

Service marketing chapter summery

[Business](#), [Marketing](#)



At this point it indicates their interactions in influencing perceptions of service performance connect expectation with perception. Listening to customers through research is how the bridge between expectation and perception actually takes place. To get the thorough idea and to make a perfect offering, there are certain steps to follow. Before going to any consumers, we have to identify what are the information we are looking for and how we are choosing to gather that information.

To discover customer requirements or expectations for service, to monitor and track service performance to assess overall company performance compared with that of competition, to assess APS between customer expectations and perceptions, to identify dissatisfied customers, so that service recovery can be attempted, to gauge effectiveness of changes in service delivery, to appraise the service performance of individuals and teams for evaluation, recognition, and rewards, to determine customer expectations for a new service to monitor changing customer expectations in an industry and to forecast future expectations of customers.

A service research program can be defined as the composite of separate research studies and types needed to address research objectives and execute an overall agreement strategy. Many types of research could be considered in a research program.

By selecting the best criterion, the research program will be successful using both qualitative and quantitative, both expectations and perceptions of customers, balancing the cost of the research and the value of the information, might include statistical validity when necessary, measures

priorities or importance of attributes, occurs with appropriate frequency and includes measurement of loyalty, intentions and behavior. When it comes to the elements of effective service marketing, there are some research steps that help.

Customer Complaint Solicitation, Relationship Surveys, Post- Transaction Surveys, Customer Focus Groups, Mystery Shopping of Service Providers, Employee Surveys, Lost Customer Research, Critical Service Encounters Research, all are individually a part of listening to customers through research and discovering new services that meets the actual service demand. When it comes to the situation that how to gather information and what is the standard that needs to be followed then comes common means for answering questions.

This states to ask customers directly by mail, phone, face-to-face, online, en-on-one, in groups, Faze Kaiser (2012-2-95-127) course: MAKE-506; section: 01; MBA Page 1 of 6 formal/informal, observing customers with anthropological tools or qualitative depth. Get information from employees and front line service providers. Database marketing research such as use customer information files or capture behavior through data analysis. Finally, upward communication, ways in which management obtains and uses information from customers and customer contact personnel, was discussed.

These topics combine to close gap one between customer expectations and company understanding of customer expectations, the first of four provider gaps in the gaps model of service quality. Lots of customers want to be -? relationship customers] of the firms serving them. They want ongoing,

personalized relationships with the same representatives. They want these representatives to contact them, rather than always having to initiate the contact themselves.

They want a -? partner-? someone who knows and cares about them.

Customers' desires for more personalized and closer relationships with service providers are evident not only in the interview transcripts or insurance and truck leasing services, which are ongoing by nature, but also for hotel and repair services, which are provided intermittently. The following comments suggest both the flavor and pervasiveness of customers' expectations for service relationships.

Turning service quality into a powerful competitive weapon requires continuous striving for service superiority-? consistently performing above the adequate service level and capitalizing on opportunities for exceeding the desired service level. Relentless efforts to continually improve service performance may well be rewarded y commensurate and corresponding improvements in customer attitudes toward the firm, from customer frustration to customer preference to intense customer loyalty.

And Listening to customers through research can do the magic to get the desired outcome a service oriented business always looks for. Facie Kaiser (2012-2-95-127) Page 2 of 6 Chapter 7 Summary: Building Customer Relationships When it comes in increasing profits, it's tempting to concentrate on making new sales or pursuing bigger accounts. But attention to your existing customers, no matter how small they are, is essential to

keeping your business thriving. The secret to repeat business is following up in a way that has a positive effect on the customer.

Building customer relationship is a model for managing a company's interactions with current and future customers. It involves using technology to organize, automate, and synchronize sales, marketing, customer service, and technical support. In this chapter the focus was on the rational for, benefits of and strategies for long- term relationships with customers. It is obvious by now that organizations that focus only on acquiring new customers may well fail to understand their current customers; thus, while a company may be bringing customers in through the front door, equal or greater numbers may be exiting.

Building Customer Relationships is more that focuses on customer preferences, instead of customer leverage. This is a nascent sub-discipline of traditional customer relationship management, to take advantage of changes in communications technology. A CRM system becoming more -? customer-centric] means being able to manage critical relationships more effectively and being positioned to offer new and expanded services.

Now the question arises, how to build customer relationship in such a manner that last for the rest of the business life and becomes a sustainable competitive advantage. To build a profitable customer relationship, we need to consider some steps, and they are, Relationship Marketing, Relationship Value of Customers, Customer Profitability Segments, Relationship Development Strategies and Relationship Challenges. Relationship Marketing is the most important part of today's business.

It is a philosophy of doing business, a strategic orientation, that focuses on keeping current customers and improving relationships with them, does not necessarily emphasize acquiring new customers is usually cheaper (for the firm), keeping a current customer costs less than attracting a new one and thus, the focus is less on attraction, and more on retention and enhancement of customer relationships. However, in general, customer relationships are driven by a variety of factors that influence the development of strong customer relationships, including, the customers overall evaluation of the quality of a firms core service offering.

The switching barriers that are customer faces in leaving in a relationship bonds developed with that customer by the firm. By developing strong relationship with customers and by focusing on factors that influence customer relationships, the organization will accurately understand customer expectations over time and consequently will narrow service quality gap one.

Page 3 of 6 About the benefits of relationship marketing, both customers and firms get the benefit. Customer benefits are, Receipt of greater value, Confidence benefits such as trust, confidence in provider, reduced anxiety; Social benefits such as familiarity, social support, personal relationships and Special treatment benefits such as special ells and price breaks.

Benefits for Firms are Economic benefits such as increased revenues, reduced marketing and administrative costs, regular revenue stream and Customer behavior benefits such as strong word-of-mouth endorsements, customer voluntary performance, social benefits to other customers and mentors to other customers and finally Human resource management

benefits such as easier jobs for employees, social benefits for employees and employee retention. Though good business relationship brings more new business but sometimes not all customers are good relationship customers.

It refers to those customers who are wrong segment customers, not profitable in the long term and difficult customers. In some point its important for the firm to let go the customer who is creating problems. A relationship is an ongoing conversation with a customer. In which the customer continually evaluates the value of the whole product you offer to them, often comparing your whole product offering to your competitors offerings as well. We, as the supplier of the whole product need to continually be part of that conversation so that someone else doesn't take over that conversation from you.

In other words, the provider has the vast majority of the responsibility to keep the relationship alive and the customer has very limited responsibility, and in some cases, no responsibility whatsoever. The provider, must always be providing more and more value to keep the relationship alive. Page 4 of 6
Chapter 8 Summary: Service Recovery The service recovery paradox is a supposed paradoxical effect where a product failure ultimately results in increased customer satisfaction, producing a level of satisfaction even greater than that expected with no product failure.

Empirical tests of the effect have had mixed results. One study concluded that the effect was most likely to occur when a number of conditions were met, such as the customer considering the failure not to be serious, and to be out of the company's control. This chapter explains service recovery with

The Impact of Service Failure and Recovery, How Customers Respond to Service Failures, Customers' Recovery Expectations, Switching versus, Staying Following Service Recovery, Service Recovery Strategies and Service Guarantees. This chapter is focused In all service contexts, revive failure is inevitable.

Service failure occurs when service performance that falls below a customer's expectations in such a way that leads to customer dissatisfaction. Service recovery refers to the actions taken by a firm in response to service failure. When service fail, Customers sometimes lose their minds with anger. A consumer complaint or customer complaint is an expression of dissatisfaction on a consumer's behalf to a responsible party. It can also be described in a positive sense as a report from a consumer providing documentation about a problem with a product or service.

In fact, some modern business consultants urge businesses to view customer complaints as a gift. A good recovery can turn angry, frustrated customers into loyal ones can, in fact, create more goodwill than if things had gone smoothly in the first place. However, only a small percent of customers complain, service recovery must be SUPERLATIVE, only with responsiveness, redress, and empathy/courtesy, only with tangible rewards, even though service recovery can improve satisfaction, it has not been found to increase purchase intentions or perceptions of the brand and service recovery is expensive.

The service recovery paradox is more likely to occur when the failure is not considered by the customer to be severe, the customer has not experienced

prior failures with the firm, the cause of the failure is viewed as unstable by the customer, the customer perceives that the company had little control over the cause of the failure, Conditions must be Just right in order for the recovery paradox to be present!

Guarantee means an assurance of the fulfillment of a condition, in a business context, a guarantee is a pledge or assurance that a product offered by a firm will reform as promised and, if not, then some form of reparation will be undertaken by the firm, for tangible products, a guarantee is often done in the form of a warranty, services are often not guaranteed, cannot return the service and service experience is intangible.

About Characteristics of an Effective Service Guarantee, Unconditional the guarantee should make its promise unconditionally - no strings attached, Meaningful, the firm should Faze Kaiser (2012-2-95-127) Page 5 of 6 guarantee elements of the service that are important to the customer, the payout would cover fully the customer's dissatisfaction. Easy to Understand and Communicate, customers need to understand what to expect and employees need to understand what to do.

Easy to Invoke and Collect, the firm should eliminate hoops or red tape in the way of accessing or collecting on the guarantee. So, why a good guarantee works? Explaining that, Forces Company to focus on customers, sets clear standards, generates feedback, forces company to understand why it failed builds -? marketing muscles. Finally it's logical to ask if everyone needs a service guarantee or not.