

SER3604 : ENGLISH FOR SERVICE BUSINESS

UNIT 1 : Service Business

By

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Generality, Definition, and its importance

- The variety of definitions can often explain the confusion of disagreements people have when discussing services and when describing industries that comprise the service sector of the economy. Compatible with our simple, broad definition is one that defines services to “include all economic activities whose output is not a physical product or construction, is generally consumed at the time it is produced, and provides added value in forms (such as convenience, amusement, timeliness, comfort, or health) that are essentially intangible concerns of its first purchaser” (Zeithaml & Bitner, 2000).

HOSPITALITY SERVICES

- Kandampully (2014) explains that hospitality, as a generic term, can be seen as being comprised of three main functional areas—accommodation, food and beverage, and entertainment.
- These three functions within the hospitality sector might be offered separately by individual businesses (e.g., motels offering accommodation only, bars and nightclubs offering entertainment only). Alternatively, and more commonly, some businesses might offer various combinations of the three elements (e.g., hotels offering accommodation, food and beverage, and entertainment). The degree of specialization, or the combination of functions that a firm wishes to communicate to its customers.

EXAMPLES OF HOSPITALITY SERVICES

- tour operators, travel agents, and tourism organizations;
- travel and transport operators;
- leisure, recreation, and entertainment venues;
- restaurants, bars, clubs, and cafes; and
- hotels, resorts, motels, camping grounds, bed & breakfast (B&B) establishments, and hostels.

4 CHARACTERISTICS OF SERVICE

- Tangibility
- Heterogeneity
- Simultaneous Production and Consumption
- Perishability

TANGIBILITY

- 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. For example, health care services are actions (e.g. surgery, diagnosis, examination, treatment) performed by providers and directed toward patients and their families. These services cannot actually be seen or touched by the patients, although the patient may be able to see and touch certain tangible components of the service (e.g. equipment, hospital room).

HETEROGENEITY

- Because services are performances, frequently produced by humans, no two services will be precisely alike. The employees delivering the service frequently *are* the service in the customer's eyes, and people may differ in their performance from day to day or even hour to hour. **Heterogeneity** also results because no two customers are precisely alike; each will have unique demands or experience the service in a unique way. Thus, the heterogeneity connected with services is largely the result of human interaction (between and among employees and customers) and all of the vagaries that accompany it.

SIMULTANEOUS PRODUCTION AND CONSUMPTION

- Whereas most goods are first, then sold and consumed, most services are sold first and then produced and consumed simultaneously. For example, an automobile can be manufactured in Detroit, shipped to San Francisco, sold two months later, and consumed over a period of years. But restaurant services cannot be provided until they have been sold, and the dining experience is essentially produced and consumed at the same time.

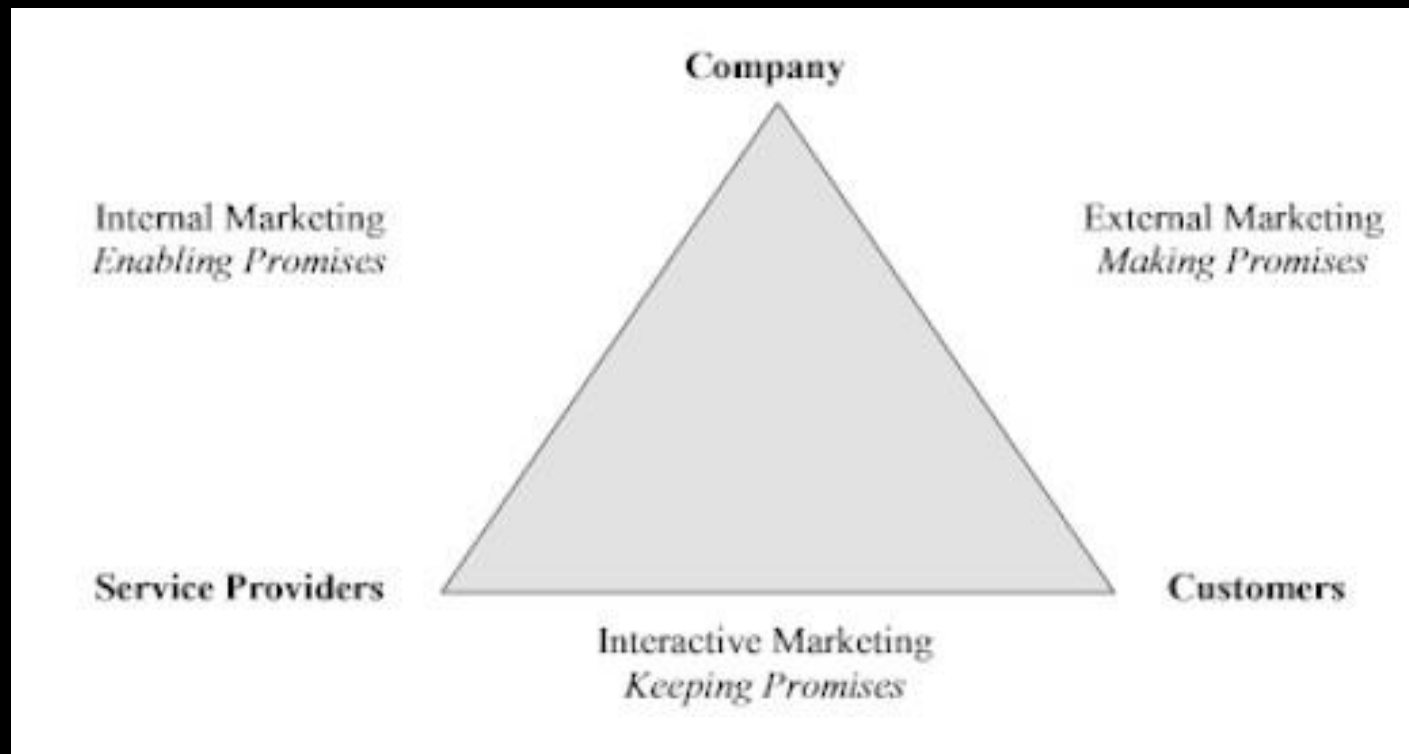
PERISHABILITY

- Refers to the fact that services cannot be saved, stored, resold, or returned. A seat on an airplane or in a restaurant, an hour of lawyer's time, or telephone line capacity not used cannot be reclaimed and used and resold at a later time. This is in contrast to goods that can be stored in inventory or resold another day, or even returned if the customer is unhappy. Wouldn't it be nice if a bad haircut could be returned or resold to another customer? Perishability makes this an unlikely possibility for most services.

THE SERVICES MARKETING TRIANGLE

- Zeithaml and Bitner (2000) also explain that the Services Marketing Triangle shows the three interlinked groups that work together to develop, promote, and deliver services. These key players are labeled on the points on the triangle: the *company* (or SBU or department or management), the *customers*, and the *providers* (whoever it is that actually delivers the service to customers). Between these three points on the triangle, there are three types of marketing that must be successfully carried out for a service to succeed: external, internal, and interactive marketing. All these activities revolve around making and keeping promises to customers.

THE SERVICES MARKETING TRIANGLE



EXTERNAL MARKETING : MAKING PROMISES

- Through its **external marketing** efforts, a company makes promises to its customers regarding what they can expect and how it will be delivered. Traditional marketing activities such as advertising, sales, special promotions, and pricing facilitate this type of marketing. But for services, other factors also communicate the promise to customers. The service employees, the design and décor of the facility, and the service process itself also communicate and help to set customer expectations.

INTERACTIVE MARKETING : KEEPING PROMISES

- External marketing is just the beginning for services marketers: Promises made must be kept. Keeping promises, or **interactive marketing**, is the second type of marketing activity captured by the triangle—and is the most critical from the customer's point of view. Service promises are most often kept or broken by the employees of the firm or by third-party providers, most often in the real time.

INTERNAL MARKETING : ENABLING PROMISES

- A third form of marketing, **internal marketing**, takes place through the enabling of promises. In order for providers and service systems to deliver on the promises made, they must have the skills, abilities, tools, and motivation to deliver. In other words, they must be enabled. This essential services marketing activity has become known as internal marketing. Promises are easy to make, but unless providers are recruited, trained, provided with tools and appropriate internal systems, and rewarded for good service, the promises may not be kept. Internal marketing also hinges on the assumption that employee satisfaction and customer satisfaction are inextricably linked.