

Service marketing essay sample

[Literature](#), [Russian Literature](#)



The case involves Arrow Management, an engineering consulting firm that was founded by Gary Chamberlain. Despite having neither college education nor a formal business, this entrepreneur successfully cultivated a niche market in his industry and managed to edge out big firm during several tendering processes. The company employed just four people, including Chamberlain, and dealt with ten clients annually. Chamberlain kept his clients happy by reducing the number of cases he was handling annually. This tactic ensured quality service and maximum attention to each client. The result: repeat business and constant income. Chamberlain successfully utilized management relationship to deal with his clients. The personal relationship and professionalism created a strong bond between clients and Arrow Management. Some clients would not even let any contractor touch their machinery without Arrow's data analysis.

Nature of Business and Processes Involved

During his experience at engineering sites and interactions with his father who was an engineering consultant, Chamberlain had observed that higher proportions of contractors' costs of maintaining equipment came from fees charged on locating and inspecting the said machinery. He saw these fees as too high and unjustifiable, and thus sought to provide the service of providing equipment data at competitive prices through Arrow Management's. There were very few companies providing this service to businesses like big biotechnical and pharmaceutical companies, and universities, which formed the base of Arrow Management's clientele. Chamberlain narrowed the clientele to increase the quality of service

performed by the company, which kept his clients happy and always referring his services to other organizations.

Arrow Management's process collecting and providing equipment had three key steps. It started when clients called Arrow Management regarding new or broken equipments. Second, Chamberlain and his employees would then visit client location to locate, inspect and collect data on the said equipment, which was mostly heating and air conditioning units, as well as other climate control devices. The company concentrated on collecting data that would be used to increase machinery's efficiency. Third, the collected data was professionally analyzed and presented to clients using attractive and user friendly formats for easy understanding. There was an extra stage of inspecting equipments and accessing their efficiency after maintenance. This enabled clients to understand the quality of work performed by contractors.

Arrow Management and 8Ps of Marketing Strategy

Product: Arrow Management's product was accurate information on clients' equipment. The company developed this product taking time to understand what clients wanted. Chamberlain, the company owner always took time to visit clients in their offices and in equipment rooms. It is during such interactions that he understood how the clients wanted their equipments to work, especially when there were some modifications needed. This enabled Arrow Management to always improve its products inline or even beyond with client expectations.

Place: Chamberlain understood the importance of serving clients at the right location, that is, where the equipment was located. He never asked clients to transport equipments to his premises for inspection; he always went to clients' site instead. This tactic was also applied to protective clients. Instead of meeting prospective clients in his office and provide a portfolio to new clients, Chamberlain opted to taking them to his existing clients' equipment rooms so they can see for themselves results of his company's work.

Price: Arrow Management prices were calculated on project-by-project basis; there were no account maintenance costs. To come up with the final price, Chamberlain was just estimating the cost of labor and other contingencies. It was that simple. As a result, both present and prospective clients were most likely to pay fair, if not same prices for similar services. This was especially influenced by fact that most of Chamberlain's projects were either repeated-business, or fresh projects from companies referred by existing clients. In essence, new clients knew what Arrow Management was charging existing clients.

Promotion: Chamberlain used relationship management to promote his business to potential clients. It is as if he was working with a perspective that that his job was to provide quality services to existing clients instead of using energies and resources to advertise himself. This style worked because it is his existing clients that were referring new customers to him. Some other little proportions he did involved sending 800 fliers annually; he would only take two new clients from respondents despite the number.

Physical Evidence: Chamberlain gave his existing clients and some chosen prospects some magnets with Arrow Management's contacts. He concluded that the physical evidence of his company that the magnets provided was working well because, people tended to keep them longer and were more likely to have company information with them at all times.

Process: Chamberlain recognized that his company's processes required a great deal of team work and higher level of efficiency within the company. Since there were just three processes that were repeated regularly in same client locations, Chamberlain retained a small number of staff that was completely trained and efficient in their jobs. This aided a smooth flow of company activities that kept client satisfied at all times.

People: Though Arrow Management's work was a well respected and known, Chamberlain understood that it was him and rest of his team that were true face of their establishment. He therefore embarked on unconditional support of clients at all times. For instance, he had noticed that a heater in one of his clients' office was always broken. He one day walked in with his tools and repaired it free of charge for the office occupant not to freeze winter in winter out. Such gestures endeared his company to clients.

Promise: Chamberlain made sure that his company delivers on the promises made when it signed contracts with clients. The evidence that this succeeded is shown by the repeated businesses kept coming back and the references that Arrow Management got from them. Furthermore, Chamberlain made sure that prospective clients have seen the work he had done previously by letting them talk to existing customers.

Public Relations: This aspect of marketing strategy was done thorough interactions with different stakeholders in the industry, especially client and contractors.

Challenges and Opportunities of Being Owner-Employee

Being the owner and primary employee of Arrow Management gives Chamberlain the flexibility of steering his businesses in directions he sees profitable. Fact that it gives him direct contact with clients enables him to develop ways of addressing their needs. It is this owner-employee relationship that has provided Chamberlain with the opportunity to practice that relationship management that has led solid relationship with clients. It has, however, exposed the business to chances of failure at his absence due to serous issues like health.

Importance of Relationship Management

Relationship management, which refers to comprehensive approach of creating, maintaining and expanding industrial relationships (Anderson & Kerr, 2001, p. 2), has been important in Chamberlain's industry. Tasks performed by Arrow Management can easily per perform by many contractors because it would increase their revenue. As a matter of fact, many contractors do perform those services and can easily out compete Arrow management, but what they cannot afford is the time that Chamberlain with the customer. This time thus becomes Chamberlain's competitive advantage.

The aspect of management relationship applies the same in service and consumer services. It's, however, seen more exemplified in service relationships, because companies deal directly with each other. This environment requires constant contacts between both parties. It is however hidden in consumer environments because there lacks one on one contact between the producer and the consumer. Companies dealing with consumer products take more time developing relationship through brand royalty.

Viewpoint on Chamberlain's Competitive Position

Chamberlain is in a very positive competitive position because he has succeeded in getting repeated businesses from old clients who have been also been referring more companies to him. The future of his competitive position is bright because he has been able to create a new market for his services. It is admirable that most of his clients trust his work so much that they cannot invite contractors for tenders without having to invite Arrow Management for the analysis their equipment's data. He has further gained respect from contractors who could be doing the same service. But to maintain this position, Chamberlain must continue innovating new ways of enhancing his product. This will put him at a better position when it comes to new competition in the market that it took him so long to develop.

References

Anderson, K. L., & Kerr, C. J. (2001). Customer Relationship Management.

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