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## Prezentace předmětu: Marketing of Services

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# MARKETING MIX: PEOPLE

*The aim of the lecture is to teach  
you how to approach people within  
and outside your service business*



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Martin Klepek  
Přednášející

# MARKETING MIX: PEOPLE

Lecture content

**People**

**Service personnel**

**Customers**

**People management**

**Competencies**



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- In services, 'People' refers to 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.
- All of human actors participating in the delivery of a service provide cues to the customer regarding the nature of the service itself.



- How these people are dressed, their personal appearance, and their attitudes and behaviours all influence the customer's perception of the service. If the service personnel are cold and rude, they can undermine all the marketing work done to attract the customers.



- If they are friendly and warm, they increase customer satisfaction and loyalty.
- Employee behaviour is often an integral part of the service product.
- This is not true in a manufacturing operation, where employee behaviour may affect product quality, but is not a part of the product.

- People constitute an important dimension in the management of services in their role both as performers of services and as customers.
- People as performers of service are important because, a customer sees a company through its employees.
- The employees represent the first line of contact with the customer.



- They must, therefore, be well informed and provide the kind of service that wins customer approval.
- The firm must recognize that each employee is a salesman for the company's service.
- If these employees are not given training in how to go about face-to-face customer contact, the entire marketing effort may not prove to be effective.





- The importance of customers in services stems from the fact that most services imply active and involved customer-organisation interface.
- In many service situations, customers themselves can also influence service delivery, thus affecting service quality and their own satisfaction.



- Service personnel are important in all organisations but more so in an organisation involved in providing services.
- The behaviour and attitude of the personnel providing the service is an important influence on the customer's overall perception of the service and he can rarely distinguish between the actual service rendered and the human element involved in it.



- Customer contact is very important concept in services, which refers to the physical presence of the customer in the system.
- The extent of contact refers to the percentage of time a customer ought to be in the system out of the total time it takes to serve him.
- The low contact services include bank, post offices or retailing and the high contact services include hotels, educational institutions, restaurants and hospitals.



- Services with high contact are more difficult to control and manage because a longer customer contact is more likely to affect the time of demand, and nature of service and its quality; whereas, in low contact services such contact has much less impact on the service.



- The quality and performance of service personnel can be improved through:
  - Careful selection and training of personnel,
  - laying down norms, rules and procedures to ensure consistent behaviour,
  - ensuring consistent appearance; and
  - reducing the importance of personal contact by introducing automation and computerization wherever possible.



- Customers are important because they are a source of influencing themselves, being actively involved in service delivery, and other customers as well. In case of doctors, lawyers, consultants one satisfied customer will lead to a chain reaction, bringing in his wake a number of other customers.



- It is an important task of service marketers to ensure complete satisfaction of the existing customers.
- The kind of customers that a firm attracts exerts an important influence on prospective customers.



- The prospective customer may feel attracted towards the organisation e.g., club, restaurant, school, because it has his type of customers or the customer may turn away if he perceives the existing customers to be a kind with whom he would not like to associate.





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- Service marketing management will invariably be concerned with how or the way decisions are made and the implications of those decisions.
- Thus the managerial processes behind such decisions and the variety and style of the managers taking the decisions are of interest to service marketing and management researchers.



- The way managers implement decisions is also vital in a service situation.
- Services are usually carried out by people and these people need to be motivated and capable of doing the job.
- Services managers continually seek ways to motivate and encourage service deliverers.



- Difference styles of management may be relevant in different situations:
- from extremes of authoritarian to humanistic; where time-scales can be short, medium or long term; where the scope of activities is different in terms of strategic and tactical; and so on.



- The two perspectives of marketing management and consumers in service marketing are not necessarily mutually exclusive (this is demonstrated in the third category of consumer service research above).



- A ‘middle ground’ incorporating some combination of both domains and perspectives, although with the emphasis on how services can be managed and delivered effectively to create and maintain satisfied customers is a useful focus for service managers.

# Copmetencies for customer-staff interface management

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- These managers have primary responsibility for the operational aspects of service delivery. On a day-to-day basis customer–staff interface managers need to manage and guide the movement of customers through the during-purchase and some aspects of the pre-purchase and post-purchase experience.

# Copmetencies for customer-staff interface management

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- The activities inherent in this role are:
- managing all operational activities
- providing information and guidance to customers
- proactive communication with customers and staff
- accessibility to customers and willingness to help.



# Copmetencies for customer-staff interface management

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- Built upon previous knowledge and experience, the development of distinctive expertise for customer–staff interface managers will entail the ability to exhibit **motivation, communication, co-ordination and leadership.**



- Given the nature of front-line service activities, some decision making by customer–staff interaction managers will entail dealing with each situation as it arises and knowing when to be adaptable – for example, recognizing the need for adapting or changing some aspect of the service to suit different customers. Therefore managers need to be motivated, prompt decision makers and their actions should demonstrate responsibility for their tasks through their proactive behaviour. They should have a positive outlook in searching for better ways to carry out operational tasks and service delivery.



- Managing the customer–staff interface involves both verbal and non-verbal communication and interaction with people. It is a prerequisite for successful direction and implementation in ensuring everyone knows what is involved and each individual's role in the whole activity. For example, it is particularly important for a hotel manager or restaurant manager to be a good persuader and have the ability to make good presentations to staff and win over their allegiance and commitment. Also two-way communication in a timely way is vital so that managers receive feedback about specific initiatives and activity.



- Different means of communication with customers is beneficial so that they understand what the service product entails and how to use it. For example, communicating with the customers at all stages of their experience with the company in different ways, from pre-purchase, during purchase, through to the post-purchase stage, will provide very rich insights in terms of how the entire service is perceived.



- Thus communication at all levels in a service operation, from customers, front-line staff and management decision makers, should be proactive and integrative so that a composite knowledge of customers' expectations and perceptions is developed.
- This allows managers to acquire insights and the ability to eliminate any perceived 'gaps' in the service delivery. Additionally, managers need to maintain dialogue with each other and with customers in order to eliminate misunderstanding and ensure customers have relevant and necessary information for using the service.



- Because of the physical operational aspect of service delivery at the customer–staff interface, co-ordination of individuals and teams, planning actions and sequence of activities, and supervising both material and human resources are vital.



- Therefore the activities of front-line managers require co-ordinated communication, interaction, integration and participation and the involvement of all staff. Indeed, all customer–staff related decision making needs to be co-ordinated very carefully to achieve the fundamental goal of providing a timely, reliable service with regularly updated physical facilities and efficient service delivery.

- Front-line service managers are very involved in the entire service delivery, and are clearly evident to both customers and staff; therefore they need to lead by example.
- By demonstrating motivated involvement and leadership in the implementation process and being available, managers are more likely to inspire the staff by their actions as much as by their directions.





- This should contribute to the delivery of intangible aspects of service delivery such as responsiveness, willingness to help customers, and refining the service product to suit customers by obtaining feedback and maintaining relationships with customers.

## Conclusion



- People constitute an important dimension in the management of services in their role both as performers of services and as customers. People as performers of service are important because, a customer sees a company through its employees. The employees represent the first line of contact with the customer.
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