

## UNIT V

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SERVICES MARKETING	18BBA45S	IV	Dr.S.Akilandeswari, Assistant Professor

### Promotion Mix for services- Place in service

The Promotion Mix refers to the blend of several promotional tools used by the business to create, maintain and increase the demand for goods and services. The Promotion Mix is the integration of Advertising, Personal Selling, Sales Promotion, Public Relations and Direct Marketing.

### The 5 Essential Promotional Mix Elements

Every market is different, with different factors affecting your promotional mix. The biggest challenge for marketers? Finding the best possible mix of promotional elements to maximize the results of their marketing efforts.

#### 1. Advertising

Advertising is only as helpful as its ability to be seen. But with so many brands for attention, campaigns lose effectiveness over time.

Mailchimp focused much of their promotional mix on social media platforms and even screened their short parody films in cinemas. The campaign paid off, bringing in 988 million earned media impressions worth more than \$3.5 million.

#### 2. Public Relations

In public relations or publicity, companies share their message through existing channels—most often the press—by doing or sharing something newsworthy, which the channel then shares with their audience. Public relations tools and channels range from more traditional press releases to guerrilla marketing campaigns, special events, and sponsorships. Publicity can be more cost-effective than other promotional mix elements because it leverages existing brands and audiences. But there are downfalls to PR; it can be difficult to judge whether campaigns are successful, and an industry-wide shift toward paid influencers is driving up costs.

#### 3. Direct Marketing

Direct marketing is (much like it sounds) marketing directly to a person. By communicating with a narrow group of potential customers, companies promote their offerings through telephone marketing, snail mail, email, or catalogs and brochures. Despite the abundance of offers from junk mail and telemarketers, direct marketing remains popular: it gives companies a predictable and cost-effective way of reaching their target markets.

An example of this can be seen in the popular promotional tactic of deploying email messages to people who have interacted with a service.

#### **4.Sales Promotion**

Sales promotions are the essential element of the marketing world. A well-crafted sales promotion can generate immediate traffic and boost your short-term sales. A sales promotion is an incentive, such as a discount or coupon, intended to persuade customers to make a purchase. However, promotions tend to quickly lose their effectiveness, so avoid becoming dependent on them for driving sales. They're best used as a supplement to other more sustainable promotional activities. Here are a couple examples:

This sales promotion example found on a professional education website illustrates how sales often revolve around special times or events — in this case, the start of the new year.

#### **5.Personal Selling**

Companies hire salespeople to reach out directly to potential customers in order to share information about products or services, answer any questions, and (hopefully) close the sale.

Personal sales tend to be extremely effective because salespeople can easily adapt their messaging to meet their prospects' needs in real time. However, hiring and training salespeople isn't cheap, so it's a promotional mix element most often used by companies selling highly technical or customized solutions.

#### **The Advent of Digital Marketing**

While these five promotional mix elements—advertising, PR, promotions, direct marketing, and personal selling—have been around for decades, the marketing world is constantly evolving. Digital marketing lets companies target their potential customers more easily, bypassing more traditional marketing channels and running digital campaigns at a fraction of the cost.

Although digital marketing isn't really a new promotional method—it's simply a way of leveraging new channels to deliver a message. As those channels become more widely adopted, though, the costs are beginning to rise, leading companies back to other time-tested promotional activities or prompting them to find other channels that are on the rise but haven't yet peaked.

#### **Identifying and Evaluating major channel alternatives**

After a company has defined its target market and desired positioning it should identify its channel by three elements:-

##### **Types of intermediaries:-**

The firm has following channel alternatives-

**Company Sales force:-** Expend the company's direct sales force. Assign to contact all prospects in the area. Or develop separate sales force for different products.

**Manufacture's Agency:-** Hire agencies in different regions sell the equipment.

**Industrial Distributors:-** Find distributors in the different regions who will buy and carry device. Give them exclusive distribution adequate margins and promotional support.

**The number of intermediaries:-**Company has to decide among three strategies while choosing the middlemen at each channel level. Three strategies are available.

**Intensive Distribution:-** Producers of convenience goods etc. typically seek intensive distribution that is stocking their product in numerous outlets. These goods must have place utility.

**Exclusive Distribution:-** Some producers limit the number of intermediaries handling their products. Through exclusive distribution the manufacturer hopes to obtain more aggressive and knowledgeable selling and more control over intermediaries policies on prices, promotion, credit and various activities.

**Terms and responsibilities of channel members:-** The producer must determine the conditions and responsibilities of the participating channel members. The main elements in the trade relation mix are price policies, conditions of sale, territorial rights and specific service to be performed by each party.

### **Physical environment**

The physical environment is thus defined as “the elements of the physical environment, both outside and inside the restaurant, with which customers interact throughout the process of their service experience”

The physical evidence element of the marketing mix refers to the physical environment experienced by the customer. This could include: the physical design and layout of the premises. the layout of the company website.

### **Opportunity of services marketing- Reasons for growth of service sector-Constraints.**

#### **1. Government Policies:**

It is Govt. which makes mandatory for price levels, distribution strategies, defining procedure attributes. Another important action taken by the Govt. “Privatization” means the policy of transform companies. The transformation of such operations like telecoms, airlines has led to restructuring cost cutting and more market focused.

#### **Pros of Privatization:**

- a. Increase the efficiency
- b. Increase in profits

New change will require services firm to change their marketing strategy, operational procedures, and HR policies.

#### **2. Social Changes:**

Now a day there is a drastic change, two members are working, which requires to hire individuals to perform tasks that used to be performed by a house hold member.

E.g. Child care

Laundry

Food preparation

Combinations of changing life styles like

- Higher income
- Declining prices for many high technology products –made for people to by computers.
- Mobile phone etc.

### **3. Business Trends:**

Many professional associations have been forced by Govt. to remove long-standing bars on advertising and promotional activities.

Franchising has become wider spread in many service industries.

Licensing of independent entrepreneurs to produce and sell a branded service according to tightly specified procedures.

### **4. Advances in IT:**

Changes come from the integration of computers and tele-communication

More powerful software enables firm to create databases that combine information about customers with details of all their transaction, so that they can be used to predict new trends, segment the market, new marketing opportunities.

The creation of wireless networks and transfer of electronic equipments such as cell phones to lap tops and scanners, to allow sales and customer service personnel to keep in touch.

### **5. Internationalisation and Globalization:**

A strategy of international expansion may be driven by a sector for new markets or by the need to respond to existing customers who are traveling abroad in greater numbers.

When companies set up operations in other countries they often prefer to deal with just a few international suppliers rather than numerous local firms.

The net effect is to increase competition and to encourage the transfer of innovation in both products and processes from country to country.

### **Constraints in Services Marketing**

Constraints can affect any element of the marketing mix -- product, price, place or promotion. Common constraints include budget limitations, products that do not meet the market's needs, prices that do not adequately represent value, lack of access to the product and ineffective promotion.

### **1.Services Are Intangible**

As a service provider, a company cannot provide a physical, tangible product. In many cases, customers seek out a service provider to help fix a problem of some kind as in the case of somebody needing a mechanic, a plumber or a landscaping service. In other cases, roles may be reversed, with service providers approaching potential customers to introduce new offerings. A provider of satellite or cable internet would fall in this category. In either case, the provider must convince customers that their service is worth the price. If competition is offering a lower price, it is necessary to demonstrate how the value service adds merits the higher price.

### **2.Quality Is Variable and Difficult to Control**

Unlike a product produced under controlled conditions, services are often performed and consumed simultaneously. The environment may not be the same every time and other variable factors may come into play. Take the case of a hair stylist faced with the unique hair characteristics and different requests of every customer. In a product business, the manufacturer either defines the quality requirements or adheres to regulatory standards and requirements; products that don't meet standards are discarded or reworked. The quality of a service provider, however, is often defined in the moment — as much by the consumer as it is by the provider.

The quality of service can vary based on the amount of experience and motivation level of staff members.

### **3.Services Cannot Be Stocked**

A product business can maintain an inventory of items and wait for them to sell. A service business, on the other hand, cannot stock service. At best, it can prepare for possible surges in demand that may test the service provider's ability to supply.

**The Contents in this E-Material is taken from the text and reference book as given in the syllabus.**

