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SERVICE MARKETING

**CHAPTER 7: PROMOTING SERVICES AND
EDUCATING CONSUMERS**

OVERVIEW

7.1 Role of Marketing Communications

7.2 Challenges of Services Communications

ROLE OF MARKETING COMMUNICATIONS

WESTIN'S "THIS IS HOW YOU SHOULD FEEL" CAMPAIGN

Starwood, the parent company of Westin, aimed to reposition and redefine the brands of hotels in its portfolio and embarked on this creative campaign to reposition **staying at a Westin as rejuvenating and de-stressing.**



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MARKETING COMMUNICATIONS

Communication is the most **visible** or **audible**—some would say ***intrusive***—of **marketing activities**.

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*—all contribute to an impression in the customer's mind that **reinforces** or **contradicts** the specific content of formal communication messages.

ROLES OF MARKETING COMMUNICATIONS

1. **Position** and **differentiate** service
2. Help customer **evaluate offerings** and **highlight differences** that matter
3. Promote **contribution of personnel** and **backstage operations**
4. Add value through **communication content**
5. Facilitate **customer involvement** in production
6. Stimulate or dampen **demand to match capacity**



POSITION AND DIFFERENTIATE SERVICE

Even if customers understand what a service is supposed to do, they may find it **hard to tell** the difference between offerings from different suppliers.

Companies may use **concrete clues** to communicate service performance by highlighting the quality of equipment and facilities and by emphasizing employee characteristics such as *qualifications, experience, commitment, and professionalism.*

EVALUATING SERVICE OFFERINGS

Airlines do not **advertise** safety because even the suggestion that things might go wrong makes many passengers nervous. Instead, they approach this ongoing customer concern indirectly by advertising the expertise of their pilots, the newness of their aircraft, and the skills and training of their mechanics.



PROMOTE CONTRIBUTIONS OF SERVICE PERSONNEL

Frontline personnel are central to service delivery in high-contact services

→ Make the service *more tangible* and *personalized*

Show customers work performed behind the scenes to ensure good delivery

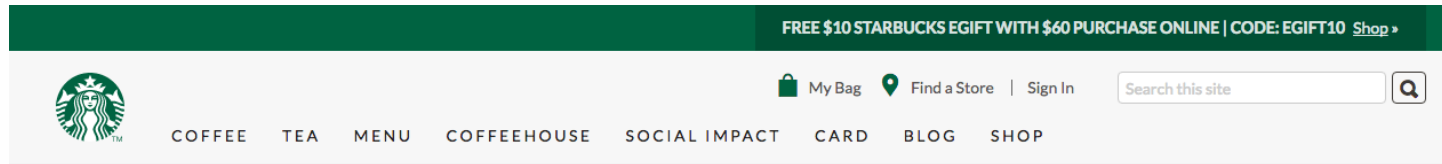
To *enhance trust, highlight expertise* and *commitment of employees*

Advertisements must be **realistic**

Messages help **set** customers' **expectations**

Service personnel should be **informed** about the **content** of new advertising campaigns or brochures before launch

CASE: STARBUCKS



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The Flavors in Your Cup

Roasting



Blending

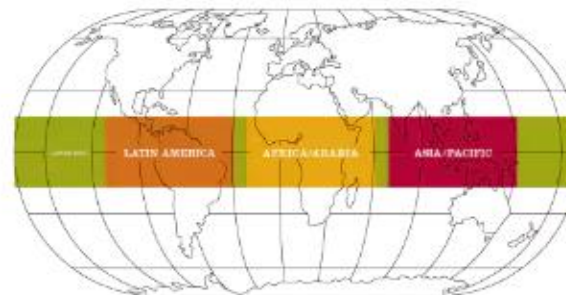


It takes a special bean to become a Starbucks® coffee. We sample over 150,000 cups a year looking for the very best arabica coffees. In the end, only about 3% of the world's beans makes it into a bag of our coffee.

Sourcing



Growing



Starbucks shows how coffee beans are cultivated, harvested, and produced—highlighting its **use of the finest and freshest.**

ADD VALUE THROUGH COMMUNICATION CONTENT

Information and **consultation** represent important ways to add value to a product.

Prospective customers may need **information and advice** about *what service options* are available to them; *where and when* these services are available; *how much* they cost; and *what specific features, functions, and service benefits* are on hand.



Marriott.
HOTELS OF CANADA

REMEMBER THE GOOD OLD DAYS?

So do we. While we can't do much about the price at the pump these days, we can help with our Cars Eat Free Package which includes a \$25 Petro-Canada™ gas card and free parking. Your car and your wallet will thank you.

Going above and beyond.

IT'S THE MARRIOTT WAY.™

From **\$159/night**

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To reserve your Cars Eat Free Package, visit www.marriott.com

Offer is valid at participating hotels until December 31, 2008. Rates are based on availability and subject to change without notice.

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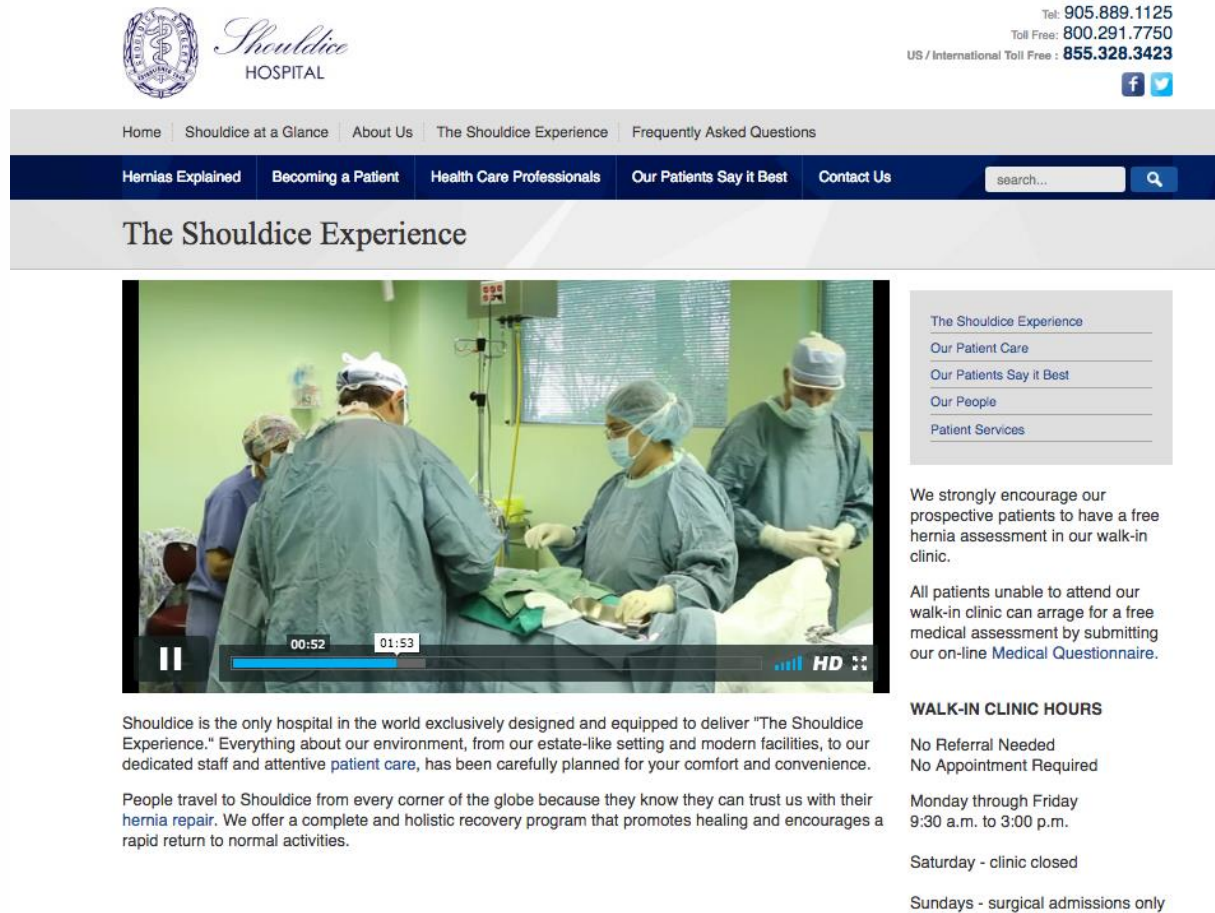
FACILITATE CUSTOMER INVOLVEMENT IN PRODUCTION

When customers are **actively involved** in service production, they **need training** to perform well.

One approach to training customers, recommended by **advertising** experts, is to ***show service delivery in action.***

Television and **videos** are **effective** to show service delivery in action because of their ability to **engage the viewer** and display a seamless sequence of events in visual form.

CASE: SHOULDICE HOSPITAL, CANADA



The screenshot shows the Shouldice Hospital website. At the top left is the hospital's logo, which includes a caduceus and the name "Shouldice HOSPITAL". To the right of the logo are contact details: Tel: 905.889.1125, Toll Free: 800.291.7750, and US / International Toll Free: 855.328.3423. Below the logo is a navigation menu with links for Home, Shouldice at a Glance, About Us, The Shouldice Experience, and Frequently Asked Questions. A secondary menu includes links for Hernias Explained, Becoming a Patient, Health Care Professionals, Our Patients Say it Best, and Contact Us, along with a search bar. The main content area features a video player titled "The Shouldice Experience" showing surgeons in an operating room. To the right of the video is a sidebar with links for "The Shouldice Experience", "Our Patient Care", "Our Patients Say it Best", "Our People", and "Patient Services". Below the video, there is a paragraph describing the hospital's unique environment and a section titled "WALK-IN CLINIC HOURS" with details on referral requirements, appointment needs, and operating hours (Monday through Friday, 9:30 a.m. to 3:00 p.m.; Saturday - clinic closed; Sundays - surgical admissions only).

Shouldice is the only hospital in the world exclusively designed and equipped to deliver "The Shouldice Experience." Everything about our environment, from our estate-like setting and modern facilities, to our dedicated staff and attentive patient care, has been carefully planned for your comfort and convenience.

People travel to Shouldice from every corner of the globe because they know they can trust us with their hernia repair. We offer a complete and holistic recovery program that promotes healing and encourages a rapid return to normal activities.

WALK-IN CLINIC HOURS
No Referral Needed
No Appointment Required
Monday through Friday
9:30 a.m. to 3:00 p.m.
Saturday - clinic closed
Sundays - surgical admissions only

Shouldice Hospital in Toronto, specializes exclusively in hernia repair. It offers prospective patients an opportunity to **view** an **online simulation** on hernia and explains the hospital experience on its website (<http://www.shouldice.com/shouldice-experience.html>).

This educational technique helps patients **prepare mentally** for the experience and **shows them what role they need to play in service delivery to ensure a successful surgery and fast recovery.**

STIMULATE OR DAMPEN DEMAND TO MATCH CAPACITY

Live service performances—a seat at the theater for Friday evening’s performance or a haircut at Supercuts on Tuesday morning—are **time-specific** and **can’t be stored for resale** at a later date

Advertising and **sales promotions** can change timing of customer use ***to match demand with the available capacity*** at a given time.

Examples of demand management strategies:

- Reducing usage during peak demand periods
- Stimulating demand during off-peak period

DEMAND MANAGEMENT STRATEGY

Low demand outside peak periods poses a serious problem for service industries with high fixed costs, such as hotels.

One strategy is to **run promotions that offer extra value** during **off-peak period**—such as **room upgrades** or **free breakfasts**—in an attempt to stimulate demand without decreasing price.

When **demand increases**, the **number of promotions** can be **reduced or eliminated**.

CHALLENGES OF SERVICES COMMUNICATIONS

PROBLEMS OF INTANGIBILITY

Because **services are performances rather than objects**, their **benefits** can be *difficult to communicate to customers*, especially when the service in question does not involve tangible actions to customers or their possessions.

Intangibility creates 4 problems:



Generality



Abstractness



Non-searchability



Mental impalpability

PROBLEMS OF INTANGIBILITY

Generality

Refers to items that comprise a class of objects, persons, or events—for instance, **airline seats, flight attendants, and cabin service.**

to create a distinctive value proposition is to communicate *what makes a specific offering distinctly different from—and superior to—competing offerings.*



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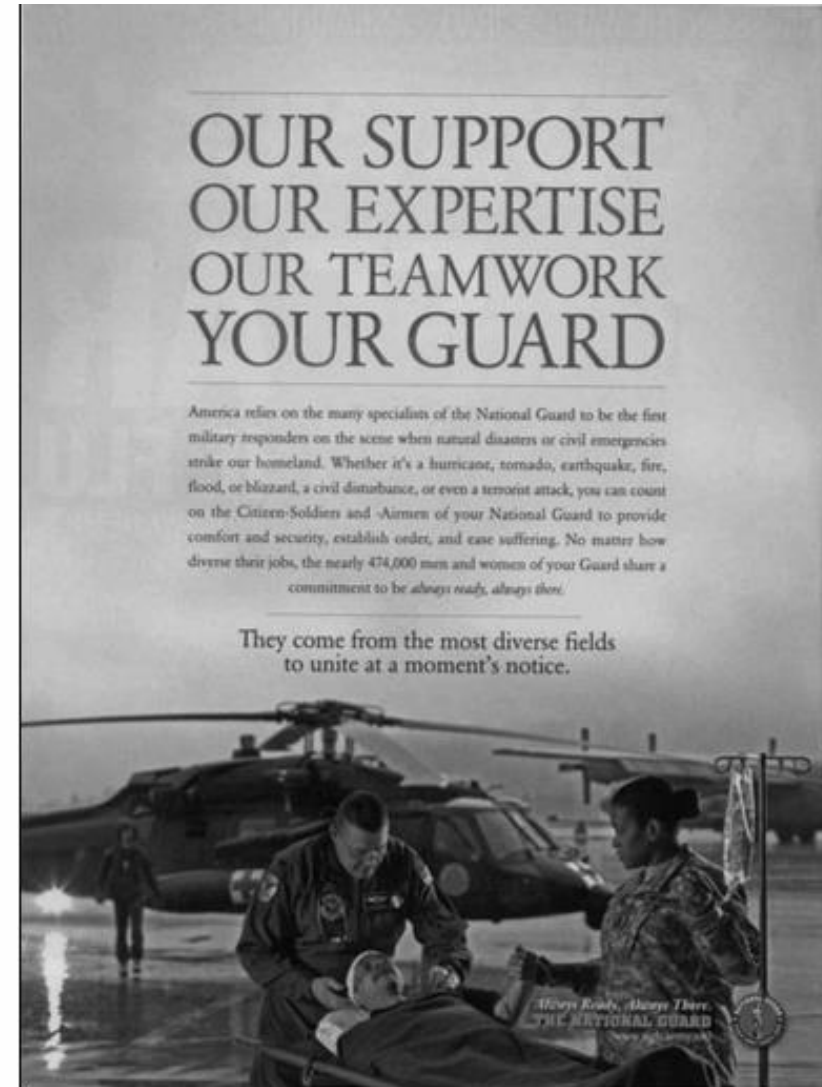
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PROBLEMS OF INTANGIBILITY

Abstractness

No one-to-one correspondence with **physical objects**.

It can be challenging for marketers to connect their services to **abstract concepts** such as *financial security, expert advice, or safe transportation*

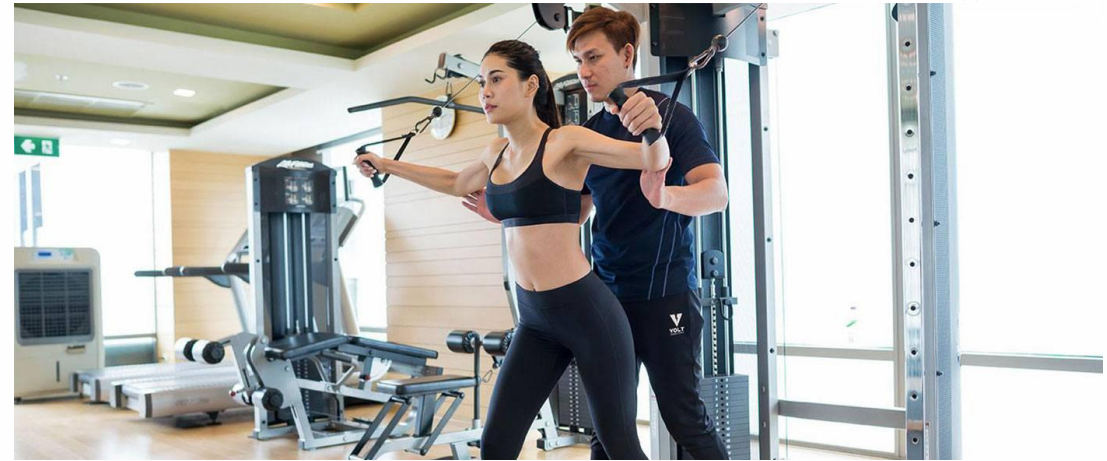


PROBLEMS OF INTANGIBILITY

Non-searchability

Cannot be *searched or inspected* before purchase

credence attributes, such as surgeon expertise, must be **taken on faith.**



In health club, the experience of working with the trainers can only be determined through extended personal involvement.

PROBLEMS OF INTANGIBILITY

Mental impalpability

Customers find it **hard** to **grasp** benefits of *complex, multi-dimensional new offerings*

The prospective customers **cannot imagine** what it would be like to experience the first class service.



OVERCOMING PROBLEMS OF INTANGIBILITY

There are two ways to effectively overcome the challenges of intangibility

Use tangible cues in advertising



Use metaphors



Source:

(1) http://cdn.gestalten.com/media/catalog/product/cache/1/thumbnail/9df78eab33525d08d6e5fb8d27136e95/t/a/tangib_cover.jpg

(2) https://plasticenglish.files.wordpress.com/2013/04/3179130228_4ffbe84680.jpg

USING TANGIBLE CUES



(1)

Many schools or educational programs feature alumni to make the benefits of its education tangible and communicate what its education could do for prospective students.

It's helpful to include “**vivid information**” that catches the audience's attention and produces a **strong, clear impression on the senses**, especially for services that are complex and highly intangible.

ADVERTISING STRATEGIES FOR OVERCOMING INTANGIBILITY

Intangibility Problem	Advertising Strategy	Description
Incorporeal Existence	Physical Representation	Show Physical Components of Service
Generality:		
• For objective claims	System documentation Performance documentation	Objectively document physical system capacity Document and cite past performance statistics
• For subjective claims	Service performance episode	Present an actual service delivery incident
Non-searchability	Consumption documentation Reputation documentation	Obtain and present customer testimonials Cite independently audited performance
Abstractness	Service consumption episode	Capture and display typical customers benefiting from the service
Impalpability	Service process episode Case history episode	Present a vivid documentary on the step-by-step service process Present an actual case history of what the firm did for a specific client
	Service consumption episode	An articulate narration or depiction of a customer's subjective experience

to create messages that clearly communicate intangible service attributes and benefits to potential consumers, service marketers can follow **specific communications strategies** for dealing with them

SOURCE

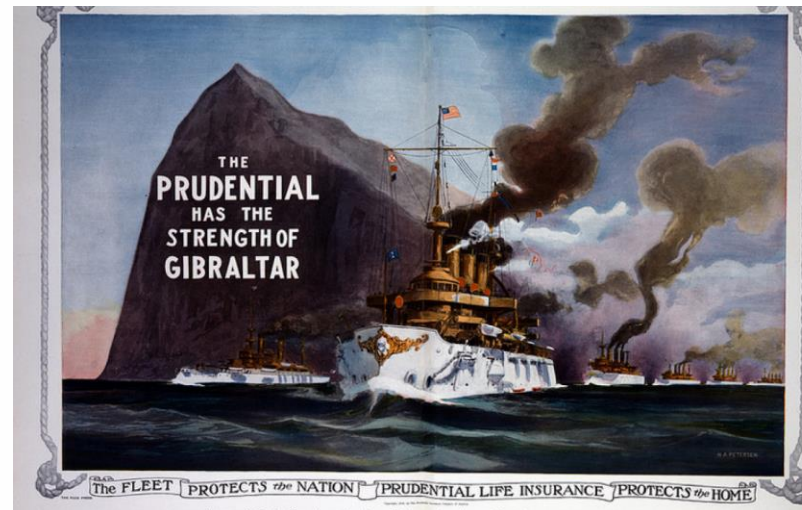
Banwari Mittal and Julie Baker, Advertising strategies for hospitality services. *Cornell Hotel and Restaurant Administration Quarterly*, 43 (April 2002): 53. Copyright Cornell University. All rights reserved. Used by permission.

USING METAPHORS

Metaphors, that are tangible, help communicate value propositions more dramatically and emphasize key points of difference

Insurance companies often use this approach to market their highly intangible products, e.g.,

- Prudential Insurance – uses Rock of Gibraltar as symbol of corporate strength
- Allstate – “You’re in good hands”



(1)

(2)



Allstate[®]
You're in good hands.

CASE: ACCENTURE



Accenture, an international consulting firm that provides strategy, consulting, digital, technology and operations services, made an advertising campaign that features champion golfer Tiger Woods in eye-catching situations to **dramatize** the abstract notion of helping clients capitalize on innovative ideas in a fast-moving world. The notion is to **highlight the firm’s ability** to help clients “**develop the reflexes of a high-performance business**”.

MARKETING COMMUNICATIONS PLANNING

CHECKLIST: THE “5 WS” MODEL

Who is our target audience?

What do we need to communicate and achieve?

How should we communicate this?

Where should we communicate this?

When do communications need to take place?

TARGET AUDIENCE: 3 BROAD CATEGORIES

Prospects – Employ traditional communication mix because prospects are not known in advance

Users – More cost effective channels utilized

Employees – Serve as secondary audience for communication campaigns.

SPECIFYING COMMUNICATIONS OBJECTIVES

Marketers need to be **clear about** their **goals**; *otherwise*, it will be *difficult* to *formulate specific communications objectives* and *select the most appropriate messages and communication tools* to achieve them.

Communications objectives answer the question of ***what we need to communicate and achieve.***

Objectives may include *shaping* and *managing customer behavior* in any of the three stages of the purchase and consumption process.

EDUCATIONAL AND PROMOTIONAL OBJECTIVES IN SERVICE SETTINGS

Create memorable images of specific companies and their brands

Build awareness and interest for unfamiliar service

Compare service favorably with competitors' offerings

Build preference by communicating strengths and benefits

Reposition service relative to competition

Reduce uncertainty or perceived risk by providing useful info and advice

Provide reassurance (e.g., promote service guarantees)

Encourage trial by offering promotional incentives

Familiarize customers with service processes before use

Teach customers how to use a service to best advantage

Stimulate demand in off-peak, discourage during peak

Recognize and reward valued customers and employees

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