Chapter – III

PROMINENT SERVICE SECTORS: WEB BASED STUDY
3.1 Introduction:

The purpose of any service sector is to create and maintain satisfied and profitable customers. Customers are attracted and retained when their needs are met. So service organizations are required to understand the customers and to build the organisation around them. This requirement is particularly important for service, which in many instances still tends to be operations dominated rather than customer oriented. Customer satisfaction depends on a product’s perceived performance in delivering value relative to a buyer’s expectations. If the product’s performance falls short of the customer’s expectation, the buyer is dissatisfied. If performance matches expectation the buyer is satisfied.

Thus, customer delight creates an emotional tie to a product or service, not just a rational preference and this creates high customer loyalty. Satisfied customers make repeat the visits, and talk favourably to others about the services and products. So service sector need to realize the importance of creating satisfied customers. Knowing the clients attitude such as how they make decisions, how they choose among alternatives and how they evaluate these service once they are received become essential.
Customer attitudes reflect what consumers think and feel. This understanding helps to describe how consumers make choices.

Customer attitudes can be different from customer to customer. These attitudes normally differ by customers' age, group, gender, family structure, social class and income, race and ethnicity and culture. People have attitudes about almost everything—religion, politics, clothes, music and food. An attitude describes a person's relatively consistent evaluation, feelings and tendencies toward an object or an idea. Attitudes put people into a frame of mind for liking or disliking things and moving towards or away from them. A regular customer of a restaurant who receives a bad meal may begin to believe the food quality of that particular restaurant is decreasing. If that customer again receives a bad meal so then a negative belief may be permanently fixed and they will stop purchasing from that restaurant. So it is important for the service sector to develop the customer beliefs or attitudes toward the product or service.

Psychologists define attitude as the relatively enduring orientations that individuals develop towards the various objects and issues they encounter during their lives. An attitude is not fleeting; it is an orientation that lasts over time. An attitude is general in that it summarizes evaluations over a wide range of situations. Attitudes are product of information acquisition. That is attitudes are learned beliefs, feelings, and reaction tendencies. Beliefs are thoughts, linking an object to some feature or
characteristic (1). Actually attitudes help consumers to make choices whether minor or important, such as consumers have attitudes towards a restaurant and attitudes towards a university. A consumer’s overall evaluation of a product sometimes accounts for the bulk of his or her attitudes toward it. Satisfaction can be defined as “A judgement that a product, or service feature, or the product or service itself, provides a pleasurable level of consumption-related fulfilment, including levels of under or over fulfilment”(2). Customer satisfaction has been noted as a major element needed to create and sustain a competitive service. Customers will be satisfied if the services they receive are at least as good as they were supposed to be. “A consumer is considered satisfied when his weighted sum total of experiences shows a feeling of gratification when compared with his expectations.

On the other hand, a consumer is considered dissatisfied when his actual experience shows a feeling of displeasure when compared with his expectation”(3). So there is a need to provide the quality of product or service to the customer, to meet their expectations. This is because service quality leads to customer satisfaction. Ample of evidences suggests that the provision of quality can retain the customer. Repeat customers yield many benefits to the service organization. The true quality is said to be evaluated by the customer during and after the service encounter. Customers will tend to compare their pre-service expectation with the perceived or actual performance. Differences between expected and perceived performance will have an influence on
the customers’ perception of the organisation—either positive or negative. This appears to be the main theoretical underpinning of the service quality model.

3.2 Human Resource Management and Development:

Customer expectations for quality are increasing, presenting the industry with a double-edged sword; at the same time the qualified labour is becoming harder to find and keep. Customers are demanding increasingly high levels of service excellence. Linking this issue with seasonality, a common characteristic of tourism enterprise, customer satisfaction as a correlate to employee attitude and performance, stresses the importance of quality service to organisational achievements. Service quality has since emerged as an irrepressible, globally pervasive strategic fact. Firms that are being able to produce and maintain quality in their services are more likely to gain competitive advantage. However, quality service is not easy to achieve, because not everyone can perform well during the service delivery(4). Consistency of quality service is difficult to ensure due to the variability of the human element. Kamdampully(5) spells out the directions of this variability and the centre stage part played by employees in quality service:

- The quality of service performance varies from one service organization to another.
- The quality of service performance varies from one service performance to another.
• The quality of service performance varies for the same performer from one occasion to another.

In today's competitive marketplace, organisational effectiveness depends on understanding customer's values and communicating this understanding to employees in the form of employee-performance goals and expectations(6). The smaller the labour market from which an organisation has to generate a pool of potential employees, the more challenging the staffing function. Usually the hospitality businesses are located in remote or peripheral areas and can be particularly challenged to attract a quality workforce.

Managing Human Resources:

One of the biggest challenges facing the industry is human resource management. Human resource management will continue to be one of the challenges faced by managers throughout the foreseeable future. The challenge to find and nurture employees in a tightening labour market is especially important in the hospitality industry. Even though, in today's environment where technological advancements have revolutionized the concept of hospitality services, it is impossible to offer superior guest experiences to customers without well-trained and knowledgeable employees. Pringle and Kroll(7) state that intangible knowledge based resources (e.g., human capital) are more likely to lead to a sustainable competitive advantage when the environment is changing rapidly. The human capital
(knowledge, skills, and behaviour) reinforces the importance of people-related competencies that ultimately link to a firm's success. Therefore, effective human resource management can be considered as the new source of competitiveness. Understanding how to effectively manage this competitive source for better organization performance is of great concern for all hospitality establishments.

Hospitality firms compete against one another primarily on the level of services that they can offer to their customers. Due to this competition, employees that are involved in providing these services can be considered as one of the most important resources possessed by hospitality firms.

All the decisions, strategies factors, principles, operations, practices, functions, activities and methods related to the management of people as employees in any type of organization (including small and micro enterprises and virtual organization). Every dimension related to people in their employment relationship, and all the dynamics that flow from it (including in the realization of the potential of individual employees in term of their aspirations). All aimed at adding value to the delivery of goods and services, as well as to the quality of work life for employees, and hence helping to ensure continuous organizational success in transformative environments.
3.3 Complexity of Service:

The hospitality and tourism industry, people are increasingly concerned about the service they are getting. Customers are demanding higher and higher level of service, and firms are recognising more and more the critical role service plays in their ultimate success. The delivery of service within tourism and hospitality is frequently located firmly within marketing. Service enters the discussion through a consideration of the characteristics of tourism which set the industry and its products apart from other industries and products. Service companies are different from manufacturers in that they do not produce anything tangible from scratch. Consequently, service firms often face challenges such as, how do they market their product that no one can see; price a product that has no cost of goods sold; inventory a product that cannot be stored; or distribute a product that seems inextricably link to its provider?. Service offered by hospitality firms, if compared to manufacturing are different because of the four unique characteristics namely intangibility, inseparability, heterogeneity, and perishability. These characteristics create difficulties for service employee to deliver quality service to the customer. Customers' perception toward business is to get the same standard or improved standards of service each time they return to the firms. So if service employee can improve their service delivery standards time on time, in turn it is beneficial for the business.
A service cannot be centrally provided; inspected, stockpiled or warehoused it is usually delivered where the customer is by the people who are beyond the immediate influence of their management(8). Perishability refers to the fact that services cannot be saved, their unused capacity cannot be reserved and they cannot be inventoried. Unlike goods that can be stored and sold at a later date, services that are not sold when they become available cease to exist. So without the benefit of carrying an inventory, matching demand and supply within most services firms is a major challenge. Furthermore, the lack of inventories and the need for the service provider to provide the service leads to several possible demand and supply scenarios.

In contrast to their service producing counterparts, manufacturers of goods could more easily adapt to these scenarios through selling or creating inventories. The nature of these demands fluctuation, over time and the extent to which supply is constrained. That means if the demand exceeds the supply for a particular service the business may be lost to another provider. For example, if one particular restaurant is full and the customer has made up his or her mind to eat out, he or she will go to another restaurant.

3.4 Hospitality and Tourism Education and Training:

The emergence of a knowledge society means an ever-increasing demand for a well-educated and skilled workforce
across the whole economy. The significance of hospitality and tourism management education and training has been recognized globally. For many years now education and training provide the skilled human resources. In an environment of contemporary global business, the majority of tourism and hospitality business require human resources to be educated. Before defining hospitality and tourism education and training it is better to define first the term education and training. John Dewey the American philosopher has defined education in 1916 “it is that reconstruction or reorganization of experience which adds to the meaning of experience, and which increases ability to direct the course of subsequent experience”(9). The Manpower Services Commission defines the term “training” is “A planed process to modify attitude, knowledge or skill behaviour through learning experience to achieve effective performance in an activity or range of activities. It purposes in the work situation, is to develop the abilities of the individual and to satisfy the current and future needs of the organization”(10). Activities aim at developing the knowledge, skills, moral values and understanding required in all aspects of life rather than knowledge and skills relating to only a limited field of activity. The purpose of education is to provide the conditions essential for young persons and adults to develop an understanding of the traditions and ideas influencing the society in which they live and to enable them to make a contribution to it. It involves the study of their own and other
cultures and the laws of nature as well as the acquisition of linguistic and other skills which are basic to learning, personal development, creativity and communication. The growth or realisation of a person’s ability is, through conscious or unconscious learning. Development programmes usually include elements of planned study and experience, and are frequently supported by a coaching or counselling facility.

3.5 **Demands of Service Sector Organization:**

To meet the challenges of a service-oriented organisation, managers need to be not only adaptive but also innovative; be able to make quick decisions based on instantaneously available information; and be fairly assertive without being overbearing. All these require high standards of service professionalism, which can only be achieved through well-conceived and planned systems of training. The strong service nature of hospitality and tourism, raising the overall standard of service professionalism to guests is a challenge that faces all managers of service oriented businesses. In planning and designing the appropriate training for their employees, however, it is important for the manager’s of the business to understand the needs of the employees and what standard is required for the business, so that trainers can design a set of learning experiences more closely related to the actual physical workplace to foster the application of skills and increase the success of the training process.
Human resources development has an important role in the growth of tourism; as education can lead to more clarity regarding this growth issues, develop a realistic image of tourism and, more importantly, help develop sustainability oriented professional ‘ethics' and ‘subculture' within the tourism industry. So there is an important role for the education to develop the tourism within the country.

3.6 Banking Services:

The banking sector is one of the biggest service sectors in India and now-a-days is in a way to attract the biggest market of Asia in investment. The banking sector today is focusing on how to provide efficient services to its customers. The Indian Banking
System consisting of various public and private sector financial institutions whose objective is serving the people for their financial and economic needs. It emphasizes on a very important factor that the success of any financial institution (bank) depends upon the service delivery of the products offered and the satisfaction of the customers. It also covers the various quantitative products offered to the customers for their maximum retention and tells that the products and services should along with being quantitative be qualitative. The study reveals that during recent times there has been a quantitative expansion of banking services but qualitatively the scenario has been far from satisfactory. The qualitative improvement provides up thrust in the success of the banking industry and is the need of the hour in today's era of cut throat competition and to provide customer satisfaction.

Today, service sector contributes the maximum share of India's Gross Domestic Product (GDP). It comprises of trade, communication, financial system, insurance, community, social and personal services. Government of India has been taking various steps in reforming the financial sector of the country. Almost 80% of the business is still controlled by Public Sector Banks (PSB). PSBs are still dominating the commercial banking system. Shares of leading PSBs are listed on the stock exchange with private sector banks. The RBI has given licenses to new private sector banks as a part of the liberalization process. Many banks are successfully running in retail and consumer segment
but are yet to deliver services to industrial finance, retail trade, small business and agricultural finance.

In the Contemporary Context banking industry, which was tightly protected by regulations is now experiencing a rapid change. Now it is no more confined to nationalized and cooperative banks but has emerged with multinational banks who have spread their branches across the length and breadth of the country. The entry of private players in the industry has altogether transformed the banking arena. Now the consumers have a choice of transacting either in traditional way or the new multi channel banking i.e. A.T.M., Net banking, Tele banking etc. Banks today are thus providing large number of quantitative services along with qualitative dimensions. According to K.P. Padamakumar, Chairman, Federal Bank(11). Banks are increasingly facing sliding margins and fierce competitions. It is imperative to increasing volumes and reduces operational cost. Thus due to tough competition in the banking sector and due to the entry of private players, the quantity of services of the banks are increasing day by day but as far as quality is concerned, it is continuously deteriorating. Today the customer is interested in how he / she can benefit from the banks and their products. That is why it becomes necessary for a bank to differentiate its products from the others. Indian banks have now realized that it no longer pays to have transaction based operating. This has shifted their focus from operational services to customer centric services. Today they are looking at newer ways to make a
customer's banking experience more convenient and effective. This can be done by using new technology, tools and techniques to identify customer needs and then offering products to match them. In the financial world, product superiority does not last long as it is relatively easy to copy products. So the real strength comes from operational excellence and understanding the customer and developing rapport with them.

3.7 The Role of Technology in Banking Service:

Technology offered options to use alternate transaction request and payment delivery channels build scalability and reduce costs through automation. A dedicated technology and processing infrastructure has helped the bank to minimize costs and improve service levels to the remitters. The bank's new technical offers are;

- Web-based technology platform leading the instant access and initiation for remitters as well as for bank users.
- Largely automated funding, forex and centralized payment processing enabling a high degree of straight through processing.
- Focus on better customer service: continuous online status tracking and dedicated customer care call centre.
- Remittance system well integrated with the other banking and processing systems of the bank leading to significant cost savings.
• The cost savings are then being passed on to the customer, making the overall remittance service extremely competitive.

• Automated connectivity of the remittances system to electronic clearings locally at both the originating and distribution side. This improved both the processing speed as well as reach across bank branches.

Technology and alliances with partners have played a key role in banking sector’s success and acceptance of the remittance community. The strategy is banking on innovations and an active partnership model and riding on latest technology solutions for creating highly effective centralized transaction processing capabilities.

3.8 Changing Needs of Banking Service:

The emerging need of the time is that the banks both in the public as well as private sector should identify and cater the needs of the customers thereby practicing customer retention and providing them efficient services. Customer service is concerned with the creation, development and enhancement of individualized customer relationship with carefully targeted customers resulting in maximising their total customer lifetime value by giving them satisfaction against their expectations. Today, approach towards customer service, emphasizes on
keeping as well as winning the customers. Now the focus of banks has shifted from customer acquisition to customer retention. Besides rendering traditional services of accepting deposits and granting advances, during the recent years, banks have gradually started providing various auxiliary services to their customers which has completely revolutionized and enlarged the banking sector. With the help of Core banking solution, the operations have shifted from branch banking to centralized banking i.e. now the customers are not confined to the branch in which they have their account rather now they can access their account from any branch of the particular bank within a city or country. Core banking solution is providing the competitive edge to scale unprecedented height in customer delight.

Extensive use of Information Technology in the banking sector, the working strategy of the banking sector has seen revolutionary changes. It is felt that without the use of Information Technology, the banking sector may become paralyzed. The various customer service oriented products like internet banking, ATM services, telebanking, electronic payment system, cheque processing system etc. have declined the workload of the customers. Now they need not go to the banks each and every time for meagre tasks.
3.9 ICICI Bank's Strategy for Promotion of Financial Inclusion:

People from low-income group line are in high-risk and unpredictable environment, making access to financial services vital for their sustenance. Dealing with life cycle events, emergencies and planning for future are some aspects in which financial intervention can help. A large part of this financially under-served segment resides in rural India. Integration of rural India into economic mainstream will boost rural household incomes and have a multiplier effect on the demand for goods and services across the economy while promoting financial inclusion.

The information when shared across the industry will enable the underserved segments to have access to financial in a well-defined credit analysis framework. It will also go a long way in channelizing funds from funding agencies involved in promoting financial inclusion. They can track and monitor the end use of their funds, thus being able to assess the impact of their interventions (12).

3.10 Background of State Bank of India (SBI):

The State Bank of India is the oldest and largest bank in India, with more than $250 billion (USD) in assets. It is the second-largest bank in the world in number of branches; it opened its 10,000th branch in 2008. The bank has 84 international branches located in 32 countries and approximately 8,500 ATMs.
Additionally, SBI has controlling or complete interest in a number of affiliate banks, resulting in the availability of banking services at more than 14,600 branches and nearly 10,000 ATMs.

SBI traces its heritage to the 1806 formation of the Bank of Calcutta. The bank was renamed the Bank of Bengal in 1809 and operated as one of the three premier "Presidency" banks (the presidency banks had the exclusive rights to manage and circulate currency and were provided capital to establish branch networks). In 1921, the government consolidated the three presidency banks into the Imperial Bank of India. The Imperial Bank of India continued until 1955, when India’s central bank, the Reserve Bank of India, acquired the majority interest in the bank and changed its name to the State Bank of India (SBI).

Unlike private-sector banks, SBI has a dual role of earning a profit and expanding banking services to the population throughout India. Therefore, the bank built an extensive branch network in India that included many branches in low-income rural areas that were unprofitable to the bank. Nonetheless, the branches in these rural areas bought banking services to tens of millions of Indians who otherwise would have lacked access to financial services.

SBI's achievement demonstrates that attention to critical factors is crucial in implementing new core systems. The bank's senior management commitment, business line involvement,
project team staffing and empowerment, and extensive employee training were all key contributors to the success of the project. Management also recognized the need for a proven systems integrator that possessed in-depth expertise in both business and technology.(13)

The study of Nordic Retail Bank(14) shows that the most important promotion tools for financial services are personal selling and advertising, in order to create awareness of the brand and establish personal relationships. The external factors influencing the choice of promotion strategy are technology orientation of the industry, cultural aspects, competitiveness of the market, and economic factors. Adaptation of the promotion strategy is performed to a great extent, due to customers' different preferences and expectations, as well as local conditions of the host country. Banks attempt to standardize their promotion as much as possible in order to reduce costs and reach economies of scale.

Promotion of Financial Services:

Promotion is the direct way an organisation tries to reach its publics. According to Brassington & Pettitt(15) promotion is the direct way in which an organisation communicated the product or service to its target audiences. This is performed through the five elements of the promotion mix, i.e. advertising, sales promotion, personal selling, public relations, and direct marketing. With the growing importance of the financial sector,
pressures are escalating for more effective marketing management of the financial services. Despite the recent recessions, the financial service sector is continuing to grow in terms of turnover and profits and thus, has a supreme impact on the other spheres of the economy. Consequently, there is currently growing interest in applying marketing techniques and tools in financial services.

The role of promotion has been redefined into managing long-term relationships with carefully selected customers, including construction of a learning relationship where the marketer maintains a dialogue with an individual customer. Promotion of financial services is an understudied area. Much of the bank marketing literature has concentrated on marketing theory more than promotion practice. Unfortunately, the issues of marketing are becoming more complicated as internationalization of financial services continues to increase.

3.11 Hospitality Service Sector—Tourism and Hotels:

The Hospitality industry is one of the main economic activities at a global level. The hospitality sector has grown at a rapid rate in the last five decades. Since World War-II, it has become one of the most important social economic activities, especially for those countries with less developed, modern, service-industry based economies. Many countries seek to develop hospitality service sector for its various economic and
social benefits such as income, foreign currency earnings, cross cultural exchange and employment. The hotel industry is dependent on tourism and travel industries, and together they constitute the hospitality industry. The demand variation in the hotel industry depends on various factors like the economy, socio-political conditions, government regulations, business cycle, weather and seasonal changes, festivals etc. The hotel service is a perishable service with a fixed or limited supply. It is characterized by high investment and low variable costs.

The market for the hotel industry can be geographically segmented as tourist spots and commercial centres. On the other hand, based on customers, the market can be segmented as premium segment, leisure segment and budget segment. The exposure of the Indian customer to international service standards has made him more discerning and demanding. Today's customers expect more value added services from the service provider. Marketers have to adopt the marketing mix elements to suit their marketing needs. For example, the product should carry more augmented services to differentiate itself from other service packages in the market. To meet the global standards and customer expectations, service providers in the hotel industry have to adopt technological developments. They also have to be customer-oriented in their approach if they have to withstand the competition in the market, which has further increased with the entry of global players.
Pricing, promotion, place, process, people and physical evidence, all have to be handled with discretion and innovativeness. The recent trends in the hotel industry owing to the technological developments and the changing demographics have had a major impact on the way hoteliers conduct their business. The Indian hotel industry has also come of age and is ready to set new standards in customer service.

There are various studies conducted and literature is drawn from a wide range of sources emphasise the following issues;

- The characteristics of service to link with service quality; and their impact on customer satisfaction.
- Importance of the service employees and their development to maintain service quality.
- Importance of hospitality and tourism education and training to maintain service quality to achieve customer satisfaction.

3.12 Hotel Services:

The Hotel Taj (16) was built at a time when Indians were not allowed enter into most of the prestigious hotels and clubs in British ruled India. This was one of the reasons Shri. Jamshetji Nuserwanji Tata, the first Indian Industrialist built India’s first luxury hotel. He went ahead with the project although he was busy with plans to industrialise India.
The first Taj Hotel, the flagship of the Group was born in 1903 and stood alone for almost half a century. Initially it was smooth sailing, even though the original hotel was conceived and built when the hotel business was not even considered an industry.

Right from the beginning, the Taj stood for class and comfort. It was a place where the Viceroy of the Empire arrived and departed amidst scenes of splendour. In fact, it soon became one of the wonders of the Orient. Notably, there was hardly any advertising directly to the consumer. In fact, this element of the marketing mix was not visible until the late nineties. Advertising was not considered necessary. Secondly the company was conservative and media shy for many years. The reason the hotel was a towered above the rest was because of the amazing attention to all details was paid by its founder Jamshedji Tata. As far back as 1900, he made sure that the Taj would have its own laundry, and aerated water bottling plant, electroplating for its silverware, a Mora silver burnishing machine, a crockery washing plant and elevators. The hotel was built completely at a cost of 500,000 pounds in 1903.

The vision for the Taj Group is for it to be a select chain, present globally. Asian, perhaps in character, but absolutely international in terms of systems and processes and with a strong West European focus. The way forward was to make sure that the entire Taj team is imbued with the missionary zeal to sell the
brand. International travellers from the bulk of the market for the Taj, particularly in the metros. Even the profile of the Indian customer was changing. But overall, the Taj has a higher dollar rate of revenue – approximately 70 per cent comes from international guests.

In the early seventies came the Lake Palace in Jaipur. The company pioneered the concept of conversion of century-old palaces into hotels. Today this has become an USP of the Taj group. In the mid 1970’s the chain expanded to Chennai (Taj Coromandel and the Fisherman’s Cove) and Fort Aguada at Goa. Here too, Taj scored over the other with it’s timing. At that time, Goa was not as much of a tourist’s paradise that it became later on. Around the same time it set up the Taj Ganges in Benares and started international flight kitchens too.

In the 1980’s two more hotels were built in Delhi, two in Bangalore, and one each in Chennai, Ooty and Agra. Next came the Jaimahal Palace Hotel in Jaipur as well as the New Delhi Flight Kitchen. The new hotels were build taking the original Taj as the model hotel. The end of the decade saw the coming up of the Taj at Delhi. The last marked the start of an ethnic style in hotels with international standards. By this time, it appeared that nothing could hold the phenomenal growth of the Taj.

Research and Media Exposure:

As far back as the early nineties, it was realised that formal market research was a must to help understand the consumer
better. It did not think that data from research agencies such as the airline and the travel industry were enough. The group carried out extensive research to understand current lifestyles. The research attempted to discover whether the future customer would be more egalitarian, more democratic or would she want to be pampered? The findings revealed that she would like exclusivity more than anything else. On the other hand research also indicated that the company's existing customers base of traditionalists those who liked the Taj because it was understated yet classy - was shrinking. Something had to done to keep up the growth graph.

3.13 Service Strategies, Renovations and Advertising:

There were other changes. Unprofitable ventures were hived of. The sales and marketing functions were separated. The HRD department modernized, with an emphasis on performance and career and succession planning. The organisation was made to flatter and more compact. Moreover, a continual benchmarking against international standards was made part and parcel of the culture of the Taj.

By the mid 1900's renovation was in full swing. Units across the country were refurbished. It means ripping out entire floors. Rooms were revamped, business centres rebuilt. More than a hundred million dollars were reportedly spent for renovation - just in the lifestyle (luxury segment). Since the business segment was stated to be become big (and those using it
were likely to be non-traditionalists), the Taj went ostentatious with its new business floors. It meant putting in optic fibre cabling, remote control systems and giving the business guy a lounge where he could relax and even have breakfast. It included a mini business centre. In the process, some mistakes did happen. For instance it was thought a mini-gym on the floor would be a convenience. But this had to be dropped after a few years due to disuse. Initially, fax machines were installed in the room. They had to go with the advent of the internet and laptops. Other innovations have happened too. It was found that telephone usage was dropping because of the advent of mobile phones. Not only were mobiles provided on hire, the Taj also dropped communication charges by 33 percent.

The insights gathered were analysed and a clear slot, which the Taj could occupy when global competition arrived, emerged. This was translated into creating a distinct personality of the Taj as caring, efficient and enigmatic. The Taj maintained a far higher average and continued to grow and expand. Slowly the hotel became more profitable than it had ever been. The reason is clear. It never slept. Extraordinary facilities are provided to meet a wide variety of demands imposed on the air-conditioning systems, 24x7, summer or winter, by its guests from all over the country and different parts of the world. Whether they are sleeping in the bedrooms, eating in the restaurants, drinking in the bar, attending a conference or wedding reception in the banquet hall
or partying at the night club, the air around them must be crisp and fresh, odourless, without any obtrusive noise.

At the same time, the hotel's senior management expects the running costs comprising energy bills and water bills to be within reasonable limits. As a good practice to follow, ducted return air systems are now standard. This practice not only helps to reduce the cooling load on the air handling unit but also avoids mixing of return air with other air, dust and moisture through openings in partitions above false ceilings. Both supply and return air ducts are insulated to reduce heat pick up from the surrounding air.

Customer Relationship Management (CRM) has played a vital role in hotel industry by providing its best services to the customers and thereby attaining customer satisfaction. CRM has attracted the attention of different researchers and scholars related to different organizations and fields. It will present an enterprise approach for gaining the complete knowledge about the customer's interests, preferences and behaviour so as to develop different strategies and methods that will encourage the customers and thereby maintain good relationships with the company. Based on the practical data and analysis hotel industry is experiencing enlarged globalization, competition, advanced consumer proceeds, increasing consumer gaining costs and increasing their expectations. Hotels who could satisfy their
consumers effectively and efficiently can only survive in the competitive world. Hotels should have focal point on implementing CRM strategies that aim to search for, gather and store the correct information. This information should be shared and used by all the departments for creating modified, association and exceptional consumers experience which can raise hotels profits or revenues.

Through value-added services within hotel segments they can have valuable relations with consumers, making exceptional consumers experiences and meeting consumer's needs could be done easily. And consumer satisfaction will cause consumer reliability and continuation. Consumer continuation is actually essential and excellent for the business and for the consumers. It's good for business because as consumer is staying longer, his purchasing will be more which will raise hotel's income and it is cheaper to keep existing consumer pleased rather than attracting new consumers. CRM will mainly focus on different terms like customer support, data mining and enterprise resource programs and it is evaluated on the basis of different factors like attitude to serve, understanding the customer expectations, reliability, communication and customization for its successful adoption in the hotel industry.

New employees are given intensive orientation in the basics of the philosophy and culture of the hotel, which lasts over
12 weeks and culminates in an overnight stay in the hotel. Employees carry pledge cards and each day meeting begins with a review of the importance of satisfying the guest. The company hires only structured inter-view that is empirically scored. Interviewees also attend a series of receptions where their conduct and personality are observed and judged. Most of the champion companies rely on employees to deliver the enhanced guest services. For this they train and empower the employees to act on the spot to the best of their judgment, with the sole motto of satisfying the customer. In many hotels the employees are provided with the detailed operational manual for better understanding and smooth functioning of the work.

The best practice champions realize the importance of listening to their customers and seriously and promptly acting on the guest feedback. A coding system tracks the results of the quiz and indicates any action needed to improve operation, Month-end summaries are provided to employees and departments and these are coded in red, yellow and green colours. Green is “good”, yellow is “you are making progress, but there is still work to do here”, and red is “you are really below the expected performance”. It is amazing to see the reaction when a particular team sees its performance in the red zone. The same information written on a plain piece of paper would not have the same impact as the red zone coding has, which hits the team like lightning. The hotel sector has extended the colour coding system in many other areas of communication within the hotel. This has the
tremendous impact on the department to improve if they are in red zone and motivating factor if they are Green zone.

The de-skilling is an inevitable consequence of growing standardization or reutilization across the service sector. The sector has grown in response to new consumer demands as opposed to displacement of demand of traditional services. The growth is achieved by simplification of tasks in the workplace, taking help of technology to serve the customers and by changing in response to consumer demands and expectations.

Taj hotel has introduced wireless internet access for its customers and it has to be realized that in any industry as different technologies are available all of them may not be beneficial to the end customer. So it has to be understood that as customers preferences change in the way they want to interact the organizations have to change according to the customers interests. So, it can be said that the hotel which understands customer requirements and fulfils their needs satisfactorily will be the chosen organization by the customers. The feedback form given to the customers by the management includes overall ratings on five point scale, rating on key services areas at the hotel like in-room dining, front office, etc., ratings on services at each subsection of the hotel like baggage delivery, quality of food in coffee shop, etc. Based on this feedback the management discusses with the team in order to take corrective action and to implement service recovery.
3.14 Education as Service Sector:

The purpose of education is to provide the conditions essential to young people and adults to develop an understanding of the traditions and ideas, influencing the society in which they live and to enable them to make a contribution to it. It involves study of their own culture and the laws of nature, as well as the acquisition of linguistic and other skills which are basic to learning, personal development, creativity and communication.

The never ending search for competitive advantage in the global knowledge economy has led all public policy makers to focus on education as a key factor in strengthening competitiveness, employment and social cohesion. Education is the only driving force for tackling the problems aroused from very fast technological changes worldwide which are taking place in larger context. The purpose of education is to provide every one with the opportunities to achieve their fullest potential both as individuals and as a member of society.

Education is understood as service by the definition of the modified definition of service by AMA(17). Accordingly the definition of service is "service are those separately identifiable, essentially intangible, not necessarily tied to the sale of a product of another service. Providing a service may or may not require the use of tangible goods. However, when such use is required, there is no ownership transfer of these tangible goods in a service.
buying transaction”. Education as a service is a means of fulfilling the need for learning, acquiring knowledge providing an intangible benefit (increment in knowledge, aptitude, professional expertise, skills) produced with the help of a set to tangibles (infrastructure) and intangibles (faculty expertise and learning) where the buyer of the service does not get any ownership. He may have tangible physical evidence to show for the service exchange transaction buy the actual benefit occurred is purely intangible in nature.

Within the services sector educational services come at the core while setting the pace for rest of the sectors. The important aspect of knowledge society lies in its education system, more particularly the higher education system. Higher educational institutions have a critical role in supporting knowledge-driven economic growth strategies and the construction of democratic, socially cohesive societies.

Education services have become one of the single largest services sector, in terms of share of GDP and employment in many economies worldwide. It provides the bulk of employment and income in many countries and serves as vital input for producing other goods and services. An efficient education services sector is crucial for the overall growth of an economy.

The need to focus on the changing requirements of learners and to be responsive to the demands of employers, whilst at the
same time maintaining the value of the student experience and their retention from entry to qualification. So there is a need to provide more industry-led courses. The educational institutes should change the content of courses such as IT skills, communication, team working, problem solving, numeric, motivational skills, literacy should be provided as a priority in the content of the course. They should find innovative means of giving students opportunities to acquire these soft skills especially in relation to people care and management skills. Teaching should embrace work-related contexts where possible, e.g. high quality case studies which apply general business skills within hospitality and tourism also universities and colleges should use semester/term-time work experience of students as an educational opportunity and bring work-based experiences to enrich student learning.

3.15 Service Characteristics Implied to Education Service Sector:

i. **Intangibility:**

Education like most 'pure' services is an intangible dominant service impossible to touch, see or feel. Evaluation of this service can be obtained by judging service content (curricula, course material, student workload, constituent faculty) and the service delivery system. At the end of the service experience the user has tangible outputs in the form of certificates or grades card denoting her level of proficiency of the given course.
According to Baltson (18) finer distinction of intangibility into palpable and mental intangibility, produces some useful implication for the marketing of the educational services. For reasons of both mental and palpable intangibility;

- Education cannot be seen or touched and is often difficult to evaluate
- Precise standardization is difficult
- Education as a service cannot be patented

**ii. Perishability:**

Services are perishable and cannot be stored. To an extent education displays this characteristic which results in creating features;

- Production and consumption are simultaneous activities: conventional teaching has teaching where face to face teaching necessitates simultaneous production and consumption. Technology made it possible for open and distance learning systems production and consumption at different times and places.
- No inventories can be built up: like most of other services, in education the underutilized services cannot be stored.

**iii. Inseparability:**

Services are also characterized by the factor of inseparability in the sense that it is usually impossible to
separate a service from the person of the provider. In the context of education, this translates into the need for the presence of the performer (the knowledge provider) when the service is to be performed and consumed. The numbers of simultaneous performances are directly proportional to the number of instructors available. The distribution mode is direct in the conventional teaching methods. Open learning systems, technological innovations have overcome the characteristics of inseparability by bringing about separation between producer and consumer i.e. instructor and user.

iv. **Heterogeneity:**

Heterogeneity in the context of services means that unlike product manufacturing situations where standardization of manufacturing goods can be practiced. The heterogeneity of performance renders services offer the same basic 'service product' from one place to other.

v. **Lack of Ownership:**

Ownership or the lack of it also characterizes the service. In the context of education, the consumer only buys access to education, or derives the learning benefit from the service provider. There is no transfer of the ownership of tangibles and intangibles which have gone into creation of the service product. Payment of fees is just the consideration of access to knowledge and for the use of facilities for a given tenure.
3.16 The Marketing Mix and Education Service:

Booms and Bitner(19) included 3 more Ps to the traditional 4Ps i.e. Product, Price, Place, Promotion to the concept of marketing of products. They are People, Physical Evidence and Process to explain the marketing elements used for services. The successful marketing of any service include the effective combination of right marketing mix. For education marketing service product is the main concept and the centre point is the user. The central idea of the service product is the user benefit concept, the service offer and the service delivery system. While the user benefit concept defines what benefits do user derive from a particularly educational package offered, the service concept is concerned with the definition of the general benefit the service organization offers on the basis of the consumer benefits sought. According to Groenroos (20), the service concept has to defined at two levels. The general service concept refers to the essential utility being offered while at the core of the service offer are specific offers. Developing the education product, according to the conceptualization developed by Groenroos; entails

- Developing the service concept
- Developing a basic service package
- Developing an augmented service offering, and
- Managing image and communication

Service concept defines the intensions of the organization in respect of offering a certain benefit to the user. The 'basic service package' describes the bundle of services that are needed
to fulfil the needs of the target market. Extending this to the education sector, the basic service package determines the entire package offers which are designed to fulfil the learning needs of a target population. The basic package consists of three elements. These are

- The core service
- The facilitating services (and goods) and
- The supporting services

**Fig 3.2: The Concept of Service**

![Diagram of The Concept of Service]

*Source: Gronroos, C. Developing the service offering – a source of competitive advantage, 1987*

### 3.17 Service Concept In Education Sector:

The core service is the reason for being in the market or we can say the organization is characterized being in a particular service because of its core service. Universities or institutions
exist because they equip people with skills and abilities to acquire knowledge. Faculty expertise and the accumulated experience at the organization represent the core resource for supplying the benefit. In order to avail these services some additional services are required. Admission service, class schedules, counselling service enabling students to make relevant specialization choices, and library facilities are required, so that, the students are facilitated in deriving the benefits of the core service i.e. the learning. These services are called the facilitating services.

It is established fact that if the facilitating services are not adequately provided, the core benefit cannot be consumed or utilized. The tangible goods are also required to avail the benefit of the core service like course materials, instruction manual, classrooms and class equipments are examples of facilitating goods that help reach the core benefit.

Third element of service which is part of core service is the supporting services. Like facilitating services, they are also auxiliary to the core benefit, but their objective does not lie in facilitating the use of core service, rather they are used to enhance the value of the core product and to differentiate the service offer from other comparable offers. An efficient placement cell, high quality residential facilities, good network of exchange relationships with other similar organizations, do not facilitate the learning process but add value to the service offer by adding
to the utility derived from the total offer. It is concluded that in order to effectively access the core package, the facilitating services are necessary and the service package would collapse, if the facilitating services are not provided.

The highly intangible core service products like education, facilitating services should aspire to attain a quality level which enables them to become a competitive strength. Supporting services which are essentially designed as a means of competition diminish the value of the package if they are lacking. The core benefit, learning, however, can still be derived if the supporting services are deficient or absent. The basic service package is not equal to the service perceived by the users. An excellent basic education package, along with its facilitating and support service elements may be destroyed by the way students are handled or student’s interactions are managed.

The basic service package and the elements that go into the service perception form have been termed as the augmented service product. The augmented service product integrates the concept of service process with the services offer. Three distinct elements which along the basic offer go into the creation of the augmented service product as components of the perceived service process are:

- Accessibility of the service
• Interaction under the service organization; and
• Consumer participation

In a university, accessibility of the service would depend upon:

1. The number and skill of the persons associated with providing the core, facilitating, and the supportive service
2. Office hours, class and seminar schedules, time used for other services.
3. Exterior and interior of the building
4. Tools, equipments, study materials, etc and
5. The number, quantity and aptitude levels of students involved in the leaning process.

The interaction between the service provider (the university) and its customers - (students) can be in terms of:

1. Interaction under resources facility (their expertise, skill, attention, attitude)
2. Interaction with other services interfaces (admission, evaluation, students enquiries, students welfare office, office staff, hostel wardens, Reception - attitude and willingness of response, accurate answers),
3. Interaction with the physical environment (space, cleanliness, maintenance, noise levels)
4. Interaction with accessory service system (waiting
line for admission, results, enquiries, payment receipts, etc.)

5. Interaction between students

6. Interaction of the various sub systems with each other (faculty, facilities -library, office personnel, other service departments) (21).

Customer participation is a concept which defines the impact the receiver of the benefit has on the service she receives. The service rendered by the University would be dependent upon the quality student participation in all the activities of the organization.

Education as a service is a means of fulfilling the need for learning, acquiring knowledge providing an intangible benefit (increment in knowledge, aptitude, professional expertise, skills) produced with the help of a set to tangibles (infrastructure) and intangibles (faculty expertise and learning) where the buyer of the service does not get any ownership.

In planning the total education package, the focus should be on a total offer along with its facilitating and supporting services. Attention should be focused on the accessibility, interaction and consumer participation aspects as well as the basic service offer, so that the amplified education service offering, can be effectively created.
3.18 Conclusion:

The above stated web based studies are clearly indicating the emerging role of service sector. Globalisation is growing faster than ever. In order to keep up with the competition, companies are forced to think globally and to expand their business across borders. National boundaries are falling and multi-national companies are increasing in numbers. The focus on internationalisation efforts and development of global strategies has tended to fall upon manufacturing companies.

Services are the fastest-growing part of world trade and account for the largest share of gross domestic product in almost every country. In an internationalization process, services are assumed to be encountering larger risks than manufactured goods, since service providers often immediately have to establish its operations abroad and cannot gradually export the goods. This is due to the fact that services generally cannot be separated from the person performing or selling them. One of the sectors within the service industry that that been influenced the most by the changes in the globalization process, and at the same time has been highly internationalized, is the banking sector.

A University is a knowledge factory creating new knowledge through research and by educating knowledge workers, both of which are essential for the modern economy. Libraries are major contributors to the knowledge economy and a study commissioned by the British Library using a technique
known as 'contingent valuation' shows that for every £1 of public funding the British Library receives annually, £4.40 generated for the UK economy. The role of libraries as a massive research and learning resource that could be better exploited if considered in the total knowledge context is also recognized through programmes such as The Wider Information and Library Issues Project (WLIP)(22).
3.19 References:


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