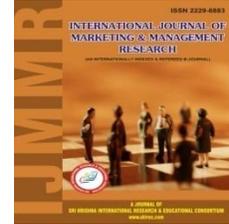




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CHANGING PARADIGM OF SERVICES MARKETING IN INDIA

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ABSTRACT

Service marketing is a sub field of marketing, which can be split into the two main areas of goods marketing (which includes the marketing of fast moving consumer goods (FMCG) and durables) and services marketing. Service marketing refers to both business to consumer (B2C) and business to business (B2B) services, and includes marketing of services like telecommunications services, financial services, all types of hospitality services, car rental services, air travel, health care services and professional services. Indian service sector has witnessed a major boom and is one of the major contributors to both employment and national income in recent times with GDP contribution of 57.8%.

Marketing of goods and Marketing of services are two different things. The present research paper focuses on different characteristics of services, difference between goods and services marketing.

The present study will analyse the impact of globalization on services marketing. In the era of globalization many new trends are emerging for services marketing. The research paper will discuss the new trends in the services marketing & reflect the current economic scenario it looks that the boom in the services sector is here to stay as India is fast emerging as global services hub.

KEYWORDS: *Service Marketing, GDP & Globalization.*

INTRODUCTION

A service is the action of doing something for someone or something. It is largely intangible (i.e. not material). A product is tangible (i.e. material) since you can touch it and own it. A service

tends to be an experience that is consumed at the point where it is purchased, and cannot be owned since it quickly perishes. A person could go to a café one day and have excellent service, and then return the next day and have a poor experience.

Service businesses are enterprises that are established and maintained for the purpose of providing services (rather than or in addition to products) to private and/or commercial customers. The American Marketing Association defined services as "activities, benefits, or satisfactions which are offered for sale or are provided in connection with the sale of goods."

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OBJECTIVE OF THE STUDY

- To study the emerging new trends, marketing mix & challenges in service marketing
- Factors affecting to the services marketing in an Indian economy
- To study the comparative analysis of goods marketing and services marketing

METHODOLOGY

The study will be based on secondary data, exclusively relies on the publications and the reports of the study teams and committees of the government of India and from individual researches, along with various journals & websites, research papers, articles etc.

MAIN GROUPS OF INDUSTRIES IN THE SERVICES DIVISION

Some agricultural services (including landscaping and horticulture)

Hotels and other places of lodging

Personal services (including dry cleaning, tax preparation, and hair cutting)

Business services (including temporary agencies and business software developers)

Automotive services

Miscellaneous repairs

Motion pictures

Amusements and recreation

Healthcare

Legal services

Private education

Social services

Museums, zoos, and botanical gardens

Membership organizations (including houses of worship and clubs)

Engineering and management services (including consulting)

Other miscellaneous services

UNIQUENESS OF SERVICE MARKETING

Marketing services is different from marketing goods, and the marketing tools and practices developed for goods marketing are often not directly transferable to the marketing of services. There are several major differences, including:

- The buyer purchases are intangible
- The service may be based on the reputation of a single person
- It's more difficult to compare the quality of similar services
- The buyer cannot return the service

SERVICE MARKETING MIX/EXTENDED MARKETING MIX

The traditional Marketing has only 4P's of Marketing Mix, but the services marketing are having additional 3 P's of marketing which makes services marketing different from product marketing.

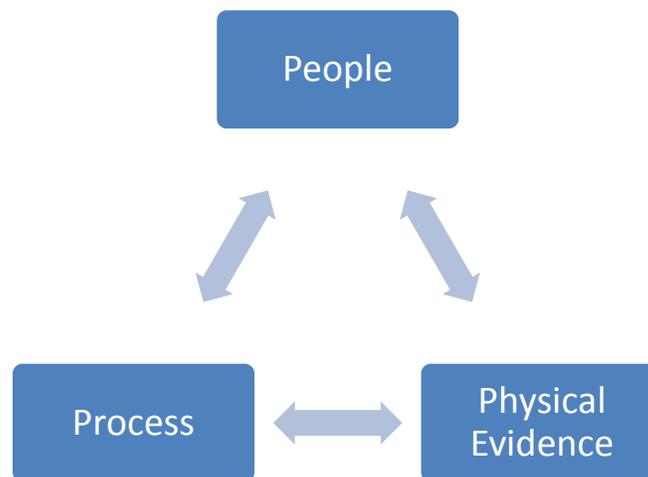
The service marketing mix comprises off the 7'p's. These include:

1. Product
2. Price
3. Place

4. Promotion
5. People
6. Process
7. Physical evidence.

The differences have resulted in a divergence in the education of services marketing versus regular marketing. Apart from the traditional "4 P's," Product, Price, Place, Promotion, there are three additional "P's" consisting of People, Physical evidence, and Process.

EXTENDED MARKETING MIX FOR SERVICES MARKETING



CHARACTERISTICS OF A SERVICE

There are five characteristics to a service which are listed below.

1. Lack of ownership.
2. Intangibility
3. Inseparability
4. Perishability
5. Heterogeneity

FACTORS IN SERVICE INDUSTRY GROWTH

Researchers point to a number of factors that have accounted for the surge in service business startups over the last few decades.

- Increased affluence

- Increased leisure time
- Changing work force
- Greater life expectancy
- Increased complexity of products/technological advancement

Increased complexity of life

Growing Indian Economy

INDIAN SERVICE SECTOR

In alignment with the global trends, Indian service sector has witnessed a major boom and is one of the major contributors to both employment and national income in recent times. The activities under the purview of the service sector are quite diverse. Trading, transportation and communication, financial, real estate and business services, community, social and personal services come within the gambit of the service industry. One of the key service industry in India would be health and education. They are vital for the country's economic stability. A robust healthcare system helps to create a strong and diligent human capital, who in turn can contribute productively to the nation's growth.

Futures of Service Sectors are:

- Information Technology Industry
- ITES Sector
- Retailing Sector
- Financial Services-Banking and Insurance
- Banking Sector
- Insurance Sector

FUTURE PATH AHEAD

Companies engaged in service must continue to reinvent themselves in order to survive the global market. Service companies must constantly instill competitive change in their organization to stay alive. Many business gurus believe that change is no longer optional but inevitable. Big companies that went down in the past failed to recognize important trends in their internal and external environment that were affecting their business. As a rule, decision makers of service companies must be well informed on the different trends in their internal and external environment so that they will be guided on what corporate changes they will implement in their respective companies.

Below are some trends that are shaping the marketing approach of service companies:

- **FOCUS ON CUSTOMER SERVICE AND CUSTOMER SATISFACTION.** Companies of the past focused too much on their internal being. Their capital expenditures were geared towards expansion of network, technical superiority, and market domination by size or scale. These companies failed to recognize that unless customer needs are taken to account, these initiatives will not bring success or profit.
- **FOCUS ON THE SERVICE VALUE.** Customers want value for their money and they expect that company's offerings must be of prime quality at the least possible price. This is opposite to the principle of business operations. Companies will need more money to execute first-class service because it requires investment on well-experienced employees which eventually require higher salaries, high-end facilities, additional employee trainings which all boils down to an increase operational expenditures. Managers of service companies are tasked to design a service model that are valuable to their customers but priced reasonably. In the past, companies believe that as long as they are "big" in terms of scale, size, and resources, their perceived value is high. This is no longer true today. The best judge of your company's value is your customers.
- **FOCUS ON INFORMATION TECHNOLOGY.** One of the best contributions of technology is information. Technological advances led to the availability of information in all sectors of the organization. Examples of information are consumer's purchasing behavior, consumer's consumption pattern, consumer's data information and so on. Information made the decision making process of top executives easy and later resulted to further innovation and improvement on the company's strategic direction.
- **FOCUS ON GLOBALIZATION**

Globalization has swept companies from all over the world by storm. Local markets are already saturated by local players and the best way to expand their sales is to tap emerging international markets.

TRENDS FROM THE BEST PRACTICES OF SERVICE MARKETING

Research Company undertakes to determine the best practices of the world's leading service marketing organizations. Few's are like this:

- Applying Product Marketing Techniques to Services
- Branding Services
- Internal Marketing of Services And Service Organizations
- Niching Service
- Direct Sales of Services Internationally

CONCLUSION

Service sector is the lifeline for the social economic growth of a country. It is today the largest and fastest growing sector globally contributing more to the global output and employing more people than any other sector. The real reason for the growth of the service sector is due to the increase in urbanization, privatization and more demand for intermediate and final consumer services. Availability of quality services is vital for the well being of the economy.

In advanced economies the growth in the primary and secondary sectors are directly dependent on the growth of services like banking, insurance, trade, commerce, entertainment etc. Our analysis says that. The Indian businesses are shifting towards services as service sectors are promising in terms of Job generation & contribution to country wealth as 80 percent of jobs are generating & 57.8 percent of contribution to GDP. India has good developed Service sector but still to drive a long, needs to develop & adopt best practices at par with world.

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