

Sem II

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* Subject : Service Management * Arw.

→ Ques: Explain the concept of 'service' and features of 'service'.

Ans: Introduction:

- Importance of service has increased. In India around 48% of GDP is from service sector. Service industries are quite varied. Various sectors are providing different kind of services as shown below:

Service Industries



Govt. Sector

e.g. Court,
Police,
Hospital,
Post office

Non-Profit

Private Sector
e.g. colleges,
charities

Business Sector

e.g. Airlines,
Banks, Hotels

Mfg. Sector

e.g. workers
such as
Accountant,
legal staff.

→ Definition: "A service is an act or performance that one party can offer to another that is essentially intangible and does not result into ownership

- of anything. Its production may or may not be tied to a physical product

→ American Marketing Association (AMA) has defined "service as activities benefits or satisfaction which are offered for sale or are provided in connection with sale of goods."

* Features of Service ~~marketing~~ :

1 Intangibility : *

- Nature of service is invisible. It can't be seen. Soap, toothpaste, brush etc. can be seen, while service of teaching work of a teacher or medical service of a doctor can only be experienced.

→ Service is immovable and invisible and so its sample can not be taken and it can't be packed like other physical products.

→ 2 Inseparability :

- Production and consumption of services are simultaneous. It cannot be kept into inventory

- and consumed later. Thus presence of provider and receiver of service is must in service transaction.

For e.g. Doctor-patient, Teacher-student etc.

- In case of entertainment and professional services buyers are highly interested in specific provider. If in a concert Lata Mangeshkar is replaced by Poojima then many people will not turn up. Thus when clients have strong preferences, service providers should raise price to earn more in limited time.

[3] Perishability :

- Services are perishable. They cannot be stored because the production and consumption of services are simultaneous. For e.g. On a flight from Bombay - Goa out of 250 seats 200 are reserved and 50 vacant. Thus 50 seats service is a loss to the firm. But on other day

the demand is for 300 seats and 50 seats of previous day cannot be consider.

- Perishability of Service is not a problem if service demand is stable. Thus marketer must make an effort for producing match between demand and supply.

4. NO Ownership:

- Services cannot be owned like a product because they are intangible, inseparable and perishable. Price paid is for the benefit consumed.

Conclusion:

All these features listed above makes service marketing different from product marketing.

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Que: Explain Classification of Services.

Ans: Services can be classified in different ways as under.

[1] On the base of ownership:

→ When services are provided by the government, then those services are called 'Government services'.

Service provided by public sector is considered as 'Public service' and it is provided by private sector, then it is considered as 'Private Service'.

Thus, considering the management and financial liability services can be classified. Here, also some services can be institutional or personal. ■

[2] Basic or pure services:

→ Services like maid service, hair cutting services are person oriented pure services.

→ Some services are partly connected with physical products and more

- connected with services are the major services. e.g. Travelling in Delux train, house on rent etc. ■

3 On the base of objectives :

:- Considering the objective of profit or the purpose of a person, who is going to render the service, some services are profit oriented and some are for welfare. e.g. public library, public garden, public health. etc.

- services are non profit oriented or welfare services. ■

4 On the base of the presence of the customer.

————→ For certain services, the presence of customer is essential. e.g. Beauty parlour, medical service, educational service etc. For certain services, the presence of customer is not required. For instance - scooter or car repairing, laundry service etc.

1) Community based services or

→ Individual based services:

→ When services are provided by considering the large community, then it is considered as community based services. For instance - broadcasting T.V. channel services are not for any one person but private tuition to a student is an individual service of a tutor. ■

6) Person or Machine oriented service. →

→ Some services can be obtained from the person, while some services can be obtained by using the machines. e.g. Tailoring, carpentry are person-oriented services but weight machine, telephone etc. are machine oriented services.

— Person oriented services can be divided as services of skilled person, semi-skilled or unskilled services, services of

- and services of professional person etc. Machine oriented services can be divided as services of automatic machine and semi automatic machine etc. ■

Conclusion : It is very difficult to image human life without services. Different types of services are required in every field of human life. In commercial transactions to satisfy the customers different types of after sale services are offered. Good and regular services can increase the demand of that product and that is why there is also a competition in service industries.

Que3: Explain different matters to be considered in marketing of services. ■

Ans :

Introduction :

— The study of various factors is necessary to make the marketing of services more effective. It is very clear that pre-thinking of the different factors affecting to services will improve the quality of services and it will give satisfaction to customers.

* Factors for effective marketing of services :

1 Public relation :

— Public relation of industrial unit or business firm increases the prestige in the society. Good public relations increase the class of well wishers. Management can know the true and honest opinion regarding services from the different parties by the good public relation

2 Incentive :

— Incentive and its method regarding use of services should be proper. When there is less sale, product should be placed in a new form by adopting product development scheme and thus, customer can be motivated for more purchasing. Only good experience can motivate the people to use services. For this the attitude to provide special facility according to the requirement of customer is increase. ■

3 Problem of price :

— To determine the price of services is not impossible but it is somewhat difficult. It can be understood that the rate of main technician will be ~~in~~ high in compare to that of his helper. In fact not only at the viewpoint of company but price problem should be considered also at the viewpoint of customers. If the price of —

Service will remain low in compare to its cost and advantages then up to that extent its marketing will expand. ■

4 Explanation of service to customers:

— Customers are not knowing about each and every machine. So, before starting the repairing work of the product like television, video film, radio, tape recorder, etc. service provider should point out the limitations of that product such as, how much time is required for repairing estimated expense, etc. to their customer. ■

5 Communication:

— With the help of any media of communication, service provider should inform their customer regarding type of services, when and where and at what price it will be available etc. Due to this information the demand of that service will increase. ■

[6] Additional facilities :

— While considering the development of marketing of services, other additional supplementary facilities should be considered e.g. the company provides bus service should consider the facilities like Tap recorder, video film, channel music etc. This will increase the demand of the service. ■

[7] Trustworthiness :

— Customer pays the price of the service even though if he does not get the satisfaction, then it will decrease the trustworthiness of that services. It will adversely affect the marketing of that services. So efforts should be made to maintain the faith of customer in services. ■

→ Conclusion :

— One thing is clear that to increase the marketing of services, the present and potential customer should be provided certain information
... should try to

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→ Que 4: Explain difference between
Product And Service.

<u>Points</u>	<u>Product</u>	<u>Service</u>
① Nature	Products are tangible.	Services are intangible.
② Purpose	Satisfaction can be derived from it.	They are additional or supplementary. To increase the facility.
③ Storing	Product can be kept as inventory.	- Service can't be stored.
④ Physical form	- The product can be visible for long run.	- They are perishable and the visibility for a short term.
⑤ Ownership	The ownership can be transferred.	- Ownership cannot be transferred.

Points	Product	Service
[6] Brand	- Product is known by the brand.	- Service is known by the popularity of the person and institution.
[7] Packaging	- Packaging is needed in this case.	- It is non-visible, so packaging is not needed.
[8] Inter-mediar-ies	- The intermediaries are needed between producer to customer.	- The customer has to contact personally.
[9] Price base	- The price is determined on the basis of quantity and quality.	- It is decided on the basis of efficiency and experience.
[10] Standar-dization	- ISI trademark is given to confirm the standardization.	- No such standardization is possible.