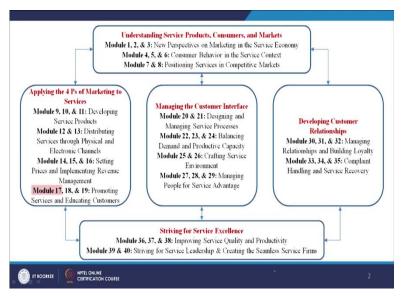
Service Marketing: Integrating People, Technology, Strategy Professor Zillur Rehman Department of Management Science

Indian Institute of Technology, Roorkee Lecture 17

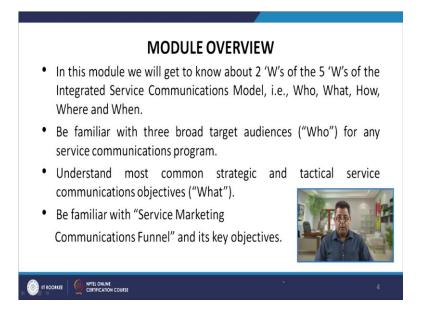
Promoting Services and Educating Customers - Part 1

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Welcome to this course on services marketing and today we will talk about module 17, as you know that we are talking about the second section of this course that is applying the four P's of marketing to services. And these modules 17, 18 and 19 they will be covering promoting services and educating the customers. So, we will start with module 17.

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Now, in this module, we will get to understand about 2 Ws of the 5 Ws of the Integrated and Service Communications Model. So this Integrated Services Communication Model consists of 5 Ws. In this module, we will be covering the first two Ws and the five Ws are Who, What, How, Where and When. We will also try to familiarize with the three broad target audiences of Who for any service communications program.

We will then understand some most common strategic and tactical service communications objectives that is what. So, these are the first 2 Ws of Integrated Service Communications Model. We will familiarize with Service Marketing Communications Funnel and its key objectives. So, we will be covering the first 2 Ws, the first W is Who that covers the three broad target segments. And the second W is the strategic and tactical service communications objectives and then we will talk about this Service Marketing Communications Funnel.

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INTEGRATED SERVICE MARKETING COMMUNICATIONS

- Communication is the most visible or audible and some would say intrusive — form of marketing activities.
- Through communications, marketers explain and promote the value proposition their firm is offering.
- But its value is limited unless it is used intelligently in conjunction with other marketing efforts.



So, now let us look at what is this Integrated Service Market Communication. So, communication is one of the most visible or audible and some would say an intrusive form of marketing activities. Through this communication, marketers they explain and promote the value proposition of their firm and its offerings.

But its value is limited unless it is used intelligently in conjunction with other marketing efforts. So, this communication should primarily focus on the value proposition, the offering but then it should be intelligently used in conjunction with other marketing efforts. Just communicating about the value proposition is not the key.

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INTEGRATED SERVICE MARKETING COMMUNICATIONS

- An old marketing axiom says that the fastest way to kill a poor product is to advertise it heavily.
- By the same token, an otherwise well-researched and well-planned marketing strategy is likely to fail if-
 - Prospects don't learn of a service firm's existence. (Eメッル)
 - What it has to offer.
 - The value proposition of each of its products.
 - And how to use them to their best advantage.





So, as an old marketing axiom says that the fastest way to kill a poor product it to advertise it heavily. So, now you keep in mind that by just simply advertising heavily, a bad product will not become a success. It is the fastest way to kill a product and by the same token, an otherwise well-researched and well-planned marketing strategy will fail.

If the prospects do not learn of a service firm's existence. So, the first thing is that they should know the firm exists. Second is, what this firm has to offer? So, it is not only about the firm's existence but then, what is on offer. The third is the value proposition of each of its products and how to use them to their best advantage. So, now this marketing strategy has to tell to the customers about the existence of a company.

What the company has to offer? What is the value proposition of each of its products and how this product should be used or this service should be used by the customer for their best advantage?

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INTEGRATED SERVICE MARKETING COMMUNICATIONS

- Marketing communications, in one form or another, is essential to a company's success.
- There is a lot of confusion over the scope of service marketing communications, with many people still defining it too narrowly.
- Communications must be viewed more broadly than just as media advertising, public relations (PR), social media, and professional salespeople.



So, marketing communications, in one form or another, is essential to a company's success and there is a lot of confusion over the scope of service marketing communications, with many people still defining it too narrowly. So, communications must be viewed more broadly than just as media advertising or public relations PR, social media and professional salespeople. So, this communication is not about advertising or public relations.

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INTEGRATED SERVICE MARKETING COMMUNICATIONS

- There are many other ways for a service business to communicate with current and prospective customers.
 - The location and atmosphere of a service delivery facility.
 - Corporate design features such as the consistent use of colors and graphic elements.
 - The appearance and behavior of employees.
 - The design of a website.





So, there are many other ways for a service business to communicate with current and prospective customers. The first is the location and atmosphere of a service delivery facility. So, this location and atmosphere, it communicates. Corporate design features such as the consistent use of colors and graphic elements. The third is the appearance and the behaviour of employees and also the design of a website. So, all these things, they will communicate and they have to be used by the service company effectively to communicate with their prospective customers.

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INTEGRATED SERVICE MARKETING COMMUNICATIONS

- All the points mentioned in the previous slide contribute to an impression in the customer's mind that reinforces or contradicts the specific content of formal communication messages.
- The past few years have seen the emergence of new and existing opportunities for reaching prospects.
 - Through the Internet and mobile apps with degrees of targeting and message specificity that were previously unimaginable.





All these points mentioned in the previous slide contribute to an impression in the customer's mind that reinforces or contradicts the specific content of formal communication messages.

The past few years have seen the emergence of new and existing opportunities for reaching prospects. So, one such opportunity is through the Internet and mobile apps with degrees of targeting and message specificity that were previously unimaginable.

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INTEGRATED SERVICE MARKETING COMMUNICATIONS

- All these media have to be effectively synchronized to attract new customers.
- And to affirm the choice of existing customers while educating them on how to proceed through a service process.
- It is for good reason that we define the marketing communication element of the 7 Ps as **Promotion** and **Education**.



All these media have to be effectively synchronized to attract new customers. So, it is not only about this media but, then also the synchronization of this media so that the new customers can be attracted. And to affirm the choice of existing customers while educating them on how to proceed through a service process. It is for good reason, that we define the marketing communication elements of the 7 Ps as Promotion and Education. So, it is not only promotion but education as well. So, that is why this Ps in service marketing it is called as Promotion and Education.

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How should we develop an effective service marketing communications strategy? So, it starts with a good understanding of the service product and their prospective buyers. So, the first thing that is important is to understand the service product and who will be the buyers. So, that is the first step to develop any effective service marketing communications strategy.

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So, it is essential to understand target market segments and their exposure to different media. So, when we say that it is important to understand the target market, what does it mean? Just knowing the target market is not sufficient enough. We should also know to which different media they are exposed to.

Consumer's awareness of the service product, whether the consumers are aware of the product, their attitude towards it, is it positive or negative or in between? And, how easily they can evaluate the products characteristics in advance of purchase and during and after consumption. So, what we have to understand about the target market is which are the different media, they are exposed to, whether they are aware of this product? What is their attitude towards it? How easily they can evaluate the product characteristics in advance before they purchase and during and after the consumption.

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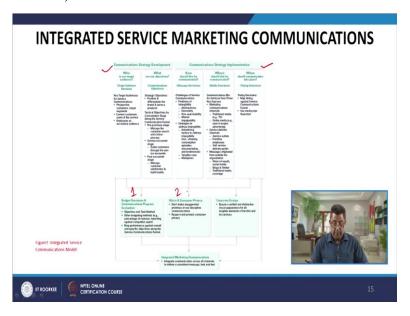
And the decisions include determining the content. Structure and style of the message to be communicated. It is a manner of presentation and the media most suited to reaching the intended audience.

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To integrate all these considerations, the Integrated Service Communications Model was developed. Figure 1 tells about the Integrated Service Communications Model, which serves as the organizing framework for this module and the upcoming two more modules. So, in the next two modules also, this figure will be used and this is the Integrated Service Communications Model.

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So, we start from here, so we have communication strategy development and then we have communication strategy implementation. So, when we are talking about communication strategy development, we will be talking about who is our target audience and what are our objectives. So, who is our target audience, we have to decide on the target audience decision.

Prospective customers, target segments, current customers, a user of the service, employees as a secondary audience. When we are talking of, what are our objectives, so that is communication objectives. So, first, we will talk about the strategic objectives that include position and differentiate the brand and service product. Then, we will talk about the tactical objectives by consumption stage along the service communication funnel.

So, the pre-purchase stage-manages the customer search and choice process. Service encounter stage guides customers to the service encounter and in the third stage that is the post-encounter stage you have to manage customer satisfaction and build loyalty. Now, when we are talking about communication strategy implementation. So, there are three components of this.

The first is, who should be communicated? The second is, where should this be communicated and the third is when should communication take place? So, the first one is related to message decisions and that includes the challenge of service communication. The biggest challenge of service is the problem of intangibility. So, intangibility is broken down into several parts, just to understand more about it.

So, they are abstractness, generality, non-search ability, and mental impalpability. Then the strategies to address this intangibility that includes advertising, tactics to address intangibility and then tangible cues and metaphors. When we are talking about where should this be communicated that is the media decision. So, communication mix for service for three key sources.

The first is marketing communication channels that is the tradition media like television, then we have online media, then there are service delivery channels. Service outlines and front line employees, sales service delivery points. The third one is a message originated from outside the organization that is word-of-mouth, social media, blogs, and twitter, traditional media coverage.

And, the third component of communication strategy implementation is when should communication takes place that is timing decisions. So, timing decisions include map timing against service communication funnel and then use media plan flowchart. Now, when we have gone through this communication and strategy development, communication and strategy implementation.

Now, this leads to three things,

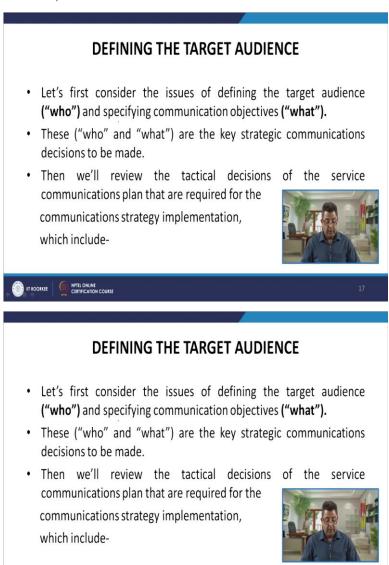
the first is budget decision and communication program evaluation that includes the objective and task method. Then, there are some other budgeting method and then we need to map performance against overall and specific objectives along the service communication funnel. The second is ethics and consumer privacy so do not make exaggerated promises and use deceptive communication, respect and protect consumer privacy.

The third is corporate design, to ensure a unified and distinctive visual appearance for all tangible elements of the firm and its services. Now, this all leads to the Integrated Marketing Communication, so this Integrated Communication across all channels to deliver a consistent message, look and feel. So, all the three components, the message, the look, and feel should be consistent. So, this is the Integrated Services Marketing Communication Model.

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The five W models for Marketing and communications planning. The first is who is our target audience? Second is, what do we need to communicate and achieve? The third is, how should we communicate this? And, then where should we communicate this? And, when should the communication take place? So, we have to understand who are the target audience. How should we communicate this? Where should this communication take place? And when should this communication take place? So, all these things are important in this service communication planning.

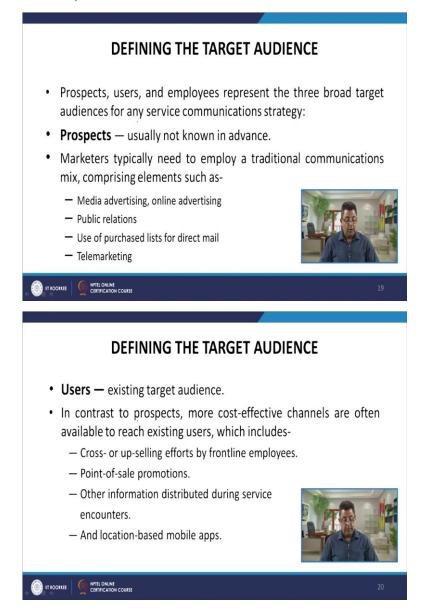


So, let us start with the first one, defining the target audience, so let us first consider the issues of defining the target audience that is the who and specifying communication objectives what. So, what is to be communicated, this who and what are the key strategic communication decisions to be made. Then, we will review the tactical decisions of the service communications plan that are required for the communications strategy implementation, which include, the wide array of communication channels available to service marketers where.

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Day by day the communication channels are increasing. So, it is important that where should the service marketer communicate with the customers. How service-specific challenges of communications can be overcome. So, that is how and when scheduling of communication activities should take place so that it gives the maximum impact. So, that is the when.

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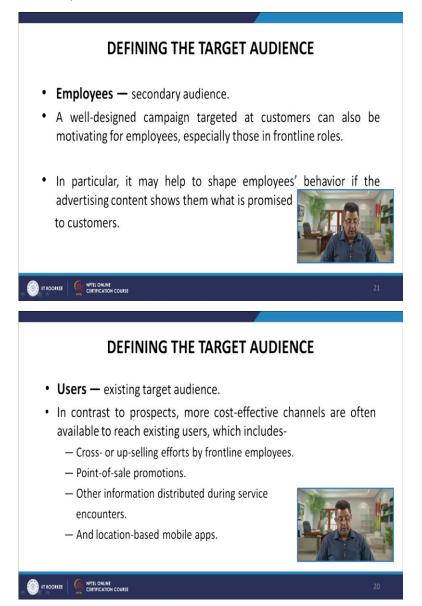


Let us continue with defining the target audience. Prospects, users and employees represent the three broad target audiences for any service communications strategy. Prospects usually not known in advance. So, marketers typically need to employ a traditional communication mix, comprising elements such as media advertising, online advertising, public relations, use of purchased lists for direct mail, telemarketing.

So, we are just trying to understand the prospects, then there are users that is the existing target audience. So, one is prospects, the potential customers, those who may buy the service in the future. And, then we are also worried about existing users, so in contrast to prospects

more cost-effective channels are often available to reach existing users and that includes, cross or up-selling efforts by frontline employees. Point-of-sale promotions, other information distributed through service encounters and location-based mobile apps.

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Now, employees, they are also considered to be the secondary audience. A well-designed campaign targeted at customers can also be motivating for employees, especially those in the frontline role because you see that this frontline employees are very important, because as we have seen in the earlier slide.

They can be used to cross or up-sell the products of the company or services of the company to the customers. So, that is why it is very important that the company should take care of

especially these employees, those who are at the frontline. In particular, it may help to shape employees behavior if the advertising content shows them what is promised to customers

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However, there is a risk of generating cynicism among employees and actively demotivating them if the communication in question promotes levels of performance that employees regard as unrealistic or even impossible to achieve. So, but keep in mind that this communication should not be so that, the employees feel frustrated because of the service levels that the promotions that they promise. They are unrealistic or unachievable by the employees, so that can create a problem for the employees.

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This is a specific note, and communications directed specifically at staff are typically part of an internal marketing campaign. Using company-specific channels, and so are not accessible to the customers and we will discuss about this internal communications later on.

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Now, let us look at Strategic Service Communications Objectives, so Strategic Communications Objectives include building a service brand, positioning it and its device products against the competition. So, first is to build this brand and then position it, and its service product against competitors. So, companies use marketing communications to persuade target customers.

For what that their service product offers the best solution to meet those customers needs, relative to the offerings of competing firms. So, that is very important for this marketing communication to achieve, to persuade the target customers, that the product all service of this company, of my company, offers the best solution to meet your needs and better than the competing firms.

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SPECIFYING SERVICE COMMUNICATION OBJECTIVES

- Communication efforts serve not only to attract new users but also to maintain contact with an organization's existing customers and build relationships with them.
- Marketing communications is used to convince potential and current customers about the firm's overall superior performance.





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So, communication efforts serve not only to attract new users but also to maintain contact with an organization's existing customers and build relationships with them. So, it is not about attracting new customers because you know that attracting or getting new customers is always more expensive than retaining the existing one. So, the communication efforts, they not only serve to attract the news users, so new users are also important.

But, it is more important for the organization to retain the existing customers and build relationships with them. Therefore, marketing communication is used to convince potential and current customers about the firm's overall superior performance. So, the basic idea of this marketing communication is to convince new users potential and existing users, that the firm will provide superior performance, superior as compared to the competitors.

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SPECIFYING SERVICE COMMUNICATION OBJECTIVES

- Example- To document the superior quality and reliability of its small package delivery services, a FedEx advertisement showcased the awards it received for being rated as highest in customer satisfaction for air, ground, and international delivery from J.D.
 Power and Associates, widely known and respected for its customer satisfaction research in numerous industries.
- To reposition a service relative to competitive offerings is also a common strategic objective of communications.





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For example, to document the superior quality and reliability of its small package delivery services, a FedEx advertisement showcased the awards it received for being rated as highest in customers satisfaction for air, ground, and international delivery from J.D Power and Associates, widely known and respected for its customer's satisfaction research in numerous industries.

To reposition a service relative to competitive offerings is also a common strategic objective of communications. So, it is about, the first things that this communication does is to position the service and second, it can also be used to reposition a service relative to competitive offerings is also a common strategic objective of communications.

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SPECIFYING SERVICE COMMUNICATION OBJECTIVES

- Tactical Service Communications Objectives- Relate to shaping and managing customer's perceptions, beliefs, attitudes, and behavior in any of the three stages of the service consumption process.
 - (i.e., the pre-purchase, service encounter, and post-encounter stages).





The next is, Tactical Service Communications Objectives, so relate to shaping and managing customer's perceptions, beliefs, attitudes, and behaviour in any of the service consumption process and these three stages are the pre-purchase, the purchase that is called as service encounter where the service is delivered, so the purchase and delivery several times happen at the same time for services and the third stage is a post-encounter stage after the service is delivered and consumed.

So, for this for the Tactical Service Communications Objectives, it is to shape and manage, first is to shape and then keep on managing the customer's perceptions, beliefs, attitudes, and behaviour.

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Now, let us look at the Service Marketing Communications Funnel and Communications Objectives. So, the Service Marketing Communications Funnel is aligned to the AIDA that is AIDA and hierarchy of effects models in the pre-purchase stage. So, in the pre-purchase stage, this funnel is aligned to these two AIDA model and the hierarchy of effects models. And extends them by incorporating a wider range of service-specific objectives in the pre-purchase stage.

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Neither of the two models covers the service encounter and post-counter and encounter stags. So, they are just for the pre-purchase stage. So, as we added service communications objectives relating to the service encounter itself, which can include, the full gamut of service behaviours that need to be managed, ranging from queuing behaviours to performance perceptions. And to the post-encounter stage which includes, a host of post-encounter behaviours that can be shaped by communications.

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So, again we look at this Integrated Service Marketing Communication Funnel, so now we are talking about the Service Marketing Communication Funnel and the communication

objectives. On the left-hand side, we have this three-stage model of service consumption and on the extreme right, we have the key consumer behaviour concepts and theories.

And, in between, we have this one communication objective along the Service Marketing Communication Funnel. So, as you know that, let us move towards the left where we are talking about the three-stage model of service consumption. So, at the pre-purchase stage, we include awareness of needs and then, evaluation of alternatives. In the second stage, we are talking about the service encounter stage where services are delivered and consumed.

Then, obviously, you have the post-purchase stage that is the post-encounter stage. Now, let us talk of the common Communication Objectives along the Service Marketing Communication Funnel. So, the first thing that we will talk about here is the customer acquisitions. Move customers along the key stages of the sales funnel. Build awareness, knowledge, and interest in the service or brand.

Then, you develop a liking preference and conviction for the service brand and then encourage potential customers to purchase. The fifth is to create memorable images of brand and services and the sixth is to stimulate and shift demand to match capacity. So, at the service encounter stage, there is a need to familiarize customers with service processors in advance of use. Guide customers through the service process, manage customer behaviour and perceptions during the service encounter.

Manage quality perceptions and cross-sell and up-sell and the third is customer engagement that manages customer satisfaction, manage service quality perceptions, build loyalty and encourage word-of-mouth both in the online and offline mode. Encourage referrals and build a brand community. Now, let us move on to the extreme right that is the key consumer behaviour concepts and theories.

So, in this pre-purchase stage, the key concepts and theories include the need arousal, evoked set and consideration set, then there is this Multi-Attribute Choice Model, that includes the search experience and credence attribute, the perceived risks, formation of expectations and purchase decision. The third stage is Service Encounter Stage, here is talks about the moment of truth and Service Encounters, servuction system, theatre as a metaphor, role and script theories, perceived control theory.

And in the Post Encounter Stage, we will be talking about confirmation, disconfirmation of expectations, dissatisfaction, satisfaction and delight, service quality, word-of-mouth and referrals, online reviews, pre-purchase and customer loyalty.

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So, the Service Marketing Communications Funnel and Communications Objectives, a key takeaway from Figure 2, should be that your communications objectives can be highly specific and can address any aspect of service consumer behaviour. For example, in the prepurchase stage, how can communications be used, first is to trigger a need then get a service into the evoked and then into the consideration set. So, this is the process, it has to move from the evoked to the consideration set, reduction in the perceived risk and shape multi-attribute model type processing.

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During the service encounter stage, how can communications be employed to, first shape performance perceptions, help customers move effectively through the service encounter, shape quality perceptions. So, we are to shape performance perceptions as well as quality perceptions.

Teach service roles and scripts and inject perceived control into the service encounter. So, this encounter stage is very important and we have to shape the performance perceptions, the quality perceptions and help customers to move to through this encounter. And teach service roles and scripts and also inject perceived control into the service encounter.

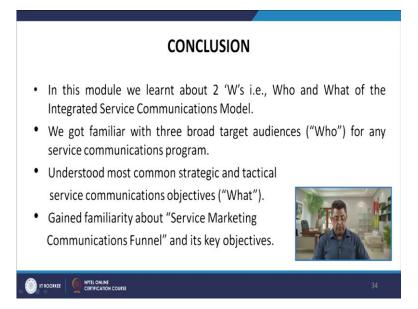
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And finally, how can communications be used in the post-encounter stage. One, to shape customer satisfaction and service quality evaluation, second entourage word-of- mouth that normally we will keep on referring to as WOM, and then generate referrals, repurchase, and loyalty.

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To conclude, in this module we learn about the two Ws, so there are these five Ws. In this module, we have talked about these two Ws Who and What of the Integrated Service Communication Model. So, in this Integrated Service Communication Model, there are five Ws we have talked about the first two Ws Who and What. So, we got familiar with three broad target audiences Who for any service communication program and then we have understood the most common strategic and tactical service communications objectives What.

So, we have talked about this the target audience that is Who and some most common strategic and tactical service communication objectives that is What. So, Who and What all these five Ws gained familiarity about Service Marketing Communications Funnel and its key objectives. So, in this course Service Marketing Communications Funnel is an important concept and we have learned about the Service Marketing Communication Funnel and what are the key objectives of this Funnel.

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These are the three books, from which the material for this module was taken, thank you.