

# **SERVICES MARKETING**

**(I. M .COM)**



**Dr. Mohamed Rahmathullah**  
**Assistant Professor in Commerce**  
**H.H. The Rajah's College (Aut)**  
**Pudukkottai – 622 001.**

## **UNIT – I**

### **SERVICES MARKETING**

#### **INTRODUCTION :**

The Industrial Revolution of the eighteenth century involved changes not only in production but also in financial structure and in transportation and communication networks. Without the emergence of the two biggest service sectors namely bank and railroad as well as after service, the economic benefit of large scale production could never have been realized.

Economies of countries like the USA UK Germany Japan Canada Sweden have changed from being goods dominated to services dominated. The developed economies also called service economies reveal that the service sector accounts for more employment contribution in GDP and more consumption than manufactured goods.

#### **Meaning :**

Service marketing is marketing based on relationship and value. It may be used to market a service or a product. Service – based business is different from marketing a product based business. Service marketing is a sub field of marketing which can be split into the two main areas of goods and service marketing. Service marketing typically refers to both business to consumer and business to business services and includes markets of services such as telecommunication services financial services all types of hospitality services and professional services.

## **Importance of Services :**

The Service Marketers job easier Since most Intermediaries can be elongated, but services than must be offered in many location consumers may be willing to travel a distance for certain services. Health care air travels but Services establishments such as books movie houses. Restaurants beauty sallin and dry cleaning establishment must be located chose to the consumer.

### **I. Image of the Service Provider :**

Since Service Production and consumption occur simultaneously the consumer is generally present when the service is being provided. As a result the service provider impression is on of the most important determinant. Of a repeat purchase the Consumer many prefer a particular airline beauty saloon health care facility because of the way the service provider offer the Service.

The image importance extents to the service facilities as well as the services provider.

The décor of a doctors or lawyers office is importance in conveying as image of competence. That is why many professional from spend large amount on furniture and office décor to create the right atmosphere or ambience.

### **II. service Perishability :**

If service are not consumed when offered they go waste. AN empty airline or theater seat represent lost revenue. Shift in demand for product can be

accommodated for the most part by taking goods from inventory but there is no inventory of services. As a result services have a much more difficult time righting supply to meet demand because demand is rarely steady.

### **III. Service supply Management :**

The service manager has several means of varying the supply of services in accord with demand

- Perform only essentially tasks during peak periods and non essential tasks during slack periods.
- Let consumer perform certain services to take the pressure of supplying services during peak period.
- Share equipment and staff with other services to reduce periods when facilities go un used.
- Use part time employee peak demand periods to increase the level of service.

### **IV. Services Demand Management :**

The Second strategy for matching supply and demand is to try to alter demand, so it is line with supply. The strategy tries to influence consumer rather than conont facilities

Use differential pricing to try to shift demand form peak to non peak periods (for example night rate ofr long distance telephone call)

Stimulate demand during non peak periods for (Example urban hotel that cater to business people during the week)

**Feature of Service :**

**i) Many Services are essentially Perishable :**

Empty seats in a theatre or a bus (or) if a hotel room is empty for an evening the revenue is lost forever. Dentists, physicians, attorneys and accountants similar cannot recover revenue lost because of an unfilled schedule.

**ii) Lack of Transportability :**

Lack of mobility in service is the inability to transport service. This means that they often must be consumed at the point of production. Medical care essentially is available only at the doctor's office, hospital (or) clinic. Most other professional services.

**iii) Small Firms Service :**

The lack of transport abilities of many services has encouraged the development of small firms. Many of which have little marketing sophistication. Franchised real estate firms were unheard of until a few years ago.

#### **iv) Difficulty is Quality Control :**

Many services are offered only at the point of sale. Standardization is the level of service and quality is difficult to achieve fast food restaurant offering a combination of tangible goods and services.

#### **v) Legal and Ethical Barriers :**

The Professional code of ethics for many of the services professionals have prohibited practitioners from engaging in certain kinds of marketing activities. Peer pressures often limit the extent to which such professionals as doctors, dentists, etc. can develop marketing programmes.

#### **Growth Services :**

The Services sector has increased dramatically in importance only in the last decade. Deregulation of Services, growing competition, flotation in demand and the application of new technology have stimulated the growth of the services sector. Banks, housing societies, Insurance Company, Professional Service providers such as accountants, lawyers, etc., the reason for the growth of the service sector may be analyzed under the headings.

- i. Demographic changes
- ii. Economic changes

- iii. Social Changes
- iv. Political and Legal Changes
- v. Technological Changes

### **I . Demographic changes :**

Demographic factor are related to population. There is a general increase in the population and increased life expectancy now in India rise in life expectancy has resulted in the population increase of senior Citizen. There is growing numbers have paved the way for the growth of old age homes health care center, Nursing tourism and hospitality services.

### **II ) Economic Changes :**

The Economic factor play a crucial role in the development of the service sector with the advent of globalization of business. The world market has grown fast. The internalization of Service company has created a greater demand for services such as communication transport and information services.

### **III ) Social Changes :**

The increased role of women in the workforce has led to the growth of several services. Working women supplement the income level of the family with the increased income the demand for child care services travel beauty parlors fast foods has increased. A part from this twin – income household demand consumer service including retailing. Real estate and personal financial services.

#### **(IV) Political and legal changes:**

Political and legal changes are the important causes of growth of service sector. Globally the resources of the government have become vast permitting creation of huge service department. The deregularisation has exposed many service industries to intense competition.

#### **(v) Technological changes:**

The adoption of new Technologies has improved the Quality of services offered by several organizations. The integration of computer and telecommunication has revolutionized communication sector.

The influence of internet on the service organizations like travel, Banking, Education of financial services, insurances, in total. With the advent of national or even global electronic delivery system, they have totally transformed the scope of the business.

#### **Types of Services:**

The service may be mainly Professional (or) consumer oriented; The Professional service firms may serve the business market. The Private individual or may serve both market segments, Professional services are often characterized by the following: advisory and problem solving, provided by a qualified professional known for their specialty, include an assignment requested by the client. By professional associations which attempt to define the nature of



professional to lay down requirement of competence, to control the Practice of the Professional and to enforce a code of ethics.

These would include service like finances advice, advertising , business and management consultancy, engineering, architectural and interior design, legal and Medical to which may be added other agencies and brokers.

**Producer Services: (Intermediatc Market)**

➤ Financial services

Banking, Insurances, leasing

**Shipping and distribution:**

Ocean, rail, trucking, air freight, wholesaling, warehousing, distribution.

**Professional and technical:**

Technical licensing and sales, engineering design services, architectural design.

**Consumer services: (Final Market to Private citizens)**

Retailing, Healthcare, Travel, recreation, entertainment, education, other social service including Government.

**Other Personal Service:**

Restaurant, home repairs, laundry,

➤ **Comparative analysis between services and goods:**

S.No	Dimensions	Services	Goods
<b>I</b>	<b>Characteristics</b>		
1.	Entity	Intangible	Tangible
2.	Storage	Not possible	Possible
3.	Quality	Varies with time and person	Standardized
4.	Producer status	Inseparable from service	Separable from goods.
5.	Labour intensity	High	Low
6.	Life	Stillborn	Longer
<b>II</b>	<b>Market planning</b>		
7.	Demand	Fluctuating	Stabilized
8.	Supply	Constrained	Flexible
9.	Title	No ownership	Possibility of ownership
10.	Seasonality	Present	Goods specific
<b>III</b>	<b>Marketing strategy</b>		
11.	Orientation	External and internal	Internal
12.	Focus	Customer expectation	Customer needs
13.	Approach	Focused	Can be diffused
<b>IV</b>	<b>Operation</b>		

14.	Production	Spontaneous	Time spread
15.	Consumer involment	High	Low
16.	Physical presence of the customer	Essential	Hardily necessary
17.	Capacity planning	Fluctuating	Average
18.	Wage payment	Time based	Unit based
<b>V</b>	<b>Organization</b>		
19.	Structured	Flatter	Taller
20.	Role of higher level	Supportive	Demanding
21.	Communication	Criss- cross	Maily vertical
22	Designed design	organic	Rational

## **UNIT-II**

### **SERVICE MARKETING**

#### **Service Marketing Concepts:**

#### **Meaning:**

Service are revolutionizing the whole world today we live in an economy which is service – oriented marketer offer tangible goods with supporting service such as pre-sales (or) after sales service, accompanying a product. But –as a distinctive area of study in Marketing, attention is paid to those service sold by business (or) Professional concerns with profit seeking motive. These are service may be fundamentally commercial service offered in business.

#### **Concept of definition;**

“Service refer to social efforts which include even the government of fight five giant evils, want , disease, ignorance, squalor and illness in the society.

#### **Components of service:**

Understanding the nature of the service is the first task in service marketing. The nature of service give useful clues on the benefit expected by customer from it.

This service may be divided into four components.

1. Service Product
2. Service Environment

3. Service Delivery

4. Physical Product.

### **Service concept:**

A service product refer to the benefit (or) performance that the customer buys from a service provider to satisfy a desire (or) want. What a customer purchase from the service provider is and experience. The conceptualization of the service product as descried by Donald Cowell is given below,

#### **1. customer benefit concept:**

The service package the stating point is obviously the customer. Service are purchased because of the benefit they offer to the customer. In fact customer are not buying the goals and service. They are only buying specific benefit and value.

#### **2. Service concept:**

Once the customer – benefit concept is understood, the next steps is to articulate the service concept, which define the general benefit the service provider will offer. The service concept take the customer – benefit concept and translate them to determine the intention of the organization.

**Expl:** 1. Core service benefit level.

2. The Expected service level.

3. The augmented level

4. Potential level.

### **3. Service offer and service Package:**

Intimately linked with service concept is the service offer. It spells out in more detail those service to be provided. How they will be provided and to whom. Service offer is the elements that makeup the total service package. Including both the tangible and intangible components of the service.

### **4. Service Delivery System:**

The final diminution of the Service Product is the service delivery system. How the service is provided to the customer. They delivery system represent the interaction between the service Provider and the customer and between the customer and the service facility.

The delivery system include training the employee, organizing equipment and layout for the flow of work. In other words it is a carefully designed blueprint that describes how the service in rendered to the customer.

### **Buyer Behavior:**

The Consumer behavior Potential consumer are subject to various stimuli. The service firm must understand how the consumer would respond to different service feature, Price, appeal. The along with the major force is the marketing environment, economic, social, culture, factors. All these stimulate influence the

buyer's decision – making process and evoke Positive (or) service. The Model of consumer behavior is called at the stimulate response model.

### **Buyers Characteristics:**

The consumers Purchase are strongly influenced by factors as cultural, social personal and Psychological determinants.

The marketers must understand the complex. Buyer behavior in order activate the stimulate that trigger off the Purchase decision.

### **1.Cultural Factors:**

Culture refer to the values, Practice or customer of the people is a society. It is The social heritage of the society and influence the life style of the people.

Every culture evolve unique pattern of social conduct right from the food habit, clothing and social interaction.

### **2. Social Factors:**

The Consumer behavior is also influenced by social factors such as consumer reference groups family.

Reference groups can be primary in the form of friends and work colleagues (or) secondary in the form of remote personalities with whom there is no two-way interaction. The primary reference group exert a major influence on the purchase decision. Family is yet another influence in the decision. Marking

of the customer. Marketers are interested in the role and influence of the husband, wife, children and parent on the purchase of goods and services.

### **3. Personal Factors:**

Personal characteristics like buyers' age, life cycle stage, occupation, economic, and circumstance of life style influence the buyer's behaviors.

The consumer's choice of goods and services changes over their lifetime, due to their age and life cycle stage. The food and choice of restaurant, the type of influence, required booking facilities, leisure and recreational facilities all change with age and two stages of their life cycle.

Ex. (bachelor, married, retired stage)

### **4. Psychological Factors:**

The psychological determinant, motivation, perception, learning, and beliefs and attitudes have significant influence in understanding consumer buying behavior.

A motive or a drive is a need that is sufficiently pressing to direct the person to seek satisfaction of need.

A person has a number of needs. But at any point of time only a few of these needs may be intense enough for a person to seek satisfaction of needs.



Learning theory suggest that a Person learning is produced through the interplay of drives. Stimulate, cues, responses and reinforcement .

## UNIT-III

### SERVICE MARKETING MIX

#### **Meaning:**

#### **Service Marketing Mix:**

The marketing mix refers to the combination of idea, concepts and features which put together best appeal to the target market segments. Market mix is tailored to each target segment in order to meet the specific needs of consumer in the individual segments. The conceptual framework of marketing mix designed by the marketing mix comprises four elements, product, price, Promotion and place.

These elements include those marketing variable that are directly controlled by the organization.

#### **Definition of service marketing mix:**

The marketing mix concept is a well established tool used as a structure by marketers. It consist of the various elements of marketing Programme strategy and Positioning in the company's market. It is the important internal elements (or) ingredience that make up an organization marketing programme.

#### **Elements of Service Marketing mix:**

The service marketing mix comprise of the following seven variables;

- 1) Product
- 2) Price
- 3) Promotion
- 4) Place
- 5) People
- 6) Process
- 7) Physical evidence

**1. Product:** The service are Product even though intangible, the are things, and service marketed. Must always remember that consumer do not buy any product, they buy attribute that are converted in benefit. Like other consumer foods service are either convenience, shopping, or specialty goods with all that implies.

**2. Price:** The price Policies for service Marketer tend to parallel those used throughout the general field of marketing. Most service marketer follow competitive price, policies, pricing their service either at the market price or slightly below. Pricing above the market price is generally employed by larger service firms or by all firms.

Who wish to use price as a mean of rationing the supply of their service offering. This would suggest that the market for service much like the market for tangible dominant product, may actually consist of three or four separate segment which are price sensitive and responsive.

**3. Promotion:** Promotion is an important part of the marketing mix for many marketers. The key to successful promotion, whether it be advertising or personal selling, is benefiting the product. It is very important to define the product in terms of what the customer wants and not in terms of what the marketer makes and sells.

**4. Place:** The channels of distribution for intangible dominant products such as services are generally limited to the buyers and sellers. Channels of distribution for services are direct and short, that is, from manufacturer, marketer direct to ultimate consumer. There are arising a number of marketing intermediaries whose task is to make the exchange process between manufacturer and consumer work more smoothly.

**5. People:** All controllable variable marketing execution has at their disposal. The people factors in the service marketing mix is perhaps the least they can rely on in getting their marketing mix right and the most important one they have to get right. The problem lies in the inseparability of the production – consumption interface and therefore the satisfaction of not only the recipient of the service, that is the customer but also the provider of the service, that is the company's own personnel become extremely important.

### **Product strategy:**

The types of New Services will be depend on the organizational goal, vision, capabilities, and growth plans. The new strategy services the growth plans.

The new strategy services the organization will be in a better Position or begin generating specific idea.

### **1. Internal Sources:**

This includes collecting idea form sales staff, front line employee as well as market research department. The sale staff are encouraged to report feed back relation to external environment. A suggestion box in which employs drop in their idea and suggestion must also be encouraged. At more formal level of the front line employee and the management staff may Participate Periodically in brain storming session to generate new idea.

### **2. External sources:**

The customers experts in the field, market information system and gap analysis. The customer are and important source of idea, for this purpose organization must effectively interact with customer, Trade journals, seminars, and conference are yet another significant sources. Market research include gap analysis, must be undertaken continuously to identify new area of growing demands.

### **3. Idea screening:**

This stage identifies those idea are potential and promoting to be successful services. The various service idea are put to rigorous screening by the evaluation committed to ensure the consistency of the idea with the company mission image

and capability as each firm has its own criteria for evaluation there is no standard act for evaluation.

#### **4. Testing the concept:**

The new service idea passes the screening stages it is subject to concept testing. It involves translating the service idea into a service concept with specific

need satisfying aspect. In product marketing this can be effectively marketed through tangible elements. But as service is intangible, concept development and testing may be abstract.

#### **5. Business Analysis:**

The proposed idea is now viewed as a business proposal. This stage will decide whether the project has both financial and marketing feasibility. The business analysis focuses on estimation of demand, future growth, major competitors, Price elasticity of demand, cost volume-profit analysis the capability of the organization to market the service and the external environmental factors that are likely to affect Profits. Only if the information on the above aspects is complete and viable the service firm will proceed to develop the new service.

#### **6. Market Testing:**

Market testing help the service firm to “re-mix” the marketing mix element in order to reduce the risk of launch. Many service firms resort to testing within the organization to its employees and their families, sometime a panel of consumer are chosen or a large city which is typical of its target market may also be chosen. Hindustan Lever new venture – laundrette service was test run in north Mumbai before commercialization to see how the logistics worked.

### **Pricing strategies:**

The Methods of pricing which were discussed earlier must be used strategies to achieve the organizational goal. An effective pricing strategy must identify how price can be combined with other elements of the marketing mix.

In the analysis of price strategy we will first study the price strategy adopted for a new service and then the strategy during its existence.

### **I. The new service Pricing strategy:**

There are two alternative Pricing strategies individual while launching a new service,

1. Price skimming strategy
2. Price Penetration.

### **1. Price Skimming strategy:**

This is the strategy in which new services are introduced at high prices. When the service is positioned on a high quality. It is priced high, as high price supports the image of prestigious service. When the new service has special attributes and is not just a me-too service, Price skimming is used. In this approach it is assumed that customers are more concerned about obtaining a quality service.

### **2. Price Penetration:**

At the other extreme of the skimming strategy is the penetration pricing. Where the new services are priced low. In this strategy price is fixed low to stimulate trial and thereby ensure customer loyalty. This also keeps off competition initially. This also keeps competition initially. This condition that favors low pricing are when services are sensitive to price and it is possible to achieve economies of large – scale operation by at large volumes.

### **3. Differential Pricing:**

When different market segments show different price elasticity of demand the strategy adopted to successfully cater to these groups is called as discriminatory pricing on the basis of market segmentation. Price discrimination may be resorted to on the following.

1. Groups of buyers



2. Different point of consumption
3. Different time of consumption

#### **4. Price Building:**

The appropriate form of pricing where there is an ongoing contact between the service Provider and the customer.

Relationship pricing follows the market oriented approach of value based pricing of all services provided to the customer and make a potential profit stream over a given period of time.

#### **Distribution system:**

In designing the marketing channels the service marketer must deliberate over what is ideal, what is feasible, and what is available. A new service firm may start as a local operator delivering directly to the customer, as the firm grows and expands, the service designing the channel calls for analyzing the customer needs, Established channel objective, identifying major channel alternative and evaluating.

#### **1. Customer segmentation:**

##### **(i) demographics:**

These are the facts about various market segments. It includes age, income, geography; This is the base line information that all marketers need to start the segmentation process.

## **(ii) Psychographics:**

It focusses on the attitude, aspirations, life styles, of the customer segmentation can be seen as the way the groups of people seek out service that satisfy their life style.

## **(iii) Purchase behaviors:**

Analyzing the Purchase behaviors is another effective segmentation methods. The channel design and access strategy can be based on the type of benefit which the user seeks from the services.

## **II. Service Oriented:**

The channel objective should be stated in terms of targeted service output level. Effective channel planning required service provider to determine which market segment to serve and the best channel to use in each cases of channel to use in each cases of channel distributed.

## **III. Identifying and Evaluating distributed:**

After the company has identified its target market and the desired positioning. It should identify its major channel alternative. Unlike product distribution which has a wide range of alternative service distribution has only a limited choice. The primary decision that has to be made by the service provider in this regard is to deliver the service directly to the customer or use the intermediary.

## UNIT –IV

### Types of Service Marketing

#### **Bank Marketing:**

The banking industry is undergoing a revolution. Caused by deregulation. This scenario is reflected in the evolution of bank marketing. Banking system may vary in different part of the world. The reason for the variation may be due to features like social banking, low degree of technological sophistication and legal system.

Tracing back to the history of bank marketing, It is found that some marketing, It is found that some marketing concepts emerged in the west in 1950, in the form of advertising and promotion. At that time banks in India were very conservative and thought it was unethical to use the media to communicate,

#### ➤ **Traditional Banking Period:**

Banking was highly accounting oriented rather than marketing oriented.

The banker were concerned with meticulous Maintenance of a account and transacted business with customer in line with the rule and regulation.

#### ➤ **Development Banking Period:**

The orthodox and tradition bound banking changed with the nationalization of 14 major commercial bank in 1969. The socio –economic objective of nationalization drove the public sector banks to expand the banking activities

and extend it to large groups of customer. This stage was thus called as mass banking. The bankers adopted the selling concept to mobilize deposits.

At the some time in 1972, SBI came out with its market segmentation scheme and innovative loan programme like IRDP, DIR, schemes which was a major steps towards product diversification.

➤ **Bank Marketing period:**

The growth of branches and credit disbursement on the one hand and some loss-making branches, lack of transportation and communication network as well as rising dissatisfaction of customer with banking service on the other caused that banks to be aware of the marketing concept.

- ❖ Rising customer needs and expectation due to improvement in general standard of living.
- ❖ Entry of foreign and private sector bank in india.
- ❖ Economic liberalization of Indian economy.

**Insurance Marketing:**

The term insurance marketing refer to the marketing of insurance service with the aim of enhanced customer – orientation and profit generation. Insurance marketing focused on the formulation of an ideal mix for insurance business.

The core and peripheral service can be improved by following by following an appropriate service mix. The marketing concept anable the insurance business

to expand business in the best interest of society as well as the insurance organisation.

### **Market segmentation insurance organisation:**

Market are segmented into different customer groups. Each product or service is tailored to much the needs of the customer groups. The segmentation help the insurance organisation in dividing the market into small segment where the customer needs are identical.

### **Significance of Segmentation insurance business:**

1. Market segmentation is very important to an insurance organisation. Insurance marketing aims at transforming the prospects into policy holders. Market segmentation enable the insurance marketer into identify the level of expectation of the policy holders.
2. Insurance organisation expitalise on the available opportunities in the market. They need to increase their market chance. Constantly, market segmentation helps in informing sensing and persuading the different segment.
3. with market segmentation the insurance organisation become aware the changing needs and requirement of the rural sector and shape their service accordingly.

4. knowing and understanding the market is considered significant to the insurance professional since the segmentation process helps them in scanning the changing needs and requirement of the rural sectors.

5. The pricing decision can also be rationalized and the weaker section of the society would get substantial benefit.

### **TOURISM MARKETING:**

Marketing in tourism is the systematic and coordinated execution of business Policy by tourist undertakings. The tourist undertaking may be private (or) state owned at local, regional, national and international levels. In the words of Burton and Medlick "tourism Marketing activities are systematic and coordinated efforts extended by national tourism organisation and or tourist enterprises at international, national and local level to optimize the satisfaction of tourist groups and individual in view of sustained tourist growth.

- (i) Tourist Marketing is a process of creating a product of service
- (ii) It comprises fact finding and marketing research.
- (iii) Tourism Marketing aims at transforming potential tourist into actual tourist.
- (iv) It is confined to generating demand and increase of market shares.
- (v) Tourism Marketing is a managerial process involving a sequence of activities aiming at customer satisfaction.

## **Marketing mix for Tourism:**

Marketing mix for tourism consist of different sub mixes such as the product mix the promotion mix, Price mix, place mix the people.

### **1) The product mix:**

Like the manufactured product, tourism cannot feel, taste, touch, or Sample a package tour. The tourism product is a non-material ad intangible as peet. The formulate of a product mix is an important task for marketing the tourism service profitabilities.

### **2. The promotional mix:**

Tourism marketers adopt various Promotion measures is order to attract tourist, Advertisement, publicity, sales promotion.

### **3. Price mix:**

In the tourism industry pricing decision are critical tourism is a Multisegment industry. So the total cost on travelling include the expenses include in transportation, accommodation, communication, shopping

### **4.Place mix:**

The term chain distribution denotes the Method through which the services read the destination in tourism industry. The middlemen are the link whose service are indispensable for increasing the flow of tourist. The middlemen are the tour operator and transport operator who buy service like hotal rooms, seats in the aircraft, railway, book seat in conducted tourist.

## **Hospital Marketing:**

Marketing has grown in importance for hospital, looking to segmentation their position in a increasing competitive healthcare market place.

The world class hospital is a multidisciplinary super speciality medical centre of international standard. Most hospital today are well equipped with the most advanced diagnostic and treatment facilities. They try for total health care – preventive and curative. Most hospital in India have grown to a truly world class stature over the years.

## **Product mix:**

A product is a set of attribute assembled in an identification form. The product is the central component of any marketing mix.

The product component of the marketing mix deal with a variety of issue relating to development, Presentation and management of the product which is to be offered to market place.

### **The hospital today offered the following services.**

1. Exmergency service
2. Ambulance service
3. Diagnostic service
4. Pharmacy service
5. casualty service.

## **1. Emergency service:**

Emergency service and care at most hospital is unique and advanced. The hospital have state of the art ambulance. The ccu's on wheels under supervision



by Medical and para – Medical staff. There is he-tech Telecommunication available to be a Patient in an emergency at any given time.

## **2. Ambulance service:**

Hi – Tech ambulance linked by state of the art telecommunication are fully equipped with doctor that –are available to render medical attention and assistance incase of emergency at the patients doorstep.

## **3. Diagnostic:**

The modern Hospital are Multi-specialty and Multi – disciplinary, that can handly any kind of ailment, they offer a wide range of facilities (for Exp ortho paccies, oncology, Plastic surgery)

## **4. Pharmacy service:**

The most hospital also have a pharmacy which is open 24hrs. It cater to he need not only of the inpatients and out patients, but also patients from other hospital who require emergency drugs.

## **5. Casualty Service:**

Include a 24 hrs casualty deoprtment. Which attends to the accident or emergences cases,

A part from above service, hospital also offer “health diagnosis programme” which is a comprehensive, complete periodic health check up provided for busy executives, professional business men. The health diagnosis Programme consist of follows,

1. Master Health check up.
2. Executive health checkup
3. Diabetics health

Generally the service offering in a hospital comparics,

### **1. Core level:**

Comprise of the basic treatment facilities and service offered by the hospital like, diagnosis – service, emergency service, casualty service.

### **2. Expected level:**

Comprise of the cleanliness and hygiene level maintained by the hospital.

### **3. Augmented level:**

Comprise of dress code for staff, air conditioning of hospital, use of state of art technology service of renowned consultants.

## UNIT –V

### FINANCIAL SERVICE

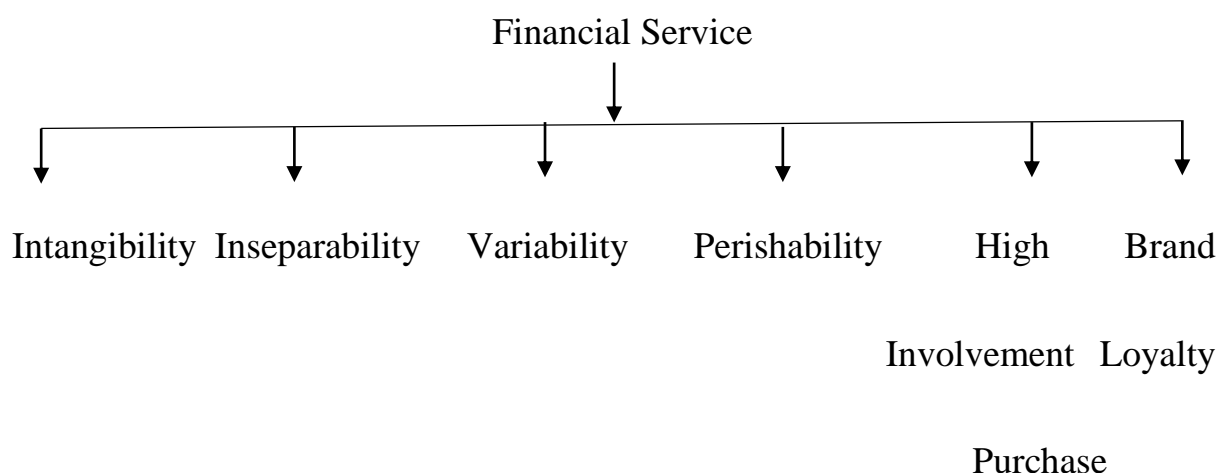
#### Meaning :

The financial service such as banking and insurance are inevitable part of an economy. This is the area which really needs to be strengthened. Financial service like banking and insurance requires a focus on improving efficiency and performance through operation and cost. In India as a result of the reform in 1990.

The financial system has improved in terms of number of financial instruments and the number of active participants in the market.

#### Characteristics of Marketing Financial Services :

The marketing financial service exhibits some distinctive characteristics which distinguish financial service from physical product.



## **1. Intangibility :**

The financial services are intangible. Financial services are presented to customers in varied forms, current account, saving account, mortgage account, credit cards by banks. The various insurance policies are offered to suit the diverse needs of customers.

All these financial services are intangible which are supported by certain tangible items like pass book, cheque book, policy document.

## **2. Inseparability :**

The service cannot be separated from the service provider. Everyday transactions are carried out as allied services. Banks transact with different types of customers. They may be general users, industrial users, and prospects. A prospect has the potential to become a customer if attracted by their service. The customers of banks and insurance companies avail the various financial services.

## **3. Variability:**

Financial service transactions can differ among institutions and even within one institution. However, computerization provides a greater degree of standardization. Persons having an account in the bank use the bank's banking facilities. The industries and entrepreneurs use credit facilities offered by the bank for expansion of their business.

## **4. Perishability:**

This feature depends on the type of transaction. According to Helen Woodruff when a cheque needs to be cleared by a certain date and if the system causes a delay then the benefits to the consumer are lost so the service could be said to be perishable.

An insurance policy becomes perishable when it expires and in this case production and consumption are not simultaneous with financial service.

### **5. High Investment and long –time purchases:**

The customer takes a long time to plan their purchase. They collect information about the product from a variety of sources including advertisements, advice from colleagues and formal advice from a consultant. They will also study carefully competing brands and products. When a customer buys a car or any other major asset, the financial service includes his involvement purchases.

### **Role of Personal Selling in Financial Service:**

Personal selling is instrumental in promoting financial services such as banking and insurance. In this context, personal selling is concerned with a process of informing the customer. It persuades the customer to avail a variety of financial services. The marketing person exercises tact, skill and knowledge to influence the buyer of the service. The process of personal sales provides one-on-one communication. Customizing a financial service is possible with personal selling.

The facts are observed regarding personal selling is financial service,

1. It is a direct personal transaction between the buyer and the seller.
2. It is oral presentation is a conversation
3. It is a two-way Communication
4. It is a selling goods and services
5. It is an important element of the promotion mix.

Fund Based Service :

Under firm finance, Chinese trust commercial bank offer the following fund based finance for capital expenditure acquisition of fixed assets towards starting or expanding a business to swap with high cost existing debt from bank and financial institution.

### **Fund Based Activity Area:**

Leasing is the most significant development as a method of procuring asset which has taken place in the field of finance during the past five decades although it was an real estate leasing at first during the past several years various firms are gradually lease almost all types of fixed assets.

Although at present it is not known to as the amount of leased equipment in use even then it may be safely concluded that lease financing is one of the major source of external financing which are being used by many industries. It is

not possible to comment the reason for its popularity of financial controllers desire to conserve increased effort of the so called leasing companies

### **The Factors of Financial :**

#### **Determine The financial health of business.**

- Excessive on insufficient inventory.
- The lowest level of inventory the business can carry.
- Account receivable
- Net Income
- Working Capital
- Sales Activates
- Aided Assets.

If the business is based on a product rather than a service take careful stock of it inventory first –time business buyer are often seduced by inventory, but the can be a trap. Excessive inventory many be obsolete or many soon become so it also cost money to store and insure. Excess inventory can also mean there are a lot of dissatisfied.

### **Housing Financial Service Marketing:**

The Housing Finance company is yet another from of non banking financial company which is engaged in the principal business of financing of

acquisition (or) construction of house that include the development of plots of land for the construction of new houses.

### **Financial Service Marketing Strategy**

1. Identify your ideal client, it is easier to look for customer if you know the type of consumer you seek.
2. Discover where your customer lives,
3. Know your business inside and outside,
4. Dry direct response marketing

### **Major Housing Finance Companies in India:**

**HDFC:** Housing development finance corporation limited. Was incorporation in 1977 as India, first specialization housing finance institution. It is also after property – related service and deposit product .

HDFC has a diversified and stable resources base comprising fixed deposit, banking borrowings, debentures, bonds, securization and foreign currency and foreign currency borrowing, deposit constitute around 23% of total borrowings, as of March-2009. HDFC disbursement and outstanding loan posted CAGR of 25.6 Percent and 24.6 Percent respectively. HDFC out standing loan rose to Rs 838.6 billion from Rs.730 billion in the previous Year, representing a growth of 14.9 Percent.

Merchant Banking:



The Merchant bank refer to term Merchant bank to a financial. Institution that conduct underwriting loan service, financial advising, and fund raising services for large corporation and high – net- worth individual.

The Merchant banks are experts in international trade, which make them specialist in dealing with multinational corporation. Unlike retail or commercial banks service to the general public.

### **Important of Merchant banking:**

Although they don't deal with the general public, some of the biggest Merchant banks also have retails and commercial banking operation.

Instead, Merchant banks traditionally perform international financing and underwriting including real estate, trade finance and foreign investment. They may be involved in issuing letter of credit and in the transferred to found.

They may also consult on trades and trading technology. Merchant banks use more creative form of financing. They typically work with company that may not be large enough to raise funds from the public through and initial public offering. Merchant banks help corporation issue securities through private placement, which required less regulatory disclosure and are sold to sophisticated investors.

### **Special consideration:**

Merchant banks if a multinational corporation operate in many different countries, a Merchant bank can finance business operation in all those countries and manage the currency exchange as funds are transferred and provide the funds are transferred and provide the funds to make the purchase using a letter of credit.

Using the example above the sellers of Germany receive a LOC issued by the merchant bank hired by company ABC as payment for the purchase. The Merchant can also help the company ABC work through the legal and regulatory issues required to do business in Germany.

### **Merchant Banks Vs Investment banks:**

There is a very fine line between merchant and investments. Investment bank underwrite and sell securities to the general public through IPOs.

The bank clients are large corporations that are willing to invest the time and money necessary to register securities for sale to the public. Investment banks also provide advisory services to companies and mergers and acquisitions and provide investment research to clients.

Merchant banks are fee-based investment banks have a two-fold income structure. They may collect fees based on the advisory services they provide to their clients, but may also be fund-based, meaning they can earn income from interest and other leases.

## **Objective of Merchant Banking:**

1. One of the main objective of Merchant banking is to channelize the financial surplus of general public into productive investment resources.
2. They Provided counseling services to the companies.
3. They help their clients in Various stage of Project.
4. They act as lead manager and manger to the issue and their job is very responsive.
5. Merchant bankers Provide port Polio service to their clients.

## **Meaning :**

“Credit are designed exclusively for the purpose of grading bonds according to their investment qualities.”

Credit rating is an unbiased and independent opinion as to issue capacity to meet it financial obligation. It does not constitute a recommendation to buy-sell or a hold particular securities.

## **Functions of credit rating :**

### **(i) Superior information:**

- ❖ It provide unbiased opinion.
- ❖ Due to Professional resources, a rating firm has greater ability to assess risks.

❖ It has access to lot of information which many not be publicity available.

**(ii) Low cost information:**

A part ration firm gather analysis, Interpu and summarizes complex information in a simple and readily understood format for wide public consumption represent a cost effective arrangement.

**(iii) Healthy discipline on corporate borrowers:**

Public exposure has healthy influence over the management if issuer because of it desire to have a clear image.

**Advantages of credit rating:**

- (i) It is give and idea to the investor about the degree of finial strength of the issue company which anable him to decide about investment
- (ii) It provide investor with ration symbols with ration symbols which carries information in easily recognizable manner.
- (iii) Rating symbol is gives them the idea about the risk involed.
- (iv) Rating symbol assigned to a credit instrument give a clve to the credibility of the issuer company.
- (v) Investor can taker quick decision with the help of the ratings given by those agencies.

## **Stock Broking in India:**

There is certain amount of diversity in the organization pattern of the stock exchanges in our countries. Except Bombay and Ahmadabad stock exchange, all other stock exchanges were organized only in the present – century.

On the model of the London stock exchange, both the Bombay and Ahmadabad exchange were organized as voluntary and non-Profit making association. Idove stock exchange was also organized on similar pattern. Other exchange are in the form of limited companies registered under the company Act.

Whatever be the form of organization, only recognized stock exchange can operate in India under the securities contracts Regulation Act 1956. The policy of the Government is to regulate only one stock exchange in one area.

