

SERVICE MARKETING MIX

BY

DR.RADHIKA.P.C



**7ps
marketing
mix**

Service sector -Importance

- Service sector is one of the fastest growing sector around the world.
- It has become life line for economic growth of the country.
- The Services sector, with a share of 55.2 per cent in India's Gross Value Added (GVA), continued to be the key driver of India's economic growth in 2017-18, (The Economic Survey 2017-18)

Banking

STATE BANK OF INDIA

HOSPITAL



Service Marketing

- It can be defined as the process of identifying, pricing, promoting and providing of the right services in the right time to the customers with a view to satisfy their requirements and the objectives of the service provider.

THE TRADITIONAL MARKETING MIX (4 P'S)

- Definition:
- According to Philip Kotler (2000)¹, **“Marketing Mix is the set of controllable variables that the firm can use to influence the buyer’s response”**.
- The four basic elements from the concept marketing mix that have been devised by the American marketing professor Jerome McCarthy are:
- Product
- Price
- Place
- Promotion

1.Kotler, P. (2000). *Marketing Management*. (10th ed). New Jersey: Prentice Hall.pp34

7P'S MARKETING MIX

- The set of controllable tactical marketing tools
- Everything the firm can do to influence the demand of its products

4 Ps:

- > Product
- > Price
- > Place
- > Promotion

3 more Ps:

- > People
- > Process
- > Phycical evidence

Service Marketing Mix Structure



Product



Price



Place



Promotion



People



Process



Physical Evidence

Goods and Services

Goods



services



Main Characteristics of Services

Characteristics	Distinguishing Features
Intangibility	Cannot be tested, seen, heard, touched or smelled before purchase. Judgement therefore based on opinion, attitude, feeling, perception and experience , e.g. education provision
Inseparability	Production and consumption are inseparable, creation / performance / consumption are often identical and distribution roles integrated. The product cannot usually exist without the customer, e.g. restaurant services
Heterogeneity	Standardization of output is generally difficult, units differ in price, quality and conformity, and judgement is difficult in advance of purchase, e.g. tourism products.
Perishability	Services are perishable and cannot be stored, while short capacity is lost forever with fluctuations in demand, e.g. in transport and travel.
Ownership	Customers only have access to, or use of, a service, rather than ownership. There are thus no ownership transfers, patents or inventories and payment is for hire or temporary use, e.g. leisure facilities



PRODUCT/SERVICE

- The product in service industry is intangible in nature.
- Services are bundles of features, processes, deeds and performances which give benefits to specific target markets.
- Example :-Banks differentiate their products by adding unique features with the core products and also value added services which mainly cover information technology based services including Mobile banking, Internet banking, 24/7 ATM services etc.

PRICE

- According to Kotler et al. (2008), “Price is the amount of money charged for a product or service, or the total values that consumers exchange for the benefits of having or using the product or service.”
- Only element in marketing mix which produces revenue for the business.
- Easiest element which can be adjusted in short term.
- Important as it communicates the value proposition.
- Pricing of services is rather more difficult than pricing of goods due to the following reasons
 - Perishability
 - Intangibility
 - Variability(expertise)

In the case of services, different terms are used for different services

Service	Price Term Used
Theatre	Ticket
Legal service	Fee
Financial	Interest
Stock broker	Commission
Transport	Fare
Insurance	Premium
Property usage	Rent
Employee service	Salary/Wages
Education	Tuition fees
Utilities (telephone, electricity)	Tariff

PLACE

- Hirankitti et al. (2009) described place as the ease of access which potential customer associates to a service such as location and distribution. Place in case of services determine where is the service product going to be performed. Place involves both time and location consideration.
- In terms of place, distribution (place) makes services available to customers in locations which are accessible and convenient to them.
- The characteristic of services which affects the distribution strategy
 - Inseparability (eg services of doctors, professors) or Fixed Location(restaurants, hospitals, banks etc)



Restaurants-Marketing

Uber Eats



zomato

PROMOTION

Promotions



PROMOTION

- Marketing communication mix (Promotion mix) consists of the blend of advertising, personal selling, sales promotion, public relations and direct marketing tools.
- A communication program plays three vital roles such as
 - provide information,
 - persuade target customers, and
 - encourage them to take action (Lovelock and Wright, 2002)³
- Can influence
 - consumers' perception,
 - their emotions,
 - their experience as well as their purchasing pattern.

Promotion Mix



A diagram illustrating the factors that influence the Promotion Mix. A central red box labeled 'Promotion Mix' is connected by lines to a vertical stack of seven purple boxes on the right. The factors listed in the purple boxes are: Nature of Product, Nature of Market, Stage of Product's Life, Availability of Funds, Nature of Techniques, Promotional Strategy, and Readiness of Buyer.

Nature of Product

Nature of Market

Stage of Product's Life

Availability of Funds

Nature of Techniques

Promotional Strategy

Readiness of Buyer

PEOPLE



People

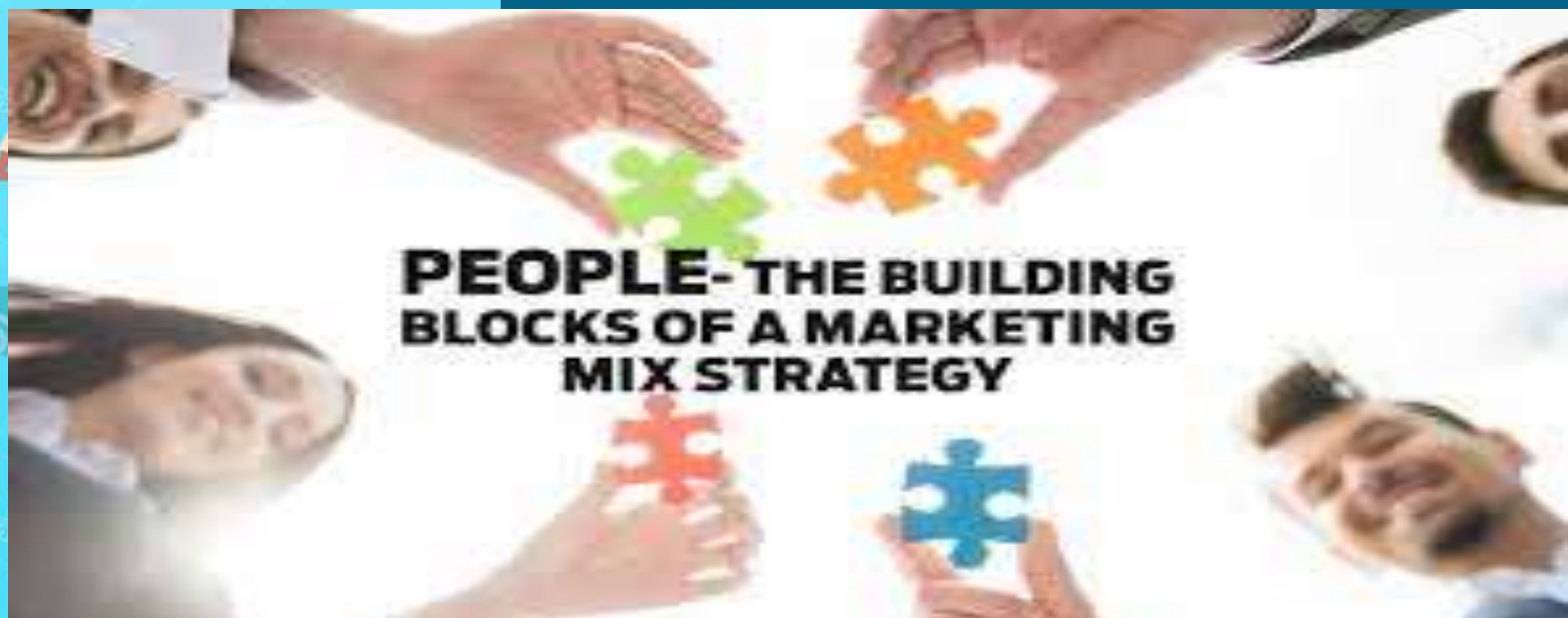
- People refer to the employees who produce and deliver the service. Service encounter occurs when employees and consumers meet together and these encounters have strong influence on the customer's perception of service quality (Hartline and Ferrell, 1996).
- customers see a company through its employees.
- The employees represent the first line of contact with the customer.
- The employees must be
 - polite,
 - courteous,
 - well-informed, and
 - well-behaved



People in services



People



PROCESS



PROCESS

- In service organizations, the system by which the customer receives delivery of the service constitutes the process.
- For example, in fast food outlets like McDonald's, the process comprises of buying the coupons at one counter and picking up the food against the coupons at another self-service counter.

PHYSICAL EVIDENCE

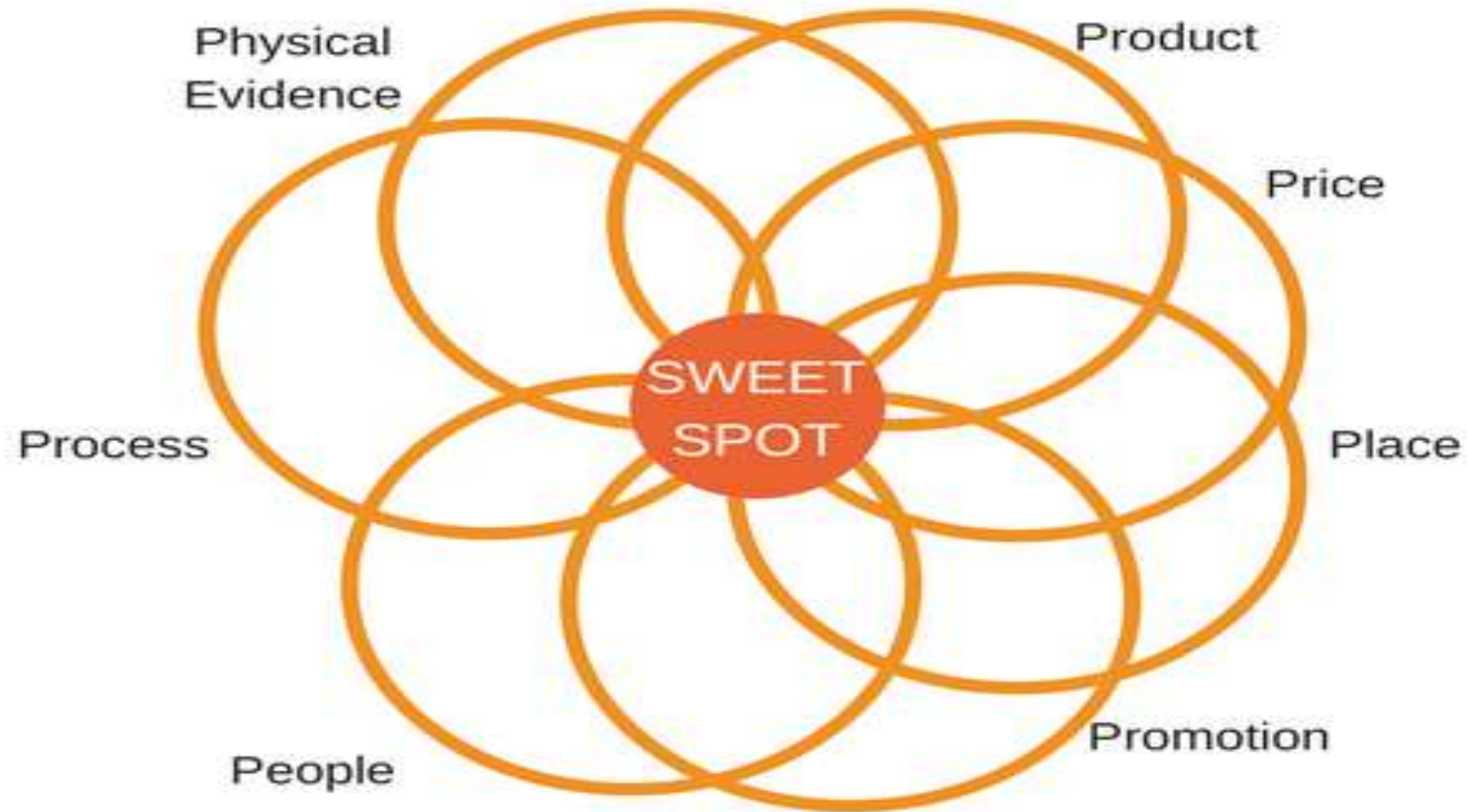
- The environment in which the service is assembled and delivered
- Combined with tangible commodities that facilitates performance or communication of service
- Physical evidence includes all tangible representations of service such as
 - Brochures
 - Letterhead
 - Business cards
 - Report formats
 - Physical facilities



**PHYSICAL
EVIDENCE**
in marketing
comprises
tangible
services/material
comfort for
customers.

Eg: Restaurant ambiance

Services Marketing Mix Sweet Spot



Services marketing mix example – Luxury Hotel

1. Product/service:- Hotel room and the other supporting facilities.
2. Price:- i.e. hotel tariff, varies by type of room
3. Place:- location of the hotel and its accessibility features
4. Promotion- Advertising through travel magazines, tv, websites etc
online marketing etc
5. People:-Managers, staffs in different departments in the hotel.
6. Process:- reservation software like Galelio, Amadeus etc, the check in and check out process etc
7. Physical evidence:- the ambience of hotel, architectural style, uniform of staffs etc

Summary

- In a nutshell services marketing mix provides seven tactics that can be adjusted to attract and keep customers to any services business. The aim is to find the right balance between all the seven tactics so that the service is a success in market.

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Thank
you!!