

Introduction: The Nature of Services and the Challenges for Marketing

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The Course

Session	Seminar
1	The Nature of Services and the Challenges for Marketing
2	Customer Perceptions of Service
3	The Challenge of Service Branding / Ensuring Consistency
4	Managing the Process
5	Branding through the Service Experience
6	Branding through the Service Employee
7	Future Directions in Services and Class Review.

SERVICES MARKETING

INTEGRATING CUSTOMER
FOCUS ACROSS THE FIRM

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THIRD EUROPEAN EDITION



Individual Assignment – Page 1

You should choose a service, which you can visit in Glasgow and analyse. Potential venues may be places such as restaurants, cinemas, laundromats, retailers, cafes, transport companies, museums or any other consumer service that has a physical presence that you can visit in Glasgow.

1. Briefly describe the service you have chosen as your context. What type of a business is it? Define the key target customers? What are their main selling points/ brand values? Who are their most significant competitors?
2. Map at least one customer journey of your visit to the service.

3000 Words

Individual Assignment – Page 2

3. Making reference to the services marketing academic literature, analyse your experience relative to expectations. What are your main observations? Identify at least 3-4 points in the service, where you think the quality of the service needs to be improved or where you think problems in service quality are likely to occur. Using the Gaps-model as your guide, try to consider the likely root causes for these shortcomings and identify the relevant “gaps”.

4. Recommend concrete steps based on the services marketing academic literature that the service provider could take to minimize the “gaps” you have identified. Remember to consider also the practical implementation of any suggestions you make.

Will be assessed on:

- The quality of writing and presentation.
- The depth and substance of your observations
- Your ability to diagnose probable causes of problems and match them with appropriate solutions
- The structure of your analysis and the justification for your recommendations (based on appropriate academic literature) for such arguments.
- The use of relevant literature.

Today's Objectives

- **Understand the unique nature of services**
- **Explore the marketing challenges with services**

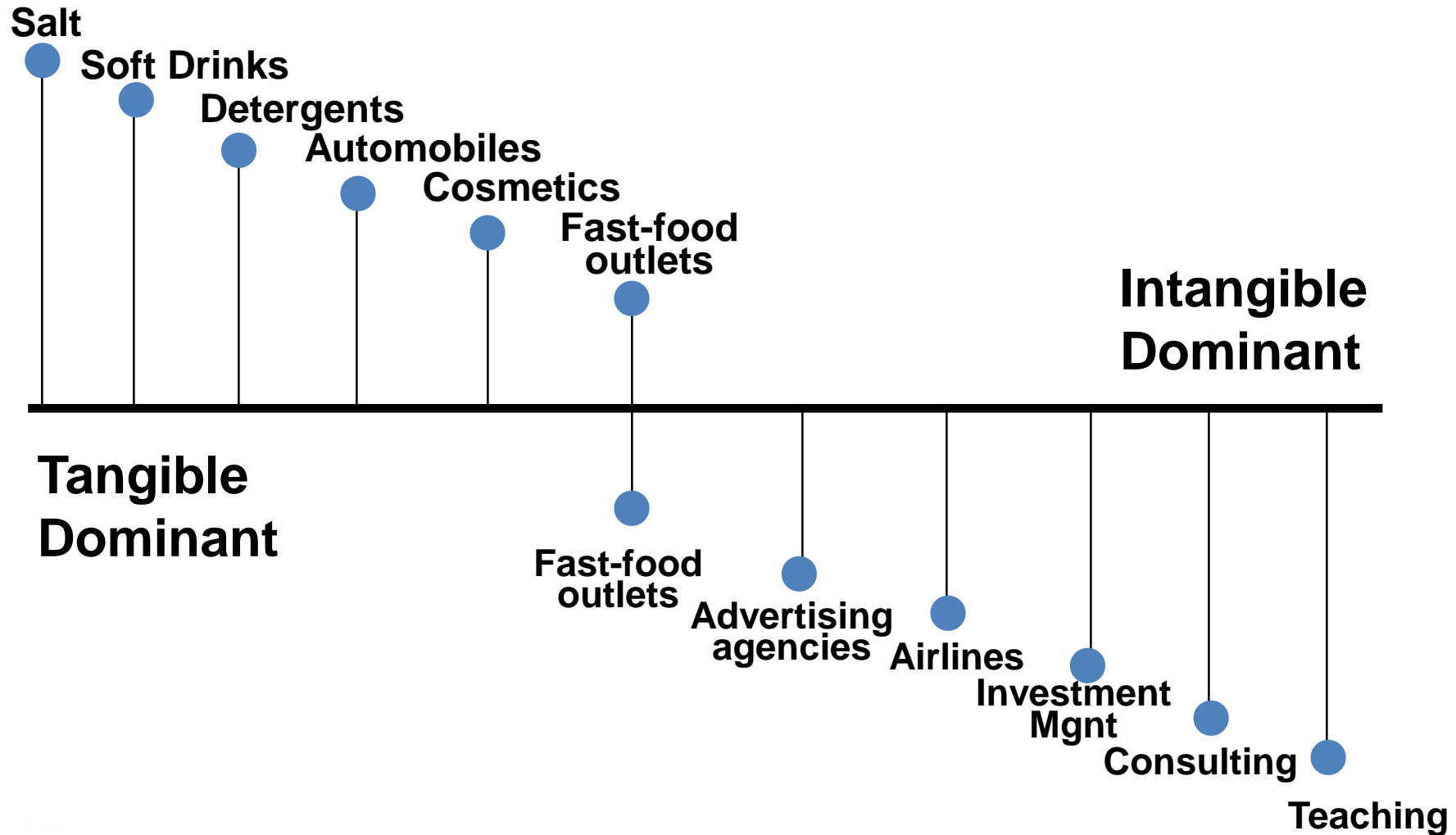
Textbook Reading

- Chapter 1

Services: A definition

- Services are deeds, processes and performances (Wilson et al. 2016)
- A good is a thing, a service is an act or performance (Rathmell, 1966)
- Benefits are delivered through an interactive experience
- Few pure goods or services - goods / service continuum (Rathmell, 1974)

Services Continuum



Service Dominant Logic

Vargo and Lusch(2006)

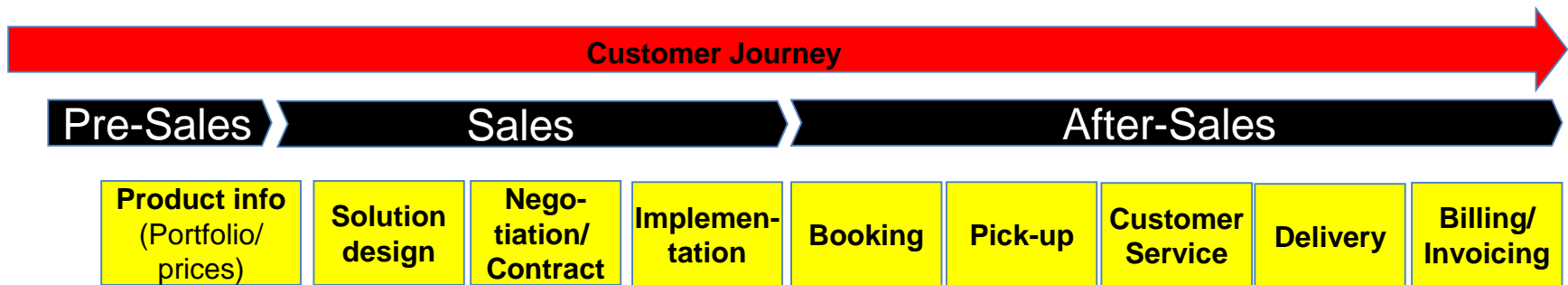
- Service is the fundamental basis of exchange
- Goods are distribution mechanisms for service provision (they derive their value through use)
- The customer is a co-creator of value
- Value is unique to the beneficiary

Dollar Shave Club

IBM from Computers to Services

Concerned about the whole Customer Journey

Customer



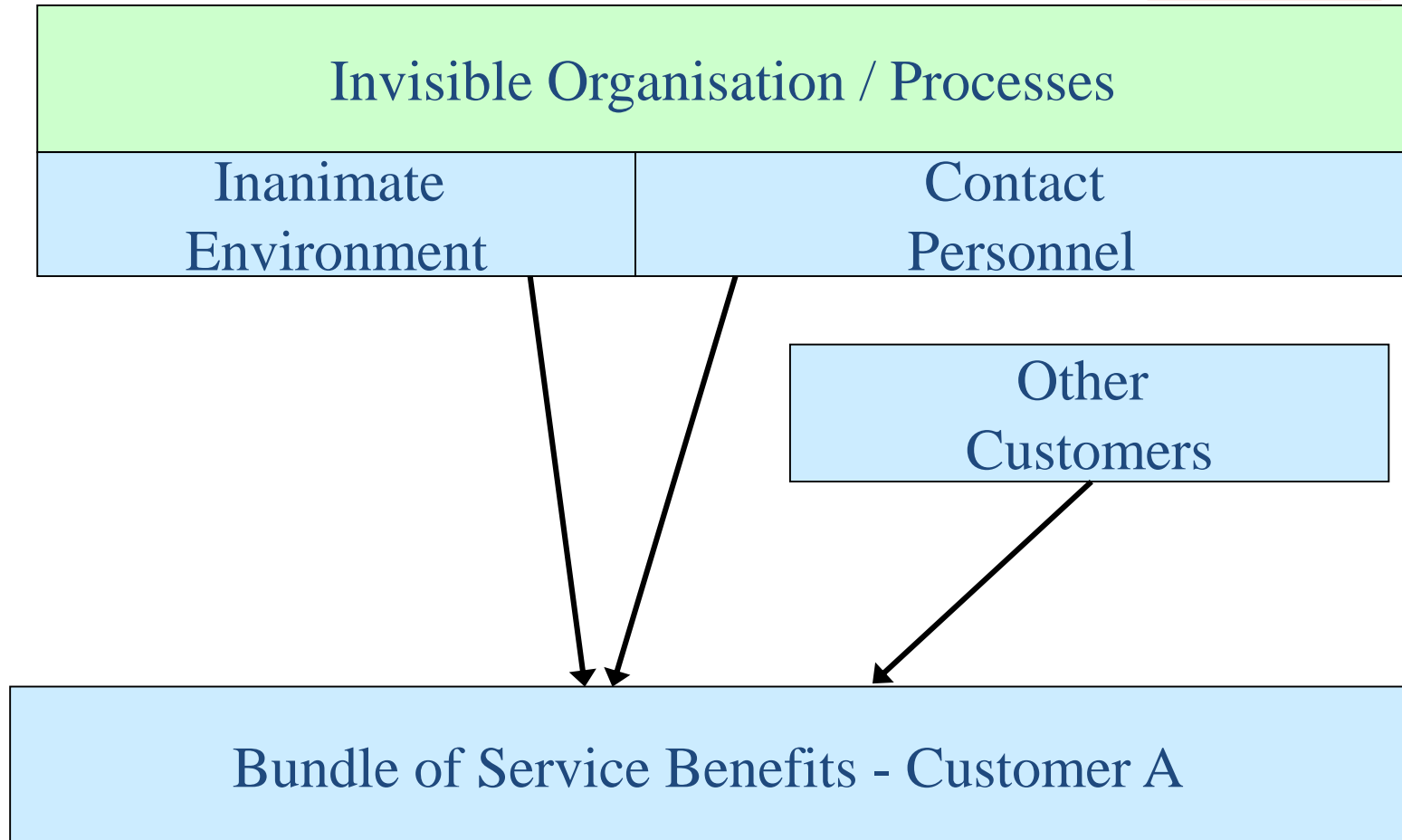
Also Presence in Press, classic media, social media, website, fairs/ events, word of mouth, vehicles on road etc.

The management of **all** experiences that a client has with a supplier of goods and services over the duration of the relationship with that supplier

Delivery of Services

- Services deliver an experience
 - a bundle of benefits is delivered which creates an experience for the consumer
 - this delivery process has been entitled the **Servuction System** by Langeard and Eiglier

The Servuction Model (Langeard and Eiglier)



The Service Encounter

- A period of time during which a consumer directly interacts with a service (Shostack, 1985)
- Moment of Truth (Normann, 1991)
 - Perceived quality is realised when the service provider and the customer meets
- Interaction impacts on service differentiation and service quality

The Service Encounter Cascade

- Hotel Visit
 - Check in
 - Porter takes to room
 - Restaurant Meal
 - Wake up Call
 - Checkout
- A failure at one point results in greater risk for dissatisfaction at each ensuing level

Search Experience and Credence Properties

- Search qualities – determine attributes before purchasing
- Experience qualities – determine attributes after purchasing
- Credence qualities – difficult to determine attributes

So what do services have in common?

- More likely to have some of the following:
 - **Intangibility**
 - **Heterogeneity (non standardisation)**
 - **Inseparability of production and consumption**
 - **Perishability (cannot be stored**
 - **Lack of ownership**

Resulting Marketing Problems

- Intangibility
 - difficult to display or communicate
 - cannot protect through patents
 - difficult to justify prices
- Heterogeneity
 - difficult to control variables: staff; customers and specific situation

Resulting Marketing Problems

- Inseparability
 - consumer involved in production -
implications for service and quality control
- Perishability
 - difficult to synchronise supply and demand
- Lack of Ownership
 - difficult to communicate true value

Challenges for Process

- It is real time - clients can pose problems for service organisations.... By disrupting their routines, failing to comply with their procedures and making exaggerated demands etc.

Challenges with People

- Those most responsible for customer interactions are often the lowest paid and least respected:
 - bank tellers
 - waiters
 - refuse collectors
- They are the linkage between the customer and the company

Challenges for the Physical Environment

- Customers witness the physical environment with all their senses
- They witness it in real time

The Challenge – on a large scale

