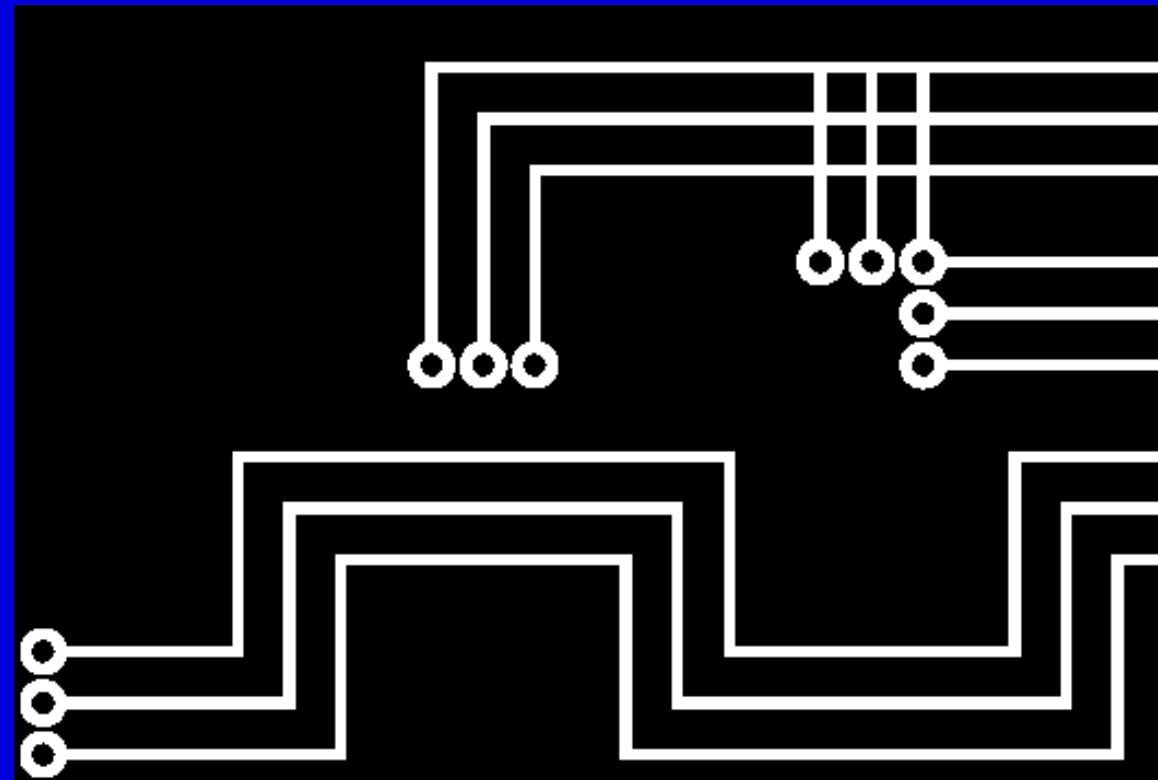


Introduction of service marketing

Leonard Walletzký 2021



Content of the course

Motivation

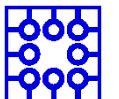
Marketing methodology

Management of marketing

Analysis of market environment

Marketing and work with information

Marketing tools



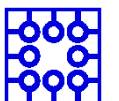
Course evaluation

Teamwork

- Students will make a group of 2 – 4 members
- And prepare short presentation (5-10 minutes) of marketing of selected company (case)

Try to answer:

- What is unique on this company (approach)?
- Why have you chosen it?
- What is the value of the service, offered to the customers?
- Include interactive elements (videos, advertisements, online services) – see the example
- The presentations will be held at the beginning of each lesson.
- Written exam at the end of the course



Laboratory of service systems

Laboratory focused to implementation of service thinking

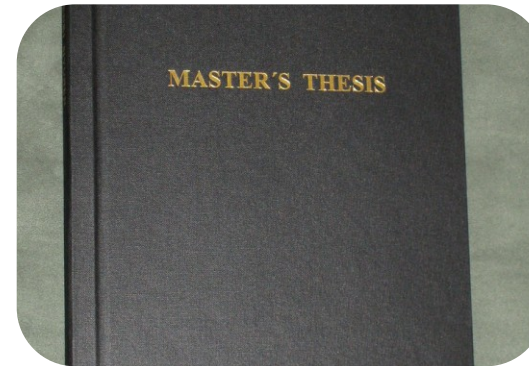
The main topic nowadays is Smart Cities

We cooperate with the cities in Czech Republic and with main stakeholders of Smart concept (Czech Smart City Cluster, Ministry of local development)

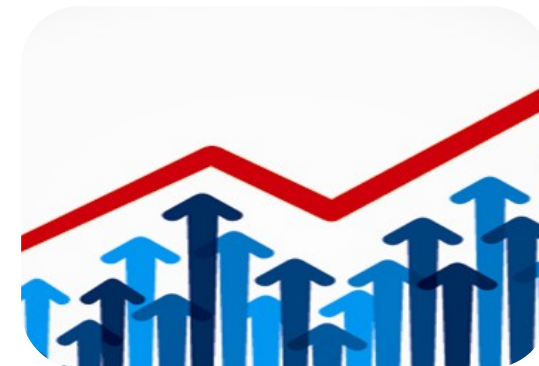
More info:



Interim



Diploma
thesis



2 credits per
semester

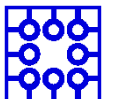
Motivation – why to learn marketing basic

To understand the context of marketing

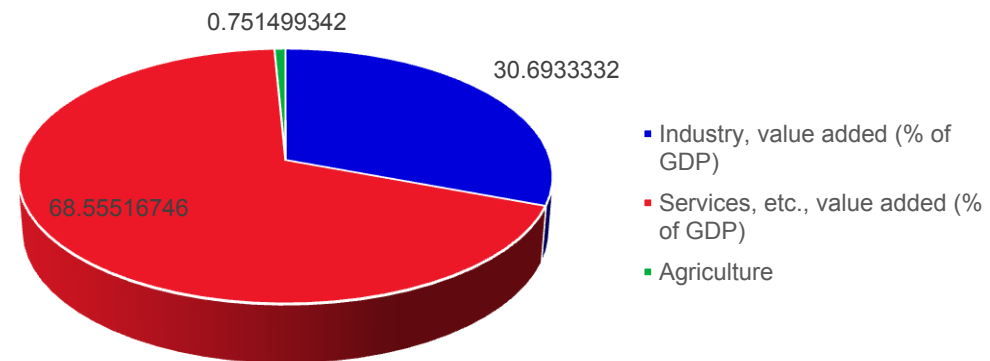
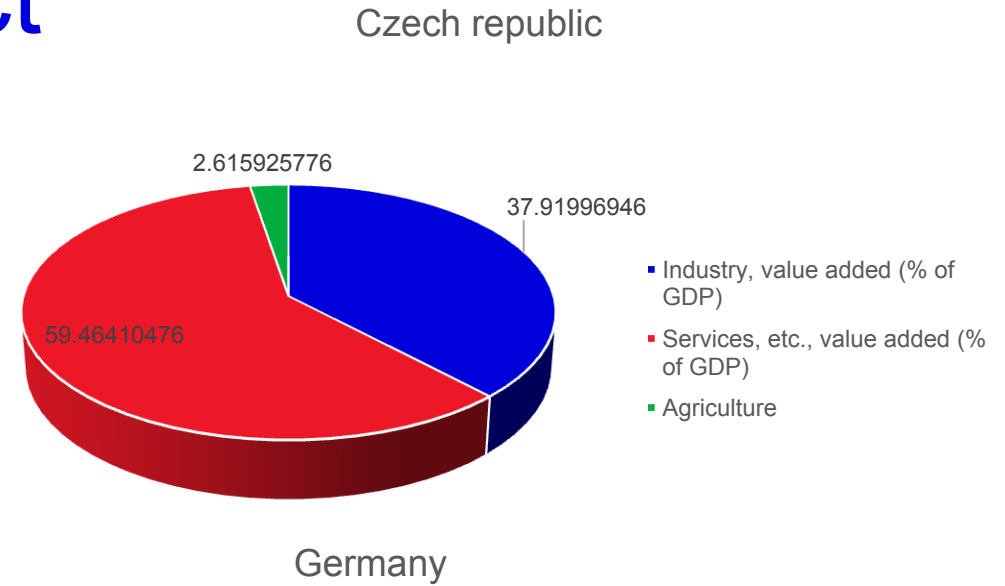
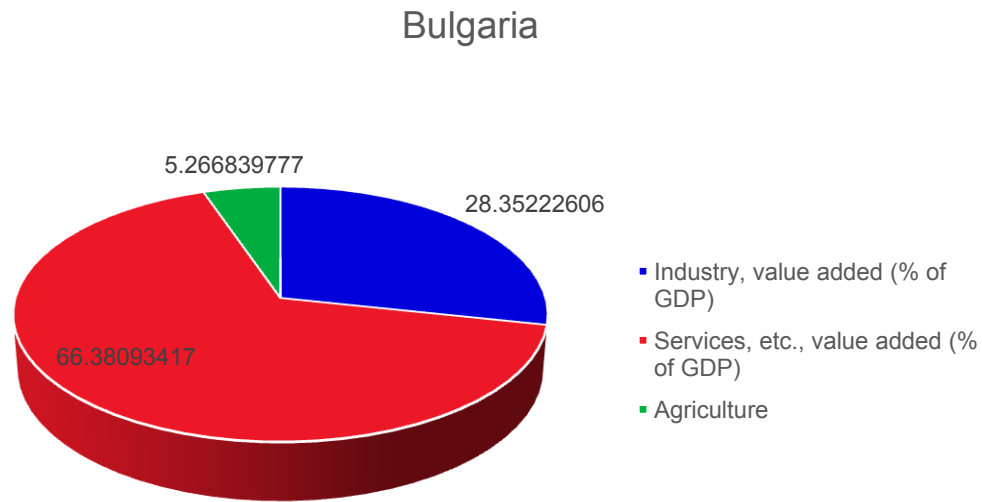
- Basic terminology that enables to enroll advanced courses
- The concepts of marketing research, its application and evaluation

The management of services is strongly related with the marketing

- To describe the value
- To communicate with customers
- The description of marketing development helps to understand the preserving of partners, customer and other stakeholders



Contributions of Service Industries to Gross Domestic Product



Overview: Why Services Matter

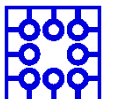
Services dominate EU and worldwide economies

Services are growing dramatically

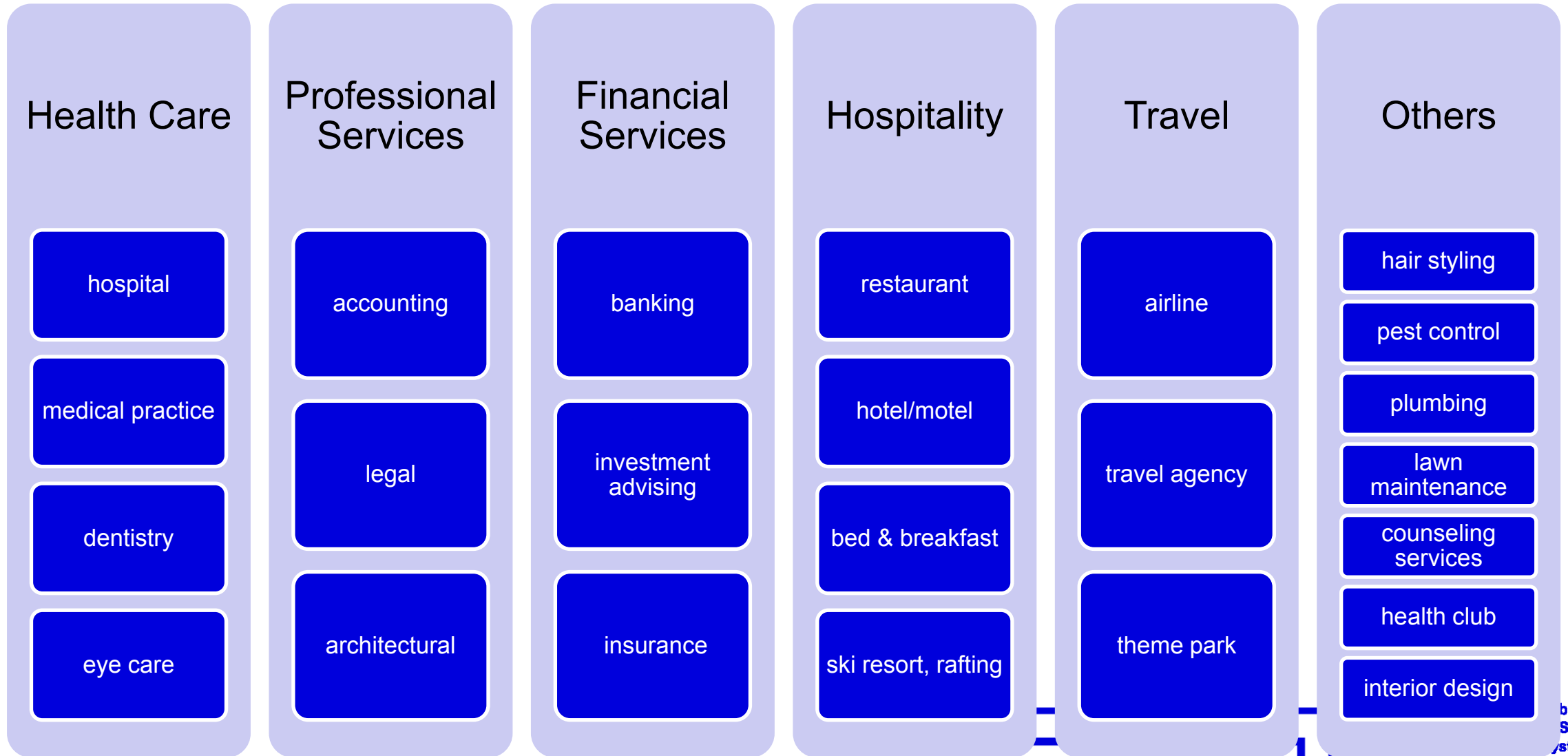
Service leads to customer retention and loyalty

Service leads to profits

Services help manufacturing companies differentiate



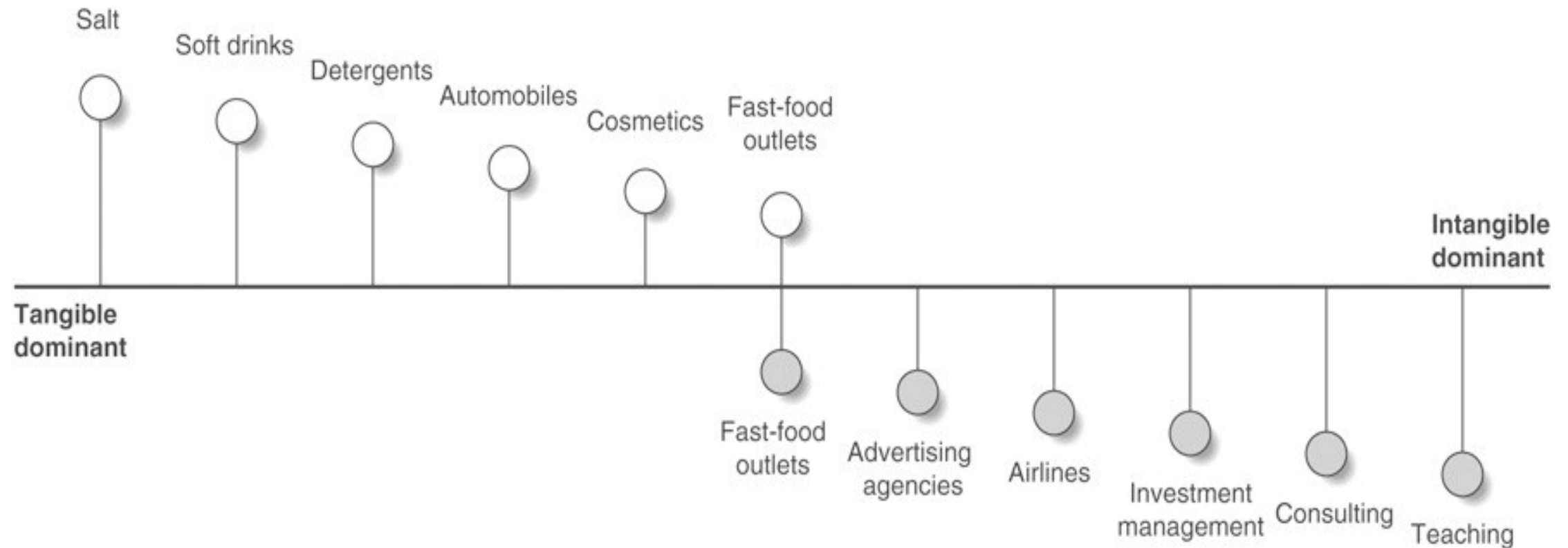
Services are more important



Tangibility Spectrum

FIGURE 1.2 Tangibility Spectrum

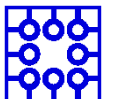
Source: G. Lynn Shostack, "Breaking Free from Product Marketing," *Journal of Marketing* 41 (April 1977), pp. 73–80. Reprinted with permission of the American Marketing Association.



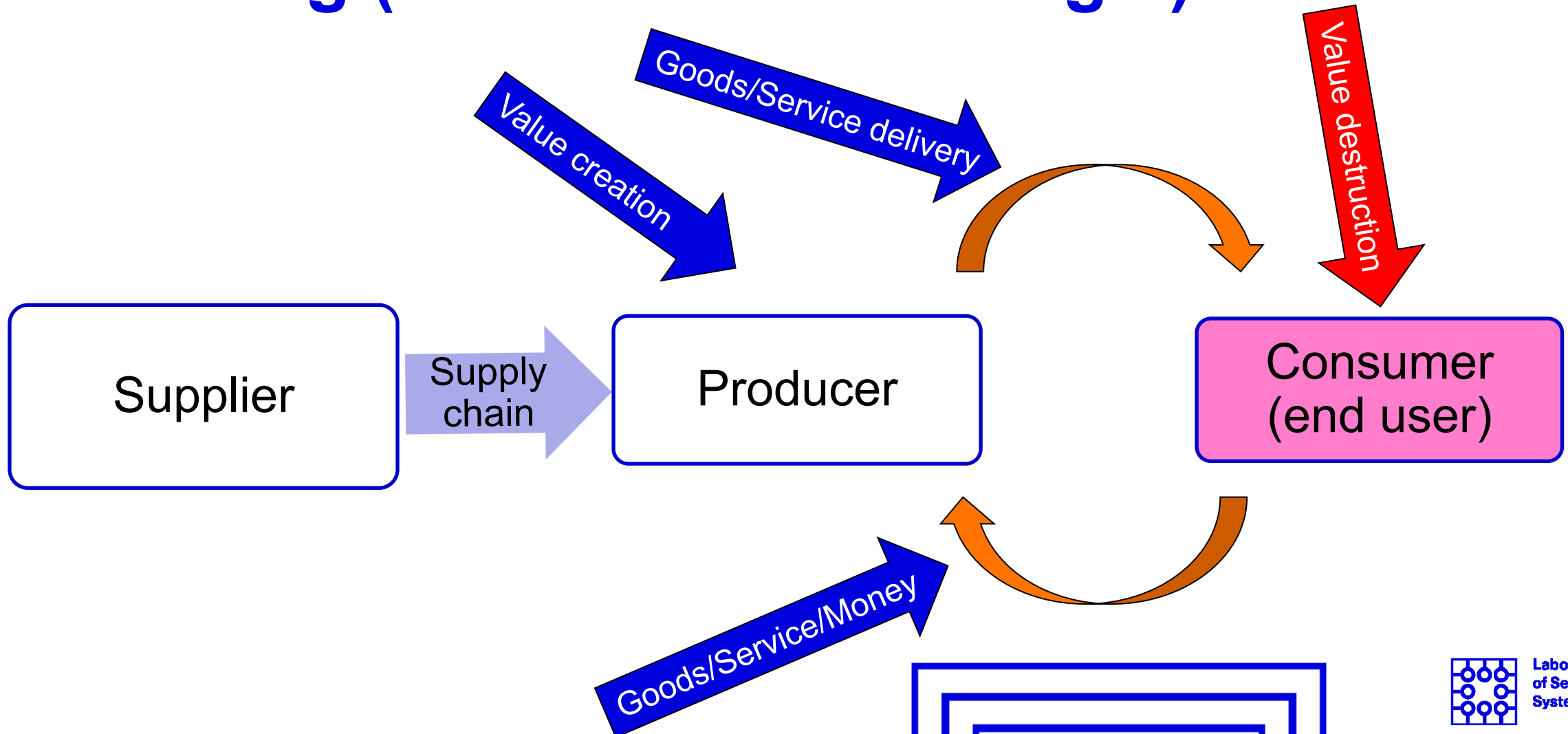
What is marketing?

Marketing is defined by the American Marketing Association [AMA] as "the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large."

This represents the approach of transactional marketing



The role of services in transactional marketing (Goods dominant logic)



Problems with Goods dominant logic

Goods are not why we buy goods

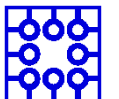
- Service (benefits) they render
- Intangibles (brand, self image, social connectedness, meaning)
- Inputs into experiences

Goods are not what we fundamentally “own” to exchange with others

- Applied knowledge and skills (our services)

Customer is secondary and seen as value receiver and destroyer

- “Consumer orientation” is an add-on--does not help



IHIP characteristics of the services

Value-enhancing add-ons for goods, or

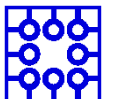
A particular type good, characterized by (IHIP):

Intangibility

Heterogeneity

Inseparability

Perishability



Implications of Intangibility

Services cannot be inventoried

Services cannot be easily patented

Services cannot be readily displayed or communicated

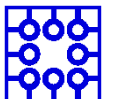
Pricing is difficult

Implications of Heterogeneity

Service delivery and customer satisfaction depend on employee and customer actions

Service quality depends on many uncontrollable factors

There is no sure knowledge that the service delivered matches what was planned and promoted



Implications of Simultaneous Production and Consumption

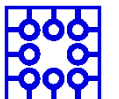
Customers participate in and affect the transaction

Customers affect each other

Employees affect the service outcome

Decentralization may be essential

Mass production is difficult

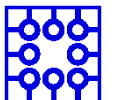


Implications of Perishability

It is difficult to synchronize supply and demand with services

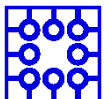
Services cannot be stored

Services cannot be returned or resold



Comparing goods and services

Goods	Services	Resulting Implications
Tangible	Intangible	Services cannot be inventoried. Services cannot be easily patented. Services cannot be readily displayed or communicated. Pricing is difficult.
Standardized	Heterogeneous	Service delivery and customer satisfaction depend on employee and customer actions Service quality depends on many uncontrollable factors. There is no sure knowledge that the service delivered matches what was planned and promoted
Production separate from consumption	Simultaneous production and consumption	Customers participate in and after the transaction. Customers affect each other. Employees affect the service outcome. Decentralization may be essential. Mass production is difficult.
Nonperishable	Perishable	It is difficult to synchronize supply and demand with services. Services cannot be returned or resold.



Summary

Motivation to understand marketing

Importance of service marketing

Difference between goods and services

