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Concept of Services Marketing

The services are intangible, nor are they visible, felt or tasted but the services industry is omnipresent. The services are widely used in the medical field, retail sector, aviation(airline) sector, banking and insurance sector, information technology sector to name a few. In everyday life we all consume services. Travelling in Delhi Metro, in DTC, attending lectures, buying a book via internet and going into a canteen for a cup of tea are all examples of consumption of services. Service is not a thing but a process – ‘the process is the product’,¹ but at the same time services rely upon things for their performance. A bottle of Coke is not a service, but it can be served to you. A ride in Delhi Metro is a service, but not the metro itself. A service can be rightly called, “a deed, a performance, an effort.”² Services are different from products.

Service sector in India

The economy of India is the seventh-largest in the world by GDP and the third largest by purchasing power parity (PPP). The country is classified as a newly industrialised country, one of the G-20 major economies, a member of BRICS and a developing economy with average growth of 7% over the last two decades. Indian economy became the fastest growing major economy from the last quarter of 2014, replacing the People’s Republic of China. The Indian economy has the potential to become World’s 3-largest economy by the next decade. India has one of the fastest growing service sector in the world contributing to 57% GDP in 2012-13. The IT industry continues to be the largest private sector employer in India. The agriculture sector is the largest employer in Indian economy but it contributes to a declining share of GDP (17% in 2013-14). The Indian automobile industry is one of the largest in the world.

Definition of Services

The American Marketing Association has defined Services as “Activities, Benefits and satisfaction which are offered for sale or are provided in connection with the sale of goods”.

According to Philip Kotler, “ Services is any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything”.

Characteristics Of Services

1. Intangibility
2. Simultaneity
3. Heterogeneity
4. Perishability
5. Non-Ownership

1. Intangibility: A service can't be seen, touched, held, or put on a shelf, because it has no physical shape. No customer can buy physical ownership (Non-ownership) of an 'experience' (entertainment), 'time' (consulting), or 'a process' (dry cleaning). No service can be examined before its enactment because of intangibility. Examples of services include ticketing, babysitting, schooling, etc.

2. Simultaneity: In most of the cases production and consumption goes in simultaneously. A consumer has always to be present in the service factory, either the service provider comes to him (plumber) or he goes to service provider (hair salon). This simultaneity develops much more close contact with the customer. Thus, in-service production and consumption can't be separated.

3. Heterogeneity: No two services can be the same, because services depend to a large extent on human actions and interactions between customers and providers. Since production and consumption goes in simultaneously, there is no chance to rectify a faulty product before it reaches the customer. Thus, heterogeneity makes it difficult to standardise the quality of service.

4. Perishability: No services can be produced and stored before consumption, hence, they are perishable. Perishability is the main source of many of the problems of supply and demand that services marketers face. A scheduled flight if not filled with fliers goes in vain forever. Most of the service providers, therefore, focus their marketing mix on managing demand.

5. Non-Ownership: Customers cannot own the service they receive because ownership is not transferred from the buyer to the seller as it is with a product.

Types of Services

1. On the basis of Service operations to volume of customers: on this basis as Professional service (accountant- low volume), Service Shop (bank, hotel- medium), Mass Service (transport - high). **2. On the basis of level of tangibility:** The services may be identified on a goods-service continuum, tangible dominant to intangible dominant.

3. On the basis of customer – employee presence: There might be self-service (only customer-ATM, weighing machine on the railway station; interpersonal services (both customer – employer present – school, hair salon); remote services (employee only – insurance company).

4. On the basis of customisation/empowerment: It includes low customization and low empowerment of employees (Food retailing superstore); High customization but low empowerment (Telebanking); low customization and high empowerment (Radiology service); and high customization and high empowerment (Accountant).

5. On the basis of service delivery and processing focus: Processing focus may be body, mind, tangible assets, intangible assets; and delivery system may be one-to-one sequential, one-to –one, and one-to-many. To illustrate if the focus is on mind the delivery system would be Counselling (one-to-one sequential), video games in arcade (one-to-one) and classroom lecture (one-to-many).

Service Quality

Quality of service is always to be judged by what customers think. Following are the normal criteria to judge the quality of service:

1. **Reliability**: Is the service performed dependably and accurately? For example Indigo Air's flight go on time.
2. **Access**: Is the service accessible or delivered without little waiting? For example Hariyana Roadways buses are accessible to one and all.
3. **Security**: Is the service free from danger, risk or doubt? For example, Air India takes security measures to make its services secured.
4. **Credibility**: How trustworthy and honest does the service provider appear to be? For example, Indian Railways are trustworthy and honest to refund the money if a passenger is wait listed at the time of going of the train.
5. **Understanding the customer**: How much effort is made by service provider to understand customers' needs? Hindustan Unilevers Limited undertakes market surveys to understand the customer.
6. **Responsiveness**: How willing are service employees to help customers and to deal with their specific problems? Rajasthan Roadways at Jaipur provide information booth to provide information as to which bus is going where.
7. **Competence**: To what extent do employees possess the required skills and knowledge to perform the service? Is the Chartered Account a member of the Institute of Chartered Accountants of India?
8. **Courtesy**: Are staff polite and considerate to customers? Private sector is quite polite to customers.
9. **Tangibles**: How do physical facilities, equipment, personnel and communication materials look like? Are the waiters in proper and clean uniform?
10. **Communication**: How good the organisation is at communicating effectively? Rajasthan Roadways at Bikaner House, Delhi communicate effectively with the potential passengers.

Session II: Online Marketing And Social Media Marketing

Introduction:

The use of the Internet in India is growing rapidly. India currently has about 302 million internet users by December 2014, making it the third-largest user base in the world; the number of users is set to increase threefold by 2020, and this will make India the second-largest national group, just behind China.. The changing trend of using Information Communication Technology (ICT) by young and dynamic user population of India makes company's shift to online marketing platform. India's online marketing is growing and has a unique Indian flavour, making local content development and innovation particularly important.

Online marketing is the promotion of products or brands via one or more forms of electronic media. Online marketing is using of internet based channels to spread a message about a company's brand, products, or services to its potential customers. While digital marketing is an umbrella term for the marketing of products or services using digital technologies, mainly on the Internet, but also including mobile phones, display advertising, and any other digital medium

Online marketing differs from traditional marketing as it involves the use of channels and methods that enable an organization to analyze the marketing campaigns in real time environment. Traditional marketing uses mediums like print, billboard, television and radio advertisements while on line marketing uses online platforms like email, social media, display advertising, search engine optimization, and more. The widespread adoption of the Internet for business and personal use has generated many new channels for advertising and marketing engagement. Moving from traditional marketing to online marketing is another way to increase engagement. The main objective of marketing is to reach potential customers through the channels where they spend time reading, searching, shopping, or socializing online. E-mail, social media, display advertising, search engine optimization etc are latest techniques adopted for online marketing. There are also many benefits and challenges inherent with online marketing, which uses primarily digital mediums to attract, engage, and convert virtual visitors to customers.

Examples Of Online Marketing

Nowadays online marketing is becoming common and companies have started shifting to online.

Some examples of online marketing campaigns include:

Canon advertises for search keywords related to "photography" on Google, Yahoo, and Bing search engines to market their cameras to a relevant audience. Dove creates video advertisements and shares them with their audience on Facebook, Twitter, and other social networks to promote favorable conversation about their brand and products.

Whole Foods collects email addresses on their website to advertise new products, sales, and events in their stores.

Advantages Of Online Marketing 1.

Brand Awareness:

2. Measure Impact: A key benefit of using online channels for marketing a business or product is the ability to measure the impact of any given channel.
3. Acquiring Valuable Customers: it helps to find how visitors acquired through different channels interact with a website or landing page experience. Of the visitors that convert into paying customers, further analysis can be done to determine which channels are most effective at acquiring valuable customers.
4. Use of Analytics: Analytics on web or mobile app experiences can help determining which online marketing channels are the most cost-effective at acquiring customers.
5. Better medium: Through data we can get a quick view of which channels are effective at acquiring and driving higher lifetime value for customers as there are different mediums such as email marketing, online advertising, and mobile marketing, to find which drives repeat purchases to prior customers.
6. Customer Analysis: Helps to analyse group of customers that have strong engagement behavior and high potential for upsell for higher engagement.

Online Marketing Tools

There are a number of tools that can be used to build and maintain a online marketing program:

- Se
- Display Advertising
- Search Engine Marketing (SEM)
- Events, Webinars
- A/B Testing & Website Optimization
- Content Marketing
- Video Marketing

cial Media Marketing arch
Engine Optimization (SEO)
Although online marketing
creates many opportunities for

- Content Management System (CMS)
businesses to grow their
presence via the Internet and
build their audiences, there are
also inherent challenges with
these methods of marketing.

Disadvantages of Online Marketing

1. **Impersonal**: marketing can become impersonal, due to the virtual nature of message and content delivery to a desired audience.
2. **Competitive**: Online marketing can also be crowded and competitive. Although the opportunities to provide goods and services in both local and far-reaching markets is very high but still significant amount of competition exists.
3. **Catching Attention**: Companies investing in online marketing may find visitors' attention is difficult to capture due to the number of business also marketing their products and services online. Differentiating a product without touch and feel factor.

Social Media Marketing

Social media usage in India has increased in fast pasc, as number of internet users in India reached 302 million users by December 2014. India is a key market for social media giants — active social media users in India grew to around 106 million. Social media marketing is the use of social media platforms and websites to promote a product or service. Most of these social media platforms have their own built-in data analytics tools, which enable companies to track the progress, success, and engagement of ad campaigns. One of the main purposes of employing social media in marketing as a communication tool is that it makes the companies accessible to those interested in their product and makes them visible to those who have no knowledge of their products. These companies use social media to learn from and target customers. It's the only form of marketing that can help consumers at each and every stage of the consumer decision journey. Companies address a range stakeholders through social media marketing including current and potential customers, current and potential employees, journalists, bloggers, and the general public

Platforms for Social Media Marketing

1. **Facebook**: It is the most popular social media platform for brands to be present. They allow a product to provide videos, photos, and longer descriptions, and even testimonials. As of May 2015, 93% of businesses marketers use Facebook to promote their brand. Facebook 107 million male and 33 million female users **2.**
- Twitter**: it is the second most popular social media platform. It allows companies to promote their products in short messages known as tweets limited to 140 characters which appear on followers' Home timelines. Tweets can contain text, Hash tag, photo, video, Animated GIF, or links to the product's website and other social media profiles, etc. Twitter is also used by companies to provide customer service.
3. **LinkedIn**: It is, a professional business-related networking site, allows companies to create professional profiles for themselves as well as their business to network and meet others. Through the use of widgets, members can promote their various social networking activities, such as Twitter stream or blog

entries of their product pages, onto their LinkedIn profile page. LinkedIn provides its members the opportunity to generate sales leads and business partners. LinkedIn has 26.27 million male and 10.73 million female users in India.

4. **Google+:** Google+, in addition to providing pages and some features of Facebook, is also able to integrate with the Google search engine. Other Google products are also integrated, such as Google Adwords and Google Maps.

5. **Whatsapp:** - WhatsApp has joined Facebook in 2014, but continues to operate as a separate app with a laser focus on building a messaging service that works fast and reliably anywhere in the world. WhatsApp started as an alternative to SMS. WhatsApp now supports sending and receiving a variety of media including text, photos, videos, documents, and location, as well as voice calls. WhatsApp messages and calls are secured with end-to-end encryption, meaning that no third party including WhatsApp can read or listen to them. WhatsApp has a customer base of 1 billion people in over 180 countries.

6. **Foursquare:** Foursquare is a location-based social networking website, where users can check into locations via a Swarm app on their smart phones. Foursquare allows businesses to create a page or create a new/claim an existing venue.

7. **Instagram:** In May 2014, Instagram had over 200 million users. The user engagement rate of Instagram was 15 times higher than of Facebook and 25 times higher than that of Twitter.

Advantage of Social Media Marketing:

1. **Brand Awareness:** There are a number of ways brands can use online marketing to benefit their marketing efforts. The use of online marketing in the digital era not only allows brands to market their products and services and creates brand awareness. It also allows for online customer support through 24/7 services to make customer feel supported and valued.

2. **Feedback:** The use of social media interaction allows brands to receive both positive and negative feedback from their customers as well as determining what media platforms work well for them and has become an increased advantage for brands and businesses. It is now common for consumers to post feedback online through social media sources, blogs and websites feedback on their experience with a product or brand.

3. **Competitive advantage:** By using Internet platforms, businesses can create competitive advantage through various means. To reach the maximum potential of online marketing, firms use social media as its main tool to create a channel of information. Through this a business can create a system in which they are able to pinpoint behavioral patterns of clients and feedback on their needs.

4. **Impact:** Word of mouth communications and peer-to-peer dialogue often have a greater effect on customers, since they are not sent directly from the company and are therefore not planned. Customers are more likely to trust other customers' experiences. It is increasingly advantageous for companies to utilise social media platforms to connect with their customers and create these dialogues and discussions.