

3. You may be aware that NIT decided to go for an extensive franchise network. Discuss how franchise operations are beneficial to a service organization, rather than their own outlets?
4. What is the concept of Quasi Retailing? Identify at least three organizations where Quasi retailing is a must, Also enumerate the advantages of Quasi Retailing for these organizations.
5. Differentiate between agents and brokers. Suggest marketing situations where such members of intermediaries are important.
6. What guidelines you would follow for developing an advertising campaign for a service organization? Discuss by taking the example of a commercial bank or an insurance company.
7. It is been said that PR Tools are more relevant in service organizations. Discuss.

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UNIT 7 EXTENDED MARKETING MIX FOR SERVICES

Objectives

The objectives of this unit are:

- To introduce the extended marketing mix for services
- r To describe the fifth 'P' of the marketing mix called 'People' and emphasize on the need for internal marketing in a service organization
- To discuss the relevance and roles of 'Physical Evidence' in service marketing
- To explain the meaning and significance of 'Process Management' in marketing of services and the issues involved therein.

Structure

- 7.1 Introduction
- 7.2 People
- 7.3 **Internal** Marketing
- 7.4 Physical Evidence
- 7.5 Process
- 7.6 Summary
- 7.7 Self Assessment-Questions
- 7.8 References and Further Readings

7.1 INTRODUCTION

For service industries, it was observed that the traditional marketing mix was inadequate because of three main reasons. The first reason was that the original marketing mix was developed for manufacturing industries, which implies that the services offered by service companies ought to be changed in a more product like manner so that the existing marketing tools can be applied. This was practically difficult.

The second reason was that the marketing practitioners in the service sector found that the marketing mix does not address to their needs. They observed that the services have certain basic characteristics, which in turn have marketing implications (as discussed in Unit 1). For example there is a problem as regard to maintaining the quality due to lack of standardization or services can't be inventoried, patented or transferred.

The third reason was that since services are basically different in comparison to physical products the marketing models and concepts have, therefore, to be developed in direction of the service sector.

The above three criticisms suggest that a revised framework for service marketing mix is required and dimension of each of the **mix** elements should be redefined. The **marketing** mix has extended beyond **4Ps** for marketing of services. These additional Ps are added to meet the marketing challenges posed by the characteristics of services.

Booms and Bitner though without any empirical work suggested a '7 P' marketing mix model arising out of the above three observations. **McGrath** and

others endorsed such an approach, and a number of marketing research studies supplement the relevance of each of the '7 Ps'. A detailed account of each of the additional 'P' of the services marketing mix is as follows:

7.2 PEOPLE

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 services 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 recognise that each employee is a salesman for the company's service". The importance of customers in services stems from the fact that most services imply active and involved customer-organisation interface.

a) Service Personnel: 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. How often have you had the experience of holding onto a telephone receiver after dialing for Assistance or Trunk Booking and receiving no response? What do you think has been the role/contribution of the telephone operators towards giving our telephone system the image which it has today?

The case of telephone operators is still controllable because the telephone system presents a low contact organisation. High or low contact is defined on the basis of percentage of total time the customer has to spend in the system compared with the relative time it takes to service him. By this definition, restaurants, hospitals, schools represent a high contact organisation. The other important distinction of service personnel is between those that are visible to the customer and those that are not. In a restaurant, the waiters are visible while the cook in the kitchen is not. As a marketing manager you have to devote more time training the visible personnel, since they have greater responsibility in maintaining relations with the customer. The rice dish which is not cooked properly is the cook's fault but it is the waiter who will have to bear the brunt of the customers' anger. The manner in which the waiter behaves with the customer will be an important determinant in the restaurant losing that customer forever or retaining him as a regular client.

As a marketing manager your primary concern is the visible service personnel and especially so if yours is a high contact organisation. You have to be concerned with ways in which you can improve the quality and performance of your service personnel. This can be done through:

- a) careful selection and training of personnel;
- b) laying down norms, rules and procedures to ensure consistent behaviour;
- c) ensuring consistent appearance; and
- d) reducing the importance of personal contact by introducing automation and computerisation wherever possible.

We will discuss these aspects in the next section on Internal Marketing (Section 7.3)

b) Customers: Customers are important because they are a source of influencing other customers. In the case of doctors, lawyers, consultants one satisfied customer will lead to a chain reaction, bringing in his wake a number of other customers. Thus as a marketing manager, your first task should be to ensure complete satisfaction of the existing customers. The kind of customers that you attract exerts an important influence on prospective customers. The prospective customer may feel attracted towards the organisation (it may be a restaurant, club, school, college) because it has his 'type' of customer or the customer may turn away if he perceives the existing customers to be of a kind with whom he would not like to associate. You have to decide about the class of customers you would like to have and work towards providing your service organisation an image which will fetch you your future customers.

7.3 INTERNAL MARKETING

Although the discussion on significance of employees in the business activity started in mid-seventies the concept of internal marketing was introduced only afterwards. One school of advocates of this concept initially suggested that the employer should apply market research, market segmentation and traditional marketing activities like advertising in order to attract employees and make them perform in the desired way. Such traditional marketing efforts should be used internally.

It was Gronross who suggested that internal marketing should be broader than the traditional marketing. He suggested that internal marketing should be viewed as a managerial philosophy. According to him, "The internal marketing concept states that the internal market of employees is best motivated for service-mindedness and customer-oriented performance by an active marketing like approach, where a variety of activities are used internally in an active, marketing like and coordinated way." The starting point in internal marketing is that the employees are the first internal market for the organization.

a) Strategic and Tactical Objectives of Internal Marketing

Gronroos clarified that the basic objective of internal marketing is to develop motivated and customer conscious employees. If this is the case, then it has strategic as well tactical implications. His point of view has been summarized in Table 7.1.

Table 7.1: Strategic and Tactical Objectives of Internal Marketing

Overall Objective	To develop motivated and customer-conscious personnel.
Strategic Level Objective	To create an internal environment that supports customer-consciousness and sales-mindedness among the personnel through supportive: <ul style="list-style-type: none"> o Management methods; o Personnel policy; o Planning and control procedures.
Tactical Level Objective	To sell services, supporting services (used as means of competition), campaigns, and marketing efforts to the employees based on these principles: <ul style="list-style-type: none"> ● the personnel are the first market of the service company; ● the employees must understand why they are expected to perform in a certain manner, or in a certain situation, actively support a given

	<ul style="list-style-type: none"> ● service or supporting service; ● the employees must accept the services and other activities of the company in order to support the service in their contact with the consumers; ● a service must be fully developed and internally accepted before it is launched; and ● the internal information channels must work; personnel selling is needed internally, too.
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Source: Christian Gronross, "Internal Marketing: An Integral Part of Marketing Theory." In: J.H. Donnelly and W.R. George, Eds., Marketing of Services, (Chicago: American Marketing Association), 1981.

Parsuraman and Berry suggested that a service company can only be as good as its people. A service is a performance, and it is usually difficult to separate the performance from the people. If the people don't meet customers' expectations, then neither does the service. Investing in people quality in a service business means investing in product quality.

b) Elements of Internal Marketing

To realize its potential in services marketing, a firm must realise its potential in internal marketing-the attraction, development, motivation, and retention of qualified employees. Internal marketing paves the way for external marketing of services. The companies that practice internal marketing most effectively will:

1. Compete aggressively for talent market share;
2. offer a vision that brings purpose and meaning to the workplace;
3. equip people with the skills and knowledge to perform their service roles excellently;
4. bring people together to benefit from the fruits of team play;
5. leverage the freedom factor;
6. nurture achievement through measurement and rewards; and
7. base job-product design decisions on research.

The seven components of internal marketing practice, as indicated above lend us to an action checklist, which is given in Table 7.2.

Table 7.2: Action checklist on Internal Marketing

1.	Do we compete as hard for employees as we do for end-customers? Are we imaginative in how we compete for talent? Are we bold? Do we experiment and try new strategies? Do we use a variety of media? Do we use the right people to recruit and interview- people who will make a strong impression, people who can sell?
2.	Does our company stand for something worthwhile? Do we offer our employees vision that they can grab hold of and believe in? Do we have a reason for being that makes our company as special place to work? Do we communicate our vision well? Do we weave it into our company culture at every opportunity?
3.	Do we prepare our people to perform excellently? Do we view skill and knowledge development as an investment rather than an expense? Do we view it as an ongoing process rather than an event? Do we view it as a confidence builder and a motivator? Do we teach our people "why" and not just "how?" Do we go beyond training and educate as well?
4.	Do we stress team play? Do our organizational structure, physical work environment, training and educational efforts foster teamwork? Do our

	employees understand where they fit in the company team? Do they understand the big picture?
5.	Do we allow our employees the freedom to come through for their customers? Do we make rules that fit the aspirations of our best employees rather than protect us from our worst employees? Do we work at keeping our policy and procedure manuals thin? Do we work at building empowerment into our culture?
6.	Do we measure and reward that which is important? Do we measure and reward employee performance that contributes most to our vision? Do we use multiple methods to measure and to reward? Do we emphasize fairness in the methods we use? Do we give all employees the opportunity to be recognized for their excellence?
7.	Do we listen to our employees? Do we use formal and informal research techniques to investigate their attitudes, concerns, and needs? Do we proactively solicit their input? Do we act on what we learn? Do we use the data to improve the job-product?

Source: Adapted from Leonard L. Berry and A. Parsuraman, Marketing Services: Competing Through Quality, Free Press, 1991, pp. 171-172.

Activity 1

From the table 7.2, identify those activities which are important in a commercial bank, where you operate your Savings Account.

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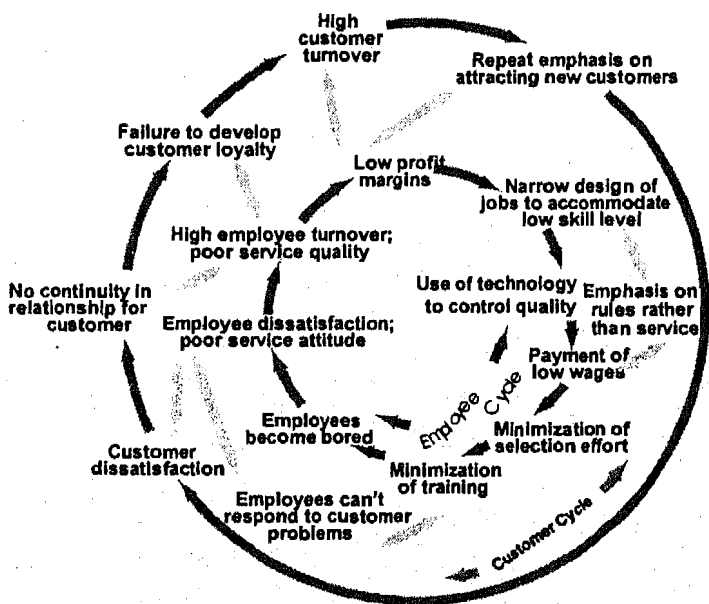
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c) Importance of Internal Marketing in Organizational Success or Failure

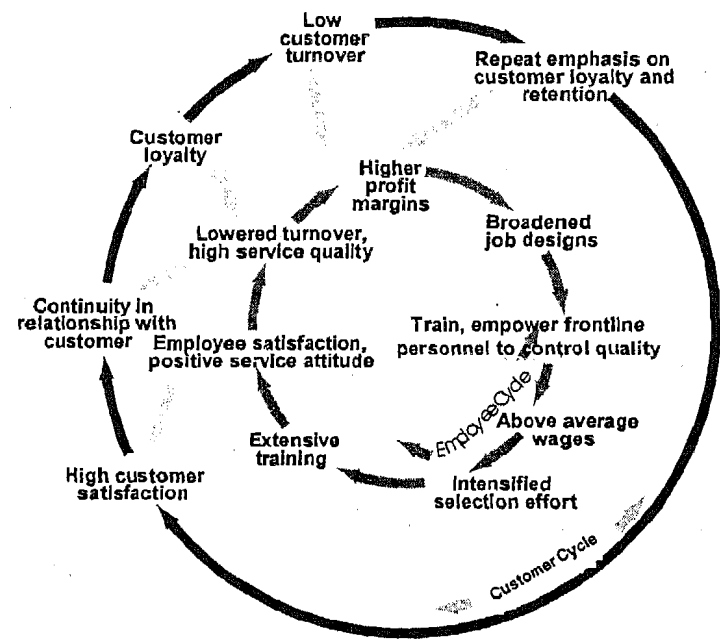
A successful service firm implies a significant level of internal marketing also. The employees of a service firm have to share the same concern as the conceptualizer of the service. In fact, the service has to be marketed first to the intermediate customers who are the employees of the firm, more specifically, the front line employees or the contact persons. In such a case, a service strategy has to be focused internally also. A complete strategic vision, when due importance is not given to caring of employees, traps the service into a cycle of failure. Figure 7.1 and 7.2 show the cycles of failure and success.

Figure 7.1: Cycle of Failure



Source: Schlesinger and Heskett

Figure 7.2: Cycle of Success



Source: Schlesinger and Heskett

It is clear from these cycles that proper selection, training and the development of employees ensures success (Schlesinger & Heskett, 1991).

Implementation of such a strategy is fairly difficult task. It requires a service orientation which is more of a software to excellence. For service industries, personnel hold the key to success and the process needs sharing of values by every employee in the organisation. An implementation process for a hospital for example could involve the following six steps:

1. Overcome differences: CEOs need to create a compelling vision of the future for the board, medical staff, management team and support staff.
2. Identifying key strategic initiatives like realising physician and hospital financial incentives: Focusing on the complete range of health care, including prevention, diagnosis and recovery, making the hospital campus more user-friendly and tailoring ambulatory care program to consumer needs.
3. Remove the barriers: Once the CEOs have a strategic plan, they need to tackle organisational elements that will inhibit its success. For example, are there too many layers of management? Do incentives and compensation plans mesh with the strategic goal?
4. Identify information needs for decision making: Make sure that information needs are met at all levels of the hospital-from CEO to clerk.
5. Develop a process of continual improvement: Once you have translated your strategy into action, constantly assess its performance and ways that performance can be improved.
6. Empower and motivate your staff: This is the only way that total quality management can be fully integrated into every aspect of the hospital.

7.4 PHYSICAL EVIDENCE

Cleanliness in a doctor's clinic, the exterior appearance and interior decor of a restaurant, the comfort of the seating arrangement in a cinema hall, adequate

facility for personal needs at the airport all contribute towards the image of the service (organisation) as perceived by the customer. The common element in these is that they all physical, tangible and controllable aspects of a service organisation. They constitute the physical evidence of the service. There may be two kinds of physical evidence:

- a) peripheral evidence
- b) essential evidence

Peripheral evidence is actually possessed as a part of the purchase of service but by itself is of no value. An airline ticket, a cheque book, or receipts for a confirmed reservation in a hotel are examples of peripheral evidence. A cheque book is of value only if you have money in the bank-without that is of no significance. Peripheral evidence adds on to the value of essential evidence. In a hotel you **may** find a matchbox, writing pad, pen, complimentary flowers and drinks, which you may take away. These are representations of peripheral evidence. Such evidence **must** be designed keeping in mind the overall image which the organisation wishes to project and the reminder value of the evidence in its ability to remind the customer about the organisation.

Whereas peripheral evidence is possessed and taken away by the customer, the essential evidence cannot be possessed by the customer; the building, its size and design, interior layout and decor, logo and equipments etc. are constituents of the essential evidence. The essential evidence is a very critical input in determining the atmosphere and environment of the service organisation. Contrast the essential evidence of a five-star hotel (its long driveway, grand entrance manned by a liveried doorman, sophisticated decor of lobby) with that of a fast food outlet (with bright colours, loud music, and bright lights) and judge the kind of rich and formal atmosphere of the former with the relaxed and casual atmosphere of the latter. You can use physical evidence to build a strong association in the customers' mind and also to differentiate your service from the competition. As a marketing manager it is your responsibility to manage the physical evidence in order to create the ideal environment for your service. You can do this in two ways: one by making the service more tangible, and two, by making it easier for the customer to grasp the concept of the service.

One **obvious** way of **making** the service more tangible is by developing a tangible representation of the service as is done in the case of credit cards. Credit cards have a physical entity and are identifiable by their brand name (American Express, Diners, Visa, BOB, i.e., Bank of Baroda) and distinct looks of the card. Other ways by which a service can be made more tangible is by **standardising** the physical attributes such as location, interior decor, colour scheme etc. Most airlines use a uniform for all their staff to help create a sense of identification. Similarly, Indian Airline's white and orange colour combination is well-recognised.

The second way is to make it easier for the consumer to understand the concept of the service which you are offering, with easily perceived objects and ideas. Promoters of package tours may provide detailed information about the hotel, food and transport facility they would be using to help the customers understand the concrete dimensions of the tour and thus reduce their anxiety **arising out of uncertainty**. Specific information about the various dimensions of the service should be provided to prospective customers. As a marketing manager you can help the customers to understand the service you are offering by stressing the organisation and customer relationship. Advertising agencies assign one account executive or a team to a particular client to help him **identify** with the agency.

Activity 2

What are the components of physical evidence in case of

- a) Railways
- b) Banks
- c) Theatre performances?

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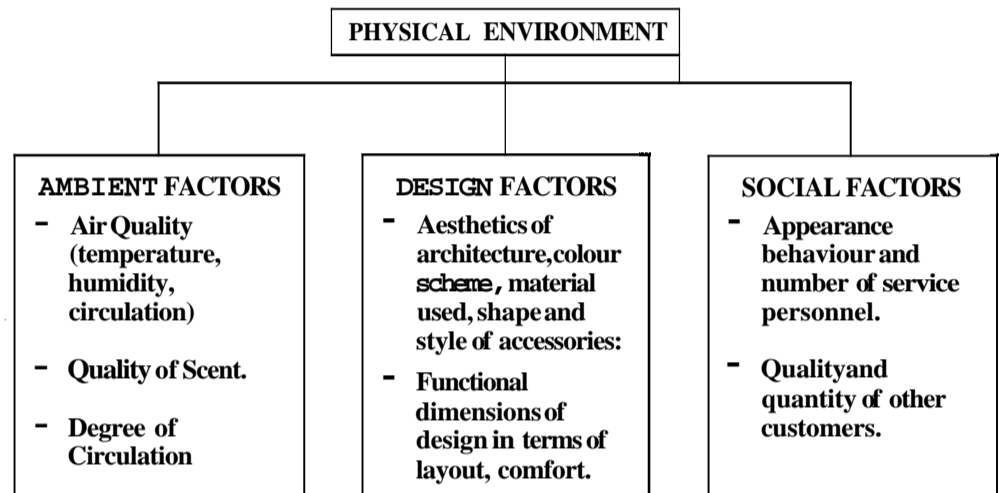
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Julie Baker in her doctoral work theorized that the physical environment is a composite impression of ambience, design and social relationships. She accordingly termed these three factors as ambient factors, design factors and social factors. As summarized in Figure 7.3 the ambient factors relate to the background conditions below the level of a customer's immediate awareness, The design factors on the contrary are those visual stimuli that exist at the forefront of a customer's awareness. The social factors relate to interactive environment comprising of people.

Figure 7.3: Ambient, Design and Social Factors of Physical Environment



Activity 3

For a specialty restaurant identify the ambient, design and social factors which are important from the customer's point of view:

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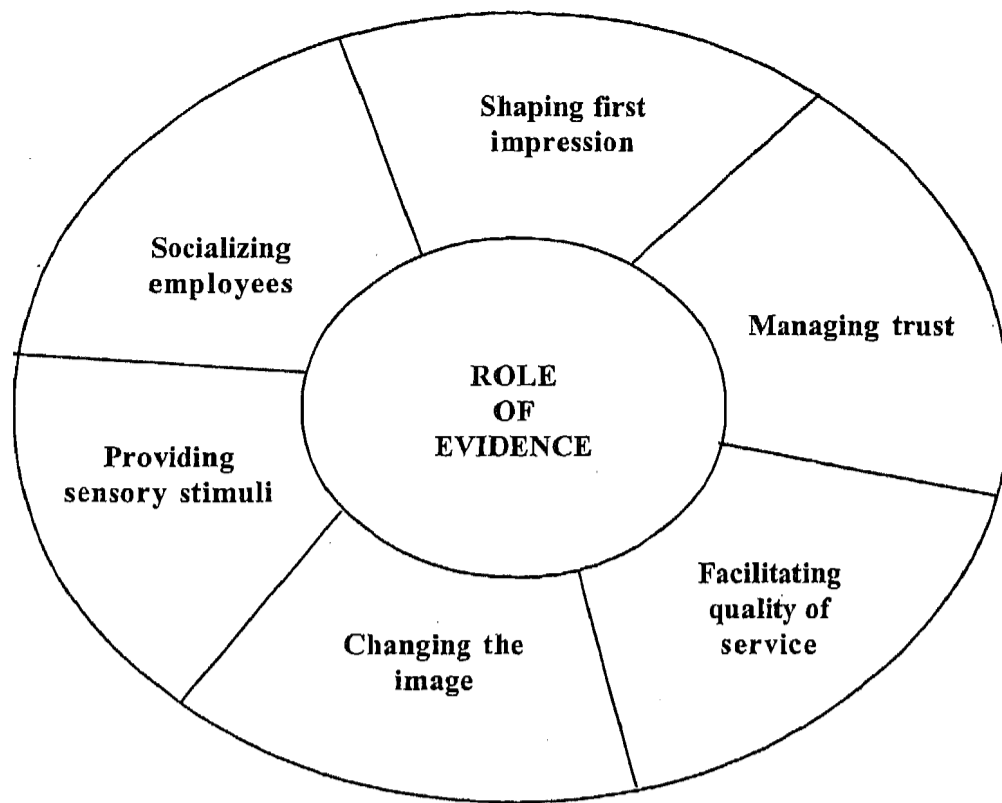
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Roles of Physical Evidence

The primary role of evidence management is to support the organisation's marketing programme by making it possible to manage both **intended** and unintended cues which can give adequate evidences to customers and thereby influence perceptions. Interestingly, the physical evidences also influence employees who interact **with** customers **during** the service delivery.

Parsuraman et. al. identified **six** specific roles of evidence as represented in Figure 7.4.



Depending on the competitive situation, marketing objective and the resources, an organization can use evidence for some or all of the above roles, though these roles are not mutually exclusive. Arising out of the above reasons the services organization are expected to use a two prong marketing communication strategy aimed at not only tangibilizing the message but also the service.

Tangibilizing the service implies that tangibles associated with the service are emphasized in communication as if they themselves form the service. For example, DHL courier service is advertised with a visual of an airport showing a fleet of their aircrafts and Benz trucks. Alternately, you create tangible representations of the service to symbolize. For example, 'comfort' in air travel can be tangibilized using comfortable seats with extra leg-space. This can also be emphasized in advertising.

The second step of marketing communication, tools aim at tangibilizing the message by creative use of evidence in messages, by guaranteeing the service and by encouraging positive word of mouth. By tangibilizing the message the service organization makes the advertising message less abstract and more credible through the use of physical evidence. For example, "Personal Point" is giving physical evidences as regard to the weight loss of their customers. The other method of tangibilizing the message is to guarantee the service. For example, some of the private airlines emphasize on a higher percentage of on time arrivals and departures.

Hart suggested that though warranties are effectively used in manufacturing goods quite **successfully**, they can equally be applicable in service industries. If the quality of the service and the service delivery of an organization are excellent, a service organization then can possibly guarantee it to gain **competitive** advantage. We will discuss the issues related to service guarantees in the next block.

The third method of tangibilizing the message is to create and encourage a favourable word of mouth. In service sector the consequences of selecting a wrong service supplier are invariably higher and as a result the customers invariably seek the opinion of others. It is in this context the **word** of mouth is important in giving tangible clues to customers.

7.5 PROCESS

In a service **organisation**, the system by which you receive delivery of **the** service constitutes the process, In fast food outlets the process comprises buying the coupons at one **counter** **and** picking up the food against that at another counter.

The process of a delivery function which can be **compared** with that of operations management implies the **conversion** of input into the finished product. But in a service organisation these is no clear cut input or output. Rather it is the process of adding 'value' or 'utility' to system inputs to **create** outputs **which** are useful for the customers.

Services can be described on the basis of the types of processes used in the delivery of the services. The three kinds of delivery processes that are applicable in case of service products are **line operations**, job shop operations and **intermittent** operations. Self-service restaurants and **shops** are examples of line operations. The consumer moves through logically arranged operations which are arranged in a sequence. In a self-service departmental store, the consumer starts picking up the items he needs and pays for **them** near the exit. This kind of delivery process is relevant when the service you are providing is fairly standard and the consumers' requirement is of a routine nature.

When the consumers require a combination of services using **different** sequences, the job shop type of operation is more useful. Hospitals, **restaurants** and educational institutions usually have this type of delivery process. In a hospital, some patients **need** only consultation in the Out Patient Department, some others **may** need **consultation** as well as medication or X-ray, some patients require **hospitalisation** for surgery, medication or investigations. All these categories of consumers require a different combination of dishes. A college may offer courses for **full-time** students as well as for working people through correspondence.

Intermittent operations are useful when the type of service is rarely repeated. Firms offering consultancy for projects **use** this kind of delivery system. Advertising agencies also use the intermittent delivery system since each advertising campaign requires a unique set of input factors.

As a manager you are interested in optimising the efficiency **of** your organisation without sacrificing the qualitative aspect. Some of the critical questions you need to focus upon are:

- a) What are the **steps** involved in delivering the service to **the** consumer?
- b) **Are** they arranged in the most logical sequence?
- c) If not, can some steps be eliminated, combined or rearranged to form a smoother sequence?
- d) What are the steps in which the consumer is involved?
- e) Can the **consumers'** contact be reduced or totally eliminated?
- f) Can we introduce automation to speed up the delivery process?

You will appreciate that the importance of process management is that it assures service availability and consistent quality. Without sound process management, balancing service demand with service supply is extremely difficult. Service cannot be inventoried; therefore, it becomes essential to find out ways and means to handle peak load to optimize different customer needs with varied expertise levels within the service organization.

In marketing management, operations management has been recognized as an integral function. In manufacturing sector, for example, logistics in distribution are vital to satisfy the customer needs. Similarly in services sector, where there is no tangible product, the operations management is vital to deliver satisfaction because here the operations management would decide how the process of service delivery would function, or in other words, the interactive experience that would deliver the service benefits to the consumers.

Cowell identified that the issues in operations management or process management are many, as summarized in Table 7.3. However, the degree to which these issues are successfully managed would decide or determine not only the satisfaction but it might also give a competitive edge to an organization.

Table 7.3: Issues in Process Management

S.No.	Area of Operations	Explanation
1.	Process Planning and Control	Operation specifications to achieve service output in terms of quantity, quality, delivery and costs.
2.	Operations Planning	Detailed specification of each sub system.
3.	Facilities Design	Design, layout, locations, materials handling and maintenance.
4.	Scheduling	Detailing the timings at which service operations should be completed by agreed delivery promises within available resources and with their economic utilization.
5.	Inventory Planning and Control	Planning and controlling the inventory of people and capacity
6.	Quality Control	Quality standards are attained in each service system.
7.	Operations Control	Information flows into and out of service systems and ensures that operations are undertaken at specific times as per schedule.
8.	Forecasting and Long Term Planning	Anticipating demands and forecasting capabilities that need to be inducted in the system.

Shostack gave a much-simplified version and described the 'process' in three stages. First, a process can be broken down in logical steps to facilitate analysis and control. Secondly, there are more than one available options of processes in which output may differ. Finally, each system includes the concept of deviation or tolerance standards in recognition that the processes are 'real time' phenomena that do not conform perfectly to any model or description, but functions within a norm.

Shostack further observed that in marketing literature no description on process is found although concepts, which relate to process like 'standardization' and 'customization', are frequently mentioned. In her article Shostack described processes in two ways.

The first way is according to the steps and sequences that constitute the process and she termed it as 'complexity of process'. The second is according to the exceptional latitude or variability of those steps and sequences, which she called 'divergence'. Any service process is a combination of both-complexity and divergence. Analyzing the number can identify a service's complexity and intricacy of the steps required and the degree of freedom inherent or allowed in a process step or sequence can be called its divergence. In reality there could be services where process can be of high complexity and low divergence. Such services are called standardized services. For example, housing loan from any financial institution. On the other hand, there could be services with low complexity and high divergence. Such services can be called customized services.

When we are developing clarity on understanding of process management, an understanding of above described phenomenon is essential as complexity and divergence are not fixed rather they are factors that can be changed or adjusted for efficiency in the process. A change in overall complexity or divergence generally indicates one of the four overall strategic directions, each with positive consequences and also the risks, as summarized in Table 7.4

Table 7.4: Alternative Directions of Structural Changes

Strategic Options	Advantages	Disadvantages
Reduced Divergence	<ul style="list-style-type: none"> - Uniformity would reduce cost, improve productivity and make distribution easier. - Increase perceived reliability, uniform service quality and greater service availability. 	<ul style="list-style-type: none"> - Inflexibility in operating procedures. - Lower customization and thus consumer rejection inspite of low cost.
Increased Divergence	<ul style="list-style-type: none"> - Greater customization and thus niche positioning strategy. - Less dependence on volume. - More margins as market may respond positively to personalization and thus prestige. 	<ul style="list-style-type: none"> - Difficult to manage, control and distribute. - Limited number of customers may be available who are willing to pay the price that customization demands.
Reduced Complexity	<ul style="list-style-type: none"> - Reduced complexity indicates a specialization strategy. - Narrowing the service offering makes distribution and control easier. - Perceived positively in the market provided it stands out. 	<ul style="list-style-type: none"> - Reduced complexity can also be perceived as stripped down service. - It can be competitively risky if other providers continue to offer a broader, more extensive full-service alternative.
Increased Complexity	<ul style="list-style-type: none"> - Higher complexity usually indicates a strategy to gain greater penetration in the market by adding more services. - Increasing complexity can increase efficiency by maximizing the revenue generated from each customer. 	<ul style="list-style-type: none"> - Too much complexity can be confusing as a result overall quality may fall. - Highly complex service system may be vulnerable to inroads by competitors who specialize.

One can observe that how changes in complexity and divergence influenced their market position. For managers in service industries, taking a structural approach can help increase their control over some of the critical elements of the service system management. Therefore, for marketers in service industries, process design may be a tool that can substantially increase their impact and role in marketing their services.

Activity 4

Compare the relative advantages and disadvantages of "Conventional token system in retail banking with the teller system and ATM system."

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7.6 SUMMARY

Service industries have typically lagged behind manufacturing firms in adopting and using marketing concepts. But this is now changing, It is said that services marketing strategy calls not for external marketing but also for internal marketing to motivate the employees and interactive marketing to create skills in the service provides. The unit provided you an action checklist on internal marketing. The importance of internal marketing was highlighted using cycle of success and cycle of failure. The next element of extended marketing mix discussed in the unit is Physical Evidence, which includes both peripheral as well as essential evidence. The various elements of physical evidence are ambient factors, design factors and social factors. The unit outlines the role of physical evidence as well. The last part of the unit was devoted on 'process management'. The various aspects involved in process management were outlined. These include process planning and control, operations planning, facilities design, scheduling inventory planning and control, quality control, operations control and forecasting.

7.7 SELF-ASSESSMENT QUESTIONS

1. What do you think are the main reasons for including the element of people in the marketing mix for services?
2. Do you think that physical evidence really matters in marketing of services? Discuss with the help of examples.
3. Can varied process management be followed in marketing the same service? Discuss by taking an example.
4. Write short notes on the following:
 - a) Physical evidence as an element of Marketing Mix.
 - b) Significance of Internal Marketing..
5. Compare and contrast the employee's attitude and behavior towards customers amongst the following organization. Do you 'see the significance of employees in servicing the customers better'? Identity how a motivated employee can provide higher customer satisfaction in these organizations.
 - a) Nationalized bank and a foreign bank operating in India.
 - b) Indian Airlines and any private airlines.
 - c) Super bazaar and a private department store.
6. In the above organizations identify the various physical evidences and suggest ways to improve upon them.

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6. G.Lyan Shostack, "Service Positioning Through Structural Changes, *Journal of Marketing*, Vol 51, Jan. 1987, pp 34-43)
7. A. J. Mcgrath, "When Marketing Services 4Ps Are Not Enough", *Business Horizons*, May-June, 1986, pp.44-50.
8. Leonard L.Berry and A.Parsuraman, *Marketing Services : Competing Through Quality*, (New York : The Free Press) p.94,1991.
9. S.Majaro, *Marketing in Perspective*, (London : George Allen), 1982.
10. Julie Baker, "The Role of the Environment in Marketing Services: The Customer Perspective, in John A.Crepel, Carole Congram and James Shanahan (eds), *The Service Challenge: Integrity for Competitive Advantage*, (Chicago : American Marketing Association), 1987, p.80.
11. R.Doswell and Paul Gamble, *Marketing and Planning Hotel and Tourism Projects*, (London : Hutchinson), 1979.
12. Christopher W.L.Hart, "The Power of Unconditional Service Guarantees," *Harvard Business Review*, July-Aug, 1988 pp-54-62.
13. Donald W. Cowell, *The Marketing of Services*, (London : Heinemann), 1984, p.243.
14. G.Lynn Shostack, "Service Positioning through Structural Changes", *Journal of Marketing*, Vol 51, Jan 1987 p.34-43.

FURTHER READINGS : BOOKS ON SERVICES MARKETING

- Given below is a list of books on "Marketing of Services" which you may find useful for further reading for this course.
- S. Baron and K. Harris, *Services Marketing – Text and Cases*, Palgrave, 2003
- J. Bateson, *Managing Services Marketing: Text and Readings*, Dryden, 1995
- L.L. Berry and A. Parasuraman, *Marketing Services : Competing Through Quality*, The Free Press, 1991
- D. Carson and A. Gilmore (eds.), *Service Marketing- Text and Readings*, Mercury Publications, 1996
- D. Cowell, *The Marketing of Services*, Heinemann, 1996
- W.J. Glynn and J.G. Barnes (eds.), *Understanding Service Management*, John Wiley and Sons, 1995
- C. Groomross, *Service Management and Marketing*, Lexington Books, 1990
- J.L. Heskett, W.E. Sasser, Jr. and C.W.L. Hart, *Service Breakthroughs - Changing the Rules of the Game*, The Free Press, 1990
- D.L. Kurtz and K.E. Clow, *Service Marketing*, John Wiley, 2002
- C. H. Lovelock, *Services Marketing*, Prentice Hall
- A. Payne, *Essence of Services Marketing*, Prentice Hall of India, 1996
- R.T. Rust, A.J. Zahorik and T.L. Keiningham, *Service Marketing*, Harper Collins, 1996
- Ravi Shanker, *Services Marketing- The Indian Perspective*, Excel Books, 2002
- T.A. Swartz, and D. Iacobucci (eds.), *Handbook of Services Marketing and Management*, Sage Publications, 2000
- H. Woodruffe, *Services Marketing*, Macmillan India, 1997
- V.A. Zeithaml, A. Parasuraman and L.L. Beny, *Delivering Quality Service – Balancing Customer Perceptions and Expectations*, The Free Press, 1990
- V.A. Zeithaml and M.J. Bitner, *Services Marketing*, , Tata McGraw-Hill, New Delhi, 2003