

Marketing

THE SERVICES MARKETING TRIANGLE)(the one used in the slides- was a question in the 2011 exam that I did- learn it !)

- the three interlinked groups that work together to develop, promote, and deliver services. Between these three points on the triangle, there are three types of marketing that must be successfully carried out for a service to succeed: external, internal, and interactivemarketing.¹²
- All these activities revolve around making and keeping promise's to customers.
- all three types of marketing activities are essential for building and maintaining relationships with customers by offering products that fill their unmet needs and makes the custoemrs life easier.

External Marketing: Through its external marketing efforts, a company makes promises to its customers regarding what they can expect and how it will be delivered, in the form of a value proposition

Value proposition- Value (Walmart), Safety(volvo),Easy to use(Heinz easuy pour ketchup)

How is it communicated? – Marketing campaigns,promotions(push- Red bulls continous promotions and its associations as a extreme sport/Really adventerous drink),advertising such as (pull),philanthropy(Ronald Mcdonal),Continous sales and special offer(Air nzs grabaseat- innovative pricing). The use of a brand is the main form of communication

No use in developing features/slogans etc if its not communicated properly→brand is the best way→ associations/awareness/loyalty all follow for a strong brand(with intangible assets/features,SCA,allows the consumer to self expressive image,feelings,status etc)

. The service employees, the design and decor of the facility, and the service process itself also communicate and help to set customer expectations. Service guarantees and two-way communication (especially in situations where promises can be negotiated and expectations can be managed on an individual basis) are additional ways of communicating service promises. Unless consistent and realistic promises are set via all of these external communication vehicles, a customer relationship will be off to a shaky beginning. Further, if there-is a tendency to over promise, the relationship may also be off to a weak beginning.

Interactive marketing: Keeping Promises

External marketing- developing a Value PROP and communicating it→just the beginning

Promise must be kept→ most critical factor from the customers view as well as customer retention

Value must be real , as well as perceived(Walmart). Experience must be real and not just communicated- the customer has to experience and live the promise – Starbucks delivers the promise of a world class coffee experience to all five senses – smell(beans), taste(coffee), Relaxing music, cozy couches and creative artwork on display→hence this is reinforced into the starbucks experience as a whole→not merely just buying a cup of coffee→furthermore→the classy status/symbol of the coffee is related to its brand association and thus carved into

the customer's memory/association of the brand and allows the customer to self-express their style/status and coffee love.

Therefore → every customer touchpoint exists a chance to create and deliver value for the customer → from entering, to receiving it (packaging, e.g. Starbucks fibre cups) to the locational experience (music, class glassware, comfortable)

Post sales activity [article] is a major customer loyalty factor. According to Levitt, the sales has only started once the sale has ended, that is, after sales is the most important part. Fixing faulty goods on a timely basis is a must. Continuous phone support is another example. For example, Medco increased its marketshare and customer base upon upgrading its phone support service. This shows to the customer that the company cares and is not just there to squeeze your wallet.

Interactive marketing occurs in the moment of truth when the customer interacts with the organization and the service is produced and consumed. Interestingly, promises are kept or broken and the reliability of service is tested every time the customer interacts with the organization.

Internal Marketing :Enabling Promises

A third form of marketing, internal marketing, takes place through the enabling of promises.

In order for the company to deliver on the promises made thoroughly and continuously, it must be equipped. That is, with the relevant and up to date assets, organizational culture, correctly trained staff. And competencies.

That means, the corporate strategy must be aligned with the strategic marketing strategy. The staff must be trained in all aspects of the service and be knowledgeable of the service/product offered for : **before,during,and after** interaction with the customer

.One example of a poor customer experience is Whitecools. Most of the staff are clueless about books, whereas other book stores (the one on high street) are very knowledgeable → adds to the experience → fulfills and delivers the experience. Furthermore, overlapping messages confuse the consumer and disalign the strategic positioning of the company. Whitecools has too many types products from books to stationary to handbag shop items.

Therefore, delivering a promise that doesn't reflect its actual service is an indicator of poor strategic marketing and branding.

Internally, the organizational culture must be innovative and very up to date in this dynamic market. Otherwise, if a customer knows something you cannot help on that is lost revenue at a customer touchpoint which you could have created and delivered excellent value → could have spread via WOM .

Promises are easy to make, but unless providers are recruited, trained, provided with tools and appropriate internal systems, and rewarded for good service, the promises may not be kept. Internal marketing also hinges on the assumption that employee satisfaction and customer satisfaction are inextricably linked.

Aligning the sides of the Triangle

In a triangle, all three sides are essential to complete the whole. For services all three marketing activities, represented by the sides of the triangle, are critical to success; without one of the sides'-in place, the triangle, or the total marketing effort, cannot be optimally supported. Each side represents significant challenges, and as we proceed through the text we will find approaches and strategies for dealing with all three.

FedEx Corporation is an example of a company that has all sides of the triangle well aligned. 13 With respect to external marketing, FedEx is a master.

They understand their customers, do extensive market research (2,400 customer survey's per quarter), measure customer satisfaction daily (through their service quality indicator, or SQI), and listen to customers.

Promises are communicated effectively to the marketplace through await-winning advertising messages and consistent statements by their people.

Interactive marketing-keeping promises-is at the heart of FedEx's strategy. The book-length "Manager's Guide," given to every FedEx manager, states that "Each customer contact is a moment of truth that conveys an image of Federal Express." A shared goal within the company is that every one of these service encounters be flawless from the customer's point of view. The folks that deliver FedEx's premises directly (drivers, front-line telephone people, business logistics consultants) all know -that 100 percent success in interactive marketing is the goal

FedEx also knows that 100 percent success is not possible unless all of these providers are enabled to provide quality service through technology, rewards, support systems, and empowerment. Open communication with employees is another key to successfully rallying them around new initiatives and opportunities aimed at building business. As a result of its support and fair treatment of employees, employee loyalty at FedEx is very high, and promises to customers can be kept.--> example of organizational culture embedded in the employees

Technology and the Services Marketing Triangle

With the impact of technology on all dimensions of service and service delivery, it has been suggested that the services triangle be expanded to explicitly include-technology-turning the triangle into a pyramid, as shown in Figure 1-6.14 The pyramid suggests that interactive marketing can be the result of customers, providers, and technology (or some subset of the three) interacting in real time to produce the service. It also suggests that management has the responsibility to facilitate not only the delivery of service through human providers, but also the delivery through technology. Finally, the pyramid suggests that customers will, at times, interact only with technology and

Technology and the Services Marketing Triangle With the impact of technology on all dimensions of service and service delivery, it has been suggested that the services triangle be expanded to explicitly include-technology-turning the triangle into a pyramid, as shown in Figure 1-6.14 The pyramid suggests that interactive marketing can be the result of customers, providers, and technology (or some subset of the three) interacting in real time to produce the service. It also suggests that management has the responsibility to facilitate not only the delivery of service through human providers, but also the delivery through technology. Finally, the pyramid suggests that customers will, at times, interact only with technology and

Providers customers Figures 1-6 The services triangle and technology.

Therefore will need skills, abilities, and motivation to receive services in that manner. Issues of customer satisfaction with technology-delivered services are also implied.

Returning to our FedEx example, we see further clues to FedEx's success through their integration of technology into the services triangle. IS Via its POWERS HIP software and Internet access, FedEx is working with its customers to provide them access to FedEx order-taking, package-tracking, information-storing, and billing systems. The goal is to have all customers online by the year 2000. In this way, FedEx customers receive quality service, when they want it, and are able to customize the service on their own. FedEx sees limitless possibilities for improving customer service and providing new services to customers via technology