

# A STUDY ON GROWTH AND IMPACT OF SERVICE MARKETING

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## Abstract

*Marketing is the flow of services from of services the provider to consumer. It is based on relationship and value. In common parlance it is the distribution of services. Marketing includes the services of all those indulged may it be then the wholesaler retailer, warehouse keeper, transport etc. In this modern age of competition marketing of a product or service plays a key role. It is estimated that almost 50% of the price paid for a service goes to the marketing in US. Marketing is now said to be a term which has no particular definition as the definitions change every day.*

*"Managing the evidence" refers to the act of informing customers that the service encounter has been performed successfully. It is best done in subtle ways like providing examples or descriptions of good and poor service that can be used as a basis of comparison. The underlying rationale is that a customer might not appreciate the full worth of the service if they do not have a good benchmark for comparisons. However, it is worth remembering that many of the concepts, as well as many of the specific techniques, will work equally well whether they are directed at services. In particular, developing a marketing strategy is much the same for products and services, in that it involves selecting target markets and formulating a marketing mix.*

## Introduction

Can we imagine a place in the world today without a marketing activity? It looks remote. When we all move from one place to the other, we need an interactive or a Communicative Response System (CRS) to facilitate a marketing activity and enable the market to respond. When this Communicative Response System (CRS) eventually reaches a market, there are buyers and sellers waiting to respond. Marketing is not today what it used to be years ago. It started as barter and has reached a currency world with a variety of geographical segments and demographics. Marketing in simple terms is a distribution of products and services of a company in order to realize a value in form of in kind. While it is true, marketing today encompasses a wide range of activities including relationship building.

Relationship building is the key to the success of any service organization. A marketing activity does not end with a buy or a sale. Today, it requires establishing and building capabilities to create retention. From the company's point of view, identifying and understanding the requirements of the customer in clear terms is the first step in the process of starting a relationship building exercise. Private banking sector, for instance, in India has undergone a tremendous change in the last 5-6 years. From being a lending institution, private banking has spread its wings to include services such as insurance, risk-management, asset-management as the core activities. The bottom-line is your capability to build, develop and maintain a relationship that is long-standing and mutually beneficial. Because the chances of succeeding service marketing or any type of marketing for that matter, depends firstly on the extent of proximity you could establish with the company

## Characteristics of a Service

What exactly are the characteristics of a service? How are services different from product? In fact many organizations do have service elements to the product they sell for example McDonald's sell physical products like burgers but consumers are also concerned about the quality and speed of service, are staff cheerful and welcoming do they serve with a smile on their face?

There are five characteristics to a service which will be discussed below.

### 1. Lack of ownership.

You cannot own and store a service like you can a product. Services are used or hired for a period of time. For example when buying a ticket to the USA the service lasts may be 9 hours each way, but consumers want and expect excellent service for that time. Can measure the duration of the service consumers become more demanding of it.

### 2. Intangibility

You cannot hold or touch a service unlike a product. In saying that although services are intangible the experience consumers obtain from the service has an impact how they will perceive it. What do consumers perceive from customer service? The tone and the inner presentation of where they are purchasing the service?

### 3. Inseparability

Services cannot be separated from the service providers. A product when produced can be taken away from the producer. However a service is produced at or near the point of purchase. Take visiting a

restaurant, you order your meal, the waiting and delivery of the meal, the service provided by the waiter/ress is all a part of the service production process and is inseparable, the staff in a restaurant are as apart of the process as well as the quality of food provided.

#### 4. Perishability

Services last a specific time and cannot be stored like a product for later use. If travelling by train, coach or air the service will only last the duration of the journey. The Service is developed used almost simultaneously. Again because of this time Constraint consumers demand more.

#### 5. Heterogeneity

It very difficult to make each service experience identical. If travelling by places the service quality may differ from the first time you traveled by that airline is the second the airhostess is more or less experienced.

### Factors Influencing Relationship Building Exercise to Succeed In Service Marketing

Service marketing is gaining prominence in all sectors BPOs. Call centers as making huge money in contrast to the product marketing. The top 5 factors inflecting relationship building exercise to succeed in service marketing are

- Be customer –centric. Put the customer first a moment put yourself in the customers' place.
- Identify and understand what customer wants in terms of products and services and the value that you could create to your customer by offering your services.
- Consistent follow-up with customer demonstrate the extent of interest and also capabilities that you have developed over a period of time, for instance, your client base.
- Respond in time the requirements of your customer and focus on feedback evaluation to check and ensure you did not deviate anything from specifications
- Share our success with your friends and colleagues to create in a way you Image and stay on to receive feedback and suggestions from them.

### Marketing a Service and Product

Marketing service-base business is different from marketing a product-base business

- The buyer purchases are intangible
- The service may be based on the reputation of a single person
- It's more difficult to compare the quality of similar services
- The buyer cannot return the service
- Service Marketing mix adds more i.e., people, physical environment process.

Service and follow-through are keys to a successful venture. The major difference in the service marketing versus regular marketing is that instead of the traditional "4 P's," **product, Place, Promotion**, there are three additional "P's" consisting of People, Physical evidence, and Process Service marketing also includes the services cape Referring to but not limited to the aesthetic appearance of the business from the outside, the inside, and the general appearance of the employees themselves. Service Marketing has been

relatively gaining ground in the overall spectrum of educational marketing as developed economies move farther away from industrial importance to service oriented economies.

## **Service System**

Service system is a value co production configuration of people, technology, internal and external service systems connected via value propositions, and shared information (language, laws, measures, etc.). The smallest service system is a single person and the largest service system is the global economy.

A service system is nevertheless distinguished from other types of systems by the fact that the customer may be actively involved in all nine classes: (1) customer - as initiator and receiver of the service (e.g., the customer is characterized as looking for novelty, reliability - or both); (2) goals - as setting the primary objectives for the design and operation of the service (e.g., the service should an Internet shopper to configure the product variant he wishes to purchase); (3) input - as a client upon whom the service is to be performed (e.g., a patient coming for treatment); (4) output - as a client upon whom a service has been performed (e.g., the patient after treatment); (5) process. as a participant in the process (e.g., an Internet sales transaction incorporates a dialogue facility between a customer and a sales agent); (6) human enabler - as a resource in the process (e.g., an Internet sales transaction involves the customer as an independent agent); (7) physical enabler - as providing a resource to the process (e.g., an Internet shopper uses his own computer to access the vendor site); (8) informative enabler - as applying his own knowledge to the process (e.g., an Internet shopper uses his own know how regarding the product to configure the model he wishes to buy); and (9) environment –as setting constraints or standards for acceptable service levels (e.g. an internet shopper demands 24-hours availability of dialogue facility)

## **Conclusion**

In all economies around the world whether developing or developed services more account for greater part of the GDP and employment Service is very wide in the gamut, touching all human activities whether it is health education, welfare communication, financial services to logistics, travel, banking, professional insurance, advertising, credit rating agencies, IT services and many more worldwide the service sector growth is phenomenal due to changing life style, changing world industrial economies, changing population and changing technology.

Due to these changes the service industry is growing steadily in scale. Volumes are complexity. The impact of Information Technology explosion has been tremendous and world has become boundary less. Two vital elements namely service and information technology have changed all intra-industries, inter industry relationships and world competition drastically. Infact, now services are contributing substantially to the creations of wide spectrum of new business opportunities and chances of broader employment.