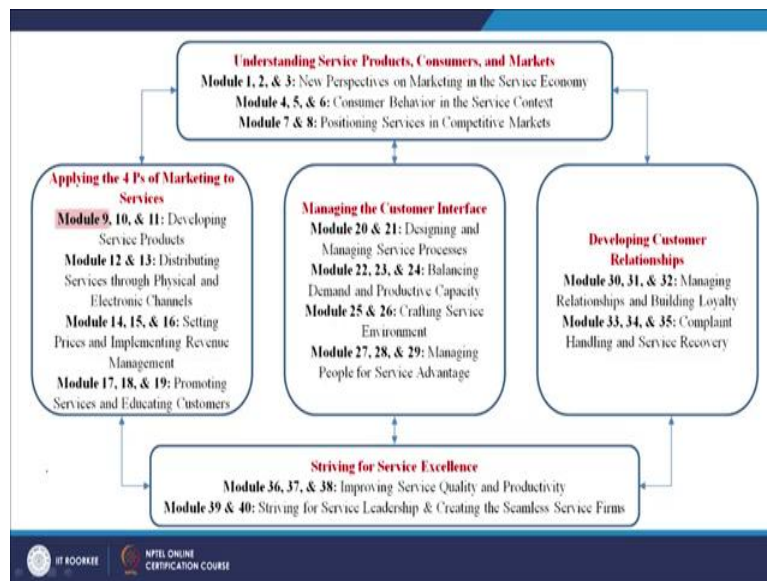


Services Marketing: Integrating People, Technology, Strategy
Professor Zillur Rahman
Department of Management Studies
Indian Institute of Technology, Roorkee
Lecture 09
Developing Service Products Part I

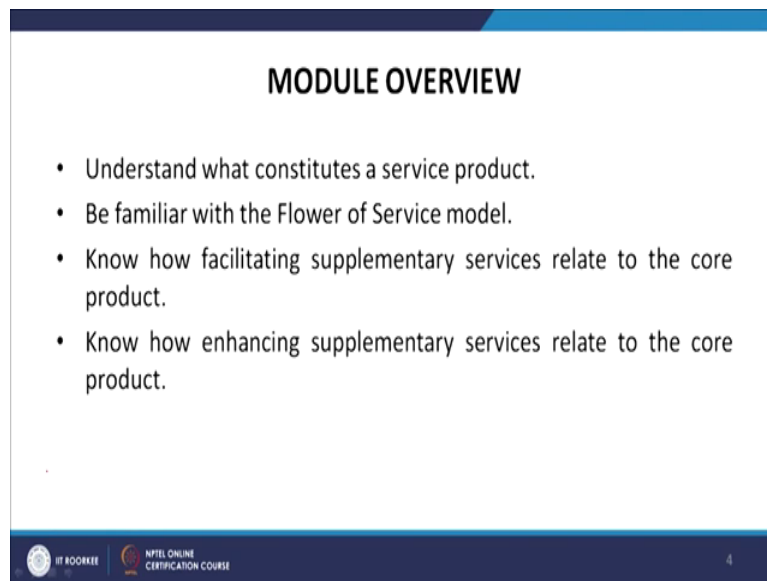
Welcome to this course on Services Marketing. And today we will discuss module 9. In the first 8 module, we have talked about how to go about understanding service products, the consumers and the market.

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In this second section, which covers module from 9 to 19, we will be talking about how to apply the four Ps of marketing to services. So, let us start with module 9. And module 9, 10 and 11 are dedicated to Developing Service Products.

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MODULE OVERVIEW

- Understand what constitutes a service product.
- Be familiar with the Flower of Service model.
- Know how facilitating supplementary services relate to the core product.
- Know how enhancing supplementary services relate to the core product.

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So, in this module 9, we will try to understand what constitutes a service product, and then we will talk about an important model that is called as Flower of Service model, and understand facilitating supplementary services relating to the core product. And then there is another type of supplementary service that is called as enhancing supplementary services, again which relates to the core products. So, there are two types of supplementary services that relate to the core product, the one is facilitating, another is enhancing.

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CREATING SERVICE PRODUCTS

- In recent years, more and more service firms have started talking about their **products** - a term previously largely associated with **manufactured goods**.
- What is the distinction?
- A *product* implies a defined and consistent “bundle of output” as well as the ability to differentiate one bundle of output from another.
- In a manufacturing context, the concept is easy to understand and visualize.



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Now, let us start with the understanding of how to go about creating a service product. In recent years, more and more service firms have started talking about the product. A term that

was previously largely associated with manufactured goods. So, where does that distinction lie? What is the difference? A product implies a defined and consistent bundle of output as well as the ability to differentiate one bundle of output from another. In a manufacturing context, the concept is easy to understand and visualize.

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CREATING SERVICE PRODUCTS

- Service firms differentiate their products using the various “models” offered by manufacturers.
- Providers of more **tangible service** like fast-food restaurants display a menu of their products, which are, of course, highly tangible.
- If you are a burger connoisseur, you can easily distinguish Burger King’s Whopper from its Whopper with Cheese, or from McDonald’s Chicken Maharaja Mac.



  6

But in services it is slightly more difficult to visualize what is a service product. So, services firm differentiate their products using the various models offered by the manufacturers. Provider of more tangible services like fast-food restaurants, display a menu of their product, which are of course highly tangible. If you are a Burger King, burger connoisseur, you can easily distinguish Burger King’s Whopper from its Whopper with Cheese, or from McDonald’s Chicken Maharaja Mac.

(Refer Slide Time: 02:41)



So, now this is how the differentiation happens. On the left-hand side, we have a veg whopper, a special creation for vegetarians. Dig into our signature style, crispy patty, served in a toasted bun, with tangy pickles, fresh veggies, mayo and ketchup. So, it is definitely bigger than a burger. On the right, we have this veg cheese explode whopper.

This comes from McDonald. And the reference for these two pictures are given below.

One is from the Burger King another is from McDonald.

(Refer Slide Time: 03:24)



CREATING SERVICE PRODUCTS

- Providers of more **intangible services**, also offer various “models” of products, representing an assembly of carefully prescribed value-added supplementary services built around a core product.
- For instance,
 - credit card companies develop different cards that each comes with a distinct bundle of benefits and fees;
 - insurance companies offer different types of policies
 - universities offer different degree programs, each composed of a mix of required and elective courses.

IT KOOBEE NPTEL ONLINE CERTIFICATION COURSE 9

So, providers of more intangible services also offer various models of products, representing an assembly of carefully prescribed value added supplementary services built around a core product. So, the core product maybe a service. Then, there are some supplementary services that are built around that core product or service.

For instance, credit card companies develop different cards that each comes with a distinct bundle of benefits and fees. So, obviously all of us or many of us own a credit card and all, there are different types of credit cards, and there are different benefits that comes with each credit card, and there are different fees that we have to pay for different types of credit cards. Insurance companies offer different types of policies. Universities offer different degree programs, each composed of a mix of required and elective courses.

(Refer Slide Time: 04:20)

The slide contains a bulleted list of points. The first point is underlined and has a handwritten note. The second point has a sub-list with two items. The third point is a general statement. The footer includes logos for IIT Kharagpur and NPTEL Online Certification Course, along with the slide number 10.

- The objective of product development is to design bundles of output that are distinct and can be easily differentiated from another. *bundle of output*
- All service organisations have to take decisions regarding:
 - I. Types of products to offer and
 - II. How to deliver them to customers.
- To better understand the nature of services, it's useful to distinguish between the core product and the supplementary elements that facilitate its use and enhance its value for customers.

IIT Kharagpur NPTEL ONLINE CERTIFICATION COURSE 10

The objective of product development is to design bundles of output that is designed bundles of output, that are distinct and can be easily differentiated from another bundle of output. So, the objective of any kind of product development is to design bundle of output, with that are, that bundle is distinct and it can be differentiated from another bundle of output. Another bundle of output can be from the same organization or from a different organization. All service organizations have to take decisions regarding the type of product to offer and how to deliver them to customers.

(Refer Slide Time: 05:14)

The slide contains a bulleted list of points. The first point is underlined and has a handwritten note. The second point has a sub-list with two items. The third point is a general statement. The footer includes logos for IIT Kharagpur and NPTEL Online Certification Course, along with the slide number 10.

- The objective of product development is to design bundles of output that are distinct and can be easily differentiated from another. *bundle of output*
- All service organisations have to take decisions regarding:
 - I. Types of products to offer and]
 - II. How to deliver them to customers.]
- To better understand the nature of services, it's useful to distinguish between the core product and the supplementary elements that facilitate its use and enhance its value for customers.

IIT Kharagpur NPTEL ONLINE CERTIFICATION COURSE 10

So, there two important things, what are the products or services that they want to offer and how that is to be delivered. To better understand the nature of services, it is useful to distinguish between the core product and the supplementary elements that facilitates its use and enhance its value for the customer.

So, this maybe the core product and this maybe the supplementary services. So, in services it is always useful to understand what is the core product and the supplementary elements that will facilitate the use of this core product, and when the use is facilitated, the value for the customers may increase.

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The slide is titled "CREATING SERVICE PRODUCTS" and contains the following content:

- What do we mean by a service “product”?
A service product comprises of all the elements of the service performance, both physical and intangible, that create value for customers.
- How should we go about designing a service product?
 - Experienced service marketers recognize the need to take a holistic view of the entire performance that they want customers to experience.
 - The value proposition must address and integrate three components: Core Product, Supplementary Services and Delivery Processes

A small video inset shows a man speaking. The slide footer includes the IIT KOOBEE logo, NPTEL ONLINE CERTIFICATION COURSE text, and the number 11.

So, what do we mean by service product? A service product comprises of all the elements of the service performance, both physical and intangible. So, it comprises all elements of the service performance, that maybe tangible or intangible and that creates value for the customers.

How should we go about designing a service product? First is, experienced service marketers recognize the need to take a holistic view of the entire performance that they want customers to experience. So, we have to look at the whole of the experience that the company wants to deliver to the customer. The value proposition must address and integrate three components.

So, these are the three components of this value proposition that the service company should look at: the first is the core product, the second is the supplementary services, and the third is

the delivery process. So, these are the three things that becomes or constitutes a value proposition. The core product, the supplementary services, and the delivery process.

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THE COMPONENTS OF A SERVICE PRODUCT

I. Core Product

- ‘What’ the customer is fundamentally buying
- The core product is the main component that supplies the desired experience

II. Supplementary Services

- The core product is usually accompanied by a variety of other service-related activities referred as supplementary services
- Supplementary services augment the core product, both facilitating its use and enhancing its value

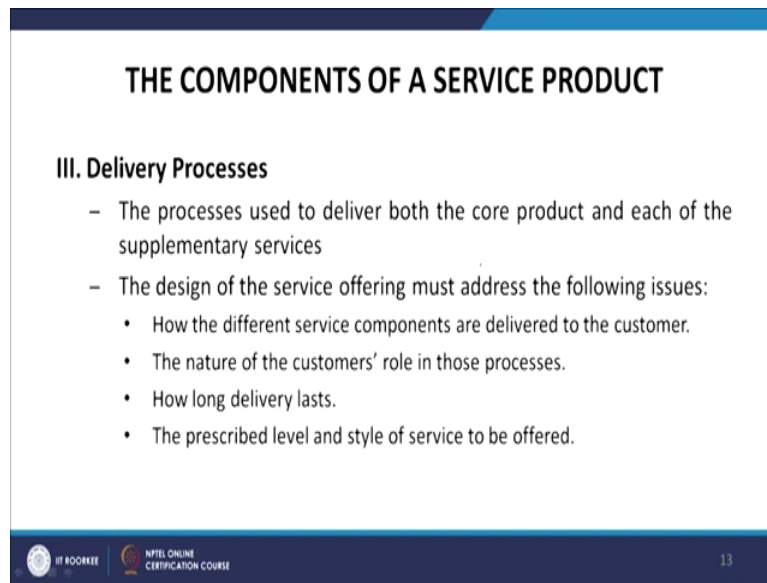
IF ADOORKEE NPTEL ONLINE CERTIFICATION COURSE 12

What is the core product? So, what the customer is fundamentally buying? The core product is the main component that supplies the desired experience. So, that is the main component. The bundle of benefits that supplies the desired experience.

What are supplementary services? The core product is usually accompanied by a variety of other service related activities referred as supplementary services. So, there is a core product and there is a variety of other services which are associated with this product which are called as supplementary services.

So, supplementary services they augment the core product, both facilitating its use and enhancing its value. So, these services they are supposed to facilitate the use of this core product and enhance the value, its value for the customers.

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THE COMPONENTS OF A SERVICE PRODUCT

III. Delivery Processes

- The processes used to deliver both the core product and each of the supplementary services
- The design of the service offering must address the following issues:
 - How the different service components are delivered to the customer.
 - The nature of the customers' role in those processes.
 - How long delivery lasts.
 - The prescribed level and style of service to be offered.

IT 4008008 NPTEL ONLINE CERTIFICATION COURSE 13

The third component of a service product, so there are three components of a service product, one is the core product itself, supplementary services and the delivery process. Now, let us look at the third component the delivery process. The processes used to deliver both the core product and each of the supplementary services. So, now the core product and the supplementary services, the processes that go into delivery of the core product and supplementary services, they constitute the delivery processes.

The design of the service offering must address the following issues: the first is, how the different service components are delivered to the customer; the nature of the customers role in those processes; how long delivery lasts; and the prescribed level and style of service to be offered.

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SERVICE OFFERING FOR AN OVERNIGHT STAY AT A LUXURY HOTEL

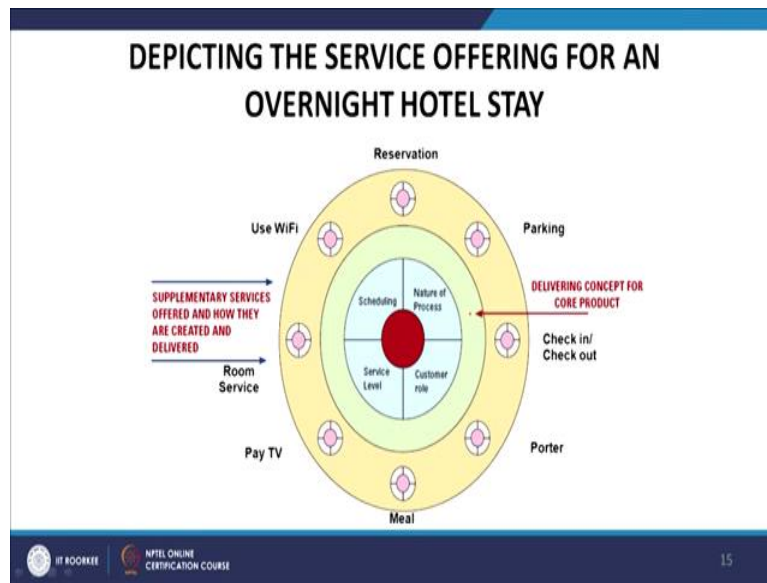
- The core product is overnight rental of a bedroom.
- It is dimensioned by:
 - service level,
 - scheduling (how long the room may be used before another payment becomes due),
 - the nature of the process (in this instance, people processing), and
 - the role of customers (in terms of what they are expected to do themselves and what the hotel will do for them, such as making the bed, supplying bathroom towels, and cleaning the room).

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The core product is, let us look at the service offering from an overnight stay at a luxury hotel. What is the core product in this? The core product is overnight rental of a bedroom. And it is dimensioned by, one, service levels; second is scheduling, how long the room maybe used before another payment becomes due. The nature of the processes, in this instance, people processing and the role of customers, in terms of what they are expected to do themselves and what the hotel will do for them. Such as making the bed, supplying bathroom towels and cleaning the rooms.

So, when we are looking of the service offerings for an overnight stay in a hotel room, we are not talking of a brand here, we are talking of a generic hotel room for a overnight stay in a luxury hotel. So, obviously the core product is the overnight rental that we pay for this bedroom and it is dimensioned by the service levels and the scheduling, the nature of processes and the role the customers are expected to play.

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Now this is, let us look at how we depict the service offerings for an overnight hotel stay. So, this is, this arrow, it says delivering concept for core product. Then customer checks in and there is a porter, parking and reservation and WiFi and on the other hand there is a porter meal, and Pay TV and room service. So, these are supplementary services offered and how they are created and delivered. These are the various services that are being offered.

Then there is the nature of process, the customer role, the service levels and scheduling. So, this is the depiction of service offering for an overnight hotel stay. And then you can include number of other things also in this.

(Refer Slide Time: 10:25)

BE FAMILIAR WITH THE FLOWER OF SERVICE MODEL

- The Flower of Service consists of the core service and a range of supplementary services.
- Almost all of the supplementary services can be classified into one of the following eight clusters, which are identified as either facilitating or enhancing.

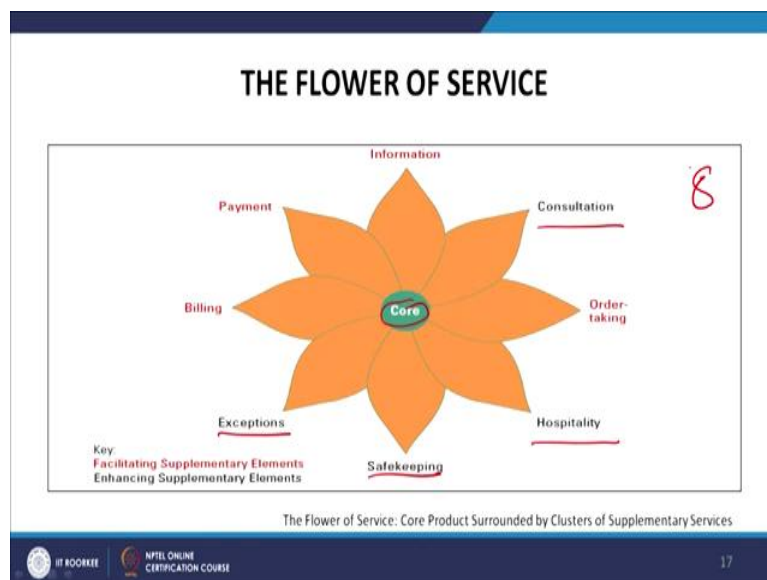
Facilitating Services	Enhancing Services
• Information	• Consultation
• Order-taking	• Hospitality
• Billing	• Safekeeping
• Payment	• Exceptions

IT KOOBEE NPTEL ONLINE CERTIFICATION COURSE 16

Now, let us make ourselves familiar with the Flower of Service model. So, the Flower of Service consists of a core service and a range of supplementary services. Range of supplementary services, so there is a core service and there is a range of supplementary services. Almost all the supplementary services can be classified into one of the following eight clusters, which are identified as either facilitating or enhancing.

So, as we have seen earlier, so there are two types of supplementary services, one is facilitating, another is enhancing. So, these two type of services they come in eight clusters. So, facilitating services may include information, order-taking, billing and payment. Enhancing services includes consultations, hospitality, safekeeping and exceptions.

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- Think about your own experiences as a customer (individual or organizational purchase).

- If dissatisfied, fault was with the core or petals?

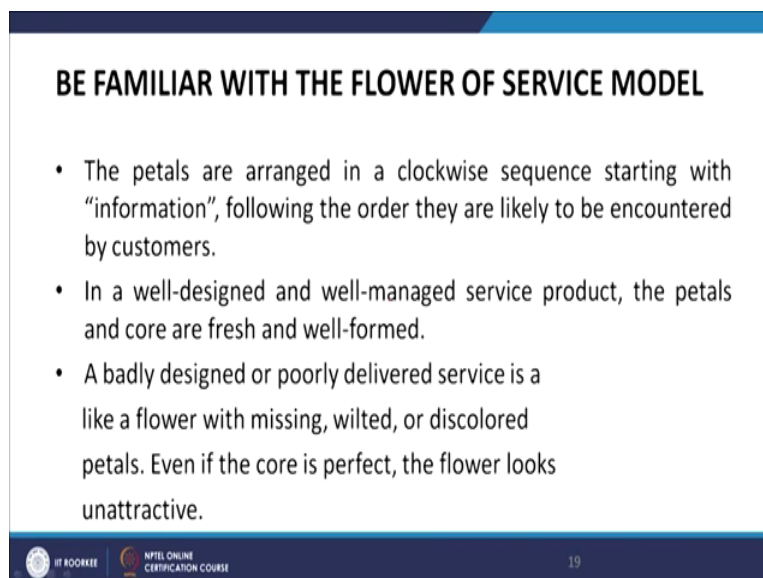
This is the Flower of Service. In between is the core product and it is surrounded by cluster of supplementary services, and these are the eight type of supplementary services. So, we have consultation and order-taking and hospitality and safekeeping, exceptions, billing, payment and information.

Now, keep in mind that those services which are mentioned in red, they are facilitating supplementary services, those services which are given in black they are enhancing supplementary elements. And these are the eight elements of supplementary services that we have seen in this slide, slide number 16.

Think about your own experience as a customer, individual or organizational purchase. If you are dissatisfied, fault was with core or the petals.

So, now this gives you lot of information about where does the problem lie. What made you dissatisfied? Was the problem in the core product, core service product itself or the supplementary services. Supplementary services can either be facilitating or enhancing.

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BE FAMILIAR WITH THE FLOWER OF SERVICE MODEL

- The petals are arranged in a clockwise sequence starting with “information”, following the order they are likely to be encountered by customers.
- In a well-designed and well-managed service product, the petals and core are fresh and well-formed.
- A badly designed or poorly delivered service is a like a flower with missing, wilted, or discolored petals. Even if the core is perfect, the flower looks unattractive.

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So, the petals are arranged in a clockwise sequence starting with information, following the order that are likely to be encountered by a customer. In a well-designed and well-managed service product, the petals and core are fresh and well-formed. A badly designed or poorly delivered service is like a flower with missing, wilted or discolored petals. Even if the core is perfect, the flower looks unattractive. So, in order to make this whole of this flower attractive, the core and the petals should look fresh.

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**FACILITATING SUPPLEMENTARY SERVICES:
INFORMATION**

To obtain full value from any good or service, customers need relevant **information**.

Information includes the following:

- Direction to service site
- Schedules/service hours
- Price information
- Terms and conditions of sale/service
- Advice on how to get the most value from a service




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Let us look at the facilitating supplementary services, the first of which is information. To obtain full value from any good or service, customer need relevant information and this may include, directions to the service site, how to reach those service site, schedules and service hours, what time they will be open, what time they are open for the customers, the price information, the terms and conditions of sales and service, advice on how to get the most value from a service.

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**FACILITATING SUPPLEMENTARY SERVICES:
INFORMATION**

- Warnings and advice on how to avoid problems
- Confirmation of reservations
- Receipts and tickets
- Notification of changes
- Summaries of account activities




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Warnings and advice on how to avoid problems, confirmation of reservations, receipt and tickets, notification of changes and summary of account activities. So, these are several activities that form the first facilitating supplementary service that is information.

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FACILITATING SUPPLEMENTARY SERVICES: ORDER-TAKING

- Once customers are ready to buy, a key supplementary element comes into play — **order-taking**.
- Order-taking includes:
 - Order entry
 - On-site order entry
 - Mail/telephone/e-mail/online/mobile app order




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The second facilitating supplementary service is order-taking. So, once customer are ready to buy, a key supplementary element comes into play that is order-taking. So, that may include, on-site order entry, mail, telephone, email, online, mobile apps order.

(Refer Slide Time: 14:33)

FACILITATING SUPPLEMENTARY SERVICES: ORDER-TAKING

- Reservations or check-ins
 - Seats/tables/rooms
 - Vehicles or equipment rental
 - Professional appointment →
- Applications
 - Memberships in club/programs
 - Subscription services
 - Enrolment-based services



A professional Emcee/MC (Master of Ceremonies)

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The third is reservations or check-in. For example, reserving your seats and tables and rooms, vehicle or equipment rentals and professional appointment. So, this is the example of

professional Master of Ceremonies. Then comes applications that is membership and clubs or programs, subscription services and enrolment-based services.

(Refer Slide Time: 15:02)

FACILITATING SUPPLEMENTARY SERVICES: BILLING

Billing is common to almost all services (unless the service is provided free-of-charge).

- Billing can be:
 - Periodic statements of account activity.
 - Invoices for individual transactions.
 - Verbal statements of amount due.
 - Online or machine display of amount due for self-payment transactions.

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Next of the facilitating supplementary service is billing. Billing is common to almost all services, unless the service is provided free of charge. So, billing can be periodic statements of account activity, invoices for individual transactions, verbal statements of amount that is due, online or machine display of amount due for self-payment transactions.

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FACILITATING SUPPLEMENTARY SERVICES: BILLING

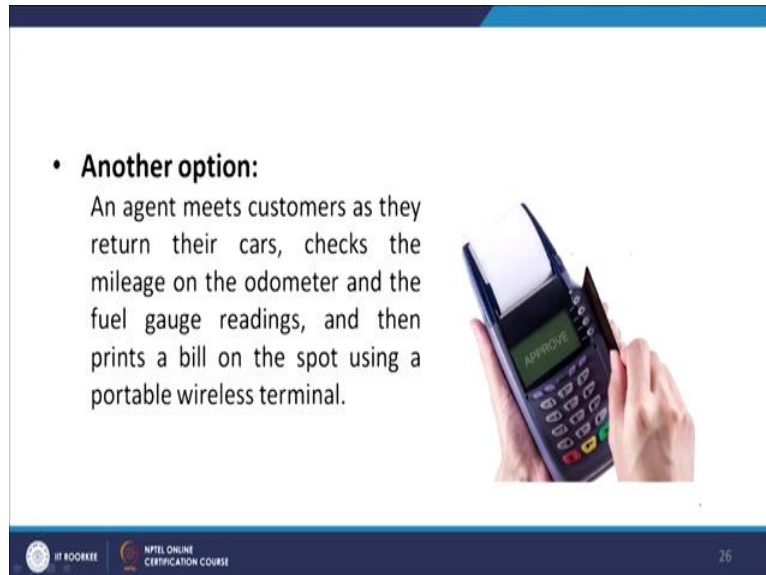
- Inaccurate, illegible, or incomplete bills risk disappointing customers.
- If customers are already dissatisfied, the billing mistake may make them even angrier.
- Billing should also be timely, because it encourages people to make faster payment.
- Self-billing (e.g., e-tailers)
 - It can be a simplest approach.
 - Customer tallies up the amount and authorizes a card payment.

IF ADOORKEE NPTEL ONLINE CERTIFICATION COURSE 25


Inaccurate, ineligible or incomplete bills risk disappointing customers. So, if customers are already dissatisfied, the billing mistakes may make them even angrier. Billing should also be

timely because it encourages people to make faster payment. Then there are self-billing for example in e-tailers, it can be a simplest approach, customer tallies up the amount and authorizes a card payment.

(Refer Slide Time: 16:01)



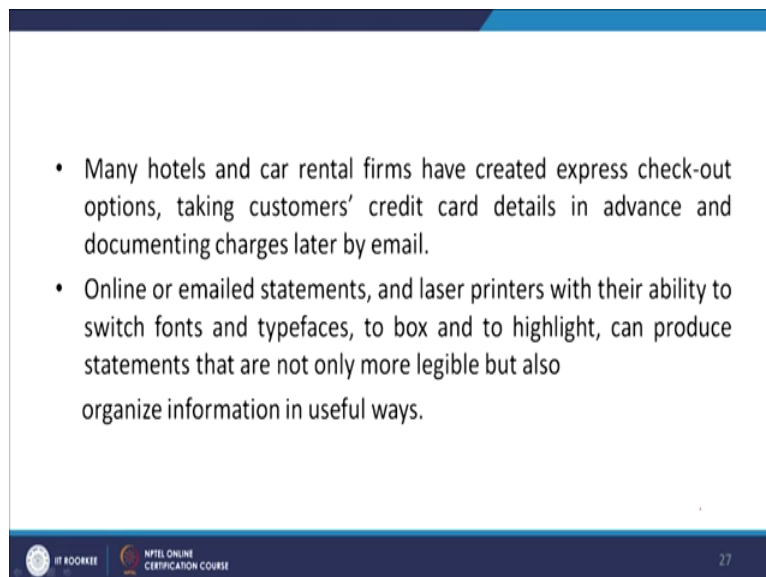
• **Another option:**
An agent meets customers as they return their cars, checks the mileage on the odometer and the fuel gauge readings, and then prints a bill on the spot using a portable wireless terminal.



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Another option, an agent meets customers as they return to their cars, checks the mileage on the odometer and the fuel gauge readings and then prints a bill on the spot using a portable WiFi terminal.

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- Many hotels and car rental firms have created express check-out options, taking customers' credit card details in advance and documenting charges later by email.
- Online or emailed statements, and laser printers with their ability to switch fonts and typefaces, to box and to highlight, can produce statements that are not only more legible but also organize information in useful ways.

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Many hotels and car rental firms have created express checkout options in taking customers credit card details in advance and documenting charges later by email. Online or emailed

statements and laser printers with their ability to switch fonts and typefaces to bold and to highlight can produce statements that are not only more legible but also organize information in useful ways.

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FACILITATING SUPPLEMENTARY SERVICES: PAYMENT

A variety of *payment* options exist

- I. Self-service
 - Inserting card, cash or token into machine



The image shows a woman in a black sleeveless top interacting with an ATM machine. She is smiling and looking at the screen. The machine is white with a red stripe and has a keypad and a card slot.


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Another type of facilitating supplementary service is the payment. Then there are a variety of payment options that may exist. First is self-service, inserting a card, cash or token into this machine. So, this is ATM type of machine.

(Refer Slide Time: 17:04)

FACILITATING SUPPLEMENTARY SERVICES: BILLING

- Electronic funds transfer
- Mailing a check
- Entering credit card information online
- Online payment systems such as PayPal,
- Google Wallet



The image shows the GPay logo, which consists of the word 'GPay' in a stylized font. The 'G' is multi-colored (red, yellow, green, blue) and the 'Pay' is black. The logo is enclosed in a red hand-drawn square border.

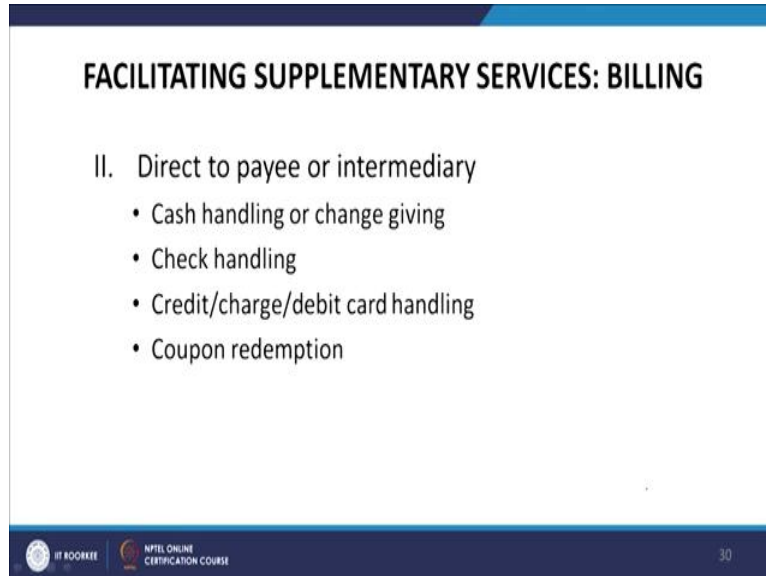
Source: https://pay.google.com/intl/en_in/about/ accessed on 29/07/2019

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Then there can be electronic fund transfers, mailing a check, entering credit card information online, online payment systems such as PayPal or Google Wallet. So, this is the, GPay, many

of us are using it, so it has made our life as consumers easy because it is very easy to transfer money on GPay, Google Pay.

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FACILITATING SUPPLEMENTARY SERVICES: BILLING

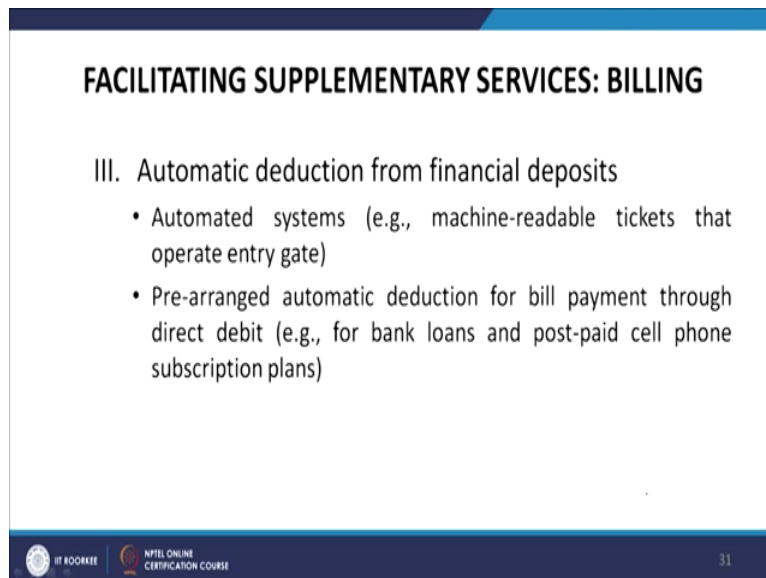
II. Direct to payee or intermediary

- Cash handling or change giving
- Check handling
- Credit/charge/debit card handling
- Coupon redemption

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Another way of billing is direct to payee or intermediary. Cash handling or change giving, check handling, credit charge, debit card handling and coupon redemption.

(Refer Slide Time: 17:45)



FACILITATING SUPPLEMENTARY SERVICES: BILLING

III. Automatic deduction from financial deposits

- Automated systems (e.g., machine-readable tickets that operate entry gate)
- Pre-arranged automatic deduction for bill payment through direct debit (e.g., for bank loans and post-paid cell phone subscription plans)

IT KOOBEE NPTEL ONLINE CERTIFICATION COURSE 31


The third type of billing can be automated deduction from your financial deposits. So, there are, on your bank account, you can make a standing instructions that will reduce your time and effort in making payment every time. So, several of us may give standing instructions on our, to the bank to make credit card payments every month or every two months.

So, automated systems, for example, machine-readable tickets that operate entry gates. Pre-arranged automated deduction for bill payment through direct debit, for bank loans and postpaid cell phones subscription plans. And your dish TVs and direct-to-home televisions et cetera, et cetera.

(Refer Slide Time: 18:28)

**ENHANCING SUPPLEMENTARY SERVICES:
CONSULTATION**

- It involves a dialog to probe for customer requirements and then develop a tailored solution.
- At its simplest, consultation consists of advice from a knowledgeable service person in response to the request: "What do you suggest?"
- For example, you might ask your hairstylist for advice on different hairstyles and products.



IT KOOBEE | NPTEL ONLINE CERTIFICATION COURSE 32

Now, comes consultation. It involves a dialog to probe for customer requirements and then develop a tailored solution. At its simplest, consultation consist of advice from a knowledgeable service person in response to the request, what do you suggest. For example, you might ask your hairstylist for advice on different hairstyles and the products.

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**ENHANCING SUPPLEMENTARY SERVICES:
CONSULTATION**

Examples of consultation includes:

- Customized advice
- Personal counseling →
- Tutoring/training in service use
- Management or technical consulting



An auditor provides a human touch during the process of consultation


IT KOOBEE | NPTEL ONLINE CERTIFICATION COURSE 33

Examples of consultation includes, customized advices, personal counseling, so this an example of personal counseling, an auditor provide a human touch during the process of consultation. Tutoring, training in service use and management or technical consulting.

(Refer Slide Time: 19:15)

ENHANCING SUPPLEMENTARY SERVICES: CONSULTATION

- **Counselling**
- Represents a more subtle approach to consultation because it involves helping customers to better understand their situations so they can come up with their “own” solutions and action programs.
- This approach can be a particularly valuable supplement to services such as health treatments, in which part of the challenge is to get customers to make significant lifestyle changes and live healthily.



IFT ROORKEE NPTEL ONLINE CERTIFICATION COURSE 34

Another component of consultation is counselling. It represents a more subtle approach to consultation because it involves helping customers to better understand their situations, so they can come up with their own solutions and action programs. This approach can be particularly valuable supplement to services, such as health treatment in which, part of the challenge is to get customers to make significant lifestyle changes and live healthily.

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ENHANCING SUPPLEMENTARY SERVICES: CONSULTATION



www.CartoonStock.com


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So, this is a cartoon, this is a picture from cartoon stock dot com. So, when I suggest you exercise to slim down, I meant all of you. So, it is not about only hands or leg but it is about the whole of it, so this is a cartoon relating to that.

(Refer Slide Time: 20:03)

**ENHANCING SUPPLEMENTARY SERVICES:
CONSULTATION**

- More formalized efforts to provide management and technical consulting for corporate customers include “solution selling” for expensive industrial equipment and services.
- The sales engineer researches a customer’s situation and then offers advice about what particular package of equipment and systems will yield the best results.
- Advice can be free-of-charge and sometimes paid.
- Different forms: Tutorials, group training programs, and public demonstrations.




 IIT ROORKEE  NPTEL ONLINE CERTIFICATION COURSE 36

More formalized efforts to provide management and technical consulting for corporate customers include, solution selling for expensive industrial equipment and services. The sales engineers they research a customer’s situation and then offer advice about what particular package or equipment and system will yield the best results. Advice can be free-of-charge and it may sometimes be paid. Different forms include tutorials, group training programs and public demonstrations.

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ENHANCING SUPPLEMENTARY SERVICES: HOSPITALITY

- Reflect pleasure at meeting new customers and greeting old ones when they return.
- Well-managed businesses try to ensure that their employees treat customers as guests.
- Courtesy and consideration for customers' needs apply to both face-to-face encounters and telephone interactions.



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The next element in this series is hospitality. It reflects pleasure at meeting new customers and meeting old ones when they return. So, now you see that the meaning of hospitality is that the service providers, the employees they have to reflect pleasure as they meet new customers and when they greet the old one who are coming back. Well-managed businesses try to ensure that their employees treat customers as guest, whether they are new customers or returning customers, they are treated as guest.

Courtesy and consideration for customer needs apply to both face-to-face encounters and telephone interaction. So, this treating customer as guest is not only when customers and employees they come face-to-face, but it is also possible when there is a telephone interaction.

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ENHANCING SUPPLEMENTARY SERVICES: HOSPITALITY

- Hospitality elements include:
 - Greeting
 - Food and beverages
 - Toilets and washrooms
 - Waiting facilities and amenities
 - Lounges, waiting areas, seating
 - Weather protection
 - Magazines, entertainment, newspapers
 - Transport



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So, that includes, so hospitality includes, greeting the customers, food and beverages, toilets and washrooms, waiting facilities and amenities, including lounges, waiting areas and seating areas, weather protection, air conditioners and air coolers and air heaters, magazines, entertainment and newspapers. So, when the customers, they are waiting, they do not, the time they have something to do while the time they are waiting for and then transport.

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ENHANCING SUPPLEMENTARY SERVICES: HOSPITALITY

- For example, shoppers at retailers such as Abercrombie & Fitch, a global clothing retailer, are given a welcoming “hello” and “thank you” when they enter and leave the store, even if they did not buy anything.
- The quality of hospitality determine customer satisfaction.
- Especially true for people-processing services, because one cannot easily leave the service facility until the delivery of the core service is completed.
- Private hospitals offer room service that might be expected to a good hotel. This includes provision of quality meals.

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For example, shoppers at retailer such as Abercrombie & Fitch, a global clothing retailer, are given a welcoming hello and thank you when they enter and leave the store, even if they do not buy anything. The quality of hospitality determines customer satisfaction. Especially true

for people processing services, because one cannot easily leave the service facility until the delivery of core service is complete. Private hospitals offer room service that might be expected to a good hotel. This includes provisions of quality meals.

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ENHANCING SUPPLEMENTARY SERVICES: HOSPITALITY



[Room service at Apollo hospitals](https://bangalore.apollohospitals.com/bannerghattaroad/international-patients/facilities/)
<https://bangalore.apollohospitals.com/bannerghattaroad/international-patients/facilities/>
accessed on 28-07-2019

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Now, these are the room service at Apollo hospitals and this picture has been taken from this source. So, you see that there is little difference between a hotel or a hospital. So, this is what hospitality is about.

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ENHANCING SUPPLEMENTARY SERVICES: SAFEKEEPING

- **Safekeeping**
- Assistance with safekeeping customers' personal possessions.
- Some customers may not visit at all unless certain safekeeping services are provided (such as safe and convenient parking for their cars).
 - Parking for vehicles, valet parking



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Now, let us talk of safekeeping. Assistance with safekeeping customer's personal possessions. Some customers may not visit at all unless certain safekeeping services are

provided, such as a safe and a convenient parking for their cars. So, several times, there are safes provided in the room itself so that customers can keep their expensive belonging in that safe. So, parking of, and then the parking should be safe enough. So, parking of vehicles and there should be valet parking.

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**ENHANCING SUPPLEMENTARY SERVICES:
SAFEKEEPING**

- Child care, Pet care
- Coat rooms
- Baggage handling
- Storage space
- Safe deposit boxes
- Security personnel





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Child care and pet care, so this is, so now you see that we are talking about come in we are open. So, they are also open to pets. So, it is about child care and not only that, it is also about pet care. Coat rooms where people can hang their coats, baggage handling, storage spaces, safe deposit boxes and security personnel. Security not only within the room but outside the room and in the lawns and at the swimming pool and at the restaurants and various other facilities that are there in a luxury hotel.

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**ENHANCING SUPPLEMENTARY SERVICES:
SAFEKEEPING**

- Additional safekeeping services may involve physical products that customers buy or rent.
- They may include packaging, pick-up and delivery, assembly, installation, cleaning, and inspection.
- These services may be offered free or for an additional fee.

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Additional safekeeping services may involve physical products that customers buy or rent. They may include packaging, pick-up and delivery, assembly, installation, cleaning and inspection. These services may be offered free or for an additional fee.


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ENHANCING SUPPLEMENTARY SERVICES: EXCEPTIONS

Exceptions
Supplementary services that fall outside the routine of normal service delivery.
Astute businesses anticipate such exceptions and develop contingency plans and guidelines in advance.

Several types of exceptions are:

1. Special requests
2. Problem-solving
3. Handling of complaints/suggestions/compliments
4. Restitution

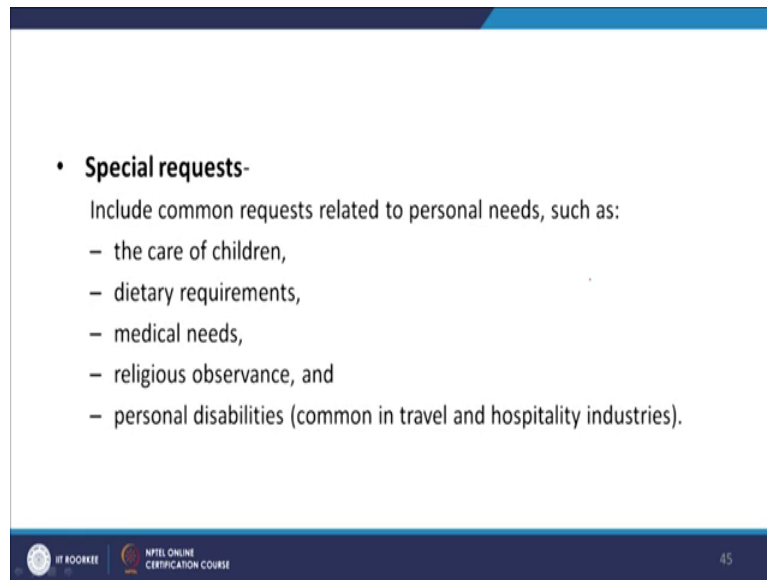


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Then comes exceptions. Supplementary services that fall outside the routine of normal service delivery. Supplementary services that fall outside the routine of normal service delivery. So, some customers they want something different. So, astute businesses anticipate such exceptions and develop contingency plans and guidelines in advance.

So, what if a customer wants something which is not normal, which does not fall in the routine of normal services, then what? So, there is a contingency plan for several, that several businesses they come up with to what to do in such kind of situation. So, there are several types of exceptions. One is special request, problem-solving, handling of complaints, suggestion, compliments and restitution.

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• **Special requests-**
Include common requests related to personal needs, such as:

- the care of children,
- dietary requirements,
- medical needs,
- religious observance, and
- personal disabilities (common in travel and hospitality industries).

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They may also include related to personal need such as the care of children, the dietary requirement, the medical needs, religious observance and personal disabilities common in travel and hospitality industries.

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ENHANCING SUPPLEMENTARY SERVICES: EXCEPTIONS

- **Problem-solving**
Sometimes normal service delivery (or product performance) fails to run smoothly as a result of accident, delay, equipment failure, or a customer having difficulty in using a product.
- **Handling of complaints/suggestions/compliments**
 - It requires well-defined procedures.
 - It should be easier for customers to express dissatisfaction, offer suggestions for improvement, or pass on compliments.
 - Service providers should be able to make an appropriate response quickly.

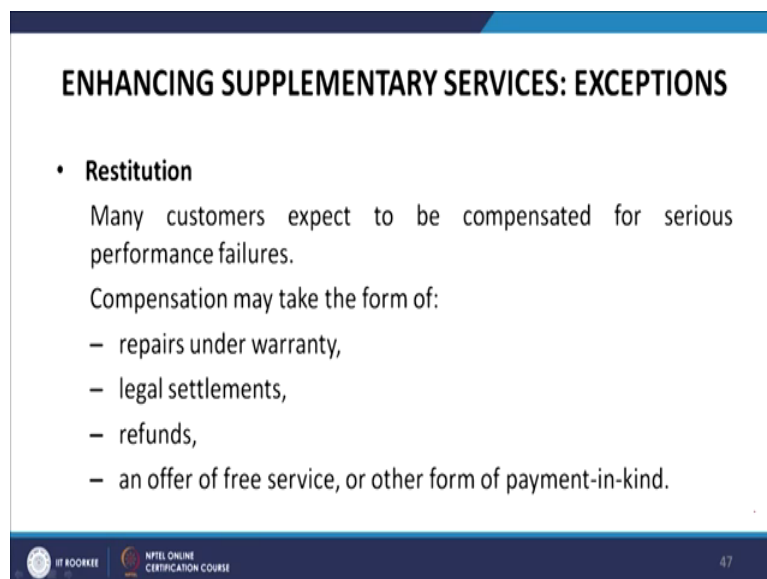
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Problem-solving means sometimes normal service delivery or product performance fails to run smoothly as a result of accident, delay, equipment failure or a customer having difficulty in using a product. So, in that case they may ask for the solving of this problem.

Handling of complaints, suggestions and compliments. It requires well-defined procedures. It should be easier for customers to express dissatisfaction, offer suggestions for improvement or pass on the compliment.

Service provider should be able to make an appropriate response quickly. So, in case of complaint, suggestion, it is very important that service providers they are able to make an appropriate response quickly. It is not only about appropriate response and it is not only about quickly, it is about both of them.

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ENHANCING SUPPLEMENTARY SERVICES: EXCEPTIONS

- **Restitution**
Many customers expect to be compensated for serious performance failures.
Compensation may take the form of:
 - repairs under warranty,
 - legal settlements,
 - refunds,
 - an offer of free service, or other form of payment-in-kind.

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Restitution. Many customers expect to be compensated for serious performance failure. So, compensation may take the form of repairs under warranty, legal settlements, refunds, an offer of free service or another form of payment-in-kind.

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CONCLUSION

- Product as a term was defined in the manufacturing as well as service context.
- Components of a typical service product were discussed i.e. core product, supplementary services and delivery processes.
- Finally, we discussed the “Flower of Service” model comprising facilitating services (information, order-taking, billing, payment) and enhancing services (consultation, hospitality, safekeeping, exceptions).

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So, to conclude, in this module we have seen that the product as a term was defined was earlier defined in a manufacturing context but now it is being in services context also. So, components of a typical service products were discussed, so that includes the core product, the supplementary services, and the delivery process. And then you also keep in the mind that supplementary services are again two types, facilitating and enhancing, and then the delivery process. So, these are the four things that we are concerned about.



And finally, we discussed the Flower of Service model comprising facilitating services. So, the components of typical service product were discussed, so one is the core product. Then there are two types of supplementary services that we have talked about, facilitating services and enhancing services, and then the delivery process. So, these are the four things, four important things that you have to keep in mind.

And then finally we discussed the Flower of Service model comprising facilitating services and they are information, order-taking, billing and payment. And enhancing services which includes consultations, hospitality, safekeeping and exceptions. So, these are the eight types of facilitating services. And we are worried, and we in services, we are worried about the core services, supplementary services and the delivery process.

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These are the three books from which the material for this module has been taken. Thank you.