



VIDHYAYANA

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**ARTICLE ON SERVICE MARKETING AND CONSUMER
BEHAVIOUR**

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Key words: Service, service marketing,

Introduction:

A service is an act or performance offered by one party to another. They are economic activities that create value and provide benefits for customers at specific times and places as a result of bringing desired change.

Characteristics of services

Service is an act or performance offered by one party to another. They are economic activities that create value and provide benefits for customers at specific times and places as a result of bringing about a desired change in or on behalf of the recipient of the service. The term service is not limited to personal services like medical services, beauty parlors, legal services, etc. According to the marketing experts and management thinkers the concept of services is a wider one. The term services are defined in a number of ways but not a single one is universally accepted. The distinct characteristics of services are mentioned below.

Intangibility: Services are intangible we cannot touch them are not physical objects. According to Carman and Uhl, a consumer feels that he has the right and opportunity to see, touch, hear, smell or taste the goods before they buy them. This is not applicable to services. The buyer does not have any opportunity to touch smell, and taste the services. While selling or promoting a service one has to concentrate on the satisfaction and benefit a consumer can derive having spent on these services.

For e.g. An airline sells a flight ticket from A destination to B destination. Here it is the matter of consumer's perception of services than smelling it or tasting it.

Perishability : Services too, are perishable like labor, Service has a high degree of perishability. Here the element of time assumes a significant position. If we do not use it today, it labor if ever. If labor stops working, it is a complete waste. It cannot be stored. Utilized or unutilized services are an economic waste. An unoccupied building, an unemployed person, credit unutilized, etc. are economic waste. Services have a high level of perishability.



Inseparability: Services are generally created or supplied simultaneously. They are inseparable. For an e.g., the entertainment industry, health experts and other professionals create and offer their service at the same given time. Services and their providers are associated closely and thus, not separable. Donald Cowell states „Goods are produced, sold and then consumed whereas the services are sold and then produced and consumed“. Therefore inseparability is an important characteristic of services which proves challenging to service management industry.

Heterogeneity: This character of services makes it difficult to set a standard for any service. The quality of services cannot be standardized. The price paid for a service may either be too high or too low as is seen in the case of the entertainment industry and sports. The same type of services cannot be sold to all the consumers even if they pay the same price. Consumers rate these services in different ways. This is due to the difference in perception of individuals at the level of providers and users. Heterogeneity makes it difficult to establish standards for the output of service firm.

Ownership: In the sale of goods, after the completion of process, the goods are transferred in the name of the buyer and he becomes the owner of the goods. But in the case of services, we do not find this. The users have only an access to services. They cannot own the service.

For e.g. a consumer can use personal care services or medical services or can use a hotel room or swimming pool, however the ownership remains with the providers.

According to Philip Kotler, “A service is an activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything. “From this it is clear that the ownership is not affected in the process of selling the services.

Simultaneity: Services cannot move through channels of distribution and cannot be delivered to the potential customers and user. Thus, either users are brought to the services or providers go to the user. It is right to say that services have limited geographical area. According to Carman,

“Producers of services generally have a small size area of operations than do the producers of items largely because the producer must to get the services or vice- versa.”

When the producers approach the buyer time is taken away from the production of services and the cost of those services is increased. On the other hand it cost time and money for the buyers to come to producers directly. Here the economics of time and travel provide incentives to locate more service centers closer, to prospective customer, resulting in emergence of smaller service centers for e.g. aero plane cannot be brought to customer, etc.

Understanding consumer behaviour and service marketing:

Marketing and consumer behavior are intrinsically connected. Without grasping a level of understanding of what drives consumers, marketers would have a pretty difficult time identifying the right market segments and putting together a marketing campaign that will attract attention.

Studying consumers helps marketers improve their strategies because it gives them stronger insight into understanding buyer behavior. By obtaining a view into how consumers think, feel, reason and choose, marketers can use this information to not only design products and services that will be in demand, but also how to present these options to the consumer base in an attractive fashion.

An "official" definition of consumer behavior is "The study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society."

Here are some of the other factors that influence consumer behavior and the attributes marketers should consider valuable:

Decision making

The thought processes consumers use in their decision making is an important behavior to try and understand. Marketers want to try and tap into what makes consumers tick as they ponder their choices and learn just what the types of things lead to a final decision. This way they can align their products to remain in the running and be hopefully chosen.

Product use/complements

Understanding how consumers use products and what complement items are used is of value. Marketers who gain insight to how products are used and what accompanying



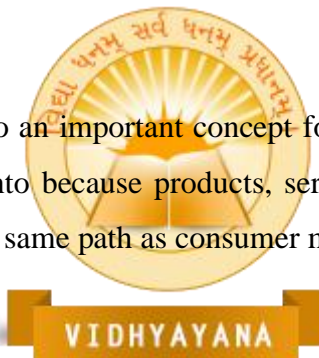
products are purchased can then use this information to design products and develop complement products that are enticing and attractive to consumers.

Consumer knowledge

Social awareness is also a factor. Dr. Perner brings up the example, "aggressive marketing of high fat foods, or aggressive marketing of easy credit, may have serious repercussions for national health and economy". With any information on the Web readily available, there is a much higher level of consumer awareness and knowledge. People aren't going to fall for flaky advertisements or poorly designed marketing campaigns because it is easy to look things up. Marketers should understand there are always cause and effects. Consumers today are pretty savvy, and much of their behavior is focused around social awareness.

Motivation

What motivates consumers is also an important concept for marketers to understand. This is another valuable area to tap into because products, services and marketing campaigns can be designed to flow along the same path as consumer motivating factors.



Social media marketing

Friends influencing friends is also an important behavior today's marketers need to understand. Some statistics, as e Marketer points out, suggest about 7 out of 10 millennial social users are "somewhat" influenced by the recommendations provided by friends on social networks. It is unwise for marketers to ignore this very popular and valuable channel of advertising. Social media has become an important channel, and will likely continue to maintain a strong presence in the lives of consumers; however, how it is leveraged will depend on how social networks are perceived and utilized.

Understanding consumer behavior is a vital component of marketing. Businesses that don't understand the how, why and where of consumers, and gain insight to why they make the choices they do, are going to have a much harder time making a connection and reaching those coveted sales.



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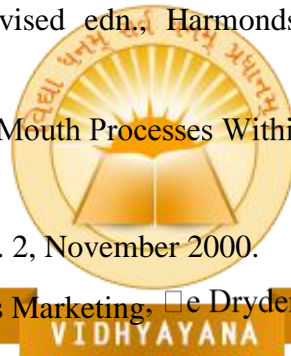
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