

# Services Marketing: Integrating People, Technology, Strategy

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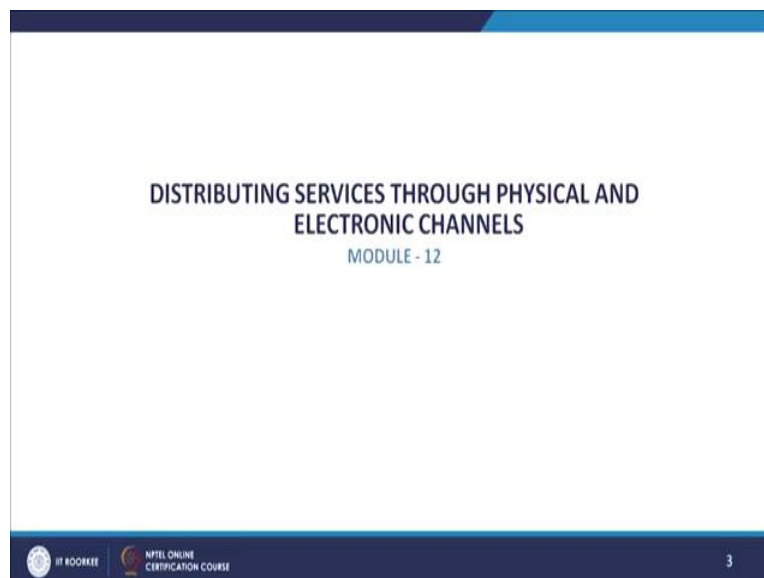
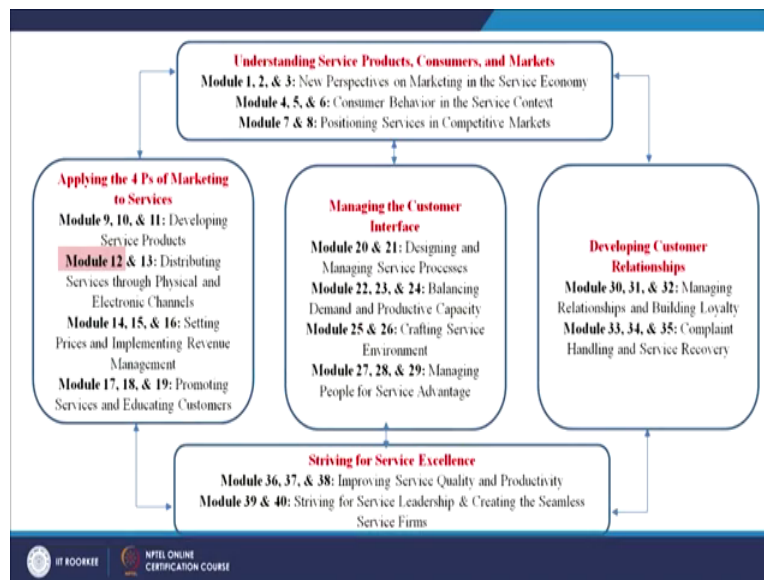
Indian Institute of Technology, Roorkee

## Lecture 12

### Distributing Services through Physical and Electronic Channels- Part I

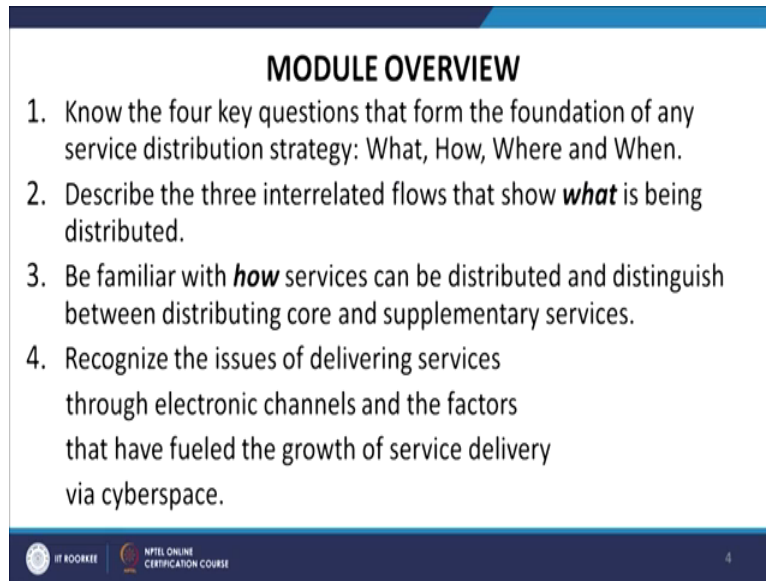
Welcome to this course on Services Marketing. Now, we are talking about the second section that is applying the 4 Ps of marketing to services.

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Now, in this module 12 and 13 are dedicated for to understand distributing services through physical and electronic channels. So, these are the two modules that will talk about distribution of services. So, let us start with module 12.

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The slide is titled "MODULE OVERVIEW" and contains a numbered list of four points. At the bottom, there are logos for IIT KOOERKE and NPTEL ONLINE CERTIFICATION COURSE, along with the number 4.

**MODULE OVERVIEW**

1. Know the four key questions that form the foundation of any service distribution strategy: What, How, Where and When.
2. Describe the three interrelated flows that show **what** is being distributed.
3. Be familiar with **how** services can be distributed and distinguish between distributing core and supplementary services.
4. Recognize the issues of delivering services through electronic channels and the factors that have fueled the growth of service delivery via cyberspace.

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In this module, we will try to understand the four key questions that form the foundation of any service distribution strategy, that is, what, how, where and when. We will describe the three interrelated flows that show what is being distributed. We will try to familiarize ourselves with how services can be distributed and distinguished between distributing core and supplementary services.

Then we will recognize the issue of delivering services through electronic channels and the factors that have fueled the growth of service delivery via cyberspace. Now, keep in mind that the factors that may affect the physical delivery of services maybe entirely different from when the services are delivered through electronic channels. So, in this we will try to recognize those issues.

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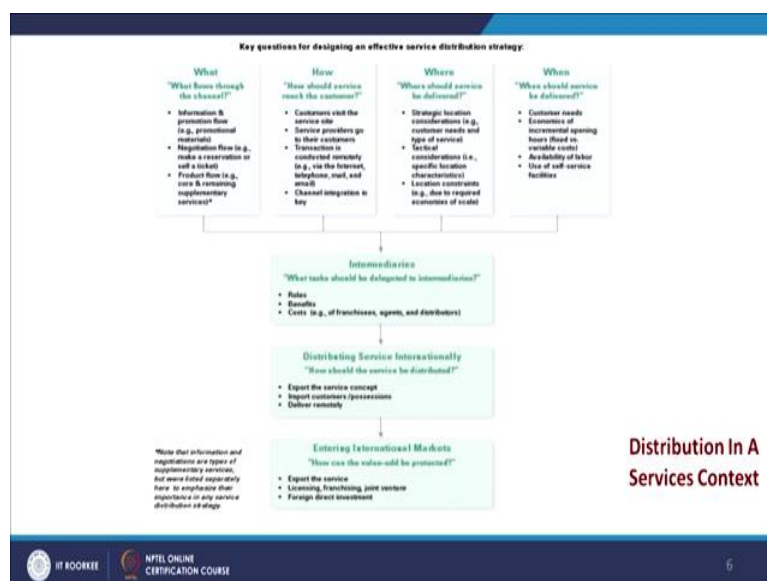
### MODULE OVERVIEW

5. Understand the determinants of customers' channel preferences.
6. Know the importance of channel integration.
7. Describe the **where** (place) decisions of physical channels and be familiar with the strategic and tactical location considerations.
8. Describe the **when** (time) decisions of physical channels and the factors that determine extended operating hrs.

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Then we will try to understand the determinants of customers' channel preferences, who would like to buy from where, either online or offline, which type of online stores they want to go to. Know the importance of channel integration and then we will describe the where, that is, place decisions of physical channels and be familiar with the strategic and tactical location considerations. And then we will describe the when, that is time, decisions of physical channels and the factors that determine extended operating hours.

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Now, let us for a moment look at this figure that is distribution in a service context. So, now at the top it starts with key question for designing and affective service distribution strategy.

And the key questions are, what, how, where and when. What means, what flows through the channel. How means, how should service reach the customer. Where means, where should service be delivered, and when is, when should service be delivered.

So what flows through the channel. Information and promotional flow, negotiations will flow and product flow that is for example, core and remaining supplementary services. How, that is how should service reach the customers. Customers visit the service site, service provider go to their customers, transaction is conducted remotely that is via the Internet, telephone, mail or email, and the channel integration is the key for this how.

Where is, where should service be delivered. Strategic locations considerations, for example, customer needs and the type of service. Tactical considerations, for example specific location characteristics and location constraints, for example, due to required economies of scales. When, when should the service be delivered? Customer needs economies of incremental opening hours that is fixed versus variable cost, availability of labor and use of self-service facilities.

Now, this will the answers to this question will determine intermediaries that is what task should be delegated to intermediaries. Their roles, the benefit that they will get and the cost. For example, a franchisee agents and distributors. So, in all the three cases or in each of the three cases, the cost will be different. Now, that will determine distributing services internationally, how should the services be distributed internationally.

Export the service concept, so here only the concept is being exported. Import customers or the possessions and deliver remotely. And that will then decide entering the international markets, how can the value added be protected. In exporting the services, licensing, franchising and joint ventures and foreign direct investment, which mode is more appropriate, so that we can protect our, protect the value added.

So, note that the information and negotiations are types of supplementary services, but were listed separately here to emphasize their importance in any service distribution strategy. So, information and negotiations they are more important in services that is why they have been listed separately. They are more important services as compared to in products.

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### WHAT IS BEING DISTRIBUTED?

- **Information and promotion flow**
  - Distribution of information and promotion materials relating to the service offer.
  - The objective is to get the customer interested in buying the service.
- **Negotiation flow**
  - Reaching an agreement on the service features and configuration, and the terms of the offer so that the purchase contract can be closed.
  - The objective is often to sell the right to use a service (e.g., sell a reservation or a ticket).

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So, now let us look at each of these things in detail. So, what is being distributed? The first is the information and promotion flow. Distribution of information and promotion material relating to the service offer. The objective is to get the customer interested in buying the service. The second is flow of negotiations. Reaching an agreement on the service features and configurations and the terms of the offer so that the purchase contract can be closed. The objective is often to sell the right to use a service, that is sell a reservation or a ticket. So, in these kind of situations, this negotiations they happen.

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### WHAT IS BEING DISTRIBUTED?

- **Product flow**
  - Many services, especially those involving people processing or possession processing, require physical facilities for delivery.
  - Here, distribution strategy requires development of a network of local sites.
  - For **information-processing services** product flow can be via electronic channels, employing one or more centralized sites.

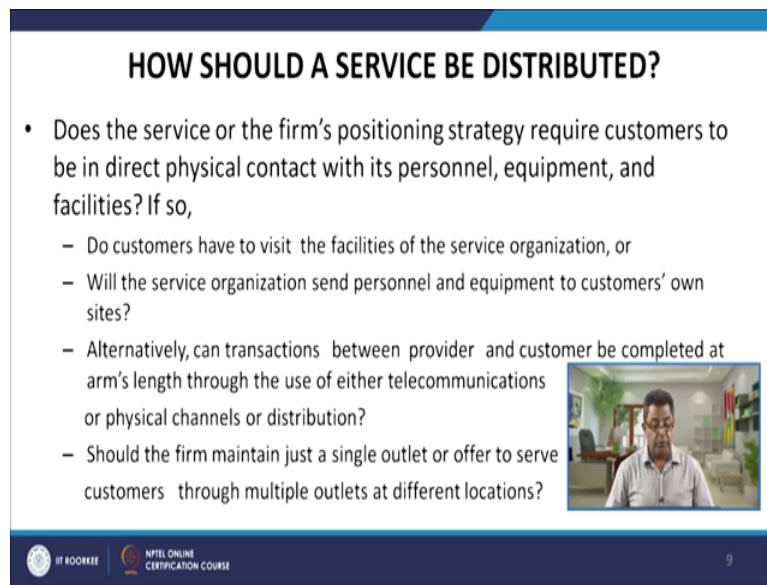
Example, Internet banking and distance learning.



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The product flow. Many services, especially those involving people processing or possession processing require physical facilities for delivery. Here distribution strategy requires development of a network of local sites. And for information-processing services, product flow can be via electronic channels, employing one or more centralized sites, for example Internet banking and distance learning.

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**HOW SHOULD A SERVICE BE DISTRIBUTED?**

- Does the service or the firm's positioning strategy require customers to be in direct physical contact with its personnel, equipment, and facilities? If so,
  - Do customers have to visit the facilities of the service organization, or
  - Will the service organization send personnel and equipment to customers' own sites?
  - Alternatively, can transactions between provider and customer be completed at arm's length through the use of either telecommunications or physical channels or distribution?
  - Should the firm maintain just a single outlet or offer to serve customers through multiple outlets at different locations?

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Another important component of the distribution strategy is how should a service be distributed. Does the service or the firm's positioning strategy require customer to be in direct physical contact with its personnel, equipment and facilities? If that is so, do customers have to visit the facilities of the service organization, or will the service organization send personnel and equipment to customer's own sites?



Alternatively, can transaction between provider and customer be completed at arm's length through the use of either telecommunication or physical channel or distribution? Should the firm maintain just a single outlet or offer to serve customers through multiple outlets at multiple locations? These are the different questions that need to be answered.

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### HOW SHOULD A SERVICE BE DISTRIBUTED?

#### Six options for service delivery

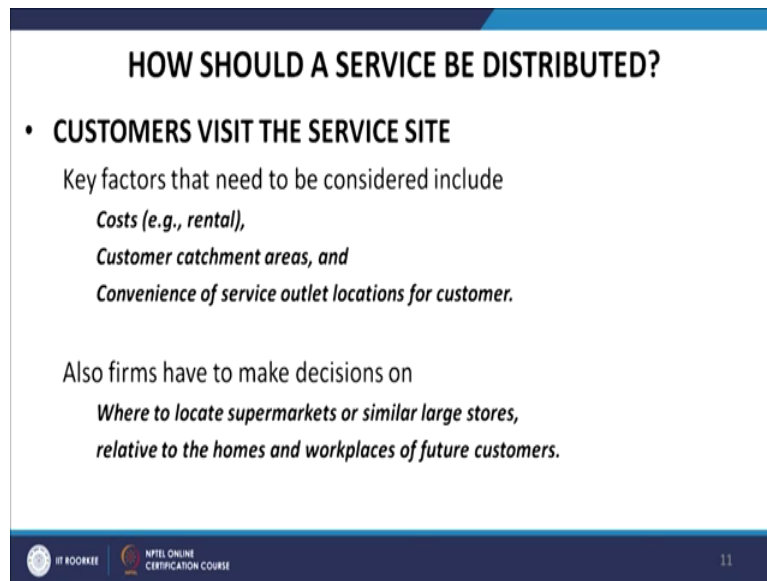
Nature of Interaction Between Customer and Service Organization	Availability of Service Outlets	
	Single Site	Multiple Sites
Customer goes to service organization	Theater Car service workshop	Café house chain Car rental chain
Service organization comes to customer	House painting Mobile car wash	Mail delivery Auto club road service
Customer and service organization transact remotely (mail or electronic communication)	Credit card company Local TV station	Broadcast network Telephone company

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So, there can be 6 option for service delivery. Here let us start with the left. Here the nature of interaction between customers and service organization and then availability of service outlet. So, there can be single site or there can be multiple sites. Now, when the customer goes to the service organization, so the example of a single site is theater or a car service workshop. For multiple sites it can be a cafe house chain or car rental chain.

When the service organization comes to customer. So, the example for single site is house painting, mobile car wash. So, the company is going to the customer's doorstep. Multiple site example include mail delivery, auto club road services. When the customers and service organization transact remotely, that is through mail or electronic communication. The single site includes the example for single site are the credit card companies and local TV station and for multiple sites, they include broadcast network or telephone company.

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**HOW SHOULD A SERVICE BE DISTRIBUTED?**

- **CUSTOMERS VISIT THE SERVICE SITE**  
Key factors that need to be considered include
  - Costs (e.g., rental),*
  - Customer catchment areas, and*
  - Convenience of service outlet locations for customer.*

Also firms have to make decisions on

- Where to locate supermarkets or similar large stores,*
- relative to the homes and workplaces of future customers.*

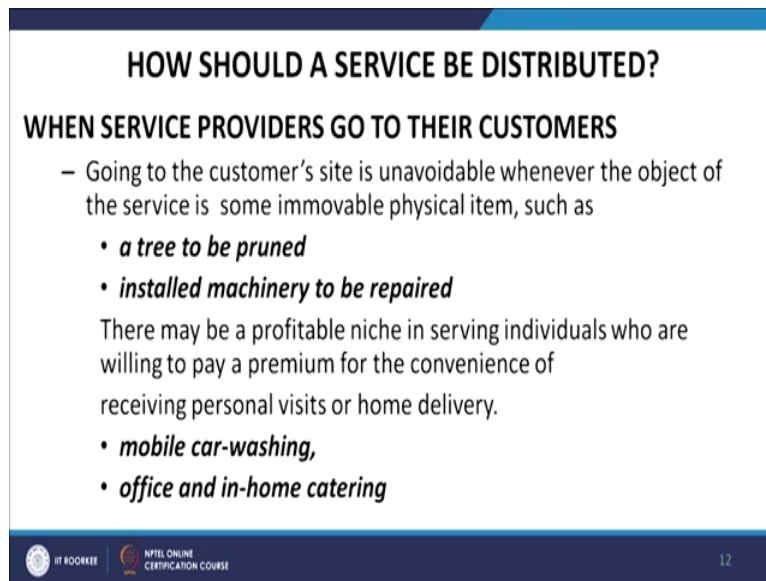
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Another important issue in distribution of the services is how should a service be distributed. So, one thing is that the customer may visit the service site, so the key factors that need to be considered in this situation are the first is, cost, for example the rentals, the second is customer catchment areas and convenience of service outlet locations for the customers.

So, what is the cost of the area where the, that would be hired by the company, where the customers will come and visit them and what will be the catchment area from which the customers will come and how big the catchment area will be. And then convenience of those locations. Also, firms have to make decisions on, where to locate supermarkets or similar large stores, relative to the homes and workplaces of future customers. So, where do we have to locate our stores. Should they be near the homes or near the workplace. Are we talking of the current customers or potential customers or future customers.



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**HOW SHOULD A SERVICE BE DISTRIBUTED?**

**WHEN SERVICE PROVIDERS GO TO THEIR CUSTOMERS**

- Going to the customer’s site is unavoidable whenever the object of the service is some immovable physical item, such as
  - *a tree to be pruned*
  - *installed machinery to be repaired*

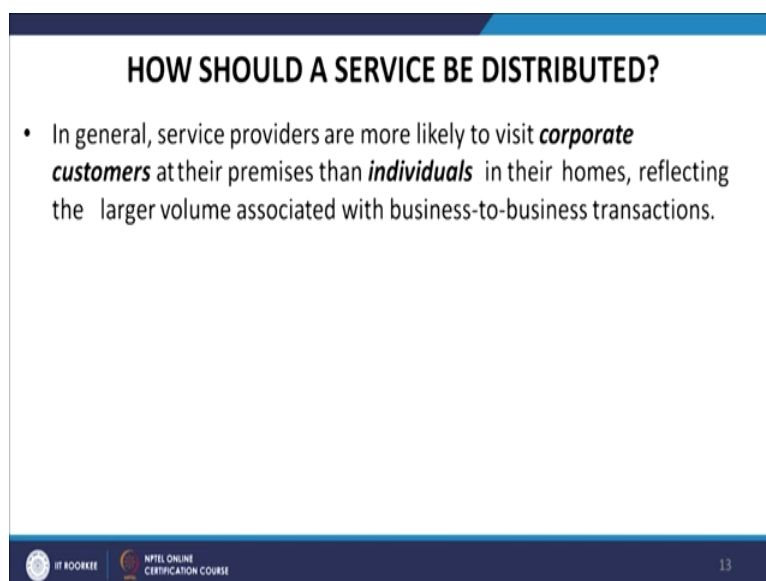
There may be a profitable niche in serving individuals who are willing to pay a premium for the convenience of receiving personal visits or home delivery.

- *mobile car-washing,*
- *office and in-home catering*

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When service providers they go to the customers. Going to the customer’s site is unavoidable whenever the object of the service is some immovable physical items, such as a tree that needs to be pruned, installed machinery to be repaired. There may be a profitable niche in serving individuals who are willing to pay a premium for the convenience of receiving personal visits or home delivery. For example, mobile car wash, so you do not have to take the car to the service station, they will come with a mobile car wash and wash your car at your place, and office and in-home catering. So, those catering services who delivers the food in office or in home.

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**HOW SHOULD A SERVICE BE DISTRIBUTED?**

- In general, service providers are more likely to visit *corporate customers* at their premises than *individuals* in their homes, reflecting the larger volume associated with business-to-business transactions.

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In general, service providers are more likely to visit corporate customers at their premises as compared to individuals in their homes, reflecting the large volumes associated with business-to-business transaction. So, as a rule of thumb, companies will visit the corporates rather than the individuals because of the size of the business that these corporates give to these companies.

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**HOW SHOULD A SERVICE BE DISTRIBUTED?**

**THE SERVICE TRANSACTION IS CONDUCTED REMOTELY**

- Developments in telecommunications, online technology, and sophisticated logistics solutions have spurred many new approaches to service delivery.
- A customer may never see the service facilities or meet service personnel face-to-face when dealing with a service firm through remote transactions.
- Many service providers offer solutions with the help of integrated logistics firms such as FedEx, TNT, or UPS.

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When the service transaction is conducted remotely. Developments in telecommunications, online technology and sophisticated logistics solutions have spurred many new approaches to service delivery. A customer may never see the service facilities or meet service personnel face-to-face when dealing with a service firm through remote transactions. Many service providers offer solutions with the help of integrated logistic firm such as the FedEx, TNT or UPS.

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### HOW SHOULD A SERVICE BE DISTRIBUTED?

- Storage and express delivery of spare parts for aircraft (B2B delivery).
- Pickup of defective cell phones from customers' homes and the return of the repaired phones to the customers (B2C pickup and delivery, also called "*reverse logistics*").
- Any information-based product can be delivered almost instantly through the Internet from almost any point on the globe to any smart device via high-speed Internet technology.


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Storage and express delivery of spare parts for aircraft that is B2B delivery. Pickup of defective cell phones from customers home and the return of the repaired phones to the customers, B2C pickup and delivery also called as reverse logistics. Any information based product can be delivered almost instantly through the Internet from almost any point on the globe to any smart device via high-speed Internet technology.

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### HOW SHOULD A SERVICE BE DISTRIBUTED?

- Even service businesses that involve physical core products, such as retailing and repair, are shifting delivery of many supplementary services to the Internet, closing physical branches, and relying on speedy business logistics to enable a strategy of arm's-length transactions with their customers.



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Even service businesses that involve physical core products, such as retailing and repair are shifting delivery of many supplementary services to the Internet. So, the core service may not be shifted but the supplementary services are being shifted to the Internet, and they are

closing down their physical branches and relying on speedy business logistics to enable a strategy of arm's length transaction with their customers.

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**FACTORS THAT ATTRACT CUSTOMERS TO USE ONLINE SERVICES**

- *Convenience.*
- *Ease of search (obtaining information and searching for desired items or services).*
- *A broader selection.*
- *Potential for better prices.*
- *24/7 service with prompt delivery. (This is particularly appealing to customers whose busy lives leave them short of time).*

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Now, factors that affect customers to use online services. The first is obviously the convenience. So, you can use a service whenever you feel like. Ease of search obtaining information and searching for desired item of services, so you can sit at home and you can keep on searching about the, for the information about a service and the various alternatives and that leads to a broad selection. So, now you will, at any physical location you may find lesser number of service providers as compared to online. So, now you have a wider selection to choose from.

And then there lies a potential for better prices. 24 by 7 service with prompt delivery, that is particularly appealing to customers whose busy lives leaves them short of time. So, when there is 24 by 7 service delivery, so the customers can get or buy services any time of the day or night.

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### CHANNEL PREFERENCES AMONG CUSTOMERS

- Recent research has identified the following key drivers for channel preferences among customers:
  - **Convenience** is a key driver of channel choice for the majority of consumers. Service convenience means saving **time** and **effort** rather than saving money.
  - A customer's search for convenience is not just confined to the purchase of core products but also extends to convenient **times** and **places**.
  - People want easy access to supplementary services too — especially information, reservations, and problem solving.



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Now, let us look at what are the channel preferences among customers. Recent researchers have identified the following key drivers of for channel preferences among customers. The first that we talked about earlier is the convenience, it is a key driver of channel choice for the majority of consumers.

Service convenience means saving time and efforts rather than saving money. A customer's search for convenience is not just confined to the purchase of core product but also extends to convenient time and place. People want easy access to supplementary services to, especially information, reservation and problem-solving.

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### CHANNEL PREFERENCES AMONG CUSTOMERS

- For complex and perceived high-risk services, people tend to rely on **personal channels**.
  - Customers are happy to apply for **credit cards** using **remote channels**, but prefer a **face-to-face** transaction when obtaining a **mortgage**.
- Individuals with higher confidence and knowledge about a service and/or the channel are more likely to use **impersonal** and **self-service** channels.
- Customers with social motives tend to use personal channels.



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And for complex and perceived high-risk services, people tend to rely on personal channels. For example, customers are happy to apply for credit card using remote channels, but prefer a face-to-face transaction when obtaining a mortgage. So, now you see that when we are talking of complex and where the risk is perceived to be high, so in that case, customers they may, they are happy to apply for credit card, because the use of that credit card and what credit they, how much credit they take from on their cards is easy for them to monitor.

But they prefer to prefer a face-to-face transaction when they are obtaining a mortgage, because of the several terms and conditions or the fine print that maybe there which is not so clearly visible to, or understandable to everyone. So, individuals with higher confidence and knowledge about a service and or the channel are more likely to use impersonal and self-service channels. Customers with social motives tends to use personal channels.

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**CHANNEL INTEGRATION**

- New delivery channels have created an inconsistent and frequently disjointed experience for many customers.
- Customers take advantage of price variation among channels and markets, a strategy known as **channel arbitrage**.
- Service providers need to develop effective pricing strategies that will enable them to deliver value and capture it through the appropriate channel.

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Channel integration. New delivery channels have created an inconsistent and frequently disjointed experience for many customers. Now because, the old channel and the new channel they exist and there are variety of new delivery channel, so that have created an inconsistent and disjointed experience for the customers. So, customers take advantage of price variation among channels and the markets and this strategy is known as channel arbitrage.


So, while in a physical store, the service delivered maybe for a different price and on an online store from an online store, the service delivered maybe charged differently. So, it is obviously, it depend up on the customers from the, where they buy. And that phenomena is

called as channel arbitrage. So, service provider need to develop effective pricing strategy that will enable them to deliver value and capture it through the appropriate channel.

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**WHERE SHOULD A SERVICE FACILITY BE LOCATED?**

- Frequently, a two-step approach is used;
  - **Strategic location considerations:** To help identify the general types of location a service firm should aim for.
  - **Tactical considerations:** To choose between specific sites of a similar type that fit the overall location strategy.



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Another important question facing a service provider is where should a service facility be located? So, frequently a two-step approach is used here. One is the, the first step is the strategic location consideration, which is to help identify the general types of location, a service firm should aim for. And then the second is the tactical considerations, to choose between specific sites of a similar type that fits the overall location strategy.

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**WHERE SHOULD A SERVICE FACILITY BE LOCATED?**

**Strategic Location Considerations**

- Understanding customer needs and expectations, competitive activity, and the nature of the service operation.
- Firms should make it easy for people to access frequently purchased services, especially those that face active competition.
  - *Retail banks and fast-food restaurants*
- Markets can be segmented by accessibility preferences and price sensitivity.



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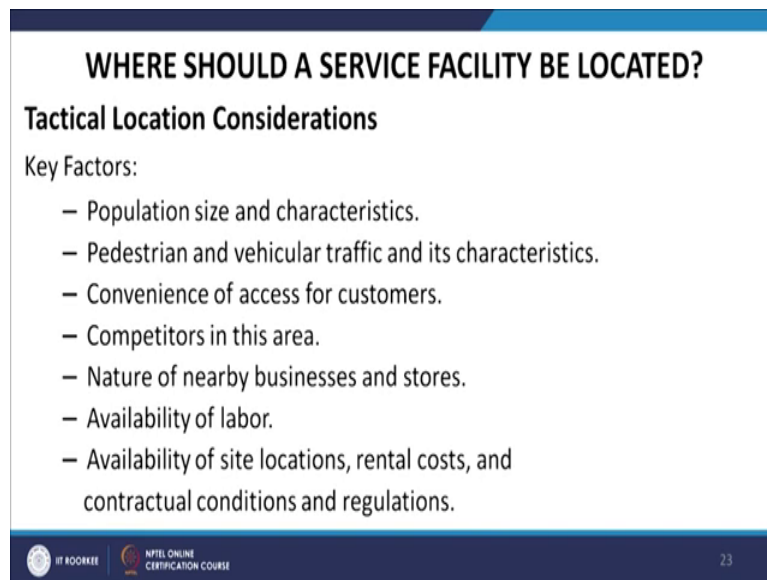
Let us look at this strategic location consideration in some more detail. So, understanding customer needs and expectations, competitive activity and the nature of service operations.

The first thing that need to be understood when we are looking, we are trying to understand or we are trying to evaluate a location, is to understand the customer needs and expectations, one. Competitive activity that is the second, and nature of service operations.

So, these are the three things that have to be kept into consideration. That is the first thing that you need to do in strategic location consideration. The next thing is firm should make it easy for people to access frequently purchase services, especially those that face active competition. For example, retail banks and fast-food restaurant.

So, when we were talking of this kind of services which are purchased frequently, so firms should make it easy for people to access them, because these are more frequently purchased services. So, markets can be segmented by accessibility preferences and price sensitivity.

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**WHERE SHOULD A SERVICE FACILITY BE LOCATED?**

**Tactical Location Considerations**

Key Factors:

- Population size and characteristics.
- Pedestrian and vehicular traffic and its characteristics.
- Convenience of access for customers.
- Competitors in this area.
- Nature of nearby businesses and stores.
- Availability of labor.
- Availability of site locations, rental costs, and contractual conditions and regulations.

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Then there are some tactical location considerations. The first thing is when we are talking of tactical location consideration is population size and characteristics. So, how is the, how big the population is, or how small the population is, and how it, and what this population is made up of, the age groups, the genders, the education, the economics, et cetera, et cetera.

Pedestrian and vehicular traffic and its characteristics. So, whether it is the traffic moves on that road 24 by 7 or it is generally used to only office hours and how and what kind of vehicles are used on that kind of road. Convenience of access for customers, who all are competitors in that area.

Nature of nearby businesses and stores, whether the labor will be available in that location and whether the site location, availability of site location, rental cost and contractual



conditions and regulations. So, you may be able to identify your location but there is no place to hire, or the rental cost are too high, or the contractual conditions and regulations are too stringent. So, these are some tactical location considerations.

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**WHERE SHOULD A SERVICE FACILITY BE LOCATED?**

**Strategic Location Considerations**

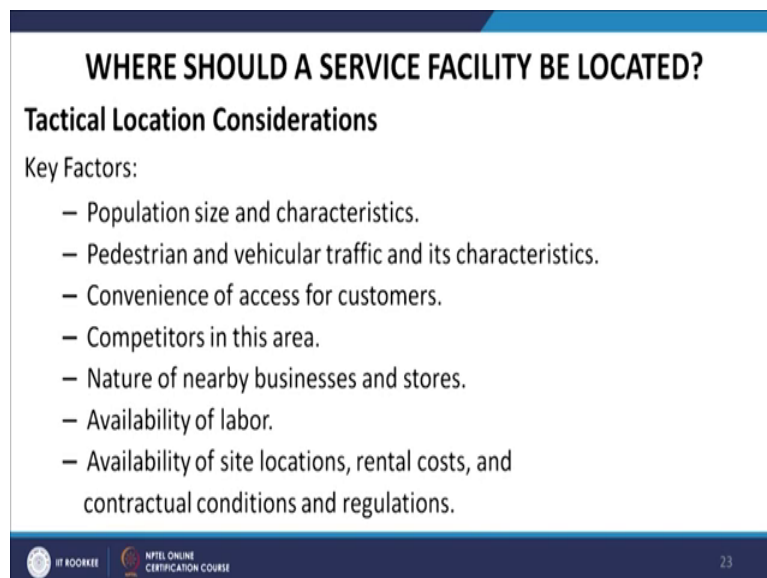
- Understanding customer needs and expectations, competitive activity, and the nature of the service operation.
- Firms should make it easy for people to access frequently purchased services, especially those that face active competition.
  - *Retail banks and fast-food restaurants*
- Markets can be segmented by accessibility preferences and price sensitivity.



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In strategic location consideration, we are looking at the general types of location of the service firms and we have to understand the customer needs and expectations, competitive activity and the service operations, and we can also use this strategic location considerations can also be used to segment the markets.

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**WHERE SHOULD A SERVICE FACILITY BE LOCATED?**

**Tactical Location Considerations**

Key Factors:

- Population size and characteristics.
- Pedestrian and vehicular traffic and its characteristics.
- Convenience of access for customers.
- Competitors in this area.
- Nature of nearby businesses and stores.
- Availability of labor.
- Availability of site locations, rental costs, and contractual conditions and regulations.


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While in the tactical location consideration, these are the seven points that need to be considered.

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### WHERE SHOULD A SERVICE FACILITY BE LOCATED?

- **Locational Constraints**
  - The need for economies of scale and operational requirements may restrict choice of locations.
    - Airports, for instance, are often inconveniently located relative to travelers' homes, offices, or destinations. Because of noise and environmental factors, finding suitable sites for construction of new airports or expansion of existing ones is a very difficult task.



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Let us look at location constraints. The need for economies of scales and operational requirements may restrict choice of location. Airport, for instances are often inconveniently located relative to travelers homes, offices or destinations. Because of noise and environmental factors, finding suitable sites for construction of a new airport or expansion of existing one is very difficult task. So, sometimes the location is not suitable or not available at all.

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### WHERE SHOULD A SERVICE FACILITY BE LOCATED?

- **Innovative Location Strategies**
  - Innovative distribution strategies can be at the core of powerful new service models.
  - **Mini Stores** - An interesting innovation among multi-site service businesses involves creating numerous small service factories to maximize geographic coverage.
  - **Locating in Multi-purpose Facilities** - The most obvious locations for consumer services are close to where customers live or work.

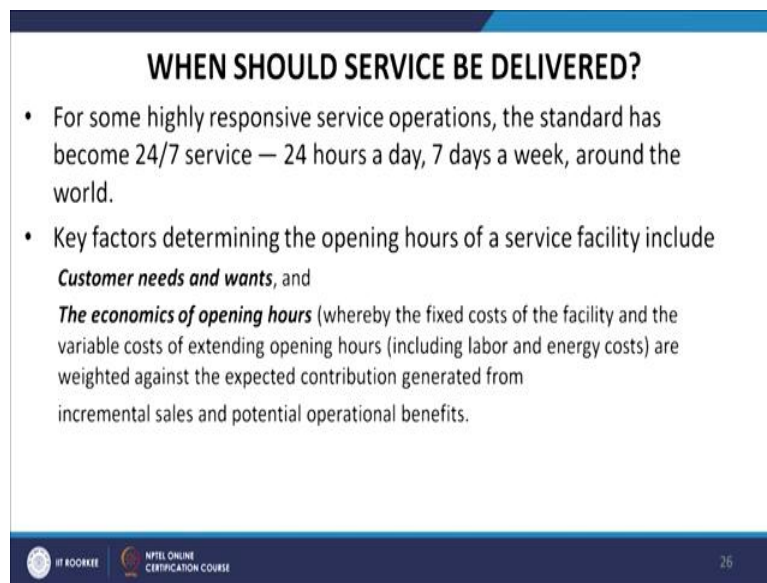
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So, then there comes another important issue that is of innovative location strategies. Innovative distribution strategies can be at the core of a powerful new service model. So, the first innovative location strategy is that of mini stores, an interesting innovation among multi-

site service business involves creating numerous small service factories to maximize geographic coverage. So, instead of having one big store there are mini stores, so that the geographic coverage can be maximized.

Another is locating in multi-purpose facilities, the most obvious location for consumer services are closed to where customer live or work. So, then we look for those location where the customers live or work, and that is more appropriate in case when we are offering consumer services.

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**WHEN SHOULD SERVICE BE DELIVERED?**

- For some highly responsive service operations, the standard has become 24/7 service — 24 hours a day, 7 days a week, around the world.
- Key factors determining the opening hours of a service facility include *Customer needs and wants*, and *The economics of opening hours* (whereby the fixed costs of the facility and the variable costs of extending opening hours (including labor and energy costs) are weighted against the expected contribution generated from incremental sales and potential operational benefits.

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For some highly responsive service operations, the standard has become 24 by 7 service, 24 hours a day, 7 days a week around the world. Key factors determining the opening hours of a service facility include the customer needs and want. So, do the customer want a 24 by 7 service or they do not want, the economics of opening hours.

Whereby the fixed cost of the facility and the variable cost of extending opening hours including labor and energy cost are weighted against the expected contribution generated from incremental sales and potential operational benefits. So, now when we are opening the facility for longer period of time, we will require more labor and we will also require more energy or electricity et cetera.

So, now this has to be worked out what will be the cost of opening the facility for a longer period of time, and what will be the revenues that we will generate. The incremental revenues that will be generated for, by opening the facility for those extra hours.

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## WHEN SHOULD SERVICE BE DELIVERED?

### Factors that encourage extended working hours

- **Pressure from consumers.** The growing number of two-income families and single wage-earners who live alone need time outside normal working hours to shop and use other services.
- **Changes in legislation.** Support has declined for the traditional religious view that a specific day (Sunday in predominantly Christian cultures) should be legalized as a day of rest for one and all, regardless of religious affiliation.


The factors that encourage extended working hours. The first is the pressure from the customers, the customer's needs and wants. So, there is a growing number of two income families and single wage earners who live alone, need time outside normal working hours to shop and use the services. So, when both the husband and wife are working or there is only a single wage earner, so at what time he will go to get that service.

So, they require that the service be delivered over a longer period of time. The service facility should be open for extended period. Then the changes in legislation support has declined for the traditional religious view that is specific day. Sunday is predominantly Christian cultures should be legalized as a day of rest for one and all, regardless of religious affiliation. So, these kind of regulations have also changed.

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### WHEN SHOULD SERVICE BE DELIVERED?

- **Economic incentives to improve asset utilization.** The incremental cost of extending hours tends to be relatively modest, and if it reduces crowding and increases revenues, then it is economically attractive
- There are costs involved in shutting down and reopening a facility such as a supermarket, yet climate control and some lighting must be left running all night, and security personnel must be paid 24/7.
- Even if the number of extra customers served is minimal, there are operational and marketing advantages to remaining open 24 hours.



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Economic incentives to improve asset utilization. The incremental cost of extending hours tends to be relatively modest, but if it reduces crowding and increase revenues, then it is economically attractive. So, when you are deciding on whether to open a service facility for a longer period of time, so the incremental cost maybe modest but it should lead to reduction in crowding during the regular hours and increased revenues.

So, there are cost involved in shutting down and reopening a facility, such as a supermarket, yet climate control and some lighting must be left running all night and security person must be paid 24 by 7. Even if the number of extra customers served is minimal, there are operational and marketing advantages to remain open for 24 hours a day. So, even so the company may want to remain open for 24 hours a day because there are some additional advantages that they will have.

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### WHEN SHOULD SERVICE BE DELIVERED?

- **Availability of employees to work during “unsocial” hours.** Changing lifestyles and a desire for part-time employment have created a growing labor pool of people who are willing to work in evenings and nights.
- **Automated self-service facilities.** Self-service equipment has become increasingly reliable and user-friendly.
- Many machines now accept card- and cellphone-based payments, in addition to coins and banknotes




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Availability of employees to work during unsocial hours. Changing lifestyles and a desire for part-time employment have created a growing labor pool of people who are willing to work in evenings and nights. So, the availability of employees have gone up. Then in addition to those, there is automated self-service facilities also. So, self-service equipment have become increasingly reliable and user-friendly. Many machines now accept card and cellphone-based payments in addition to coins and banknotes. So, it is becoming all the more easier to have extended service hours.

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### WHEN SHOULD SERVICE BE DELIVERED?

- Installing unattended machines may be economically feasible alternative for locations that cannot support a staffed facility.
- Unless a machine requires frequent servicing or is particularly vulnerable to vandalism, the incremental cost of going from limited hours to 24-hour operation is minimal.



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Installing unattended machines maybe economically feasible alternatives for location that cannot support a staffed facility. Unless a machine require frequent servicing or is



particularly vulnerable to vandalism, the incremental cost of going from limited hours to 24-hour operation is minimal. So, that makes the availability of service, that makes the 24 by 7 availability of service more easy and the cost is minimal.

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### CONCLUSION

- In this module we have discussed about responses to the four questions-  
***What ?,How ?,Where ?,When ?*** that form the foundation of any service distribution strategy.
- The customer's service experience is a function of how the different elements of the Flower of Service are distributed and delivered through selective physical and electronic channels.

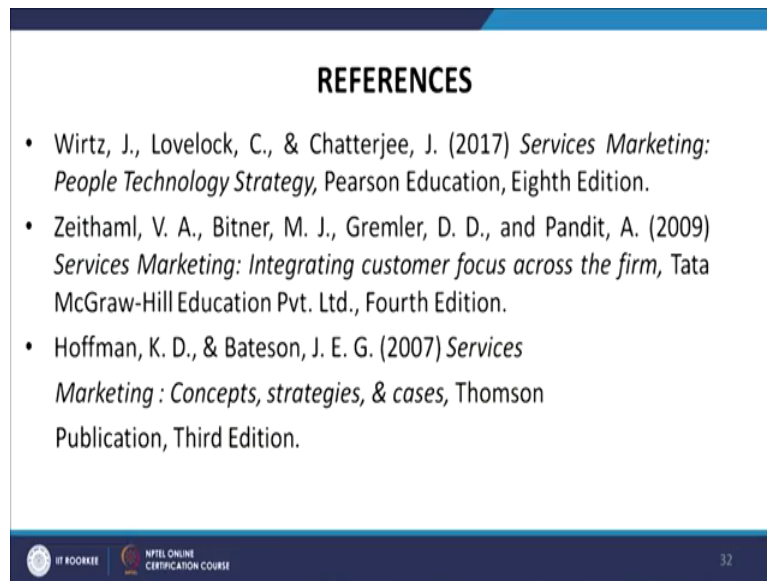


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So, to conclude in this module we have discussed about responses to the four questions and how to go about answering these four questions and the four questions important for designing any kind of distribution strategy, especially in case of services are what, how, where and when. The customer service experience is a function of how the different elements of the Flower of Service are distributed and delivered through selective physical or electronic channels.



So, you keep in mind that important is that how we are distributing the core and the supplementary services through physical or electronic channels. So, many a times the core is delivered through physical and the supplementary services are delivered through electronic channels, so various combination are in vogue.

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And these are the three books that from where the material for this module is taken. Thank you.