The difference between marketing services and marketing products assignment

Business, Marketing



Title: the difference between marketing services and marketing products Submitted by; Xin Tian Submitted to: Rita Kelly Subject: Services Marketing Date: 15th November, 2011 Class: B. B. S (Marketing) CW838(3) The difference between marketing services and marketing products The title of my assignment is the difference between marketing services and marketing products. This essay will introduce the main differences of the marketing services and marketing products, the differences are intangibility, inseparability, variability, perishability and ownership of services.

Marketing services and marketing products are interdependent. In contemporary society, people pay more attention on the quality of life so that marketing service plays a significant role, which increased the national economy in recent years. People pay more attention not only on marketing products, but also on marketing services. Being aware of the relation between marketing services and marketing products and distinguishing each other is an important way to help us to understanding the differences. There are five main differences between marketing services and marketing products.

However, they are dependent on each other as well. The most basic, and universally cited, difference between goods and services is intangible. Because services are performances or actions rather than objects, they cannot be seen, felt, tasted, or touched in the same manner that we can sense tangible goods. (Zeithaml and Bither, 2003) Firstly, service cannot be readily displayed or communicated. The products are tangible, the customers are more likely to taste them, touch them so customers are more likely to buy them. In contrast, services are intangible; it is hard for customers to know the value of the services.

Because the customers cannot know how much they can benefits from the service, even though the customers are already serviced. Thus, customers only can believe the introduction of the services, and consider what advantages the services can bring to them. For example, doctors cure patients, patients need to take the medicine prescribed by doctor, even if the patient did not know about the medicine at all. Then, it needs to take long time to make sure whether the medicine is useful or not. It is a typical example that proves the services are intangible.

Therefore, marketers need to use the 4P (price, place, product, promotion) to improve the satisfactions of customers. Secondly, unlike the product, services cannot be inventoried. Having unused capacity in a service business is rather like running water into a sink without a plug. The flow is wasted unless customers (or possessions requiring service) are present to receive it. On the other hand, when demand exceed capacity, customers may be kept waiting. (Lovelock, Vandermerwe, Lewis, 1999) For example, the staffs who work in McDonald's are huge demanded for services in the mealtime, and little needed in other time.

Yet staffs need to work for 24hours. Thirdly, services cannot be patented. When the new services innovate and advanced, there are a lot of competitor copies from it. It is hard to avoid other copying it, because of the characteristic of intangible. Finally, pricing is difficult. It is hard to decide how much money to invest in advertising and promote the equipment. The costs of service are also difficult to determine, and also at the beginning of your bussiness you will need to spend extra time and money to determine just how to divide up the prices of your service. Matanovich, 2003) Another difference is inseparability. (Zeithaml and Bither, 2003) It means that producing and consumption marketing services are simultaneous. For the marketing product, producing and consumption usually need to take a series of procedures, and there is a span of time between production and consumption, it will not be at the same time. It means that if the productions get some problems, producer has time to correct it so that there is no chance for customers to find the mistakes. Unfortunately, marketing service is inseparability.

Thus, when service staffs offer the services for customers, customers also consume the services at the same time. An important feature of marketing service is that production and consumption rely on each other. Because services are not materials, but the series of process, so producing and consumption must occur at the same time. The result is that customers must join into the services. For instance, patient must tell the doctor what is his problem, and then the doctor will know about what is wrong with him and how to cure the illness.

In other words, customers are involved in the producing process. In this circumstance, service firms have much to gain from trying to educate their customers so as to make them more competent. (Lovelock, Vandermerwe, Lewis, 1999) It is a large challenge for manager to lead the employees; on

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the other hand it's difficult for employees to satisfy all customers. A better way to satisfy customers is that staff should build a relationship with customers and develop it, because staff must be in contact with customers in marketing services.

In order not to loss the customers, staffs need to continue to communicating with those people. Because services are related to the customers; there is variability among the marketing service. (Zeithaml and Bither, 2003) Different people has the different personality, there have no a standard to check the quality of service. Different staff has different physical and mental conditions, even though the same services for customers also can be different because they are provided by different staffs.

For example, if the staff breaks up with his girlfriend, it will influence the feelings of this staff, and then he cannot offer the brilliant performance as usual. On the other hand, customers can also influence the quality of the services, because customers join the procedure of services directly. The factors (such as level of education, hobbies and interests) also have impact on the quality of services. For instance, there are 40 people listen to the class, some of them are enjoy it, and some are not. Variability sometimes makes the customers have different opinions to the same company.

The reason is that frequently there are different levels of services in the different sub company, it maybe lead to a huge different of number of customers in different sub company. The fact that services cannot typically be returned or resold also implies a need for strong recovery strategies when

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things do go wrong, which are perishability. (Zeithaml and Bither, 2003) Because the production and consumption happened at the same time, it unlike the marketing product, services cannot be saved for further selling.

Moreover, services cannot take home at most of the time. The services equipment is provided ahead of time, if the services cannot be consumed after produced, it will be wasted, not the real materials, but opportunity or depreciation that have been wasted. Consequently, marketing services need to pay more attention on reduce the wastage by learn how to distribution, how to design the process of service. Ownership of services refers to the fact that services cannot be changed the ownership during the production and consumption. Zeithaml and Bither, 2003) For example, when passengers take plane from one place to other, passengers only can get the flight tickets and go boarding check, they can do nothing else. Meanwhile, airports do not give any ownership to passengers either. It makes passengers feeling more risk than marketing product do. It brings more challenge for marketing services, because they need to persuade the customers and ensure good service sales. A lot of companies set up the VIP (Very Important Person) for customers to maintain the relation between companies and customers.

It is a good way to develop the loyal customers. After customers being VIP, they can get the extra benefits from company; it makes customers feeling like own the services from companies. However, marketing services and marketing products are interdependent. Marketing services are not 100% intangible as a whole. Services often include tangible element, such as using tennis racquet, ordering delicatessen, furniture rental, the service performance itself is basically an intangible. Most of services cannot leave without materials.

For instance, there are several services in the restaurant, such as cooking, services of waiter/ waitress, but the food are materials, which people can be smelled, tasted, and touched. Otherwise, with the development of marketing, more and more companies sell both of the services and products, and the customers buy the products, not only for products, but also for services. Such as buying a car. Generally, even though there are several differences between marketing services and marketing products, they both are product, and they both are production and consumption for getting the satisfaction from customers to earn the profits.

Take all factors into consideration this essay can find that marketing service is facing more challenge than marketing product and there are several differences between marketing services and products. Intangibility makes customers harder to tell the quality and effect of services than marketing products, so the marketer should add some tangible things, which can give the customers good impression and help customers to understand the services. Because producing and consumption are simultaneous, customers are involvement in the producing process. So how to make the customers cooperate with servicer and be loyal is important.

Variability, because services are provided by human, so manager should encourages the staff to be passionate on working and provides more training for staff to make them become more professional. Perishability means that services cannot typically be returned or resold which implies that services need strong recovery strategies when things go wrong, so manager should consider how to make good use of it. The ownership services cannot be changed during the production and consumption, so company needs to develop the loyal customers to counteract the disadvantages of the ownership problems.

In conclusion, in my opinion, marketing services and marketing products should rely on each other, because they both have the advantages and disadvantages. What we can do is using the advantages and eliminating the disadvantages. Furthermore, I think marketing services are more potential than marketing products are in the future. The reason is that marketing products is almost saturated; people nowadays emphasize more on services to improve the quality of lifestyle. I consider service marketing should evolves five characteristics in order to find out a better way to serve customers satisfy them.

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