

Physical evidence and services marketing essay



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Customers of service organisations may be influenced by a range of factors in their decisions to purchase or use a specific service. One factor which is assuming more importance is the role played by physical evidence. Physical evidence can assist in creating the 'environment' and 'atmosphere' in which a service is bought or performed and can help shape customer perceptions of a service. Customers form impressions of a service organisation partly through physical evidence like buildings, furnishings, layout, colour and goods associated with the service like carrier bags, tickets, brochures, labels and so on. Many service marketers neglect this aspect of service design and fail to take account of how they can use such physical evidence to shape the image of their organisation and its services: 'Because of product marketing's biases, service marketers often fail to recognise the unique forms of evidence that they can normally control and fail to see that they should be part of marketing's responsibilities.'

Role of Service Evidence

A distinction is made in services marketing between two kinds of physical evidence.

(a) peripheral evidence;

(b) essential evidence.

Peripheral Evidence

Peripheral evidence is actually possessed as part of the purchase of a service. It has however little or no independent value. Thus a bank chequebook is of no value unless backed by the funds transfer and storage service it represents. An admission ticket for cinema equally has no

independent value. It merely confirms the service. It is not a surrogate for it. Peripheral evidence 'adds to' the value of essential evidence only as far as the customer values these symbols of service. The hotel rooms of many large international hotel groups contain much peripheral evidence like directories, town guides, pens, notepads, welcome gifts, drink packs, matchbooks and so on. These representations of service must be designed and developed with customer needs in mind. They often provide an important set of complementary items to the essential core service sought by customers.

Essential Evidence

Essential evidence, unlike peripheral evidence, cannot be possessed by the customer. Nevertheless essential evidence may be so important in its influence on service purchase it may be considered as an element in its own right. The overall appearance and layout of a hotel; the 'feel' of a bank branch; the type of vehicle rented by a car rental company; the type of aircraft used by a carrier. All are examples of essential evidence. Ultimately peripheral evidence and essential evidence, in combination with other image forming elements (e. g. people who provide the service) influence the customer's view of the service: ' ... when a consumer attempts to judge a service, particularly before using or buying it, that service is "known" by the tangible clues, the tangible evidence that surround it.

MANAGING THE EVIDENCE

Essential evidence and peripheral evidence in conjunction with personnel, promotional, advertising and public relations efforts are some of the chief ways through which a service organisation can formally create and maintain

its image. All are inputs to service product design. Images are difficult to define, measure and control for the fact is that image is a subjective and personal construct. Nevertheless people do form images of service products and service organisations based on an array of evidence. Therefore management of that evidence is desirable to ensure that the image conveyed conforms with the image desired. The management of physical evidence forms part of this task.

Service organisations with competing service products may use physical evidence to differentiate their service products in the marketplace and give their service products a competitive advantage. A physical product like a car or a camera can be augmented through the use of both tangible and intangible elements. A car can be given additional tangible features like a sliding sunroof or stereophonic radio equipment; a camera can be given additional tangible features like control devices which enable use in a wide variety of light conditions. A car may be sold with a long life anti-rust warranty or cost-free service for the first year of ownership; a camera with a long-life warranty or free lens insurance.

Tangible and intangible elements may be used to augment the essential product offer. In fact organisations marketing tangible dominant products frequently use intangible, abstract elements as part of their communications strategy.

Service marketing organisations also try to use tangible clues to strengthen the meaning of their

intangible products. They tend however to do so intuitively:

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Managing physical evidence should be an important strategy for a service marketing organisation

because of the intangibility of a service. Two aspects of intangibility are identified.

(a) that which cannot be touched; impalpable;

(b) that which cannot be defined, formulated, grasped mentally.

Services have both elements of intangibility. Both features present problems and challenges to service marketers who have to find ways to make the service more 'palpable' and to make it easier to 'grasp mentally'. There are a number of things service marketers can do to overcome these difficulties.

They include these:

Make the Service more Tangible

One suggestion is to concentrate on a tangible representation of the service. The bank credit card is an example of the tangible representation of the service, 'credit'. The use of a credit card means:

(a) the service can be separated from the seller;

(b) intermediaries can be used in distribution thereby expanding the geographic area in which the service marketer can operate;

(c) the service product of one bank can be differentiated from the service product of another bank (e. g. through colour, graphics and brand names like Visa);

(d) the card acts as a symbol of status as well as providing a line of credit.

Make the Service Easier to Grasp Mentally

There are two ways in which a service can be made easier to grasp mentally.

(1) Associate the service with a tangible object which is more easily perceived by the customer.

This approach may be used in advertising messages. Here the intangible nature of the service is translated into tangible objects representing that service. These may have more significance and meaning for customers. In this case the airline is attempting to make it easier for the customer to grasp what their service means compared with competitors. With this approach it is obviously vital to:

(a) use tangible objects that are considered as important reference points by the customer and which are sought as part of the service. Using objects that customers do not value may be counterproductive;

(b) ensure that the 'promise' implied by these tangible objects in fact is delivered when the service is used. That is the quality of the goods must live up to the reputation implied by the promise. If these conditions are not met then incorrect, meaningless and damaging associations can be created.

(2) Focus on the Buyer-seller Relationship

This approach focuses on the relationship between the buyer and the seller.

The customer is encouraged to identify with a person or group of people in the service organisation instead of the intangible services themselves.

Advertising agencies use account executives; market research agencies

assemble client teams; the Co-operative Bank uses 'personal' bankers. All encourage a focus on people performing services rather than upon the services themselves.

The assumption which underlies both these approaches is that the customer can derive some benefit from tangible clues presented in these ways about intangible services offered. Service marketers have traditionally used such symbolism in selling their services. Advertising agencies attempt to design their offices in styles which convey the personality of the agency; airlines and hotels use an array of peripheral, tangible elements to emphasise their services, from luggage labels to bags. Many service organisations instinctively presented tangible manifestations of their intangible services. However before a service organisation can translate intangibles into more concrete clues it must ensure that it:

- (a) knows precisely its target audience and the effect being sought by the use of such devices;
- (b) has defined the unique selling points which should be incorporated into the service and which meet the needs of the target market.

There have been few published studies which confirm the usefulness of tangible cues in the marketing of services. In spite of this many writers and practitioners in marketing suggest their use and several types of cues have been suggested. One study (by Krentler) evaluated the usefulness of

tangible cues in the marketing of consumer services. She investigated three types of cues:

- (a) a tangible representation of the service (i. e. it reminded the customer of the service benefits);
- (b) a cue which focused on the interpersonal relationship between service provider and consumer;
- (c) a cue which associated the intangible service with a tangible object which was easier for the customer to perceive.

Three services were examined, savings accounts, dry cleaning and hair styling. The effect of the cues was measured by the ability of advertisements, which used the cues, to convince consumers that the benefits were forthcoming. The benefits were specific to each service and were identified by focus group interviews. The findings and methodology are not altogether convincing although the results did suggest that the effect of tangible cues may vary with the type of benefit being considered, as one might expect. As far as the provider- client interface cue was concerned it was effective with respect to benefits related to personal trust between provider and client. This emphasises that cues do need to be related to benefits sought by customers and should not be used without consideration of these benefits. The major challenge to service organisations is to identify these benefits and then to match the benefits sought with appropriate cues. There are a variety of cues service organisations can use from the physical

environment, to furnishings, equipment, stationery, general decoration, colour, lighting. All are part of the environment formed and shaped by the service organisation.

The Design of a Service Environment

The design and creation of an environment should be a deliberate act for most service organisations. Exceptions might be those service organisations providing services at the customers premises or in the home. Even with these kinds of service attention must be given to equipment design, vehicle livery, stationery used and similar influences upon the 'impression' or the organisation which may be formed in the customer's mind.

The environment refers to the context (physical and non-physical) where a service is performed and where the service organisation and the customer interact. It therefore includes any facilities which influence the performance and communication of the service. In the case of a hotel, for example, it means:

'The building, land and equipment, including all furniture, fittings and supplies.

Thus such things as saucepans, a sheet of notepaper or an ice bucket are included as well as the

obvious items beyond which a more conventional concept of design might not tend to look.'

In general corporate personality and corporate identity have been treated in a narrow way in the past. The design of a service organisation should be

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approached in a more complete way. In a total sense this is more than logos, headed notepaper and potted plants in reception areas. It means the entire shaping of a service facility in every respect. Today corporate design is a skilled business and: 'graphic designers working by themselves are rarely able to resolve corporate identity problems of any real complexity. The arguments for the multi-disciplinary design consultancy with its designers, marketing people, psychologists, sociologists and economists is unassailable.

Thus in designing a service facility the ' meaning' of the total environment and its impact upon employees and customers must be considered.

Environments are more than mere objects and the distinctions between an environment and an object have been summarised as follows.

(a) An environment surrounds, enfolds and engulfs. One cannot be a subject of an environment, one can only be a participant.

(b) Environments are always multi-modal. That is to say they impact on the senses in more than one way. It would probably be impossible to build an environment that did not do this.

(c) Peripheral as well as central information is always present. The area behind one is no less a part of the environment than that in front. One is aware of those parts on which the attention is not actually focused.

(d) As an extension of this environments always provide more information than can actually be processed. Thus some of the information which they represent might conflict, contradict or be ambiguous.

(e) Environments imply purpose and action (roles).

(f) Environments contain meanings and motivational messages.

(g) Environments imply aesthetic, social and systemic qualities.

Thus the design task is concerned with the totality of impressions conveyed by the parts and by the whole. Marketers have worked closely with product designers in the past. The impact of the service environment upon customer satisfaction with services means they ought to work together more closely in the future on environment design.

Creating the Ideal Environment

Creating the ideal physical environment and atmosphere within it is clearly a difficult task. Two particular problems service organisations face in attempting to do so are these.

(a) Our current knowledge of the impact of environment and particular elements within it is imperfect. How important is space, colour, shape and texture of materials? What of carpets, curtains, lighting, heating, chairs in relation to each other and in relation to the space in which they are enclosed? Judgements on these matters are inevitably largely personal and subjective. This field of work is still largely in its infancy. But it is a field of work in which service marketers are beginning to show an interest:

‘ The impact of physical environmental factors, though difficult to quantify, nevertheless merits

investigation. The development of innovative approaches to help to further understand the role of

physical environment in services marketing is a key research area to be pursued.'

(b) The second difficulty is that because individuals are different, they deal with and respond to their environment in various personal ways. Service organisation environments which serve a wide variety of people like hotels, bus stations or rail stations or airports are particularly difficult to design in the sense that they must be neutral enough to please everybody.

Nevertheless groups of people may respond to an environment in a similar way. If the differences between groups of people responding in different ways can be identified then it may be possible to design more appropriate environments for target customers and use 'response to environment' as a psychographic segmentation variable. Some dimensions thought to influence responses to environments include age, sex, social class, creativity and intelligence.

Influences upon Image Formation

Clearly there are many factors which influence the image that may be formed by a service organisation. All elements of the marketing mix like price, the services themselves, advertising and promotional campaigns and public relations activities will contribute to customer and client perceptions as well as physical evidence. In the case of a retail store for example:

'A store image is composed of many dimensions, each interacting with the others to influence the kind of image various consumer groups hold for the store. Among the more important dimensions of a store's image are its architecture and exterior design, its interior design, its store personnel, its

lines of merchandise, its signs and logos, its advertising and sales promotion, its location, and its post purchase communications. Its services, displays, reputation, customers and name also affect a store's image.'

Physical Attributes

Several aspects of a service organisation's architecture and design have an influence on image formation. Some of the important components in retail settings are shown below.

Some Attributes influencing Retail Store Image

EXTERNAL

Physical size of buildings;

Buildings materials used;

Shape of buildings;

Entrances;

Frontage of buildings Signs and logos;

Outside lighting;

Vans, lorries,

parking areas.

INTERNAL

Layout;

Lighting;

Colour schemes;

Signs and logos;

Equipment;

Aisle width;

Materials and support materials e. g. stationery Heating and ventilation.

Air conditioning;

All have been found to be factors which influence image. However their presence or absence also influences the perception of other individual attributes listed. In that sense they probably play more of a role in facilitating the creation and maintenance of an image rather than a determining role.

The exterior physical appearance of a service organisation can influence image. The physical structure of a building, including its size, its shape, the type of materials used on construction, its

location and comparative attractiveness compared with nearby buildings are factors shaping customer perceptions. Allied factors like ease of parking and access, frontages, door and window design, signposting and vehicle livery are also important. The external appearance may convey impressions of solidity, permanence, conservatism, progressiveness and so forth.

Internally the layout of the service organisation, the arrangement of equipment, desks, fixtures and fittings, the seating, lighting, colour schemes,

materials used, the air conditioning and heating systems, the signs and logos, the quality of visual evidence like pictures and photographs; all these factors combine to create impression and image. At the detailed level internal attributes may also include items like notepaper, stationery, brochures and display space and racks.

The combination of all of these elements into a distinctive overall personality for a service organization is a skilled and creative task. Often the ‘ environmental engineer’ is constrained in his ability to create and express a personality for a service organisation by uncontrollable factors (e. g. poor location; cost constraints; building restrictions).

Physical evidence contributes to the ‘ personality’ of an organisation – a ‘ personality’ which may be the key differentiating feature in highly competitive and undifferentiated service product markets:

‘ Airlines, like banks, petrol companies and indeed very many suppliers of products and services, know that they don’t differ very much in the fundamental aspects of their business. They sell approximately the same thing at about the same price and give much the same service. The main characteristic that distinguishes one airline or bank or one petrol company from another is personality, the way it presents itself, its identify.’

Atmosphere

The atmosphere of a service facility too influences image. The term ‘ atmospherics’ has been coined to define the conscious design of space to influence buyers. Atmosphere, of course, also has an important influence on employees and other people who come into contact with the organisation. ‘

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Working conditions' in this sense influence how service personnel may treat customers. In relation to retail outlets:

' Every store has a physical layout that makes it hard or easy to move around. Every store has a " feel": one store is dirty, another is charming, a third is palatial, a fourth is sombre. The store must embody a planned atmosphere that suits the target market and leans them toward purchase ... the atmosphere is designed by creative people who know how to combine visual, aural, olfactory, and tactile stimuli to achieve the desired effect.'

Many service organisations increasingly recognise the importance of atmosphere. Restaurants may be known for their atmosphere as well as for their food; hotels may be regarded as warm and welcoming; retail stores may be given added attractiveness by careful attention to atmosphere; some advertising agencies are known for their careful attention to atmospheric design; banks, solicitors' offices and dental surgeons' waiting rooms can be made forbidding or welcoming by the attention given to atmosphere.

Some influences upon ' atmospherics' include:

Sight

Retailers use the term ' visual merchandising' to describe visual factors that affect the customer's perception of the store. Visual merchandising is concerned with image building and with selling. It attempts to ensure that whenever a customer is in a store these twin aims are achieved. Visual merchandisers in retailing try to ensure that whether a customer is in a lift, on an escalator or waiting to pay a bill at a counter, selling and image building continue.

Lighting, layout, colour clearly are all part of visual merchandising. So is the appearance and dress of employees. Visual cues are a potent influence upon customer patronage of a service facility.

Scent

Odour can effect image. In retailing, coffee shops, bread shops, flower shops and perfume shops may use aroma and fragrance to sell their products.

Bread shops may position fans strategically to carry the smell of fresh baked bread into the street. Restaurants, steak bars and fish and chip shops can also exploit the benefits of aroma to good effect. In offices of professionals the scent of leather and leather polish or the fragrance of polished wood paneling may help develop a particular atmosphere of luxury and solidity.

Sound

Sound is often a backcloth for atmosphere creation. Film makers have always recognised its importance and even in the days of silent movies musical accompaniment was a significant atmospheric ingredient. The background music in a teenage fashion store creates a very different atmosphere from the piped Mozart played in the lifts of upmarket department stores or the soothing melodies some airlines play to their passengers just before take-off. A 'quiet' atmosphere can be created by eliminating extraneous noise through careful partitioning, low ceilings, deep pile carpeting and the hushes tones of sales personnel. Such an atmosphere may be required in a library, an art gallery or an exclusive fur shop. A recent study of music in retail stores found that the pace of store traffic can be influenced by the type of music played. Takings were larger when slower music was played.

Touch

The feel of materials like the rich texture of a heavy cloth-covered chair, the depth and feel of carpeting, the touchability of wall coverings, the wood grain of a coffee table, the coldness of stone floors; all convey feelings and contribute to atmosphere. In some retail settings touching is

encouraged through sample displays. In other settings like cut glass and china stores, antique shops, art galleries and museums, touching may be discouraged. Materials used and skill in display are important factors in both instances.

Kotler suggests that atmosphere can be a particularly appropriate competitive tool when:

- (a) there is a large, growing number of competitors;
- (b) product and/or price differences are small;
- (c) products are aimed at distinct social class or life style groups.

Creating an atmosphere may therefore be a deliberate act for many service organisations. This means that when designing a service facility for the first time organisations face four major design decisions:

- (a) what should the building look like on the outside?
- (b) what should be the functions and flow characteristics of the building?
- (c) what should the building be like on the inside?
- (d) what materials would best support the desired feeling of the building?

INDUSTRY CHOSEN: HOTEL INDUSTRY