

# INTRODUCTION TO SERVICES



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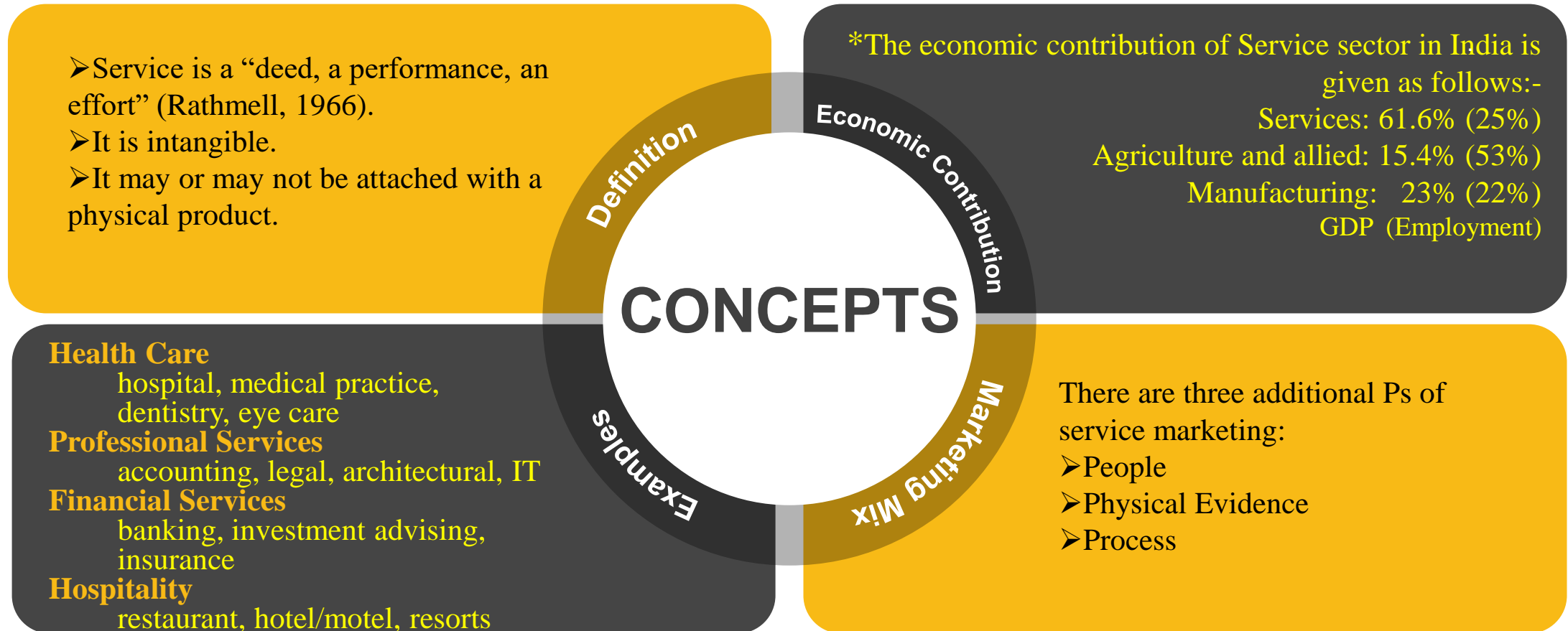
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# OVERVIEW



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# GOODS Vs SERVICES & QUALITIES OF SERVICES

Goods

Vs

Services

Qualities of Services

Tangible

Standardized

Production separate from consumption

Non perishable

Intangible

Heterogeneous

Simultaneous production and consumption

Perishable

There are three qualities of services

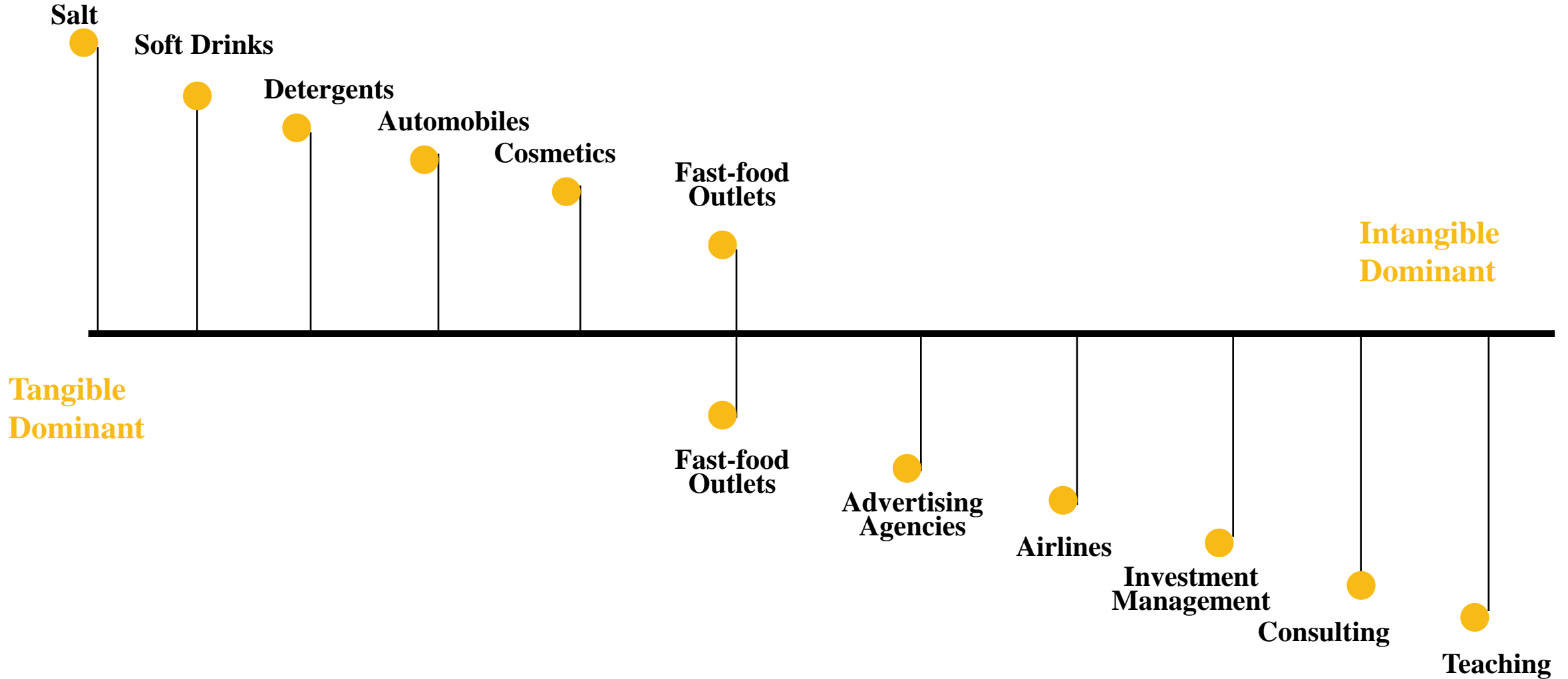
Search Qualities

Experience Qualities

Credence Qualities



# TANGIBILITY SPECTRUM



# CHARACTERISTICS OF SERVICES



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## **Intangibility**

Intangibility means that services cannot be seen, tasted, felt, heard or smelled before they are bought. It means we cannot try them out.

## **Inseparability**

It means that services are produced and consumed at the same time. This also entails that services cannot be separated from their providers. Contrary to services, physical goods are produced, then stored, later sold, and even later consumed.

## **Heterogeneity**

It refers to the fact that the quality of services can vary greatly, depending on who provides them and when, where and how.

## **Perishability**

Perishability means that services cannot be stored for later sale or use. In other words, services cannot be inventoried. This is one of the most significant characteristics of services, since it may have a major impact on financial results.



# SERVICE CHARACTERISTICS-MARKETING DIFFICULTIES FACED

## Intangibility

- Services cannot be stored.
- Services cannot be protected through patents.



## Heterogeneity

- It is very difficult to standardize services and to have quality control!
- Eg. A machine can make ice cream cones a standard size 100% of the time.

## Inseparability

- Service provider must be physically present to deliver service.
- Customer is involved in the production process.

## Perishability

- Demand fluctuates and changes, so it becomes difficult to match demand and supply.
- eg. Place in the restaurant at noon can not be stored to be used in the evening.



# SERVICE CHARACTERISTICS-MARKETING STRATEGIES

## Intangibility

- Stress on tangible cues, eg. “the power of the pyramid”- shape of Transamericas office building.
- Focus on the service’s benefits and satisfaction.

## Heterogeneity

- Customise the service
- Standardize the service



## Inseparability

- The service organization must select and train their employees well.
- Consumer management  
ie. Home delivery

## Perishability (Demand Strategies)

- Reservation systems
- Development of complementary services eg. Newspapers or TV in waiting rooms

## Perishability (Supply Strategies)

- Capacity sharing
- Utilization of third parties for eg. Travel agents, OYO, Swiggy, Zomato etc



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**THANK YOU**

Any Questions?