

P R I N C I P L E S O F
Marketing

Chapter Eight

Products, Services, and Brands: Building Customer Value



Services Marketing

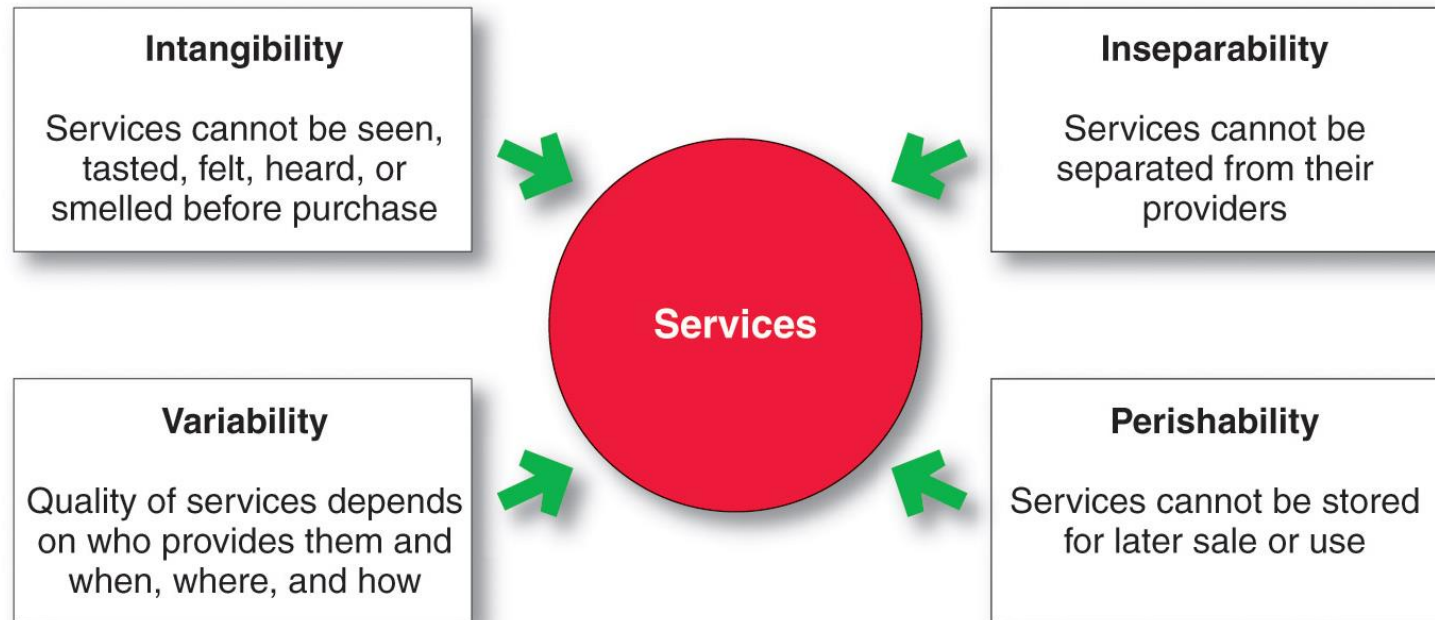
Types of Service Industries

- Government
- Private not-for-profit organizations
- Business services



Services Marketing

Nature and Characteristics of a Service



Services Marketing

Marketing Strategies for Service Firms



In addition to traditional marketing strategies, service firms often require additional strategies

- Service-profit chain
- Internal marketing
- Interactive marketing



Services Marketing

Marketing Strategies for Service Firms

Service-profit chain links service firm profits with employee and customer satisfaction

- Internal service quality
- Satisfied and productive service employees
- Greater service value
- Satisfied and loyal customers
- Healthy service profits and growth



Services Marketing

Marketing Strategies for Service Firms

Internal marketing means that the service firm must orient and motivate its customer contact employees and supporting service people to work as a team to provide customer satisfaction

Internal marketing must precede external marketing



Services Marketing

Marketing Strategies for Service Firms

Interactive marketing means that service quality depends heavily on the quality of the buyer-seller interaction during the service encounter

- Service differentiation
- Service quality
- Service productivity



Services Marketing

Marketing Strategies for Service Firms

Managing service differentiation

creates a competitive advantage from the offer, delivery, and image of the service

- **Offer** can include distinctive features
- **Delivery** can include more able and reliable customer contact people, environment, or process
- **Image** can include symbols and branding



Services Marketing

Marketing Strategies for Service Firms



Managing service quality provides a competitive advantage by delivering consistently higher quality than its competitors

Service quality always varies depending on interactions between employees and customers



Services Marketing

Marketing Strategies for Service Firms

Managing service productivity refers to the cost side of marketing strategies for service firms

- Employee recruiting, hiring, and training strategies
- Service quantity and quality strategies

