



Services Marketing: An Innovative Approach

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Abstract

This scientific article highlights the peculiarities and modern problems of service marketing. In modern global economic processes, directions for using the SERVQUAL model, which expresses the customer's satisfaction or dissatisfaction with the quality of service in the process of service consumption, and the gaps of this model have been studied. In addition, directions for using the "7P" model to modernize service marketing have been studied.

Keywords: *SERVQUAL Model; "7P" Model; Marketing Service; Marketing Strategy; Competitiveness; Competitive Strategy; Innovative Approach; Satisfaction; Service Consumption; Dissatisfaction*

Introduction

The basic concept of service marketing is to increase marketing power and improve production value, develop customer relationships. Due to the competitive nature of marketing in the prevailing global economy, where service delivery and quality marketing strategies have become a major theme, the service sector has received additional attention. Marketing services and quality marketing differ from the marketing of products and goods due to their unique characteristics, nature, i.e. inseparability, perishability, homogeneity and intangibility.

In developed economies, employment is promoted mainly by the service sector, since most of the jobs come from the marketing of newly developed services, and such growth occurs through services. While service marketing organizations can vary in size from local small businesses to large global corporations, most government agency activities performed by non-profit organizations involve services.

Service marketing is carried out with or without selling a product, but with specific indicators and actions to satisfy the customer [1].

Features of service marketing include:

Intangibility aspect: the product sold is physical, tangible and distinct material, while the services are intangible. The service cannot be touched or seen. For example, banks promote the sale of credit cards by emphasizing convenience and benefits.

Inseparability: Individual services are also individual services because the services are produced and consumed at the same time. A service is created when a client accepts it [18].

Variability: Services are for people and service quality cannot be standardized. This can be improved through proper training, setting standards and quality assurance [18].

Perishable: Services perish very quickly because services cannot be reused. Unused services are lost forever. For example, an airplane seat cannot be changed to the next flight. Likewise, services expire before they are consumed.

Fluctuations in Demand: Demand for services has significant fluctuations as they are seasonal. Demand for tourism is seasonal. Demand for cricket ground, public transport and golf course services will vary.

Service prices are directly applicable to customers. For example, a service provider goes directly to a hotel, bank, and doctor [10]. It is not possible to standardize the quality of service. Service price is determined based on competition, need and demand. For example, the rent of tourist places varies according to the season and demand. Several service providers offer off-season discounts.

Problems with service marketing:

1. Services are invisible and cannot be captured;
2. Service marketing, production and consumption are carried out simultaneously;
3. Services cannot be saved. Anticipated demand cannot be created;
4. Protection of the service is not done by patents;
5. Services are fully connected with service providers;
6. Services are not compatible with each other, standardization is not possible;
7. Franchises of service providers may experience quality of service issues;
8. As for the quality of service, customer perception is directly related to the motivation, morale and competence of the employees of the service organization [3].

Customer Satisfaction and Loyalty: Due to globalization, the value and importance of the service sector has increased, due to technological progress and business competition. Due to the popularity of e-commerce, market access is no longer localized. Thus, logistics and distribution became an important competitive force and therefore innovative applications followed. A research paper addresses several research questions:

First question: In this competitive market, service quality strategy makes a big difference. Therefore, should service companies adapt to offer real value to serve customers with customized offerings?

Second question: Is it possible to create marketing communication strategies and plans by integrating different communication technologies and tools to influence customers? Electronic channels have had a huge impact. Customers can communicate freely using many channels [18].

Service quality, its importance in marketing and competitive strategies: Researchers, authors, and academics have explored the concept of quality and service delivery and the relationship between

customer satisfaction, service quality, and purchase intentions. A literature review shows that current operations on service quality reflect a confusing attitude and optimization of satisfaction [4].

Therefore, they tried to test an alternative methodology for evaluating the operational service quality perceived by customers; the impact, significance and implications of the relationship between service quality, related consumer satisfaction and purchase intentions. The overall results showed that (1) there is a measure that can be improved based on performance and service quality, which also shows the measurement of structure and structure of service quality, (2) “The satisfaction of the owner depends entirely on the quality of the service; (3) Consumer satisfaction is very important and its influence completely decides the purchase intention; and (4) Service quality has less impact on purchase intention than consumer satisfaction [5].

Factors affecting customer satisfaction: The growing value, importance, and concept of almost every service marketing sector in the global economy have brought greater attention and awareness to their service operations. In fact, several sectors of service marketing have implemented advanced applications, trying to address several improvement programs to improve and promote performance. All researchers rated the concerns associated with customer-intensive service operations highly. Therefore, customers as key players in service marketing and operations began to act based on specific objectives to provide added value to their activities.

This makes the object of service marketing a characteristic of production, creation and consumption. Therefore, there is a proposal to improve the service concept through harmless mapping, which allows customers to see the quality of service and their experience in the service journey. Second, accurate depiction of customer service experience patterns can be applied using a variety of techniques, and finally, operational improvement can produce certain service implications [6].

Dimensions of service quality: Services are treated as procedures. Therefore, service organizations do not deliver products that are produced and considered to be produced as a physical collection of resources with specific characteristics. Instead, the marketing of the product consumed by the customers can also be integrated with the service objects, but the service marketing process has different functions and provides a solution to the perceived barriers. Hence, service objects are defined as consuming processes, as distinct from consuming results, where the result of a particular process is used and consumed. In addition, in service marketing, operating systems must be customer-oriented. Service marketing provides the correct solution to customer problems, which is the goal of service marketing. Service quality and concept dimensions can replace product design with a planned customer-oriented procedure [7].

Customer satisfaction as a mediating effect: Strategic service quality advocated in the field of service marketing has valuable implications and is a growing concern for practitioners and academics. Previous articles have identified the importance of service people and their internal marketing capabilities in this ever-changing service industry environment, with particular emphasis on additional definitions, service quality capabilities, and their breadth. The materials are observed and reviewed. The results show that dimensions of service quality, perceived cost, service fairness, and convenience dimension have a positive effect on customer satisfaction and ensure strong customer loyalty [8]. In addition, customer satisfaction is implemented as a key mediating device between service marketing professionals, antecedents and customer loyalty [9]. Thus, this review paper highlights the importance of customer satisfaction in order to achieve customer loyalty. Also, the impact generated by different model dimensions such as SERVQUAL related to customer loyalty is rarely observed in the literature [10].

A survey of 310 customers of the bank (name withheld due to bank confidentiality) was conducted through cross-sectional surveys and questionnaires. The majority of clients has bank accounts and has used at least one service created by IT information technologies (mainly a mobile application). All their responses were analyzed using the method of factor and regression analysis [10]. This review

supports and highlights the need for managers to have more resources to develop a superior CRM system. Hence, managers should think more from a technological perspective focusing on the four key dimensions, namely customer data, facts and knowledge, to increase customer loyalty and achieve competitive advantage [11].

Materials and Methods

Customer-related performance and service marketing are evaluated in relation to segmentation strategies and overall positioning, while considering strategic positioning to distinguish between low-cost services and their direct relationship to business growth and performance. It is indirect, not direct. Both of these firm strategies simultaneously employ cost-based services, differentiated analytics, and strategies that lead to improved performance for most service companies. Therefore, the purpose of this analysis is to determine the relationship between customer-based service indicators, marketing measures of company success and relevant indicators for business growth, that is, with strategic measures of company success. Companies that fail to measure service marketing metrics at the customer level may fail to understand the successful outcomes of marketing programs and their relationship to service decisions. In addition, operational efficiency and differentiation are key drivers of business service growth [12].

SERVQUAL model: Even in the absence of holistic measures of quality, service quality can be evaluated from the customer's point of view, because according to Rhoades D., Waguespack B., the value of service quality is subjective. Parasuraman A., Zeithaml W. A., Berry L. L [13] recommended the SERVQUAL method to measure the quality of service performed by customers. The SERVQUAL model has five dimensions, which include such characteristics as trust, responsibility, empathy, accuracy and responsiveness.

According to Parasuraman, A., Zeithaml, V. A., Berry, L. L., consumers always evaluate service quality and compare their expectations with observations and perceptions based on these five dimensions of the above indicator. Reliability refers to the ability of a business organization to act and perform as promised to provide adequate and reliable services [13]. Responsiveness means being ready or willing to provide immediate service. Trust, related to the level of knowledge and courtesy of employees, inspires customer confidence and expectations. The physical appearance shows the physical appearance and service, lifting equipment and service facility provided to the customers. Empathy is related to the knowledge to consider the individual attention of employees and to understand the needs of the customer. In the case of service quality SERVQUAL model, it links the difference in service quality to identify differences in perceived service quality and expected service quality. The wider the dispersion, the less the perception of quality appears in the minds of consumers, and vice versa. The SERVQUAL method is always used to assess the gap level, which develops the differences between the customer's perception, expectations and service quality. Of the five key service quality gaps, only 5 gaps can be measured from the customer's perspective, meaning that analyzes of the other gaps require data support from service providers (Figure 1). Although its applicability and effectiveness vary, several researchers have noted some limitations of the SERVQUAL model and proposed alternative models for assessing and measuring service quality [14]. In particular, they noted that SERVQUAL describes the level of customer satisfaction associated with products and services rather than the quality of service provided.

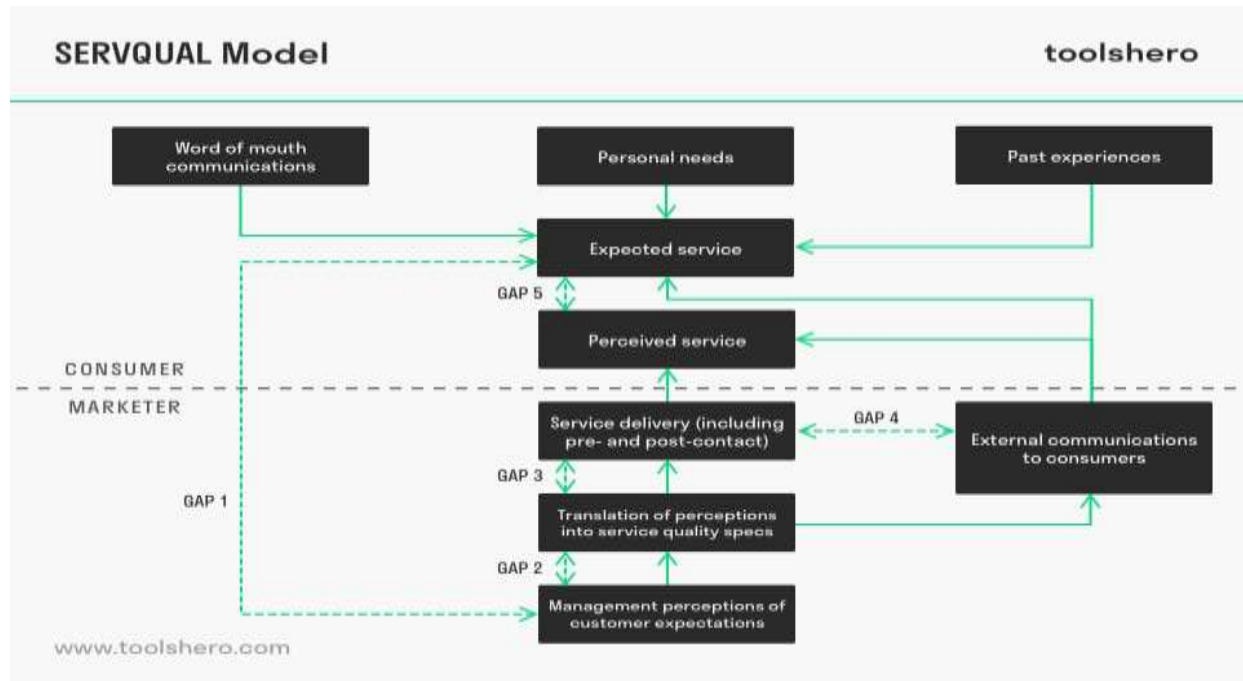


Figure 1. The SERVQUAL Model of Service Quality [16]

Service quality model: Therefore, scholars developed the SERVPERF model in 1992 to assess customers' overall feelings toward service [15]. Another development of the service quality model to overcome the shortcomings of SERVQUAL is the synthesized model of service quality. Developed by the Service Quality Attributes Model, it was the core, core and peripheral model among others. They established another refined SERVQUAL five–dimension model that was transformed into a seven–step model, namely Trust, Accountability, Adaptation, Responsiveness, Staff, Flight Pattern. Until then, there were no specific methods of measuring service quality, and researchers accepted that the seven dimensions of SERVQUAL provide multifaceted results that are important for the study and measurement of service quality.

The communication between the customer and the service organization, as well as the internal communication of the organization, is important for the level of service quality. Organizations would do well to know the expectation pattern of their customers.

Therefore, the SERVQUAL service quality model identifies five gaps that can occur between the customer's needs and the service offered by the company.

1. Knowledge gap: Lack of information about consumer requirements creates a gap in the organization that prevents it from treating consumers properly;
2. Standards gap: The organization has already formed its own idea about what the customer expects from its services. If the idea is wrong from the beginning and does not meet the expectations of the customers, there is a risk that the organization will translate it incorrectly into quality policies and related regulations;
3. Delivery gap: A gap can also occur when an organization offers a service that is different from what the consumer expects. It also includes poor implementation. For example, in the way employees implement policies;

4. Communication gap: Sometimes, the external (marketing) communication that an organization sends can create wrong assumptions among customers. In addition, the organization promises things that do not match what it can actually deliver;
5. Satisfaction gap: Dissatisfaction arises from the (perceived) difference between the service the customer expects and the service he actually receives. Ultimately, this leads to the biggest gap in quality experience.

Application of the 7P model in service marketing: The first four elements of the services marketing mix are the same as in the traditional marketing mix. However, given the unique nature of the Services, the impact of these will vary slightly across Services.

Product: In the case of services, the “product” is intangible, different, and perishable. Moreover, its production and consumption are inseparable. Thus, there are opportunities to customize the offer according to customer requirements, and therefore the actual customer encounter is of particular importance.

However, too much customization disrupts the standard delivery of the service and negatively affects its quality. Therefore, special attention should be paid to the design of services.

Pricing: Pricing for services is more stringent than for goods. While the cost of the latter can be easily determined by considering the cost of raw materials, service costs, such as labor and overhead, must be taken into account.

Thus, the restaurant must not only charge the price of the food served, but also calculate the price for the atmosphere provided. The final price of the service is then determined by adding a markup for the appropriate profit margin.

Location: The location of the service product is important as the delivery of the service takes place at the same time as its production and cannot be stored or transported. Service providers need to think specifically about the location of the service.

Thus, it is better for a fine dining restaurant to be located in a busy, upscale market than in the suburbs. Similarly, it is better to have a holiday home in the countryside, away from the hustle and bustle of the city.

Promotion: Since the service offering can be easily replicated, advertising is crucial in differentiating the service offering in the mind of the consumer.

Thus, service providers offering the same services, such as airlines or banks and insurance companies, invest heavily in advertising their services. This is very important in attracting customers in a segment where service providers have almost identical offerings.

We now look at the 3 new elements of services marketing—people, process and physical evidence—that is specific to services marketing.

People: People are the decisive factor in the service delivery process because the service is inseparable from the person providing it.

Thus, the restaurant is famous not only for its food, but also for the service provided by its staff. The same goes for banks and stores. Consequently, training employees in customer service has become a priority for many organizations today.

Process: Service process is very important as it ensures that the same standard of service is delivered to customers time and time again.

For this reason, most companies have a blue print that provides details of the service process, often down to defining the service script and greeting phrases to be used by service personnel.

Physical Evidence: Since services are intangible in nature, most service providers seek to incorporate certain tangible elements into their offerings to enhance customer experience.

Thus, there are hair salons where waiting areas often have magazines and soft sofas for guests to read and relax while waiting for their turn. Similarly, restaurants invest heavily in their interior design and decoration to provide a distinct and unique experience to their guests.

Results and Discussions

The importance of market research is that a business organization will have a suitable solution for developing business processes, improving company operations, increasing profits, studying the motives and activities of competitors, and getting additional satisfied customers. Market research is a continuous process of checking, collecting and interpreting data collected about the marketing of specific services in which the company operates. It also refers to market potential, past and superior competitors, details of potential customers who consume and prefer to receive services. Conducting market research is necessary for the successful implementation of marketing operations of services, attracting and offering to target customers, and studying possible methods of gaining competitive advantage about services, possible customers and competitors. Designing, planning and creating a suitable framework for market research is the main task of marketing teams. To gain market insight, research customer spending, identify potential and existing competitors, create solutions for product promotion, advertising, promotion, and to enhance the company's image, recognition, value and business reputation must consistently organize market research. Market research provides the company with important methods and solutions for business planning, which is to stimulate the company's performance, increase sales and increase profits.

Analysis

Market research provides good opportunities to increase sales, feel the market to gain valuable information, determine successful service methods and offer the best price for the services they provide. Market research helps to improve customer management, provides appropriate means of marketing campaigns such as messages, meetings, questionnaires, discussions to reach a large audience of customers, reduce service time, learns expectations of existing and future customers, and meet the needs and ensure good customer satisfaction. The main growth of the business can be achieved through proper business planning and research, as a result of which the customer management is improved and the company gets the opportunity to develop the business [17]. According to research from Georgia State University's J. Mack Robinson Institute Business Research Group, customers generally prefer to work with companies that have prior experience in service-related activities. The researchers observed the core expertise and critical knowledge of service companies and how they focus their efforts and resources to improve customer experience and satisfaction. Researchers also find that satisfied customers evaluate the effectiveness of a company's service and that it affects their commitment to have a maximum positive effect on customer loyalty, while commitment has a maximum negative effect.

Defining the problem and determining the objectives of market research: From the point of view of two main criteria, service marketing defines a good research method with data integrity, high accuracy without conflicting requirements of researcher activity. The appeal should be to use an appropriate method to identify and investigate research problems. As a result, such inevitable trade-offs with a

broader approach are suitable solutions for marketing research. Research should explore other valuable research alternatives to ensure better performance for marketers. The nature of the research should be a scientific case that is suitable for achieving the goals of the researcher and solving the problems under study. The sustainability of service marketing is the main criterion for evaluating the research results. It is then necessary to point out the inherent difficulties of applying such criteria and finally draw conclusions for further research. There are several suggestions regarding sustainability. Researchers (1) understand the sustainability value of service marketing systems; (2) Develop appropriate tools to measure sustainability; (3) Empirical evaluation of the level of sustainability with well-defined systems; (4) Identify external problems that exist in the systems; and (5) creating systems to measure externalities [18].

This research paper explored the definition of a service as any performance or action that one party can offer to another without exchanging physical products with tangible and intangible characteristics. In addition, service is an intangible product that is related to marketing activities rather than selling objects and thus faces service marketing challenges that can be solved by traditional product-based marketing solutions.

Service marketing refers to the time when the customer has direct and continuous interaction with service marketing companies. It is a socially oriented performance activity that can justify the extent to which customer behavior contributes to service quality through in-depth analysis, which also assesses how well service levels consistently meet customer beliefs, expectations, and needs. This review attempted to explore several methods of services marketing, as well as the quality framework of the services marketing mix and the SERVQUAL service marketing triangle and the dominant logic in service delivery. It is clear that service marketing is the most necessary and managerial area to transfer and acquire competence, as they have established a positive relationship with customer satisfaction. In addition, due to the high importance of services marketing and problems related to their quality, as mentioned earlier, several frameworks have been created. The 7P's and services marketing triangle combine two main factors in their broad framework to describe services marketing—external, internal, interactive and intermediaries.

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