

**Service Marketing: A practical approach**  
**Prof. Dr. Biplab Datta**  
**Vinod Gupta School of Management**  
**Indian Institute of Technology-Kharagpur**

**Lecture-09**  
**Service Marketing Process**

Hello everybody. Welcome to this session on services marketing with a practical approach. My name is Dr. Biplab Datta and my contacts are given, so that if you have to give any feedback you can write to me and I will try to respond to you as much as possible.

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Lesson 9 Services Marketing Process

Marketing Process for Services

Today we will see lesson 9 and 10 in this session. So lesson 9 is about services marketing process and the marketing process of services that same thing that would be discussed today.

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Marketing Process for Services

The 7Ps, i.e., product, process, people, place, physical evidence, promotion and price are collectively called the marketing mix for services.

The marketing mix has to be designed so that they are consistent with each other and provide an image consistent with the positioning of our service in the minds of the customer.

So the marketing process for services we see that there are 7 pieces in services marketing called the product, process, people, place, physical evidence, promotion and price. And these 7 pieces are collectively called the marketing mix for services. The product is the service product that is the intangible product which comes out of the interaction between the service provider and the customer.

The process is all the background processes as well as front stage processes which have to go on like registration etc. which has to go on to make the service available to people. The people mean all the people who are part of the service except the customers or sometimes including the customers also. So these people together create the service product and deliver it to the customers.

The place is the distribution channel for the 7 pieces, the place also is also is the outlet, the retail outlet where services are provided. For example, the fast food center. The physical evidence, now as services are born out of interaction between the service provider and the customer. The services are also intangible. As services are intangible customers would like to see the physical evidence of that service in order to have a tangible feeling for the service that is being provided.

The promotion is how the services administered to people and how the services are advertised to people, how they come to know about the service, how they like the service, how they are supposed to feel after the purchase of the service. All this is part of the promotion. And price is nothing to be discussed. Price is the price that customers have to pay for receiving the service. So these are collectively called the marketing mix for services.

The marketing mix has to be designed so that they are consistent with each other and provide an image consistent with the positioning of our service in the minds of the customer. So what is meant by the term consistent with each other. So the idea is that if the service is very superior service, a spectacular service, the people are all trained people who are providing the service. Then the physical evidence also has to be of a superior quality.

And accordingly the price charge would also be of a higher side. In order that all these together jell well, they are all consistent with each other and the service package is not confusing but customers understands the service package as a single package and a and they

know what to expect and they also receive the services which they have expected. So performance of the service is similar to the expectation of the service.

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### Marketing Process for Services

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The marketing mix has to be designed so that they are consistent with each other and provide an image consistent with the positioning of our service in the minds of the customer.



So then we go to the services marketing process. So the services marketing process consist of the (( )) (04:40) analysis as it is popularly known. So here we first start with identifying value. So identifying value consists of on the analysis of the environment of the context, the analysis of the customer and their needs and preferences. The analysis of the company and its capabilities, the opportunities and threads that the distances and weaknesses of the company.

Then the competitor analysis that is the competitors were present and hope where the same kind of service are substitute of the services and then the collaborator analysis, that is who are the collaborators to your service point. For example the bank, a financier, and a supply chain partner. So these would be all collaborators to your services industry or to your services company. Then we come to identifying the customers.

So identifying value, this part has been dealt with in great detail till now. So after this we will look at identifying customers that is segmenting, targeting and positioning. So segmenting **it** is about grouping the customers in a market, okay. And we group customer in such a way that he people in the same group are similar to each other and the people of different groups are dissimilar to each other.

Then we go for targeting 1 or 2 on more segments. So when we go for targeting we actually see whether the segment is profitable, whether we will be able to deliver what they expect to

the segments, so that is what is (( )) (23:10) called targeting. Then positioning is about positioning the service in the minds of customer and in the competitor landscape. So based on the landscape in which competitors are also providing similar services.

How do you position your service so that it turns out to be distinct, it is differentiated from others and therefore you have a place in the nation, place in the country to provide very unique services to your customers. So this identifying customers identifying the value, these are all actually the analysis which we have seen, identifying the customers we will see henceforth and this part of identifying customers that is choosing customers that is segmenting, targeting and positioning.

That is all about the service strategy. This become to the service practice that is the services marketing mix. We have already discussed that the value that the services provided is providing that is what is the product and the process. These are the products and the service process. Then we come to the delivering of value that is through people, place and physical evidence by which the service is provided to the customers.

Then we come to communicating value, so communicating value is about promotion, the advertisements, the websites, the sales promotions, the personal selling, all that which is done to communicate the value of the service to the customer to give a reason why a customer should purchase the services. Then we come to capturing of value, so till now the service business has been only spending money on identifying value, identifying customers, creating value, delivering value etc.

But now is the time for the service form to actually receive the price for the effort that they service company has put in. So price is the only way in which is service on revenue and that part is called capturing value. Then we do this identification to capture of value in one go and then we have to repeat this steps again and again to be in the market place, but marketing is done in a vacuum.

So customers would have to so the company would have to do something more in order to retain the customers and in order to provide new services to the customers. So we land up with sustaining value. That means the value that we had created and promoted and priced this

and that we are offered what customers have purchased, these should go on for a long period of time and it should be sustainable. So we called sustaining value.

The sustaining value consists of new service development, customer retention and branding. Now what is new service development?. Now you have some service which is being provided now, but you will provide even difference services may be service new to the company to the customers. So that is a new services development. Then we come to customer retention, that means you have to see whether your customers whom you have served or satisfied or delighted.

Only if they are satisfied or delighted they will go and tell 5 other people that this service was good and they should come and enjoy the service with the service provider. So in this manner the customer would refer the value to other, they would refer the service to others. Similarly they themselves would come again and again and therefore there would be some customer repurchasing will take place, okay.

Then we come to branding. So the service has to be branded by giving it brand name. So when a service is given a brand name people try to understand or people understand of pursue the service as something which is under a particular brand. So this particular brand is what the people get assured with, people create some kind of assurance with the brand, that if it is brand if it is McDonalds then there would be quality service, then innocent value.

If it is some other hotels chain like ITC hotels, so there that brand would be there, like ITC sonar bangla is a brand. And they would experience the service and they would know what to expect from this brand again and again. So that they are always satisfied and they refer the service to other. There are some other advantages also of branding and customer retention that is when the services, the price of the service goes up slightly the customers do not stop buying the service.

But if the cost of the service, that the price of the services goes down then there would promote proportional increase in the demand up from the customers. With the brand what happens is when marketing personnel visit the customers, the customers would know about the brand from beforehand and therefore the customers would immediately recognize that this

the person who represent that brand and therefore they get interested in purchasing something from the particular company brand.