

# **INTRODUCTION NATURE OF SERVICES MARKETING MIX IN SERVICES**

## **MARKETING OF SERVICES**

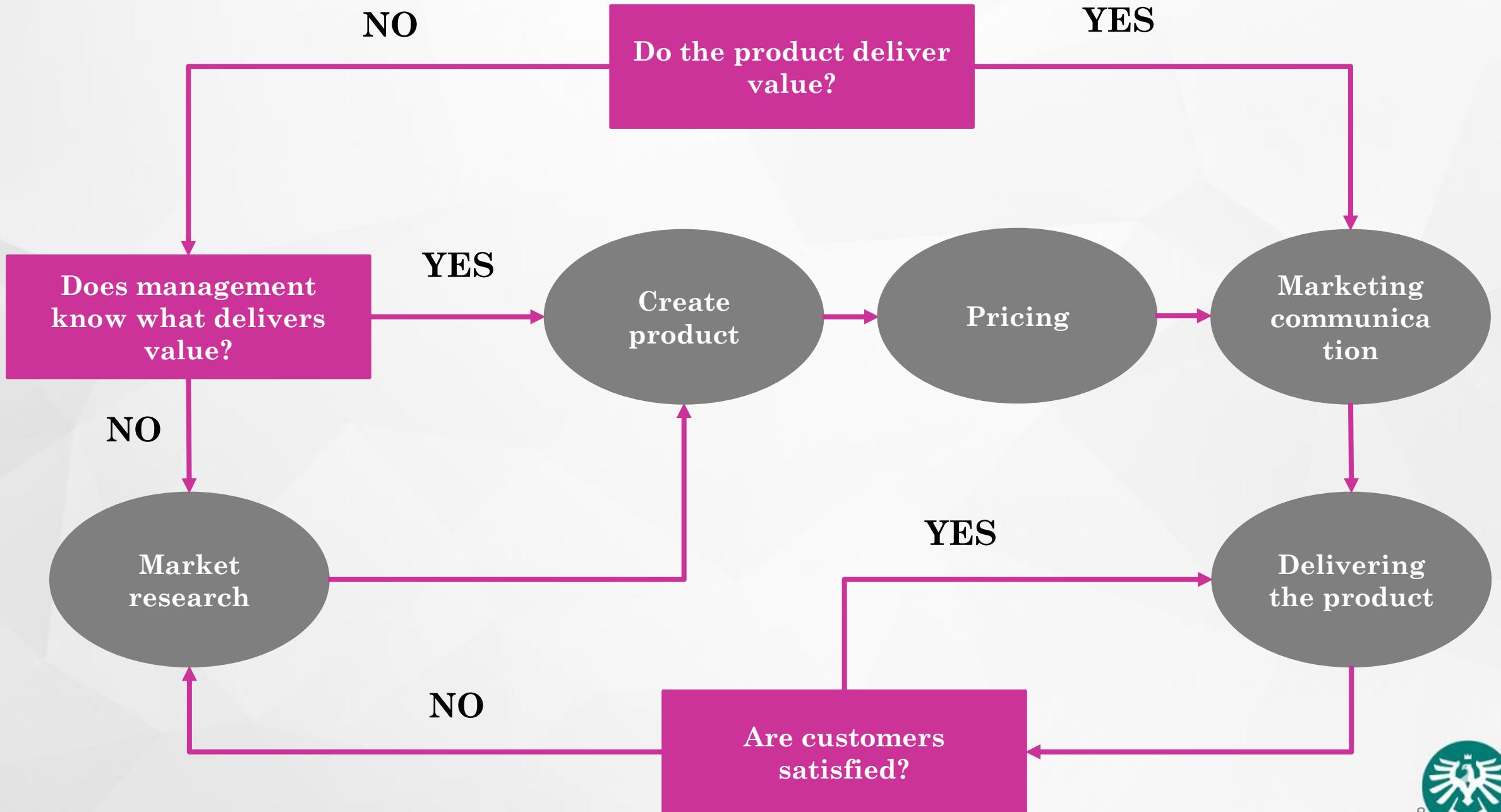
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# BASICS

- What is the **marketing**?
- **Delivering value** to the customer at a profit.
- What is **value**?





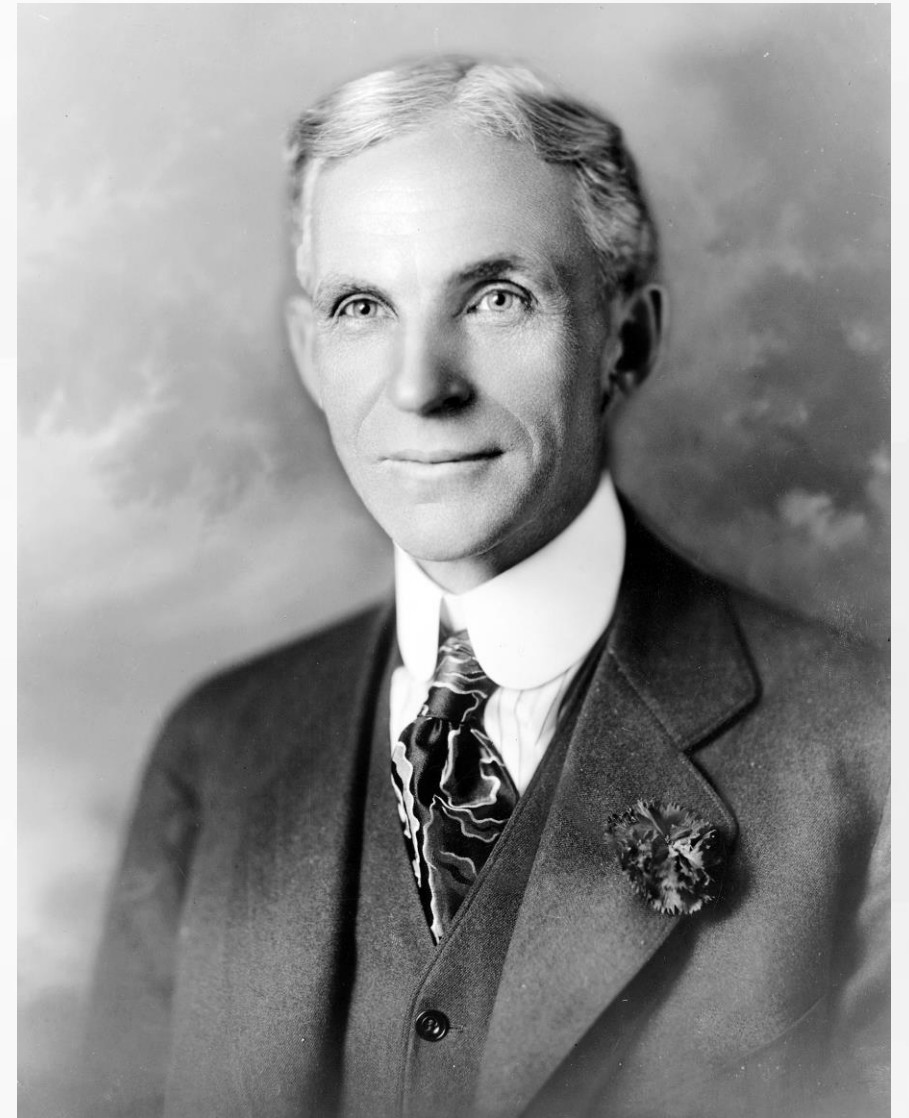
# BASICS

- What is **need**?
- What is **wish**?



*“If I’d asked my customers  
what they wanted,  
they’d have said  
a faster horse.”*

**Henry Ford**



# EVOLUTION OF MARKETING THOUGHTS

Production



Product



Promotion



Marketing



# PRODUCTION FOCUS

- Profit driver – Production methods
- 1950s
- Economies of scale



# PRODUCT FOCUS

- Profit driver – Quality of the product
- 1960s
- A chiefly concerned with the quality of its own product.





# PROMOTION FOCUS

- Profit driver – Selling methods
- 1960s
- Simply selling an already existing product.



# MARKETING FOCUS

- Profit driver – Needs and wants of customers
- 1970s
- Supplying products to suit new consumer tastes.



# NEW APPROACHES

- Relationship marketing
  - Building and keeping good customer relations
    - 1960s to present
- Social marketing
  - Benefit to society
    - 1990s to present
- Green/Eco marketing
  - Benefit to environment
    - End of 1990s to present



# TRENDS CHANGING MARKETING

- Globalization
- Advances in technology
- Countries have different tempo of development (rich x poor)
- Environmental responsibility
- Attitude of customers



What type of markets do we know?

**B2C** (Consumer Market)

**B2B** (Industrial Market)

**B2G** (Public Services)

What type of products do we know?

**Goods vs. Services**



# DIFFERENCES

Goods	Services
A physical commodity	A process or activity
Tangible	Intangible
Homogenous	Heterogeneous
Production and distribution are separated from the consumption	Production, distribution and consumption are simultaneous processes
Can be stored	Cannot be stored
Transfer of ownership is possible	Transfer of ownership is not possible

# EXAMPLES OF SERVICES

- Health care – hospital, medical practice, dentistry, eye care.
- Professional services – accounting, legal, architectural.
- Financial services – banking, investment advising, insurance.
- Hospitality – restaurant, hotel, bed & breakfast, ski resort, rafting.
- Travel – air lines, travel agencies, theme park
- Others – hair styling, pest control, lawn maintenance, counseling services.



# SERVICES

- Definition
- History of services
- Services nowadays
- Alternative view





# ALTERNATIVE VIEW

- Rented goods services.
- Defined space and place rentals.
- Labor and expertise rental.
- Access to shared physical environments.
- Access to and usage of systems and networks.



# NATURE OF SERVICES

- Recognition of special characteristics will provide insights for enlightened and innovative management.
- Managers – solving service marketing problems with tools for tangible products.
- Ability to deal with the characteristics of services grows.



# CHARACTERISTICS OF SERVICES

- Intangibility
- Inseparability
- Heterogeneity/Variability
- Perishability
- No transfer of ownership



# INTANGIBILITY

- Services do not have a physical existence.
- Services cannot be touched, held, tasted or smelt.
- The is most defining feature of a service and that which primarily differentiates it from a product.



# INSEPARABILITY

- Services are typically produced and consumed at the same time.
- The right place, the right time and the right way.
- The customer is involved in the production process, and thus may affect its outcome.



# HETEROGENEITY

- The heterogeneity connected with services is largely the result of human interaction.
- Each service offering is unique and cannot be exactly repeated even by the same service provider.
- Reducing variability by training the service providers in appropriate responses to each customer situation.



# PERISHABILITY

- The services cannot be saved, stored, resold, or returned.
- Once rendered to a customer the service is completely consumed and cannot be delivered to another customer.
- The services are generated and consumed within the same time frame.



# NO TRANSFER OF OWNERSHIP

- The payment is not for purchase, but only for the use or access to or for hire of items or facilities.
- The previous cited characteristics of services make them unique.



# TYPES OF SERVICES

- Core Services
- Supplementary Services



# What is marketing mix?

- Old one: **4P**
  - **P**roduct, **P**rice, **P**lace, **P**romotion
- New one: **4C**
  - **C**ustomer, **C**osts, **C**onvenience, **C**ommunication
- Extension for services: + **3P**
  - **P**hysical Evidence, **P**eople, **P**rocesses



**THANK YOU  
FOR YOUR ATTENTION😊**

