

Characteristics of Services

- **Intangibility** – Services are cannot be touched or hold, they are intangible in nature. *For example* – you can touch your Smartphone. But, you cannot hold or touch the services of your telecom service provider.
- **Inseparability** – In case of services the production, distribution, and consumption takes place simultaneously. These three functions cannot be separated.

- **Variability** – It is impossible to provide similar service every time. You'll experience some change every time you buy a particular service from a particular service provider. **For example** – Yesterday you had a coffee at CCD. Today, you are again at CCD to have a coffee, but you have got different place to sit today; the person served you coffee is different today; other people having coffee are also different today. Hence, your experience of having coffee today is different as compared to yesterday.
- **Perish-ability** – You can store goods, but it is not so in the case of services. Services get perished immediately.

- **Participation of customer** – Customer is co-producer in production of services. For delivery customer involvement is as important as is of the service provider. *For example* – if you went to a parlour for haircut, how it cannot be possible without your presence and involvement.
- **No ownership** – In the sale of services, transfer of ownership not take place. It means to say that consumer never own the services.

- An expanded marketing mix for services was proposed by Booms and Bitner (1981), consisting of the 4 traditional elements—product, price, place, and promotion and three additional elements—physical evidence, participants, and process. These additional variables beyond the traditional 4 P's distinguish 'customer service' for service firms from that of manufacturing firms

Difference Between Goods and Services

Basis	Services	Goods
Tangibility	Services are intangible in nature. They cannot be touched or hold.	Goods are tangible in nature. They can be touched and hold.
Separability	Services are inseparable in nature. Production, distribution, and consumption of service take place simultaneously.	Function of distribution and consumption of goods can be separated from the function of production.
Ownership	Services cannot be owned. They can be hired for a specific time period.	Goods can be owned.
Perish-ability	Services get perished after a specific time period. It cannot be stored for future use.	Goods can be stored for future use.
Heterogeneity	Services are more heterogeneous. It is very difficult to make each service identical.	Goods are less heterogeneous. It is possible to make each goods identical.

Tangible actions

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graph TD; A[Tangible actions] --> B[Services for people]; A --> C[Services for goods]; B --- D["• Health care<br>• Restaurants<br>• Saloons"]; C --- E["• Transportation<br>• Repair and maintenance<br>• Dry cleaning"]
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Services for people

- Health care
- Restaurants
- Saloons

Services for goods

- Transportation
- Repair and maintenance
- Dry cleaning

1) Classification of service based on tangible action

- Wherever people or products are involved directly, the service classification can be done based on tangibility.
- a) **Services for people** – Like Health care, restaurants and saloons, where the service is delivered by people to people.
- b) **Services for goods** – Like transportation, repair and maintenance and others. Where services are given by people for objects or goods.

• Intangible actions

Services directed at
people's mind

- Education
- Theatres
- Information services

Services directed at
intangible assets

- Banking
- Legal services
- Insurance

2) Classification of services based on intangibility

- There are objects in this world which cannot be tangibly quantified. For example – the number of algorithms it takes to execute your banking order correctly, or the value of your life which is forecasted by insurance agents. These services are classified on the basis of [intangibility](#).
- **a) Services directed at people's mind** – Services sold through influencing the creativity of humans are classified on the basis of intangibility
- **b) Services directed at [intangible assets](#)** – Banking, legal services, and insurance services are some of the services most difficult to price and quantify.

On the Basis of Degree of Involvement of the Customer:

- People Processing- The customer has to be present at the place of delivery to experience or consume the service, like a training workshop, a dance class, health care, etc.
- Possession Processing- Even if the customer's presence is not required, his possession or property needs to be deposited for service, like car servicing/repair, TV/VCD repair, laundry, courier service, etc.
- Mental Stimulus Processing- In this case the customer's mental attention is required, if not physical presence, in order to experience services like career counselling, advertising, consultation and education services, etc.
- Information Processing- In this case, data, information, knowledge are gathered and analysed for clients, like research studies, market surveys, data processing, accounting, legal services, programming, etc.

On the Basis of Service Tangibility:

- Here the degree of tangibility (the tangibility spectrum) has been taken into consideration with the same number of classes.
- Highly Tangible- The service includes physical products (highly tangible) for use during the contract period, like a cell phone or a house on rent.
- Services Linked to Tangible Goods- These are the guarantee or warranty periods, during which the sellers provide free or subsidised services to the customer, like machines, vehicles, gadgets, etc.
- Tangible Goods Linked to Services- Here some physical goods are given to the customer as part of a service, like food with a train/air ticket, hotel accommodation which includes morning breakfast, etc.
- Highly Intangible- Here, no products are offered as part of the services, like haircuts, body massage, movie, etc.

On the Basis of Skills and Expertise Required:

- The basis of the level of skills required to render a set of services, as-
- 1. Professional (High Skill) Service Marketing – These services require a higher level of qualification and training to provide services, like doctors, lawyers, pilots, IT professionals, etc.
- 2. Non-Professional (Low Skill) Service Marketing – These services don't require any special prerequisites in skills, and can be performed by anybody with some practice, like office security guards, babysitters, courier delivery boys, etc.

On the Basis of the Business Orientation of the Service Provider:

- This kind of service marketing depends on the business style or orientation (objective, purpose, aim) of the organisation, as-
- Commercial Organisations (Profit Oriented) – The main objective here is to make a profit by providing service. They strive to do all that is required to earn profits by keeping the customers satisfied.
- Non-profit Organisations (Service Oriented) – The main objective here is to serve the target clientele, without any motive to earn any profit. Of course money is needed for running such an organisation, and that is obtained from public donations, trust funds, or government aid. This category includes government bodies and also no-profit-no-loss (cost to cost) organisations. Schools, NGOs, welfare societies, disaster relief organisations, etc. are examples.

On the Basis of the Types of End Users:

- Service marketing can be classified by the type of consumers who consume them.
- Consumer Service Marketing (B2C) – This is between the service provider (the company) and the individual customer for his personal consumption like medical treatment, fitness services.
- Business to Business Service Marketing (B2B) – This is between two companies, like one company hiring another, to do market research for it.
- Industrial Service Marketing – This is the case where a manufacturing company buys services from a service provider like supply, erection, commissioning, and maintenance of the plant and machinery.

Recent Trend in Services Marketing

1. Mobilization

The mobilization of audiences and content is probably the most significant trend that B2B marketers must rapidly adjust to. Clients can now consume and share content from any mobile device, meaning marketers must bake mobile into their strategy early on, not leave it as an after-thought. All your digital assets now need to be mobilized so that you can engage with your audience whose habits have changed overnight. Smartphones, tablets are now their preferred devices for consuming and sharing content on the go.

2. Ultra-personalisation

The customization and personalization of content to deliver relevance for the individual client or prospect will significantly impact your ability to connect and retain your audiences. Forward-thinking professional marketers are deploying strategies and next generation marketing technology to deliver an ultra-personalised content experience that adds more value to the client relationship. This approach may solve the ongoing battle between fee earners and relationship owners wanting to control what is best for their clients and marketing teams wanting to control the brand and review what is sent. The result is highly relevant content delivered on a perceived one-to-one basis, directly from the individual owning or managing the relationship and not the just the firm.

3. Marketing Automation

The reduction of content duplication across digital channels in order to free up marketing time for other initiatives. This is a content-centric approach to marketing that has been a popular strategy in consumer marketing, yet high-value services marketing has been slow to adopt due to the long sales cycle and internal complexities, among other factors. Advanced digital tools can now cater for the automated delivery of relevant content to contacts based on individual preferences for content, frequency and channel. The tools are surprisingly easy to implement and have a hugely positive impact on your ROI and team moral.

4. Empowered Technology

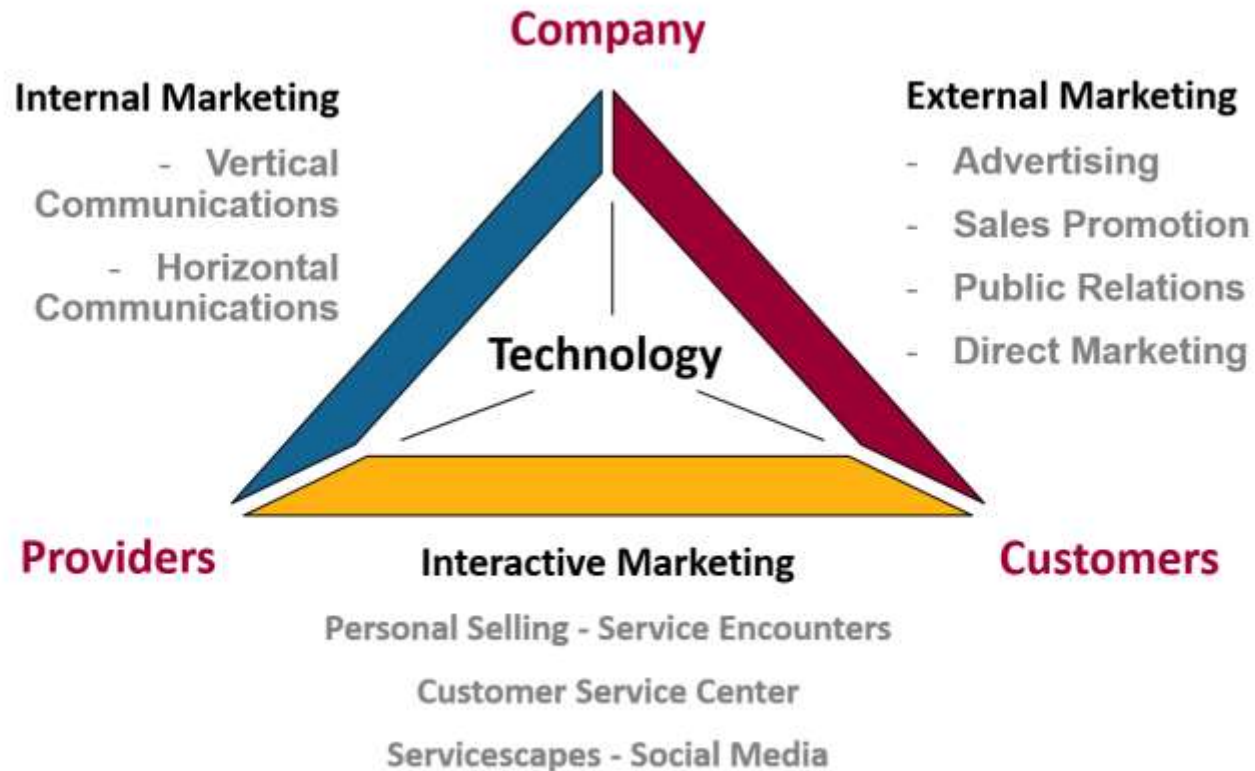
The latest innovations in decentralized marketing technology provide client-facing professionals and teams with access to intuitive digital tools and mobile apps, empowering them to execute and monitor their own client relationship marketing activities. These tools are now accessible via multiple devices, desktop, smartphone, and tablets, where content can be consumed, curated, shared and socialised without the involvement of a central marketing team. However, central marketing teams retain control of these tools as administrators, the result being less focus and time spent on execution and more energy focused on strategy.

5. Marketing-Centric CRM

Firms have invested untold amounts of money and time on CRM implementations with questionable results. The professional services CRM playing field has been levelled recently, with traditionally dominant installed platforms losing their momentum and struggling to innovate in this mobilised and cloud-based economy. There is already a shift towards marketing orientated CRM's platforms that have better usability and mobile baked in, with advanced marketing workflows and integrations to help navigate to long relationship sales cycle.

Services Marketing Triangle

<https://marketingsozial.wordpress.com/2016/01/18/services-marketing/>



Employer- Employee

- Internal Marketing, “Enabling the Promise”: involves training, motivational and teamwork programs, and all communication with employees. It is performed to enable employees to perform the service effectively, and keep up the promise made to the customer.

Employer- Customers

- External Marketing, “Setting the Promise”: Involves pricing strategy, promotional activities, and all communication with customers. It is performed to capture the attention of the market, and interest in the service.

Employee- Customers

- Interactive Marketing, “Moment of Truth, Service Encounter”: This refers to the decisive moment of interaction between the front-office employees and customers. This step is one of the most importance, because if the employee falters at this level, al prior efforts made towards establishing a relationship with the customer, would be wasted.