

Rule with the Ruling Thoughts of Changing Paradigms in Service Marketing

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Abstract:Paradigms are the fundamental frame works around which disciplines and schools of thought are established .A majority of paradigms are associated with service management from past thirty years that have come from the marketing discipline and perspective .Present paradigms showed by marketers are invalid .Others can be seen to provide little discriminatory value and thus few unique managerial insights. Further, some of the services marketing paradigms are biased against traditional operations management. Relationship marketing (RM) as one of the key functionality in enhancing business performance RM is defined as the identification, establishment, maintenance, enhancement, modification and termination of relationships with customers to create value for customers and profit for organization by a series of relational exchanges that have both a history and a future. Relational exchanges can be viewed under transaction cost analysis and social exchange theories depending on the context. The role of RM guide moments of truth, improve profitability, build partnering, address ' Customer Better', buy in of customer attention, protect emotional well being, understand consumer psyche, build trust with customer. All these roles are observed empirically in the hotel industry, with some hotels placing emphasis on their extraordinary operations and services to engage with the customer. Marketing mix discusses the nature and sometimes negative consequences of the dominating marketing paradigm of today, marketing mix management, and furthermore discusses about, industrial marketing and services marketing as well as customer relationship economics shows that another approach to marketing is required. This developments supported by evolving trends in business, such as strategic partnerships, alliances and networks relationship marketing, based on relationship building and management, as one emerging new marketing paradigm of the future. Concludes that the simplicity of the marketing mix paradigm, 7ps model, has become a strait-jacket, fostering toolbox thinking rather than an awareness that marketing is a multi-faceted social process, and notes that marketing theory and customers are the victims of today's mainstream.

I. Introduction

Service Marketing came into force in 1980s when there was debate of whether Marketing of Services was significantly different from that of the products. As Services sector started to grow in importance in the post-industrial societies and emerged as a significant contributor to nation's GDPs, academia and marketing professionals began to look after marketing of services in new light. With growing significance to the increasing service sector dominated economies of the new millennium, new areas of study in the field opened up and were subject to empirical research. According to Peter F Drucker, the greatest danger in times of turbulence is not turbulence, it is to act with yesterday's logic and so there is a burning need to possess a know-how of the changing paradigms in Services Marketing in order to learn from yesterday, live for today and hope for tomorrow.

Paradigms are basic assumptions of sciences and disciplines. A paradigm shapes the formulation of theoretical generalizations, focuses data gathering and influences the selection of research procedures and projects. Paradigms are not only foundation to disciplines, but are useful because they direct the activities within disciplines. A truly useful paradigm will also have practical implications, such as leading to significant managerial insights and making modifications to structure and activities in accordance to the changes. Khun, one of the leading scientific philosophers of past century describes paradigms as assumptions shared by members of given discipline (1970).

When a new paradigm pulls followers away from prior paradigms it leads to paradigm shift. According to Oliver Wendell homes man's mind once stretched by a new idea never regains its original dimensions. A paradigm shift may be thought of as change from one way of thinking to another. It doesn't must happen but rather it is usually driven by agents of change. We each have our own set of paradigms or glasses through, which we view the world. These view points of the way things are may cloud the ability to perceive or consider new or different ideas especially if they seem to be in conflict with perceptions of what is reality or truth.

So there is need to sit down before fact as little child, be prepared to give up every conceived notion follow humbly wherever whatever abysses nature leads or you will learn nothing by designing great experiences

that satisfy customers senses, companies will experience marketing bliss and consumers will reward them with their almighty rupees. All these requirements of marketing aptly reinstates the statement given by Philip Kotler that marketing takes a day to learn but unfortunately it takes a life time to master. Paradigms founded by theoretical deductions and empirical research which causes much of marketing research based on strong foundations and results undeniable.

II. Literature Review

The development of Service marketing has been associated to human evolution (Fisk, P., Brown, W. & Bitner J.:1993). At the first stage of service marketing termed as Crawling Out Stage based on literature review, the period of pre 1980, services were not differentiated from products thus businesses marketed services in similar fashion as that of product. With introduction of increasing number of services, the existence of service was questioned and therefore numerous debates were taking place on whether service marketing was different or not. This debate resulted in discovery of service characteristics i.e. intangibility, inseparability, perishability and heterogeneity. The next stage termed as Scurrying about age. Further at this stage characteristics of service were exploited in order to design marketing strategies and tactics. New issues related to service marketing were discovered like service recovery, gap model, service encounter that gains huge strategic importance in current business environment in order to build customer relationship (Fisk, P., Brown, W. & Bitner J.:1993). At this stage, marketers were clear that there is a differentiation existing between goods and services. Thus they continued enquiring on new areas such as service design and mapping and service encounters that are related with improving operational efficiency and human resource management. More and more scholars were investigating on different features of service in order to improve field of service marketing. And the last stage (1986 – Present) is referred as Walking Erect stage. This stage can also be referred as explosive stage (Fisk, P., Brown, W. & Bitner J.:1993). Service Marketing is fully explored. Marketers are aware of different strategic issues related with the service marketing. Marketers try to innovate the concepts developed during the first two stages. Businesses have overcome the limitations of service like intangibility inconsistency. Today service marketing have reached that stage where the concepts of service marketing are not only employed in service industry but also in goods sectors.

The above status of Service evolution exemplify that service marketing has undergone revolutionary change and flourished over of period of time. This advancement took place as marketers recognized impact of external event on entire business process and reacted to it. One of the most important aspects that helped service marketers to explore marketing opportunities by overcoming the limitation of services is technological development. During the end of 20th century, service industry was booming and thus was service marketing. Marketing was moving from transactional marketing to building long term relationships with customer at this phase and hotel industries were one of the main industries that heavily relied on relationship market for their success. (Laing, A., Lewis, B., Foxall G. & Hogg G.:2003) The four main issues of service marketing that mainly made marketing difficult in services were resolved to a large extent with the aid of technological development. This was done by adding tangible features to service, standardizing service standards, creating new channels of distribution to lower inventory and employing technology as means to offer consumer service. However, early references identifying the differences between the characteristics of goods and services were only notable in the works of Branton (1969) and Wilson (1972). In 1970's, there was increasing interest in area of service marketing. Many service marketing concepts and theories have been proposed in in this era (Blois 1974; Bessom and Jackson 1975; Shostack 1977). The two main reasons identified for increasing importance of services was growth of service sector in post industrial economy and increasing use of services as a part of augmented benefit of product package to create competitive advantage.(Kotler et al. 2001; Jobber 2001; Constantinides, 2006)

The most important researches in service sector were initiated by Booms and Bitner (1981). The study was an incredible revolution in area of service marketing. It recognised the three key elements of service marketing mix i.e. people, process and physical evidence. Further Cowell (1984) supported this model by justifying the original marketing mix framework. In 1989, researchers identified need for introducing new marketing tools to manage the unique characteristic of service marketing. Bruner (1989) introduced 4 C mix model i.e. concept mix, cost mix, channel mix and communication mix based on Kotlers 4P framework. However, this model did not gain any popularity due to lack of focus on service delivery process. In 1990's most of researchers changed their focus on quality and service differentiation as a key focus of marketing strategy (Fryar 1991; Heuval 1993; Doyle 1994). Heuval (1993) identified people as one of the key element service delivery process.

Also, in 1990 one of the most important marketing concept that was researched was Relationship marketing. Relationship marketing was introduced by Berry (1983) as a strategy to attract, maintain and enhance relationship with customer. Further this concept was intensively explored in various studies that focused on improving the process of relationship building. (Morgan and Hunt, 1994; Gummesson, 1994; Parvatiyar, 1996;

Palmatier, 2008). It was evident from all the researches that relation marketing was considered as positive and more strategic and was more widely acceptable compared to the 4P marketing mix model. Also, the relation marketing included the two main limitation i.e. interaction and quality of the 4 P framework.

In 2000, the researches in service marketing saw a new direction. The research more focused on brand building and corporate communication strategy (Melewar, Saunders 2000; English 2000). Beckwith (2001) complemented the research by proposing branding and packaging as key tool for promoting services. In addition, there were few research conducted to study the service encounter and service delivery process (Parvatiyar, 1996; Palmatier, 2008) However, there has not been any significant researches to further explore marketing of services in the changing world. So far as the development of knowledge is concerned, all researches have emphasised changing business environment as one of the key reasons for employing new marketing strategies to meet the challenges in the competitive environment. The findings of the consistently support the notion that the four unique characteristic of services are key variable for the service marketing.

Story of the Paradigmatic changes in Services Marketing:

Good vs Services:

It is very much common and fundamental to express a service paradigm in terms of, 'goods versus services' which implies that services are different from goods. As they possess some specific characteristics they need different treatment at the time of marketing when compared with that of marketing of products. Rathman and others declared that, 'Good is a thing services is an act'. Services are transactions, where the object of transaction is transfer of ownership of intangible commodity.

A scrolling glance of the initial Service paradigms which caused to clarify the specificity of services can be summarized from prior literature as follows:

- SP1: Services are economic activities not accounted for by other sectors of the economy.
- SP2: Services are transactions wherein the object of transaction is other than the transfer of ownership of a tangible commodity.
- SP3: Services are acts performed by one entity for another entity.
- SP4: Services are intangible and perishable.
- SP6: Services offer benefits through access or temporary possession, instead of ownership.
- SP7: Services are production processes involving social contact.
- SP8: Services are production processes wherein each customer supplies one or more input components for that customer's unit of production.

These initial service paradigms brought from prior literature built a customer-service paradigm and still are the ruling ground elements in the all day paradigms of Service Marketing.

Lovelock and Gummerson at that time began in their article with the query, 'Is academic field of services marketing in danger of losing its broad and in many respects coherent perspective?' Adding fire to the statements, Edwardson, Gustafson and Roos surveyed eleven top service researchers and concluded that, a general service definition does not exist. It has to be determined at specific time in a specific company for a specific service from a specific perspective."

Marketing Mix Management Paradigm:

Till 1980's as there was no considerable distinction between marketing of goods and marketing of services the paradigms prevailing till then without any exception were jointly shared by services too. Services Marketing emerged as a separate area of marketing with a requirement of gearing the concepts and models to the typical characteristics of services. In North America research into services marketing remained within the boundaries of marketing mix management paradigm.

Marketing mix management paradigm has dominated marketing since 1950's and Mc Carthy (1964) developed this idea and happen to put forth what is called the '4PS' which served as a means of translating marketing planning into practice. Thus marketing mix has been extremely influential in informing the development of both marketing theory and practice (Moller, 2006). This was felt extremely useful and guiding tool of the marketers as it was very easy to handle and allows clear separation of marketing activities which can be effectively used for delegation of work and facilities, fixation of responsibility and enactment of accountability. This caused the marketing mix management paradigm dominate and rule the management thought, research and practice since the time it was introduced. Further they also become treated as unchallenged basic model of marketing overpowering all the previous models of the then days.

At this juncture, it is interesting to note the fact that 4Ps list prescriptive for successful marketing then did not include all the necessary elements that fits the requirements of services and then the marketing academics offered three additional P's-people, process, physical evidence to prevailing 4P's-product, price, promotion and place exclusively for the purpose of marketing of services in befitted manner and protecting the tablet of faith with respect to the marketing mix paradigm and its applicability to the marketing of services. The

interesting additions made to the marketing mix paradigm relevant to services marketing brought necessary changes in the thought of 'P's of Marketing Mix. Service marketers came to learn that,

- The product which is intangible, heterogenous, perishable has the scope of customizing the offering as per customer requirements through the service provider.
- Attendant costs such as labour and overhead costs (ambience and so on) also have to be factored in while pricing the services.
- Promotion was once again felt crucial as the service providers have nearly identical offerings. A need of projecting the differentiated element in all the promotional elements was recognized to win the attraction of customers.
- People which is the added P became a defining factor in service delivery process since service is inseparable from the person providing it.
- Process another added 'P' to service marketing is targeted upon as it is that which causes the service organization to ensure same standard of service repeatedly to the customers in the same manner. Standardisation of service process serves to be a service blue print of the organization and will ultimately cause the customer to feel assured of the standards of service related to a specific service organization.
- Physical Evidence which is the tangible 'P' incorporated to the intangible service for enhancing customer experience is highly used by the service organization for alluring the attraction of the customer and pulling his walk into the organization.

Thus identifying the various means competition with respect to marketing of services caused the profit function to be rather satisfied if not optimized. This is all because the extended marketing mix offers only some guidance on elements of service marketing which however failed to provide much needed strategic direction and implementation issues.

The four main criticisms against marketing mix frame work identified by Constantinides (2006) such as its internal orientation disregarding the customer behavior, regarding cuts to be passive, inability to capture relationships and its nature of working to be more simplistic exhibits failure in personification of marketing activities especially true with regard to services. From this perspective the so called "transactional marketing" is largely a rhetorical label invented in paradigm battle of 1990's (Moller 2006).

Operations Paradigm:-

Service operation paradigm in that it describes what service providers do (they operate under conditions of customer contact).it is also a service marketing paradigm, since it describe customer involvement through contact .one potential weakness of the customer contact paradigm has been that in focuses on customer presence in service system and fails to consider what customers are doing within the system.

Marketing Versus Service Operation:-

The fact is that the establishment of a distinct study of services is primarily attributes to researchers from the marketing discipline .this is poignantly emphasized to as services marketing by number of times the general field of services management is referred to as 'servicesmarketing"even when to operational topics such as quality management or process design.Further the service paradigms asserts that the r services marketing perspective focuses on the design of service delivery system, the distinct of the marketing and operations in services can be somewhat convoluted, and the perspectives possess their own inherited biases we might suppose that services marketing paradigm focus on what is provides to customers and how the customers receive benefits from their services, and that service paradigm focus on how services are produced.

- Residual is neither marketing nor an operations paradigm and does not say anything the nature of services.
- non –ownership sys that service customers do not receive ownership of anything tangible .it does not say how intangible thing Is produced
- Act/performance sys that service customers receive a tangible item (which is created by act of manufacturing) .customers receive a tangible item which is created by the act of manufacturing
- Intangibility says that s difficult for customers to physical touch or mentally conceptualizes the output of services. that does not necessarily imply that the production of services is intangible.
- IHIP says that service customers receive unique products at the time that produced, and that the benefit may or may not last. The production process may also be unique. and the timing of production is tied to the timing of demand ,implying that IHIP is partially eservice paradigm
- Rental/access: says that customers receive benefits by accessing services, without the need for possession utility. Service providers give access to the service, but SP6 does not tell how that access is provided. The consumption perspective is important and valuable, but it may contribute to some of the Service Paradigm confusion.

Relationship Management Paradigm:

Berry (1982) recommended American Banking Industry to adopt a relational approach in marketing which in ideas was termed as one that is a means of “attracting, maintaining and enhancing client relationships. He reinforced the relational approach in 1983 at conference proceeding in services marketing with American Marketing Association where relationship marketing was first used to describe the relational approach in services marketing. Though he did not present it to be a paradigm shift there came a new paradigm shift in era of relationships – ‘Relationship marketing’. Service marketers realized that push and interrupt strategies are no longer working. The key to successful brand building begins with engaging your audience and holding their interest long enough to create a relationship that will grow. The dire requirement of the hour is to reach Generation Y in a way that is personalized and connects with their emotions and life-style. By designing great experiences that satisfy customer senses, companies will experience marketing bliss and consumers will reward them with their rupees. It’s not enough to express your function. Your message must communicate authenticity, credibility, meaning, relevance and express yours companies personality in order to connect. Adding fire to the breeze Gummerson (1987) criticized transactional marketing and its applicability to marketing of services raising his flag toward relationship marketing moving away from marketing mix paradigm. Gummerson signified the deficiency of traditional marketing theories and identified that relationship quality has major impact on long term business relationship with the customer.

Relationship marketing is that which focused on the customer attending to their satisfaction, maintaining quality interactions with customers and was in contrast to the transactional marketing which was focused on single transaction and relied on gimmicks, (Christopher.P 1993)

Success of relationship marketing paradigm prompted further research in that area where Gummerson and Gronroos offered their propositions for frame work of research. Gummerson (1994) offered a 30 R approach within an operational perspective and defined RM as Relationship networks interaction. Gronroos (1994) accents the continuum with marketing focus, customer satisfaction, internal organization, collaboration and internal marketing.

Relationships which do not exist in marketing literature but practiced in everyday operations are electronic relationships which range from nano-relationships to mega-relationships. Marketers have to bear in mind that the present day world is full of generation Y and it is essential to reach generation Y in a way that is personalized and connects with their emotions and life-style.

RM is applied in four levels, at first level RM is technology based tool of data base marketing. At second level RM focuses on relationships between business and its customer, in third level RM is used for customer partnering, in fourth level RM was seen as incorporating everything from database to personalized services. Management of relationships with customers and external bodies in the market such as dealers, suppliers and the government is an important part of marketing strategy formulation management.

Marketing Mix Versus Relationship Marketing:-

Marketing mix concept which puts the customers and their needs as the focus unfortunately ,in practice the 7ps of marketing are too often used for manipulation of customers ,exploiting customer ignorance .although marketing mix and Its additions incorporate relationships and interaction to some extent. RM provides radical change as a paradigm shift. There are however indications that the basic values of manipulative marketing mix theory have not changed. RM is often comprehended as a firmer grip on the customer. Marketing then becomes a matter of trapping customers.

The application of RM assumes goodwill from all parties, in practice however, power and smartness enter the scene. Relationships are seldom completely symmetrical, one party is often the stronger, this is acceptable to degree in an imperfect market but from welfare perspective it is unacceptable over the long term. Marketing mix had been criticized for being incomplete.

Coviello (1997) required the need of incorporating database marketing, interaction marketing and network marketing in relationship marketing. Service industry is undergoing similar changes and it will result in the form of dramatic situations in different companies and there is a need to try out latest available tools to remain afloat in competitive market. A need was felt to make RM operationally successful by adding emphasis on Network Marketing, Digital Marketing, Interactive marketing on this basis.

Push (Outbound marketing) to Pull (Inbound Marketing):

In the 21st century the marketing common platforms show a tendency to shift towards innovative technology through people networking which is an acceptable domain of interaction. There is a need to make modifications in the structure and marketing activities in accordance to market changes. There is a need to move away from Push (outbound marketing) to Pull (Inbound Marketing). The tools of Outbound Marketing such as telemarketing, trade shows, direct mail, E-mail blasts, Print Ads, Press Relations, Television, Radio are gradually replaced with the tools of Inbound Marketing such as Search Marketing, Blogging, Social Media,

RSS, content syndication, articles, e-books, white papers. This gradual replacement proved to be desired, impactful, targeted and extremely cost effective.

E-Service Paradigm:

With the advent of digitalization consumers are feeling more convenient to act through digital media. There started E-Service: A new paradigm for the business in the electronic environment. E-Service aims to give customers 24/7 access to easy, cost-effective online self service. The E-Service paradigm takes the advantage of the inherent nature of online environment to feature information flows and computation. It concentrates more on building long term relationships. This tactical component is a customer centric concept comprising of flows of negotiation, interactions, promotion and finally product flows.

Culture: A supporting paradigm

For the companies which market across diverse and ever expanding global markets, a supporting if not new paradigm is the need to take account of culture. The basic models of marketing fail because of their inability to adapt to changing culture. Culture is vested with a power to challenge the fundamental state of marketing, customer relationships, definitions of product, price and advertising which senses that culture is all pervading. Service may be technically identical but motive of use may be different because of differences in culture For example Proctor and Gamble have successfully developed highly absorbant Pampers with the unique selling point that they can be changed less frequently which saw plunging success. The same approach failed in Japan where frequent changing of diapers is perceived as fundamental to keeping baby clean. This caused the service marketers operating globally become passionate about the culture and remain positive to it.

Incorporation of Cultural differences requires fine tuning across culture using a three R approach the first R requires to recognize that are cultural differences both implicit and explicit the second R requires to respect the differences and interpret the way they choose. Finally the third R causes the task of marketer as concealing these seemingly apposing differences. Thus this new supporting marketing paradigm of accounting culture acquires the mindset of service marketers especially who operate in global context to recognize cultural differences, respect them and then reconcile their action plan. In this way it goes beyond the original, Anglo-Saxon meaning of how to get a service into marketing.

III. Conclusion

A post paradigmatic analysis opens up new possibilities for Service marketing research and practice. According to Brian Halligan, CEO & Co-Founder, Hubspot, people shop and learn in a whole new way compared to just a few years ago. So marketers need to adapt or risk extinction. Companies need to consider the changing requirements with respect to the marketing mix elements and establish connections to their market to create their long term loyalty. In today's information age of marketing and Web 2.0, companies should learn that their website is the key to entire business. They should recognize that, for business internet love affair was a gift from gods. Leadership comes when hope and optimism are matched with concrete vision of the future. Every marketer has to find the need of creating a blog. A blog is a great way to connect more deeply with the existing and new customers, build a community around the business, give a human personality to an organization. This evolves the business and relationships in sometimes unexpected or surprising ways and needless to say drives sales. Keep your eye on hot topics and trends. The media is constantly looking for timely stories. Authenticity, honesty and personal voice underlie much of what is successful on the web. No doubt all these if practiced needless to say causes the service marketers reach excelled heights in the future.

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