

SERVICES MARKETING

UNIT - I Services Marketing: Introduction – Services – Concept – Goods and Services: A Comparative Analysis – Salient Features of Marketing Services – Significance of Services Marketing – Service Characteristics.

Services Marketing - Definition and Characteristics

Introduction

The world economy nowadays is increasingly characterized as a service economy. This is primarily due to the increasing importance and share of the service sector in the economies of most developed and developing countries. In fact, the growth of the service sector has long been considered as indicative of a country's economic progress.

Economic history tells us that all developing nations have invariably experienced a shift from agriculture to industry and then to the service sector as the main stay of the economy.

This shift has also brought about a change in the definition of goods and services themselves. No longer are goods considered separate from services. Rather, services now increasingly represent an integral part of the Services and this interconnectedness of goods and services is represented on a goods-services continuum.

Definition of Services

The American Marketing Association defines services as - “Activities, benefits and satisfactions which are offered for sale or are provided in connection with the sale of goods.”

Service concept

In economics, is economic activity grouped as tertiary, consisting in the provision of an intangible asset. Includes: Administration, Commerce, transport and telecommunications, trade, hospitality, food, financial services, real estate and education. They render services in addition, health professionals, lawyers, teachers, domestic staff, among others.

The responsibility of the service provider is to their dedication and diligence to the end, which is the customer's satisfaction. Services may include within the public or private sector. In general, essential public services are carried out by companies in the State, or private with State control, such as water, electricity and gas services.

Although in general the more developed countries have occupied most of their population in the services sector, in some underdeveloped economies, services are held in many cases of workers in black, that is, within the informal sector of the economy, for example, the cartoneros.

Although not produce material goods, services can impact on the environment, for example, when they are laying electric, gas pipelines, roads, or tourist activities that call for large numbers of people, with polluting effects.

Meteorological Service is called information provided by specialized agencies, on the State of weather and climate, and future predictions.

Military service is providing the citizens of a State, some countries of compulsively, in defense of their homeland.

Significant of Marketing of Services

A key differentiator: Due to the increasing homogeneity in Services offerings, the attendant services provided are emerging as a key differentiator in the mind of the consumers.

Importance of relationships: Relationships are a key factor when it comes to the marketing of services. Since the Services is intangible, a large part of the customers' buying decision will depend on the degree to which he trusts the seller. **Customer Retention:** Given today's highly competitive scenario where multiple providers are vying for a limited pool of customers, retaining customers is even more important than attracting new ones. Since services are usually generated and consumed at the same time, they actually involve the customer in service delivery process by taking into consideration his requirements and feedback.

Characteristics of a service are:

Intangibility: Services are intangible and do not have a physical existence. Hence services cannot be touched, held, tasted or smelt. This is most defining feature of a service and that which

primarily differentiates it from a Services. Also, it poses a unique challenge to those engaged in marketing a service as they need to attach tangible attributes to an otherwise intangible offering.

Heterogeneity/Variability: Given the very nature of services, each service offering is unique and cannot be exactly repeated even by the same service provider. While Services can be mass produced and be homogenous the same is not true of services. eg: All burgers of a particular flavor at McDonalds are almost identical. However, the same is not true of the service rendered by the same counter staff consecutively to two customers.

Perishability: Services cannot be stored, saved, returned or resold once they have been used. Once rendered to a customer the service is completely consumed and cannot be delivered to another customer. eg: A customer dissatisfied with the services of a barber cannot return the service of the haircut that was rendered to him. At the most he may decide not to visit that particular barber in the future.

Inseparability/Simultaneity of Servicesion and consumption: This refers to the fact that services are generated and consumed within the same time frame.

Types of Services

1. **Core Services:** A service that is the primary purpose of the transaction. Eg: a haircut or the services of lawyer or teacher.
2. **Supplementary Services:** Services that are rendered as a corollary to the sale of a tangible Services. Eg: Home delivery options offered by restaurants above a minimum bill value.

Difference between Goods and Services

Given below are the fundamental differences between physical goods and services:

Goods	Services
A physical commodity	A process or activity
Tangible	Intangible

Homogenous	Heterogeneous
Servicesion and distribution are separation from their consumption	Servicesion, distribution and consumption are simultaneous processes
Can be stored	Cannot be stored
Transfer of ownership is possible	Transfer of ownership is not possible

UNIT - II Service Marketing Mix – The Service Services – New Service Development

– Pricing for Services – Service Design and Service Delivery – Promoting Services.

The 7 P's of Services Marketing

The first four elements in the services marketing mix are the same as those in the traditional marketing mix. However, given the unique nature of services, the implications of these are slightly different in case of services.

1. **Services:** In case of services, the 'Services' is intangible, heterogeneous and perishable. Moreover, its Servicesion and consumption are inseparable. Hence, there is scope for customizing the offering as per customer requirements and the actual customer encounter therefore assumes particular significance.
2. **Pricing:** Pricing of services is tougher than pricing of goods. While the latter can be priced easily by taking into account the raw material costs, in case of services attendant costs - such as labor and overhead costs - also need to be factored in.
3. **Place:** Since service delivery is concurrent with its Servicesion and cannot be stored or transported, the location of the service Services assumes importance. Service providers have to give special thought to where the service would be provided.
4. **Promotion:** Since a service offering can be easily replicated promotion becomes crucial in differentiating a service offering in the mind of the consumer. Thus, service providers

offering identical services such as airlines or banks and insurance companies invest heavily in advertising their services.

We now look at the 3 new elements of the services marketing mix - people, process and physical evidence - which are unique to the marketing of services.

5. **People:** People are a defining factor in a service delivery process, since a service is inseparable from the person providing it. Thus, a restaurant is known as much for its food as for the service provided by its staff. The same is true of banks and department stores. Consequently, customer service training for staff has become a top priority for many organizations today.
6. **Process:** The process of service delivery is crucial since it ensures that the same standard of service is repeatedly delivered to the customers. Therefore, most companies have a service blue print which provides the details of the service delivery process, often going down to even defining the service script and the greeting phrases to be used by the service staff.
7. **Physical Evidence:** Since services are intangible in nature most service providers strive to incorporate certain tangible elements into their offering to enhance customer experience. Thus, there are hair salons that have well designed waiting areas often with magazines and plush sofas for patrons to read and relax while they await their turn.

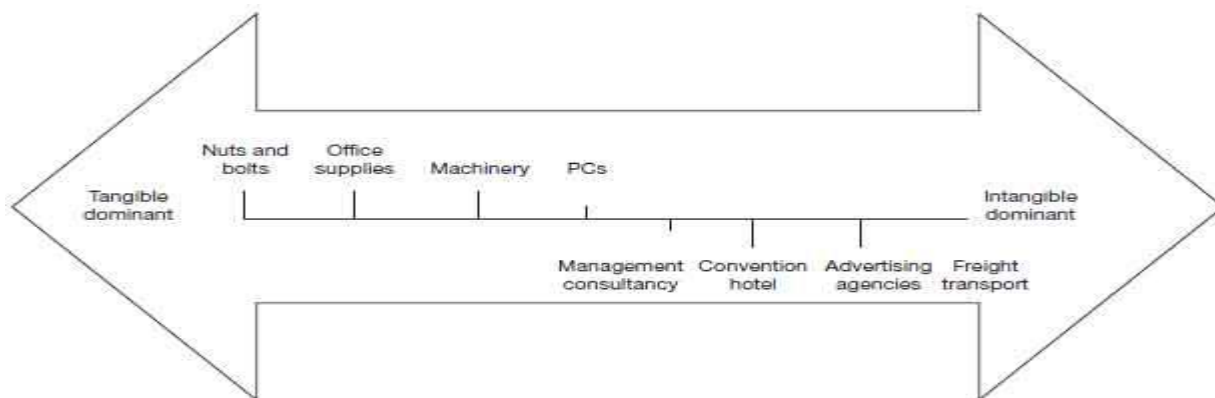
The term 'service Services' encompasses a myriad of different types of services. The definition proposed by Berry¹ is still one of the most effective in capturing the key distinguishing characteristics of different types of service Services: 'A service is an intangible Services involving a deed, a performance, or an effort that cannot be physically possessed.'

However, the core benefit that the customer is purchasing is essentially intangible. This example shows that most Services have a mixture of both tangible and intangible components. A list of examples of where the intangible element is dominant, and hence examples of what we define as service Services, includes:

- fast food;
- hotels;
- holidays;
- travel;
- insurance and banking;
- education;
- health care;
- public transport;
- legal/financial advice;
- consultancy;
- personal health and beauty.

There are numerous different service Services. An important fact to note is that although they are usually relatively easy for the marketer to classify as being service or non-service Services, ultimately it is the customer who decides whether or not a Services or service is being purchased, and hence marketed, according to the relative importance attached to the tangible versus intangible elements.

A continuum of tangibility and intangibility: business/Services service classifications



Intangibility is certainly one of the key characteristics that distinguishes service Services from tangible Services. What about the notion of ‘non-possession’ referred to in Berry’s definition, and what are the other distinguishing or special characteristics of service Services?

These other suggested special characteristics of service Services, including the aspect of non-possession, or non-ownership, are now outlined.

Non-ownership

As explained in the air travel example a characteristic of many services is that they are used rather than owned. Another example is a holiday where we simply use the services of the holiday provider as opposed to taking physical possession of a Services.

Non-ownership can sometimes make it difficult for a customer to assess and appreciate the advantages of purchasing the service. The marketer therefore needs to pay particular attention in emphasizing benefits of non-ownership, such as no long-term commitment and inexpensive maintenance in promotional programmes.

New Service Development Process/ Stages

Developing Brand new services: New Service Characteristics: Since services are intangible, it has to have 4 basic characteristics: 1.It must be objective, not subjective 2.It must be precise, not vague. 3.It must be fact driven, not opinion driven. 4.It must be methodological, not philosophical.

Developing Brand new services:

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NEW SERVICE DEVELOPMENT PROCESS/ STAGES:

I Front End Planning:

a. Business Strategy Development:

The first Step is to review the vision and mission of the company.

b. New Service Strategy Development:

The Services portfolio strategy and a defined organizational structure for new Services / service development are critical for the foundation of success. (Possibility in terms of markets, types of services, time horizon, profit criteria).

OFFERINGS	MARKETS	
	Current customers	New customers
Existing services	Share Building	Market development
New Services	Service Development	Diversification

The framework allows an organization to identify possible directions for growth.

Offerings are some of the most common approaches.

∅ There should be formal mechanism for ensuring an ongoing stream of new service possibilities.

∅ The mechanism may include a formal new service development department with responsibility for generating new ideas, suggestion boxes for employees, customers, new service development teams to identify new services.

c. Idea Generation:

Formal brainstorming, solicitation of ideas from employees and customers, lead-users researchers and learning about competitors.

d. Service Concept development and evaluation:

∞ After clear definition of the concept, it is important to produce a description of the service that represents its specific features and then to determine initial customer and employee responses to the concept.

e. Business Analysis:

⊖ Assuming the service concept is favourably evaluated by customers and employees at the concept development stage, the next step is to determine its feasibility and potential profit implications.

⊖ This stage will involve preliminary assumptions about the costs of hiring and training personnel delivery system enhancements, facility changes.

⊖ The organization will pass the results of the business analysis through its profitability and feasibility screen to determine whether the new service idea meets the minimum requirements.

II IMPLEMENTATION:

f. Service development and testing:

It involves construction of Services prototype and testing for consumer acceptance.

During this phase, the concept is refined to the point where a detailed service blueprint representing the implementation plan for the service can be produced.

g. Market testing:

The new service may be offered to employees of the organization and their families for a time to assess their responses to variations in marketing mix.

At this stage, pilot study has to be done for the service, to be sure that the operational details are functioning smoothly.

h. Commercialization:

At this stage, the service goes live and introduced to the market place.

·The first is to build and maintain acceptance of the new service among large numbers of service delivery personnel who will be responsibility day-to-day for service quality.

·To monitor all aspects of the service during introduction and through the complete service cycle.

i. Post introduction evaluation:

At this stage, the information gathered during commercialization of the service can be viewed and changes made to the delivery process, staffing or marketing –mix variables on the basis of actual offering to the market response.

MEANING OF PRICE

Price is the amount we pay for goods, services or ideas. The term price is known by a variety of names in different sectors of the economy. For example, price is known as fare in the transport sector; fee in education; rent in real estate and in certain services it is known as charge. Price is the source of revenue and a prime determinant of profit for the service provider. In the service sector, price reflects the nature of relationship between customer and provider.

What is pricing?

Pricing is equivalent to the total service offering. Pricing includes the brand name, delivery and other benefits. Pricing translates the qualitative offering into quantitative terms.

PRICING OF SERVICES

Pricing is a vital area in marketing. Price is one of the significant elements in the marketing mix. It is the sole and an important element in the marketing mix of a firm that brings revenue to the business. Organizations should use a sophisticated approach to pricing. While pricing the services, due regard should be given to shifts in demand, the rate at which supply can be expanded, prices of available substitutes, the price – volume relationship and the availability of future substitutes. Service companies must understand how customers perceive prices of services.

How do customers perceive?

The price charged by the service provider must be acceptable to the target customers. It should coordinate well with the other components of the marketing mix. Pricing decisions have an impact on all – suppliers, sales force, distributors, competitors and customers. Price also indicates to the customers the kind of quality of the service that they are likely to receive. For example, the menu card in a restaurant indicates the quality of its food and service in terms of price.

OBJECTIVES OF PRICING

A firm approaches its target market with a tailor-made marketing mix of variables. The marketing strategy of the firm represents the combination of strategic variables (Services, price, promotion and place). This strategy will vary from one market segment to another. This necessitates the firm to develop pricing objectives. A firm may have a number of objectives in the area of pricing. Some of these will be long-term while others will be short-term. Also some will be primary objectives while others will be secondary. The below chart shows the various pricing objectives of the firms.



Image: Pricing Objectives chart

1. **Survival price:** Survival price is only a short-run objective. A firm follows survival price policy when there is an intense competition and changing consumption pattern in the target market. Generally, it is a low pricing objective to maintain demand for the firm's Services. Many ready-made garment sellers dealing in foreign brands like Lee, Arrow, Peter England, Van Heusen etc.,
2. **Current profit maximization price:** Profit maximization is the oldest objective of pricing. It is generally a long term objective. It is the opposite to the survival price. The firm charges high price that will maximize current profit of the firm.
3. **Market share price:** Price helps improve market share. Market share means that portion of industry's sale which a marketer wishes to retain Market share also represents. a sensitive indicator of customer as well as trade acceptance. Maximization of market share is adopted by those firms which are able to realize economies of scale in distribution and promotion.
4. **Service quality leadership:** A service company may use a pricing policy to prove its prestige. The high price charged impresses the quality of the service. It also leads to price – quality

leadership in the target market. Service offerings positioned in high price category build a quality image for the service provider.

Profit maximization cannot be the only objective of pricing. A multiplicity or mix of objectives is invariably involved. Firms seek to meet a variety-of interests through price policy. Interests may vary from one firm to another. Accordingly, pricing policy may vary. No firm is satisfied with a single objective in pricing.

Service design is the activity of planning and organizing people, infrastructure, communication and material components of a service in order to improve its quality and the interaction between the service provider and its customers. Service design may function as a way to inform changes to an existing service or create a new service entirely.

The purpose of service design methodologies is to establish best practices for designing services according to both the needs of customers and the competencies and capabilities of service providers. If a successful method of service design is adapted then the service will be user-friendly and relevant to the customers, while being sustainable and competitive for the service provider. For this purpose, service design uses methods and tools derived from different disciplines, ranging to information and management science to interaction design.^{[6][7]} Service design concepts and ideas are typically portrayed visually, using different representation techniques according to the culture, skill and level of understanding of the stakeholders involved in the service processes

Elements of a Service Delivery System

The four key elements for successful service delivery system are service culture, service quality, employee engagement and customer experience.

Delivering excellent service

Running a successful service company should be synonymous with delivering excelling service. If not, then why consider running a service business at all? Yet, if all companies which perform

services effectively compete on providing the service, then the key differentiator lies in the [service management model](#) and the ability to execute it. Designing the service delivery system should focus on what creates value to the core organisations and how to engage frontline employees to deliver the ultimate customer experience.

The four key elements in such a system are:



1. **Service Culture** is built on elements of leadership principles, norms, work habits and vision, mission and values. Culture is the set of overriding principles according to which management controls, maintains and develops the social process that manifests itself as delivery of service and gives value to customers. Once a superior service delivery system and a realistic service concept have been established, there is no other component so fundamental to the long-term success of a service organization as its culture.
2. **Employee Engagement** includes employee attitude activities, purpose driven leadership and HR processes. Even the best designed processes and systems will only be effective if carried out by people with higher engagement. Engagement is the moderator between the design and the execution of the service excellence model.
3. **Service Quality** includes strategies, processes and performance management systems. The strategy and process design is fundamental to the design of the overall service management model. Helping the client fulfil their mission and supporting them in the pursuit of their organizational purpose, must be the foundation of any service provider partnership.

4. **Customer Experience** includes elements of customer intelligence, account management and continuous improvements. Perception is king and constantly evaluating how both customer and end-user perceive service delivery is important for continuous collaboration. Successful service delivery works on the basis that the customer is a part of the creation and delivery of the service and then designs processes built on that philosophy – this is called [co-creation](#).

Promoting a Services

Marketing is more than just an advertising campaign; it should result in revenue for your business. Understanding the different ways to promote your Services or service can help you make the right choice for your business.

PRINT AND GRAPHIC ARTS MEDIA

Depending on the type of message you want to communicate to your customers, print media offers different options, including: brochures, business cards, newspaper ads and magazines.

- **Brochures, posters and packaging** are a cost effective way to provide a variety of messages and detailed information about your Services and services.
- **Business cards** can be used to support your networking activities and give potential customers the information they need to contact you.
- **Local newspaper advertising** is a way to reach people in your community and repeatedly exposes them to your message in order to create a stronger local presence for your business.
- **Magazines** have the advantage of targeting a more specific audience of subscribers who are interested in the topics it covers.

ELECTRONIC MEDIA

Electronic media is a general term for any media that requires an electronic device for the content to be accessed. Some of the most common forms of electronic media include television, radio, internet and content for mobile devices.

- **Television** content captures more audience time than any other media and is targeted at home audiences.
- **Radio** is cost effective, and the audience is usually loyal to a station's program format.
- **The internet** offers you a variety of different ways to market your Services or service on a website or by email.
- **Cellphones and smartphones** allow for marketing tactics that let you reach customers directly on their mobile devices.
- **Social media** marketing encourages online interaction between your customers and your business using various social networking sites.

ADDITIONAL PROMOTIONAL IDEAS

Promotional gifts, like pens, key rings and calendars, can be given to individuals and groups that you know personally to help create a positive opinion of your company and improve its reputation.

Networking and community involvement can also support the promotion of your business. You can make new contacts and reach out to potential customers by participating in trade shows, conferences, community activities and other networking events. Speaking to people about your business can be one of the most effective ways of promoting your Services or service.

UNIT - III Bank Marketing: Introduction – Users of Banking Services – Market Segmentation – Importance of Segmentation to the Banking – Organizations – Criteria for Banking Segmentation – Marketing Mix for the Banking Services.

Bank Marketing

Introduction

The new concept of bank marketing assigned due weightage to customer satisfaction. It is aimed at having a full view of customers needs fulfilling them in the best possible way by required services, identification of potential customers and conducting the activities on the basis of market segmentation. It is said that marketing of banking service is concerned with Services,

promotion, pricing and place. In addition, an number of experts also advocate in favour of people, process and physical evidence.

Users of Banking Services

a. Deposits

- i. Time deposit
- ii. Demand deposit

b. International Banking

- i. Letters of credit
- ii. Foreign currency

c. Consultancy

- i. Tax
- ii. Merchant banking
- iii. Project counselling
- iv. Investment counselling

d. Loans and Advances

- i. Agricultural loan
- ii. Vehicle loan
- iii. Educational loan
- iv. Jewel loan
- v. Business loan

e. Miscellaneous

- i. Safe-custody
- ii. Credit cards

- iii. Travellers' Cheque
- iv. Collections
- v. Gift Cheque

Market Segmentation

The bank professionals have to segment the market in such a way that the expectations of all the potential customers are studied in the right perspective and the marketing resources are developed to fulfil the same.

The policy of segmentation helps the professionals in formulating and innovating the policies and at the same time simplifies their task, while formulating and innovating the strategic decisions.

An important criteria for market segmentation is the economic system in which agricultural sector, industrial sector, services sector, household sector, institutional sector and rural sector require due weightage.

Criteria for Banking Segmentation

- **Customer value** – How many Services & services customers purchase and what kind of revenue that generates for the bank – past, current, and predicted for the future
- **Demographics** – Age, geography, gender, generation (e.g. Millennials and Baby Boomers), income level, marital status, and other “vital statistics”
- **Life stage** – Slightly different from age, focused instead on customers' journeys through various milestones and markers; for example, graduating college or starting a family
- **Attitude** – Customers' subjective stances on things like the financial industry as a whole, online and mobile banking, the economy, and their satisfaction with their bank
- **Behavior** – Interactions and transactions between customers and their bank, which channels they use and how often, and which Services they adopt

Similar criteria can be applied to banks' business customers – profitability, number of employees, “life” stage (start-up, established, legacy), and so forth.

These are the traditional ways that customers have been segmented for decades. However, relying just on these categories is *not* going to yield many actionable insights

Marketing Mix for the Banking Services

The formulation of the marketing mix for the banking services is the prime responsible to the Services portfolio, which means, the different types of services/ schemes formulated by the banks.

Promotion Mix

In the formulating of marketing mix, the bank professionals see also supposed to blend the promotion mix in which different components of promotion, such as advertising, publicity, sales promotion, word of mouth promotion, personal selling and telemarketing are given due weightage.

Advertisement

While developing advertising he bank has to prepare appeals, slogans and messages and select a suitable media for travelling the messages. There are a number of devices to advertise, such a broadcast media, telecast media and the print media. For promoting the banking business, the print media is found economic as well as effective. The telecast media very much effective, but it is found very expensive. The messages, appeals can be presented in a very effective way.

Personal selling

The personal selling is found instrumental in promoting the banking business. It is just another name for persuasion. The banking organizations need to make use of this dimension with the help and cooperation of efficient and personally committed sales people.

Sales Promotion

The banking organizations also think in favour of promotional incentives both to the bankers as well as the customers. The gift, contests, fairs and shows, discount and commission, entertainment and travelling plans for bankers, additional allowances, low interest financing and retaliatory are to mention a few found instrumental in promoting the banking business.

Word of mouth

The social reformists, popular cine artists, TV artists, opinion leaders, vocal persons may act as word of mouth promoters. A satisfied group of customers is considered to be the most successful hidden promoters. They will commend to others the excellent services of a particular bank or the outstanding properties of a particular scheme. Hence it is clear that the word of mouth promotion is an important component of promotion mix, but its instrumentality is influenced by the quality of service offered.

Price Mix

The pricing decisions related to interest and fee or commission charged by banks are found instrumental in motivating the target market. The pricing policy is considered important for raising the number of customers vis-à-vis the accretion of deposits. Of course, there are a number of factors of influence the process, but the key role is placed by the Reserve Bank of India.

Place Mix

A selection of suitable place for the establishment of a branch is significant with the view point of making the place accessible and in addition, the safety and securing provision are also important. The management of office is also found significant with the view point of making the services attractive.

People

Generation of efficiency is substantially influenced by the quality of human resources. The commercial banks need to assign a priority to the development of quality people for the development of an organisation. Hence the first task before the banks is to overhaul the recruitment process. While fixing criteria for selection, they need assign due weightage to the ethical values.

UNIT - IV Tourism Marketing: Introduction – Tourism – Concept – Users of Tourism Services – Market Segmentation for Tourism – Formulation of Marketing Mix for the Tourism Organization – Tourism Marketing in Indian Perspective.

Tourism has turned out to be an economic booster contributing to the economic development of many countries over the last few decades. People see holidays as a necessity, and not as luxury in the present scenario. Tourism calls for coordination and cooperation between travel agents, tour

operators, and tourists. Tourism has a few major elements – destinations, attractions, sites, accommodation, and all ancillary services.

What is Tourism?

Tourism involves the activities of people travelling and staying in a place away from their home environment for leisure, business or other purposes.

Concept of tourism

Tourism was mainly been traditional in its early form. With the evolution of cultures, economies, and knowledge, tourism took a different form called sustainable tourism with the aspect of well-planned tour, well-studied destination, and conservation of destination.

Factors that Motivate People to Travel

The most common reasons for the people to travel away from home are –

- To spend holidays leisurely
- To visit friends and relatives
- To attend business and professional engagements
- To get health treatment
- To undertake religious pilgrimages
- Any other personal motives

Users of Tourism Services

The tourism Services are grouped into the following types –

Tourism Oriented Services

These are the Services and services created primarily for the tourists and also for the locals. These Services need a great share of investments in private sector. A few of them are –

- Accommodations; For example, Taj, ITC Hotels.

- Transportation; For example, Owning taxis, luxury buses, and boats.
- Retail Travel Agents
- Tour Operators
- Shopping Centers such as malls
- Cinema Theatres such as PVR
- Restaurants for Food and Beverages
- Tourism Information Centers
- Souvenirs Outlets
- Museums, Temples, Gardens, and Theme parks

Residents Oriented Services

Here, the Services and services are created mainly for the local residents staying at a particular tourist destination. This category requires investment in public sectors more. Some of them are –

- Hospitals
- Public Parks
- Banks and ATMs
- Petrol Pumps
- Postal Service

Intangible Services of Tourism

They include –

- **Bookings** of accommodations, theatres, and at various sites.
- **Tourists' experience** by visiting a destination, eating at a restaurant, or performing an activity.

- **Tourists' memory** which is created by storing the details of events and experience on the tour. The high degree of satisfaction or dissatisfaction is often stored as a long term memory.
- **Transportation** of tourists and their luggage from one place to another.

Segment the Tourism Market

Every tourist being different, the tourism industry possibly is not capable of satisfying every individual's need. This is the foundation of segmenting the total market.

While all tourists are different, some of them are similar to each other. Marketing force of a tourism business group the tourists into various segments that categorize the similar as well as distinct members. Market segmentation can be applicable to any of the tourism supply components and provides benefits as given below –

- It helps to understand specific demands of the consumers.
- It helps to allocate marketing expenses efficiently.
- It helps to create effective marketing strategies to target specific market segment.

Tourism Market Segmentation

The tourism market segmentation can be broadly divided into the following types

Geographic

Geographic market segmentation is done considering the factors such as tourists' place of origin. This factor is important as the tourists belonging to different places are brought up with different cultures and show different traits of behavior. It is the most basic type of segmentation.

Demographic

This segmentation is done by considering the tourist's gender, age, marital status, ethnicity, occupation, religion, income, education, and family members.

Psychographic

The marketing people do this segmentation by taking into account the psyche of the tourists. They gather information about the tourists' interests, attitudes, their way of living life, opinions, and overall personality.

Classes of Tourists

Depending upon the motives and the way of touring, there are various classes of tourists –

Tourists Travelling with Families

The tourists who visit places with their first and extended families, or families of relatives. One person, generally the head of the tourist family is the decision maker. The families generally travel for holidays and leisure and tend to expend sparingly. They generally are keen on receiving the best services for what they have paid. They tend to carry more luggage.

Single Tourists

They travel alone and are independent. They are alone but not lonely; as tourism is what they pursue as a hobby. The gap year travelers, unmarried persons, widows/widowers, backpackers, and solitary tourists travel single. They decide for themselves and tend to expend more. They tend to carry less stuff on the journey. They tend to behave balanced if any challenging situation occurs and are rational towards tour schedules.

Groups of Tourists

Students from schools and universities as members of educational tours, fellows of various fraternities with common interests, groups of newly-weds, or senior citizens.

Tourists Visiting Friends and Relatives

These tourists travel to meet friends or relatives, or to attend a celebration or gathering. These tourists generally plan their tours in the breaks such as Diwali holidays, Christmas holidays, or any kind of long break when most of the people have break.

Business Tourists

They are the professional tourists on the business trips. They decide for themselves but do not spend much money. For example, a sales or a marketing person travels to another city to attend a business fair, and business manager travels to another country for business deals.

Incentive Tourists

They tour for consuming the reward they received in the form of a few days' family holiday package at some hotel or resort. Such rewards are generally distributed if an employee performs outstanding to achieve the goals.

Health Tourists

These tourists travel to places with the agenda of health on their mind. They travel to avail some special medical treatment, operation, surgery, medication, or inexpensive aesthetic surgeries available in different country. Some tourists in this category also travel if they are receiving some illness from the climate at their residence such as Asthma.

Tourism Management - Marketing Mix

Tourism marketing is different because the customer purchases a series of services. While marketing a tourism Services, the sales or marketing person insists on the positive facets of the following four components –

Services

The tourism being a service sold to the customers, tourist experience is the Services, which is intangible, and non-storable. The quality of the tourist experience as a Services is directly proportional to the quality of the service a tourism business provides.

Price

Determining the price of the Services requires consideration of three key factors –

- **Operating costs** – Operating costs include both fixed and variable costs. Fixed costs remain same regardless of the sales which involve building, insurance, and equipment costs. **Variable costs** include costs for wages, gas, electricity, cleaning, maintenance, repairing, materials used in Servicesion, office stationery, linen, food, petrol, machinery,

uniforms, bank fees, marketing research expenses, and expenses for advertisements, promotions, brochures, and conducting consumer or trade events.

- **Profit Margins** – This is determined by comparing the competitors' offers and the own Services offers. Profit margins are set without compromising the competitive advantage.
- **Commissions of Intermediaries** – Working with intermediaries incurs commissions. Commissions are the fees paid to the intermediaries to distribute and sell your Services.



Tourism Services Pricing Policies

Commonly followed pricing policies include –

- **Discount Pricing** – This strategy calls for reductions to a basic Price of Services or services. It is a form of sales promotion which at times proves to be rewarding for the customers.
- **Variable Pricing** – pricing varies with respect to the variation in features of a Services.
- **Loss Leader Pricing** – It is selling few Services at prices lower than the actual prices. It helps to settle the loss by attracting customers to buy more number of Services.
- **Promotional Pricing** – It is selling a Services for free with another Services with the objective of promoting the free Services. Customer interest is generated to use the free Services thereby increasing the sale.

Place

The place is where the tourists visit and stay. The potential of a tourist destination lies in its attractiveness or aesthetic value, accessibility, and the facilities it provides to the tourists. The tourists also seek a place highly for the activities it offers, the amenities and skilled workforce it provides, and its location.

Promotion

Promotion is intended to inform the customers about the Services, create an image about the Services, and position the Services in the market. There are various effective ways of promoting the tourism Services –

- Advertising the Services on television commercials, newspapers, radio stations, and websites.
- Distributing promotional material such as diaries, brochures, key chains, wallets, purses, water bottles, pens, or any small gift item designed for promoting the Services.
- Setting Point of Sale (POS) displays at various places such as retail stores, shops, malls, or petrol pumps.
- Promoting tourism Services in local fairs.
- Promoting the Services with their attractive features on the website of the tourism enterprise.
- Conducting programs of sponsorships, or promoting Services by offering them as incentives.

Tourism Marketing in Indian Perspective.

1. Ministry of Tourism (MoT): It undertakes all the planned activities regarding the promotion of tourism at domestic and international level and also deals with the development of tourism infrastructure. It is responsible for projecting the image of India overseas using various media tools.

2. India Tourism Development Corporation (ITDC): While the MoT deals with both the private and public undertakings, ITDC deals exclusively with the public sector. It also plays a crucial role in the development of backwards regions having tourism potential which ultimately leads to regional balance. It deals with the activities like executing tourism and engineering projects, event management, hospitality sector etc.

3. Hotel Association of India (HAI): It's a hospitality industry in India. Its aim is to create awareness campaigns regarding the importance of tourism industry in the growth and development of the nation.

4. Indian Institute of Tourism and Travel Management (IITTM): It aims at providing education and training for tourism industry. As we mentioned, the importance of people (1 of 7 p's) hence, hospitality is crucial for tourism industry.

UNIT – V Entertainment Services – Hospital Marketing – Telecommunication Services.

Entertainment Services

Market Segmentation in Entertainment Marketing Strategy for Entertainment Firms Marketing Mix for Entertainment Services

Product, Price, Place, Promotion, People, Physical Evidence Process

Entertainment Industry in India

Music

Movies

Entertainment Services

Entertainment services include all those services that help a person feel entertained and relaxed. The various forms of entertainment include music, movies, sports, animation, television shows, and the more modern forms such as go-karting, bowling alleys, theme parks and family entertainment centers. Music and movies have a worldwide appeal and provide the service providers with a lot of scope for growing their business.

An understanding of how entertainment services influence consumer behavior is essential for marketers of entertainment services to promote their services. The global music and movie industry has been segmented on the basis of revenue generated and geographic territory or location of markets. The free MP3 downloads and piracy of content has been the concern of music and movie producers across the world.

In order to counter the threat from these sources, entertainment service providers have to devise strategies that will help them counter the threats they face as well enhance the growth of their business. After having developed a marketing strategy, entertainment service firms must exploit all the seven marketing mix elements (product, price, place, promotion, people, physical evidence and process) to differentiate themselves from their competitors and attract new consumers to their service.

The recent trends taking place in the global entertainment sector include the online availability of entertainment content, piracy or unauthorized duplication of content, mergers and

consolidation taking place among entertainment companies, both at a global as well as domestic level, and the evolving forms of media, digitization and other media technologies. These trends in entertainment services make it crucial for entertainment service providers to develop new strategies to take advantage of these trends and counter threats.

Hospital marketing is a way of promotion which provides high quality medical care to the consumer or community while satisfying patient and families needs. The target market includes patients and families, communities, doctors, medical personnel, hospital staff, and society

Hospital marketing has three functions

First, from the hospital's point of view, through analysis of the target market, hospitals can understand the future needs of consumers and establish good management strategy for higher profitability.

Second, from the consumer's point of view, it provide readily available and vital information to consumers so as to avoid doctor shopping|| which may delay treatment, worse medical condition, and increase medical expenditure.

Third, from a social aspect, consumers get good yet affordable medical services. Though hospital marketing can bring many benefit, for instance to save medical resources and educate the consumers with the correct and healthy information to promote hospital image, still some scholars have different opinions, they think that hospital marketing may reduce the quality of the medical services and lead to competition between medical organization which may cause unnecessarily medical services.

The purpose of medicine is to service of humanity. The hospital marketing may inform the consumers with the correct healthy concept and accurate consumers' choices, and to promote the quality of medical care. On the other hand, the market target may have two groups: exterior customer (patient, families and community) and interior customer (hospital employees).

Factors that influence the hospital choices of consumers'

(1)the factors that may influence the consumer's preferences may be concluded in five aspects: quality of medical services, accessibility, medical expenses, facilities and marketing promotion.

Where

- (a) quality of medical services: refers to good medical care.
- (b) accessibility: refers to location of the hospital, convenience of transportation and parking facilities.
- (c) medical expenses: total cost of the hospital stay.
- (d) facilities: good, up-to-date or new medical equipment
- (e) marketing promotion: reputation of the hospital, word-of-mouth, efficient communication and the recommendation of friends and colleagues.

(2) hospital management may start with product, price, promotion and place.

(a) Product – medical services can be divided into three types: curative (such as doctors' curative or medicinal treatments), diagnostic (such as laboratory analysis, radiology check up), and other medically related services (such as home care, physical examination, health maintenance).

(3) Price – patients are seldom price sensitive when seeking medical treatment, thus a higher price does not impact revenues if the service is differentiated and better.

(4) Promotion – this includes

(a) volunteer medical activities to foster a good image of the hospital.

(b) publication of hospital newsletters, announcement of hospital activities, introduction of medical updates, all of which increase the understanding of the consumers towards hospital.

(c) holding press conferences periodically or medical column on the newspaper, may improve the health knowledge of the consumers, and

(d) the superintendent and the chaplain of the church hospital may preach at the church nearby, to strengthen the relationship with the nearby churches.

(5) Place – this refers to meeting the needs of the local community. The medical organization restricted by the medical treatment law and the uniqueness of the medical business, public relationship always regards as the main marketing promotion, assisted by the advertisement, like volunteer medical treatment, hospital news publication, press conference, community health education, publication of academic journal, using hospital announcement board or homepage and report of characteristics and development hospital through mass media etc.

Hospital marketing promotion is an important bridge that helps the hospital to communicate outward. Especially in this kind of vigorous competitive environment, it cannot be ignored. There are many kinds of hospital marketing promotion. For example, mail clinic hours and schedules to potential customers, free medical consultation, provide free transportation, provide education in public health and hygiene, offer free clinic treatments. The above five methods of promotions are very important relationship marketing method to promote and maintain the long term relationship between the hospital and the customer.

Ways or skills of marketing promotion of hospitals popular used as hospital marketing promotion

- (1) Referral by friends and relatives
- (2) Hospital news on TV
- (3) Hospital news in newspapers
- (4) Hospital news in magazines
- (5) Hospital news presented in DVD format.
- (6).Medical briefs or medical journals
- (7) Offer discounted clinic treatments
- (8) Provide education in public health and hygiene
- (9)Promotional pamphlets
- (10) Website promotion

Activities Regarding Hospital Marketing:

1. **Video Marketing:**it's a powerful visual content strategy which helps to increase trust and also visual catalyst to followers.
2. **Image Marketing:**Images are the medium of connection which really leaves impression on mind even people just scroll down.
3. **Event Marketing:**You invite people for any good cause or you arrange an Event like marathon, blood donation camp or any fitness camp which relates with most problems

with society people not only participate enthusiastically but also brag a lot about the event which is again plus point to hospital marketing.

4. **Medical Quiz:**Quizzes are always most powerful conversation tools.
5. **Tip of the Day:**Its reminder post which keep tickle everyone's mind yes we are here to help you.
6. **Conversation Post:**Kind of a post where a specialist is answering the queries of patient on social media.
7. **For Example:**Calendar Events :(Teachers Day, Women's Day, Etc)
8. **Live Chat Events:**Talk to Doctor for a while on free Sunday and let create an appointment.

Telecommunications services are those that are provided by a communications company that offers voice and data services over a large area. The most common form of telecommunications service is phone service, which is done on either a wired or wireless standard. Other services may include Internet, television, and networking for businesses and homes. These services may not be available in all areas or from all companies. The pricing points for the different services vary widely and may be different for residences and businesses.

While telecommunications services used to mean nothing more than a landline phone, the options are now more varied. In addition to traditional landlines, there are wireless systems and data services available from a variety of vendors. While some offer both landlines and wireless service, often the companies involved in these two different services are different, and in direct competition with each other. In addition, some telecommunications services are offering television now, with the higher bandwidth speeds available through an improved infrastructure such as fiber optics.

Even for basic landline service, there are more options than there were 20 years ago. Now, various other telecommunications services offer basic voice packages that may include three-way calling, call waiting, and caller ID. These services may cost additional money, or may be included at no additional charge, depending on the package provided by local telecommunications companies.

The advent of the Internet offered yet another type of telecommunications service for companies to take advantage of. In the early days, people used voice lines to transmit data through a dial-up process. As the capacity and services on the Internet expanded, telecommunications companies began to upgrade networks, installing fiber optics and other equipment needed to connect users to the Internet at higher speeds. As a result, broadband Internet access is now one of the most popular telecommunications services.

The pricing points for telecommunications services will differ from one area to another, and may depend on how many different services one purchases. For example, some companies offer telephone, Internet, and television service together at a package discount off what purchasing those services separately would have cost. The pricing may also be different for businesses, which may require more lines, and bandwidth.

One of the biggest threats to traditional telecommunications service companies comes from the wireless industry. Not only do wireless services offer more convenience for those who are more mobile, they include many of the same services, such as caller ID and call waiting, that traditional lines have charged additionally for. In 2009, the number of wireless only households in the United States was approximately 20 percent and was expected to continue to grow. The numbers are even higher in many European countries. Eric Ryan specializes in pricing and analysis with cost savings on telecommunication services.

