Developing Service Marketing through Successful Involvement of Customer

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Abstract

Customer Relationship Management has its roots in service marketing which is based in turn on the formative work of Berry (1983) and the IMP. Its purpose is to integrate marketing, sales, and service functions through business process automation, technological solutions and information resources to maximize each customer contact. In this way, service marketing systems facilitate relationships among enterprises, their customers, suppliers, and employees and so provide the technological means to put relationship marketing philosophy into practice. Organizations that fail to keep up with competitor's service marketing capabilities risk being seriously disadvantaged. However, the use of technology on its own is not sufficient and firms must combine developments in IT with a philosophy that calls for the re-organization of the entire firm around its customers. This shift will not be easily achieved. Our purpose, based on collaborative Canfield/CSC Computer Sciences Corporation studies, is to identify the pitfalls, and offer advice on the successful implementation of service marketing systems in support of relationship marketing strategies, including an audit of the organization's readiness to proceed.

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1. Introduction

Banks, J. (Ed.). (1998), Academic and practitioner interest in the marketing of service(s) can be traced back to the 1960s and 1970s. It is instructive to compare the issues engaging service marketers in the 1960s/1970s with those engaging them in 2010. Issues dominating the early papers reflected a rather tentative approach towards breaking new ground. The overarching questions were 'Services: what are they and what are we dealing with?' However, by the twenty-first century, writers are clearly more confident in pursuing emergent research themes based on a comprehensive knowledge base. Beckett-Camarata, E. J., Camarata, M. R., & Barker, R. T. (1998), the questions have moved on, and changed in tone, to 'Service: how can we make it better?' Early service researchers were relatively isolated and had to form groups of like-minded researchers to gain acceptance in the mainstream marketing literature.

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Belfer, S. (1998), by the turn of the century, there has been a widespread recognition of the importance and relevance of service research, coupled with a proliferation of journal outlets in which to publish, and conferences at which to present research findings.

2. Research Methods

Features of Services

Berkley, B. J., & Gupta, A. (1994), One of the issues engaging authors in this period was how, and to what extent, services are different from goods, and what new concepts could support theory and practice of services marketing. The early pioneers established what became known as the *characteristics of services*: intangibility, heterogeneity, inseparability, perishability (IHIP).we can show it by a chart:
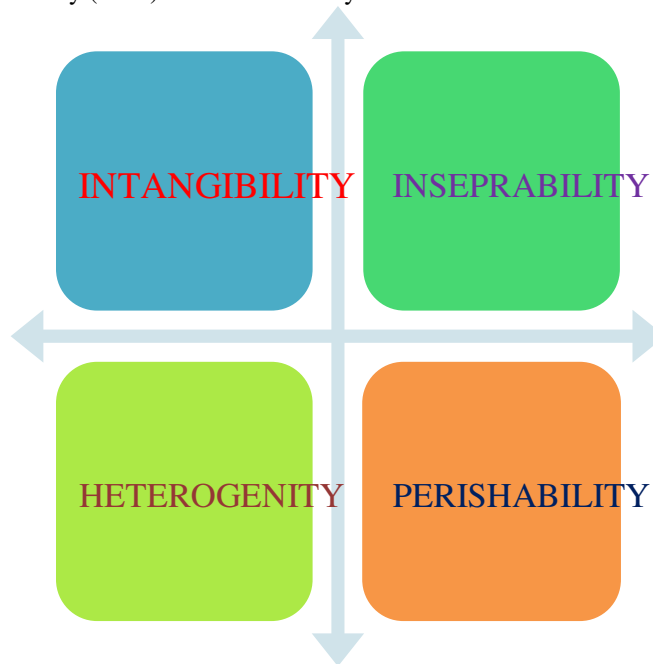
a) *Intangibility*

Bessen, J. (1993), intangibility brought with it increased risk for the customer, especially if purchasing a service for the first time with little or no prior experience of the service or service provider (Blois, 1974). Unlike physical goods which can be seen, touched and evaluated in advance of purchase and consumption, services can only be evaluated during consumption.

b) *Heterogeneity*

Curley, B. (1999), heterogeneity of services was believed to be problematic, as it implied a lack of control over what was being offered. Whereas with physical goods, the factory systems and operations, and quality control mechanisms, could largely eliminate variability in the 'product', the person-to-person interactions that characterized service encounters meant that standardization of services was difficult to achieve. Standardization of services was considered a desirable goal.

c) *Inseparability*

Dorman, J., & Hasan, M. (1996), the inseparability of consumption and production was seen to have a number of implications for service organizations especially as it is recognized that the customer contributes to, and participates in the *production* of the service. Indeed the acknowledgment of customers as co-producers has informed service research throughout its existence and became a key component of the service-dominant logic of marketing when it was first outlined advise that organizations developing service innovations, particularly those that aim to increase efficiency, must understand the customer input to the service process.

d) *Perishability*

Ford, D. (1990), the perishability characteristic of services highlights issues surrounding the matching of supply with demand for services. In periods where supply exceeds demand, valuable time-bound service opportunities are

lost and cannot be redeemed (e.g. empty airline seats, empty hotel rooms, at certain times). Conversely, when demand exceeds supply, at peak periods, customers experience queueing, waiting and crowding that may result in perceptions of poor service.

3. Results and Analysis

3.1 The 7p`S Marketing Mix

Goldsmith, R. E. (1997). Anton, J.(1996), papers in this period questioned the appropriateness of the traditional marketing mix – the 4 Ps of product, price, place, and promotion – for services. As research focused on service as a process the people dimension of services and on emphasizing the tangible evidence of services extended services marketing mix was advocated, which became known as the 7 Ps – product, price, place, promotion, process, people and physical evidence. Hagel, J. I., & Sacconaghi, A. J. (1996), the 7 Ps became a symbol of how the marketing of services differed from the marketing of goods. Like the gaps model of service quality, it became a standard services marketing textbook chapter and an easily remembered component of the increasingly popular sub-discipline. we can understand it with this figure:
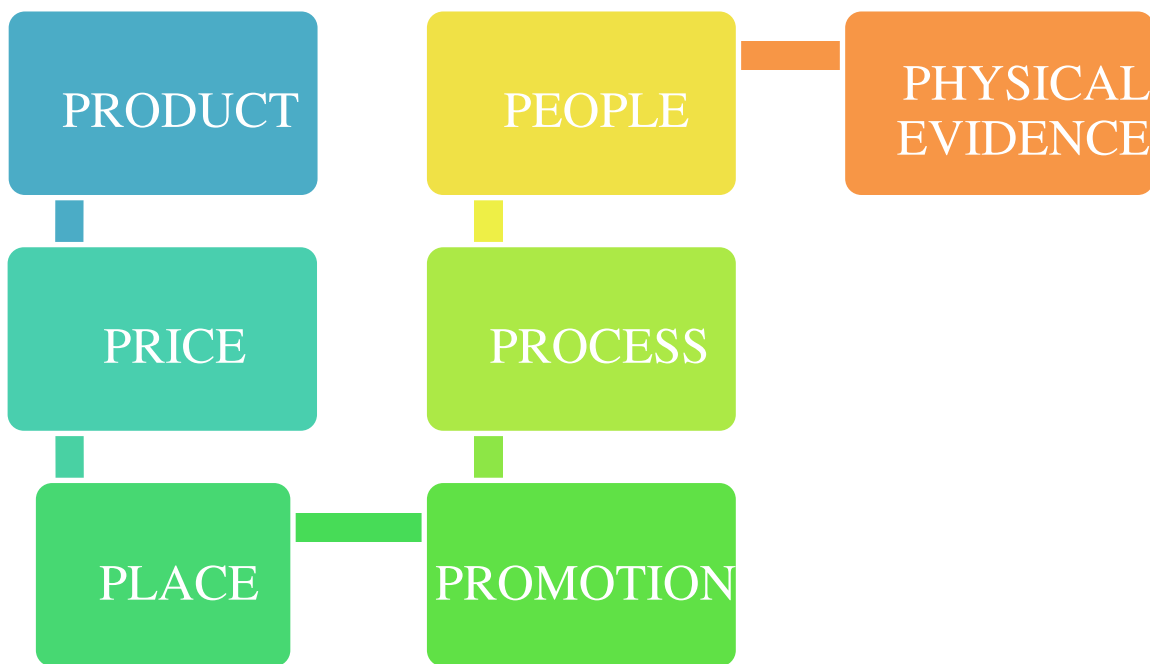

Figure 1

Focuses on customer experience and the changing roles of customers and Costumers

Hammer, M. (1). Champy.(1993), Harrison, J. J. (1993), one of the main catalysts for research on the customer experience was the paper by Pine and Gilmore followed by a book by the same authors one year later. Their view, that the end of the twentieth century had seen the emergence of an 'experience economy', captured the imagination of academics and practitioners alike. A key assertion that they make is that organizations should move from delivering services to *staging experiences*; an experience being something that is *memorable*. By staging experiences, they maintain, organizations can provide differentiated offers for which they can charge a premium price. Their views are based on the premise that organizations can design memorable experiences, and guidelines are given: organizations should theme the experience, harmonize impressions with positive cues, eliminate negative cues, mix in memorabilia, and engage all five senses. Kappert, C. B., Bloemink, R., & Hoekstra, C. (1999), Thompson, K., Ryals, L., Knox, S., & Maklan, S. (2000), Pine and Gilmore's views, however, were not universally accepted, and discussions about the nature of experience ensued. As adopting a highly operational view of experiential marketing. They criticize such an

approach because it suggests that experiences are seen as something that the market offers, and furthermore are primarily regarded as extraordinary or memorable.

3.2 Technology-Based Service

Zeithaml, V. A., Berry, L. L., & Parasuraman, A. (1988), the rapid developments of ICT during this period, especially the increased access by customers to the Internet, resulted in the need for research on technology-based services. As customers engaged more with technology-based systems, it was recognized that such interactions would play a greater part in their experiences. In a critical incident based survey sought to assess customers' levels of satisfaction and dissatisfaction with self service technologies (SST), through applying a similar classification process to that which was adopted by B when considering interpersonal service encounter classified satisfying incidents with SST as those which solved intensified needs, those that were better than alternatives, and those that did their job. They classified dissatisfying incidents as those involving a technology failure, those involving process failure findings from this study were the asymmetric causes of satisfaction and dissatisfaction (unlike the case with interpersonal encounters where the same features could result in either satisfaction or dissatisfaction), and the lack of similarity between the customer-perceived causes of SST (dis)satisfaction and interpersonal encounter causes of (dis)satisfaction.

3.3 The Internet and Its Effect

It became evident, also, that interpersonal service encounters were being affected by the ability and willingness for consumers to seek information through the Internet. In the 1980s, customer encounters with professional service providers (doctors, accountants, solicitors, etc.) were characterized by the asymmetry of specialist knowledge; the provider had the specialist knowledge which the customer accepted. However, in the late 1990s, customers of professional services were beginning to challenge the advice of professional service providers, based on information they had obtained through the internet and more accessible social networks. In the context of health care services, Hogg found that the ability of consumers to access information comparable to that available to professionals fundamentally changes the format and dynamics of the service encounter and that the doctor had become just one of the advisors used by consumers in their health problem-solving activities. Such findings provided evidence of support for subsequent contentions that consumers were becoming more active, connected and informed, and playing a more significant role in the co-creation of value.

3.4 Dysfunctional Behavior in Service Encounters

Other aspects of interpersonal service encounters were also being re-assessed. The assumption that both the contact person and customers were motivated to produce favorable service outcomes was questioned, as evidence came to light of deliberate, dysfunctional behavior by both parties. Deviant, and service behaviors of contact personnel, or service sabotage as it became known, were highlighted by Harris and. They identified four antecedents of service sabotage behavior: individual factors (for example, form factors (for example, surveillance techniques); and environmental factors (labor market conditions), and explored the consequences for employees, service performance and firm performance. This exploratory study led to a steady stream of research on service sabotage that is increasing in momentum and gaining much attention at the time of writing. It clearly offers a different slant on internal marketing to that which represented the mainstream at the time In parallel, studies on deliberately dysfunctional customers (labeled as 'jay customers') outlined the consequences of their actions for contact personnel, other customers and service organizations. In particular, such studies revealed the propensity for all customers to exhibit dysfunctional behavior on some occasions (i.e. it is not just a minority, or segment, of badly behaving customers), and that transparent organizational service recovery policies (compensation, automatic product returns) were being systematically abused by some customers. The latter finding was of considerable importance as planning for service recovery is a recommended strategy for organizations in their quest for creating and enhancing customer loyalty The notion of 'customers behaving badly' is also a theme that is receiving much greater attention by the academe, especially given the increasing access by customers to information and peer experiences.

3.5 Customer Equity

The technological advances of the time resulted in organizational relationship marketing and CRM initiatives aimed at personalizing customer service, given the widespread availability of customer databases. This, in turn, led to a focus

on attempting to increase customer lifetime values (CLV). In a series of papers, Rust and colleagues put forward the concept of customer equity management as a response to perceived difficulties with the data management associated with CRM systems. Paralleling the notion of brand equity, customer equity is proposed as a combination of the value of extant customer assets, together with the value of future customer assets (measured through CLV). Acknowledged that the customer equity approach to marketing was in its infancy. That is probably still the case at the time of writing. However, their assertion that "The firm's tangible assets are valuable only to the extent to which they enhance the combined value of the firm's customer assets or customer equity" (p7) has much resonance with later work on consumer operant resource integration that is a fundamental component of subsequent Deliberations on the service-dominant logic of marketing.

3.6 Online Consumer Communities and Social Networks
The period covered in this paper saw the advent and subsequent importance of online consumer communities and social network systems; facilities that, according to Prahalad and Ramaswamy have contributed to the view that consumers of the twenty-first century are more active, connected and informed than their twentieth-century predecessors. As Wiertz and de Ruyter specify, firms can and do, host online communities as an additional service channel, where knowledge contributions largely consist of customers interacting to solve each other's problems. It is, however, recognized that firms or organizations need to tread carefully when having a presence in what customers may claim is their 'space'. Wiertz and de Ruyter through a survey of over 200 online community members, found that "firms need to understand that their online communities must and will develop a life of their own" and that a hosting firm should "respect that and make sure it keeps interference to a minimum". This is a dilemma faced by many organizations which perceive great opportunities with consumer networks and want to be a part of them, and even control and manage them.

4. Conclusion

Organizations that do not implement CRM systems in support of relationship marketing strategies are at risk of being seriously disadvantaged. Customers are beginning to expect the added value delivered through tailoring products or services to individual customers or micro-segments, and are demanding greater participation in SM implementation Customers are starting to use fewer suppliers to provide a higher proportion their needs. Customer patience with non-performing suppliers is diminishing, opening up possibilities of increased competition from outside a supplier's industry sector and from overseas. The food and financial services sectors have already experienced these phenomena.

Yet IT is not a relationship marketing panacea. The objective of using SM systems to deliver better value to customers, cannot be realized without getting the basics right. A poor start has been made by many of the firms trading via the internet whose clients watch share prices drop while they repeatedly try to place an instruction to sell. In consumer markets, many buyers are being put off online shopping by poor after-sales service and inconvenient and unreliable delivery. Organizations without CRM capability will be at a serious competitive disadvantage. They will lose the competitive edge that knowledge of customers and a better understanding of customer needs can give them in anticipating and adapting to relationship market developments. For those that fail to implement SM systems in time, customer service will slow to improve and service innovations that depend on investment in call centers, data warehousing or e-commerce may not be implemented in time to recover the situation. This paper offers advice on how to implement SM technology in a timely and practical fashion.

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