

DKB27 - SERVICES MARKETING

Unit I

Service Marketing – Meaning – Nature of Services – Types and importance – Relationship marketing – Mission, Strategy, elements of design marketing plan market segmentation.

Unit II

Marketing mix decisions – unique feature of developing, pricing, promoting and distributing services – Positioning and differentiation strategies, quality of service industries – achievement and maintenance, customer support service.

Unit III

Marketing of hospitality – perspectives of tourism, Hostel and travel services – Airlines, Railways – Passenger goods transport – leisure services.

Unit IV

Marketing of financial services – concept – features of Banking, insurance, lease, mutual fund, factoring, folio, and financial services.

Unit V

Marketing of Non-profit organisations – Services offered by charities – Educational services – miscellaneous services – power and telecommunication.

References:

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SERVICES MARKETING

The world economy nowadays is increasingly characterized as a service economy. This is primarily due to the increasing importance and share of the service sector in the economies of most developed and developing countries. In fact, the growth of the service sector has long been considered as indicative of a country's economic progress. Economic history tells us that all developing nations have invariably experienced a shift from agriculture to industry and then to the service sector as the main stay of the economy.

This shift has also brought about a change in the definition of goods and services themselves. No longer are goods considered separate from services. Rather, services now increasingly represent an integral part of the product and this interconnectedness of goods and services is represented on a goods-services continuum.

Services get more importance as there is a requirement of keeping the customer delighted to sustain and grow in the industry. There has to be speedy response to the customer expectation.

DEFINITION

The American Marketing Association defines services as - "Activities, benefits and satisfactions which are offered for sale or are provided in connection with the sale of goods."

CHARACTERISTICS OF SERVICES

The defining characteristics of a service are:

- ❖ **Intangibility:** Services are intangible and do not have a physical existence. Hence services cannot be touched, held, tasted or smelt. This is most defining feature of a service and that which primarily differentiates it from a product. Also, it poses a unique challenge to those engaged in marketing a service as they need to attach tangible attributes to an otherwise intangible offering.
- ❖ **Heterogeneity/Variability:** Given the very nature of services, each service offering is unique and cannot be exactly repeated even by the same service provider. While products can be mass produced and be homogenous the same is not true of services. eg: All

burgers of a particular flavor at McDonalds are almost identical. However, the same is not true of the service rendered by the same counter staff consecutively to two customers.

- ❖ **Perishability:** Services cannot be stored, saved, returned or resold once they have been used. Once rendered to a customer the service is completely consumed and cannot be delivered to another customer. eg: A customer dissatisfied with the services of a barber cannot return the service of the haircut that was rendered to him. At the most he may decide not to visit that particular barber in the future.
- ❖ **Inseparability/Simultaneity of production and consumption:** This refers to the fact that services are generated and consumed within the same time frame. Eg: a haircut is delivered to and consumed by a customer simultaneously unlike, say, a takeaway burger which the customer may consume even after a few hours of purchase. Moreover, it is very difficult to separate a service from the service provider. Eg: the barber is necessarily a part of the service of a haircut that he is delivering to his customer.

Services, unlike manufacturing, have no differentiation between operations and marketing. Internal customer focus is important than external customer orientation. Further customers are often involved in the production of service.

Significance of service marketing

- ❖ Creation and expansion of job opportunities
- ❖ An optimal utilization of resources
- ❖ Paving avenues for the formation of capital
- ❖ Increasing the standard of living
- ❖ Environment-friendly technology

TYPES OF SERVICES

Services can be classified by the method of delivery, whether they are delivered by people or equipment, whether they are for profit or not for profit and whether or not they are government sponsored. A people-based service is a service that requires skilled labor or professionals. Equipment-based services have less inconsistency because people are removed from the provision of the service. In nonprofit organizations, excesses in revenue over

expenses are returned to the organization's treasury for continuation of the service. Historically, nonprofit organizations have limited their use of marketing practices.

Core Services: A service that is the primary purpose of the transaction. Eg: a haircut or the services of lawyer or teacher.

Supplementary Services: Services that are rendered as a corollary to the sale of a tangible product. Eg: Home delivery options offered by restaurants above a minimum bill value.

Periodical transaction volume: The volume of a transaction in a given time period stands as a major consideration in service industry. The hyper-market has very different operation challenges from the local grocery store, not least in simply managing the flow of hundreds of customers in store.

Mode of service Delivery: The retail sector provides a good example of this diversity, with face-to-face service in traditional store, remote service through mail order and telephone shopping and the lost latest internet based service.

IMPORTANCE OF MARKETING OF SERVICES

Given the intangibility of services, marketing them becomes a particularly challenging and yet extremely important task.

Due to the increasing homogeneity and capability of companies to include all features in product offerings, the services provided are emerging as a key differentiator in the mind of the consumers. Eg: In case of two fast food chains serving a similar product, more than the product it is the service quality that distinguishes the two brands from each other. Hence, marketers can leverage on the service offering to differentiate them from the competition and attract consumers.

In today's highly competitive scenario where multiple providers are vying for a limited pool of customers, retaining customers is even more important than attracting new ones. Since services are usually generated and consumed at the same time, they actually involve the customer in service delivery process by taking into consideration his requirements and feedback. Thus they offer greater scope for customization according to customer requirements thus offering increased satisfaction leading to higher customer retention.

DIFFERENCE BETWEEN SERVICES AND GOODS

Services Marketing refers to the marketing of services as against tangible goods. Services are inherently intangible, are consumed simultaneously at the time of their production, cannot be stored, saved or resold once they have been used and service offerings are unique and cannot be exactly repeated even by the same service provider.

Marketing of services is a relatively new phenomenon in the domain of marketing, having gained in importance as a discipline only towards the end of the 20th century. Services marketing first came to the fore in the 1980's when the debate started on whether marketing of services was significantly different from that of products so as to be classified as a separate discipline. Prior to this, services were considered just an aid to the production and marketing of goods and hence were not deemed as having separate relevance of their own.

Table.1. Difference between services and goods

BASIS	SERVICES	GOODS
Tangibility	Fully intangible may have some physical evidence	Fully tangible
Inseparability of buyer and provider	Both must be present	Remote transaction easy
Ease of inventory	Cannot store the service	Easily stored
Quality control	Measure and control people processes instead of product	Measure and control product quality only.
Sensitivity to time	Needed on demand or sale is lost	Can usually wait to receive the product
Degree of risk	Cost of failure very high	Product can be replaced
Consumption of the offering	Customization likely to enhance customer perception of perceived quality	Customization increases cost, but likely to enhance perceived product quality
Personalization of buyer relationship	Relationship can be as important as service	Product is the focus of the transaction

The 1980's however saw a shift in this thinking. As the service sector started to grow in importance and emerged as a significant employer and contributor to the GDP, academics and marketing practitioners began to look at the marketing of services in a new light. Empirical research was conducted which brought to light the specific distinguishing characteristics of services. By the mid 1990's, Services Marketing was firmly entrenched as a significant sub

discipline of marketing with its own empirical research and data and growing significance in the increasingly service sector dominated economies of the new millennium. New areas of study opened up in the field and were the subject of extensive empirical research giving rise to concepts such as - the product-service spectrum, relationship marketing, franchising of services, customer retention etc.

RELATIONSHIP MARKETING

Relationships are a key factor when it comes to the marketing of services. Since the product is intangible, a large part of the customers' buying decision will depend on the degree to which he trusts the seller. Hence, the need to listen to the needs of the customer and fulfill them through the appropriate service offering and build a long lasting relationship which would lead to repeat sales and positive word of mouth.

One of the things of most value to a company is its relationships—with customers, employees, suppliers, distributors, dealers, and retailers. The company's relationship capital is the sum of the knowledge, experience, and trust a company has with its customers, employees, suppliers, and distribution partners. These relationships are often worth more than the physical assets of a company. Relationships determine the future value of the firm.

Any slips in these relationships will hurt the company's performance. Companies need to keep a relationship score-card that describes the strengths, weaknesses, opportunities, and threats in regard to the relationship. Your company needs to move fast and repair any important but weakening relationships.

Traditional transaction marketing tended to ignore relationships and relationship building. The company was viewed as an independent agency always maneuvering to secure the best terms. The company was ready to switch from one supplier or distributor to another if there was an immediate advantage. The company assumed that it would normally keep its current customers, and it spent most of its energy to acquire new customers. The company neglected the interdependence among its main stakeholders and their roles in affecting the company's success.

Relationship marketing marks a significant paradigm shift in marketing, a movement from thinking solely in terms of competition and conflict toward thinking in terms of mutual

interdependence and cooperation. It recognizes the importance of various parties—suppliers, employees, distributors, dealers, retailers—cooperating to deliver the best value to the target customers. Here are the main characteristics of relationship marketing:

- ❖ It focuses on partners and customers rather than on the company's products.
- ❖ It puts more emphasis on customer retention and growth than on customer acquisition.
- ❖ It relies on cross-functional teams rather than on departmental-level work.
- ❖ It relies more on listening and learning than on talking.

Relationship marketing calls for new practices within the 4Ps

The shift toward relationship marketing does not mean that companies abandon transaction marketing altogether. Most companies need to operate with a mixture of the transactional and the relational marketing approaches. Companies selling in large consumer markets practice a greater percentage of traditional marketing while companies with a smaller number of customers practice a higher percentage of relationship marketing.

Relationship Marketing Mix

Product

- ❖ Products are customized to the customers' preferences.
- ❖ New products are developed and designed cooperatively with suppliers and distributors.

Price

- ❖ The company will set a price based on the relationship with the customer and the bundle of features and services ordered by the customer.
- ❖ In business-to-business marketing, there is more negotiation because products are often designed for each customer.

Distribution

- ❖ More direct marketing to the customer, thus reducing the role of middlemen.
- ❖ Offering alternatives to customers to choose the way they want to order, pay for, receive, install, and even repair the product.

Communication

- ❖ More individual communication and dialogue with customers.
- ❖ More integrated marketing communications to deliver the same promise and image to the customer.
- ❖ Extranets with large customers to facilitate information exchange, joint planning, ordering, and payments.

MARKETING PLAN

MISSION

A mission statement is a formal description of the mission of a business. The purpose should be specific but concise in its presentation for each of the mentioned categories. The mission should be periodically reviewed and updated as required. The mission statement might be published in several places (e.g. at the front of an annual report and accounts, on promotional material, in the board room and on the factory floor).

There is no standard format for a mission statement. However, an effective mission statement should contain the following characteristics:

- ❖ Brief – it should be easy to understand and remember
- ❖ Flexible – it should be able to accommodate change
- ❖ Distinctive – it should make the business stand out

MARKETING GOALS AND OBJECTIVES

Broad but well defined goals should be set in the areas of revenue generation (by individual market segment, as well as for the entire property), guest satisfaction and employee satisfaction. An example of an undefined goal would be “to increase travel agent business during the next year”. A better defined goal would be to “increase travel agent business by 10% during the next fiscal year – from Rs. 100,000 to Rs.110, 000”.

ELEMENTS OF MARKETING PLAN

Marketing Plan is unique to organization and needs. Include board and/or other supporting groups in the Marketing Plan development; most certainly, this will ensure greater support for project(s) and improve the probability of success. However, the only person on this “one person marketing venture,” will most likely have a shortened version of a Marketing Plan. Even though it may be scaled down, it is wise to include (at some level) the various components of an authentic Marketing Plan. A marketing plan addresses – market, customers, timetable or calendar of events, goals, and budget through many activities as listed below.

Planning

- ❖ What does the business want to achieve?
- ❖ How are you going to achieve your business goals? (what tasks need to be done and when)
- ❖ When do you want to accomplish the goals and objectives of the business? (Milestones/benchmarks)

Research

- ❖ The more you know about your customer the greater the likelihood of reaching them through marketing activities
- ❖ Identify competitions’ strengths and weaknesses
- ❖ What is the operating environment (legal, environmental, ethical, etc.)

Implementation

- ❖ Doing what your planning and research indicate is the most likely to achieve your goals and objectives

Control

- ❖ Controls refer to the systems put in place to monitor your marketing plan
- ❖ Controls should quantify results
- ❖ Who is doing what, when, and why

Evaluation

- ❖ Evaluate the performance of plan on a regular basis with partner

MARKET SEGMENTATION

The market segmentation is mentioned as being one of the key elements of modern marketing and is, as mentioned, the process of dividing the market into several groups and/or segment(s) based on factors such as demographic, geographic, psychological and behavioural factors. By doing so the marketers will have a better understanding of their target audience and thereby make their marketing more effective. This is due to the fact that by using the analytical process that puts customers first, the marketer will get more satisfied customers and thereby gain a great advantage over competitors. Market segments can be characterized in different ways one way is to characterize the preferences of the target customers; homogeneous preferences, referring to customers that roughly have the same preferences. Secondly there are diffused preferences which mean that the customers vary in their preferences and finally clustered preferences which mean that the natural market segments emerge from groups of consumers with shared preferences

When talking about market segmentation it is necessary to briefly mention the three areas of marketing which is to be taken into consideration when market a product. The first area is mass marketing. It covers the area of mass producing, mass distributes and mass promotes on product to all buyers. However, marketers have realized the great variety in each individual customer and therefore the market segmentation is a helpful tool for the marketers to customize their marketing programme for each individual customer. The second area is product differentiated marketing. The marketer produces two or more products that display different features, styles, quality, sizes etc. The third, and dominating, area is target marketing. The marketer distinguishes among a variety of market segments, chooses one or more of the segments and then develops products and marketing mixes customised to each segment

BASES FOR SEGMENTATION

There are various variables to divide the market into segments, however all variables may be categorized in to any one of the bases namely - demographics, geographic, psychographics and behavioural.

Demographic Segmentation

The demographic segmentation divides customers into segments based on demographic values such as age, gender, family size, family life cycle, income, occupation, education, religion, race, generation, social class and nationality. The demographic segmentation is often used in market segmentation for the reason that the variables are easy to identify and measure. Furthermore, the demographic variables are associated with the sale of many products and services, and finally, they provide a description of the target customers so media buyers and others can target a desired target market. Each of the variables is useful knowledge when segmenting markets, and some of the above-mentioned variables will be elaborated in the following:

Age

The consumer's needs and wants may change with age. Therefore, some companies use age as a base for segmentation. Furthermore, age-wise segmentation is associated with buying patterns.

Marital Status

Preferences of customers change based on their marital status. For example, unmarried people may have no other economic obligations. This is opposed to married people, who have a large economic obligation and thereby they prioritize their economy differently.

Gender

Gender is used to differentiate the needs and wants between men and women due to the fact that men and women have different attitudes toward a product. The gender segmentation has long been applied in connection with clothing, hairstyling, cosmetics, and magazines. Furthermore, it must be taken into consideration that metro sexuality has become a common gender-factor, and thus the marketers must not only define a product as being masculine or feminine.

Income

Income divides the market into different income groups. It is used in automobiles, clothing, cosmetics, financial services, and travel. Many companies within the mentioned categories seek to target the high-income customers. Others seek to target the customers with a lower income in order to gain consumer loyalty and lessen the competitive pressures. However, companies must consider the fact that the income does not always predict the most suitable

customers for a given product due to the fact that some customers may have other preferences and prioritize their money differently

Generation

Each generation is influenced by the times in which they grow up i.e. the music, the movies, politics and other significant events characteristic of that period. Marketers therefore market to a generation by using icons and images that is relatable according to the generation.

Social Class

Social class divides the customers according to their preferences in cars, clothing, home furnishings, leisure activities, reading habits and retailers. However, although the tastes of social classes change, many companies design products for specific social classes

Geographic segmentation

The geographic segmentation divides customers into segments based on geographical areas such as nations, states, regions, counties, cities or neighbourhoods. A company can target one or more areas and must be aware of the fact that data according to geographic segmentation may vary due to population shift. It is important to segment according to geographic, due to the fact that the purchasing behaviour of the customers is influenced on where they live, work etc.). Therefore many companies customize their products, advertising, promotion and sales efforts to fit the needs of the geographical variables. The geographic segmentation is useful when there are differences in a location where a product is marketed. The differences can be caused by cultural factors, traditions, politics etc. and furthermore the differences can be significant in one segment, whereas in other segments the differences can be minor and less significant.

As a result of an increase in the globalisation today the geographic segmentation has been linked to other differences in socio-economic and demographic characteristics. The result of this type of segmentation is referred to as geo-demographics. The geo-demographic segmentation combines the geographic segmentation with the demographic segmentation and thereby combines the study of the target customers with where they live. Hence the geo-demographic classifies the customers according to where they live in comparison to the way the social class defines consumers by their occupation and thereby the companies are more capable of predicting consumer behaviour.

Psychographic segmentation

The psychological variables derive from two principal types of customer; personality profiles and lifestyle profiles (psychographics). Psychological profiles are often used as a supplement to geographic and demographics when these does not provide a sufficient view of the customer behaviour. While the traditional geographical and demographical bases (sex, age, income etc.) provide the marketer with accessibility to customer segments, the psychological variables provide additional information about these and enhance the understanding of the behaviour of present and potential target markets.

Psychographic segmentation therefore divides people according to their attitudes, values, lifestyles, interests and opinions. Furthermore some marketers have used personality variables to segment the markets, for example the landline telephone is 'outdated' and a commercial could appear to target elder people whereas the actual purpose is that the commercial is aimed at a much broader personality group

Behavioural segmentation

Behavioural segmentation is based on the customers' attitude toward, use of, or response to a product. Many marketers believe that the behavioural variables such as occasions, benefits, user status, usage rate, buyer-readiness stage, loyalty status and attitude are the best starting points for constructing market segments and thus these variables will be described further in the following.

Occasions

Occasions are when the customers are divided into segments based on the time of day, week, month and year. People is therefore being grouped according to the time (occasions) on which they get the idea to buy, make their purchase or use the purchased item This can for example be during the time around holidays such as Christmas. A company may choose one kind of marketing strategy around Christmas and another at Valentine's Day in February and thus being able to target as many desired target customers as possible.

Benefits

Benefit segmentation divides the customers according to the different benefits they may seek from a product. Benefit segmentation seeks to find the benefits people look for in a certain product, the kinds of people who look for each benefit and the brands that deliver each benefit. The benefit segmentation identifies market segments by casual factors rather than descriptive factors such as e.g. demographics.

User status

By segmenting according to nonusers, ex-users, potential users, first-time users and regular users of a product a company can customize its marketing for each group. Where regular users of a certain product request one kind of marketing approach, potential users may request another kind of marketing approach, and thus it is necessary to divide the customers into different segments and target them in different ways.

Usage rate

The usage rate segmentation divides the customers according to how much they use a product. They are divided into groups of non-users, light, medium and heavy product users and companies often seek to target one heavy user rather than several light users. This is due to the fact that the heavy users constitute a small percentage of the market but account for a high percentage of the total buying. Thus a company should seek to adapt their marketing strategy according to these customers. However, it should be mentioned that it is of certain importance not to exclude the non-users, light users and medium users due to the fact that these users may provide a positive prospect for future expansions.

Finally the usage rate divides the customers in terms of time and place i.e. a company may sell one product at one part of the day, month, year and another product another time of the day, month, and year as is the similar case when using occasion segmentation. Buyer-Readiness stage Buyer-readiness stage refers to people's awareness and interest of the product. Some people are unaware of the product, some are aware, some are informed, some are interested, some desire the product and some intend to buy. The purpose is to lead the customer along so he or she will purchase the product in the end.

Loyalty status

A market can also be segmented according to the loyalty of the customers. It is assumed that customers are always loyal by buying the same product. These customers are referred to as hard-core loyals. Other people that are loyal toward two or three brands and buy these on a random basis are referred to as being split loyals. A third group of people are those who shift from one brand to another and staying with that brand for a period of time until they shift to another brand. These customers are referred to as shifting loyals. The fourth and final group of loyals are those who do not show loyalty or preference towards one particular brand, but rather

buy a product or brand that is on sale or available at the time of the occasion. These customers are referred to as switchers.

Attitude

People can be divided into segments based on whether they have an enthusiastic, positive, indifferent, negative or hostile attitude toward a product. By considering the customers' attitudes toward a brand or product the company will get a wide-ranging view of the market and its segments. By combining the different behavioural variables, it is possible for marketers to get a view of a market and its segments and thereby the marketer can enhance its targeting strategies. Demographic and behavioural segmentation are the most important ones when designing market strategies of a telephone. This is due to the fact that a telephone company should consider, amongst others, the ages of their target customers in order to communicate their message accurately. Furthermore the attitudes, amongst others behavioural variables, toward the product, in this case being a landline telephone and/or a mobile telephone, are important to realize in order for the company to design an appropriate market strategy.

STRATEGIES BY MARKET SEGMENTS

When a company has defined the target customers the next stage in the segmentation process is to evaluate the market segments and then decide which segments to direct their marketing strategies at. Thus the company should seek to design their marketing strategy according to these factors. For example, people from the USA may have limited knowledge about a product from the UK. So in order for the product to be successful in the USA, the company should adapt their marketing strategy according to the limited knowledge an American may have.

Positioning

The positioning statement will clearly define the product being offered to the subject property's target market customers. This should be done as an overall hotel product definition, as well as by each respective market segment targeted by the property. Each profit center should also have a clearly defined positioning statement (definition).

These market segments may include (others may be added as identified):

- Social/Leisure
- Corporate/Individual
- Banquet-Food
- Banquet-Beverage

- | | |
|---------------------|------------------------------|
| --Government | --Room Rental-Service Charge |
| --Packages | --Restaurant-Food |
| --Group-Association | --Restaurant-Beverage |
| --Group-Corporate | --Lounge-Beverage |
| --Group-Tour | --Lounge-Food |

The basic outline format for identifying these strategies is as follows:

- State the market segmentation
- List the specific sales and marketing program
- State the desired results of this sale and marketing program
- State the step-by-step program
- List program element costs.
- State methods to evaluate the program's effectiveness.

Each market segmentation strategy plan should include consideration of each of the marketing disciplines in order to achieve the objective. All of these disciplines do not necessarily have to be included in the attainment of each marketing segment objective. They should be considered only when pertinent.

SERVICES MARKETING MIX

The service marketing mix is also known as an extended marketing mix and is an integral part of a service blueprint design. The service marketing mix consists of 7 P's as compared to the 4 P's of a product marketing mix. Simply said, the service marketing mix assumes the service as a product itself. However it adds 3 more P's which are required for optimum service delivery. The product marketing mix consists of the 4 P's which are Product, Price, Promotion, and Place.

The marketing mix for a service has additional elements because the characteristics of a service are different to the characteristics of a product.

To certain extent managing services are more complicated than managing products. For example, products can be standardized but services could not be. The extended service marketing mix places 3 further P's which include People, Process and Physical evidence.

Product

The product in service marketing mix is intangible in nature. Like physical products such as soap or a detergent, services cannot be seen, touched, or measured. Tourism industry or the education industry can be an excellent example. At the same time services are heterogeneous and perishable. The services thus have to be designed with at most care. Generally, services blue printing is done to define the service product.

Understanding Customer Expectation:-

Customer expectation and belief about service delivery that functions as standard of references points against which performance is judged. Because customers compare their perceptions of performance with these references points when evaluating service quality, thorough knowledge about customer expectation is critical to service marketers.

Measurement of Customer Expectation:-

- ❖ Assurance
- ❖ Empathy
- ❖ Reliability
- ❖ Responsiveness
- ❖ Tangible

Consumer Expectation Model:-

- ❖ Ideal service level
- ❖ Desired service level
- ❖ Adequate service level
- ❖ Predicted service level
- ❖ Zone of tolerance

Zone of Tolerance: Services are heterogeneous in that performance may vary across providers, across employees from the same provider, and even with the same service employee. The extent to which customers recognize and are willing to accept the variation is called the zone of tolerance and is shown in figure aside.

Managing Consumer Expectation:-

Managing consumer expectations is a critical component in the marketing plan of a service business. Consumer expectation must be managed during the pre purchase phase, the

service encounter and the post- purchase phase. Customer expectations can be managed during each phase of the purchase process.

- ❖ During the pre purchase phase
- ❖ During the service encounter
- ❖ During the post purchase phase

Place

Place in case of services determine where is the services going to be offered. The best place to open up a petrol pump is on the highway or in the city. A place where there is minimum traffic is a wrong location to start a petrol pump.

Delivery of service differs significantly from that of the manufacturing goods. The production of goods is followed by distribution whereas services usually cannot be separated from the service provider.

DISTRIBUTION PLACE

- ❖ Location
- ❖ Accessibility and Availability
- ❖ Channel of Distribution
- ❖ Service Inventory
- ❖ Managing Channels

Promotion

Promotions have become a critical factor in the services marketing mix also. Though services cannot be copied as it is personalized based on the service provider and the beneficiary, there requires a communication to showcase the uniqueness in better and effective means. It is because competition in this service sector is generally high.

Marketing communication is essential process to a company's success. Without effective communication, prospects may never learn of a service firm's existence. What it has to offer them, or how to use its products to best advantage. Customers might be more easily lured

away by competitors and competitive offerings, and there would be no proactive management and control of the firm's identity.

Promotion mix refers to the combination of various promotional elements as advertising, personal selling, sales promotion and sponsorship techniques used by a business firm to create, maintain and increase demand of the service product. It involves an integration of all the above elements of promotion. Usually a firm chooses more than one type of promotional tool and the manager of the firm is to decide how he is going to choose the communication media and blend them into an effective promotion.

According to Philip Kotler "A company's total marketing communication mix also called its promotion mix consists of special blend of advertisement, personal selling, sales promotion, publicity and the direct marketing tool that the company uses to pursue its advertising and marketing goals."

Elements:

- ❖ Advertising
- ❖ Sales promotion
- ❖ Public relations
- ❖ Direct Marketing
- ❖ Adventure marketing
- ❖ Personal Selling
- ❖ Corporate identity
- ❖ Cause-related Marketing

Service marketers have used the marketing tool to great advantage in using their service, adding tangibility and value to their offer. Promotion is used only as a temporary tool and is communication oriented. In field of service promotion marketing mix plays an important role.

Promotion is a descriptive term for the mix of communication activities which serve organization carry out in order to influence those publics on whom their service depends. According to Philip Kotler "Promotion compasses all the tools in the marketing mix whose major role is persuasive communication."

CHARACTERISTICS:

- ❖ Customers are informed about the product or service of the company.
- ❖ Customers are reminded of the product or service of the company.
- ❖ Customers are requested and persuaded to purchase the product and service of the company.
- ❖ Promotions includes advertising, personal selling and other sales promotion techniques.
- ❖ Promotions activities are performed by the manufacturer are the important source to attract with packaging and important promotional tool.

NEED OF PROMOTION:

Promotion is the tool in marketing mix serves to inform, persuade and remind people about and organization's individual goods, service, image, ideas, community, involvement and impact of the society.

Types of communication:

- ❖ Internal Communicating – The communication which is carried into the organization between their employees from top level to the service level are comes under that category. This communication is basically the best way of interaction regarding company's overall objective.
- ❖ People/ External Communication : The external communication include the communication between the suppliers, shareholders, business man, foreign clients, government and various boards depending on the nature of service business.

Communication Issues of Service Marketers

- ❖ Technology
- ❖ Budgetary Constraints
- ❖ Content
- ❖ Delivery

Price

Price in case of services is rather more difficult than in case of physical goods. If you were a restaurant owner, the charging is done not only for the food that is served but also then for the nice ambience it is built. Generally pricing the services need consideration on labor and material cost along with all overheads.

People

People are one of the elements of services marketing mix. People define a service. In case of a restaurant, the chef and the service staff defines the product. In banks, apart from the schemes, the employees of the bank and their behavior towards customers define the product. In case of service marketing, people can make or break an organization. Thus many companies nowadays are involved into specially getting their staff trained in interpersonal skills and customer service with a focus towards customer satisfaction. In fact many companies have to undergo accreditation to show that their staff is better than the rest.

The service is predominantly people-based. The personnel of the marketing department as well as others are very much instrumental in performing the marketing functions. This makes it essential that one should clearly understand the common purpose and spirit of the task to be performed and its backward and forward linkage with the other task.

NATURE OF SERVICE DELIVERY

- ❖ Inseparability of production and consumption
- ❖ Difficulty in balancing the demand and supply
- ❖ Lack of standardization in service
- ❖ Recovery services

The role of the employee in services marketing varies according to situation and the level of interaction. Frequently this depends on the degree of tangibility of a service. The level of contact can be determined by classifying the service according to whether it is labor-intensive service or an equipment based service, as follows:

- ❖ People Based service
- ❖ Equipment based service
- ❖ Selection and Recruitment

- ❖ Training and Development
- ❖ Empowerment

Pricing Methods

Cost-plus Pricing

Cost plus pricing refers to the simplest method of determining the price of a product. In cost-plus pricing method, a fixed percentage, also called mark-up percentage, of the total cost (as a profit) is added to the total cost to set the price. For example, XYZ organization bears the total cost of Rs. 100 per unit for producing a product. It adds Rs. 50 per unit to the price of product as profit. In such a case, the final price of a product of the organization would be Rs. 150. Cost-plus pricing is also known as average cost pricing. This is the most commonly used method in manufacturing organizations.

Markup Pricing

Markup Pricing refers to a pricing method in which the fixed amount or the percentage of cost of the product is added to product's price to get the selling price of the product. Markup pricing is more common in retailing in which a retailer sells the product to earn profit. For example, if a retailer has taken a product from the wholesaler for Rs. 100, then he/she might add up a markup of Rs. 20 to gain profit.

Demand-based Pricing

Demand-based pricing refers to a pricing method in which the price of a product is finalized according to its demand. If the demand of a product is more, an organization prefers to set high prices for products to gain profit; whereas, if the demand of a product is less, the low prices are charged to attract the customers. The success of demand-based pricing depends on the ability of marketers to analyze the demand. This type of pricing can be seen in the hospitality and travel industries. For instance, airlines during the period of low demand charge lesser rates as compared to the period of high demand. Demand-based pricing helps the organization to earn more profit if the customers accept the product at the price more than its cost.

Competition-based Pricing

Competition-based pricing refers to a method in which an organization considers the prices of competitors' products to set the prices of its own products. The organization may charge higher, lower, or equal prices as compared to the prices of its competitors. The aviation industry is the best example of competition-based pricing where airlines charge the same or fewer prices for same routes as charged by their competitors. In addition, the introductory prices charged by publishing organizations for textbooks are determined according to the competitors' prices.

Value Pricing

Value Pricing implies a method in which an organization tries to win loyal customers by charging low prices for their high- quality products. The organization aims to become a low cost producer without sacrificing the quality. It can deliver high- quality products at low prices by improving its research and development process. Value pricing is also called value-optimized pricing.

Target Return Pricing

Target Return Pricing helps in achieving the required rate of return on investment done for a product. In other words, the price of a product is fixed on the basis of expected profit.

Going Rate Pricing

Going Rate Pricing implies a method in which an organization sets the price of a product according to the prevailing price trends in the market. Thus, the pricing strategy adopted by the organization can be same or similar to other organizations. However, in this type of pricing, the prices set by the market leaders are followed by all the organizations in the industry.

Transfer Pricing

Transfer Pricing involves selling of goods and services within the departments of the organization. It is done to manage the profit and loss ratios of different departments within the organization. One department of an organization can sell its products to other departments at low prices. Sometimes, transfer pricing is used to show higher profits in the organization by showing fake sales of products within departments.

Process

Services process is the way in which a service is delivered to the end customer. The process of a servicing company in delivering its product is of utmost importance. It is also a critical component in the service blueprint, wherein before establishing the service, the company defines exactly what should be the process of the service reaching the end customer.

The service process is an element of segmented marketing mix and vital point of the value chain. This has received less attention though it is an important part of marketing task. The adoption of the processes, which add value to the service offering without incurring major cost disadvantage, are beneficial to the customers and the organization.

Characteristics of Service Process:-

- ❖ Customer participation process
- ❖ Location of service delivery
- ❖ Service itself
- ❖ High-contact
- ❖ Degree of standardization
- ❖ Complexity of the service

DELIVERY OF SERVICE:-

Blueprinting is a graphical approach proposed by “shostack” designed to overcome problems that occur where a new service is launched without adequate identification of the necessary support functions. A customer blueprint has three basic functions:

- ❖ All the principal function required to make and distribute a service are identified, along with the responsible company unit.
- ❖ Timing and sequencing relationship among the functions are depicted graphically.
- ❖ For each functions, acceptable tolerance are identified.

ROLE OF TECHNOLOGY IN SERVICE MARKETING:-

Technology is dramatically changing the nature of service, resulting in tremendous potential for new services offerings not imaginable even a decade ago. Technology id profoundly

changing how services are delivered enabling both customers and employee to get and provide better, more efficient, customized.

Some of reason why information technology not having the desired impact on service :

- ❖ Wasteful and insufficient use of IT
- ❖ Legged Effect
- ❖ Outdated method of productivity Measurement
- ❖ Impact of other problems
- ❖ Level of Aggregation

Physical Evidence

Services are intangible in nature. However, to create a better customer experience tangible elements are also need to be delivered with the service. Take an example of a restaurant which has only chairs and tables and good food, or a restaurant which has ambient lighting, nice music along with good seating arrangement and this also serves good food. Several times, physical evidence is used as a differentiator in service marketing. When a person gets any service from the bank they give a physical evidence for the transaction. The quality of the physical evidence enhances the satisfaction.

A distinction is made in services marketing between two kinds of physical evidence, namely, peripheral evidence and essential evidence.

Peripheral Evidence:

Peripheral evidence is actually possessed as part of the purchase of a service. It has however little or no independent value. Thus a bank cheque book is of no value unless backed by the funds transfer and storage service it represents. An admission ticket for a cinema equally has no independent value. It merely confirms the service. It is not a surrogate for it. Peripheral evidence 'adds to' the value of essential evidence only as far as the customer values these symbols of service. The hotel rooms of many large international hotel groups contain much peripheral evidence like directories, town guides, pens, notepads, welcome gifts, drink packs, soaps and so on. These representations of service must be designed and developed with customer needs in mind. They often provide an important set of complementary items to the essential core service sought by customers.

Essential Evidence:

Essential evidence, unlike peripheral evidence, cannot be possessed by the customer. Nevertheless essential evidence may be so important in its influence on service purchase it may be considered as an element in its own right. The overall appearance and layout of a hotel; the ‘feel’ of a bank branch; the type of vehicle rented by a car rental company; the type of aircraft used by a carrier are all examples of physical evidence.

Services being intangible, customers often rely on tangible cues, or physical evidence, to evaluate the service before its purchase and to assess their satisfaction with the service during and after consumption. They include all aspects of the organization’s physical facility (the services cape) as well as other forms of tangible communication.

Elements of the services cape that affect customers include both exterior attributes (such as parking, landscape) and interior attributes (such as design, layout, equipment, and decor). It is apparent that some services communicate heavily through physical evidence (e.g. hospitals, resorts, child care), while others provide limited physical evidence (e.g. insurance, express mail).

SCOPE OF SERVICES MARKETING MIX

Use of the marketing mix applies at different stages of your business but the whole mix, whether this is the core or extended mix, should be fundamental to the marketing plan. This is the tactical aspect of the planning process and should be fed from the company strategies.

- ❖ Helps to focus on a more limited (and achievable) set of objectives.
- ❖ Lower risk through improved forecast accuracy.
- ❖ Improve competitive advantage through greater flexibility.
- ❖ Easily calculate the effects of specific marketing tactics across business units, channels, geographies, product lines and time horizons.
- ❖ Lower marketing expenses by more frequently predicting the performance of marketing campaigns at different levels.

Key steps in formulating services marketing involves - Defining customers and markets; Looking at the progress of business and decide which of the mix matters most it needs; and Ensuring that the main components complement and support one another.

The elements that make up the four "I's" of services are intangibility, inconsistency, inseparability and inventory.

- ❖ Intangibility of service means that the services cannot be held, seen, or touched before the purchase.
- ❖ Developing, pricing, promoting, and delivering services is challenging because the quality of service is often inconsistent.
- ❖ Inseparability of services means consumers often cannot distinguish the service itself from the deliverer of the service.
- ❖ The inventory costs of services include salary of service provider and equipment costs.).

In terms of promotion, shopping goods stress product differentiation from competitors. With respect to distribution, specialty goods are the most limited. Promotions for specialty goods stress status and uniqueness of brand. Unsought goods are products which the consumer does not know about, or knows about but does not initially want. With respect to promotion, unsought goods require generation of awareness.

A major consideration of business goods is that their sales are often the result of derived demand, that is, sales of industrial products frequently result from the sale of consumer goods.

Factors affecting development of service marketing:

- ❖ Organization size structure
- ❖ Regulatory bodies
- ❖ Growth in service industry
- ❖ Characteristics of services
- ❖ Customer/Employee interaction
- ❖ Service quality
- ❖ Specific service sector

Services Marketing System

Many elements contribute to the customer's overall view of the service organization. These includes the communication efforts of the advertising and sales department, telephone calls, letters from service personnel, billing from the accounting department and random

exposure to service personnel and facilities, new stories and editorial in the mass media word of mouth comments from current or former customers and even participation in market research studies collectively these components plus those in the service delivery system and up to what is termed as service marketing system.

SERVICE QUALITY

Company personnel need a common understanding in order to be able to address such issues at the measurement of service quality, the identification of causes of service quality shortfalls and design and implementation of corrective action.

Approaches to measurement of quality:

- ❖ Transcendent approach
- ❖ Product-based approach
- ❖ User-based approach
- ❖ Manufacturing based-approach
- ❖ Value Based-approach

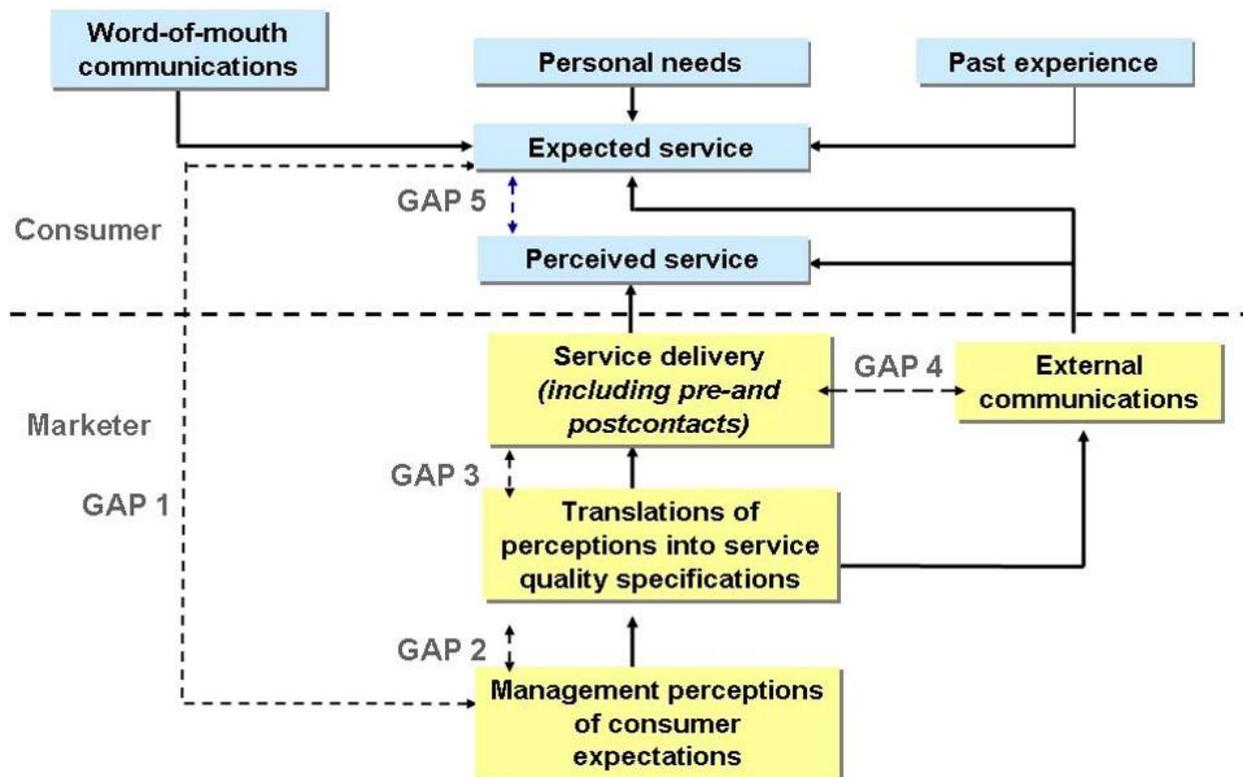
Dimensions of quality:

- ❖ Performance
- ❖ Features
- ❖ Reliability
- ❖ Conformance
- ❖ Durability
- ❖ Serviceability
- ❖ Aesthetics

Measurement to service quality:

- ❖ Tangibles dimensions
- ❖ Reliability Dimensions
- ❖ Responsiveness Dimension
- ❖ Assurance Dimension
- ❖ Empathy Dimension

SERVQUAL is built on the expectancy-disconfirmation paradigm, which in simple terms means that service quality is understood as the extent to which consumers' pre-consumption expectations of quality are confirmed or disconfirmed by their actual perceptions of the service experience. SERVQUAL is a multidimensional research instrument (i.e. questionnaire or measurement scale) designed to measure service quality by capturing respondents' expectations and perceptions along the five dimensions of service quality, namely, Reliability, Assurance, Tangibles, Empathy, and Responsiveness. A questionnaire is designed to be administered in a face-to-face interview and requires a moderate to large size sample for statistical reliability. In practice, it is customary to add additional items such as the respondent's demographics, prior experience with the brand or category and behavioural intentions (intention to revisit/ repurchase, loyalty intentions and propensity to give word-of-mouth referrals). It has become the dominant measurement scale in the area of service quality. In spite of the long-standing interest in SERVQUAL and its myriad of context-specific applications,



.GAP MODEL OF SERVICE QUALITY DELIVERY

Gap1: Not knowing what customer expect

This is basically of 'Customer Service' and 'Company Perception' as expected service is the highest level of desired service existing in the mind of customer. Company perception of consumer expectation is nothing but the company's understanding of what the consumer want.

Gap2: Inability to set the right type of Standards

The customer may have service standard expectations that may be either higher or lower than the standards set by you.

Gap 3: Not delivering the service standards

- ❖ Lack of right type of employees
- ❖ Lack of empowerment
- ❖ Lack of training
- ❖ Failure to predict
- ❖ Insufficient customer education

Gap4: Mismatch between promises and performance

This is physically impossible or financially unviable to provide all that was promised. This is usually resulting in customer disappointment.

- ❖ Unrealistic communication to customers
- ❖ Over promising through advertising
- ❖ Lack of internal communication

GAP 5: Gap between expected service and experienced service: this gap arises when the consumer misinterprets the service quality.

CUSTOMER RELATIONSHIP MANAGEMENT

CRM is a strategy adopted by business firms in recent years and includes the formulation of methodologies and tools that help business manage customer relationship in an organize manner. CRM processes are extremely helpful in indentifying and targeting the best customer of the business firm and generating quality sales leads, as well as in the planning and

implementation of marketing campaign and definite goals and objective. According to Gartner “CRM is a business design to optimize profitability, revenue and customer satisfaction”

CRM IN SERVICE INDUSTRY

CRM was initially in the industrial context, the service industry is also focused on maintaining and enhancing customer relationship. Services are produced and delivered by the same institutions. The success of the service provider depends upon the long term customer relationship that develops between the customer and the service provider.

CHARACTERISTICS OF CRM

- ❖ Share of customer
- ❖ Lifetime value of the customer
- ❖ Customer equity
- ❖ Greater focus on high value customers

NEED FOR CRM

- ❖ Provide updated information
- ❖ Customized strategies
- ❖ Anticipates problem
- ❖ Prompt follow ups
- ❖ Problem resolving mechanism
- ❖ Assesses customer interest
- ❖ Integrating functional system

TYPES OF CRM

Proactive Vs Reactive CRM

In this type of categorization, the practice of a company to anticipate and respond to the customer need with suitable offerings is contrasted with the practice of simply responding to the customer stimulus that comes in through suggestions and complaints.

Operational, Collaborative and Analytical CRM

BUILDING CRM

- ❖ Enquiry
- ❖ Interaction
- ❖ Exchange
- ❖ Co-ordination
- ❖ Adoption

IMPORTANCE OF CRM

- ❖ Increased sales revenue
- ❖ Increases win rates
- ❖ Increase margins
- ❖ Involve customer satisfaction
- ❖ Decreases general sales
- ❖ Lower cost of recruitment customers

BARRIERS OF CRM

- ❖ Company ownership is based on Capitalist system
- ❖ Require top-management support
- ❖ Confusion in attributes
- ❖ Problem in implementation
- ❖ Building relationship
- ❖ Customer dissatisfaction
- ❖ Incapability

MAKING CUSTOMERS INTO FRIENDS

Acceptance of the central importance of the guest experience has some major implications for the management of hospitality and tourism service providers. Policies that train, support, and empower frontline staff become essential and have to be seen as core to the management task. Training frontline staff in how to build friendly relations with a stranger/guest is not just a nice idea, or an expensive luxury to be jettisoned when times get tough. Similarly, the management of staff retention is core to being able to build the relationship. It is impossible to train frontline staff appropriately if there is a constant churn of new employees through the

organization. The returning guest will not feel like a friend if there is no continuity amongst the people who meet, greet, and serve them. There is now a well-proven link between employment practices, employee satisfaction, and customer satisfaction. Acceptance of the emotional importance and the need to establish friendly relations with guests intensify the needs for stable employment relationships and recognition of the asset value of service personnel.

Marketing strategy has tended to be given a higher budget and priority than the quality of the customer experience or the skills needed to deliver those experiences. In some cases, marketing activities deliver increased customer footfall, but also create more dissatisfied customers, because appropriate service quality standards and employee performance have not been established first. The approach being advocated in this chapter suggests that this must be reversed. The quality of the guest experience must be at the core of commercial strategy, and hosting skills are crucial elements of delivery of those experiences. Marketers have to be concerned with these people management and operational issues as dimensions of the marketing mix. There is a need for a more multi-disciplinary approach to the role of the Marketers than is found in more traditional functionally specialized organizations.

CHALLENGES IN SERVICE INDUSTRY

Service marketers are faced with the need to provide value to consumers based on intangibles that can be difficult to quantify and deliver. Increasingly, consumers are requiring higher and higher levels of service and more convenient access to information. With tangible products, consistency can be maintained more readily and quality can be monitored and impacted.

In service industries, the number of people or touch-points involved in the delivery process and the inconsistencies in human behaviors and actions make maintaining quality and brand consistency an ongoing challenge. Ultimately past experience given by the service provider plays a vital role in making future decisions regarding consumption of the service repeatedly from the same service provider.

Innovation in service is also expected by youth centric customers that pose a challenge in services marketing. The profit a customer is expected to generate while he maintains a relationship with the company.

MARKETING OF HOSPITALITY

MEANING

In general, hospitality means, “The friendly and generous reception and entertainment of guests, visitors, or strangers” or relating to or denoting the business of entertaining clients, conference delegates, or other official visitors. In industry, Hospitality is the business relationship transmission between the visitor, guest, customer, and host. This includes private dinner parties, hotel chains, restaurants, and casinos. This also includes places like Disneyland. This industry makes billions in each year from disposable income.

Hospitality is the distinguishing factor for success in this new, service economy. In the information age, competitors know how to offer the same products and services, but the culture and experience companies create for their customers will help them stand out.

Hospitality Marketing

Hospitality marketing is marketing efforts directed towards the increase of revenue in the hospitality industry. Learn about education and careers in the hospitality marketing industry.

Marketing is the process for getting a company's product or service out to consumers. Hospitality marketing is how segments of the hospitality industry, such as hotels, restaurants, resorts, amusement parks and other entertainment and accommodations businesses promote their products or services.

The History of Hospitality

The hospitality industry is as old as humanity/ It all started with Abraham. He looked around his tent and thought, “only one entrance? what if people come from all four directions and see a closed tent- that's not welcoming or cool at all- I'm going to leave all 4 sides open so all travelers can chill at my place, grab a bite to eat and relax before they continue on their journey”.

HOSPITALITY INDUSTRY

Hospitality industry is the field that specializes in delivering services to direct customers. The hospitality industry ensures that the recipients are well treated to ensure that they enjoy their

leisure time to the maximum. Some of these fields include restaurants, flight attendants as well as tour guiding.

The hospitality industry is a broad category of fields within the service industry that includes lodging, event planning, theme parks, transportation, cruise line, and additional fields within the tourism industry. The hospitality industry is a several billion dollar industry that mostly depends on the availability of leisure time and disposable income. A hospitality unit such as a restaurant, hotel, or even an amusement park consists of multiple groups such as facility maintenance, direct operations (servers, housekeepers, porters, kitchen workers, bartenders, etc.), management, marketing, and human resources.

Categories:

1. Accommodation

Hostels

Hotels

Motels

Resorts

2. Restaurants and bars

Cafes

Nightclubs

Pubs and Public houses

Restaurants

Bars

3. Travel and tourism

Flight attendants

Travel agents

Tour operators

Local tourism

Hospitality and Tourism Management

Hospitality and Tourism Management (HTM) is a multidisciplinary field of study with the purpose of preparing people with the expertise, commitment, and skills for management, marketing, and operations positions in the expanding industry that provides food, accommodations, and tourism services to people away from home. As a field of study, Hospitality and Tourism Management is interdisciplinary. It draws upon a wide range of basic disciplines to provide the fundamental knowledge and skills that are required to fulfill the diverse demands placed upon individuals in management positions within the hospitality industry. Casino Management, Club Management, Lodging Management, Food and Beverage Management (Commercial and Non-Commercial), and Tourism, Convention and Event Management

Hospitality includes food, drink and accommodation and also is concerned with the approach to be adopted e.g. welcoming, respectful and genuine. Hospitality is offered and the extent or limitation of it is based on the needs and the purpose of the guests/strangers. Alliances are initially developed through hospitality between friends, households and states, and are strengthened through continuing mutual hospitality. Hospitality once granted between individuals, households and states is also granted to descendants and through extended friendships.

In this context, an understanding of hospitality as a human relationship involving people in host and guest roles is essential to better inform the marketing of hospitality and tourism operations. Through a better understanding of the provision of hospitality and acts of hospitableness, commercial organizations are better able to recognize the emotional experiences involved and ensure that management practice focuses on their production. Initially proposed that a three-domain model helped to set the context of hospitality using an admittedly crude Venn diagram, not only to distinguish between cultural/social, private/ domestic, and commercial domains but also to show how they potentially overlap and influence each other. This is reproduced as

The three domains to take place and the following paragraphs will highlight some of the emerging issues that have implications for the marketing of hospitality and tourism.

❖ The social/cultural domain

- ❖ The domestic/private domain of hospitality
- ❖ The commercial domain

The Social / Cultural Domain

Destination marketing often makes reference explicitly and implicitly to the hospitality and welcome given to visitors. Tourism marketing research shows that nine out of every ten overseas visitors to Ireland claim Irish friendliness and hospitality as the primary reasons for visiting the country. The Jamaican smile and welcome, and the world-famous ‘Southern hospitality’ in the USA are also examples of the claims about the welcome strangers will receive in different cultures, which are employed in the marketing of particular destinations. The quotation from Derrida given above suggests that these are claims made by all cultures and are indications of the human decency with which a society seeks to define itself. The problem is that both Derrida and tourism marketers tend to downplay the extent to which these obligations to be hospitable vary between cultures, and over time. A dominant culture-related definition of hospitality across societies is that it involves ‘converting strangers into friends’ and provides examples spanning continents, religions, and cultures. In Western settings,

Apart from the general obligation to offer succor and support to travelers, strangers, and the poor, reciprocity is also an important consideration of the hospitality relationship; in other words, the host may one day be the guest. Reciprocity was an important feature of tourism in Augustinian Rome. Families built up networks of mutual relationships through offering and receiving hospitality, and toured between the various network members.

There were strong cultural obligations to offer hospitality to strangers, travelers, and the homeless. In particular, the host was required, as a moral and sacred obligation, to offer protection and safety to the guest, as well as shelter and nourishment. Heal argues that Handbook of Hospitality Marketing Management five underlying principles have governed English hospitality during the period. These are:

- ❖ The relationship between host and guest is a ‘natural’ one (i.e., it is grounded in the nature of social life);
- ❖ An intrinsic part of being a host is having regard for the ‘sacred nature’ of the guest (which refers, broadly, to the honor and status which a guest may bring to the host);
- ❖ Hospitality is noble;

- ❖ ‘Altruistic giving’ is an established and expected part of English social life; and
- ❖ The social relationships and exchanges that hospitality engenders are at least as important as those formed in the market place

The obligations clearly extend back through human history and, until recently, in ‘modern societies’ carried strong moral sanctions for those who failed either to offer hospitality as a host or to behave appropriately as a guest. In the latter case, guests overstaying their welcome were a significant concern. Sherringham and Daruwalla (2006) remind us of an Old Italian saying, which roughly translates as, ‘Guests are like fish, after three days they stink’.

As further confirmation of these strong obligations in recent history, it is interesting to note that Shakespeare makes references to hospitality and inappropriate host and guest behaviors many times in his plays. Typically, he uses transgression of the laws of hospitality as a way on increasing the villainy of the character and action. Whilst twenty-first century audiences may well need to have the significance explained to them, it is likely that contemporary Jacobean audiences well understood that the murder of Duncan whilst he was a guest in Macbeth’s house further intensified the outrage of the crime. Just in case, however, Shakespeare has Lady Macbeth feign horror on the discovery of the murder by saying, ‘What in our house?’ In other words, reminding the audience that the King has been murdered whilst the Macbeths should have been protecting him. In King Lear, when Buckingham is about to have his eyes removed by Lear’s sons-in-law whilst he is entertaining them in his home, he says, ‘But you are my guests’. In both cases, Shakespeare uses the contemporary audience’s understanding of the obligations of hospitality for dramatic effect, to distance the perpetrators from normal, moral, and decent society. Clearly, current cultural and religious pronouncements rarely consider these obligations to offer

Marketing hospitality and tourism experiences protection and hospitality to guests, though traces sermons by religious leaders stretching into the nineteenth century where the virtues of extending hospitality are extolled. Even in the 1930s, in the United States, the Catholic Workers’ movement advocated reengaging with medieval ideas of hospitality as a way of providing support for unemployed and poverty-stricken people. The key point here is that the obligations to be hospitable to strangers and to the poor has changed in industrial societies,

though there is no reason why they cannot be a source of inspiration to hospitality and tourism marketers, and cannot be re-introduced as models for current practice.

Hospitable communities may well refuse hospitality to certain groups that are deemed to be undeserving and unworthy. Contact with strangers can result in abatement in the obligation to be hospitable, when guests behave in a way that fails to treat the host with respect, or when guests do not meet their obligations. It could be that the commercial relationship implicit in mass tourism and hospitality sector activities reduces the obligations on both hosts and guests.

Whether ‘commercial hospitality’ can be ‘hospitable’ is a question that will be discussed further, later in the chapter. Finally, the impact of tourism on communities is not evenly spread. For some sections of a community, hospitality and tourism activities represent employment and business opportunities, but for other residents they represent noise-disturbance and a threat to their environment

The Domestic / Private Domain of Hospitality

Whilst the social/cultural domain of hospitality provides a set of broadly shared social norms and expectations about hospitality and the obligations of hosts and guests, the private/domestic domain is the key arena for learning the behaviors of being a host and being a guest. Typically most households will both entertain non-household members as guests, and be invited to be guests in other households. The expectations on acceptable behavior will be broadly shared through social/cultural norms. Most dinner party guests, for example, would feel that the obligations of hospitality had been broken by a host who expected them to pay for each glass of wine, yet in many cultures it would be expected that they bring with them wine or food as contribution to occasion. Within this broad setting, hosts have a degree of control over how they shape guest experiences and commercial hospitality operations can learn from and employ the experiences of hospitality in the private/domestic domain. Differentiation between hospitality and hospitableness provides an important insight for marketers because it gives an insight into being a good host, which extends beyond culturally shared obligations of hospitality. Being a good host has clear relevance to commercial contexts.

Marketing hospitality and tourism experiences genuine needs to please and care for others including - the desire to please others, stemming from general friendliness and

- ❖ benevolence or from affection for particular people, concern, or compassion;
- ❖ the desire to meet another's need;
- ❖ the desire to entertain one's friends or to help those in trouble; and
- ❖ the desire to have company or to make friends, and the desire for the
- ❖ Pleasures of entertaining – what we may call the wish to entertain as a pastime.

The key concern for hospitality and tourism marketing is the extent that these motives and desires can be captured, promoted, and delivered in a commercial context. In principle, Telfer suggests that where hosts are offering hospitality for personal gain, or for vanity or solely out of a sense of duty, the actions are not genuinely hospitable. From a twentieth-century Christian perspective, Nouwen (1975) argues that hospitality should consist of the following facets:

- ❖ Free and friendly space – creates physical, emotional, and spiritual space for the stranger.
- ❖ Stranger becomes a guest – treats a stranger as a guest and potential 'friend.'
- ❖ Guest protected – offers sanctuary to the guest.
- ❖ Host gives gifts – the host welcomes the guest by providing the best gifts possible.
- ❖ Guest gives gifts – the guest reciprocates and gives gifts to host.
- ❖ All guests are important and gifted – the host values the guest and gains value from them.
- ❖ Acceptance, not hostility – especially the kinds of subtle hostility, which makes fun of strangers or puts them into embarrassing situations.
- ❖ Compassion – hospitality is basically a sense of compassion.

The Commercial Domain

The nature of the relationship between those offering hospitality experiences in bars, hotels, and restaurant sites and the recipients of those experiences is of key importance to an analytical understanding of the commercial domain of hospitality. For some, these are economic relationships. Customers are not guests in the sense outlined earlier in this chapter; they are customers entering into a contractual economic relationship. Customers receive a bundle of products and services, and for this they pay money in exchange. This type of thinking implies a substantially rational relationship and one in which emotional needs of the service encounter are recognized but given a subordinate role in the economic transaction. Service deliverers are

required to provide emotional labor through an appropriate emotional performance, but this is only one element of the service delivery.

These more traditional definitions of hospitality, concerned with delivering hospitality through the genuine hospitableness of hosts. By providing hospitality experiences that are delivered by individuals who are welcoming and hosting guests in a way that converts ‘strangers into friends,’ it is possible to develop a loyal base of ‘customers who are friends’. One of the key debates that have emerged over the commercial domain of hospitality is the extent to which it is possible to engage these traditional relationships in what is essentially an economic transaction. As we have seen earlier in the chapter, Telfer’s comments on the motives of hospitableness suggest that commercial hospitality providers have

MARKETING HOSPITALITY AND TOURISM EXPERIENCES

They deliver hospitality goods and services for profit; the level and extent of the service provided will always be dependent on their ability to turn in a profit. Frontline staff providing the service is doing so as employees, and customers are not their guests.

Service staff is often required by their employers to provide an emotional performance they frequently do not feel and, hence, they have to engage in working at the emotions required for their job. From 1000 respondents suggested that when asked about their dining-out experiences, a majority considered that dining in domestic/private venues involved genuine hospitality, whereas dining in commercial settings did not. Ritzer, through his work on ‘MacDonaldization,’ (1993, 2004) suggests that hospitality services are subject, like all services, to corporate pressures to increase control, calculability, predictability, and efficiency that lead ultimately to ‘inhospitable hospitality’. These systems, informed by Taylorism developed in manufacturing; ultimately minimize human discretion and personal initiative, resulting in standardized and scripted service interactions, which are inconsistent with genuine hospitality and acts of hospitableness.

Although Telfer’s exploration of the philosophy of hospitableness suggests that the ulterior motives associated with commercial hospitality might reduce the genuine quality of hospitableness, she hints that it might be more complex than it initially appears. When discussing commercial hospitality, Telfer suggests that it is not inevitable that commercial hospitality is

inhospitable. It is possible that individuals who are naturally hospitable are attracted to work in the sector and provide hospitable behavior, even as employees of essentially 'inhospitable' firms. She also points out that many small firms may be operated for other than commercial reasons, and these may offer genuinely hospitable experiences. Lashley et al. (2005) found that interviewees were able to recognize hospitality experiences as being genuine in both commercial and domestic settings.

When asked to recount their most memorable meal experiences, about half the occasions they recounted were in domestic settings, whilst the other half were in commercial settings. Interestingly, both appeared to be recognized as having authenticity, though the language of domestic hospitality was used to evaluate experiences in commercial settings. Emotional requirements to feel safe and secure, welcome, and genuinely valued dominate the assessment of authenticity in both settings. Hospitality venues in the form of bars and cafes, and restaurants play an important role in providing the setting for new forms of urban cultural life. In many ways they perform as the community meeting point which, Adelman et al. (1994) suggest, will become an increasing feature of service in cities where many people have an individualized existence. Bars, cafes and restaurants provide

In other words, they play a key role in providing social networking, which develops an authenticity in its own right. The delivery of hospitality and tourism experiences can be better informed by recognizing the fundamental role that guest and host relations play in contemporary social life. This chapter argues that guest and host relations are at the heart of all hospitality transactions, irrespective of their immediate setting – the domestic/private or the commercial,

or in the way destination residents interact with tourists. This chapter also argues that those wishing to market particular destinations – nation, region, or city – need to set the host–guest transaction at the centre of their marketing and service delivery strategies and manage the service in a way that pays attention to the emotional dimensions of the guest experience. In particular, the guest needs to feel like a guest in a domestic/private setting. They need to feel wanted and respected as individuals; they need to feel important and that their needs will be both recognized and met. Guests need to feel that they will be safe and secure, and comfortable. Hosts, therefore, need to be motivated by the desire to be hospitable and to ensure the happiness and wellbeing of the guest. Most importantly, commercial hospitality experiences must extend beyond formulaic

standardized transactions wherein both customers and the staff hosting them are ultimately unimportant as individuals because the processes are essentially dehumanizing

THE GUEST–HOST TRANSACTION

If the guest experience is to be such as to create memorable experiences and ultimately enable the guest to feel a bond of friendship, hosting behavior needs to reflect the traditions of hospitality and hospitableness. In addition, hosts need to have high levels of emotional intelligence and ability to predict and connect with guests' emotional needs. A culture of hospitality within commercial hospitality and tourism organizations would reflect traditional hospitality values and obligations. Accepting all visitors as guests irrespective of their likelihood of becoming regular visitors is at the heart of this approach. All strangers and guests are treated as potential friends.

A culture of hospitality

- ❖ The stranger is treated as a guest and potential 'friend'
- ❖ Guest included into the social context without limits
- ❖ Acceptance of all guests as equally valued individuals irrespective of guest characteristics
- ❖ No evidence of hostility to guests
- ❖ Guest protected and provided with a safe and secure environment
- ❖ Host gives gifts – the host welcomes the guest by providing the best gifts possible
- ❖ Host expresses compassion for the needs of others

Qualities of hospitableness

- ❖ The desire to please others
- ❖ General friendliness and benevolence
- ❖ Affection for people; concern for others and compassion
- ❖ The desire to meet another's need
- ❖ A desire to entertain
- ❖ A desire to help those in trouble
- ❖ A desire to have company or to make friends

- ❖ A desire for the pleasures of entertaining

Displaying emotional intelligence

- ❖ Hosts recognize their own emotions and are able to express them to others
- ❖ Hosts recognize and understand the emotions of guests
- ❖ Hosts use emotions with reason and emotional information in thought
- ❖ Hosts regulate and manage their own and the emotions of others
- ❖ Hosts control strong emotional states – anger, frustration, excitement, anxiety, etc.

Delivering Host–Guest Transactions

Given the crucial importance of host performance in the delivery of guest experiences that will develop friendly relations with guests and ultimately loyal customers, the management of frontline personnel is of paramount importance. Recruiting staff that have a positive profile as hosts, with clear qualities of hospitableness and with a good level of emotional intelligence, will enable a commercial hospitality or tourism organization to build a workforce committed to deliver remarkable guest experiences. A planned program of training, role modeling, and best practice sharing will reinforce and further develop the culture of hospitality and commitment to guest experiences. Similarly, prioritizing staff retention is crucial because guests will not feel welcome and important if they never see the same person twice. Ensuring that staff are recruited, trained, supported, and retained is not just a nice idea, somehow ‘other worldly’ in a ‘tough commercial environment;’ it is an essential element of the business strategy on which to base competitive advantage and long-term profitability.

Marketing strategy

Making traditional hospitality and the emotional dimensions of guest experiences at the heart of commercial hospitality and tourism marketing is, in principal, advocating a business strategy which aims to gain competitive advantage through the uniqueness of the service quality. Conventional services marketing literature suggests that a strategy that aims to compete via quality is less easily replicated than a strategy that aims to compete on low prices. A quality strategy is likely to develop more loyal customers and will be less susceptible to competitor pressures.

The approach advocated here adds a further dimension to this because traditional hospitality suggests that good hosting leads to strangers becoming friends. In commercial context the approach suggests that making customers into friends intensifies the levels of loyalty because of the emotional attachment of the relationship. Communications with customer/friend needs to be consistent with friendship. In other words it has to be sensitive to the needs of each individual customer, their likes and dislikes, preferences and needs. Sending out birthday, wedding anniversary, and Christmas cards is consistent with how friends operate, but these need to avoid overly formulaic and corporate outputs that often lack the personal touch. Invites to special events and being given special access to corporate events as honored friends are all examples of building ongoing contacts and communications that help to establish the special relationship. The British pub company JD Wetherspoon has an incentive scheme for bar staff who gets to know the personal details of one hundred of their regular customers. A hotel known to the author provides regular guests with a complimentary favored drink in their room after they have dined in the hotel's dining room. The key point is that communications at corporate, unit, and individual level are consistent with 'guests as friends' rather than as customers.

Public relations outputs, advertising messages, and the brand image must link to values and obligations of traditional hospitality. This practice can be illustrated in the following quote from the brochure of Le Petit Hotel, St. Martin: 'Enjoy the spirit of our intimate island home, where you arrive a stranger and leave as our cherished friend'. In some Marketing hospitality and tourism experiences cases, the hotel name is used to underscore the potential relationship. Frontline staff and management are the crucial marketing interface with guests. Under this approach, staffs are more than service deliverers, they are the hosts who provide guest with experiences. It is vital, therefore, that staff are recognized as performing this marketing role, not just up-selling and complaint handling, but delivering the core brand values to guests.

They are also the means of responding to each customer's needs and the variations amongst service types and of recognizing the potential service needs of the same guests when they arrive with different service needs in mind. They must recognize and respond to the critical success factors relevant to that customer's visit.

HISTORY OF THOMAS COOK

Thomas Cook began his international travel company in 1841. Thomas suggested that a special train be engaged to carry the temperance supporters of Leicester to a meeting in Loughborough. On 5 July 1841 roughly around 500 passengers were conveyed in open carriages the enormous distance of 12 miles and back for a shilling

Thomas Cook Today

Thomas Cook UK & Ireland is the second largest leisure travel group in the UK with around 19,000 employees has a network of more than 800 high street stores

Thomas Cook Airlines, operates a fleet of 44 aircraft and flies from various regional airports to destinations worldwide.

LEISURE / HOLIDAY INDUSTRY

Services provided are Travel Insurance, Airport parking, Car Hire, Airport lounges, Travel Vouchers, Attraction tickets, Foreign Exchange(Currency, Prepaid Cash Passport, Credit Card, Money gram Transfer, Corporate Foreign Exchange, and the like

Classification of Service

- ❖ Degree of intangibility
- ❖ Skill level of service provider
- ❖ Labour intensiveness
- ❖ Degree and nature of customer contact
- ❖ Goal of service provider

Degree & Nature of Customer Contact

This is also known as “people processing”. Customers must physically enter the system. Sometimes, the service provider goes to the customer with necessary tools. People must be prepared to spend time actively co-operating with the service operation. The level of involvement may vary, depending on the service that is being offered. Managers must think about processes/outputs in terms of what happens to the customers or what benefits are created. When booking a holiday, customers need to have almost full involvement in the service process. Unless the customer initiates the process, the process cannot be started and the service. Customer participates primarily in the ‘Front of Stage’ interaction, while seeing physical evidence of the service throughout the entire encounter.

CATEGORIES OF TOURISM PRODUCTS

Nature tourism

Exploring conservation areas by walking or riding in the forest, or on the mountain or beach, navigation in rivers, lakes and the sea, observation of flora, fauna and other natural attractions such as waterfalls, caves, etc.

Experiential cultural tourism

Living with native communities, including participation in daily life activities and various cultural events, such as music, dance and arts, rites or religious holidays, etc.

Agri-tourism

Visiting rural communities to participate in agricultural production, livestock, handicrafts, and other traditional agricultural activities.

Historical tourism

Visiting special sites to see monuments, sculptures, architecture, civil, military or religious artefacts, archaeological remains of ancient cultures, local museums and sites of paleontological interest.

Health and wellness tourism

Today, increasing interest in fitness, disease prevention, maintaining good health, new age remedies and alternative treatments to alleviate various types of stress are key tourism motivators. Such tourism may include visits to holy sites with communities; participation in rituals and treatments with healers and shamans.

Medical tourism

This has been defined as the practice of travelling across international borders to obtain health care.

Religious tourism

Religious tourism also commonly called “faith tourism”, this involves travel for reasons of faith, for pilgrimage, missionary and other related purposes.

Sports tourism

Recreational fishing and hunting, sports that require specialized training and equipment: canoeing, climbing, rappelling, etc.

Scientific tourism

Observation and study of flora, fauna and geology, local food plants and ancestral medicinal knowledge and its applications in the conservation of biodiversity.

Destination Marketing

Destinations are places that attract visitors for a temporary stay, and range from continents to countries to states and provinces, to cities, to villages, to purpose built resort areas. At the foundation level, destinations are essentially communities based on local government boundaries. Tourists travel to destinations. Destinations are places with some form of actual or perceived boundary, such as the physical boundary of an island, political boundaries, or even market-created boundaries.

Destination marketing refers to a management process through which the national tourist organizations and/or tourist enterprises identify their selected tourists, actual and potential, communicate with them to ascertain and influence their wishes, needs, motivations, and likes and dislikes, on local/rural, regional, national and international levels, and to formulate and adapt their tourist products accordingly with a view to achieving optimal tourist satisfaction, thereby fulfilling their objectives.

The marketing concept is often used inappropriately, reducing it to the promotion and sale of products and tourist destinations, and in particular to advertising and to tourism fairs and events. While these functions are important, there is much more to marketing. Tourism destinations are probably among the most difficult “products” to market, involving large numbers of stakeholders and a brand image. A destination marketing organization is any organization, at any level, that is responsible for the marketing of a destination. This therefore excludes separate government departments that are responsible for planning and policy. Destination marketing organizations (DMOs) are concerned with the selling of places.

Seven phases of the travel experience:

- ❖ accumulation of mental images about vacation experiences;
- ❖ modification of those images by further information
- ❖ decision to take a vacation trip;
- ❖ travel to the destination;
- ❖ participation at the destination;
- ❖ return home; and

- ❖ modification of images based on the vacation experience

Branding a Tourism Destination

To brand a tourism destination is to develop a clear identity, or “brand”, based on reality, while also reflecting the core strengths and “personality” of the destination. The purpose of a brand is to establish a distinctive and memorable identity in the marketplace that represents a source of value to the consumer. Branding is perhaps the most powerful marketing weapon available to contemporary destination marketers confronted by tourists who are increasingly seeking lifestyle fulfillment and experiences.

Only those destinations that have a clear market position and appealing attractions will remain at the top of consumers’ minds when they book their holidays. In the highly competitive and dynamic global tourism environment, strong branding will help a destination stand out from the crowded marketplace. Building and maintaining brand value is the key to business success and, as a result, brand management is quickly shifting from a peripheral marketing concern to the core business strategy.

The fundamental challenge is to somehow develop a brand identity that encapsulates the essence or spirit of a multi-attributed destination, representative of a group of sellers as well as a host community. Tourism marketing is generally concerned with the selling of dreams, as expectations of an intangible tourism service can only be realized after travel. The images held by consumers therefore play a critical role in their decision-making.

Most destinations have superb resorts and attractions, every country claims a unique culture, landscape and heritage, each place describes itself as having the friendliest people, and high standards of customer service and facilities are now expected. As a result, the need for destinations to create a unique identity – to differentiate themselves from their competitors – is more critical than ever.

Importance of Destination Marketing

People normally choose a destination before they choose the airline or decide on the hotels and attractions to visit. There is no pro-poor tourism strategy if there are no visitors to the destination. Hence destination marketing to increase tourism is very important. The marketing of a destination is based on the concrete experiences, services and options that are part of a global idea and branding of a “destination”. Thus, a broad multi-stakeholder policy and strategic

framework that articulates the different actors, levels and destination “components” in such ways that benefits are equitably distributed and contribute to poverty reduction is fundamental.

Tourism Marketing Plan

A tourism marketing plan represents a strategy and is a combination of techniques, tools and resources designed to achieve commercial and social objectives.

Product

A tourism product is the set of assets and services that are organized around one or more attractions in order to meet the needs of visitors.

An attraction

These are the “raw materials” of the tourism product and as such are part of the territory where the business is located. They consist of the natural and cultural resources, places and events that, by their characteristics or location in a context, awaken the visitor’s interest and motivate his/her action.

Facilities and services

Tourist facilities refer to the infrastructure, equipment and services that make the tourism activity possible: the tourist enjoys the attractions and does so in a safe environment.

Accessibility

This facilitates visitors to access to the tourist destinations, including infrastructure, transport and communication services. Tourism product development is designed to increase the income in the sector. Tourism product development involves implementation of a comprehensive plan of action that will guide towards dealing with estimated increase in business over the short, medium and long-terms.

The action strategies for the development and management of tourist destinations should consider the needs and interests of all stakeholders in the tourism system: local/ rural community, entrepreneurs, investors, governments, tourists and other stakeholders.

Tourism product development aims at long-term sustainable development by the execution of a number of strategies. These strategies bring into focus a generic idea to increase competitiveness, build an inclusive industry by promoting closer integration of people and develop and maintain the environment.

MARKETING OF FINANCIAL SERVICE:-

The financial service industry in India has experienced massive changes since the early 1990s. Prior to this time, banks served different customer needs, often catering to different sets of customers. Regulatory frameworks and traditional business practices meant that there was virtually no competition between types of institution. Building societies offered savings and mortgages while banks provided current accounts, loans and business finance. Insurance and investment were largely dealt with by specialist brokers.

CHARACTERISTICS:

- ❖ Intangibility
- ❖ Inseparability
- ❖ Variability
- ❖ Perishability
- ❖ High involvement purchases
- ❖ High level of brand liability

SERVICE QUALITY OF FINANCIAL SERVICES

Quality of service is very important for customer satisfaction. A high level of external customer satisfaction largely depends upon the level of internal customer satisfaction and corresponding nature of service quality delivered by internal customer to the external customer in financial service industry. Customer satisfaction for financial service is also depends upon the relationship of the customer with the employee of the organization.

Perspectives of financial services quality

- ❖ Functional Quality
- ❖ Technical Quality
- ❖ Reliability
- ❖ Assurance
- ❖ Tangible
- ❖ Empathy
- ❖ Responsiveness

Improving financial services

- ❖ Assessing product and customer attributes
- ❖ Striving the quality mission
- ❖ Continuous quality improvement
- ❖ Encouraging employee initiatives
- ❖ Collecting and analyzing information
- ❖ Training and development program me
- ❖ Rewarding quality adherence

Understanding Customer Expectation

Customer expectation understanding is must for every organization. Because customer dissatisfaction or even worse situation will create a hurdle in organization growth. So proactively conducting customer survey about their satisfaction is must for every financial organization.

Understanding Customer

- ❖ Interview customer to design a questionnaire.
- ❖ Typical topic covered in customer satisfaction.
- ❖ Overall satisfaction
- ❖ Performance of front line staff
- ❖ Design a feedback form and ask customer to rate service quality
- ❖ Use a consultant to design and if necessary conduct a survey.

Segmenting financial service

- ❖ Demographic
- ❖ Psychographic
- ❖ Behavioral segmenting

Targeting of Financial Services

- ❖ Prime Customers
- ❖ Highly Valued Customers

- ❖ Prosperous but Mobile – This group is generally aware of its prospects is not loyal and will frequently shop around for the best deal and will move readily to take advantage of the best offer.
- ❖ Prime Prospects
- ❖ Middle Majority
- ❖ Price Shoppers
- ❖ Tomorrow's Valued Customers
- ❖ No Frills
- ❖ Social Responsibilities

Positioning of Financial Services

Positioning presents particular challenges to the financial service industry, owing to the intangibility of its products, the absence of patent protection and the ease with which products and services can be copied to competitors. Arguably, positioning is still in its infancy in many areas of financial services around the world.

Devising Financial Services

- ❖ Banking Marketing
- ❖ Insurance Marketing
- ❖ Home Loan
- ❖ Credit Cards

NEEDS OF FINANCIAL SERVICES CONSUMER

Cash accessibility: Customers need to have frequent access to cash and look to various money transmission tools that cater to these needs such as ATMs, credit cards and cheques as well as telephone banking which enables quick and easy movement of funds

Asset Security: Consumers need physical security of assets and one of the most basic functions of banks is that of safekeeping. Consumers also need to protect one's assets from depreciation by earning a return on their money.

Money transfer: This refers to the need to be able to move money around. Technological developments have made this possible and also have reduced reliance on cash.

Financial Advice: Financial products increase in number and complexity, consumers have a greater need for information and advice in order to make appropriate purchase decisions. Financial needs or objectives form a hierarchy, which evolve over time.

Marketing Techniques in Banking

In simple terms application of marketing techniques in banking means a coordinated organizational effort to reach the customer to fulfill his specific needs for getting his patronage by maximizing customer satisfaction. In other words, the customer and his needs are central to marketing and the specific needs are satisfied through utilization of people, products or services, price, promotion, processes and branch location and distribution.. In the analysis of marketing techniques, facilities and amenities inside the branch and the processes are being looked into in detail. In recent years Indian banks have urged their branches to adopt more and more marketing techniques for achieving their business goals. The growing competition in the banking sector, both within India and outside, has made it imperative for them to adopt various marketing strategies to gain competitive edge over each other. Customer's needs have been made the focal point of attention by banks.

Branch Location and Distribution

The starting point for the marketing of financial services to the customer is his local branch. Because the business of a bank is largely centralized through its individual branches, it is important to select the most promising locations wherever it is possible.

FINANCIAL SERVICES MARKETING -TECHNIQUES AND STRATEGIES

In marketing, distribution is the means through which a seller makes his product available to the buyer. The channels of distribution for bank's services should be thought of as any means used to increase the availability and convenience of the services that help to maintain existing bank users or increase their use among existing or new customers, '

However, banking today is not about where the branch is but where the customer is and banks are resorting to the use of technology so that customers can access their accounts from remote locations.

Technology

Advancement in technology has had a profound effect on the delivery of financial services in the last decade, and the pace of change and level of impact is continually increasing. Technology was first used in branches of banks as a means of reducing the cost of many routine processes, but now it provides a cost effective and competitive solution to the delivery of products and communication with customers. Technology has enabled banks to target customers, provide customized products and services to match their individual requirements. It has also enabled banks to strengthen relationships with its customers as they now use the convenience offered by technology to stay in touch with their branch and their accounts more Financial Services Marketing - Techniques and Strategies

Computerisation

Public Sector banks have been doing Branch Automation since 1993. The historic agreement of October 1993 with the staff unions has opened up the vistas of computerization in every functional area of banking. Central vigilance commission has also directed the banks to computerize at least 70 percent of their total business by January 1,2000, making non-negotiable with the unions has cleared the road for bank managements to take advantages of banking technology to improve the efficiency and decision making process for customer value creation. Branch Mechanization is given top priority in State Bank of Travancore. The Bank had 320 fully computerized branches and 76 partially computerized branches as on 31" March 2003. In order to harness technology for better advantage, user friendly back office automation software had been developed in-house and the package had been implemented in 71 non-computerized branches. Total business captured through computers reached 80% as at the end of March 2003.

Telebanking

Face to face encounters are giving way to telephone encounters. Personal service is being replaced by self-service, often through the medium of computers or easy to use machines. Web sites are beginning to replace or supplement voice telephone contacts

PRICING

Marketing Financial Services unexpected relationship between price and consumer demand in specific markets further highlights the critical importance of setting prices correctly in financial services.

The complexity of financial services prices and the cost structure of financial services organizations have a great impact on how financial services pricing is practiced. We will discuss the unique aspects of pricing in financial services and how it differs from the practice of pricing in other contexts. We will then discuss common approaches used for pricing specific types of financial services commonly used by consumers. The chapter will conclude with a discussion of strategic and tactical aspects of pricing financial services.

Pricing is one of the most important decisions in the marketing of financial services. Price serves multiple roles for the financial services organization as well as for the individuals who use those services. To the financial services organization, price represents the sole source of revenues. Most activities that an organization undertakes represent costs and an outflow of funds. When advertising, for example, one has to spend money purchasing advertising space in a newspaper or media time on radio or TV. When employing staff in a sales department salaries and benefits need to be paid. All of these activities represent an outflow of funds, and the only way to recover these expenditures is through revenues obtained by charging prices for the financial services provided. It is critical not only to appreciate the importance of price, but also to be certain that one's prices are at optimal levels. Pricing too low or too high can have detrimental effects on profitability of financial services organizations.

In addition, price is the most visible component of the marketing strategy of a financial services organization. Unlike advertising style, product strategy, or sales force incentives, which might be difficult to quantify precisely, price is always presented numerically, and can be observed and compared by consumers, regulators, and competitors. Therefore, a second function of price is to communicate to the marketplace the identity, market positioning, and intentions of

a financial services organization. Lowering of prices or an upward movement of premiums might signal a shift in marketing strategy to competitors and may provoke reactions from them. This fact raises the strategic importance of price and highlights the great impact that price has been found to have in shifting the balance of power among competing financial services providers. A third function of price is to serve as a signal of quality to customers. As mentioned in earlier chapters, the quality of a financial service may be highly elusive and vague. Determining whether one insurance policy is better than another or if an investment advisor will provide recommendations that generate high returns on one's investment portfolio, is difficult if not impossible for many. It has been well established in consumer research that in such situations where quality is not clearly evident, consumers tend to rely on price as a proxy for quality.¹ They might therefore assume that higher-priced financial services are of better quality, and the lowering of prices may not necessarily be associated with more positive consumer impressions of the financial service. The potential for this

Challenges in Pricing Financial Services

Financial services prices are unique in several ways. The unique aspects of price in financial services are important to recognize when developing marketing strategies and analyzing consumers' decision dynamics. Some of these unique aspects are listed below:

Financial Services Prices are Often Multi-Dimensional: One of the most notable characteristics of financial services prices is that they are complex and often consist of multiple numeric attributes. For example, an automobile lease is often communicated in terms of the combination of a monthly payment, number of payments, a down payment, the final balloon payment, wear-and-tear penalties, and mileage charges for driving over the allowed number of miles. Therefore, unlike the sticker price for the cash purchase of a car, which is a single number, the lease price consists of many different numbers. As a result, to evaluate an offered lease accurately, the consumer will have to conduct considerable amounts of arithmetic. To calculate the total dollar layout for an automobile lease, for example, the monthly payments and the number of payments have to be multiplied and added to the down payment.

The complex numeric nature of financial services prices and the requirement of a minimal number of numeric computations make financial services prices among the most complex items that consumers have to evaluate in their purchase decisions. Research has

established that conducting arithmetic tasks associated with the evaluation of a financial service price can be highly stressful, and consumers have a tendency to simplify such tasks by finding mental short-cut strategies that would allow them to avoid carrying out the demanding arithmetic.

Economic Forces

The pricing of financial services is further complicated by the fact that the attractiveness of a financial service may be affected by the general economic environment. For example, in order to appreciate the value of an investment option a consumer must compare the expected rate of return with the rates of return experienced in the financial markets.

Poor Consumer Price Knowledge

The pricing of financial services needs to take into account the fact that consumer memory for financial services prices is quite weak. The unexciting and complicated nature of financial services often results in poor recall of the prices of financial services. For example, many consumers have a difficult time remembering the cost of their banking services, such as the monthly maintenance fees for checking account services and ATM transaction charges, or what yearly premiums they are paying for their automobile insurance. As a result, the general level of price knowledge with which consumers interact with financial services providers might be quite limited.

Difficulty in Determining Customer Profitability

An additional challenge presented in the pricing of financial services is that the profitability associated with a given customer may be difficult to assess. This is because a single customer may purchase multiple services from a financial services provider, some of which are highly profitable and others that represent losses. For example, a bank customer might use the bank's checking and savings account services, which may not be highly profitable to the bank. However, she may also conduct her investment and retirement planning, transactions with this customer may be perceived to be unprofitable, other transactions may compensate for this shortfall making the individual a highly valuable customer to the bank overall.

Indeterminable Costs

Determining the costs associated with a specific financial product or service might be a numerically challenging task given the fact that various elements of a financial services organization contribute to the service experience that is delivered to the customer. The limited ability to pinpoint costs accurately can therefore complicate the task of pricing a financial service.

Conflicts of Interest

The pricing of financial services is further complicated by the significant conflicts of interest that may exist in the selling process. For example, brokers may use different components of price, such as trading fees or commissions earned on the sale of specific financial products, as the means for their earnings. Therefore, the link between price and the incentive mechanism used to compensate the broker might influence the types of products that the broker would be inclined to recommend to the client. The expected broker behavior would be to recommend products with a price structure that provides her with higher commission earnings. This further complicates the pricing decision by introducing issues of trust and ethics to the already complex pricing process.

INSURANCE SERVICES

According to the Encyclopedia Britannica, insurance is “a contract for reducing losses from accident incurred by an individual party through a distribution of the risk of such losses among a number of parties.” The definition goes on to say: “In return for a specified consideration, the insurer undertakes to pay the insured or his beneficiary some specified amount in the event that the insured suffers loss through the occurrence of a contingent event covered by the insurance contract or policy. By pooling both the financial contributions and the ‘insurable risks’ of a large number of policyholders, the insurer is typically able to absorb losses incurred over any given period much more easily than would the uninsured individual”

A briefer definition of insurance as a phenomenon is “the practice of sharing among many persons, risks to life or property that would otherwise be suffered by only a few. This is effected by each person paying a sum of money called a premium which, with those paid by all the others, is put into a ‘pool’ or insurance fund, out of which money is paid to the few who suffer loss”

The policyholder thus pays someone else a premium to bear his or her risk, knowing that a possible future loss will be compensated for according to the premium paid. If lucky, the policyholder will never have to experience the tangible results of the service of reduced risk during the contracted policy period. On the other hand, the policyholder maintains a certain uncertainty towards the service that he or she pays for, something that adds to the peculiarity of insurance services.

INSURANCE PRODUCTS

A way to consider the different kinds of insurance is to view them in terms of objects insured, contingencies insured against, payment methods for premiums, and possible benefits. Objects insured can be of two kinds: either property or person including the object “corporate person.”

The term “property” encompasses most tangible forms of property, ranging from personal effects via real estate and bank deposits, to ships and goods in transit. The person insured includes for example aspects of life and health, ability to work, and retirement income. Contingencies insured against may include almost anything, but a few examples are natural accidents, such as fire and earthquakes, theft, professional malpractice, personal accidents, and even mismanagement of a corporation. The manner of payment in both directions may vary considerably, depending mainly on the type of policy.

PROPERTY/CASUALTY INSURANCE

The insurance product, albeit a service, has many different forms. Following the classification above, we start with property insurance. The main types of contracts within this field are homeowner’s and commercial, often subdivided into insuring agreements, identification of covered property, conditions, stipulations, and exclusions. Homeowner’s insurance covers, as the name indicates, individual and non-business property. Commercial, or business property insurance, follows a similar pattern to that of individual property, although in some policies it is more common to cover many kinds of property. In English this is often referred to as “building and personal property coverage” (BPP). In such a policy, the business owner may cover the buildings, fixtures, machinery, equipment, and the personal property of those for whom the owner is responsible. The policy may also have extensions covering, for example, valuable

records. Casualty insurance provides the policyholder with cover against loss to persons and property, including classes such as liability, theft, aviation, and worker's compensation. Casualty insurance is often put into the same insurance category as property insurance, and in insurance jargon they are referred to as PC, short for property/casualty. Related to casualty insurance for companies, there is often a clause in liability insurance that covers the insured person's possible liability for indemnification of losses like personal injuries, property damages, or managerial misconduct.

LIFE/HEALTH INSURANCE

Life insurance includes all insurance that relates to an inevitable event, in the sense that the event must occur at some time. Life insurance is mainly related to a person's death or in the case of a pension plan, the date on which he or she reaches a certain age and retires. Life insurance consists of a plan for distribution of funds under which the larger group of individuals can balance the burden of loss from death for the insurance beneficiaries. There are a number of different types of life insurance contracts, such as term life for a specific period and whole life contracts that run throughout the whole of the insured person's life. Life insurance may also be classified according to type of customer, where the major types are ordinary, group, and credit. Ordinary insurance concerns individuals paying an annual premium.

The group insurance market consists mainly of employers covering their employees by group contracts. Credit life insurance is sold to individuals as part of a purchase contract where the seller is protected for the balance of the unpaid debt should the insured die before completion of the contract. Health insurance, within the private sector, is usually financed on a group basis, with the money going into a special fund in order to cover hospital costs, disability, and other major medical expenses, often subsidized by the government and sponsored by the employer. In insurance policies, life and health insurance are often treated together. Another type of insurance, representing a growing business as a result of deregulation, is the unit link. Unit link insurance is life insurance where the policyholder has the possibility of influencing the savings part. The customer pays premiums that accumulate in the form of shares in a mutual fund, which he or she may alter if the revenue is not at a satisfactory level.

This form of saving that includes insurance services (or the other way around), is increasingly prevalent and is a trend related to the presently decreasing rates of interest of ordinary bank accounts.

INSURANCE COMPANIES

The three traditional functions of the financial markets in any country are to facilitate reallocation of saving and consumption or investments, contribute to the reduction and allocation of risks of and between participants, and to develop and maintain well functioning, efficient, and rational payment systems. Insurance companies have in a natural way inherited the role of contributing to the reduction and spread of risks.

Hence insurance companies constitute important actors in the financial markets along with other players, including banks, investment companies, building societies, custodians, and securities brokers. The task of the insurance companies is to manage and level out risks; something they do by aggregating a large number of policyholders into the same group. This group consists of both high and low risk customers. From the evaluated risk of the aggregated group as a whole, the premium of each member of the group is calculated in order to be able to offer the service of coverage by the insurance in question. The policyholder thus pays the insurance firm to bear his or her risk

Banks, insurance companies, and most of the other financial companies and institutions have many things in common. Their products and production methods are similar, and they receive payments, keep and bear interest capital, and repay the received means according to contracts established. However, there are still substantial differences among different lines of business. The financial markets are experiencing a major transformation. Deregulation and internationalisation have increased the level of competition, as banks and insurance companies have entered each others' domains and multinational companies have started their own financial companies, serving their own needs

A pertinent question these days is how to define a financial institution. Are there any longer banks that only provide traditional bank services or insurance companies that offer only traditional insurance services? A term encompassing both insurance firms and banks is Financial Services Organisations (FSOs), which might be more appropriate to use when the financial

business offers a mix of services. However, for reasons of simplicity, this report conceptually maintains the division between insurance firms and banks.

The insurance business can be said to be divided into two completely separate lines of operation: property/casualty and life insurance. Reinsurance is a subgroup of property insurance, denoting the sharing of risks among two or more insurance companies, where each actor takes responsibility for a fixed part of any loss and receives premiums accordingly. Insurance companies in the life insurance business must legally be reciprocal companies, which is to say that they are owned by the insurance subscribers. A property/casualty insurance company can, on the other hand, either be a reciprocal or a public limited company. In Sweden there is a principle of separation which says that an insurance company managing both property/casualty and life insurance must keep the two areas entirely separate.

The majority of the insurance companies' service products are found within the property/casualty business. The most important lines of insurance in this field are primarily commercial/industrial and property insurance, marine and transport insurance, professional driver and aviation insurance. During the last decade, there has been a development towards an expansion of mainly large-scale enterprises or corporate groups to form captives. These are insurance companies owned by a firm in order to, as far as possible, be able to level out and eliminate incurring risks on its own and thus lower its insurance costs. The captive firm is run like a subsidiary, and it insures either directly or indirectly via reinsurance companies, parts of the company's risks. The main difference between private and commercial insurance is that the latter is less standardised and much more complex in its nature. Corporate customers often want individually adapted solutions, countered by "insurance packages" by the insurers, including combinations of individual insurance.

RELATIONSHIP MARKETING IN INSURANCE BUSINESS

One of the subjects that were mentioned initially was the nature of the influence of insurance marketing on relationship management. Based on the research presented above, the conclusions could be developed into the following conceptual statements:

- ❖ insurance services are inherently intangible by nature
- ❖ insurance services are characterised by varying levels of complexity

- ❖ the customer's level of comprehension is dependent on the insurance manager's experience in, knowledge of, and skill in, managing the complexity and intangibility of the service provided
- ❖ insurance relationships may involve aspects of mutual distrust
- ❖ good strategies in relationship management are required to enhance customer comprehensibility and to lower customer mistrust in an insurance relationship
- ❖ the need for efficient relationship management is increasing in insurance marketing
- ❖ the concepts of relationship marketing and service management are interrelated
- ❖ customer retention and customer loyalty are viewed as key variables for managing increased competition in general as well as in the insurance business

LEASE SERVICES

Lessees are interested in the technical and economic efficiencies of leased equipment, thus pay for the "time and skills" imbedded in the equipment and natural persons involved in service provision or are associated with the leasing firm; thus lease services must be well branded. It is important to understand the peculiarity in lease branding, as the services are intangible and difficult to be described. The brand name or identifying logo of the lease organization is particularly important in the consumer's (lessee's) decisions

The lease service marketers in relationship with the consumers (lessees) believe in the value of long term relationship that cumulates to trust, familiarity and cost savings, hence measure corporate success in terms of a series of assignments, a subscription and long-term contract as products of open-ended relationship

Lessors should encourage lessees to discuss their (lessors') offer, as the offer is made to offer extra ordinary customer value for enhanced satisfaction, and making follow-up calls for lessees' equipment efficiency inspection. This is because lease service providers like special professionals in medical diagnoses and legal services have credence properties and characteristics that the consumer may find difficult to evaluate even after purchase and consumption of lease service. The gossip aids lease providers sustain achieved consumer satisfaction in lease products through information exchange.

Lessors based on lessees' group meetings, reference groups, seminars and other vital fora should create acceptable image for (image for lessors) themselves and leasing. This could also be used as means of informing intending lessees about the benefits of equipment leasing based on lessees' experience.

Vendor Leasing Marketing Strategy

Vendor leasing exists in a relationship between equipment manufacturer and an independent or subsidiary firm charged with the responsibility of leasing out manufactured products. This independent or subsidiary is called independent lessor or captive lessor respectively.

Lease marketing activities, thus should integrate lease vending programme for improved market coverage. However, lease experts point to the fact that e-marketing of lease services will negate the import of relationship factor in lease service marketing

FACTORING

A financing method in which a business owner sells accounts receivable at a discount to a third-party funding source to raise capital

One of the oldest forms of business financing, factoring is the cash-management tool of choice for many companies. Factoring is very common in certain industries, such as the clothing industry, where long receivables are part of the business cycle.

In a typical factoring arrangement, the client (you) makes a sale, delivers the product or service and generates an invoice. The factor (the funding source) buys the right to collect on that invoice by agreeing to pay you the invoice's face value less a discount--typically 2 to 6 percent. The factor pays 75 percent to 80 percent of the face value immediately and forwards the remainder (less the discount) when your customer pays.

Because factors extend credit not to their clients but to their clients' customers, they are more concerned about the customers' ability to pay than the client's financial status. That means a company with creditworthy customers may be able to factor even if it can't qualify for a loan.

Once used mostly by large corporations, factoring is becoming more widespread. Still, plenty of misperceptions about factoring remain.

Factoring is not a loan; it does not create a liability on the balance sheet or encumber assets. It is the sale of an asset--in this case, the invoice. And while factoring is considered one of the most expensive forms of financing, that's not always true. Yes, when you compare the discount rate factors charge against the interest rate banks charge, factoring costs more. But if you can't qualify for a loan, it doesn't matter what the interest rate is. Factors also provide services banks do not: They typically take over a significant portion of the accounting work for their clients, help with credit checks, and generate financial reports to let you know where you stand.

The idea that factoring is a last-ditch effort by companies about to go under is another misperception. Walt Plant, regional manager with Altres Financial, a national factoring firm based in Salt Lake City, says the opposite is true: "Most of the businesses we deal with are very much in an upward cycle, going through extremely rapid growth." Plant says you may be a candidate for factoring if your company regularly generates commercial invoices and you could benefit from reducing the time receivables are outstanding. Factoring may provide the cash you need to fund growth or to take advantage of early-payment discounts suppliers offer.

Factoring is a short-term solution; most companies factor for two years or less. Plant says the factor's role is to help clients make the transition to traditional financing. Factors are listed in the telephone directory and often advertise in industry trade publications. Your banker may be able to refer you to a factor. Shop around for someone who understands your industry, can customize a service package for you, and has the financial resources you need.

Particularly in the service industry, small businesses are prone to cash flow challenges such as late customer payments, payroll increases and fluctuating overhead. For companies in marketing services, accounts receivable factoring (also called "invoice factoring") is the ideal solution! With invoice factoring, marketing service companies like yours can get fast access to the funding necessary to keep your business competitive in today's global marketplace.

Invoice Factoring and Marketing Services

Fast A/R Funding offers accounts receivable financing. Marketing service companies sell us their invoices, and we provide funding in as little as 48 hours! It's easy:

- ❖ You apply online using our fast, paperless application process.
- ❖ We quickly and carefully review your application for invoice financing.
- ❖ We provide your marketing services company an invoice financing approval, usually in just 24 hours!
- ❖ We collect on your outstanding invoices, and help manage your credit risk and accounts receivable.

Invoice Factoring For Marketing Services Companies vs. Small Business Loans

Small business loans put your company in debt while requiring lengthy application processes with approvals largely dependent on your personal credit and assets. For businesses in marketing services, loans and receivables is simply the better choice.

Fast A/R Funding provides fast approvals for factoring facilities to marketing services companies every day. We base invoice factoring service approvals on your customers' creditworthiness and the value of your invoices, paying up to 95% of your invoices' face value and providing funding in as little as 48 hours.

For companies in marketing services, factoring firms just makes sense. Fast A/R Funding is the industry leader in accounts receivable factoring services. Put our proprietary technology, expert management, and highly trained customer support to work for your marketing services company today

MARKETING OF NON-PROFIT ORGANISATION

Activities and strategies employed by a nonprofit organization that are designed to spread the message of the organization, as well as to solicit donations and call for volunteers. Nonprofit marketing involves the creation of logos, slogans and copy, as well as the development of a media campaign to expose the organization to an outside audience.

A nonprofit organization can approach marketing in the same way as a for-profit business. It should identify its target market (the one it wants to reach), develop marketing materials to send to that target market, and determine the objectives that a marketing campaign should meet. In this sense, the nonprofit organization follows the four P's of marketing: product, place, price and promotion.

Such organisations are: schools, hospitals, charitable institutions, welfare societies, clubs, public libraries, resident welfare association, sports club etc. These are called Not-for-Profit Organisations (NPOs). These organisations provide services to their members and to the public in general. Their main source of income is membership fees, subscription, donation, grant-in-aid, etc. As the money is involved in the activities of these organisations, they also maintain accounts. These organisations prepare certain statements to ascertain the results in financial terms of their activities for a particular period say, one year.

Characteristics of Not-for-profit organisations (NPOs)

- ❖ The objective of such organisations is not to make profit but to provide service to its members and to the society in general.
- ❖ The main source of income of these organisations is not the profit earned from purchase and sale of goods and services but is admissions fees, subscriptions, donations, grant-in-aid, etc.
- ❖ These organisations are managed by a group of persons elected by the members from among themselves. This group is called managing committee.
- ❖ They also prepare their accounts following the same accounting principles and systems that are followed by business for profit organisations that are run with an objective to earn profits :

In a crowded marketplace of ideas, it is important for non-profit organizations to establish a well-defined niche. While most non-profits are not selling products, they are selling their organization's mission, their ideas, their programs, and their services. In a world where everyone is inundated with information, a strong image is the key to community awareness. Developing and maintaining a visible and credible identity through marketing will increase local support for your organization.

Many non-profit organizations believe their programs will sell themselves based on their inherent worth. They operate with the assumption that support and recognition will automatically come to a good cause. Unfortunately, this is a false premise. Even the best of programs will fade into obscurity unless non-profit management intentionally makes other groups, associations, businesses, and individuals aware of their mission and continuously maintains that level of awareness. Communication builds understanding and advocates change. Non-profits should define their intended audiences, target their messages to these groups, and outline strategic plans that will best use limited resources to meet organizational goals and objectives.

Effective communication and a consistent image also enhance the ability of non-profit organizations to raise money. If local community members do not have an awareness of the good work that a non-profit does, it is unlikely that they will contribute to a fund raising campaign. In turn, if private foundations do not see financial support at the local level, they may be less inclined to award grants. Foundations also look at grant proposals to see how an organization plans to communicate the results of their program. Marketing is an on-going, cumulative strategy that can build financial partnerships. Regardless of an organization's size or mission, here are some essential elements of successful marketing that will work to build community awareness and support:

Maintain consistent communication

Plan your communications strategy for the next year. Develop a timeline for press releases, newsletters, special events, and other marketing efforts.

Create a visual identity

Communicate visually as well as verbally. Frequently display your organization's name and logo on newsletters, reports, signs, and brochures. A memorable, well-designed visual image will strengthen awareness of your organization.

Use message repetition and variation:

An audience is more likely to remember a message if it is reiterated in different types of communication. For example, print your mission statement in a brochure, write it in a PSA, and

tell it to a news reporter. Slogans are a way to effectively capture the essence of a message in brief and memorable form.

Employ multiple communications tactics: Nonprofit organizations often target several audiences, which may respond to different approaches. Various communications campaigns can help establish and maintain a more widespread positive image.

Select and use appropriate media:

Plan to use a combination of approaches best suited to reaching your targeted audiences and that make best use of your financial resources. Include a variety of methods including phone calls, letters, e-mail, newsletters, PSAs, press releases, and editorials.

Develop a strong, well-known identity over time:

Building visibility and awareness is a gradual process. Be patient, persistent, and consistent

CHARITIES AND PUBLIC SERVICES

By 'public services' we mean services that public authorities normally provide or commission. Not all public services are provided under a legal duty; some are provided under discretionary powers (in other words, they are optional). Even when there is a legal duty, the law does not always specify exactly what level of service must be provided.

It is up to charities to decide on the most effective way to meet their beneficiaries' needs. To those charities that choose to engage in public service delivery, we advise:

- ❖ stick to your mission;
- ❖ guard your independence; and
- ❖ Know your worth.

The charity law framework

There is no general legal prohibition on charities delivering public services under a funding agreement with a public authority or using their own funds to do so. This does not alter

the trustees' responsibility to comply with charity law and the requirements of the charity's governing document.

The following legal rules apply to all charities but are particularly relevant to charities delivering public services:

- ❖ charities must only undertake activities that are within their objects and powers;
- ❖ charities must be independent of government and other funders;
- ❖ trustees must act only in the interests of the charity and its beneficiaries; and
- ❖ trustees must make decisions in line with their duty of care and duty to act prudently.

Understanding the risks

Public service delivery presents both opportunities and risks for charities. Key risk areas include financial risks, the risk of compromising the charity's independence, the danger of mission drift, service delivery and contractual risks, and reputational risks.

Any charity that is considering public service delivery should weigh up the risks and the opportunities. It is important to recognise and manage risks, and ensure they are appropriately shared between the charity and the public authority.

Trustees must not agree to any contract or funding agreement unless they are satisfied that its terms are in the charity's interests. They should therefore consider the need for professional (legal and accountancy) advice on the terms of such documents.

Public services' include a wide range of services provided or commissioned by public authorities. These services include:

- ❖ advice and advocacy;
- ❖ care of the elderly and provision of sheltered accommodation;
- ❖ education;
- ❖ medical care and treatment;
- ❖ museums, art galleries and libraries;
- ❖ recreational and leisure services;

- ❖ recycling, refuse collection and disposal;
- ❖ social housing; and
- ❖ urban or rural regeneration.

For centuries, charities have undertaken activities that people now tend to think of as 'public services', and charity often pre-dated and prompted, statutory provision. For example, state education didn't exist until the mid 19th century, and the National Health Service was founded in 1948. Before then, schools and hospitals were provided by charities. Public perception of what government should provide changes over time, as do relative levels of provision by the charitable and public sectors. Public authorities have taken over responsibility for some services in response to changing public expectations, government policy and statutory duties. More recently, whilst retaining responsibility for the provision (or funding) of services, public authorities have contracted out delivery of some services to private or voluntary sector organisations.

Public authorities do not always have legal duties to provide all of their services; some services are provided under discretionary powers (in other words, they are optional). Even when there is a legal duty to provide a service, the law does not always specify the level of service that must be provided.

The Commission cannot give authoritative advice on the duty of public authorities to provide or fund particular services, but section I of this guidance sets out some of the steps that a charity may take to obtain clarification of a public authority's duty.

EDUCATION AS A SERVICE

A country, society and culture become rich when the educational system is well-established. Educational institutes needs to adopt the 'student centric approaches' to remain unbeaten in the turbulent market. To promote the services of professional institutes, 'services marketing triangle' approaches must be adopted. To sale the products i.e. students of the educational institute in the competitive market, institutes should cultivate 'professionalism' and inculcate the same among their students. They must ensure quality output from their institutions. Positive 'word-of mouth' can be ascertained to create awareness among the target segment.

Educational services organizations ought to focus on building stronger network with the existing and prospective employers in the country and abroad. In this context 'Industry-Academia Interface' can be built. Long term relationship must be built with the employees and employers. 'Student Relationship Management' (SRM) i.e. relationship with the alumni, can be very useful tool for promoting the present students and the institution as a whole.

Services are those separately identifiable, essentially intangible activities, which provide want satisfaction and are not necessarily tied to the sale of the product another service. Education is a service which is geared primarily to the consumer market

MARKETING MIX OF EDUCATIONAL SERVICES

Product

In case of educational services, the product means the students and the services means the intangible offers (like the course itself, the services rendered by the faculty etc.) made by the educational institutions. Here, services make the product of an institute. Through the products and services the educational institutions promotes their organization and develop the brand value in the competitive market

Price / Fees

The price is the amount a student pays for the services availed by him or her. It is determined by a number of factors including competition, service quality, placement, reputation of the institution, private or public ownership, infrastructure, facilities provided, location of the institute, mode of education, brand name of the educational institution etc. Here, price reflects the quality of services provided to the students. Hence, it can be used as marketing tool by the institutions.

Place

Place represents the location where an educational institute is established. It is often referred to as the service centre. If the institute is located at a Metro city, it will provide much more competitive edge, than if it is located in rural place. So, place is also a vital promotional tool for them.

Promotion

Promotion represents all of the communications that a service provider uses in the marketplace. Promotion has a few distinct elements such as advertising, public relations, word of mouth, point of sale, publicity, direct & web marketing, etc. Educational institute emphasizes

mainly on two components of promotion viz. advertising and web-based marketing, rather than all. As far as promotion tool is concerned, positive word-of-mouth communication has been found the best tool for them.

People

Here, the people mean teaching fraternity and non-teaching community directly and indirectly associated with the services rendered to the students. Satisfaction and retention of the students solely depends on the way the teachers are in a position to deliver their best services to them. Teachers are not treated as 'guru', rather they are known as *facilitators / services providers*. Growth and existence of an educational institute, particularly the professional educational organization depends on the competency, effectiveness, efficiency, sincerity, dedication and devotion of the teaching community of the institute. People proved as the most vibrant component of educational services marketing mix.

Process

The procedures, mechanisms and flow of activities which lead to an exchange of value are called the process. The way service providers render services to the students, plays a pivotal role in gaining the competitive advantages. If the service process is hassle free, simple, understandable, student friendly and technology based, it will definitely make the institution with difference. Examples might include the way a student is treated by a staff member and rendered service by a teacher, or the length of time a student has to wait to get services from them.

Physical Evidence

It is the direct sensory experience of a service that allows a student to measure whether he or she has received adequate facilities by the educational institution. Examples might include the physical environment in which service is delivered, the physical facilities provided and the infrastructure created by the organization for them. It might include state-of-art technology, building, total ambience, parking facility, play ground, gymnasium, swimming pool, indoor stadium, transportation facility, hostel, AC class room facility, computer laboratory, canteen, library, number of books and journals, different modern teaching aid etc. All of these play a crucial role in marketing of educational institute.

GAP ANALYSIS OF EDUCATIONAL SERVICE

Provider Gap 1

Educational institutions do not know the expectations of the students.

Provider Gap 2

Institutions are not having the desired service designs and standards to meet the requirements of the students.

Provider Gap 3

Educational institutions are not delivering service standards as required to deliver.

Provider Gap 4

They are not matching performance they are supposed to show and as promised to the students.

Provider Gap 5

There are lot of differences between expectations of the students and their perceptions, which is known as Customer Gap

STRATEGIES OF EDUCATIONAL SERVICES

Make It Easy: The centerpiece of any successful program is an interactive website designed specifically for the targeted audience the company is seeking to reach. The website's sophistication mirrors the organization's training and communications needs and budget. But regardless of those factors, the site must have the appearance and usability of polished consumer websites that users are accustomed to visiting. It must cater to the needs of time-starved professionals to find and process information quickly.

Make It Relevant: A successful educational marketing solution also must include topics and formats that are customer-driven, covering not just how to use specific products, but also related topics that help customers achieve their fundamental goals and objectives that are driving them to consider your products and services. Savvy customers expect more to win their trust. For example, imagine that your company manufactures and sells high quality, ultra-efficient windows. To build an intimate customer relationship and firmly establish your brand, you would want to offer more than product specifications and energy efficiency data—those elements are a given. You might want to offer a learning guide educating homeowners on how they can conduct an energy efficiency audit of their home. You might want to provide details on federal income tax incentives, and case examples of the best ways to maximize your credit. Or you might want to develop a design simulator that lets homeowners and professional designers envision what your products might look like and what efficiencies they might achieve with them.

Make it fresh: People tend to lose interest in web sites that don't provide a compelling reason for them to return. Companies need to post fresh educational content on a regular basis just as they do with other types of content, and be bold about retiring content that users rate lower or don't access frequently. Customers should be invited to subscribe to content alerts by e-mail

Manage It: Behind the scenes, an effective educational marketing website needs to capture critical customer information, such as what content your

Measure It: Scorecards and dashboards make it easy for decision makers to see the impact of educational marketing. As noted above, an educational marketing website can provide rich data that can provide keen insights to your customers' and prospects' interests and behaviors. Website analytics and content consumption data enable marketers to see the impact of customer education on product sales and gain macro-level information to focus marketing campaigns.

TELECOMMUNICATION MARKETING

A telecommunications service provider (TSP) is a type of communications service provider that has traditionally provided telephone and similar services. This category includes incumbent local exchange carriers, competitive local exchange carriers, and mobile wireless communication companies. While some people use the terms "telecom service provider" and "communications service provider" interchangeably, the term TSP generally excludes Internet service providers (ISPs), cable television companies, satellite TV, and managed service providers. TSPs provide access to telephone and related communications services. In the past, most TSPs were government owned and operated in most countries, due to the nature of capital expenditure involved in it. But today there are many private players in most regions of the world, and even most of the government owned companies have been privatized. Now-a-days telecom services have become the most important as well as common thing which help people to stay connected well. Also it helps organization to grow faster. Telecom services can increase the functionality of an organization as it can make the work quicker as well as easier.

When it comes to telecommunications marketing, marketers are tasked with executing integrated campaigns that not only increase engagement and generate revenue but that also leverage the very products and services they provide. Consumers, individuals and corporations

alike, depend on telecom businesses for transparent communication. Thus, when it comes to furthering client relations and consumer engagement, marketers must employ the latest technology -- taking a multi-platform approach in amassing their global footprint, retaining customer loyalty through on-target messaging, interesting content and compelling conversation.

Such a large and diverse industry requires that marketers have an acute understanding of the various audience segments they serve. From enterprise customers to telecom carriers and equipment manufacturers to mobile consumers, telecom companies must remain cognizant of the fact that not all content appeals to every audience, and that certain platforms are more effective means of communication when presented to the appropriate audience.

As a telecom marketer, it's hard not to jump to defend the industry's long standing reputation as one ridden with hidden surcharges, exorbitant monthly rates, complex contracts and overpriced devices. However, Virgin Mobile has been leading the pack in terms of friendliness and approachability. In an attempt to target a younger demographic, specifically 18-24 year-olds, Virgin's US-based marketing team, led by CMO Ron Faris, sought to hit the pain-point of most young mobile users nationwide -- high monthly charges on voice usage when the majority of their time was spent not talking on the phone. As a prepaid mobile provider, Virgin took advantage of their market position, as well as their knowledge of their target audience, to develop a campaign with data, not voice usage, at its core. Virgin's strategy was spot on.

When Samsung sat down to craft their marketing strategy for the Android-based Galaxy S3 in anticipation of the iPhone 5 release, marketers knew they had to focus on touting their own product and its unique capabilities while acknowledging the existence of their direct competitor's achievements. As seen in the case of Virgin, focusing on consumer pain points is always an excellent way to garner a reaction; Apple, Samsung's biggest competitor, was banking on their existing brand cache and customer loyalty in order to hit proposed sales and revenue targets for the iPhone. And, while the iPhone 5 was expected to be a huge success technologically speaking, Samsung took advantage of Apple's ongoing triumphs when crafting an integrated marketing for the release of their own device.

Samsung chose to forgo traditional marketing tactics and decided to go viral with social video. The result was a subtle and very clever commercial addressing the central pain points of iPhone users such as exorbitant costs, long lines at retail locations, software glitches, incompatible power adapters, screen size and so forth. The video's placement on YouTube was another agile strategy; given the massive volume of traffic YouTube amasses each month. According to a recent study by AYT Market Research, nearly 60% of Internet users visited the video platform in March 2013, and 21.7% of users frequented the social network each day. By showcasing the commercial on YouTube, Samsung recognized its viral potential and the value of YouTube's potential as an innate broadcasting and publicity tool.

While user experience and design may be at the forefront of your consumer-driven marketing campaign, it's important to focus on multimedia, in all its mediums, as a main driver of consumer engagement.

Transport Services

Transport or transportation is the movement of humans, animals and goods from one location to another.

Modes of transport include air, land (rail and road), water, cable, pipeline and space. The field can be divided into infrastructure, vehicles and operations. Transport is important because it enables trade between people, which is essential for the development of civilizations. Transport infrastructure consists of the fixed installations including roads, railways, airways, waterways, canals and pipelines and terminals such as airports, railway stations, bus stations, warehouses, trucking terminals, refueling depots (including fueling docks and fuel stations) and seaports.

Terminals may be used both for interchange of passengers and cargo and for maintenance. Vehicles traveling on these networks may include automobiles, bicycles, buses, trains, trucks, helicopters, watercraft, spacecraft, and aircraft.

Operations deal with the way the vehicles are operated, and the procedures set for this purpose including financing, legalities, and policies. In the transport industry, operations and ownership of infrastructure can be either public or private, depending on the country and mode.

Passenger transport may be public, where operators provide scheduled services, or private. Freight transport has become focused on containerization, although bulk transport is used for large volumes of durable items. Transport plays an important part in economic growth and globalization, but most types cause air pollution and use large amounts of land. While it is heavily subsidized by governments, good planning of transport is essential to make traffic flow and restrain urban sprawl.

ANCILLARY SERVICES

Ancillary services as: "those services necessary to support the transmission of electric power from seller to purchaser given the obligations of control areas and transmitting utilities within those control areas to maintain reliable operations of the interconnected transmission system."

Ancillary services are the specialty services and functions provided by the electric grid that facilitate and support the continuous flow of electricity so that supply will continually meet demand. The term ancillary services are used to refer to a variety of operations beyond generation and transmission that are required to maintain grid stability and security. These services generally include frequency control, spinning reserves and operating reserves. Traditionally ancillary services have been provided by generators, however, the integration of intermittent generation and the development of smart grid technologies have prompted a shift in the equipment that can be used to provide ancillary services.

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