

Marketing of Services

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In attempting to define 'service-marketing', it is imperative to examine briefly the antecedent of services provided. Marketing developed, initially, in order to sell physical products such as tooth paste, cars, equipment, books, etc. However, as people become conscious about their environment, and as their purchasing power continues to improve, they demand for fair treatment for the products purchased and consumed. One of the major trends in the world and Nigeria in particular, in recent times, has been the dramatic growth of services.

Thus, while defining 'service-marketing', there are diverse views among scholars Stanton (1983) defines services as:

- “those separately, identifiable, essentially intangible activities that provide want-satisfaction, and that are not necessarily tied to the sale of a product or another service. To produce a service, you may or may not require the use of tangible goods. However, when such use is required, there is no transfer of the title (permanent ownership) to these tangible goods”.

Let us pause to examine this definition:

- we include such activities as medical care, entertainment, and repair services.
- we exclude credit, delivery and other services that exist only when there is sale of a product or another service the consumer of a service can take only temporary possession or make only temporary use of any goods required in the production of the service- a hotel room or rented car, for example

Kotler and Armstrong (1994) define service as:

- “any activity or benefit that one party can offer to another that is essentially intangible and does not result in ownership of any anything. Its production may or may not be tied to a physical product. Activities such as renting a hotel room, depositing money in a bank, travelling by an airplane, visiting a psychiatrist, getting a haircut, having a car repaired, watching a professiona

sports, watching movies, having clothes cleaned by a dry cleaner, seeking advice from a lawyer/consultant etc.- all these involve buying services”.

Suffice it to say that despite the views of the several schools of thought, the key words in the above definition are “intangible” and “does not result in ownership of anything”. It should, however, be noted that we rarely find situations in which services are marketed without a product being involved. Most products are accompanied by services and most services require supporting products. It is this product/service mix that is really growing in importance in our economy.

We are concerned, primarily, with the services marketed by businesses or professional firms with profit making motives-commercial services. Marketing-services can be described as strategies adopted by the producers of services either to communicate or deliver their products (efficiently) to target markets.

2.Importance of Service Marketing:

Stanton (1983) submits that, since World War II, the expenditures of consumer on services have increased, almost every year, at a more rapid rate than expenditures on products. This is just a pointer to its importance in our economic development. So, service-marketing is important for the following reasons.

The growth of business services may be attributed to the fact that business has become increasingly complex, specialised and competitive. As a result, management has been compelled to seek expert advice in providing such services-e.g., advertising, labour-relations, product delivery, etc.

The rate of growth has not been uniform for all categories of consumer services. As disposable income increases, and life-style changes, the demand for some services has grown relatively faster than some others. For example the attendance at movie centers declined as people turn to television.

Many product manufacturers have diversified into services because of high demand in that area.

3.Characteristics of Services:

The special nature of services stems from several distinctive characteristics. These characteristics, not only create special marketing challenges and opportunities, but they often result in marketing programs that are substantially different from those found in product marketing.

Since services are essentially intangible, it is impossible for consumers to sample- that is, taste, feel, see, hear, or smell before they are purchased. This feature of services places some strain on a marketing organisation. The burden falls mainly on a company's promotional program. For example, insurance companies thus promote service benefits such as guaranteed payment of a child's college expenses or retirement income or life-assurance benefits, or telephone company informing the consumers of benefits using per-second billing for long distance calls.

a/Inseparability: Services, often, cannot be separated from the seller. However, services must be created and dispensed, simultaneously. For example, dentists create and dispense almost all their services at the same time. It further means that services cannot be separated from their providers, whether the providers are human being or machines.

b/Heterogeneity: It's impossible for a service industry or even an individual seller of services to standardise output. Each 'unit' of the service is somewhat different from other units of the same services. For example, an Airline does not give the same quality of service on each trip. All repair jobs on automobiles are not of equal quality; in a bank, a counter cashier may be unpleasant and slow, whilst another may be cheerful and efficient. It is however important to note that it is often difficult to judge the quality of a service. Therefore, service companies should pay particular attention to the 'product planning stage of marketing program'.

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c/Perishability: Services are highly perishable and they cannot be stored. For example, unused electric power, empty seat, in a stadium, idle mechanics in a garage all represent business that is lost forever. In addition, many doctors charge patients for missed appointments, because the service value existed only at that point and disappeared when the patient did not show-up.

In summary for service providers to be regarded as effective and efficient, it is imperative to study the supply and demand of services provided, while taking into consideration the purchasing power of the target markets.