishes to receive
- **Adequate level of Service Expectation**
 - This is the level of service that the customers will accept
 - It is the minimum tolerable expectation acceptable to the customer.

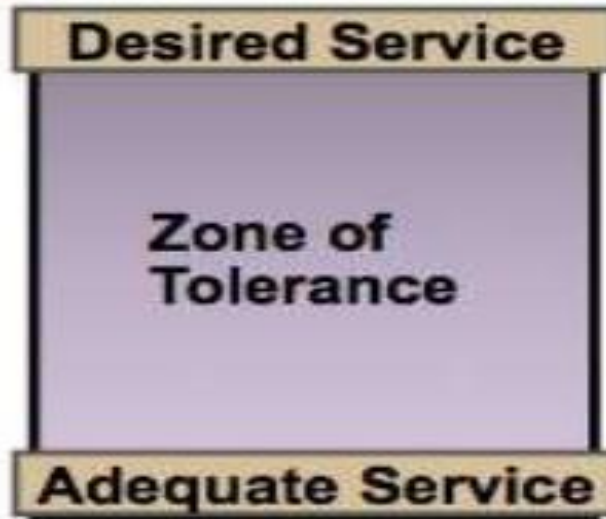
Zone of Tolerance

- The extent of variation the customers recognize and are willing to accept is called **Zone of Tolerance**
- the organization and customers play a win-win game
- Service above the desired level provides delight – **Customer Delight**
- Service below adequate service level creates dissatisfaction – **Service Failure**



Types of Customer Expectations of Services

the level of service
the customer hopes
to receive
what is "wished for"



← **Delights**

← **Desirables**

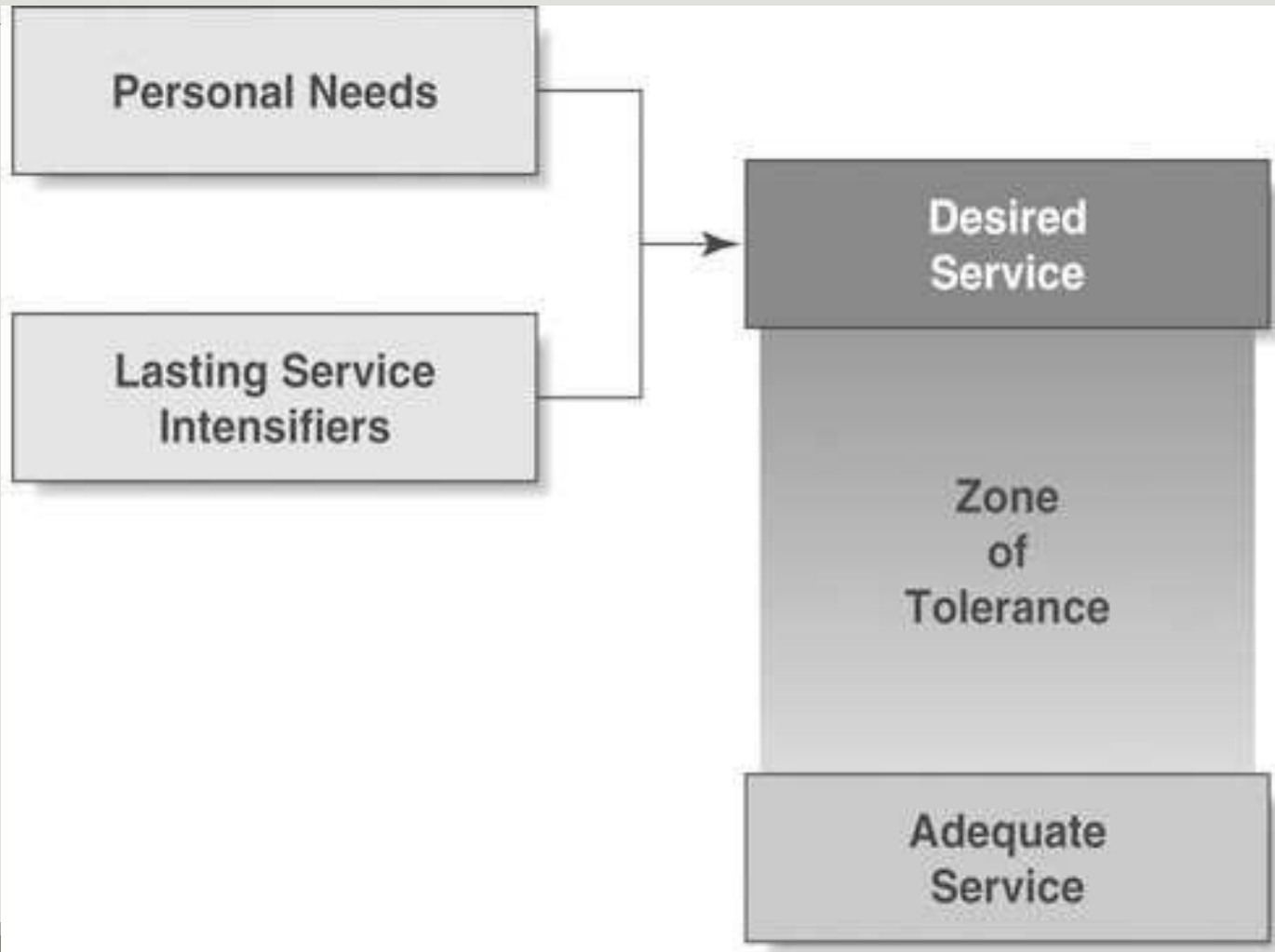
← **Musts**



the (minimum) level of service the
customer will accept; the threshold
level of acceptable service

Factors influencing Customer Expectations of Service

Factors Influencing Desired Service Expectations



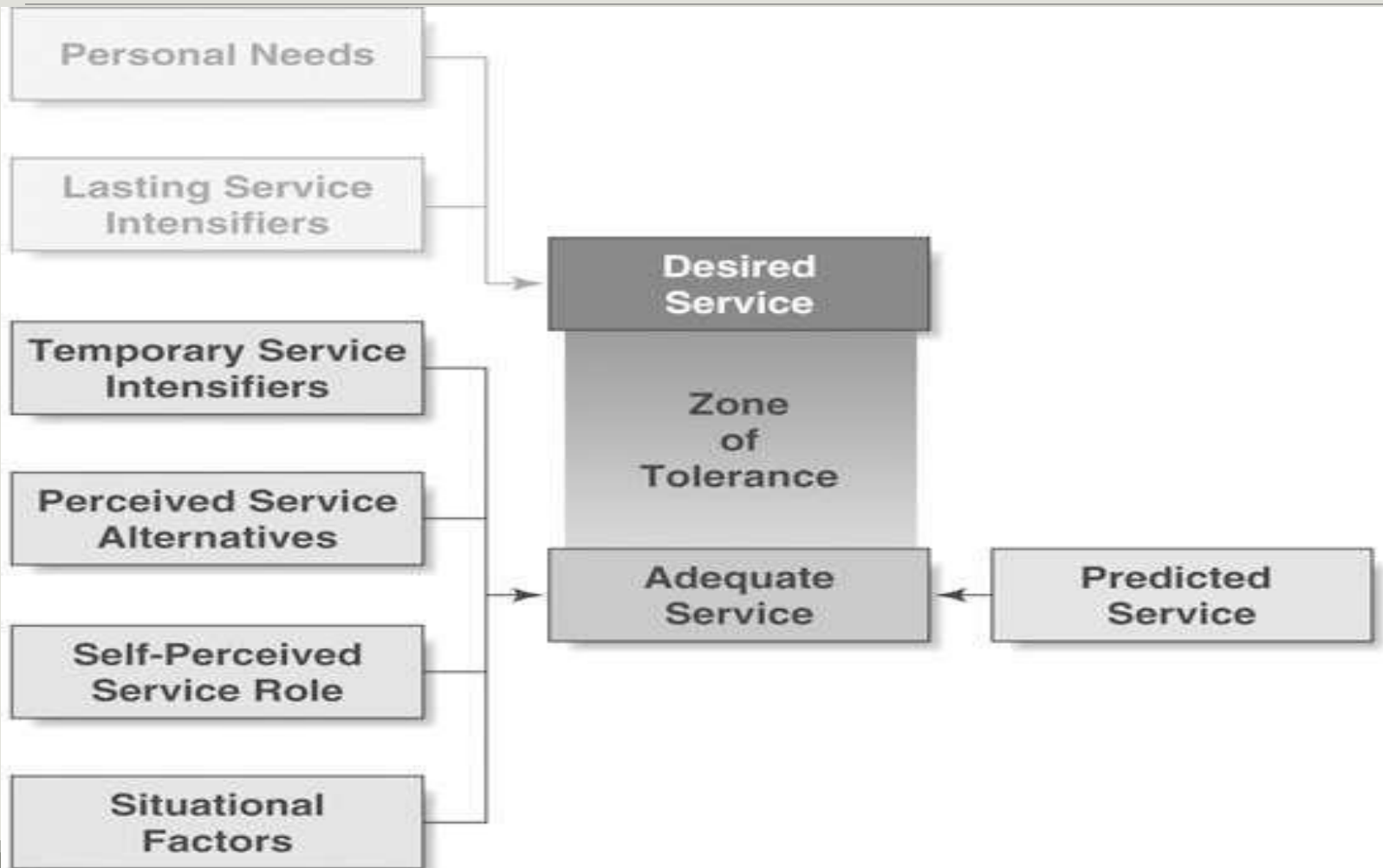
- **Personal Needs**

- Personal needs can be physiological, social, psychological, etc.
- Degree of need determines the desired level of service
- E.g. a very hungry person expects only very quick service at restaurant

- **Lasting Service Intensifiers (Personal Service Philosophy)**

- It refers to the customer underlying general attitude about the meaning of service and proper conduct of service providers
- E.g. belief that waiters should not keep customers waiting longer than 15 minutes to take their orders

Factors Influencing Adequate Service Expectations



Factors Influencing Adequate Service Expectations

Short-term in nature

- **Temporary Service Intensifiers**

- Short term factors that realise the need. Eg. Breakdown of car on busy road

- **Perceived Service Alternatives**

- It refers to other service providers from whom the customer can obtain service
- Higher the perceived service alternatives higher will be the adequate service expectation and vice versa

- **Situational Factors**

- Uncontrollable and Universal situational factors, beyond control of service provider.
- Lower adequate service expectations eg. Pandemic

Factors Influencing Adequate Service Expectations

Short-term in nature

- **Customers Self-Perceived Service Role**

- Customers perception of how informed role and instructions they give during delivery
- Eg. – clarity of Instructions of spices in food during order

- **Predicted Service**

- It refers to the level of service that customers believe they are likely to get for a particular time
- If customers predict good service, their levels of adequate service are likely to be higher than if they predict poor service

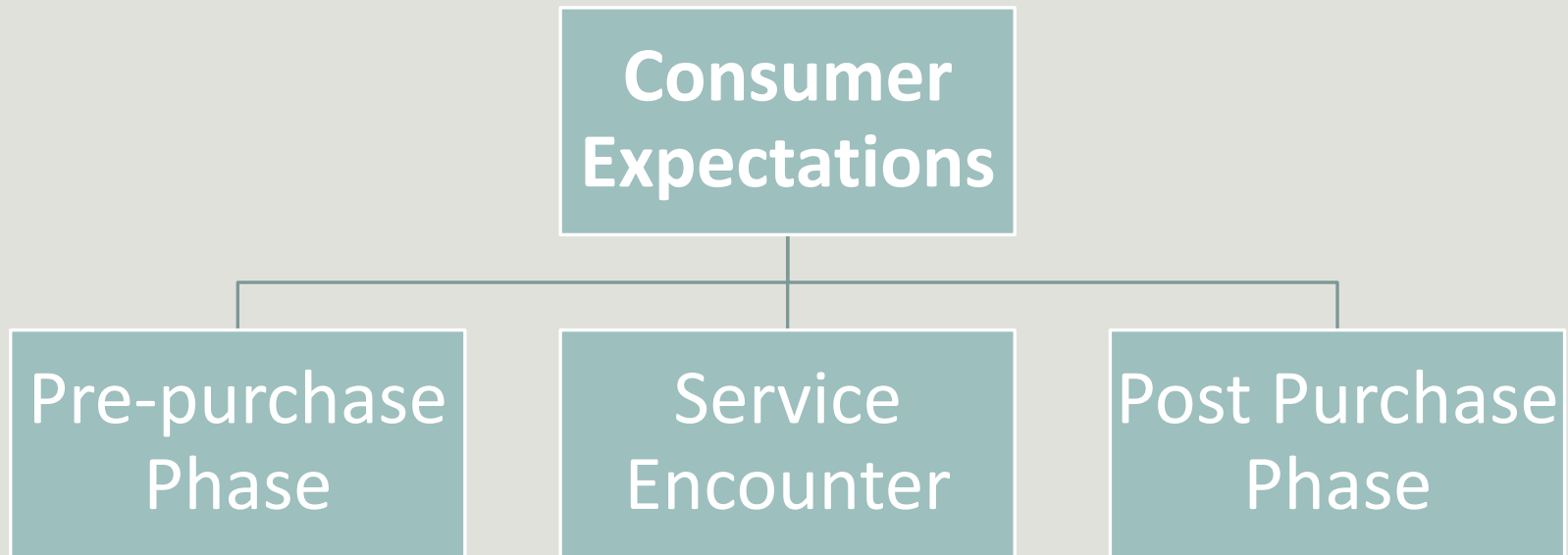
Managing Customers Expectations

1.Ensures
promises reflect
reality

2.Performing the
promised service
reliably

3.Communicating
effectively with
customers

Managing Consumer Expectations

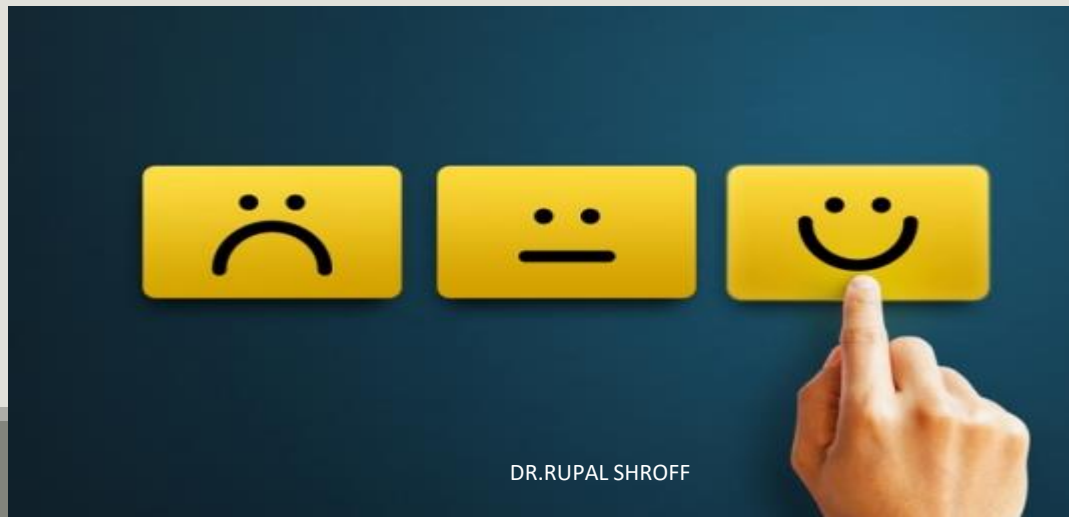


Pre-purchase Phase

- ① 1. Learn what customer expect :- Research, Communicate, Ask
- ② 2. Tell customer what they expect: Advertising , sales personnel , tangible cues, point of purchase display and sales promotions some of the methods that can be used.
- ③ 3. Consistently provide the service that customer expect- Past experiences and word of mouth are two critical variable used by consumers in making purchase decision.

Service Encounter Phase

- **Communicate during the encounter**
- **modify** the service to meet the customer's expectation.
- If the service cannot be modified , the service personnel **should explain why the customer's expectations cannot be met**

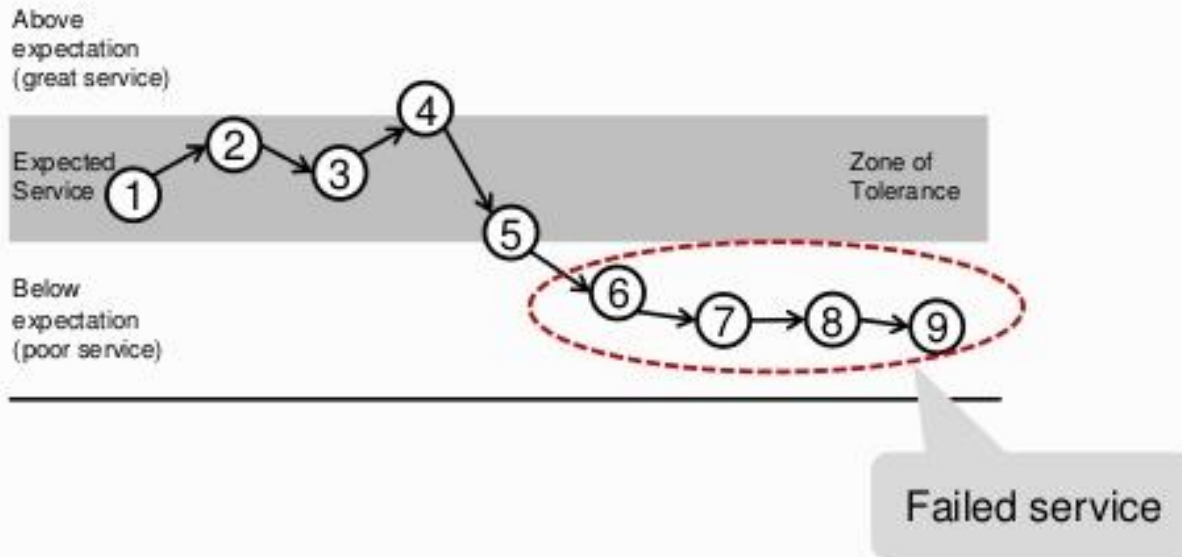


Post Purchase Phase



Service Failure

Service Failure is the process of NOT keeping promises



Service Recovery

https://www.youtube.com/watch?v=2O_30zbjYv4

SERVICE RECOVERY

- ▶ Service recovery is a procedure for dealing with customers' problems and complaints. An effective & timely recovery procedure will turn a complaining customer into a satisfied, loyal customer most of the time.
- ▶ It is trying to do something Right from a situation that went wrong.



WHAT DOES SERVICE RECOVERY INVOLVE?

- ▶ Solving customer 's problem quickly & fairly
- ▶ Giving the customer something of value as compensation
- ▶ Keep your promise & follow up





WHAT A CUSTOMER FEELS
ABOUT THEIR COMPLAINTS



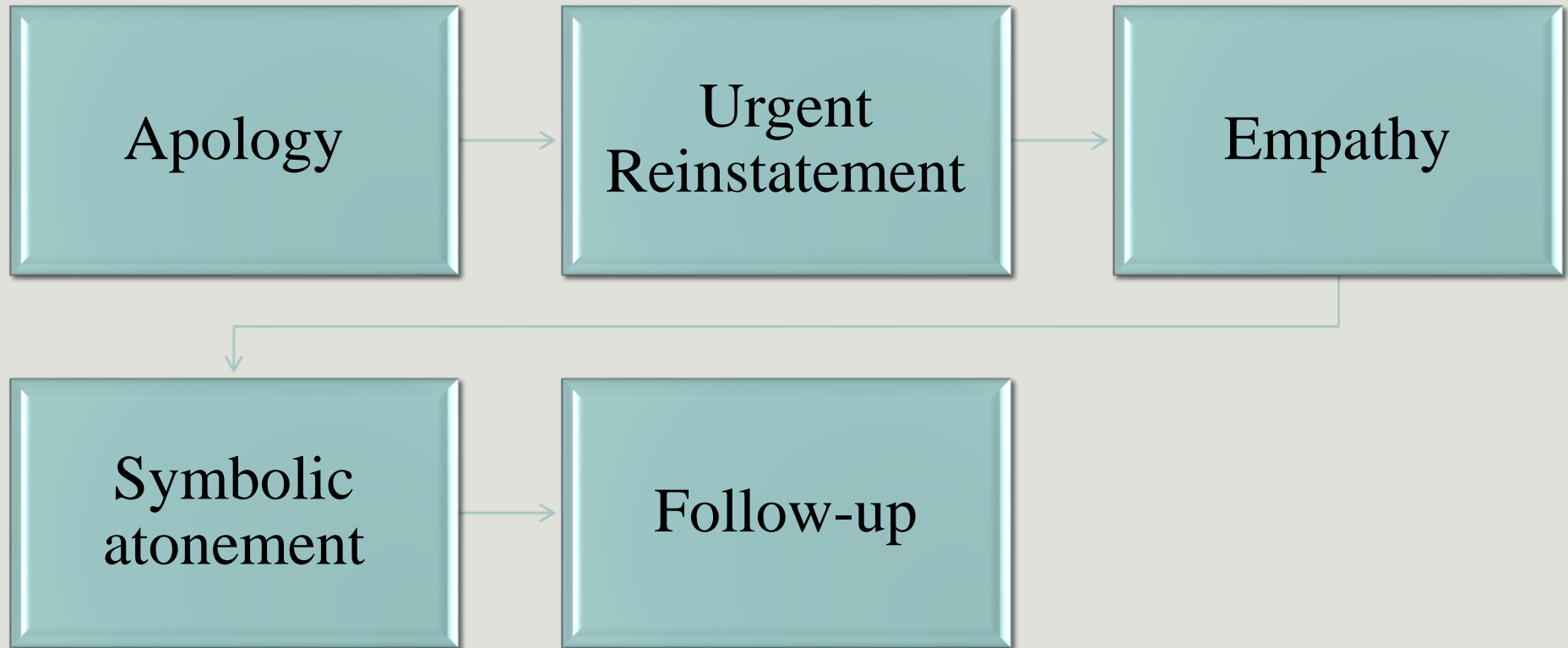
*Don't be ridiculous! Let common sense
be your guide.*

We've been notified of a customer complaint. Take your positions. Let's turn this Moment of Misery into a Moment of Magic™!



Complaints are opportunities to show how good you are!

What to do for effective Service Recovery



Guidelines/ Principles for effective Problem Solution

Admit Mistakes
but don't be
defensive

Act fast

Don't argue with
Customers

Show that you
Understand the
problem

Give Customers
benefit of doubt

Acknowledge the
Customers
feelings

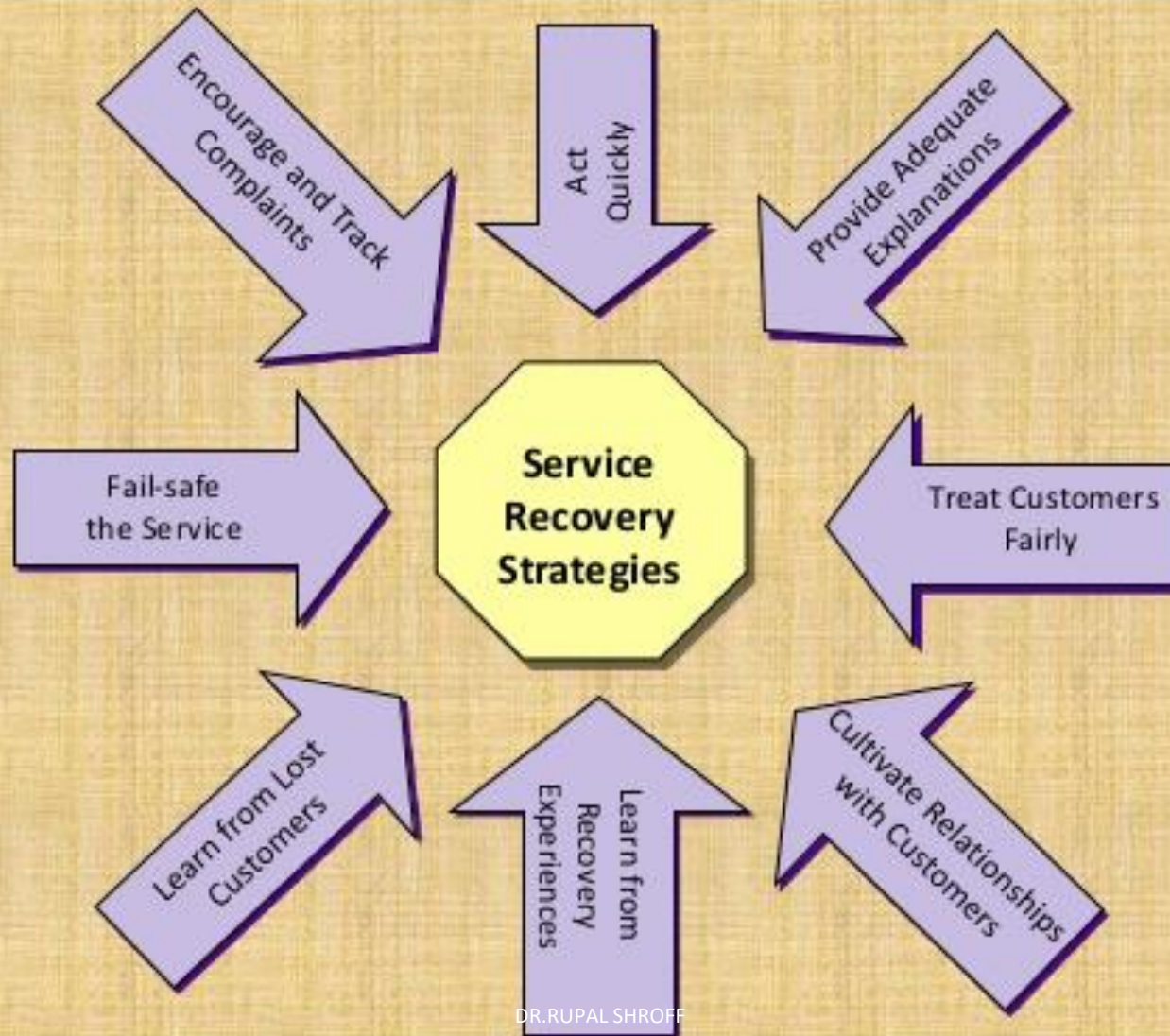
Clarify the
process of
Recovery

Keep Customers
informed of the
Progress

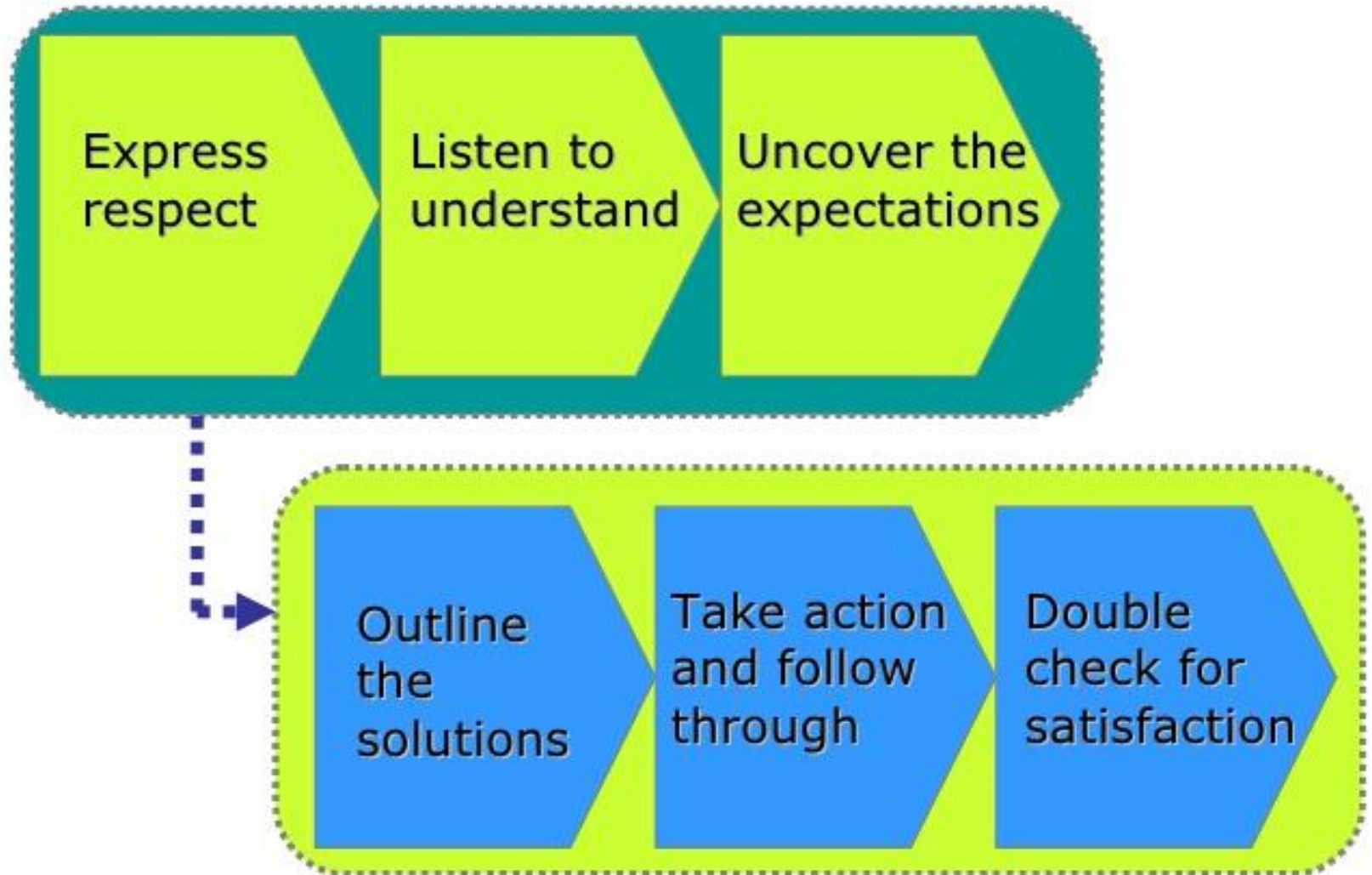
Consider
Compensation

Perseverance to
regain customers
goodwill

SERVICE RECOVERY STRATEGY



Service Recovery Strategy



Buying Roles

1. Initiator

2. Influencer

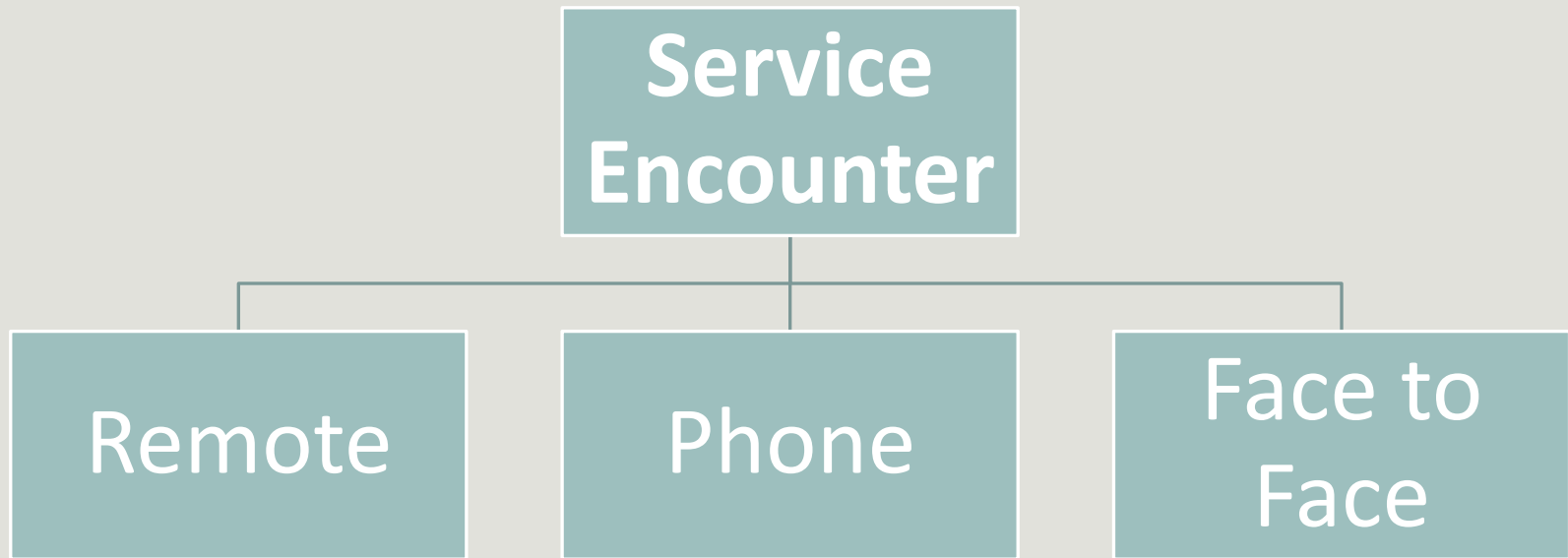
3. Gatekeeper

4. Decider

5. Buyer

6. User

Service Encounters



Elements in Service Encounter

The
Customer

The Service
Provider

The Delivery
System

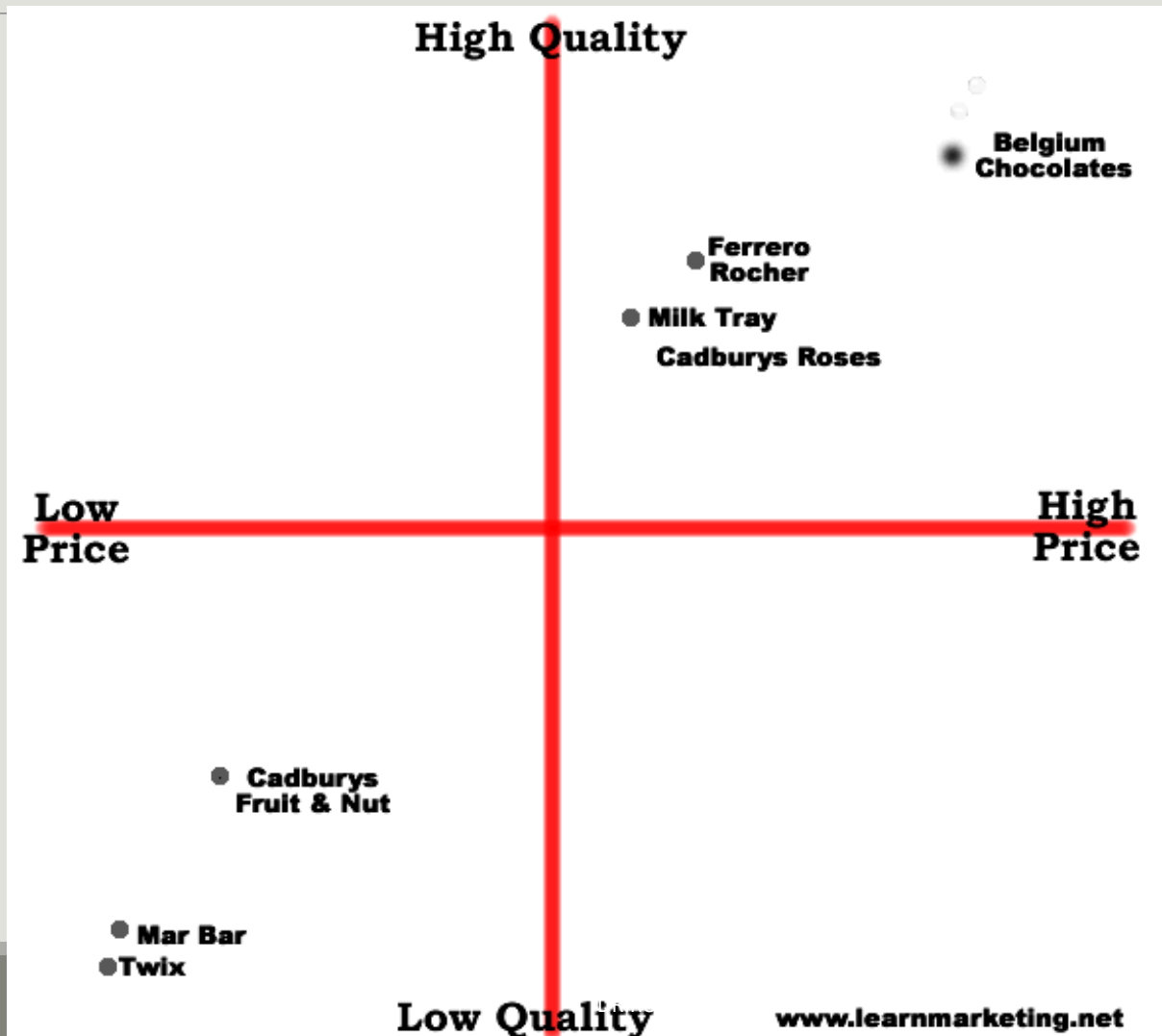
Physical
Evidence

POSITIONING IN SERVICES

<https://www.youtube.com/watch?v=17sAalvMihk>

Unique position that a product occupies in the **mind** of a consumer

Steps in developing a Positioning Strategy ???



Positioning defined.....

Positioning is a process that companies use in marketing to create an image in the mind of the consumer.

▶ Philip Kotler “ Positioning is the act of designing the company’s offer and image so that it occupies a distinct and valued price in the target customers mind.”

Steps in developing a Positioning Strategy

Determine the levels of Positioning –
Corporate positioning, Service positioning, Individual
Brand (Separate) Positioning

Identification of important Attributes

Location of Attributes on a Positioning Map (Low to High
on both axes)

Identify the position of Competitor Services in relation to
selected attributes

Evaluating Position Options –

- a) Strengthen the current position against competitors
- b) Identify an unoccupied market position
- c) Repositioning the competition

Positioning Strategies

Positioning by Service Attributes – use either facilitating or supporting service

Eg- SBI – Highest No of Customers

ICICI Bank – Highest No of ATM's

Positioning by Price - focuses on Quality offering and leadership

Eg. Big Bazaar – sabse Sasta offer

Dmart – lowest price

Positioning by Service Benefits – focuses on distinctive benefit offered

Eg. AirIndia – Maharaja as the mascot

Positioning Strategies

Positioning by Service Application - makes consumers identify service need/ desire & satisfy his need

Eg. Naukri.com – humorous Advertisement says its application

Positioning by Competition – against competition

Eg. Tourism – SOTC v/s Thomas Cook v/s Kulinkumar Travels

Positioning by Quality – focuses on quality leadership

Eg. Palladium Mall

Positioning Strategies

Service User Positioning – Co. identifies target group & positions service accordingly

Eg. Indigo Airlines – targeted families flying with low budget by offering no frills

Leadership Positioning – Leader with major shareholders or Innovation leadership. Eg. Airtel – highest no of connections

Excellence Positioning – focuses on performance / efficiency

Eg. Taj Hotels, Oberoi Hotels

CUSTOMER INVOLVEMENT

https://www.youtube.com/watch?v=jhrR_i34QCQ

Consumer Involvement

- Consumer involvement refers to degree of information processing or extent of importance that a consumer attaches to a product.
- The degree of involvement has a very significant effect on consumer behavior.
- When more expensive products are to be purchased, the consumer gets more involved in purchase process but he may not be equally involved in a product which is just a rupee or two priced.



High and Low involvement Hierarchy

Low- involvement

High- involvement

Brand beliefs are formed first by passive learning

Brand beliefs are formed by active learning

Consumer makes purchase decision

Consumer evaluates various brands

There may or may not be post-purchase evaluation

Consumer makes purchase decision

Consumer Involvement

Consumer Involvement is a motivational state that drives and directs the behaviour of consumers under decision making.

Low Involvement

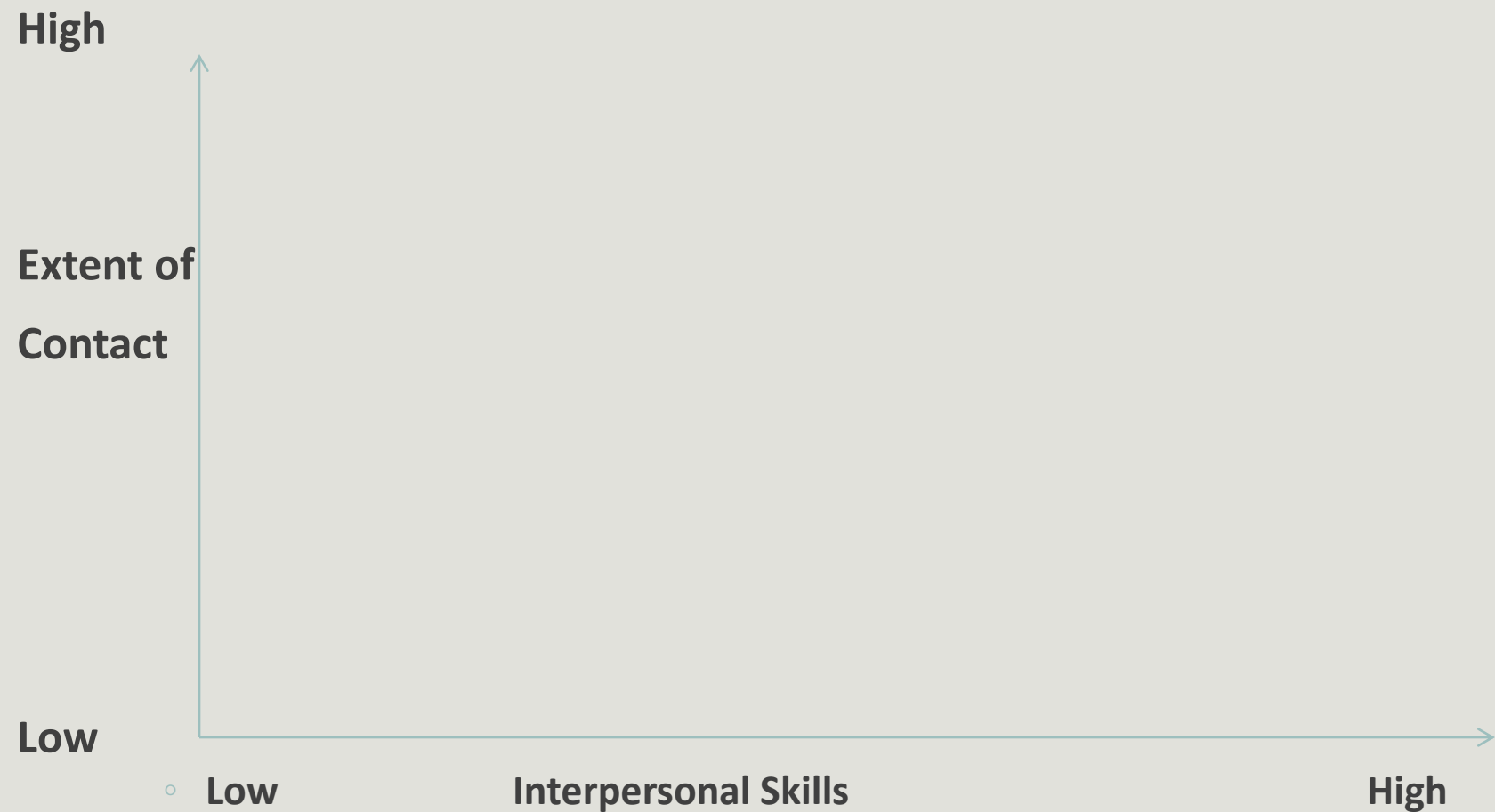
Medium Involvement

High Involvement

Degree of Consumer Involvement

Degree	Product or Service	Examples
Low Involvement	Short Life	FMCG, haircut, simple lunch at restaurant, laundry
Medium Involvement	Medium	Ordinary medical treatment, small vacation
High Involvement	Long Association	Long expensive vacation, heart/neuro surgery, counselling

Involvement Chart



Factors determining Degree of Involvement

Personal factors – health, self image, value of the service

Product Factors – Risk involved in purchase –
psychological discomfort

Type of Situation – self-consumption, gifting

SENSITIVITY TO CUSTOMERS RELUCTANCE TO CHANGE

1. Develop customer Trust
2. Understand customers Habit and Expectations
3. Pre-test New procedures and Equipment
4. Publicize all Benefits that customers will achieve
5. Educate, aware and teach customers
6. Monitor and Evaluate Performance and Continue to seek improvements

Case Study 1

Case Study

Infinite Travels pvt.ltd, a holiday Company has been arranging regular holiday tours to Rajasthan. His company had regular arrangements with Maharaja Hotels for accommodation of their tourists in Jaipur.

In, December, Mr.Rohit and his family booked with infinite travels and checked into maharaja hotel in the room allocated to him and his family. however,Mr.Rohit did not like the room and decided to register a complaint about the room. Two his surprise within 5 minutes of the receiving electronic communication, the hotel manager called him to say being busy season, hotel was entirely booked, the room could not be exchanged, however the guest could expect a hospitality gift from the hotel for his inconvenience.

The next day a garden facing room was made available to Mr.Rohit if he wished to shift.

Questions

1. Analyze the Service recovery in the case.
2. What do you feel Mr.Rohit declined to change his room
3. Give your opinion about expected level of service in the case

Case Study 2

CASE STUDY 1:

The Lobby is deserted. It is not difficult to overhear the conversation between the night manager at the Marriott Hotel and the late arriving guest.

“Yes, Dr. Iyer, we’ve been expecting you. I know you are scheduled to be here three nights. I’m sorry to tell you, Sir, but we are booked tonight. A large number of guests we assumed were checking out did not. Where is your meeting tomorrow, sir?”

The doctor told the clerk where it was.

“That’s near Parker House! That’s not very far from here. Let me call them and get you a room for the evening. I’ll be right back.”

A few minutes later, the desk clerk returned with good news.

They are holding a room for you at the Parker House, Sir. And, of course, we’ll pick up the tab. I’ll forward any phone-calls that come here for you. Here’s a letter that will explain the situation and expedite your check-in, along with my business card so you can call me directly here at the front desk if you have any problems.

The doctor’s mood was moving from exasperation towards calm. But the desk clerk was not finished with the encounter. He reached into the cash drawer, that should more than cover your cab fare from here to the Parker House and back again in the morning.

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We don't have a problem tomorrow night, just tonight. And here's a coupon that will get you complimentary continental breakfast on our concierge level on the fifth floor tomorrow morning ... and again. I am so sorry this happened.

As the doctor walks away, the night manager turns to the desk clerk, "Give him about 15 minutes and then call to make sure, everything went okay."

A week later when it was still a peak period a guest who had overheard the exchange between the doctor and the desk clerk, happened to check in the same hotel. The check in card was filled and ready, just waiting to be signed. He walked up to the room and his bag arrived at the same time. A few minutes later, the bearer came with a welcome drink, which was on the house.

Thus the front staff and the back room service rendered by the hotel were a delight. The focus was not just on delivering good, but on satisfying the reasonable expectations of paying customer.

QUESTIONS:

- (1) What is the importance of Moments of Truth? Highlight critical and non-critical incidents.
- (2) What is the service recovery procedure in the above case?
- (3) Explain the customer satisfaction and delight with reference to the above case.

Lets Test You

Fill in the Blanks

A _____ is a form of product that consists of activities, benefits, or satisfactions offered for sale that are essentially intangible and do not result in the ownership of anything.

Services are typically produced and consumed simultaneously. This is an example of the _____ characteristic of services.

Services can not be stored. This describes the _____ characteristic of services

_____ describes the employees skills in serving the client

- a. Internal Marketing
- b. External Marketing
- c. Relationship marketing
- d. Interactive marketing
- e. Communication Marketing

_____ occurs when a company intentionally uses services as the stage, and goods as the props, to engage individual customers in a way that creates a memorable event.

The fact that a business traveler may have one very positive check-in experience at a hotel and then a very negative check-in experience with a different employee on a subsequent visit is evidence of service:

If a firm is practicing _____, the firm is training and effectively motivating its customer-contact employees and all of the supporting service people to work as a team to provide customer satisfaction.

Which of the following statements are incorrect?

- a. Services are intangible
- b. Services are perishable
- c. Services can be co-produced with customers
- d. Services are invariable

Which of the following sets of terms best describes a service?

1. objects, devices, and performances
2. effort, objects, and deeds
3. things, devices, and performances
4. objects, devices, and things
5. deeds, effort, and performances

Businesses such as fast food restaurants would fall where along the Continuum

1. on the extreme end of the intangible-dominant side
2. on the extreme end of the tangible-dominant side
3. in the middle of the continuum
4. left of the middle towards the tangible-dominant side
5. right of the middle towards the intangible-dominant side

Questions :

1. Discuss the factors that have contributed to the growth of Services in India
2. Discuss the role of Service Sector in Modern Indian Economy
3. What are the Unique characteristics of Services
4. How is Services Marketing different than Goods Marketing
5. Health Care Services Marketing is all about a Game of Promises. Do you agree to that. Justify
6. Explain the role of Internal Marketing for an Effective Moment of Truth for a Customer
7. Discuss the six key linkages of The Service Triangle.
8. Discuss the Product Service Continuum explaining the concept of Vacations in Experience Category
9. Classify Services
10. Service Marketing is task for Marketers due to its unique characteristics, Help Indigo Airlines to overcome these challenges