CHAPTER III
THEORITICAL FRAME WORK OF SERVICE MARKETING

The chapter is divided into three sections. In section I there is a brief overview of the evolution of services marketing as a field of academic study. This is followed in section II by consideration of some of the traditional methods used to classify services. In section III the 'screen of services analysis' is presented as a frame work.

SECTION I
EVOLUTION OF SERVICES MARKETING:

In their recent article, "Tracking the Evolution of the services marketing literature" Fisk, Brown, and Bitner identify three distinct stages in the evolution of services marketing that are reflected in the literature:

1. The Crawling out stage
2. The Scurrying about stage
3. The Walking erect stage

1. CRAWLING OUT STAGE:

The crawling out stage, which took place prior to 1980. In the crawling out stage discussion centered around the need for a separate body of literature to deal with the specific problems of the service sector papers considered whether there was anything significantly different about operating a service business that would necessitate a

distinct body of marketing theory. Specific areas of marketing theory were examined and found to be insufficient or inappropriate when it came to handling service sector problems and concerns. Donnelly for example, highlighted the differences between the marketing channels used for services and those used for physical goods and implication for marketing strategy.

2. SCURRYING ABOUT STAGE:

In the scurrying about stage between 1980 and 1985 the quantity of academic literature produced about services marketing increased considerably. Zeithaml, Berry and Parasuraman developed their pioneering gaps model of service quality which highlighted the importance of efforts made to assess quality in services. Other topics emerged as being particularly important to the management of services organizations, including a better understanding to the components of the ‘service encounter’ ‘relationship marketing’ and ‘internal marketing’. Boom and Bitner developed their expanded ‘marketing mix’ for services identified in the crawling out stage: intangibility, inseparability heterogeneity and perishability.

The ‘marketing mix’ is the term traditionally used to describe a specific set of tools available to managers to help them shape the offer they present to consumers. McCarthy presented one of the most
commonly used 'mixes' in 1960. The four policies highlight product, price, and promotion and place decisions as being the most critical areas for consideration.

3. WALKING ERECT – STAGE

In the 'walking erect' stage since 1986, Fisk, Brawn and Banta note that there has been almost no discussion of whether services are different from goods, but rather the literature has focused on specific marketing problems of service organizations. They include consideration of Service Encounters, Service Design, Perceived Service, Quality and Customer Satisfaction, Internal Marketing and Relationship Marketing.

SECTION II
DEFINING AND CLASSIFYING SERVICES

"Services are described as objects of transaction offered by firms and institutions that generally offer services or that consider themselves service organizations"9-Gronroos,

CLASSIFYING SERVICES

Despite some initial problems, a number of useful attempts have been made since 1980 to classify services. Five classification methods are:

- Based on Service operations Dimensions.
- Based on level of tangibility
- Based on customer-employee presence during the service.
- Based on drama analogy of services; and
- Based on customization/empowerment.

CLASSIFICATION BASED ON SERVICE OPERATIONS DIMENSIONS

Ranking of services according to volume of customer, they classified services in thread broad categories: professional, service shop and mass services as in following table
<table>
<thead>
<tr>
<th>CLASS OF SERVICE PROCESS</th>
<th>VOLUME OF CUSTOMERS</th>
<th>CHARACTERISTICS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional</td>
<td>Professional</td>
<td>People focus</td>
</tr>
<tr>
<td>E.g. Accountant</td>
<td>LAW</td>
<td>High contact time</td>
</tr>
<tr>
<td></td>
<td></td>
<td>High customization</td>
</tr>
<tr>
<td></td>
<td></td>
<td>High level of employment</td>
</tr>
<tr>
<td>Service Shop</td>
<td>Service Shop</td>
<td>People and equipment</td>
</tr>
<tr>
<td>E.g. Bank, Hotel</td>
<td>MEDIUM</td>
<td>Medium contact time</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Medium customization</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Medium level of equipment</td>
</tr>
<tr>
<td>Mass service</td>
<td>Mass service</td>
<td>Equipment focus</td>
</tr>
<tr>
<td>E.g. Transport.</td>
<td>HIGH</td>
<td>Low contact time</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Low customization</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Low level of empowerment</td>
</tr>
</tbody>
</table>

(Source: Adapted from Sylvester teal.)
CLASSIFICATION BASED ON LEVEL OF TANGIBILITY

Shoptalk has used the level of tangibility as a way of classifying service as a goods-services spectrum. From the customer perspective, the more tangible a product, whereas for the more intangible product the opposite is true.

TABLE 3.2.

<table>
<thead>
<tr>
<th>TANGIBLE DOMINENT</th>
<th>INTANGIBLE DOMINENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Salt</td>
<td>1. Fast-food outlet</td>
</tr>
<tr>
<td>2. Soft Drinks</td>
<td>2. Advertising agency</td>
</tr>
<tr>
<td>3. Detergent</td>
<td>3. Articles</td>
</tr>
<tr>
<td>5. Cosmetics</td>
<td>5. Consulting</td>
</tr>
<tr>
<td>6. Fast-food outlets</td>
<td>6. Teaching</td>
</tr>
</tbody>
</table>


CLASSIFYING BASED ON CUSTOMER-EMPLOYEE PRESENCE DURING THE SERVICE.

The customer-Employees involved with service provision has classified service organization as

- Self Service (Customer only) egad, gulf source
- Interpersonal services (both customer and employee) e.g. School, dry cleaner.
- Remote Service (employee only) e.g. Insurance Company.
CLASSIFICATION BASED ON DRAMA ANALOGY OF SERVICES.

By considering service as 'drama', Grove and Fisk provide some useful analogies. For example, the service contact personnel are the 'actors', the customers are the 'audience', the service setting is the 'stage' and the process is the 'performance'. The dimensions are contact, as measured by the rate of front-of-house activities to back-of-house, and audience size.

CLASSIFICATION BASED ON CUSTOMISATION/EMPOWERMENT.

The most comprehensive treatment of classification of service is contained in the pioneering article by Lovelock. Comparison of the extent of customization of services with the extent of the empowerment of the customer contact personnel can be seen in below table.

SERVICES CLASSIFIED ACCORDING TO CUSTOMISATION OF SERVICE AND EMPOWERMENT OF EMPLOYEE.

TABLE 3.3

<table>
<thead>
<tr>
<th>Empowerment of Employee</th>
<th>Level of customization Of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>Low</td>
</tr>
<tr>
<td>Low</td>
<td>Food retailing superstore</td>
</tr>
<tr>
<td></td>
<td>Telephone banking</td>
</tr>
<tr>
<td>High</td>
<td>National Health Dental Care</td>
</tr>
<tr>
<td></td>
<td>Accountant</td>
</tr>
</tbody>
</table>

(Source: Adapted from Lovelock)
SECTION III

THE SCREEN OF SERVICE ANALYSIS; A FRAME WORK FOR UNDERSTANDING SERVICES MARKETING.

The screen itself is divided into three panels, each of which contains a number of components. In the figure show as

CHART 3.1
Three panels, each of which contains a number of components. In the center, and made deliberately central is the people panel, made up of two components: service providers and ‘customers’. On the left is a panel entitled model. The components of this panel are ‘structure’. Process and contents, which are labels, which best describe how models are employed to provide generalizations about services. The panel on the right of the screen is called the mission. The components represent aims and objectives which may be influenced by an organization’s implicit or explicit mission statements, and which normally comprise some or all, of satisfaction loyalty, quality and profitability.

The controls for the screen are of two main forms. First, there are dials, which are permanently set to ensure that the basic characteristics of service prevail. These dials are set to ‘high’ for heterogeneity and perishability and to ‘low’ for tangibility and separability second there the topic box.

MEASURES OF SERVICING

Measures adopted by LIC for better servicing.

- Providing quick and satisfactory servicing to customer
- Upgradation of Technology-front end application package
- Metro Area Net Working
• Inter Active Voice Responding System (IVRS)

• Reduction in Time Lag

• Inclusion of Retired LIC Judge in Claims Review Committee at ZO

• Monday Grievance Redressal Cell

• Special Revival Campaign every year

• LIC Internal EC at Bahram for Indian rupees and other local currencies

The Life Insurance Corporation of India is a monopoly undertaking of Life Insurance. The monopoly undertaking of LIC issued different types of policies to the public, each policy has many features in differently. Having different elements in different policies, the policy holders are free to choose the best policy according to their requirement. The LIC of India introduced 57 policies upto 14th November 2002.

CONCLUSION

Marketing services in evolution are reflected in three ways of crawling out, scurrying about and walking erect stage. The stages are described in perceived service quality and customer satisfaction, internal marketing and relationship marketings. The LIC services are classified on the basis of customers' needs and satisfaction. So many
ways are adopted by LIC measures of better servicing. Example
Metro Area Net Work, LIC internal EC at Bahraom for Indian rupees
and other local currencies. The features of services are tangibility,
seperability, heterogeneity and perishability. Customer wants to be
seen by friends as a value oriented survey customer of LIC. So the
LIC of India is a monopoly undertaking of Life Insurance. Therefore
Life Insurance Corporation of India is better servicing corporation to
the customers’ satisfaction.