



SNS COLLEGE OF ENGINEERING

Kurumbapalayam (Po), Coimbatore - 641 107

An Autonomous Institution

Accredited by NBA - AICTE and Accredited by NAAC - UGC with 'A' Grade

Approved by AICTE, New Delhi & Affiliated to Anna University, Chennai



DEPARTMENT OF MANAGEMENT STUDIES

COURSE NAME : 19BA403 SERVICE MARKETING

II YEAR /IV SEMESTER

Unit 1 - SERVICE MARKETING

Topic 1: SM - Introduction



WHAT IS SERVICE?

- In a literal sense a service does not involve the transfer of any tangible commodity.
- Services include a wide range varying from education, transportation, hospitality, finance, accounting, banking, insurance, taxation, consultancy, health care etc. These services are together called the services sector or the tertiary sector.





WHAT IS SERVICE?

- Service as an act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything.

- Philip Kotler



*Philip
Kotler*
*the father of
modern marketing*



GROWTH OF SERVICE

- Services constitute a very significant portion of the business market.
- It is the largest sector in most of the economies and it is the fastest growing sector in many of them.
- The developed economies are primarily service economies in the sense that the service sector generates bulk of the employment and income.





GROWTH OF SERVICE

- The contribution of services to GDP and employment is substantially high in, particularly, the developed economies.
- This sector is the **backbone of the Indian economy and contributing around 54.3% of the Indian GDP.**



NATURE OF SERVICE

- A pure tangible good, like screw or lubricant, with no service accompanying the product.
- A tangible good with accompanying service, like CNC lathe
- A hybrid, where the offer consists of more or less equal parts of goods and services such as – restaurants which are patronized both for their food and service.





NATURE OF SERVICE

- A major service with accompanying minor goods and services. For example, airline passengers are provided with some food and drinks etc., during the air travel.
- A pure service, like consultancy.

Job Consultancy





CHARACTERISTICS OF SERVICES

- Intangibility
- Perishability
- Inseparability
- Simultaneity
- Variability
- Ownership



CHARACTERISTICS OF SERVICES

Intangibility

- Services are intangible and therefore cannot be touched, handled, smelt or tasted (physical senses).
- This is because service itself is an activity. A service however, can be experienced.
- A service also gives a certain amount of satisfaction to the consumers.





CHARACTERISTICS OF SERVICES

Perish ability

- A service has to be consumed simultaneously with its production.
- A service cannot be stored like a tangible commodity.
- Services are perishable in terms of delivery and time.
- An empty seat on a plane never can be utilized and charged after departure. Revenue once lost is lost forever





CHARACTERISTICS OF SERVICES

Inseparability

- The service provider, the service itself and the service consumer are inseparable.
- Commodities once produced can be sold at a later point of time but in case of services it is not possible.
- Examples – In the cases of services of a doctor to his patient, teacher to his student, the simultaneous presence of both-the producer of the service and the consumer of the service at that point of time is absolutely necessary



CHARACTERISTICS OF SERVICES

Simultaneity:

- Services are generated and consumed during the same period of time.
- As soon as the service consumer has requested the service (delivery), the particular service must be generated from scratch without any delay.



CHARACTERISTICS OF SERVICES

Variability:

- Each service is unique. Services lack homogeneity. Example – a doctor treats two patients with similar ailments on the same day.
- The level of satisfaction in the minds of these patients after the treatment will never be the same.



CHARACTERISTICS OF SERVICES

Variability:

- The difference is caused by factors such as the mood of the doctor, the fatigue level of the doctor, the way the service is perceived by the individual patient etc.
- There will a difference in the service even if the same doctor treats the same patient on two different occasions





CHARACTERISTICS OF SERVICES

Ownership:

- No ownership is created in case of services. At the time of creating a service or delivering a service, the service provider does not own the service.
- He only owns the physical infrastructure necessary to create the service.
- Similarly at the time of consumption or after the consumption, the service consumer does not own the service. He only consumes the service





RECAP

QUESTIONS???

THANK YOU