

Service Marketing Mix

The essence of every marketing strategy is the marketing mix. For service marketing, due to special and unique features the marketing mix is extended to include *physical evidence, process and people*. Thus marketing mix of service are

- Product
- Price
- Promotion
- Place
- People
- Process
- Physical Evidence

Product

Product (i.e. Service) refers to the activities that a marketer offers to perform , which results in satisfaction of a need or want of the target customer. Planning for service product in many ways similar to the planning of tangible goods, although establishing the nature of service is difficult. The service product consists of core product –which is the primary benefit the customers seek from the service and peripheral services that are secondary benefits the customer seek.

The management often tries to integrate core and peripheral services into a competitive strategy. e.g. Accounting firms have added management consultancy to their traditional core offerings of accounting service.

Moreover , since services are intangible the service marketers must tangibles the intangible aspect. Superior quality , trusted brand image , extended guarantees , courteous staff , prompt service all from the part of managing the service offering.

Price

The price of the service is the value attached to it by service provider and this must correspond with the customer's perception of the value . Service pricing decision are made in more varied environment than product pricing decisions. Demand for service tend to be less elastic than for goods , meaning that , as prices rise the consumption of the service will not decrease as fast as goods.

The methods of pricing for services can not be scientific as those for products. Demand oriented method is difficult because of the uncertainty in projecting service demand . Cost oriented method is more common but this is also difficult to implement because it is hard determine the cost of people based services. In some cases competitor based pricing may be suitable, where the service is price sensitive, for example pricing airlines . Whatever the method of price determination, the price of service usually influences image . Since services are more ambiguous than goods , consumers are likely to associate the price of a service with quality.

Promotion

Promotion is used to communicate information about goods and services to target market audience .There is a need to make services more tangible by linking them to objects in promotion. Another important objective of service promotion is to reduce the risk of buying service. The traditional promotion mix include various methods of communicating the benefits of a service to potential consumers or advertising ,sales promotion , personal selling

and public relations .These can best be accomplished by establishing the credibility of the service organization and emphasizing the reliability of the service. Using experts and testimonials of famous individuals, linking the service to some objective source as a government agency and using two sided advertising appeals are all means of enhancing the credibility of the service organization.

Place

The place decision refers to the ease of access that potential customers have to a service. They can, therefore, involve physical location decision-e.g. Where to place a hotel, decision about what intermediary to use in making a service accessible to a customer-e.g. Whether a tour operator uses a travel agent or sells it holiday package directly to the customers.

The simultaneous production and consumption of service indicate the channel of distribution is generally limited. Franchising of service is growing rapidly especially in the fields of health club ,accounting and tax services , restaurants, schools etc. Franchising lends itself to any service that can be standardized –a major problem with heterogeneous services.

People

In any service , it is people who play a vital role in the service encounter. This includes both employees and other customers. The attitudes and action of the employees can certainly affect the success of service encounter. It is also likely that the behavior of other customers , in a movie theatre, restaurant or class room can affect an individual service experience.

The importance attached to people management in improving quality and customer-oriented service is increasing to a large extent. Development of quality circle , empowerment and a service culture organization all prove the above. In service , marketing is everyone's job. Thus it is important to have employees with skills , commitment , attitude and ability to use discretion in dealing with customers. This is specially true in those service where a high level of contact with customers. By adding value in the way the employees perform and by maximizing the impact of their activities ,the firm has a competitive edge over the service companies.

Process

The important objective of marketing is to identify the needs and wants in the market place so that the service may be designed to fulfill these needs. This include the design of the service process and how the service is delivered .Ultimately , it reflects how all the marketing mix elements are coordinated to provide consistent and quality service to the customer.

In order to be effective the steps involved in the process plan to be followed are :

- Break down the process into logical steps and sequence.
- Identify those steps which introduce the highest prospect of something going wrong because of judgment , choice or chance.
- Set deviations or tolerance standards for these steps thereby providing a performance band for functioning.

Physical Evidence

The intangible nature of service means that potential customers are unable to judge a service before it is consumed, increasing the risk involved in the purchase decision. An important element of marketing mix strategy is , therefore, to reduce this level of risk by offering tangible evidence of the nature of the service. This evidence can take a number of forms. The building and the service environment where the

the service environment where the service is delivered are the major evidences of the service nature. A clean , bright environment used in a service outlet can help to reassure potential customers regarding their purchase decision .

For this reason fast food and photo processing outlets often use red and yellow color schemes to convey an image of speedy service. e.g. – a holiday brochure giving pictorial evidence.