

CHALLENGES AND STRATEGIES OF SERVICES MARKETING IN A GLOBALISED BUSINESS ENVIRONMENT

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ABSTRACT

Because of the rise of the service sector in nations across the globe, service marketing is becoming a recognised and acknowledged component of the marketing discipline. A services marketing system is a dynamic combination of people, technology, organisation, and shared data that generates and distributes value between the supplier and the client via service. Basic features like as intangibility, inseparability, heterogeneity, and perishability provide obstacles and concerns that commodities marketers do not encounter. Services marketing concerns and obstacles need feasible tactics, whereas products marketing techniques are often ineffective. Understanding client requirements and expectations for service, tangibility of the service providing, working with a diverse group of individuals, delivery concerns, and maintaining promises made to consumers are all obstacles.

Keywords: Services Marketing, Intangibility, Inseparability, Heterogeneity, Perishability.

I. INTRODUCTION

Services marketing is a kind of marketing that is used by businesses that provide a service to their customers in order to increase brand awareness and income. Unlike product marketing, services marketing focuses on fostering intangible interactions that provide value to customers. Advertisers use effective service marketing techniques to build customer trust and show how their product may benefit them. Businesses' service marketing strategies might include promoting ideas, benefits, and promises to help sell their services.

The services marketing system is a dynamic mix of people, technology, organisation, and shared data that creates and delivers value between the supplier and the customer via service. To achieve a competitive edge in today's competitive climate, firms compete strategically on the basis of service quality. This is due to the fact that services are rapidly becoming the primary mechanism via which companies communicate with their clients (Irons, 1997 in Strydom, 2004). Innovative organisations that supply fresh products as well as differentiated client services are currently succeeding in sectors where conventional corporations have failed (Lovelock and Patterson, 1998 in Strydom, 2004). Enhancing public relations, increasing client loyalty, improving service quality, managing relationships, and responding to complaints are all part of the process.

According to Zeithaml, Parasuraman, and Berry, service marketing is becoming a recognised and authorised aspect of the marketing discipline as a result of the growth of the service sector in nations throughout the world (1985). The service sector seems to be taking over the world economy as its significance grows and it becomes a larger portion of most nations' economic landscapes. The service sector has long been regarded as a leading indicator of a country's economic development. Emerging economies have frequently shifted from agriculture to manufacturing, and then to the service sector as their primary economic sector throughout history. Service marketing, like any other marketing technique, is influenced by a multitude of factors in today's global economy. Businesses can tap into global resources and expand into a slew of new international markets, improving their overall performance. On the other hand, greater market uncertainty, as well as a rise in the number of competitors and the intensity of competition, pose risks (Eng. 2001: Fawcett & Closs, 1993 and Hafsi, 2002). As a consequence, a service marketer must examine this complex problem in order to establish appropriate business strategies that will ensure a company's survival and development in a global market. Services are presently distinguished from physical goods in the literature based on four basic characteristics:

IHIP (Intangibility-I, Heterogeneity-H, Inseparability of production and consumption-I and Perishability-P). Service marketers have severe problems as a result of these distinguishing characteristics. Service should be defined and evaluated in relation to how it varies from and complements products. Services marketing issues need service marketing solutions. Marketing tactics for experienced-based goods are often insufficient.

USERS OF SERVICES MARKETING:

Companies that provide a service use services marketing strategies to reach potential customers. Popular examples of service-based industries that use this form of marketing include:

- Telecommunications
- Health and wellness
- Financial
- Tourism, leisure and entertainment
- Transportation
- Hospitality
- Consulting
- Design, marketing and sales
- Management
- Education
- Trade industries
- Restaurants

II. REVIEW OF LITERATURE

"Activities, advantages, and satisfaction that are offered for sale or delivered in conjunction with the sale of products," according to the American Marketing Association (AMA). The rising amount of literature on services marketing is based on three key principles. To begin, there are the intangibility and inseparability of production and consumption. Services are distinguished from physical things by their variety and perishability. Second, these distinct qualities provide distinct challenges in the marketing of services as opposed to products. Third, the difficulties that have been stated need one-of-a-kind answers (Ziethaml et al, 1985).

According to Papastathopoulou (2006), service marketing has gone through three phases in order to become a significant sub-unit of marketing: the crawling out stage, the crawling out stage, and the crawling out stage (pre-1980). The Scrambling about stage (1980-1985) and The Walking Erect stage (1986-today) (1986-today). Services marketing ideas, frameworks, and strategies were formed as a consequence of interconnected forces of various sectors, companies, and people who understood the rising importance of services in the contemporary global economy, according to Strydom (2004). Initially, service sectors were the focus of services marketing development. Manufacturing and technology companies, on the other hand, have long recognised services as a necessary complement to their goods in order to compete effectively in the marketplace. As a result, it may be claimed that delivering a service is no longer a choice but a requirement in most businesses.

OBJECTIVES OF THE STUDY:

1. To identify the problems of service marketing in a globalized business environment.
2. To appraise strategies used in marketing services in global businesses.
3. To suggest and to overcome these problems.

Importance of Services Marketing:

1. Creation of Workplace Opportunities:

The service sector's components are many and diverse. Personal care, education, Medicare, communication, tourism, hospitality, banking, insurance, transportation, and consultant services are all examples of the service industry. The expansion of the service industry in a planned and methodical manner would result in a massive increase in job possibilities.

2. Optimal resource utilisation:

Personal care services, entertainment services, tourist services, and hotel services all contribute to economic development without depleting natural resources. In some ways, the expansion of these types of service businesses conserves natural resources. As a result, services marketing contributes to the conservation of valuable resources for future generations.

3. Creation of capital:

There are signs that services may expand at a faster rate in the foreseeable future. The service industry is expanding due to economic, social, and political causes. When compared to manufacturing, the service sector has significantly more investments and employment creation.

4. Improved living standards:

The quality and grade of items consumed or services provided in day-to-day life will determine the people's standard of living in any nation.

5. Utilization of eco-friendly technology:

Almost all services nowadays are determined to be technology-driven. When providing services, developed nations make extensive use of cutting-edge technology. Service-generating firms such as banks, insurance companies, tourism, hotels, communication, and education services employ technologies that are not harmful to the environment in any manner.

CHARACTERISTICS OF SERVICE MARKETING:

The presence of a number of features of services that are frequently stated in the literature justifies a distinct study of services marketing: intangibility, inseparability of production and consumption, heterogeneity, and perishability.

1. Intangibility:

Intangibility is the basic distinction identified by Bateson (1995) and Lovelock (1999). This is true because, unlike products, services are performances that cannot be seen, felt, tasted, or touched in the same way that goods can. The essential goods-services distinction from which all other distinctions derive is intangibility.

2. Inseparability:

The simultaneous production and consumption that characterises most services is referred to as inseparability of production and consumption. Unlike products, which are created, sold, and consumed sequentially, services are sold first, then produced, and consumed concurrently (Zeithaml, Bitner, and Gremler, 2006). Since the consumer must be present throughout the creation of many services (haircuts, aircraft journeys), inseparability "forces the buyer into close touch with the production process." Inseparability also implies that the seller and the producer are one and the same person. In most situations, only direct distribution is feasible, making marketing and manufacturing very participatory.

3. Heterogeneity:

It is concerned with the possibility of considerable variability in service performance. The quality and substance of a service (such as a medical checkup, vehicle rental, or restaurant meal) might differ from one producer to the next, from one consumer to the next, and from one day to the next. For labor-intensive services, heterogeneity in service output is a specific issue. Many diverse personnel may come into touch with a same consumer, posing a challenge of behaviour consistency. The quality of service provided by the same person may vary.

4. Perishability:

It indicates that services cannot be spared (Bessom & Jackson 1975, Thomas, 1978, quoted in Zeithaml et al). (2006). Motel rooms that haven't been filled, airline tickets that haven't been bought, and phone line capacity that hasn't been utilised can't be returned. Services organisations generally struggle to coordinate supply and demand since services are often one-time events that cannot be preserved. Sometimes there is too much demand (a popular restaurant on a Saturday night), and other times there is not enough demand (an income tax service in the summer). According to the literature, each distinctive feature of a service causes particular issues for service marketers, necessitating various techniques for dealing with it.

CLASSIFICATION OF SERVICES MARKETING

1. People-processing services:

These services need the presence of the consumer while the service is being given. Such services are usually directed or applied to individuals, therefore their presence is required. Customers must be willing to spend time collaborating with the service operator in order to utilise, appreciate, and purchase these services (Lovell, Vandermerwe & Lewis, 1996). Medical services, passenger transportation, hotels, fitness centres, and beauticians are all good examples.

2. Processing of possessions:

The services are geared on people's belongings, such as safe transportation, washing, and repair. These services, obviously, do not need consumer participation and are less difficult than people processing services.

3. Information/mental stimulation services:

A growing number of services geared towards people's brains and assets, such as entertainment and education, fall under this area. Many of these services are represented in items such as CD ROMs, DVDs, books, movies, and cassettes, as observed by Vandermerwe and Chadwick (1989), and hence exportable as products. The usual worldwide marketing philosophy may be applied to personal interaction with these services.

CHALLENGES OF SERVICE MARKETING

According to Linton (2014), service enterprises confront distinct problems than companies that sell tangible goods. Service businesses are selling an intangible product that the consumer will not be able to experience until the company has provided it. While certain parts of service marketing are comparable to product marketing, the service sector must focus on offering value, uniqueness, and specialisation.

1. Price:

The degree to which a service is regarded by its client to suit his or her requirements or desires, as assessed by the customer's willingness to pay for it, is referred to as service value. Customers and prospects want a service company to show value. Accountancy, computer maintenance, and insurance are all necessary for a company's day-to-day operations to run smoothly. Marketing, training, and consulting, on the other hand, are more ancillary services. Service providers must show that their services offer value to their customers' businesses. Training, for example, may boost employee productivity and performance. A business may also need to demonstrate how marketing services might help it gain a competitive edge. Alternatively, a consultant may assist a business in improving its operations and profitability.

2. Service Improvement:

When compared to product companies, service companies have higher development expenses. Service businesses are unable to maintain typical services in stock or benefit from economies of scale. For each assignment, they must design a fresh version of a service that is tailored to the demands of particular clients. To establish a service, a representative meets with the client to discuss their needs, creates a service specification for approval, then assembles the pieces required to execute the service.

3. Constructive competition:

Direct and indirect competition exists in the service industry. Other service organisations that provide comparable services, as well as manufacturers that provide services to support their goods, are direct rivals. For example, a company that provides computer maintenance services confronts competition from other maintenance companies as well as computer manufacturers' service divisions. Customers who supply services using their own internal resources are also a type of indirect competition for service organisations. To encourage customers to outsource their operations, service firms must show that their offering is both better and cost efficient.

4. Distinctiveness:

Customers can only determine a service's quality after they have used it. They are unable to check the service in the same manner that a product on a shelf can be examined. As a result, service businesses must find ways to set themselves apart from their competitors. Professionalism may be shown via accreditation with a recognised body. Firms strive to establish a positive reputation by publishing authoritative papers or speaking at industry conferences. Specialization might also help you stand out from the crowd. A company that provides training

services, for example, might set itself apart by concentrating on customised training for a certain industry, such as financial services.

STRATEGIES OF SERVICE MARKETING:

1) Application of the Extended Marketing Mix:

For product marketing, the 4P's marketing mix (Product, Place, Price, and Promotion) has been the most extensively used model. It depicts the corporation developing a product and pricing offer, as well as an integrated marketing mix, in order to reach the target customers via the chosen distribution channels. The 4 P's of marketing have traditionally been the primary areas where marketing managers deploy limited corporate resources to accomplish company goals. Intangibility, heterogeneity, inseparability, and perishability are all characteristics of services. Because of the distinctions between services and physical products, Booms and Bitner (1981) proposed that the 4P framework be expanded to include three additional factors: Marketing mix factors for services marketing include people, physical proof, and processes.

a) People:

Employees and other consumers are examples of persons who are actively or indirectly engaged in the consumption of a service. Service organisations rely greatly on their workers' capacity to offer the service due to the inseparability of production and consumption for services, which entails the simultaneous production and consumption of services.

Employees contribute to service quality through promoting the company's image and offering superior service to rivals. The service providers are involved in the service's production in real time. They are the provider of services. The fact that a service is a lived-through event contributes significantly to its uniqueness.

Service companies must figure out how to properly manage contact staff so that their attitudes and actions are conducive to providing high-quality service. This is particularly essential in the service industry since workers' performance varies, which may lead to varying quality, or heterogeneity, in service delivery.

The absence of service uniformity causes problems for service providers. Because service delivery happens through interactions between contact personnel and customers, service providers' attitudes and behaviours may have a substantial impact on consumers' opinions of the service.

b) Physical:

The environment in which the service is constructed and in which the vendor and consumer interact, as well as tangible commodities that enable or communicate the service, are referred to as physical evidence. All tangible representations of service, such as brochures, letterhead, business cards, reports, signs, online presence, and equipment, are included in the physical proof of service.

c) Process:

The methods, mechanisms, and flow of activities through which the service is supplied, i.e. the service delivery and operational systems, are referred to as process. Services often entail a series of steps and activities since they are acts or actions performed for or with consumers. Customers assess the service process as a result of the combination of these processes.

In addition, in a service scenario, consumers are likely to have to wait in line before being serviced, and the service delivery itself is likely to take some time. It is beneficial if marketers ensure that clients are aware of the service acquisition procedure and the acceptable delivery periods.

For service businesses, creating and monitoring good service procedures is critical. This is especially true since services are perishable, which means they can't be inventoried. Whether it's kept for future use or returned, it's up to you. Hotel rooms that haven't been occupied and airline tickets that haven't been bought can't be recovered. Service firms have a problem in managing conditions of excess or under demand since services are non-storable performances.

2) Differentiating Your Service:

It's not uncommon for service marketers to lament the difficulties of distinguishing their offerings. A dentist, for example, would ponder how it might set itself apart from other dentists. While it may be tempting to compete on price, doing so frequently hurts rather than helps your organisation since rivals will drop their

rates to match. Develop a distinct product, delivery, image, and/or quality as an alternative to compete on pricing.

a) Make an offer:

Innovative features might be included in an offer. The core service or quality package is what people anticipate, and you may add a secondary service feature to it. A coffee establishment, for example, may provide free internet connection and nice sofas as additional services.

b) Shipping:

A service organisation may improve its service delivery by hiring and training better employees, creating a more appealing physical setting, or designing a faster delivery procedure.

c) Image:

Symbols and branding may also help service firms distinguish their image. Use a nice logo and symbols to assist customers identify high quality with your services if your firm is respected and delivers a valuable service.

d) Service Excellence:

By continually providing higher-quality services and surpassing consumer expectations, you may get an advantage over your competition. Past experiences, word of mouth, and the messages you send via advertising shape their expectations. Customers will lose interest in your services if you do not meet or surpass their expectations.

III. CONCLUSION

To be effective at services marketing, today's marketer must understand how the nature of services might affect marketing strategy. While creating revenues for the organisation, service marketing gives customers with intangible processes and experiences. To achieve this goal, a firm understanding of the need to develop strategies to overcome the challenges posed by the internal and external business environments can significantly improve the survival and sustainability of service marketing organisations in a global market place.

IV. RECOMMENDATIONS

Intangible, indivisible, changing, and perishable are all characteristics of services. Each of these features poses a challenge to marketers and necessitates the use of certain methods. The intangible must be made concrete by (marketers):

- It needs to boost its service's productivity (and hence profitability). providers:
- Have to keep service quality fluctuation to a minimum:
- Should adjust service provision in response to variations in demand.
- Optimal combination of strategic factors (7Ps) to address service difficulties marketing.
- Marketers may more successfully sell their offers to their target audience by tailoring these methods to the particular qualities of services.

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