CHAPTER 2
2.1 Introduction: Developing professional skills in marketing management required the ability to look across a broad cross section of marketing situations, to understand their differences and commonalities, and to identify appropriate marketing strategies in each instance. In the manufacturing sector, many experienced marketers have worked for a variety of companies in several different industries, often including both consumer goods and industrial firms. As a result, they have a perspective that transcends narrow industry boundaries.

But exposure to marketing problems strategies in different industries is still quite rare among managers in the service sector. Not only is the concept of a formulated marketing function still relatively new to most service firms, but service industries have historically been somewhat inbred. The majority of railroad managers, for instance, have spent their entire working lives within the railroad industry, even within a single company. Most hoteliers have grown up in the hotel industry, and most hospital or the college administrators have remained within the confines of health care or higher education, respectively. The net result of such narrow exposure is that it restricts a manager's ability to identify and learn from the experience of the organizations facing parallel situations in other service industries. And, of course, from marketing experience in the manufacturing sector. Conversely, marketers from the manufacturing sector who take positions in service industries often find that their past experience has not prepared them well for working on some of the problems that
Marketing thinking and practice has, however, achieved some utilization in banks and airlines to a lesser degree in insurance, brokerage, and public transportation and still less in law, accounting, consulting, medicin, architectural, and engineering. Marketing, far from being a minor negligible function in managing a professional services firm, is one of the most important function for helping such firms meet the unprecedented challenges they are facing. (Langeard et al., 1977)

2.2 Relevant Literature:

Services and the unique requirements for marketing them have received a great attention in united states and Western Europe, and in recent years, in India also their is a greater awareness of the need of having services and marketing them on account of competition. There has consequently been a vast change in the services sector. In order to focus attention of intellectuals, professionals, educators, businessmen, industrialists, managers and students, the MBA programs centre of the university of Poona organised a two day seminar, “Mark serve 89” on 15th & 16th April, 1988 which show a beginning of the active interest in the field of service sector by intellectuals and industrialists in India. This marks the beginning of interest in services marketing in India.

However, review of published research on service marketing, showed that much researchers are carried out in America and Few in Britain, and over 70% of the references cited were dated between 1975 to 1980 (Uhl and Upah, 1983).
Much of the writing in service marketing has been concerned with building the argument that services are different from products and that these differences necessitate special marketing consideration (Eiglier and Langard, 1977; Judd, 1964; Rathmell, 1974; Uhl and Upah, 1978; Bronroos, 1988; Shoatck, 1977). The authors of these researches went on saying that the concepts developed in marketing were biased towards product marketing and not necessarily applicable in the service realm. The rationale for a separate treatment of services marketing centres on the existence of a number of characteristics of services which are consistently cited in the literature like: - intangibility, inseparability of production and consumption, heterogeneity, and perishability, which also make services different from products.

However, many of the assumptions made in the major initial research on services marketing have come under criticism (Bonna and Mills, 1979; Wyckham et al, 1975). As Wyckham et al (1975) argue that service marketing is not materially different from product marketing & point out that perishability differences between products and services are merely short term differences. It is a difference of degree, not kind. This was later on clarified by Uhl and Upah (1978) in their research, who argues that Wyckham et al, underestimate the magnitude of this key difference between products and services. All service capacity is perishable and further more perishable with every instant of non-use. However, recent work in this area has dealt not so much with arguing the issues of product-service differences and resulting differences in marketing. Instead, many have accepted (or possibly avoided) the different arguments and goes on to develop positive as well as normative theory for service marketing practices.
Alfred Marshall (1842–1924) also observed that both manufacturers and traders produced utilities whether they were formed from tangible or intangible components. Levitt, (1972) put it more recently "there is no such thing as service industries. There are only industries whose service components are greater or less than those of other industries. Everything is in service."

In the broader sense then every product has tangible elements to it. As Levitt, (1981) further states that "Everybody sells intangibles in the market place, no matter what is produced in the factory". Stanton, (1981) also observed that "the product is a set of tangible and intangible attributes which the buyer may accept as offering satisfaction of wants and needs". It is apparent from the above that a universally acceptable definition of service has so far proved elusive. As Smith, (1972) observed "No criteria are likely to provide a clear cut distinction between the two sectors (goods and services)."

In the opinion of Ryans and Wittink (1977), arguments as to differences between products and services have ceased to be productive. Their suggestion is to move forward with the development of better strategic planning models to guide service marketers. In essence, what is significant about services, where they are the object being marketed, is the relative dominance of intangible attributes in the make up of the "Service Product" (Donald Cowell, 1984). So services deserve special marketing consideration in the same way that certain categories of products do. It is appropriate to note the words of a distinguished writer and practitioner on the service sectors Wilson, (1972) "................. Services of all types are taking an increasing part of both organisational and
personal budgets, but those engaged in service industries must of necessity lean heavily on product-marketing methods because of the lack of information on the marketing of services. This applies whether the services are professional, such as banking, consultancy, architecture, accountancy, or broking, industrial, such as contract maintenance, security, transport, or design, or consumer, such as tourism, entertainment or personal care. All engaged in the sales of intangibles know, if only instinctively, that the marketing strategy and tactics for services are applied in very different ways from those for products.

2.3 Characteristics of Services:—

The rationale for a separate treatment of the services marketing centres on the existence of a number of characteristics of services cited in the literatures: Intangibility, inseparability of production and consumption, heterogeneity and perishability cited by authors (e.g. Bateson, 1977; Berry, 1980; Lovelock, 1981; Rathmell, 1966, 1974; Shostack, 1977). Intangibility: Because services are performances, rather than objects, they cannot be seen, felt, tasted, or even touched in the same manner in which goods can be sensed. Intangibility according to Bateson (1979) is the critical goods-service distinction from which all other differences emerge.

FIGURE:
Several authors have disputed the need for a separate treatment of services.*

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Year(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonamand &amp; Mills (1979)</td>
<td></td>
</tr>
<tr>
<td>Enis &amp; Roering (1981)</td>
<td></td>
</tr>
<tr>
<td>Whychhom, Fitzroy, &amp; Mandry (1975)</td>
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</table>

*Several authors have disputed the need for a separate treatment of services.
2. Inseparability of production and consumption involves the simultaneous production and consumption which characterizes most services. Whereas goods are first produced, then sold and then consumed, services are first sold, then produced and consumed simultaneously (Regan, 1963). Since the consumer must be present during the production of many services (haircut, airplane trips), inseparability "forces the buyer into intimate contact with the production process". (Carmen and Langeard, 1980). Inseparability also means that producer and seller are the same entity, making only direct distribution possible in most cases (Upah, 1980; Donelley, 1976) and causing marketing and production to be highly interactive (Bronroos, 1978).

3. Heterogeneity concerns the potential for high variability in the performance of services. The quality and essence of a service (a medical examination, car rental, restaurant meal) can vary from producer to producer, from customer to customer, and from day to day. Heterogeneity in service output is a particular problem for labour intensive industries. "Many different employees may be in contact with an individual customer, raising a problem of consistency of behaviour." (Langeard et al, 1981). Service performance from the same individual may also differ. "People's performance day in and day out fluctuates up and down. The level of consistency that you can count on and try to communicate to the consumer is not a certain thing". (Kinlessy, 1979).

4. Perishability means that services cannot be saved (Bessam and Jackson, 1975; Thomas, 1978). Hotel rooms are not occupied, airline seats not purchased, and telephone lines capacity not used cannot be reclaimed. Because services are performances that cannot be
stored, service business frequently find it difficult to synchronize supply and demand. Sometimes too much demand exists (rush for Sunday movie show) and sometimes too little demand exists (an Income Tax case in winter).

**MARKETING INTANGIBLE OFFERINGS**

The literature suggests that each unique characteristic of service leads to specific problems for service marketers and necessitates special strategies for dealing with them. Figure No. 2.2 summarizes the problems which frequently stem from each of the four service characteristics. Figure No. 2.3 lists the marketing strategies suggested in the literature to overcome these problems:

Figure 2.2: Unique Service features and resulting marketing problems

<table>
<thead>
<tr>
<th>Unique Service Features</th>
<th>Resulting Market Problems</th>
<th>Selected References citing problems</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Perishability</td>
<td>Price are difficult to judge (difficult to judge price and quality in advance)</td>
<td>Booms &amp; Nyquist (1981).</td>
</tr>
</tbody>
</table>
2. Other consumers involved in production
3. Centralized Mass production of services difficult.

Heterogeneity
1. Standardization and quality control difficult to achieve.

Perishability
1. Services cannot be inventorized

<table>
<thead>
<tr>
<th>Unique Service features</th>
<th>Market Strategies to solve problems</th>
<th>References citing strategies</th>
</tr>
</thead>
</table>

Intangibility
2. Use personal sources More than non-personal sources

References: Regan(1963), Carmen and Langeard, 1980; Rathmell, 1974; Batten, 1974; George (1977); Gronroos, 1978; Sasser et al. (1978); Upah (1980); Regan (1963), Carmen and Langeard, 1980; Rathmell, 1974; Batten, 1974; George (1977); Gronroos, 1978; Sasser et al. (1978); Upah (1980).
3. Stimulate or stimulate Word-of-Mouth Communications.
4. Create Strong Organisational Image
5. Use cost accounting to help set prices

Inseparable: 1. Emphasize selection & strain - Berry, (1981); Davidson (1978); George (1977); Gronroos, (78).
   2. Manage Consumer
   3. Use Multisite locations

Heterogenous: 1. Industrialize services
   2. Customize service

1. Use strategies to cope with fluctuating demand
2. Make simultaneous adjustments in demand & capacity to achieve a close watch between the two.

*Levitt suggests specific techniques (Hard, soft and hybrid technologies) to substitute organized preplanned system for the individual service operations (e.g. travel agency could offer prepackaged vacation tours to obviate the need for selling, tailoring, and haggling involved in customization). This strategy is the opposite of customization.

Another table combining the above two tables is presented below:
Table 2.4: Some constraints on the management of services and ways of overcoming them.

<table>
<thead>
<tr>
<th>Characteristics of Service</th>
<th>Some Implications</th>
<th>Some Means of Overcoming Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangibility</td>
<td>1. Sampling difficult 1. Focus on benefits.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Places strain on promotional elements of the marketing mix</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. No Patents possible 3. Use brand names</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. Difficult to judge price &amp; quality in advance 4(b). Develop reputation</td>
<td></td>
</tr>
<tr>
<td>Inseparability</td>
<td>1. Requires presence of producer 1. Learn to work in larger groups</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Direct Sale 2. Work Faster</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. Limited scale of operations 3. Train more competent service producers.</td>
<td></td>
</tr>
<tr>
<td>Heterogeneity</td>
<td>1. Standards depend on who and when provided 1. Careful personnel selection on monitored.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Difficult to assure quality 2. Ensure standards are monitored.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-pre-packaging service. -mechanize and industrialize for quality control.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-Emphasise bespoke features.</td>
<td></td>
</tr>
<tr>
<td>Perishability</td>
<td>1. Cannot be stored 1. Better match between supply and demand (e.g. price reduction off peak)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Problems with demand fluctuations.</td>
<td></td>
</tr>
</tbody>
</table>

1. Customer has access to but not ownership of the activity or ownership of the system.

1. Stress advantages of non-
The above discussion shows that several authors have concerned themselves with the implications of the intangibility of services for different treatment from goods marketing and otherwise marketing services.

2.5 Studies of service Marketing Practices:

Most of the researches dealing with particular marketing problems of firms in specific service industries have been undertaken in America and Western Europe. Few are undertaken in Britain. The Marketing of various service organisations covered are:

1. Organisations providing accounting services (Kotler & Conner, 1977; Mahon, 1978; Birrer, 1986; Denney, 1983); Professional Services in General (Wilson, 1972; Wheatley, 1983; Kotler & Binam, 1984); Legal services, (Dearden and Kieser, 1981; Ingram, Denney, 1984; Tom L, 1984); Design Professionals. (Bachner & Khosla, 1981); Architectural services, (Gerratt, 1980); Banking Services, (Turnbull & Lewis, 1982);

2. Servicing, (1975); Rathwell, (1974); Shostack, (1977); Retail Services in General, Judd, 1968; George, 1977; Upah, (1980); Transportation (Vaughn, 1979); The Performing Arts. (Currim et al, 1981); The Health Care, (Alan Anderson, 1979); Cooper and Murphy, 1978; Service Industries in General. (Rathwell, 1974; Donald Cowell, 1984; George and Barksdale, 1974; Donald M. Parker, 1968; Mc Dowell, 1953).

These studies of marketing in the United States Service industries employed case studies, personal interviews, trade publications and the like, and concluded that many service organisations/firms were not market oriented but showed their zeal to
As yet there are no similar reported studies for India. The results of united survey states suggests that, service industries remain dominated by an operation orientation that insists that each industry is different. For example, the marketing of Air lines has nothing at all in common with that of banks, insurance, motels, hospital or household movers or professional services of CA etc. So there is a need for a separate Marketing treatment for each specific service industry.

2.6 Studies dealing with particular marketing Problems in various service industries.

Other Studies have dealt with the common service marketing challenges faced by the firm across service industries. Sasser, (1976) and love lock and Young, (1977) deal with the need for, and procedures used to more closely match supply and demand for services. Levitt (1972 & 1976) discusses means by which service organisations can improve productivity through the increased mechanization of service operations. Sasser and Arbellt, (1978) then go on to discuss the potential problems in employee alienation as a result of the use of increased structure in an mechanization of service tasks.

Shimp and Dyer (1978); Shostack, (1977); Smith & Meyer (1980), have dealt with the need for and possible means of, Emphasizing the tangible aspects of services. Other have dealt with the ecological/situational factor e.g. physical surroundings, room, decor and recreational facilities, location etc. and the social surroundings e.g. other persons present, their role in providing the services), affecting consumer perceptions of the nature and quality of services, ( Berry, (1975); Eigler and Langedaard, (1977);
Shostack, (1977); Barker, (1968); Belk (1975); Hall, (1959); Nord & Peter, (1980); George, (1977). The importance of public contact personnel also has been stressed (Berry, 1975; George, 1977; Sasser and Abbeit, 1976.)

Related to research on productivity are studies dealing with achieving production economics in the use of multisite service operations (Chase, 1978; Upah, 1980) and improving the ability to realize economics in the promotion when multisite operation are used (Upah, 1980). The distribution channel related issues surrounding services marketing also have been addressed by Donnelly, (1976) and Stern and L.Ansaray, (1977).

2.7 Classification scheme for services.

Some of the recent research emphasis in the area of services marketing has been the developing of classification scheme for services (Lovelock, 1980; Ryan and Wittink, 1977). The ultimate objective of this sort of research was to begin to develop the strategic marketing implications of the categorization of a service along one or more dimensions of relevance to consumer. (Lovelock, 1980).

FIGURE 2.5:
Table 2.5
Summary of Previously Proposed Schemes for Classifying Services

<table>
<thead>
<tr>
<th>Author</th>
<th>Proposed Classification Schemes</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Judd, Rathmel</td>
<td>1. Rented goods services (right to own and use a good for a defined time period)</td>
<td>First two are fairly specific but third category is very broad and ignores services such as insurance, banking, Legal and experiential possessions</td>
</tr>
<tr>
<td>(1974)</td>
<td>2. Owned goods services (creation, repair or improvement of goods owned by the customer)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. Non-goods services (personal experiences or experiential possessions)</td>
<td></td>
</tr>
<tr>
<td>Shostack,</td>
<td>1. Type of seller,</td>
<td>No specific application to service could equally apply to goods as well</td>
</tr>
<tr>
<td>(1977)</td>
<td>2. Type of buyer,</td>
<td></td>
</tr>
<tr>
<td>Sasser et al,</td>
<td>3. Buying motives,</td>
<td></td>
</tr>
<tr>
<td>(1978)</td>
<td>4. Buying practice,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. Degree of regulation</td>
<td></td>
</tr>
<tr>
<td>Hill, (1977)</td>
<td>1. Services affecting persons V/s those affecting goods,</td>
<td>Emphasis as nature of services benefits and variations in the service delivery/consumption environment.</td>
</tr>
<tr>
<td></td>
<td>2. Permanent V/s temporary effects of services</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. Reversibility V/s non-reversibility of these effects.</td>
<td>Consumption environment.</td>
</tr>
<tr>
<td>Thomas, (1978)</td>
<td>1. Primarily equipment-based (a) Automated (e.g. Car Wash), (b) monitored by unskilled operators (e.g. movie theater) (c) Operated by</td>
<td>Although operational rather than marketing in orientation, provides a useful way of</td>
</tr>
<tr>
<td></td>
<td>2. Type of buyer,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. Reversibility V/s non-reversibility of these effects.</td>
<td></td>
</tr>
</tbody>
</table>
skilled personnel e.g. airlines understanding product attributes,
2. Primarily people-based (a) Unskilled Labour (e.g. Lawncare (b) Skilled Labour (e.g. repair work), (c) Professional staff (e.g. Lawyers, Dentists).

Chase, Extent of customer contact required in service delivery (a) High contact (e.g. healthcare, hotels, restaurants) (b) Low contact (e.g. postalservices, wholesaling)
Recognises that product variability is harder to control in high contact services because customers exert more influence on timing of demand & service features, due to their greater involvement in the service process.

Kotler, 1980
1. People-based vs equipment based
2. Extent to which client presence is necessary.
3. Meets personal need v/s business needs
4. Public vs private for profit vs non-profit.
Synthesizes previous work, recognizes differences in purpose of service organisations.

Lovelock, 1980
1. Basic demand characteristics.
   - Object served (person vs property)
   - Discrete vs continuous relationship between customers & providers
2. Services content & benefits.
   - Extent of physical goods content
   - Extent of personal service content
   - Single service vs bundle of services.
   - Timing & duration of benefits
   - Multisite vs single site delivery
   - Allocation of capacity (reservation vs 1st come-first served)
   - Independent vs collective consumption.
   - Time defined vs task defined transactions.
   - Extent to which customers must be present during service delivery.
Synthesizes previous classifications and adds several new schemes, proposes several categories within each classifications. Concludes that delivered object served is most fundamental classification scheme. Suggest that valuable marketing insights would come from combining two or more classification schemes.
Now much of the focus on intangibility and the resulting importance of the tangibilising of the service firm capabilities has shifted from commercial services to professional services (Bloom, 1977; Shimp & Dyer, 1978; Smith & Meyer, 1980; Uhl & Upah, 1980(a); Kotler & Cooner, 1977, Wheatley, 1983; Kotler & Bloom, 1983).

A major stimulus to change (where professional firms are not opposed to the idea of marketing, although advertising is still restricted by professional services), came in 1976, when the monopolies commission declared that the restriction on marketing exercised by the accounting and legal professions operated against the public interests (Williamson, 1980).

Therefore, the researcher took the opportunity to study and empirically test much of the theoretical foundation produced in the United States by undertaking an in-depth study entitled, "Marketing Professional Accounting Services", in India a case study in Delhi city to bring about various marketing in-sights and orientations needed in the field of professional services to make the professional services a success in the age of competition.

2.6 Realigning Marketing with Services:

The service sector in our country is one of the fastest growing sectors of the economy, forming nearly 41% of the GNP (Economic Times, April 14, 1988). The sixth plan targets could be achieved because of good agricultural performance and rapid growth in the service sector.

Currently, the seventh plan in the sectoral allocation of public sector outlays is heavily oriented towards power, agricultu-
The development of human resources over the remaining twelve years of the century will result in the establishment of a modern self-reliant economy and substantial improvement in the levels of living of the people. It is the service sector which will substantially contribute to social development and improvement in the quality of life. Further, it is being realised that growth in employment over the seventh plan period will come from the growth in services. Banking and the spread of credit institutions will provide opportunities for self-employment. The increasing importance of this sector of the economy is apparent.
It is also being realised that Marketing Concept is needed by this sector to give expected satisfaction. The Marketing Concept holds that the key to meeting an organization goals is the customer needs and wants orientation backed by integrated marketing effort aimed at generating and delivering customer satisfaction more effectively and efficiently than competitors.

The nature of the industry in which a firm operates does much to shape the possible and appropriate form of marketing. Service industries generally have the following characteristics.

— There is a direct contact between the producer of goods and services and the consumer. This highlights the importance of interaction between manager/staff and the customers.

— Services are highly personalised and there is a simultaneous production and consumption of the services. So from marketing standpoint, distribution channels are direct.

— Some service industries are subject to fluctuations in demand where peaks and troughs occur during the day as well as over season, and thus add to the degree of market orientation required by the business.

— Service Products are highly perishable i.e. an airline seat, consultancy service. The greater the perishability the greater the dependence on consumer demand.

Keeping in view the nature of activities in service organizations, the high degree of personal contact required by the product perishability, often coupled with sales intangibility, we find that firstly the very nature of marketing function changes and that, secondly, this poses problems in terms of how marketing functions
should relate to operations. In service firms marketing acts as a bridge between producers and the customers providing feedback on customers needs, projection of market demand, competitive information and working with transportation and logistics for distributing the product to prospective customers.

In service industries contact between operational personnel and customers is the rule rather than the exception - but the extent of contact varies according to the nature of service, thus calls for a high degree of market orientation. Thus it is safe to say that marketing does have a role to play and many inputs to make: e.g.

1. To select service product characteristics tailored to the needs of selected target markets that are equal or superior to competitive offerings.
2. To set prices that are in line with competitive strategies.
3. To tailor location and timing of service availability to consumer needs and preferences.
4. To develop an effective communication mix to inform prospective customers about the service and promote its use.
5. Thus in service industry, operations and marketing must work together. The service organisation, what-soever, can compete effectively by integrating the marketing and operations function within the organisation. As a growing chunk of the economy, service organisations cannot allow themselves to be cast in concrete. As new product, consumer awareness and competition emerge, new organisations framework should be allowed to develop.

The same characteristics that change the nature of the marketing function in a service industry also make it necessary for a service organisation to inculcate the marketing concept and become
customer oriented.

In view of the tremendous gaps in the knowledge in the field of the marketing of services particularly professional services, a study which would aim at least to particularly fill this gap would be very much in order.

A similar view is expressed by W.J. Emlem, "Production may be the door to economic growth of the underdeveloped countries, but marketing is the key that turn the lock."
2.9 SUBJECT OF THE STUDY:
--------------------------------- The professional service organisations need to be market oriented and marketing becomes extremely important to them, to cope with such changes as changing expectations of clients; an over supply of professionals resulting in increased competition; changes in legal environment, as tax laws have changed; increase in literacy and information explosion etc. So a study of exploratory nature, entitled "Marketing Professional Services—a case study of CA's of Delhi" was undertaken by the researcher, to bring about important marketing insights in the field of professional services of CA's.

The study has been confined in professionals to CA's only on several counts discussed in the limitations of the study. Although the study is comprehensive one, but still a lot more work however needs to be done in this direction on all-India basis, to bring out more realistic results (future area of research).

2.10 Objectives of the study:
--------------------------------- 1. To find out if the CA's can be identified as having a production, sales or consumer oriented marketing management orientation.

2. To see whether services businesses (i.e. professionals firm's of CA) were opposed/not opposed to the idea of marketing, and whether they perceive themselves as producer of services Vs marketers of services.

3. To know whether the "Satisfaction of client" was "central" goal of CA's, and to suggest a viable marketing strategy to practice development.

4. To determine what were the potential areas for the CA in which they could do practice, to change over, or to diversify to what new
areas of service product offerings.

5. Which types of service product offerings constituted the major chunk of business in case of professional services of practicing accountants.

6. To bring about if location, design and timing of service availability were considered important in marketing of professional service of CA's.

7. What factors were considered important in practice development and client attraction.

8. What sort of communication mix was being used to inform prospective customers about the service and promote its use.

9. To know which information sources contributed maximum share of clientele for the practicing CAs.

10. To study the importance and type of referrals as a source of business.

11. To determine if these professionals feel change in the practicing environment - change in what respect, and their valuable suggestions for improvement.

12. To find out the type of client groups using CA services - their relationship with income, and category to which belonged.

13. To know how the users and the non-users perceived, the different factors while choosing the CA firm.

14. To study how the user and non-users perceived the necessity of a CA in different cases/service product offerings.

15. Lastly, to study among users, their sources of information about CA and whether loyalty builds up or not in using their services, as time passes.

On the basis of the above, attempts have to be made to arrive
at certain conclusions with a view to suggesting:

a. Improvements in package of services, modification in the existing methods of practice, expansion of market etc. with complete consonance with consumer needs.

b. Modifications in the thinking of professionals as regards marketing, suggesting modification in government policies towards restrictions on marketing in case of professionals, recommending the institute of CA's of India its greater role in improving the practicing environment and the like.

2.11 Propositions :-

In view of the later on amenable to hypothesis formulation objectives of the study, and sound theoretical base build up during review of literature stage, following propositions have been framed for the present study:

Proposition 1.

Minimal marketing strategy is used to market professional accounting services, where gradually the CAs are experiencing a change in the practicing environment; are worried about the future; and think of diversifying their service packages and scope of operations.

Proposition 2.

The marketing of accountancy service is limited to the study of service product offerings, constant review of clients, charging believe value fees. They are opposed to advertising and do not use it for promotion of their practice.

Proposition 3.

Accounting firms to larger extent are client centered and in their zeal to meet customer needs lack marketing orientation.
Proposition 4.
------------- Personal contact or Sunday meetings, maintaining social contacts are the major ways used to attract and retain the clients.

Proposition 5.
------------- Personal recommendations of friends/relatives and referrals are important source of business in case of professional services of CAs.

Proposition 6.
------------- Consumer/clients look for such qualities as trustworthiness and competence the most, in seeking public accountants (selection criteria).

Proposition 7.
------------- Over all organisational capabilities (No. of partners, office environment, equipments, prestigious locations, international experience) combined with tangible evidence of the professional seller capability to provide the service are of major importance in attracting the attention of prospective users in the marketing of people-intensive services.

Proposition 8.
------------- Professional accountancy services are rendered by people (professionals) and are heavily people centered, so service facility can be located at considerable distance from intended customers because 1. The service can be sold through the use of market located sales office. 2. Customer will seek more pre-purchase information. 3. Customer will travel considerable distance for the service and 4. The service capacity can be transported to the customers.

Proposition 9.
------------- Users of accountancy services evaluate the importance of source of information about accountancy services differently. Personal contacts are more important source of information for users.
Proposition 10.

Prior accountancy services usage is related to perceptions of the importance of needs for accountancy services. Users are likely to have greater awareness of the usefulness of a CA, for most accounting needs, they are also in better position to place a value on accountancy services.

Proposition 11.

There is direct relationship between the experience of a accountant and his income.