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# SERVICES MANAGEMENT AND INTEGRATED MARKETING

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# CONTENTS

# CHAPTER 1

# TAKING CHARGE OF THE ENHANCED SERVICE OFFERING

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**ABSTRACT:**

Service-oriented firms take the initiative to distinguish themselves, meet changing consumer needs, and promote customer pleasure and loyalty by taking responsibility of the expanded service offering. This abstract examines the value of managing the improved service offering and describes the most important tactics and factors to take into account. Delivering outstanding service is no longer enough in today's cutthroat economy. To be competitive, businesses must constantly innovate and improve the services they provide. Understanding client expectations, seeing gaps in the present service portfolio, and proactively creating new and better services to meet those requirements are all part of taking control of the expanded service offering. Conducting detailed market research and consumer analysis is a critical tactic for learning about new preferences, trends, and pain concerns. This makes it possible for firms to see chances for launching new services or improving ones that already exist. Businesses may develop a distinctive value proposition that differentiates them from rivals by matching their service offerings with client requirements and desires. For the expanded service offering to be launched and promoted effectively, marketing and communication are essential. Businesses should create a thorough marketing plan that explains to target clients the value and advantages of the new or upgraded services. Utilising a range of platforms, including social media, digital advertising, and conventional marketing strategies, makes it easier to connect with and engage the target market.

**KEYWORDS:**

Accessibility, Management, Packages, Production, Service.

## INTRODUCTION

Customer-centric thinking is necessary for the implementation of the upgraded service offering. Customers must be actively engaged by businesses in order to comprehend their changing demands and jointly develop value-added services. Focus groups, surveys, consumer feedback tools, and continuing conversation may all be used to this end. Customers' feeling of ownership is increased and the connection between the company and its clients is strengthened when they are involved in the service creation process. In order for employees to provide the expanded service offering, organisations must also make investments in their training and development. Employees should have the freedom to own client encounters, foresee requirements, and provide individualised, pro-active service. For smooth service delivery, internal procedures and systems must be coordinated to support the expanded service offering.

Customers are entitled to more than simply excellent service. It must also be transformed into a useful service procedure. This chapter offers a conceptual model for how to create service offerings that are focused on consumers' perceptions of service quality, which is based on prior chapters' talks of service quality. The enhanced service offering model is the name of the conceptual model. It considers the effects of the service processes' results as well as the effects of how consumers see those procedures. Also covered are the implications of marketing communication and brand image on the service being offered. Following the presentation of a model for designing for service and a model for service design, a model for the creation of service offerings in the market called the NetOffer model is described. After reading this chapter, the reader should have a better understanding of the complexity and extent of services as an offering, as well as how to create one. The reader should be aware of what such an offering entails in the context of the marketspace. Last but not least, the reader should comprehend what designing for service entails [1]–[3].

**Services as A Bundle of Outcome- And Process-Related Features Is The Missing Service Product**

Understanding the issue being examined in depth is one of the key pillars in designing service management models. In other words, a solid framework for how to create, sell, and consume services is required. Physical goods are a collection of characteristics that are already built into the finished item. Services, however, are distinct. Services are operations in which there isn't a finished item that can be sold and consumed. Remember that all models and concepts are based on the idea that a service emerges in a process in which the customer participates as a co-producer and that the production of a service is not distinct from the consumption of this service if you want to understand service management and how to market services. Additionally, this procedure is a crucial component of the service. A portion of the service is generated in a back office from the service provider's perspective, but from the viewpoint of quality perception, the most important portion of the service is produced when the customer participates in, perceives, and assesses the service process.

As was covered in earlier chapters, services consist of a collection of features that are connected to the service process and its end rather than product characteristics incorporated in a physical object that has already been manufactured. Before the client starts the service manufacturing process, none of these are there. When creating models defining services, several aspects of services must be taken into consideration. The collection of process- and outcome-related qualities that we refer to as a service offering is what this chapter's complete model of a service offering is known as. The heart of such a process, namely how to comprehend and manage the service offering itself, will be the focus of this chapter rather than the whole process of developing a new service from conception to launch. Every effort to create and develop a service will fail or at the very least be less successful without a clear comprehension of this fundamental idea.

Any effort to conceptualise the service offering must start from the viewpoint of the consumer. The process of conceptualising services to be given to the market is all too often driven by internal factors, insufficient data from market research, or an inadequate grasp of the viewpoint of the consumers. Well thought out plans may not always translate into well-executed plans. The specifics of how to design the service offering such that all facets are fully covered are described in the following sections. This calls for, among other things, the incorporation of service production and delivery challenges as integral components of the process of creating a service offering. If plans aren't carried out as part of the project to produce a service providing, well-planned service offers could just exist in theory [4]–[6].

**Package of Services**

The service is defined as a package or bundle of various services, both tangible and intangible, that together make up the service, in accordance with the widely used service package model.3 The package is split into two main categories: the main service or core service and auxiliary services or extras, which are sometimes referred to as peripherals or peripheral services and other times as facilitator services. A hotel service may comprise the lodging component as the primary or core service, and the reception, valet, room service, restaurant, and concierge services as supplemental services or extras in the package. These extras are often seen as the components of the service package that give it its identity and competitive edge.

In addition to a core service, Lovelock established a model of the service providing that includes ancillary services. The concept of supplemental services is similar to that of extras and auxiliary services. This is a clear and accurate approach to depict at least some of the characteristics of any service. If it is to be utilised for management objectives, it has a few drawbacks. A service is more intricate than this paradigm would imply, to start. Auxiliary or supplemental services may be employed for a variety of purposes from a management standpoint. This has to be acknowledged. Second, there is a lack of a clear connection between the primary service/auxiliary service dichotomy and the customer's view of a service and overall service quality. Only the intended actions for consumers are acknowledged. There is no description of how the service process and the characteristics linked to the process are to be handled [7].

The service model must be centred on the needs of the client. It must take into account every element of a service that clients may observe. It is important to consider both what consumers get and how they see their interactions with the service provider. Additionally, it is important to acknowledge the influence of image on how people perceive the quality of services. A complete service offering is what has to be designed, advertised, and provided to clients.

## DISCUSSION

**Controlling The Service Provision:** A well-defined customer benefit concept, which identifies the advantages or collection of benefits consumers value, may be produced based on a complete knowledge of the customers' regular activities and procedures. With this information of its intended clients, the business may create and oversee its service offerings. Four phases are necessary for service offering management:

1. Creating the service idea.
2. Creating a simple service offering.
3. Constructing an enhanced service offering.
4. Managing communication and image.

The organization's aims are determined by the service idea or concepts. This idea may be used to create the package. The basic service package outlines the collection of services required to satisfy customers' expectations in target markets. Thus, what the organisation offers its clients depends on this bundle. A well-designed basic package ensures that essential outcome-related characteristics are included and that the result will be of high technical quality. However, the way the service procedure runs has the power to ruin even the best service pack- age. As a result, just though a service package is excellent doesn't guarantee that the actual service will be good or even acceptable. The buyer-seller interactions or service encounters as perceived by the client are a key component of the service development and delivery process, according to quality models of services. Because of this, before we can describe the service as an offering, the basic service package must be extended into an enhanced service offering. The enhanced service providing model takes into account both customer co-production activities and interactions between the organisation and its clients. The model of the service providing is aimed towards the overall consumer perception of service quality in this manner [8]–[10]. Finally, the sense of quality is filtered by the picture. As a result, the company must manage both its marketing communications and corporate and/or local image in order to improve the impression of the expanded service offering.

**The Essential Service Package**

As previously mentioned, a differentiation between core services and supplemental/auxiliary/peripheral services is often drawn in the literature. However, it is helpful to differentiate between three categories of services for management reasons:

1. Basic service.
2. Facilitating services.
3. Improving the services.

The primary service is what keeps a business in business. It is accommodation for a hotel and transportation for an airline. A company could provide a wide range of fundamental services. As an example, an airline may provide both shuttle services and long-distance travel. For instance, a mobile phone provider could make phone calls and provide email as part of its main services. Some supplementary services are often needed in order for clients to be able to utilise the main service. In a hotel, check-in services are necessary, and for air travel, check-in services are necessary. These supplementary services are referred to as enabling or facilitating services since they make the primary service usable. The core service cannot be used without the enabling services. Additionally needed on occasion are enabling products. A consumer requires a bank card, for instance, in order to use an automated teller machine.

However, it may be challenging to determine whether the physical components of a service offering are items provided to the client as a result of the service production process or physical resources for production. For instance, the bank card may be seen as both a physical object and a resource for manufacturing. While not an enabling item, the ATM equipment is unquestionably a physical production resource. Enhancing or supporting services are the third kind of service. These are auxiliary services, much like enabling services, except they serve a different purpose. Enhancing services are used to raise the value of the service and/or set it apart from that of rival services. They do not make the main service easier to consume or use. As examples of improving services, consider hotel restaurants, airport lounges, and a variety of in-flight facilities connected to air travel. Examples of boosting services provided by a mobile phone operator include games and wake-up calls. Physical items that may be regarded as enhancing commodities are sometimes employed to improve the service being offered. Such items include shampoo and shoe shine in hotel rooms.

It might be difficult to tell the difference between upgrading and enabling services. An in-flight meal on a lengthy journey, for example, may be an enabling service in one setting but an enhancing service in another, such as on a short flight. It's critical to distinguish between enabling and enhancing services from a management perspective. Services for enabling are necessary. They must be included or the service package will fail. This does not imply that such services cannot be developed in a manner that sets them apart from the enabling services offered by rivals. Instead, enabling services should, wherever feasible, be created in a way that makes them competitive and helps to distinguish the service. However, improving services is only done to increase competition. The main service may still be utilised if they are absent. Without them, the whole service package might be less appealing and possibly less competitive.

However, the basic service bundle is not the same as what users believe the service to be. This package mostly relates to the overall perceived quality's technical output factor. What clients obtain is based on the components of this bundle. They reveal nothing about how the process is seen, which is ultimately a crucial aspect of the whole service that clients experience and assess. In other words, the service's process-related aspects have not yet been considered.

The service process must be included into the service offering since it cannot be distinguished from the perception of the components of the fundamental service package. As a result, the fundamental service package must be extended into a broader model known as the enhanced service providing model.

**The Improved Service Provision**

The buyer-seller contacts, also known as service encounters, are seen in a variety of ways that vary depending on the circumstance. However, there are three fundamental components that, from a management perspective, make up the process due to the characteristics of the majority of services:

1. The service's accessibility.
2. Contact with the service provider.
3. Customer involvement.

These components are integrated with the ideas from the fundamental package to provide an enhanced service offering. These three components of the service offering must, of course, be focused on the customer advantages that were originally recognised as being desired by consumers in the chosen target categories, as well as the service concept based on these benefits. The quantity and expertise of the staff is one factor that affects the service's accessibility. Office hours, schedules, and the length of time spent on certain duties. Location of stores, offices, and other businesses, etc. Offices, workshops, and other service outlets, both inside and out. Instruments, hardware, papers, etc. Customers may reach the service provider and the service process using information technology and utilise the service. the quantity and level of customer involvement in the process at the same time.

Customers may believe that it is simple or difficult to obtain the services, buy them, and utilise them depending on these and other criteria. There is no accessibility to the service if the phone receptionist of a repair company leaves the client on hold before responding or if he cannot locate a service professional for the consumer to speak with. In this manner, even a top-notch service bundle might be ruined. The service package may not completely decline, but the impression of the service may suffer significant harm. Accessibility problems are becoming more and more of a concern for service providers with regard to websites, help desks, and call and contact centres.

For instance, the accessibility problem could be divided into four components in a study of a for-profit laboratory in the southwest of the United States: site accessibility, customer ease of use of the laboratory's physical resources, contact personnel's contribution to accessibility, and ease of customer participation. For each of the four accessibility factors, the following variables were found:

1. **Accessibility of the location:** Convenience and simplicity of access from a main thoroughfare. how much parking is offered close to the site. the quantity of neighbouring medical facilities. the lab was quite simple to find within the structure. working hours. getting an appointment is simple. how big the waiting area was.
2. **Customer-friendly physical resources:** The outside and interior appearance and condition of the medical facility where the laboratory is housed. The building housing the laboratory's exterior. the holding area. the hospital rooms. the lavatories.

3. The speed of phone call response is a service representative's contribution to accessibility. how many staff there are. the workers' abilities. the speed of the front door's responsiveness to visitors. the speed at which people in the waiting room were attended to. the workers' professionalism. the effort made to lessen the discomfort of blood collection. the methods for billing. the allowed forms of payment. the many insurance options.
4. **Customer Involvement Ease:** The quantity and complexity of forms. the instructions provided to patients on procedures they must do themselves or participate in. The complexity of these steps.

The following categories may be used to categorise interactions with the service organisation: Interactive communication between staff and consumers, which in turn relies on employee conduct, including what they say and do and how they say and do it. interactions with the organization's numerous physical and technological resources, such as cash registers, computers, papers, waiting room amenities, tools and equipment required for the creation of services, etc. System interactions include those with waiting systems, seating systems, billing systems, Internet and telecommunications systems, delivery systems, maintenance and repair systems, appointment scheduling systems, claims processing systems, etc. interactions with other clients actively engaged in the process at the same time.

Customers must interact with staff members, get used to the organization's operational and administrative procedures, access websites, and sometimes make use of technology resources like vending or teller machines. Additionally, they could connect with other clients. The service perception includes all of these interactions with physical, as well as human, resources and systems. Again, the perceived quality of an exceptional basic service package may be poor if these interactions are seen as being too difficult or hostile. The following categories were used to categorise interactions between the organisation and its clients in the same study: Communications with medical staff. contacts with the customer service division. interactions with the waiting area. interactions with different clients. interaction with the billing or payment system. interactions with the systems for scheduling. interactions between customer service departments and medical professionals.

consumer involvement entails that the consumer has a say in how he or she experiences the service. As a result, he co-creates value for himself by producing the service.9 The consumer is often required to complete forms, provide information, access websites, run vending machines, and other tasks. The consumer will either enhance the service or not, depending on how well he is prepared and ready to accomplish this. For instance, the doctor won't be able to provide a proper diagnosis if the patient is unable to provide accurate information regarding his difficulties. As a result, the therapy can be ineffective or unsuitable. As a result, the doctor's service is compromised. In order to discover different facets of client engagement, the following questions were posed in the study:

- Are patients educated enough to recognise their need or issue?
- Do patients comprehend the limitations on time that are involved?
- Is the patient prepared to assist with the procedure?
- Can medical professionals immediately provide more information?

When leveraging the systems and resources offered by the service provider, clients are compelled to play a more significant and active co-producer role. As a result, depending on how easily and well interactions are perceived, how accessible the services are, and how well customers understand their role in the service production process, the core service, enabling services, and enhancing services of the basic service package are all perceived differently during service encounters.

Finally, the service idea is seen as an overarching concept that will direct the creation of the enhanced service offering's component parts. As a result, the service concept should outline the types of core, enabling, and enhancing services that will be employed, how the fundamental package may be made available, how interactions will be built, and how consumers should be made ready to engage in the process.

When appropriate production resources are found during the following stage of the planning process, the service concept should also be employed as a guidance. Of course, a running firm already has a number of physical and human resources as well as operational systems. They have some control over how resources will be utilised. However, the creation of an enhanced service offering necessitates a new evaluation of the kinds of resources required. Otherwise, the execution of a new service offering can be unduly constrained by available resources. Never allow existing resources to stand in the way of successfully implementing new concepts. Creating the service offering is, in short, a highly interconnected process. It is impossible to introduce a new improving service without also considering its interface, accessibility, and consumer engagement components. However, the strategic inclusion of a new enhancing service or an enhanced enabling service may prove to be a significant source of competitive advantage.

## CONCLUSION

Continuous improvement depends on tracking and analysing the performance of the improved service offering. Businesses should set up metrics and feedback systems to monitor service consumption, gauge consumer happiness, and pinpoint areas that need improvement. Businesses may make data-driven choices and modify their service offerings to respond to shifting market dynamics by regularly analysing data and consumer insights. In conclusion, in order for companies to remain competitive and satisfy changing consumer expectations, they must take control of the increased service offering. Organisations may distinguish themselves and increase customer loyalty by proactively understanding customer demands, jointly developing value-added services, and aligning internal processes and personnel skills. Businesses may guarantee the success and longevity of their improved service offerings in a competitive market via efficient marketing and ongoing review.

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# CHAPTER 2

# MANAGING THE SERVICE OFFERING, IMAGE AND COMMUNICATION

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**ABSTRACT:**

A key component of corporate strategy in the service sector is managing the service offering, image, and communication. The importance of efficiently managing these components and their impact on client views and corporate performance are examined in this abstract. It emphasizes the important factors and methods that businesses should use to properly manage their service provision, public image, and communication. The customer experience as a whole is improved by supplemental components in addition to the primary services offered to clients. Understanding consumer wants and preferences, creating service packages that meet those demands, and always advancing and inventing to be competitive are all part of managing the service offering. Businesses may attract and keep consumers by giving a compelling and distinctive service, laying a solid foundation for success. Building trust with customers and influencing their impressions is greatly influenced by a service organization's reputation. By consistently providing quality customer service, exceeding customer expectations, and coordinating the brand's values with those of the target audience, companies may build a strong brand reputation. Strong and good brand perception increases customer retention, promotes positive word-of-mouth, and draws in new clients. Additionally, it offers a competitive edge in a saturated market.

**KEYWORDS:**

Accessibility, Management, Packages, Production, Service.

## INTRODUCTION

Organizations should have a customer-centric stance in order to effectively manage the service offering, image, and communication. This entails actively hearing customer input, tracking customer satisfaction indicators, and using the findings to raise service standards. It also requires coordinating internal procedures, educating staff members, and giving them the freedom to provide dependable and great customer service. Additionally, businesses should use technology and data analytics to collect consumer insights, hone communications, and adapt service offerings to specific client preferences. Adopting digital transformation helps firms to adapt quickly to client demands and expectations and promotes effective communication [1]–[3].

Image has an effect as a filter on the service received, as shown by the model of perceived service quality. A positive image improves the experience; a negative one might ruin it. Due to the intangible character of services, marketing communication efforts not only have a communicative influence on consumer expectations, but also a direct impact on experiences. As a result, controlling image and communication becomes a vital component of improving the service offering. This latter impact varies in intensity from minimal to substantial.

Long-term marketing communications including advertising, websites, sales, and public relations help to develop and, to some degree, reinforce images. However, even a brochure or an advertising could have some effect on how well somebody perceives the quality of a certain service. Furthermore, in this situation word-of-mouth is crucial. At the moment and time of purchase and consumption, peer contact amongst consumers may have a significant immediate influence as well as a long-term impact. Similar to this, a person's opinion of the service he gets may quickly shift in response to a critical remark made by a different client.

**The Part Played by Technology in Service Provisions**

The growth of Internet and mobile technology usage, as well as the development of information technology, have created new opportunities for businesses to expand their service offerings. IT systems and improved databases, from which customer information files are more easily retrieved and updated than before, offer customer contact employees better support, enabling them to be more customer-centric in interactions with customers. Employees may improve the quality of client interactions with more precise, accessible, and available customer information. The accessibility of services is also positively impacted by this usage of technology. When regular exchanges can be moved to an online help desk, for example, the Internet may also increase an employee's capacity to manage client communications.

Customers may now more quickly and easily access a manufacturer's or service company's services thanks to new technologies. For instance, a client may quickly seek helpful information from a manufacturer's website on how to address a production machine issue or arrange for the equipment's maintenance. Numerous chances exist to make a service more accessible than it was before, and mobile and Internet technology may significantly enhance interactions. Customers must, of course, be educated on and inspired to utilise websites for these objectives.

Although certain services, like buying cinema tickets, may be done online, in most situations the client will also contact with staff members and more conventional physical resources and technology of the service provider at some point. It should be remembered that'real', interpersonal contacts must also occur in order for IT, Internet, and mobile service interactions to operate well. In order to maintain the high-quality perception of the service provider's use of new technology in the mind of a customer, quick and simple arrangements to get a maintenance task done using the Internet must be followed by prompt, skilled, and attentive service. Otherwise, a low-quality perception created by traditional means of producing the service offering will destroy the quick and easy arrangements made using the Internet.

Finally, it's important to keep in mind that not all of a service provider's clients will embrace and value new technology utilised in service operations. Customers may be persuaded to adopt new technologies, for instance, after being told of their advantages or after receiving training on how to utilise them. Some people may want to stick with more conventional ways of communicating with the service provider. In any event, the company must properly implement new technology or their effects might be detrimental. Additionally, it's crucial to promote new technology inside to encourage staff to utilise them. Employees must also have the appropriate education and training [4]–[6].

**A Dynamic Model for Developing the Service Offering**

The model only lists the factors that must be considered and presents pertinent ideas. The model of the enhanced service offering will be set inside a dynamic framework in this part, which more accurately depicts how the service as a product develops. The service offering is by definition dynamic since services are production and delivery operations that cannot be separated from consumption. As long as manufacturing is ongoing, the service will continue to exist. Because of this, any model for services, like the enhanced service offering, must include a dynamic component. There are eight stages in the framework:

1. Examining the routine activities and procedures of the target audience.
2. Evaluating the customer benefits necessary to support these procedures and activities.
3. Defining the general characteristics of an enhanced service offering.
4. Establishing a service idea that serves as a guide for service offering development.
5. Creating the core service, enabling and improving the items and services that make up the fundamental service bundle.
6. Creating the pieces of the augmented service offering that will allow for accessibility, engagement, and consumer involvement.
7. Preparing a commercial communication strategy.
8. Setting up the business to provide the targeted customer advantages via the service procedures.

Prior to developing a service that the company may provide its clients or create specifically for them, one must first examine the daily activities and business operations of the consumers. For instance, the iPhone was introduced by Apple as a result of in-depth ethnographic research into what people in sizable customer segments were doing and would like to do, for instance with the assistance of a new type of mobile device, as well as the company's creative understanding of the potential of software technology. Then, in order to ensure that the development process is focused on customers' perceptions of the overall service quality, an evaluation of the customer benefits is required. As the foundation for subsequent planning, the desired elements of a competitive enhanced service offering must then be identified. These characteristics, which should be organised in accordance with the components of the service package and the augmentation elements, as well as connected to corporate and local image and market communication, should follow the model. They should also be tied to the service idea.

## DISCUSSION

The fundamental package, which includes the core service, supporting services and goods, and increasing support services and goods, is then planned in accordance with the service idea. The enhanced service offering, which materialises via the service process, must then be built in order for interactions and customer engagement that adhere to the same standard to arise and for the service to be made accessible in a manner that represents the service idea. Planning supportive marketing communication is the next phase. This kind of communication not only educates consumers about a service and encourages them to try it, but also has a positive effect on how often consumers use it and helps a company project the image that it wants to.

If all previous steps are followed correctly, the end result should be a concrete offering that includes the desired features, which then produce the benefits customers seek. These features should be present in the basic package elements as well as in the accessibility, interaction, and customer participation aspects of service production and delivery. As a result, the customers should get assistance for their activities and procedures that adds value. However, there is still one more step that must be taken, and that is preparing the organisation to provide the enhanced service offering and produce the intended consumer advantages.

Believing that the service is automatically produced as anticipated after it has been prepared is one of the most dangerous errors that may be made. The topic of customer perceived quality in Chapter 5, particularly the explanation of the gap analysis model, highlighted the challenges and hazards involved in creating outstanding perceived service quality and revealed how difficult a process it is. Because of this, every expansion of service offerings must include the organization's preparedness; otherwise, even sensible and customer-focused strategies run the risk of failing. The development of adequate resources and internal marketing of the new offering to the workforce are necessary for preparing organisations for a desired performance so that the workforce first understands it, then accepts it, and finally feels committed to achieving it. Internal marketing is a topic that is explored in some. In order to summarise this discussion of the dynamic model of the enhanced service offering, it should be noted that the first step is always a study of the activities and processes of the customers, along with a determination of the advantages that the target consumers are seeking and would value. Management should have the knowledge of what consumers need in order to build equivalent features into the service via appropriate market research and utilisation of internal data, such as that from the customer-organization interface. But it's also important to do creative market research, such by using ethnographic techniques.

The first four parts of the process analyzing the actions and procedures of the consumers, evaluating a customer benefit idea, choosing the elements of the service offering that should be created, and defining the service concept are independent processes. However, the next two phases creating the fundamental package and organising the customer involvement, interaction, and accessibility parts of the enhanced service offering in the service process—as well as the last stage getting the organisation ready are interdependent activities. They must work together otherwise there is a chance that a great idea may provide a subpar service. While the essential characteristics may be there, the critical role that accessibility, interaction, and consumer engagement play in the creation and delivery of services may not be completely understood or appreciated. Additionally, the need of aggressively marketing the new service within will be disregarded or not handled properly [7]–[9]. The successful creation and introduction of a new service will then be covered in a case study. The majority of the characteristics of the models of the enhanced service providing mentioned earlier in this chapter are present in the example.

### Design for Services or Service Design

Although creating services or service activities is too narrow a perspective, service design has grown to be a significant management concern. It is predicated on the idea that things fall into two separate categories, goods and services, and that product design and service design coexist. Such a difference is not made by the service viewpoint on business, often known as service logic. Instead, it is built on the premise that providing service is a strategy for engaging with clients in a way that supports their daily operations, so facilitating the generation of value and helping clients realise their personal and professional goals. A company may provide customer service using any kind of resource or constellation of resources, such as any combination of products, service activities, information, etc.

According to the service logic, creating services is a specific example of creating any resource or resource constellation in a manner that supports the operations of the client. Design for service refers to the larger perspective of designing resources and processes.16 Anything, including physical objects, may be designed for service, or to serve customers or any users. The alternative is to build a resource only for technical or aesthetic brilliance. However, designing for service does not exclude the possibility of include such objectives in the design process. As a result, we should make a distinction between:

1. Design for functionality.
2. Design of services.

Designing service activities is what the latter refers to, while design for service indicates that everything goods, service activities, and combinations of these and other resources is created with the intention of serving the customer or any other user in a manner that creates value.

Consequently, designing for a service may include not just creating the service itself but also designing the components of products and other physical offerings. For instance, a teapot may be aesthetically pleasing but leak tea onto the table when used, or it may be functionally sound without spilling tea outside the cup while still being aesthetically pleasing. The teapot is merely intended to be used as a product in the first case; while, in the second, it is intended to serve the user's tea-drinking habit while also promoting their values.

A schematic illustration of a designing for service model is shown. The resource or offering's intended audience, the idea driving the design process, and ultimately the service method make up the model's three fundamental components. As the model suggests, the first step is to have a full awareness of the customers' routine tasks and objectives. Such knowledge is unlikely to be discovered by conventional market research. The standard calls for ethnographic and comparable methodologies. The following inquiries must be raised and fully addressed:

1. Who exactly is the user?
2. How is the user behaving?
3. Why is the user behaving in this particular way?
4. What may the user accomplish?

The answers to these types of queries aid the designer in determining where potential for improved and maybe whole new customer service options lie. The design process is then guided by a concept that is both customer-focused and service-based. Three straightforward questions may be used to create such a concept: Whom should be served?

Basic information for the design process is provided by the first two questions. The most crucial question at this point is the third one, "What is the underlying logic?" Based on the responses to the other two customer/user-related questions, discussing this topic and coming up with a fresh, original response to it might result in whole new solutions or even revolutionise a sector. This is what Apple accomplished with the iPhone, or what cooking was changed by the invention of the microwave oven decades ago. There are a tonne of instances. When necessary, putting off developing new reasoning results in more of the same rather than a novel new approach to addressing the needs of customers.

1. The procedure of designing for service should be taken care of lastly. Here, the following questions need to be addressed:
2. How can we assist the user's objectives and processes?
3. Which resource constellations should be used to provide this support?
4. How should the people, systems, and artefacts involved in the process be designed?

It is crucial to take a thorough look at the process while building the service process and planning the various types of resources involved. Service delivery often involves a vast array of tools and procedures. The whole service might fail if a necessary resource or subprocess is overlooked and improperly designed, leaving the consumer unhappy and, in the worst case scenario, lost. Additionally, the impact on both the technical quality and the functional quality must be considered while creating and planning resources and procedures. It is necessary to design all tools and procedures so that they serve as services. They must be servicized, which entails that they be created and run in a manner that really does fulfil the needs of the clients. The following types of resources and procedures must be at least considered in the design phase since they are often included in service processes:

**Service Personnel:** Employees who interact with customers and conduct support duties for internal clients must get technical training, as well as motivation to operate in a customer-focused and service-oriented way. Managers and supervisors must support such behaviours via their leadership. Items and artefacts used in the provision of services Such resources may be made more useful by being made easier to use, easier to manage, and easier and more attractively integrated into the service process, for example.

**Licenced service projects:** A customer relationship's activities that are acknowledged as providing a service, such as contact centres and repair and maintenance services, must be established in a way that effectively supports the customer process for which they are intended.

**Hidden Services:** These are ordinary administrative, legal, financial, logistical, and operational tasks including addressing customer complaints, billing, processing orders, and delivering that are often not thought of as services. The way clients perceive the service provider and its offering may be significantly impacted by well-planned and executed hidden services. Neglected hidden services, such as those that result in ongoing delivery delays and illegible or supplier-focused bills that cause consumers issues, may ruin customer relationships and spark a lot of bad word-of-mouth and social media conversation.

**Servicescapes:** The servicescape, which is the setting in which the service process takes place, consists of objects, atmosphere-improving components like music and colours, as well as people, both customers and personnel. To improve the service experience, the servicescape's appearance and functionality must be carefully planned.

**Customers:** Customers contribute to and shape the servicescape, on the one hand. Customers, on the other hand, actively take part in the service process. Both of these client roles must be considered while building a service. Customers can be given some active roles in service production, such as in Internet banking or self-service stores, or when operating vending machines and digital healthcare control devices. For example, other customers must not interfere with or, in the worst case scenario, ruin the experience of a focal customer.

Designing and creating a service process that really helps the consumer is the aim here. The design and development of Apple's iPhone, as was previously highlighted, is an illustration of how each step of the designing for service process was carefully considered. Another instance is the creation of a distinctive lift system by Kone Corporation, a leading lift manufacturer with headquarters in Finland. Compared to conventional lifts, this one better benefits building owners and developers. Kone altered the underlying logic of the lift idea and developed the machine room-free system, where the machinery is incorporated into the lift, in response to the necessity for architects and builders to utilise the least amount of space for the lift system as feasible. This allowed room in a building to be used for various purposes and was good for upkeep. Kone has evolved from only producing lifts and escalators to become a service company "dedicated to people flow."

**Formulating A Service Product for The Market**

A growing range of products and services are being promoted nowadays through the internet and mobile devices. Alongside the established physical business has grown a sizable virtual marketspace. The acquisition and consumption of Internet offers may be characterised as process consumption and be viewed to represent the essential elements of service and service consumption, regardless of whether they are connected to tangible products or services.

To obtain information about products or services, order them, pay for them, or arrange for payment, as well as possibly to submit in-depth questions and receive answers, carry out a number of other tasks associated with the potential offering, and in many cases, use the service, the customer must be able to operate the system. As with any service, this procedure should naturally result in a final product. The perceived quality of utilising the Internet as a tool for purchase and, sometimes, for consuming as well as the perceived quality of the result are both factors that affect the quality of an Internet product. The provision of any physical commodity or service through the Internet is a service, as is evident from the statement above. Marketers should thus take care to construct their offers as services that customers perceive and assess as services if they want to utilise the Internet to sell their products or services to consumers. The enhanced service offering is transformed into the NetOffer model, a service offering for the Internet, in the parts that follow.

**A Model for Netoffers**

The whole NetOffer Internet offering model is presented in this section. The core service, as well as the enabling and enhancing services, are all included in the basic service package, just as they were in the original model. However, since accessibility and interactivity components of the process cannot be kept separate, the Internet offering's augmentation components are distinct. Instead, throughout the augmentation process, they converge into a single communication element. The service idea serves as the cornerstone of both the service package and its expansion into an online service. However, there is no access to the Internet offering unless there is an intuitive and simple-to-use website, or an effective interface between the user and the business. As a result, in addition to the user interface, the service package differs from the model for the conventional marketplace. The design and usability of this interface affect both the technical and functional quality aspects of the service. The service that the company is attempting to provide is useless if the interface between the consumer and the computer is broken. Every element of computer-mediated interaction is included in the user interface. The website must be simple to use, and all of the connections must make sense. The content must be simple to read, and the colour and images must be appealing. Additionally, the server's speed must be enough, and the font styles must be suitable. All of these problems raise questions about this interface's quality.

Because it essentially needs to sell the product itself, the user interface is a component of the service package. It must be both aesthetically pleasing and functionally sound. Marketers who may persuade the prospective consumer of the excellence of the item are not there. Customers may easily transfer to another website, therefore an unattractive or challenging-to-use user interface causes a prospective consumer to abandon the site fast. A sales opportunity is wasted in the scenario. Information is a crucial component of every Internet product. As a result, the inner triangle in the illustration of the service package is situated inside of an informational circle. This circle symbolises the information that must be supplied while marketing products or services online. Any such offering must include information, which is included in all of the model's many components. The fuel that powers the UI and the company's core, enabling, and improving services is information given by both the company and the consumer. Instead of the three components in the original enhanced service offering model, the augmentation of the service package now only has two. These components include:

1. Customer involvement.
2. Communication.

Customer involvement refers to the abilities, expertise, and enthusiasm of users when it comes to running the user interface (UI), or as co-producers of the service, so they may make purchases, submit queries and complaints, get answers, or access connections on the website. Customer involvement may also refer to discussion forums where customers, future consumers, and other website users participate. The company may encourage clients to participate by providing an intuitive user interface (UI) and helpful information about different system features and service package components. As a result, customer involvement turns into a hybrid of co-production and solution-creation for the customer's value-creating process.

Accessibility and interactivity on the Internet include speaking. Accessing a website requires talking with it through the UI's navigation system, and utilizing a website requires engaging with it by sending and receiving emails or using other system components. Communication includes interacting. As a result, in the original model for enhanced service offerings, engagement and accessibility blend into a single component with communication as the common denominator. Inquiries sent by email are an example of a two-way conversation. When making a direct purchase or providing credit card information to pay for products or services, it might sometimes be one-way. The discussion that may take place between the service provider and the client is shown by the Internet offering's communication component. This conversation may take place through any communication channel, such as the phone, email, letters, message boards, etc.

The Internet marketer assists the client in consuming and making purchases of products and services supplied on the Internet by enabling user-oriented communication. The functional quality of the Internet offering is improved via this communication and the assumption of suitable customer engagement abilities, and the consumer is able to appreciate the technical quality of what is provided. There is a good overall perception of quality and value. Last but not least, it is not sufficient that the Internet offering works properly and produces a respectable perceived service quality when products and services are purchased online. Additionally, the products must be supplied to the client in a method that improves their quality. Electronic distribution is a possibility sometimes, like in the case of consumer-printable electronic airline tickets. Occasionally, products are delivered to customers in a real store [10].

## CONCLUSION

The management of the service offering and image depends heavily on communication. Organizations can effectively communicate their value proposition, inform clients of the services they provide, and respond to any questions or concerns. Long-lasting relationships are fostered through open and honest communication, which also helps to alleviate service-related uncertainties. To reach and engage consumers successfully, it is essential to use a variety of communication channels, including conventional advertising, digital marketing, social media, and direct customer encounters. Managing the service offering, image, and communication are crucial for corporate success in the service sector. Organizations may improve consumer views, foster loyalty, and set themselves apart from rivals by creating and providing a compelling service offering, fostering a favorable brand image, and interacting with customers in an effective manner. To manage these crucial components successfully and ensure long-term sustainability, a customer-centric strategy backed by technology and data analytics is essential.

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# CHAPTER 3

# MANAGEMENT OF PRODUCTIVITY IN SERVICE ORGANIZATIONS

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**ABSTRACT:**

Enhancing operational effectiveness, service quality, and overall company success all depend on the management of productivity in service organisations. This abstract emphasises the importance of controlling productivity in service organisations and describes crucial tactics and procedures that may be used to maximise output. Enhancing production and value from existing resources, such as human capital, technology, and procedures, is the goal of productivity management in service organisations. Due to the intangible nature of services and the fluctuating nature of consumer needs, unlike manufacturing sectors, service organisations have specific hurdles in gauging and enhancing efficiency. Key performance indicators (KPIs) and performance measurement systems should be used by service organisations to monitor productivity levels. Organisations may create goals, pinpoint improvement areas, and put plans in place to maximise productivity by routinely monitoring and analysing performance data. Methodologies for continuous improvement, like Lean Six Sigma, may be helpful in identifying and getting rid of waste and inefficiencies. Additionally, encouraging an innovative and engaged workplace culture helps increase productivity. Employee ownership is cultivated and their ability to contribute to greater productivity is boosted when they are encouraged to share ideas, provide feedback, and take part in process improvement projects. Employee motivation is increased and overall productivity is raised when high-performing individuals or teams are acknowledged and rewarded.

**KEYWORDS:**

Management, Manufacturing, Organizations, Productivity, Service.

## INTRODUCTION

Service organisations should give personnel planning and management top priority if they want to manage productivity efficiently. To reduce bottlenecks and guarantee effective resource allocation, this entails matching employee numbers and competencies with customer demand trends. Investing in staff training and development programmes also improves service delivery, strengthens skill sets, and boosts overall productivity. In order to increase efficiency in service organisations, technological solutions must be used. Process streamlining, manual error reduction, and reaction time improvements may all be achieved via automation and digitalization. By providing consumers and staff with effective tools and resources, using customer relationship management (CRM) systems, data analytics, and self-service choices may further increase productivity [1]–[3].

Service operations' productivity is not a matter of internal politics. Customers determine what is high productivity and what is not in the service industry. The productivity notion, as it was created for industrial companies, is not easily applicable to service situations. Analysing the drawbacks of a conventional manufacturing-based productivity idea, a service productivity concept is created. Decisions made in service organisations based on conventional productivity measurements are shown to nearly always be incorrect. If productivity is to give management with useful information, both internal and external effects must be taken into consideration at the same time. There are currently no available final calculation models. Prior to the creation of reliable measurement models, the theoretical knowledge of service productivity must be further refined. The reader should be aware of the issues with applying a conventional manufacturing-oriented idea of productivity to service settings as well as the dangers of employing productivity metrics built on such a concept. The reader should also comprehend the definition of service productivity, the many metrics that may be used to quantify it, and how relationship-based continuous learning affects productivity.

**Managing Profits Rather Than Costs Is Productivity**

Managers seem to misunderstand what productivity means in many organisations. Often, productivity is more or less equated with cost effectiveness, with productivity management exclusively or mostly being the management of internal efficiency. Manufacturing of products and a closed system free from outside intervention are the sources of productivity as a concept. Customers are not involved in the production processes and are not exposed to them, therefore they cannot be affected by how they are set up and run.

The goal of traditional productivity models is to make sure that earnings are managed effectively. It is generally accepted that when input resources are modified, for as by introducing less costly resources or manufacturing procedures, the quality of the production output, or the goods, may be regulated. As a result, revenues from production outputs might be anticipated to stay constant while production unit costs decrease in circumstances where more cost-effective resources or processes are utilised. Revenues are constant while costs are changeable. In traditional production, this implies that productivity is controlled together with cost effectiveness. Internal process efficiency inside the company is used as a stand-in for profit effectiveness, and productivity management is used as a shorthand for profit management.

When this quick cut to profit management is used in commercial settings where manufacturing is not a closed system isolated from consumers, issues arise. In an open system, as a service organisation is, what works well in a closed system does not work there. In service operations, the introduction of new input resources and processes has an impact on both the service process and its functional quality dimension as well as the production output and its technical quality dimension. When managers in service operations confuse productivity with cost efficiency and focus only on controlling internal efficiency, calamity is just around the corner. It is crucial to understand that there are no short cuts in the workplace and that productivity management is profit management. As a result, new knowledge and productivity models are required.

**Balancing revenues and costs: The Productivity Dilemma**

Although some articles on service productivity have been published over the past ten or so years, productivity as a concept has received little attention in service research.1 It is frequently asserted that many service organisations have low productivity and that services are produced with excess resources and at unnecessarily high costs. The service provider might reduce expenses and maintain the same level of output with a different resource structure. For instance, instead of visiting a bank and taking up the time of the bank workers, banks are advising their clients to utilise ATMs, PCs, and the Internet to do routine banking tasks. Insurance firms have set up websites on the Internet and call centres for customer care so that clients may communicate by email or phone rather than in-person. Customers of airlines are being compelled to use self-service check-in procedures. Naturally, the objective for these modifications to resource structures is to replace costly resources used in the service process with less expensive ones. These adjustments were cost-effective while also maintaining or enhancing the company's capacity to generate income, which indicates that they were successful if clients believe they are receiving the same quality as before or maybe even better quality. But altering the resources utilised to decrease costs can have the opposite impact. Customers may get unsatisfied and start looking for alternatives when perceived quality deteriorates. The capacity of the service provider to generate income therefore falls.

## DISCUSSION

Being a successful service organisation is difficult because productivity and perceived quality are intertwined phenomena.3 Managers in service organisations must therefore never retreat to cost efficiency management alone. Increasing client pleasure and efficiency may end up being conflicting objectives, as Anderson et al.4 point out. While increasing productivity may have a neutral or favourable effect on quality, it may also negatively affect how quality is seen. If the latter occurs, quality satisfaction suffers and the company runs a higher risk of losing clients. Despite possible cost reductions, a decline in revenues may have a detrimental impact on the company's overall financial performance. This trend is really not a rise in productivity since productivity is a stand-in for profitability or profit.

The problem with service procedures is this. Better economic outcomes are not always the consequence of increased internal efficiency brought on by the use of more affordable manufacturing tools and procedures. In reality, despite still employing the nomenclature of conventional productivity, what is thought to promote productivity—improving internal efficiency often has the reverse impact in service organisations. This causes the quality of the services to decline, which results in lost sales. The obvious conclusion is that in service contexts productivity cannot be understood without simultaneously taking into account the relationship between internal efficiency and perceived quality.5 As a result, internal efficiency, which equates to cost efficiency, cannot be managed separately from external effectiveness, which is a firm's ability to produce a certain level of perceived service quality with a given resource structure. The revenue side of the productivity equation may be ignored since modifications to the production system that save money do not affect the quality of the output produced in manufacturing. Such activities have an effect on service quality level, which affects revenues as well. Costs and income both fluctuate. Therefore, in all productivity models and measures, the consequences of cost-cutting initiatives on revenues must always be taken into account.

As a result of the old productivity idea, businesses are used to managing productivity as an internal concern, where revenue consequences may be ignored in the calculations. They gauge productivity from the standpoint of internal efficiency and presumptively assume that the external influences on quality are under control since they make the constant-quality assumption. According to the constant-quality assumption, changes in manufacturing inputs may be made without degrading the final product's quality. The situation is different in the workplace, however. Customers, who make assessments of a service operation's productivity from an outside perspective, rather than management, evaluate productivity. Of course, this does not negate the need of considering the internal efficiency components of service productivity as well. Customers ultimately decide, however, since the constant-quality assumption does not hold true in the service industry [4]–[6].

### Shortcomings of Fabrication-Based

### A Service-Based Concept's Productivity Concepts and Requirements

To control the economic outcomes, or to generate profit effectiveness, is the aim of productivity management. Because an unaltered or even enhanced consumer perceived quality may be created by increasing productivity while using fewer resources or utilising those resources more effectively, the economic outcomes are presumed to be better. Managing productivity makes sense in this situation. It is not rational to increase productivity if increased output does not result in better economic outcomes since then there is no profit effectiveness. Current productivity models and tools for measuring productivity are predicated on the idea of closed systems, in which production and consuming are distinct activities, and in which consumers do not take part in the production process as co-producers. Naturally, these presumptions are valid in conventional production. They cause confusion, lead to deceptive metrics, and steer decision-making in the wrong direction in service environments when the service production process is essentially an open system. The conventional manufacturing-oriented productivity concept's underlying presumptions and the characteristics of service are compiled.

classic productivity models and measurement tools for service organisations are less helpful as such due to the nature of services and the underlying premise of the classic productivity notion. For instance, using manufacturing-oriented productivity methodologies, it is possible to determine how raw materials are utilised in a restaurant to generate a particular number of meals, and this knowledge is unquestionably beneficial for the establishment. The productivity of the whole restaurant business, however, is unrelated to it. To assess how effectively a service provider utilises resources to produce output with acceptable perceived quality and support for customers' value creation, and so to develop profitable operations and an enhanced economic outcome, a completely new approach to productivity measurement is required. When a business offers its clients a highly standardised infrastructure, like a telephone receptionist or a fast-food cash register, they are engaging in service processes that are very similar to closed production systems seen in manufacturing. Traditional presumptions for comprehending and evaluating productivity still hold true to a significant degree, provided that the infrastructure is fault-tolerant and that the users are aware of how to use it. However, even in high-tech services, the majority of service procedures adhere to the service characteristics. There, conventional productivity models and assessment techniques are more deceptive than useful.

The connection between productivity, quality, customer participation, and demand

Customers' roles in productivity in service settings vary from those in manufacturing because they take part in the service process as co-producers and have control over it. We can differentiate between:

- Contribution to productivity caused by the provider.
- The productivity boost brought on by customers.
- The productivity boost brought on by interaction.

Participation in the service process by the supplier is the initial contribution. For a hair stylist, for instance, the provider's participation in the process depends on his communication and professional abilities, as well as on the amount of time he has available, the tools he uses, the physical items he uses in the process, and complementing services and commodities like coffee, tea, and magazines.

The consumer and other customers contribute to productivity via customer-induced activities including information, self-service, queries, and complaints. In the case of the hair stylist, the customer's capacity to supply accurate information to direct the hair stylist in cutting her hair and the correctness of her requests are examples of customer-induced contributions to the process. Customers' behaviours impact not just the input required to create the service, but also how the workers and technology involved in the service process operate. The interactions that take place will more or less affect the perceived quality of the process and, sometimes, the internal efficiency, depending on how effectively the hair stylist and the client can connect to and communicate with one another. This is a productivity-related interaction-induced effect.

Quality and productivity are therefore two sides of the same coin. The contributions from the supplier, the consumer, and the interaction influence both service productivity and quality.

Demand also has an impact on productivity. When demand is low, the service provider's resources will not be fully used, which lowers internal cost efficiency and lowers productivity. Less income is generated at a given cost level, and the business becomes less lucrative. Inventories in manufacturing may be utilised to counteract this impact. This cannot be done in service. Internal efficiency increases and a favourable impact on productivity is produced when there is a demand that matches the provider-induced resources in the service process. The perceived quality of the service, as well as sales and profitability, are negatively impacted when demand begins to outpace what can be handled with the available resources. Therefore, demand is a crucial determinant in service productivity.

The elements of the provider's resources and the customer's resources that are utilised in contact with one another are shown in the darkened regions of the provider participation and customer involvement boxes. An internal service is developed in a back office as part of provider involvement. Customer involvement, on the other hand, might sometimes occur apart from interactions with the service provider. For instance, while making a phone call, two clients are interacting and producing the service. By supplying the telephone infrastructure, the phone operator just indirectly helps the service process. The Swedish furniture retailer IKEA, for instance, offers its clients furniture that is supplied in a box with the necessary hardware, tools, and assembly instructions. The consumer will next be asked to finish the service procedure that began at the store by putting the furniture together at home. Again, in this case, the service provider only assists the service process at the customer's house by providing tools and instructions. In order to effectively manage productivity in service organisations, the following factors are crucial from a managerial perspective:

When the service provider plans its contribution to the process, it is important to maintain an ideal balance between the resources employed and their cost-effectiveness on the one hand, and the perceived quality of the service and the firm's capacity to generate income on the other. Resources from the service provider must be used to communicate with customers in a manner that strikes the right balance between perceived quality and internal effectiveness. Customers must be selected, instructed, inspired, and informed in such a manner that they will favourably impact interaction-induced quality and productivity as well as customer-induced quality and productivity via their involvement in the service process. Demand control is necessary to maintain a balance between external efficiency and perceived quality, and subsequently between revenues and expenses.

it's important to pay attention to how changes in internal efficiency impact how customers perceive the quality of the service. A modification that improves resource structure cost efficiency may result in longer wait times and staff members paying less attention to customers. The functional quality of the service process and, perhaps, the technical quality of the result might both be adversely affected by these consequences. If this is the case, clients may leave, sales may fall, and ultimately, the service provider's profitability may suffer. A better economic outcome and increased profitability are not attained, which is the ultimate aim for productivity gains.

On the other hand, measures that increase cost effectiveness could have a neutral or even beneficial impact on how well services are viewed. A change in technology level and new input configurations may increase cost effectiveness while also having a favourable impact on perceived quality. To reduce its input resources, a restaurant can, for instance, provide a salad bar rather than placing salad on the table. Customers that value this option will see the quality as being the same or even better. This change has likely resulted in a more resource-effective use of funds for the business. The ultimate internal aim for productivity-improving acts in this scenario has been achieved, since internal efficiency and outward effectiveness have both increased.

In conclusion, cost management and cost effectiveness are critical components of controlling productivity in services just as they are in manufacturing. Cost efficiency is a more challenging topic in service settings due to the nature of the service. We will discuss the control of service costs as a component of productivity management in the section after this.

**Managing Costs in The Context of Services**

Using a non-accounting language, SAS provided a helpful separation of costs in a turnaround process in the 1980s that got a lot of worldwide attention in the service sectors and in service management literature. These cost concepts are not related to conventional terminology, such as fixed and variable costs, but they are managerially relevant and helpful tools for calculating cost efficiency and for service productivity management.17 The costs of operating and administering the firm were divided into good costs and bad costs.

Because they increase a company's capacity to provide high-quality services and hence increase revenue, good expenses are productive costs. Maintenance expenses for customer interactions and back-office functions are often positive expenses. Additionally, the expenditures associated with developing new products and services are instances of beneficial costs. It is clear that these expenses and increased external effectiveness are related. Unnecessary bureaucracy, thick middle and top management layers, overstaffed divisions, and overly difficult and time-consuming operational and administrative procedures all have negative consequences. Reduced bad expenses will increase internal efficiency, and at the same time, customer perception of quality and external effectiveness will either be neutral or sometimes even improve as a result of resource structure changes [7]–[9].

What often happens when management wishes to increase productivity, get better outcomes, or just lower expenses to make the company more competitive? Too often, the major goals are to reduce the expenses of back-office or service encounter activities. The management levels and other employees are unaffected. Compared to other areas of the organisation, operations expenses are significantly simpler to reduce. Cutting down on employee training, product development efforts, and external marketing initiatives is common when a company is having financial difficulties. Management reduces positive expenses while keeping the negative costs unaffected. This implies that although internal effectiveness may or may not increase, external effectiveness and consumer perception of quality may suffer, with an all too often unfavourable overall outcome. The company's condition is not better, and its standing in the marketplace has become worse.

Before any cost-saving measures are taken into consideration, it is important to make a clear difference between good costs, poor costs, and necessary expenditures. Even if the company is facing financial difficulties, excellent expenses resulting from initiatives like raising the abilities of customer-facing staff or investing in new technology in service interactions may need to be raised in order to maintain or enhance competitiveness. Costs for good shouldn't be reduced. Management should instead concentrate on cutting poor expenses. Profits are destroyed by bad expenses, not excellent costs. The identification of problematic expenses and their sources must come first. Second, steps should be done to reduce or eliminate unfavourable expenses. It is important to remember that expenses are not equal everywhere. A cost should not be eliminated or reduced until it has been determined whether it is beneficial or negative.

**A Productivity Model from Manufacturing Failures**

As previously indicated, implementing a manufacturing productivity model with its constant-quality assumption and focusing only on costs may provide challenges for a service organization and potentially have an unintended negative impact. The results of applying a manufacturing productivity model to the production of goods and services, respectively. It shows the manufacturing scenario. Due to the constant-quality assumption, it is reasonable to predict that while increased productivity is exclusively assessed as internal efficiency, the quality of the output, or the physical items, will not vary. As a result, the level of revenues is maintained, and thanks to improvements in internal efficiency, expenses are decreased and profits are increased. The figure's right side exemplifies what normally takes place in a service organization. Perceived service quality tends to decline when productivity gains are pursued via internal efficiency improvements without consideration for quality implications. The anticipated profit rise due to cost reductions is not realised since inferior quality likely results in lost sales. In the end, profit decreases rather than increases as a result of lost sales outweighing cost reductions.

The progress is not always as poor as seen above, however. Especially in cases where service organisations function bureaucratically, simplifying how the business is run may increase internal productivity and consumer perception of quality. The service interactions are then determined to have high costs as well. Using a productivity model based on manufacturing in this case may very well help both the company and its clients, increasing profits as a result. Additionally, when new technology for use in service processes is available, it is possible to increase perceived service quality while also increasing internal efficiency. Utilising the Internet, IT systems, and other digital tools might be strategies to advance to a new, more economical technological level. Customers may not always instantly see the benefits of new service procedures, as was the case with Internet banking, but ultimately most, if not all, consumer groups recognise the advantages of improved service quality brought about by the introduction of new technology. However, if the business continues to cut costs after streamlining outdated or bureaucratic service processes and/or implementing new technology, the issues with using a manufacturing model to boost productivity will start to emerge.

It is shown how difficult it is for a service company to increase productivity and increase profits. A manufacturing productivity model may be useful as long as the service procedures remain hazy and cumbersome or a new technology has not yet been deployed. Internal efficiency is increased, and since the clients of the company like the new technology or the simplified service procedure, perceived service quality rises as well. As a consequence, profits are increased while expenses are reduced and revenues are increased. However, a tipping point is ultimately achieved. The vertical dotted line in the picture, which represents the breaking point, signifies that the manufacturing-like scenario is no longer present and that future advancements call for new, service-oriented productivity ideas and models. If the company tries to cut costs more by increasing internal efficiency without paying enough attention to how the quality of its services changes, the economic outcome and profitability quickly begin to decline. Before the turning point was achieved, the acts that contributed to a favourable growth were ineffective. Perceived quality begins to decline beyond the turning point, as seen in the right portion. Before the output and the technical quality perception are affected, the service process and the functional quality perception are likely to suffer the most. As previously shown on the right side, when this occurs, further cost reductions sought beyond the turning point are quickly compensated by the lost revenues that come as a result of a declining service quality.

It's crucial for management in a service organisation to understand that even if conventional productivity models focused on manufacturing initially succeed, eventually a turning point is reached. When this happens, one must use fresh productivity ideas built on the traits of services and service processes. Otherwise, what began as a successful process for improving production and profit quickly devolves into a catastrophe. Managers are readily misled by the first seen positive outcomes since there don't appear to be any models that indicate when the turning point is achieved. One can only determine when a turning point has been passed and new strategies for productivity management are required by monitoring how consumers perceive the service process and the technical and functional quality of the service. Other indications that the turning point has been crossed include rising customer base churn and growing workforce discontent with customer interaction. A service-oriented approach to comprehending productivity in service organizations will be investigated.

## CONCLUSION

Productivity gains may also be fueled through cross-team collaboration and information exchange. Process standardisation, less effort duplication, and increased organisational effectiveness may result from encouraging cross-functional collaboration and developing forums for exchanging best practises and lessons learnt. For operational excellence, service quality, and competitive advantage, service organisations must manage productivity effectively. Service organisations may increase efficiency and provide their clients great customer service by harmonising workforce numbers, using technology, putting performance monitoring systems in place, encouraging innovation, and encouraging cooperation. It is possible to increase productivity, customer happiness, and overall company performance by making productivity management a strategic goal.

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# CHAPTER 4

# IMPROVE THE SUPPORTIVENESS OF SYSTEMS AND TECHNOLOGY TO EMPLOYEE AND/OR CUSTOMER CO-PRODUCTION

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**ABSTRACT:**

Enhancing service quality, efficiency, and customer happiness critically depends on how well systems and technology enable employee and/or customer co-production. This abstract emphasizes the benefits of encouraging employee and customer engagement in the co-creation of value and provides solutions for using systems and technology to promote and facilitate this process. Co-production is the term used to describe the active participation of both staff and clients in the design and provision of services. It acknowledges that consumers have important information, resources, and skills that they may use to improve the customer experience. Businesses may use their insights to co-create specialised solutions that cater to unique requirements and preferences by including consumers as active players. Businesses must first create a culture that fosters collaboration and appreciates the contributions of both parties in order to increase how helpful processes and technology are to employee and/or customer co-production. This entails enabling staff to actively include customers in service operations, cultivating a customer-centric culture, and educating workers to participate in successful communication and cooperation with consumers. Technology and systems are crucial in enabling employee and/or customer co-production. Digital platforms, tools, and interfaces that make it easy for people to share information and collaborate should be invested in by businesses. These technologies should allow for real-time communication, quick access to pertinent information and resources, and consumer input and feedback.

**KEYWORDS:**

Management, Manufacturing, Organizations, Productivity, Service.

## INTRODUCTION

Enhancing the co-production-supportiveness of systems and technologies via personalization is essential. Businesses should make advantage of customer data and analytics to customise service offerings, the user experience, and to provide suggestions that are unique to each customer. Systems and technology may help create a co-production process that is more personalised and interesting by comprehending client preferences and behaviour. Additionally, companies should give constant innovation and development in their technological infrastructure, systems, and infrastructure a high priority. Customer insights and comments are regularly gathered to assist identify areas that might be improved. Businesses may improve their systems to better enable co-production and react to changing consumer requirements by using developing technology, incorporating customer feedback, and integrating these ideas into existing systems. There are several advantages to increasing how well systems and technology enable employee and/or customer co-production. An increase in client happiness, loyalty, and advocacy is a result of effective teamwork. Customers who are involved in the co-production process get customised and creative solutions as well as a strengthened customer-business connection, as well as a feeling of ownership and loyalty [1]–[3].

**A Model for Service Productivity**

It is useless to create a definition of productivity for service organisations based only on the management of internal effectiveness and output quantity. A service productivity concept must include the management of external effectiveness of the quality of output due to the features of services and the service process. Because greater quality often translates into more sales and more revenues, and vice versa, managing external effectiveness and perceived service quality is an issue of revenue effectiveness. The management of demand or capacity efficiency is the third component of a service productivity model. This is due to the fact that, unlike makers of tangible commodities, service providers are unable to employ stocks to deal with oversupply or overdemand.

The external or revenue effectiveness may be removed from the productivity function since, in manufacturing, quality is thought to stay constant and as a result, no revenue consequences of changes in input will occur in product manufacture. Within certain bounds, even capacity efficiency may be reduced since businesses can employ inventories as a buffer between excessive demand and excessive supply. This is useless when used in service. The service process may be separated into three distinct stages from the standpoint of productivity:

1. The service provider creates services independently of the client.
2. Service is created via interactions between the service provider and the client.
3. Separate from the service provider, the client creates the service.

The first two processes are affected directly by the service provider-induced inputs, while the third process is influenced indirectly, for instance by supplying the infrastructure for service consumption, such in telephone communication. The second and third processes are directly impacted by the customer-induced inputs, while the first process is indirectly impacted by them by, for instance, supplying information to back-office operations. The internal or cost efficiency of the service process will be better the more effectively the service organisation uses its own resources as input into the processes and the better the organisation is able to educate and guide customers to provide process-supporting input to produce a given amount of output. From the perspective of the service provider, customer production of services has no direct impact on internal efficiency but has a significant influence on service productivity through customers' perceptions of service quality and their corresponding willingness to contribute to the firm's revenues.

The interactive component of the service process is influenced by both the service provider and the consumer, which results in an interaction-induced boost to productivity. There are two types of output from the service process: quantity output and quality output. Demand determines the amount generated. When supply and demand balance out, capacity utilisation or efficiency is at its highest level. If there is excessive demand, capacity is used to the fullest degree, but the output quality may suffer as a result. Demand that is lower than the capacity's potential production results in capacity efficiency that is less than ideal. The perceived quality of the service provided, for instance, may be high yet internal efficiency may be poor if the contact centre personnel is underutilised. In contrast, if a contact centre is understaffed, internal efficiency may be high but perceived service quality is likely to be bad since consumers will have to wait for their calls to be answered and staff members would only have a certain amount of time for each call. Additionally, they could not have the time necessary to provide helpful advise or address clients' issues, which would result in poor technical quality.

Due to the features of services, the output's quality may be seen in both the process and its results to some extent. Customers view quality as the functional quality of the service process and the technical quality of the output and they filter their experiences of these two quality aspects via the perceptions of the organisation. The external or revenue effectiveness will be greater, leading to increased service productivity, the more efficiently perceived quality is provided utilising a given quantity of input. On the other hand, if the perceived service quality declines as a result of the available input operating in a less service-oriented manner or as a result of resource structure changes that affect quality, external effectiveness is decreased and the firm's potential to generate revenue is decreased. The productivity of the service is negatively impacted by this.

In conclusion, internal effectiveness and the economical use of resources are two aspects of service productivity. The other is external effectiveness and the capacity to generate money after the use of resources. Additionally, a good effect on service productivity is provided by the effective use of resources to ensure that supply and demand are as evenly balanced as feasible. High service productivity demands that the three efficiency and effectiveness variables be combined in the best possible manner, as indicated by the service productivity functions at the beginning of this section. Reducing revenue effectiveness may have the reverse impact as cost efficiency is increased. On the other hand, increased internal efficiency brought about by innovative methods of supplying a service may very well result in higher quality perception, which would then boost the potential to generate revenue and external effectiveness while also lowering expenses. Additionally, it is necessary to consider how capacity is used.

The darkened portion of the diagram represents the region where the best service production is feasible. In order to increase external effectiveness and revenue-generating capacities, however, it may be necessary to reduce internal efficiency and cost efficiency. The best combination depends on the mix of revenue-generating potential and cost effectiveness that maximises the firm's financial performance while also taking into consideration the impact of potential capacity efficiency. In conclusion, the only useful productivity concept for managing productivity in service organisations is an integrated service productivity concept that recognises that the constant-quality assumption is false [4]–[6].

## DISCUSSION

Permanent Productivity Matters: The service provider may need to make investments in new technology and staff training to provide products of acceptable quality. This may result in longer-term cost increases than income increases, say for the first 12 to 36 months. However, managerial choices should not be made using this short-term viewpoint. There is a long-standing tendency in Western businesses to want immediate outcomes and to reject initiatives that only have long-term advantages and no immediate payoffs. This is a dangerous strategy, and it's best to steer clear of its unfavourable repercussions.

By using such a strategy, a company's long-term success might be compromised in the sake of short profits, sometimes without management or shareholders even being aware of it. However, a limited perspective may quickly result in a decline in the quality that consumers perceive, which in turn causes unhappy customers and lost revenue. When a company's standard external marketing expenditure has to be drastically increased in order to retain its market share, even this may not be effective in the long term. Decisions about management should consequently be made with the long term in mind. When quality concerns and short-term income are at odds, quality should always come first. Managers lose their long-term perspective when they concentrate only on the bottom line, making it impossible to make any necessary adjustments to the quality of the product. Better financial outcomes will follow if quality is prioritised first.

You cannot enhance a company's financial performance by just concentrating on money, as Patrick Mene, Corporate Director of Quality and TQM co-ordinator of the Malcom Baldrige Quality Award-winning Ritz Carlton Hotel Company, has observed. After, say, 12 to 36 months, an investment plan like the one shown in this section will likely pay dividends in more internally effective operations. A long-term strategy is needed to use the service productivity idea to increase productivity. Managers who are unaware of this tend to return to a manufacturer-oriented productivity approach, which increases the likelihood that they will make choices that are detrimental to the long-term viability of the company.

Applying the concept of service productivity: Increasing output and quality simultaneously. Contrary to popular belief, it has been shown here that it is incorrect to think that enhancing efficiency and raising service quality cannot be done at the same time. Every action taken to increase service productivity should be based on a thorough understanding of what good service quality is, as perceived by customers, and a similarly thorough analysis of the firm's processes and customer interfaces, as well as how the firm operates to produce that quality; which resources are needed and which are not, as well as how effective or ineffective the systems and routines used. It's important to distinguish between good and negative expenses and keep them apart. A solid foundation will be created for enhancing efficiency and quality concurrently in a service organisation when these two pieces of study are compared. Next, strategies for boosting service productivity and quality at the same time will be covered.

**Improve Technical S Kills of Employees**

Among other things, providing high-quality service requires that staff members execute tasks appropriately. The technical quality of the service process's final product will be compromised if they lack the necessary expertise. Customers will likely have to wait longer and take more initiative on their own to acquire an acceptable technical quality, and they will also likely perceive the staff' lack of expertise. The sense of the functional quality of the interaction process is diminished by all these features of contacts with the company. Productivity is also impacted by this lack of abilities, the need for remedial action, and the recurrence of tasks. Therefore, increasing a company's staff's technical abilities may be a way to boost both quality and production [7], [8].

**Attitudes and Employee Behaviour Ser Vice Orientated**

The functional element of perceived service quality is significantly harmed by staff members' unfriendly and negative attitudes and actions. Additionally, this has a negative impact on productivity. Due to their behaviour, angry consumers often cause issues for staff, which slows down the customer care process. Additionally, irate and disgruntled consumers may complain immediately or later, which adds unnecessary effort and reduces productivity. On the other side, service-oriented personnel improve quality perception and hence improve productivity. Of course, a productivity issue might arise if, for instance, personnel spend an excessive amount of time with each client, which does not benefit them even in the long term.

**Internal Valuations Supporting Good Productivity, Serc**

Service productivity may be negatively impacted by internal value systems in organisations that emphasise tradition, risk aversion, and behavioural inhibition.21 An approach to raising service productivity is to create internal values that, on the one hand, encourage excellent customer service and, on the other, educate staff members about the need of using resources wisely. Employees will also need to comprehend how their actions and behaviour in the service processes interact with their internal and external effec- tiveness. The process of developing internal values and culture is one in which managers and supervisors play a crucial role.

Customers, staff, or both may have issues if the operating methods and procedures are seen to be complex, tough to manage, or difficult to comprehend. For instance, efficiency and quality issues arise if a customer care helpdesk gets an excessive number of unsuitable phone calls, such as inquiries for general information. This makes it difficult for personnel to achieve customer service standards, which prevents them from giving clients the kind of attention they deserve. Customers often have to wait a long period for assistance. Both output and service quality have degraded. An acceptable solution in this case may be a front-end automated device that uses contemporary call-center technology to route phone calls to the proper recipient. Thus, there may be a positive impact on both productivity and service quality. Additionally, sophisticated self-service technologies that often malfunction and/or annoy customers hurt productivity. At the moment, self-service check-in at airports seems to be an illustration of this.

**The Servant Operation Becoming Industrial**

It had previously been proposed in the 1970s that service may be improved by using manufacturing-like ways of operations.22 Industrialising a service often entails replacing humans with automation and technology. Examples of this strategy include ATMs, insurance vending machines, online banking, online stores, and airport check-in kiosks. In certain circumstances, industrial testing is a suitable method of enhancing both service quality and output. This method of industrialising the service still works today when retail banks give ATMs to clients who want to withdraw money from their accounts with the convenience this affords yet offer human assistance when they want to discuss financial issues and prospects. However, issues may develop if industrialization is made available for all service types to all consumer groups under all circumstances, which is often the case. Internally measured productivity may rise, but service quality may fall, which might hurt the company's financial performance both immediately and over the long run. As a result, in order to minimise mistakes, industrialization as a strategy for increasing productivity and quality always calls for highly comprehensive internal as well as external quality impact-oriented evaluations.

**Using Digital Solutions, The Internet, And Information Technology**

The creation of service processes that need less resources from the service provider while yet being viewed by clients as having higher service quality is made possible by the Internet and other digital platforms and information technology. Electronic commerce, online shopping, and banking are a few examples of service processes with many input configurations that reduce costs while offering high quality services to a large number of clients. Another example of how an information technology-based resource structure may be utilised to save costs while still offering clients who like this kind of shopping high-quality service is TV shopping. Digital TV and mobile commerce-based communications have huge potential to provide comparable prospects.

**Improving Customer Participation in the Production Process of Ser Vices**

Examining the influence of the client on the service process is another method for enhancing efficiency and quality. In theory, there are two methods to do this. To start, additional self-service components may be added. It is crucial, therefore, that this is not done just for purposes of internal efficiency. Customers must understand the advantages of using self-service procedures. The perceived quality degrades if they cannot locate such advantages. Customers must be encouraged to participate in self-service components and must get rewards for doing so. Enhancing customers' involvement abilities is another way to increase productivity and quality while paying attention to customer engagement. Customers can lack clarity on what they are expected to say or do, how to complete papers, etc. This has a detrimental effect on the functional quality component and could also have an influence on the outcome's technical quality. Additionally, it takes up more of the employee's time to make sure that clients play their part in the service process. As a result, productivity is impacted. Customers who are more knowledgeable feel more confident, commit fewer errors, and need less unnecessary assistance from staff. As a result, they are happier with the service. The impact on productivity has two sides at once. clients speed up the delivery of services since they contribute to the process, and personnel may serve more clients, which also boosts productivity.

**Lowering The Mistaken Relationship Between Supply and Demand**

If demand is low, physical products can be maintained in stock, but services cannot. Service quality will likely be satisfactory in the later scenarios if the demand curve has strong peaks and matching troughs, but during peak hours too many customers present at once will cause lengthy lines, longer waiting times, less individualised attention, etc. In addition, production is poor since the company uses its resources inefficiently and too often. Therefore, addressing the imbalance between supply and demand is a strategy to increase productivity while also increasing quality. While using part-time workers may be one approach, it is not always effective. For instance, service quality diminishes permanently, both during quiet periods and during high periods, when stores switch professional sales clerks out for part-time employees who lack enough training, motivation, and supervision. An other strategy for balancing supply and demand is to make an effort to control the flow of clients. Using conventional marketing techniques, this may be accomplished by offering better pricing during quiet times and communicating with consumers to shift their purchasing patterns. There are additional techniques that may sometimes be employed in addition to these for enhancing service quality and productivity at the same time. Examples include lowering the service level, adding additional services, and replacing products with services.

**The Relationship Between Service Productivity and Learning**

Individual and business clients commonly maintain long-term relationships with service providers, and manufacturers that compete in the service market also maintain client relationships where a variety of services are offered as a whole. As a result, the success of the partnership typically affects the productivity of the service. Relationships are learning opportunities where the two sides get to know one another and learn how to communicate with one another to minimise mistakes, service failures, quality issues, information issues, etc. To put it another way, both the service provider and the client eventually learn how to prevent mistakes and issues that add to unneeded expenditures for both parties and detract from the perceived quality of the service.

A process of internal learning that increases efficiency may be shown by moving the top portion of the picture to the left. Because they know how to behave and, for example, what information input to supply, more informed consumers have what may be described as a shorter competence gap than customers at the beginning of the relationship. This makes it possible for more intensive customer involvement and co-production, which in turn boosts internal effectiveness and could also increase external effectiveness. The same learning process' impacts on increasing external effectiveness are seen by moving the top portion of the picture to the right. Customers are more aware of what to anticipate in detail, which increases the external effectiveness by better matching expectations and experiences. Additionally, it could increase internal effectiveness.

When a service provider knows more about a client, it may more effectively assess the customer's competence, permit more extensive customer engagement, and understand more about the customer's unique wants, desires, and expectations. These procedures enable the service provider to adapt to the needs of the client and take steps to increase both internal and external effectiveness. Due to this process of learning, the service provider may also strive to get consumers to utilise its service in a manner that smoothes out demand peaks and troughs and can modify its resources to take customer demand into account so that capacity more effectively matches demand. In this manner, capacity utilisation also improves.

An increase in service productivity is the final outcome. Longer client connections are desirable from the perspective of productivity since they allow for mutual learning. Due to the learning effect, service productivity will be poorer the more often relationships are strained and lost clients must be replaced. As a result, client retention is crucial for service productivity, which is a learning process.

**Productivity Management of Services**

Only very little of the service productivity hypothesis has been established. However, certain recommendations for managing productivity in service firms may be made. Although still relatively basic, these recommendations are useful for management:

1. The first step is to identify good expenses that improve quality and negative costs that keep bureaucracy in place in the service processes. Making choices regarding how to increase service productivity may be done using the information provided as a starting point. It is necessary to consider resources and procedures that have positive costs differently from those that perpetuate bureaucracy.
2. Then, in order to simplify these procedures and prevent double-work, explain and systematise those that include overlapping operations and unclear aims. In this approach, extra work that adds costs may be avoided, and consumers are likely to see the adjustment as improving quality. The opinion of functional quality is positively influenced by the customers' encounters with efficient service procedures.
3. If at all feasible, upgrade your technologies. The use of more cutting-edge technology in service operations may enhance clients' perceptions of service quality while also increasing internal business efficiency and reducing cost levels.
4. If at all feasible, bring activities that consumers find appealing and are eager to engage in into their domain. When self-service procedures do not seem like a needless sacrifice to the consumers, they boost their opinion of quality. Self-service will help the business become more cost-effective. However, for self-service to be effective, clients must embrace it and believe it improves quality.

All of these initiatives to boost service productivity are focused on boosting the service provider's internal and external effectiveness, which is what makes services productive. However, one should keep in mind that not all activities are necessarily immediately approved, especially those that demand clients to adjust their behaviour.

The need for customer education may exist. This new self-service procedure won't increase productivity, however, if consumers do not finally accept a recommended new position for them in the service process. Although it could save costs, it might also worsen the company's capacity to generate income and damage the company's reputation.

**Service Productivity Measurement**

The methods for creating tools for assessing service productivity will be covered in the later parts. As Parasuraman points out, there are very few measures for gauging service productivity as an integrated notion. Because there hasn't been enough study on how to quantify service productivity, no conclusive answers are offered. However, recommendations about how to approach problems and which way to turn will be provided.

The constant-quality assumption makes it very simple to estimate productivity in conventional manufacturing. A measure of output and a measure of input are contrasted. Productivity increases if the ratio increases after changes to the resources or resource structure employed in production. Similar measurements may be made at many stages of the whole service production process. Such partial productivity measurements include, for instance, the number of delivery trucks loaded in a warehouse each day, the volume of phone calls a contact centre can handle in an hour, or the proportion of seats in a restaurant that are filled at any given moment. They provide management with a picture of how well certain procedures work internally, which might sometimes be important information. However, it is never appropriate to use such metrics to assess the overall productivity of these procedures. The quality of the call's result and the time spent with consumers must constantly be measured in addition to metrics such as the number of calls received, for example. A measurement of how a given input in the form of resources and resource structures influences perceived service quality and the organization's capacity to generate money must always be included in productivity metrics for the service industry. Additionally, the efficiency with which capacity is used must be taken into account.

The development of a global or total productivity measure must take into account both cost efficiency and revenue effectiveness since service productivity incorporates both. Profit, of course, is a notion that takes both income and expenses into account. We come quite near to the profitability of the service operations when we take capacity efficiency into account. When there is too much demand, it affects quality and has a negative effect on revenues as well as expenses. Quality, production, and profit are intricately connected yet obvious. The relationship cost idea, which shows how better customer service may lower the service provider's cost level and have a beneficial impact on both revenues and expenses.

The figure is based on the observation that products and service activities usually always coexist together. Increased quality may be anticipated to have a variety of internal and external benefits, all of which boost production. The same benefits of increased quality also result in greater profitability. The left portion of the picture depicts the impacts of better quality on revenues, the centre section depicts the effects on costs, and the right section depicts the effects on capital utilised. Quality, productivity, and profitability, or the "triplets," as Evert Gummesson calls them, are all tied to the same thing the wellbeing of the organisation, even if they approach it from various angles.

As was said before, because productivity serves as a stand-in for profit, improving profit effectiveness and economic outcomes is the ultimate objective of productivity management. Theoretically, the best approach to gauge global productivity is to look at how shifting production inputs influence perceived quality, which in turn has an effect on profitability. The assumption of continuous quality in conventional manufacturing allows for the exclusion of impacts on revenue generation from productivity measuring tools. Measurements are thus simplified to cost-efficiency estimations. Effects on revenues must be taken into account in the context of services, where the constant quality assumption does not hold. As a result, gauging service productivity becomes more difficult. The methods for measuring service productivity will be covered in detail in the next part, along with ideas on how to create measurement tools.

**How to Create Instruments for Measuring Service Productivity?**

The customer's viewpoint must be included in a measuring tool because external impacts on perceived quality must be taken into account in service productivity. Considering the organisation from inside is insufficient. As a result, creating measurement models in service settings is undoubtedly more challenging than it is in conventional manufacturing, where focusing on internal efficiency is adequate. Partial productivity data may sometimes be helpful, as was previously said, but only complete or global productivity metrics offer accurate insight into how well a service provider is doing.

The conventional method of gauging production in general uses physical measurements. Historically, using physical measurements has been a common practise for gauging service output. This is understandable but inaccurate since there was no notion of service productivity in the past, forcing businesses to adapt the idea of manufacturing productivity. Combinations of physical and financial metrics have also been employed in an effort to address the apparent issues with employing physical measures in service operations. For instance, at a restaurant, the partial productivity of staff or physical outlets has been calculated using the income per service employee or restaurant seat. Total productivity has also been calculated using the ratio of clients served each period to operational expenses for the restaurant.

Physical measurements alone might be deceiving since neither cost nor income consequences are taken into account. Combination measurements are also deceptive since they either ignore cost considerations or don't take revenue consequences into account. The calculation of "process value productivity," which is the market value of what is produced minus the costs of the resources purchased, divided by the number of employee-hours per period used in the service process, is one proposed measure that is close to a pure financial measure. Other combinations of measures have also been suggested.

Typically, service productivity is not measured using just financial metrics. This is possibly due to the fact that it seems challenging to estimate the value of the service process' output. First, it is challenging to standardise output and determine a market value because to the diversity of manufacturing inputs and client involvement in the service process. Second, price changes make it more challenging to utilise financial output measurements. Sales are generated at a particular level by the perceived service quality that results from a certain resource structure as an input in the service process. The cost level, perceived quality, and the service provider's capacity to generate income all vary if the resource structure is altered. The ratio of revenues to expenses may be used to assess the impact of changes in cost efficiency and revenue effectiveness. This is an accurate measure of productivity in service businesses.

Productivity increases as revenues outpace expenditures. On the other hand, productivity increases even if a cost cut results in a loss of income as long as the revenue loss is smaller than the cost savings that were made. This may be a risky tactic, however, since it might eventually result in a bad reputation and poor word of mouth, both of which could further harm sales. Finally, revenue declines brought on by cost cuts can be greater than those caused by cost savings. If so, there is a reduction in service productivity. From the two formulas above, service-oriented productivity measurements should be developed. However, it is important to keep in mind that there are issues with financial measures that should be taken into consideration. Since pricing does not always represent perceived service quality, revenue is not necessarily a reliable indicator of production. Correctly allocating capital expenses to related revenues may also be challenging. The benefits and drawbacks of using revenue to cost ratios to gauge service productivity.

## CONCLUSION

In order to improve service quality and customer happiness, procedures and technology must be made more supportive of employee and/or customer co-production. Businesses can use the collective knowledge and resources of both employees and customers to co-create value and provide exceptional service experiences by fostering a collaborative culture, investing in user-friendly systems, personalising the user experience, and continuously improving technology infrastructure. Co-production may be enabled via systems and technology, and doing so can boost consumer involvement, loyalty, and ultimately economic success. In conclusion, since the continuous quality assumption does not hold true for services, service productivity is far more difficult to understand than typical industrial productivity. The productivity measurement quick cuts that are often utilised in conventional manufacturing cannot be applied in service. Examples of such short cuts include employing physical and combination metrics as well as removing revenue measures from the productivity calculation. To comprehend and measure productivity, service organisations must go through a lengthy process.

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# CHAPTER 5

# MANAGING MARKETING OR MANAGEMENT WITH A FOCUS ON THE CUSTOMER

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**ABSTRACT:**

Enhancing operational effectiveness, service quality, and overall company success all depend on the management of productivity in service organisations. This abstract emphasises the importance of controlling productivity in service organisations and describes crucial tactics and procedures that may be used to maximise output. Enhancing production and value from existing resources, such as human capital, technology, and procedures, is the goal of productivity management in service organisations. Due to the intangible nature of services and the fluctuating nature of consumer needs, unlike manufacturing sectors, service organisations have specific hurdles in gauging and enhancing efficiency. In order to increase efficiency in service organisations, technological solutions must be used. Process streamlining, manual error reduction, and reaction time improvements may all be achieved via automation and digitalization. By providing consumers and staff with effective tools and resources, using customer relationship management (CRM) systems, data analytics, and self-service choices may further increase productivity. Key performance indicators (KPIs) and performance measurement systems should be used by service organisations to monitor productivity levels. Organisations may create goals, pinpoint improvement areas, and put plans in place to maximise productivity by routinely monitoring and analysing performance data. Methodologies for continuous improvement, like Lean Six Sigma, may be helpful in identifying and getting rid of waste and inefficiencies.

**KEYWORDS:**

Business, Marketing, Management, Service, Strategy.

## INTRODUCTION

Service organisations should give personnel planning and management top priority if they want to manage productivity efficiently. To reduce bottlenecks and guarantee effective resource allocation, this entails matching employee numbers and competencies with customer demand trends. Investing in staff training and development programmes also improves service delivery, strengthens skill sets, and boosts overall productivity. Additionally, encouraging an innovative and engaged workplace culture helps increase productivity. Employee ownership is cultivated and their ability to contribute to greater productivity is boosted when they are encouraged to share ideas, provide feedback, and take part in process improvement projects. Employee motivation is increased and overall productivity is raised when high-performing individuals or teams are acknowledged and rewarded [1]–[3].

To create promises and locate clients, full-time marketing professionals are needed, but without skilled part-time marketers, promises won't be honoured, and the whole marketing process fails. The nature and components of the marketing process of a service firm will be covered in this chapter. The typical concept of marketing management may not be applicable when it comes to services, as the chapter title suggests. The breadth and substance of the whole marketing process are thoroughly examined, and a relational approach to marketing is offered. The customer relationship lifecycle, interactive marketing, and part-time marketers are all highlighted. A relationship marketing approach is also offered. On a continuum of marketing strategy, two forms of marketing strategies relationship marketing and transaction marketing are evaluated, and their consequences for management and marketing are investigated. Finally, it is argued that marketing management in the conventional functionalistic sense is not the best way to describe marketing for services. Rather, marketing is better described as market-oriented or customer-focused management. After reading the chapter, the reader should be able to identify the purpose and range of marketing in the context of a service organisation, recognise the significance of the interactive marketing process to the service organization's overall marketing process, and comprehend the characteristics of a relationship marketing approach and the effects of implementing a relationship marketing strategy for a company.

Marketing's Purpose and Area of Effect

There are four basic steps in the marketing process:

1. Using data from databases on individual consumers as well as market research and segmentation analysis, one may understand the market and individual customers.
2. In order to choose market niches, segments, and specific consumers.
3. Whereby marketing initiatives and campaigns may be designed, carried out, and monitored.
4. Additionally, to set up the organisation for the effective implementation of marketing strategies and activities.

The so-called marketing idea, which characterises marketing as a philosophy, is the foundation of this strategy. According to this idea, the business should base all of its operations on the requirements and preferences of certain target markets. Nevertheless, it goes without saying that social constraints must be acknowledged. This is sometimes referred to as a market-oriented approach, as opposed to a production-oriented view, where the firm's operations are focused on using the technology, goods, or manufacturing methods that are already in use. Traditionally, the fourth component of the marketing function is left out. Usually, it is assumed that once marketing choices have been made, they will be carried out as intended. But this could be a risky assumption. Particularly in the service industry, where both product producers and service organisations adopt a service logic, marketing programmes and activities must be promoted inside to people who will be responsible for actively implementing them outside.

Traditionally, marketing has been seen as a distinct job handled by professionals working in a marketing department or a marketing and sales department. With a few notable exceptions, the majority of the organisation does not have any responsibility for consumers or marketing. Employees in other departments are not sought out or taught to prioritise customers and marketing, and they are not managed in a manner that would make them feel accountable for marketing or for consumers. Such a strategy requires that the only individuals who can affect how consumers see the company, their preferences, and their purchasing behaviour, are marketing professionals. This has always been the case in many scenarios involving consumer packaged products, where consumption may be primarily characterised as result consumption. Only marketing experts are required if the product is a pre-made item that does not need service or any substantial client interaction. Effective packaging, advertising campaigns, price choices, and distribution strategies made by marketing professionals provide positive outcomes.

According to the majority of marketing texts, the conventional setting for marketing. The arrow going up denotes that market research is how the marketing experts learn about the market. The descending arrow depicts how marketing operations are planned and carried out. However, as soon as we go outside of the realm of consumer packaged products, fresh components enter the buyer–seller interaction. Numerous durables need shipping, installation, resolution of grievances, and servicing. As soon as this occurs, the conditions of no longer applicable since the consuming process is beginning to exhibit an increasing number of process consumption characteristics.

Service increases the company's and the customer's interaction. This was initially brought up in 1974 by John Rathmell in a book on service marketing. Additionally, the consumer now actively participates in the process of producing the service rather of acting in a passive manner. The same often holds true for industrial or business-to-business marketing. It is crucial for businesses involved in business-to-business marketing to comprehend service competitiveness, service management, and service marketing as more services are provided or actively employed as services in client interactions [4]–[6].

## DISCUSSION

There are several approaches to approach the topic of marketing. Too often, marketing is seen as just a collection of tools and approaches, typically in the context of the marketing mix. This is a risky approach to introduce marketing to any company, but it's particularly risky for service companies. If marketing is seen as a collection of tools, marketing will always be the exclusive domain of a team of marketing experts who are knowledgeable with and skilled in using these technologies. Although the remainder of the company may have client interactions, they are not focused on their customers' needs and wants and are not concerned with marketing or the firm's customers.

Many people have referred to marketing as both a philosophy and a trade. By concentrating on the techniques and instruments of marketing, one is focusing on the art of marketing. But we must consider marketing in a far broader framework. If operations employees or delivery workers don't keep their end of the bargain when it comes to campaign promises, even a well-designed and executed advertising campaign won't produce positive effects. If this occurs, the tool may have been utilised well when viewed apart from other organisational operations, but the marketing purpose is still unsuccessful. There are at least three layers to marketing: Marketing is a method of thinking and a philosophical approach. Marketing is a method of coordinating a company's numerous departments and procedures. Marketing is a collection of resources, methods, and pursuits to which consumers are exposed.

as a method of thinking, marketing. In an organisation, marketing is first and foremost a philosophy, attitude, and style of thinking. This ethos, or the marketing notion, must direct all of an organization's personnel as well as its operations and functional divisions. Everyone, from senior management to the entry-level employees, must comprehend and embrace it. As a result, marketing need to start with a mentality. This is the cornerstone of effective marketing, and it ought to inform all decisions.

It should be highlighted, nevertheless, that there are other perspectives that should be considered while making decisions in addition to the customer's viewpoint. For instance, it is important to remember the desires and economic realities of different stakeholder groups. Additionally, it's important to take into account technical advancement and what is sometimes referred to as "product or production orientation." Product origination often doesn't benefit a company. Customers, on the other hand, are not always able to predict the expected future improvements of goods and services based on technology advancements, making this viewpoint, in certain circumstances, more significant than the consumer perspective. For instance, buyers did not want smartphones in the mobile phone industry. Product development does not always get adequate guidance from market research. Obviously, when there are quick or challenging technical advancements, this is of utmost importance. For instance, depending only on marketing research, text messaging and microwaves had not yet been invented. This wasn't mentioned as a necessity by anybody. Instead, these new methods of cooking and communicating were made possible by the knowledge and creativity of engineers and other experts. Of course, whether an invention succeeds or fails in the end depends on the consumers. Organising via marketing. Second, a suitable organisational structure for the business is necessary for effective marketing. It is necessary for several departments engaged in making and keeping commitments to be able to coordinate plans and exchange notes. Traditional conflicts and a lack of desire to work together across divisions are two instances of how businesses are not set up for effective marketing. Businesses where there are such turf wars lack a marketing mindset across the company, and from the perspective of the consumer, good marketing is likely not to be executed.

Customer-focused practises will be used for some aspects of customer connections, which are typically standard marketing and sales activities. The management of other aspects of the relationships, often those that involve contacts with consumers, will be poorer, frequently much worse, and as a result, the overall marketing impact or how effectively customer connections are managed over time, will be worse. For instance, clients spoke of a "tail-light or rear light syndrome" in a study of the interaction between the pulping sector and providers of goods and services to businesses in that industry. They said that as long as contract talks went on, the supplier and especially the salesperson showed interest in the clients and their wants and needs. When the transaction was finalised, the consumers believed they only saw the salesman and the supplier's "tail-lights" or "rear lights" as they drove away. Following that, they were handled by divisions like delivery, billing, and claims handling that seemed to lack a customer focus and hence did not appear to think highly of the customers.

Businesses cannot afford to retain organisational silos and departmental barriers in the current competitive environment. The organisational solutions must promote the adoption of the marketing philosophy and it must be disseminated across the company. Top management must monitor and integrate a set of concepts called marketing throughout the whole organisation. As a result, marketing becomes a major management concern. A company may often rely on a network of partners to help it handle the challenges of its clients. The management of this marketing mindset in such circumstances often becomes trickier. As virtual or network organisations expand, additional obstacles to fostering this marketing strategy appear. a range of tools and actions used in marketing. Finally, marketing is a collection of methods, strategies, and actions. Of course, because buyers are exposed to it, this is a crucial component of marketing. But this is also the cause of a great deal of confusion in many real-world scenarios, where marketing as a phenomenon is mostly or solely seen as these tools, and primarily as marketing mix instruments developed and put into action by marketing professionals. In actuality, numerous company departments' actions have an impact on marketing.

**Marketing Objectives and Degrees of Customer Commitment**

Traditionally, getting consumers and making sales have been seen as marketing's primary goals. This technique is known as transaction marketing. The significance of client retention has been highlighted by relationship marketing studies for more than 40 years. Service organisations should generally adopt a different strategy than a transactional one since services, with their often ongoing contacts between the service provider and its clients, are essentially relational in nature. Marketing efforts should focus on maintaining and expanding existing customer relationships as well as attracting new clients, which is usually more important. Consequently, three tiers of marketing goals may be found:

1. Obtain clients.
2. Keep clients.
3. Customer connections to grow your consumer base.

The first level is what transaction marketing attempts to accomplish. Customers are addressed by activities aimed at client acquisition, such as advertising campaigns, price offers, or sales calls, even if they have already made purchases from the same source. Every new purchase functions as a test buy. In circumstances when there is frequent interaction between the company and its customers, the company might try to expand its customer relations throughout service operations in a manner that has a positive effect on the consumers and encourages them to keep buying. This necessitates that all workers who engage with consumers have a customer-focused attitude. This is known as interactive marketing, and it will be covered in more detail in a later chapter section. In this manner, the business is able to continuously acquire a portion of these clients' sales in a certain sector.

It's crucial to understand that, despite the fact that these consumers seem to be in a relational mode, a true connection may not really exist. These consumers seem to be relational because of their consistent buying habits, but in reality, they may only have a non-committal relationship with the business3. Their actions could be motivated by a lack of alternatives. A store could be the only one who is currently conveniently positioned, or an equipment provider might be the only one who currently has the necessary technology available. The consumer could leave as soon as an option with a better or equivalent location, a better pricing, or greater technology enters the picture.

The third level, where the customer feels emotionally committed to the company and where the company has also succeeded in capturing "a share of the heart and mind" of such a customer, is where a true customer relationship has emerged, where the customer feels a relationship of trust and some degree of emotional connectedness with the company. This reduces the likelihood that the consumer would shop elsewhere, but it does not rule out the possibility that they may one day discontinue doing business with the specific company. The company must use a relationship marketing strategy to reach this third level. The distinctions between a transactional and relational approach to marketing are covered in depth in the section that follows.

**The Lifecycle of Customer Relationships**

Customers are much too often regarded and seen as a faceless group. Numbers are used to describe customers. There are always fresh customers to replace those who quit being ones. However, from the perspective of the consumers, every single buyer creates a latent connection with the seller that the business should cultivate and sustain. Customer connections must be earned; they do not simply appear magically. The same is true of interactions with suppliers, distributors, and other partners. Viewing the growth of a client relationship as a lifecycle may be helpful. the idea of the lifespan of a customer relationship. The lifecycle contains three fundamental phases:

**The First Phase; The Buying Phase and The Consumption Phase**

A prospective client who is not familiar with a business or its products is at the beginning of the lifecycle. If this person, or an industrial client, has a need that he believes the business may be able to meet, the client may learn about the service offered by the business and proceed to the second stage of the lifecycle, the purchase process.

The prospective consumer assesses the service in light of what he needs and is willing to pay for throughout the purchase process. The consumer chooses to test the service if the procedure' conclusion is favourable, thus he makes his first purchase. This moves the client into the consumption process, the third stage of the lifecycle. The client may watch this process to see how well the company can handle his issues and give service, which the customer believes to be of a certain degree of outcome-related technical and process-related functional quality. It is more likely that the customer connection will continue and a new or longer consuming or use process will occur if the client is happy with the perceived quality and thinks the value it allows is good enough.

The consumer has the option to exit the circle at any time or to continue within it and go on to the next level. The consumer has two options after the consumption or use process: they may depart or elect to keep utilising the service provider. It goes without saying that the company's marketing activities will affect the choice the consumer chooses. Depending on what stage of the customer relationship lifecycle the customer is in, the goals of the company's marketing plan and the marketing tactics to be used change. In order to manage a given customer's relationship as efficiently as possible, the company should be aware of where a given customer or one of its various target customer groups is in the customer relationship lifecycle, as well as which resources and activities are effective from a marketing perspective at the various stages of the lifecycle.

A customer's lifecycle stage has significant marketing repercussions. Each stage will have a distinct marketing purpose, kind of marketing, successful marketing tools, and activities. The first marketing goal is to generate curiosity in the company and its service. The general curiosity should be directed to sales in the second stage of the purchase process by making promises that the prospective consumer would accept. The prospective client should understand that it is wise to embrace the firm's claims about its upcoming providing of problem-solving services. The client should have favourable experiences with the company's capacity to solve his difficulties throughout the consuming process. At this point, the commitments that the client accepted need to be kept. Re-sales, cross-sales, and long-lasting client connections should thus be accomplished.

**A Model for Managing the Customer Relationship Lifecycle**

Let's look at the efforts of a transportation firm that provides sea transportation as an example of long-term management of client connections. The company provides transportation services as well as conference planning for enterprises and other organisations. It also does business with other firms. The management of client relationships for conferencing services is shown in this example. The business makes an effort to pique prospective clients' interest in itself as a potential conference organiser via advertising, other promotional events, its website, and sporadic personal selling. Additionally, the business mainly depends on referrals, social media, and word-of-mouth to sway new clients and promote the notion of utilising its ships as conference venues. In this early stage, word-of-mouth advertising via a variety of channels and indirect promotion based on the company's reputation support the majority of the marketing efforts.

When a prospective client approaches the transportation business, efforts are more intently focused on the particular procedures and requirements of that client. The buying procedure begins. At this point, a conference service that fits the client's requirements and conference budget must be created. Here, the process' output—accepted commitments and a first purchase—is mostly the outcome of personal selling efforts. The salesman has to determine the customer's true desires after having defined the customer's conference-related procedures. At this stage, success depends on his ability to bargain. Instead of just a minimal budget design that may first appear to meet the client's expectations but will ultimately be disappointing, the customer should be supplied a conference design that will please him both during and after the conference.

If the sales process is effective, the prospective client will purchase a conference service and accept the promises provided by the transportation company. However, after a choice has been made to make a purchase, the company cannot cease taking the consumer into account. Throughout the process of consumption or use, the client connection must be handled with the same level of care. There are many "moments of truth" or "moments of opportunity" that happen when the conference service is eaten, experienced, and generated at the same time. Moments of truth must be handled well in order to avoid service quality decline, client loss, and missed chances for new business. The business makes an effort to provide a service that meets the client's expectations. The customer's perception of the company's ability to successfully organise conferences depends heavily on the conference facilities, food and lodging arrangements, and the look and performance of the staff on board.

The company tries to ensure that the customer, the conference participants, and other passengers leave the ship in a state of satisfaction and with a favourable impression by appropriately designing the conference facilities as well as other aspects of the servicescape6 - for example, cabin design, access to the Internet, telephones, and computer equipment - and by conducting internal training programmes to improve the customer-oriented performance and service-mindedness of its employees. The possibility that the client and conference attendees will return rises as a result. Additionally, it is anticipated that they will have a significant influence on prospective clients through social media and word-of-mouth, raising interest in the company and its service [6]–[9].

## CONCLUSION

Productivity gains may also be fueled through cross-team collaboration and information exchange. Process standardisation, less effort duplication, and increased organisational effectiveness may result from encouraging cross-functional collaboration and developing forums for exchanging best practises and lessons learnt. For operational excellence, service quality, and competitive advantage, service organisations must manage productivity effectively. Service organisations may increase efficiency and provide their clients great customer service by harmonising workforce numbers, using technology, putting performance monitoring systems in place, encouraging innovation, and encouraging cooperation. It is possible to increase productivity, customer happiness, and overall company performance by making productivity management a strategic goal.

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# CHAPTER 6

# A DEFINITION OF MARKETING

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**ABSTRACT:**

Understanding the goal and breadth of the sector is based on a definition of marketing. This abstract examines the importance of defining marketing and emphasises crucial components that go into a thorough description. Organisations may align their plans and operations to successfully engage consumers, generate value, and accomplish corporate goals by defining the fundamentals of marketing. Marketing may be characterised as a multidimensional discipline that includes a variety of actions intended to create, provide, and exchange value in order to meet consumer wants and accomplish organisational objectives. Understanding consumer behaviour, seeing market possibilities, and creating plans to provide excellent client experiences are at the heart of marketing. A core component of marketing is customer orientation. It acknowledges that the consumer is at the centre of all marketing initiatives. Organisations may adjust their offers to fit particular requirements and provide value by getting insights into consumer preferences, motives, and goals via market research and data analysis. Effective marketing requires an understanding of client categories and appropriate audience targeting. Another crucial component of marketing is value generation. It entails creating goods, services, and experiences that satisfy consumer requirements and provide both concrete and abstract advantages. Functional qualities, emotional ties, societal influence, and financial rewards may all be considered to have value. Delivering value propositions that set the company apart from rivals and appeal to consumers is the main goal of effective marketing tactics.

**KEYWORDS:**

Business, Marketing, Management, Service, Strategy.

## INTRODUCTION

In marketing, communication is crucial. To reach and engage target audiences, it entails developing appealing messaging and using a variety of media. Effective communication increases awareness, shapes perceptions, and motivates client behaviour. To convey consistent and effective messages, integrated marketing communication strategies make use of a variety of touchpoints, such as social media, digital marketing, public relations, and advertising. In addition, marketing is a continual activity that calls for constant observation, evaluation, and change. In order to find opportunities for improvement and optimisation, it entails obtaining client input, monitoring market trends, and analysing marketing effectiveness. Marketing plans must adapt quickly to changes in consumer tastes, the competitive environment, and technology developments [1]–[3]. Before examining different marketing strategies, two fundamental marketing presumptions must be established. These fundamental principles for the growth of marketing are virtually axiomatic:

1. Marketing resources and activities are those of a company that have an impact on a customer's preferences and habits, regardless of the organisational process or department they are a part of.
2. A company's consumers choose which of its resources and activities are marketing resources and activities, not the company or its marketers.

Although these presumptions appear obvious, they are seldom, if ever, clearly stated in the marketing literature. And they are most often broken in marketing planning. They are somehow hidden beneath the much more abstract marketing idea that states a company's decision-making process should begin with the requirements and wishes of its consumers. The fundamental goal of marketing is to make a company important to its clients by connecting it to both existing and future clients. Regardless of current planning or organizational and funding frameworks, marketing pursues these goals. In the end, consumers are the only ones who can determine what affects them and which of a company's resources and actions affect their preferences. What affects consumers will differ from sector to sector, company to company, circumstance to circumstance, customer to customer, cultural context to cultural context, and even sometimes. As a result, a marketing strategy cannot be built on a set of preset areas for making decisions. In addition to not being applicable to all customers or customer groups in all circumstances, such a list would also grow out of date as conditions changed.

Generic perspectives of what marketing is and how it might be defined will be provided before we explore and contrast a traditional and a service-oriented marketing strategy in the next sections the marketing mix and relationship marketing. They are founded on the idea that marketing is a process that supports values, which is now thought of as the primary motivation for marketing. As a marketing philosophy, the following statements may be made: Top management must monitor and integrate a set of concepts called marketing throughout the whole organization. Everywhere encounters with internal or external clients take place inside an organization, a marketing mindset has to be ingrained. Therefore, because marketing exists outside of the team of marketing professionals inside the marketing department, only senior management can be held accountable for the development and upkeep of such a customer-focused mindset.

On the broadest scale: The ultimate goal of marketing is to give the company significance in the eyes of its clients. Of course, this applies to all organisations and stakeholder groups. The company should demonstrate to its clients that it is in fact helping their daily operations and, in the end, their life or business in a value-creating manner. This is accomplished by putting the customer first throughout the company, which causes the whole operation to run in a service-focused, customer-centric manner. The company gains significance for its consumers in this manner.

On a more direct level, the following marketing objective may be deduced from the definition of marketing stated above: The purpose of marketing is to include the company in the activities of its customers in order to assist value creation in those processes, and eventually in the customers' life and business operations, allowing the company to capture value. In order to assist the customers' processes in a manner that is valuable to them, a company must be engaged with the processes of its customers. The following, even more detailed description, which is based on a promise management approach of marketing, further captures how the company might interact with its consumers to help their value creation: Marketing, which has a strong customer focus and permeates organisational functions and processes, aims to make promises through value propositions, enable the fulfilment of personal expectations generated by such promises, and satisfy these expectations by supporting customers' value-creation processes.

This supports value creation in the firm's processes as well as those of its customers and other stakeholders.

## DISCUSSION

A value proposition is a promise made by a company outlining the advantages or value a consumer might anticipate from using and purchasing this company's goods. Value promise and value proposition are essentially synonyms. The McKinsey Corporation first used the phrase "value proposition" to describe a notion that should direct and support all activities taken by a company while engaging with and giving value to consumers. It's crucial to understand that a value proposal is simply that a proposition and does not represent actual worth. The phrase "value proposition" has recently been used often in the literature on services and marketing [4]–[6].

For instance, the customer relationship lifecycle model illustrates the significance of completing value propositions, or upholding promises made at the beginning and purchase stages, via value-supporting behaviours throughout the consuming stage. Customers will perceive a poorer level of service quality, feel dissatisfied, and perhaps depart if promises made are not met. The promise management definition says nothing about how promises are produced, made possible, and maintained via the fulfilment of expectations established by promise making since how marketing is implemented depends on the circumstances at hand. Context dictates how decisions about resources and actions are made. However, this is how it works conceptually:

**Making Promises:** The primary methods for making promises in conventional external marketing operations are pricing and price offers, product design and packaging, sales, and marketing communication and promotional efforts.

Keeping promises through the fulfilment of expectations: How well promises are kept depends on how customers use and interact with resources and processes, including products and service processes, as well as hidden services, service employees, technologies, and systems. They also depend on how well they support value creation in those processes, as well as in life and business processes.

Making and maintaining promises is made possible by putting together the right resources for the activities that provide value for the customers, such as service and product development, resource and system development, and internal marketing. Internal marketing seeks to make sure that staff who interact with customers are motivated, have the necessary skills and knowledge to operate in a customer-focused manner, and know how to effectively maintain promises.

**Setting up this objective as promise management:**

Marketing, which has a strong customer focus and permeates organisational functions and processes, aims to make promises through value propositions, enable the fulfilment of personal expectations generated by such promises, and satisfy these expectations by supporting customers' value-creation processes. This supports value creation in the firm's processes as well as those of its customers and other stakeholders.

### Marketing Is Defined as Using the Marketing Mix Approach

We shall talk about how marketing in practise may be handled in the service market in this and the next sections. The conventional literature on marketing management, which is mostly directed towards consumer goods situations, translates the marketing idea into marketing in practise. This subject is covered in several textbooks. The marketing mix is, by far, the most important aspect of marketing in this strategy. The marketer designs numerous competitive strategies and incorporates them into a "marketing mix" to optimise a profit function based on the items profit rationale. In the 1950s, Neil Borden gave a list of 12 elements as a general guideline for the marketing mix but noted that they would likely need to be reevaluated in every particular circumstance. With four standardised categories of marketing factors, the marketing mix was quickly recast as the "4Ps."

The four Ps stand for product, location, pricing, and promotion. According to a later definition from 1985, marketing is defined as the process of planning and carrying out the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges and satisfy personal and organisational goals. Marketing researchers have discovered over the past two decades that the list of the 4Ps is too limited and have proposed additional categories of marketing variables, most frequently in the form of additional "Ps," such as people, processes, and physical evidence as well as public relations and politics. As a result, the American Marketing Association made two efforts to update this definition in the 2000s. Although the significance of value creation and marketing as a process is acknowledged, a marketing mix toolkit still casts a shadow over the definitions that arise.

The marketing mix approach's concept of marketing is analogous to utilising a list of tool or tool categories as the definition. Such a definition of a phenomena can never be regarded as the most accurate. A list is never going to be comprehensive, it won't work in every circumstance, and it will eventually become out of date. The definition is not fundamentally improved by adding more Ps to it. A sign of the marketing mix approach's inadequacy and proof that it has failed as a generic marketing model is the need to include additional categories of marketing variables or Ps. Additionally, the marketing mix strategy is an inside-out oriented concept in which controlling marketing mix factors is readily prioritised above comprehending the routine activities and procedures of the target market. Instead of being subjects with whom and for whom solutions are made, customers become objects for the marketer to whom something is done. However, in many situations, such as for consumer packaged goods when the commodities are standardised, it may very well be useful. The marketing mix and its 4Ps constituted a successful marketing strategy in the post-World War II competitive environment, with rising demand and expanding markets.

Many components of the marketing mix toolbox are still crucial in a relationship-based marketing strategy since they contain characteristics like promotion and price, which are obviously significant in the service market. However, the marketing mix technique, as a general marketing strategy, and particularly outside the consumer products sector, virtually every makes a business important for its consumers anymore, and since all other stakeholders rely on the firm's customers, this does not make the firm relevant for them too. The inadequacies of marketing mix management and its 4Ps are becoming apparent in an environment where service competition predominates, markets are getting more mature, and rivalry is growing fiercer. In actuality, marketing serves as the beginning point of this strategy as a preset collection of decision-making domains; other decision-making domains fall beyond the purview of marketing. The customer relationship lifecycle model, for instance, highlights the process component of marketing, which is usually ignored. When carrying out a promotional campaign, for instance, marketing activities may be considered as procedures, but the firm's connection with its clients is not [7]–[10].

In addition, even though it is not inherent in conventional models, marketing has evolved into a role that supports other company operations, is handled by a different team of marketing experts, and is typically structured as a marketing department. The frequent usage of the terms "marketing" and "marketing department" interchangeably in marketing literature is symptomatic. A marketing technique is often used to manage the customer connection, but only to the degree that marketing professionals are engaged.

Ironically, the marketing department's full-time marketing professionals, who by definition have a marketing mindset, are the ones who usually have little to no consumer touch. Customers are often interacted with throughout the consumption or use stage of the customer relationship lifecycle by people who typically lack marketing skills and real customer interest. These shortcomings in the marketing mix management strategy might lead to the following conclusions:

1. Because marketing is now handled by marketing professionals, it is difficult to inculcate a marketing mindset across the board.
2. Due to a lack of marketing training in a significant portion of the organisation, the customer's interests are only given top priority in certain phases of the customer relationship lifecycle, whereas during the consumption or usage phase, the relationship is managed by staff who lack a customer focus and who fail to properly take into account the needs of the customer.
3. Marketing and marketing planning have also been focused with making and fine-tuning judgements that, according to the marketing mix, are regarded marketing decisions as a result of the marketing mix's decision variable orientation. At the same time, the process of guiding clients through the relationship lifecycle and making sure they remain in it is ignored, which may necessitate include other decision-making areas in marketing strategy as well.
4. Finally, both of the 'ground rules' for marketing outlined above are broken as a result of the three reasons made above. The marketing mix method typically falls short in the service competition, especially for service organisations and in business-to-business markets, of include all resources and activities of the phases of the customer relationship lifecycle. There are many interactions between the service provider and its client that fall beyond the conventional marketing role as outlined by the 4Ps of the marketing mix. These interactions are particularly prevalent throughout the consuming phase. Operations and other non-marketing divisions are in charge of overseeing and running these interactions. However, these interactions whether they involve a buyer-seller relationship or customer service have a significant influence on customers' future purchasing decisions as well as on reviews posted on social media and word-of-mouth so they have marketing implications and should be treated as such.

**Marketing definition: a relationship-based approach**

The relationship view on marketing and the management of customer connections as marketing. It was highlighted that the marketing viewpoint matches the service industry's competitive environment well. The marketing idea, which serves as the fundamental theory driving marketing in practice, is still valid, but the customer viewpoint has to be emphasized much more in terms of what the consumer values. Marketing should be defined in a service-based, relationship-oriented fashion in order to make businesses relevant to their consumers and provide them the ability to interact with their operations in order to assist their value creation. The following is a related definition of marketing. To achieve the goals for economic and other factors of all parties, the aim of marketing is to discover and build, maintain and strengthen, and when necessary, terminate connections with clients. This is accomplished by both parties making and keeping commitments. Although they are often long-term, such partnerships are not always have to be. Although we are mostly talking about customer connections in this context, the same strategy may be used when working with other parties including suppliers, distributors, co-producers of consumer solutions, financial institutions, and decision-makers in politics. To provide its clients with suitable solutions, a company would need to forge connections with such parties.

There are various definitions that are similar to the one provided here in the relationship marketing literature. An outstanding review of the debate around relationship marketing definitions in the literature and the field of relationship marketing is provided by Parvatiyar and Sheth. A somewhat different definition, but one with the same process perspective, has been offered by Evert Gummes-Son: relationship marketing is marketing as connections, networks, and interactions.

This definition highlights the important phenomena in marketing from the perspective of relationships, the crucial connection processes, and the frequent use of networks of cooperating partners in relationship marketing. These definitions do not take into account the notion that trade is the central occurrence in marketing. Although trade still occurs, concentrating on it makes marketing transaction-oriented and diverts the marketer's attention from what is most important, namely the interactions with clients that develop relationships in which exchanges sometimes occur.

Long-term customer ties signify that a company's primary goal in marketing is to build long-lasting connections with its clients. Short-term sales based on transaction marketing may, of course, be lucrative in certain circumstances. However, maintaining consumers over the long term is often essential to a successful firm. Transactions involving commodities, services, information, knowledge, or any other item of value to the customer must occur in a relationship. The initial transaction precludes a quick measurement of profitability. Profitability is a long-term metric that should grow out of a constant and durable connection. Longer client relationships do not always translate into more revenue, however.

Accordingly, businesses must make an effort to track the profitability of their customers over time in order to avoid being shocked by customer relationships that gradually become unprofitable. In some cases, the costs of retaining customers may be high, and long-standing customers may over time demand more attention and service. Establishing, maintaining, and strengthening client connections requires that the following are included in the marketing process:

1. To find potentially intriguing and lucrative consumers to approach, do market research.
2. Establishing the initial point of contact with a consumer to facilitate the development of a relationship.
3. Maintaining a connection in order for the client to be open to doing business with the other party and be happy with the perceived value and quality generated.
4. Developing a trusting relationship and an emotional bond between the customer and the provider, leading to the customer's decision to expand the relationship's scope by, for instance, ordering more or different kinds of goods and services from the same seller.
5. Terminating a relationship: A business may sometimes have to deal with a scenario where a client chooses to end the connection or where the business feels it is essential to do so. Both of these circumstances need to be handled carefully if the connection is to be restored in the future. However, we won't go into detail about this fifth scenario right now.

From a marketing perspective, these scenarios are completely distinct from one another. In other words, making the initial contact requires strong sales and communication abilities. Positive word of mouth and a recognisable brand are helpful. Other tools and actions are needed to maintain and improve client connections. The perceived quality of the products, service activities, information, human connections, and all other sorts of service components must be satisfactory for a specific customer relationship to be sustained. Additionally, effective marketing abilities could be necessary to improve a connection. Good sales performance by professional salespeople is not the sole or even the primary definition of good selling. It also refers to the sales and communication abilities of staff members who engage with clients as part of the service process. From the standpoint of the supplier or service provider: Building a relationship entails making commitments. The fulfilling of promises is the foundation for maintaining a connection, and developing or upgrading a relationship entails making new promises with the fulfilment of previous ones serving as a need.

### The Negative Aspects of Relationships

Although long-term partnerships are often advantageous for both the supplier or service provider and the client, negative effects of steady relationships may develop over time that affect both sides. This could be crucial in partnerships between businesses. The consumer could become lazy and ignore technological advancements in the industry. The client who is in a steady connection with another provider may not have been aware that a rival supplier has created a new and superior technical solution. On the other side, the provider can be content with clients purchasing the current solutions and forget to spend in creating new and better technologies and solutions as a result. This kind of carelessness might have devastating consequences for both parties. Stable relationships may have a number of detrimental long-term repercussions, of which the one listed above is only one. Negative outcomes might result from any party or both parties ignoring market trends. A long-term partnership limits the customer's options. Customers who compete with the one with whom they are in a relationship may be barred from receiving services from suppliers. The supplier's network of contacts may introduce the client to undesirable business associates. When there are issues in a relationship, the other person may abuse the confidence placed in the first party. Relationships have these "dark sides," which need to be acknowledged36; else, what begins as a win-win scenario might later become a burden for one of the partners, or perhaps even for both.

### Commitment Theory

The promise notion, which is based on promise theory, is a key component in the definition of relationship marketing. This suggests that the duties of marketing go beyond making promises and convincing clients to behave a certain way. A business that is focused on keeping its promises may first draw in new clients and build new connections. Promises must be kept, however, otherwise the developing connection cannot be sustained or improved. Achieving client happiness, retaining the customer base, and long-term profitability all depend on keeping your promises. It's also critical to remember that promises are made and need to be kept on both ends. Finally, the company must take steps to ensure that it has the means, information, aptitude, and drive to fulfil its word, whether acting alone or in concert with network partners. Promises must be made with sufficient effort.

## CONCLUSION

Marketing entails controlling the marketing mix, sometimes known as the 4Ps: product, pricing, location, and promotion, in addition to customer attention and value generation. This framework serves as a guide for making decisions about product creation, pricing tactics, distribution avenues, and marketing initiatives. The marketing mix makes ensuring that products are developed, priced, distributed, and marketed in a manner that is in line with consumer wants and business goals. The production of value, effective communication, and strategic management of the marketing mix are all included in a complete definition of marketing. Organisations may create customer-centric strategies, establish solid brand equity, and promote lifelong client connections by understanding and embracing these fundamental concepts. Defining marketing offers organisations a framework for navigating the changing business environment, innovating, and producing value for stakeholders and consumers.

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# CHAPTER 7

# MARKETING ACTIVITIES AND RESOURCES ON THE BASIS OF RELATIONSHIP DEFINITION

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**ABSTRACT:**

Based on the relationship definition, which emphasises developing and maintaining long-term connections with clients, marketing activities and resources may be assigned and used in an efficient manner. This abstract examines the value of the relationship definition in informing marketing strategies and identifies significant marketing initiatives and assets that aid in relationship-building efforts. Organisations may improve customer loyalty, happiness, and long-term commercial success by appreciating the significance of client relationships. Customer connections are essential for sustaining corporate success, according to the relationship definition of marketing. It places a major emphasis on going beyond transactional interactions and putting an emphasis on creating solid, long-lasting relationships with clients. Building connections requires a better understanding of client wants, interests, and goals in order to customise marketing initiatives to those particular demands. Customer segmentation is one of the main marketing initiatives that helps with relationship-building. Organisations may tailor their marketing tactics and messaging to appeal to each segment by splitting the consumer base into various segments based on traits like demographics, behaviours, and preferences. The possibility for relationship building is increased by segment-specific targeting, which enables more individualised and relevant communication.

**KEYWORDS:**

Business, Marketing, Management, Service, Strategy.

## INTRODUCTION

Customer involvement is a crucial marketing strategy. Through different platforms, including social media, email marketing, and events, businesses may actively engage their consumers. Organisations may promote a feeling of community and solidify ties by offering helpful material, asking for feedback, and promoting engagement. Two-way communication with consumers fosters loyalty and trust and enables value to be co-created. Strategies for customer retention are crucial for preserving and fostering relationships. Marketing funds may be used for programmes like loyalty schemes, individualised deals, and top-notch customer support that are focused at keeping current clients. Businesses may encourage long-term loyalty and increase repeat business by offering extraordinary experiences and continually exceeding client expectations [1]–[3]. CRM (customer relationship management) systems may also benefit from marketing resources. These systems provide businesses the ability to efficiently monitor and manage consumer interactions, preferences, and purchase history. Businesses may learn more about customer behaviour, spot up- and cross-selling possibilities, and target specific customers with marketing campaigns by using CRM data. CRM systems encourage the development of relationships by facilitating personalized communication and niche marketing initiatives.

The relational definition of marketing does not imply that the conventional methods of competition in the marketing mix, such as personal selling, advertising in both new and old media, price, and product conceptualization, are any less significant now than they were in the past. It does, however, show that there is a lot more to marketing. What matters is that, in contrast to the marketing mix, it signifies a fundamental change in how we see marketing as a phenomenon. The relationship-based marketing strategy is really process-oriented since it is founded on a service logic. In order to achieve the shared goals of the company and the customer, it sees marketing as a process of bringing the consumer through the customer relationship lifecycle and keeping them there. Any form of activity may be covered by the exchange of promises mentioned in the relationship definition. Depending on whether the relationship is in the establishment, maintenance, or improvement phase, the resources that the customer interacts with and is exposed to may also be of any kind and vary from customer to customer. As marketing resources and decision-making processes are according to the marketing mix, they cannot be predefined or categorised.

The relationship concept is more difficult to use in real-world scenarios than the marketing mix, both for classroom instruction and for organisational marketing strategy. This is understandable given that the marketing mix's key strength is its simplicity rather than its demonstrated ability to effectively address certain marketing scenarios. Users of the relationship definition are not given a list of categories of marketing factors or ways to compete that is simple to utilise. Instead, it compels users to exercise independent judgement, analyse the marketing environment in which they find themselves, and come to a better understanding of the tools and strategies required to build, nurture, or terminate a relationship with a particular customer or group of customers.

In conclusion, the relationship model contends that marketing is a process rather than a function and that it affects all functions and departments equally inside an organisation. Regardless of the role a person may play within the organisation, everyone who has a direct or indirect effect on how consumers view the company, its products and services, and its approach to customer care, has to have a marketing attitude. Of course, the connection viewpoint is not the only market-focused technique to respect the marketing notion. However, it is a method that is ideally adapted for comprehending, planning, and executing marketing in service settings and in service rivalry. Along with the conventionally dominant marketing management school, relationship marketing is a more recent paradigm and school of thinking in the field. Adel El-Ansary goes so far as to predict that relationship marketing would "continue to be a dominant school of thought in marketing, thus replacing the traditional marketing management school of thought" in his examination of the discipline.

A marketing department cannot undertake relationship marketing on its own. Employees from departments other than marketing are responsible for serving customers and determining whether or not they are willing to continue buying from the same supplier or service provider. This understanding of customer relationships and relationship marketing should permeate the entire organisation. In a later section, these workers are referred to as part-time marketers. Marketing will not be successful if this is not the case. As a result, there are three layers to a relational view on a company's customer management:

1. Relationship outlook as a way of life and a mindset.
2. Relationship analysis as a tactic.
3. Tactical effects on the relationship perspective's operational level.

## DISCUSSION

A relationship-based approach to customer care incorporates the whole business. Therefore, effective planning and execution depend on workers at all levels, including top management, adopting a mindset that values a relationship-based approach to customer management. A culture that values relationship marketing is necessary. Second, rather than focusing just on a distinct marketing strategy level, a relationship approach to customer management has to have an impact on the firm's strategic decision-making. The firm's business plan must be relationship-focused since, in one way or another, the whole organisation is accountable for putting a relationship-based approach to managing customers into practise. If not, issues will arise on the third and top level. A company with a non-relational strategy will never be able to handle its customers in a relational way. Its marketing will essentially continue to be transactional. Customers won't be handled relationally in addition to the conventional marketing strategies that may become more relational, such as increased usage of direct response campaigns, loyalty programmes, and customer clubs. A client must be handled in a relationship-based manner throughout the customer relationship lifetime in order to practise relationship marketing. It necessitates a customer- and service-focused mindset across the whole organization [4]–[7].

Finally, adopting a relational approach has operationally tactical repercussions. To build, maintain, and improve relationships with consumers and other stakeholders, such as distributors and retailers, all processes and operations that involve direct or indirect customer touch must be designed. In organisations that are used to a system where customer management is solely the duty of the marketing and sales departments, this definitely calls for modifications in operational plans, rules, and processes. It shows a relationship marketing model. With the exception of word-of-mouth and social media on the outermost circle, the two outer rings reflect procedures that the company controls. The centre circle symbolises the client's processes and how value is created for the customer as a result of the firm's activities on the two outer circles.

The two outside rings show the two distinct methods used to create the connection. The process of communication comprises the employment of various and distinct planned communication mediums together with communication messages that are prepared. Sales and all forms of communication are successful in this situation. Additionally, the client is influenced by social media conversations and word of mouth. Here, promises are essentially made about how the customer's processes will be supported and what level of perceived quality and value this assistance should provide. The engagement process is genuine because via interactions, promises are met and consumers see how the business really supports their value creation. This process involves the consumers' actual contacts with tangible items, service procedures, unpublicized services, customer service representatives, systems and technology, e-commerce procedures, administrative and financial routines, etc. Of course, communication plays a part in each stage of this process. Additionally, client experiences in different episodes influence word-of-mouth and social media commentary.

The planning and execution of the communication and engagement activities are essential for relationship marketing success. Expectations are created when only relationship-oriented communication activities, including direct marketing and consumer loyalty programmes, are prioritised, but how these expectations are met is yet unknown. According to promise theory and the promise management perspective of marketing, promises must be kept in order for expectations to be met. A standardised product will satisfy expectations set by such claims in a basic consumer products marketing scenario. There isn't a single standardised item that handles this, but, in circumstances when the client interface is more extensive and may last for a longer length of time, such in service and relationship marketing. The standardised product in the marketing mix for consumer products is equal to all the episodes on the interaction circle and their flow.

**Marketing Activities and Methods**

The customer relationship lifecycle model and the relationship marketing model show that, contrary to what is often believed, marketing is not only an intermediary function that bridges the gap between production and consumption or use in the context of services. In particular throughout the consuming phase, marketing is a crucial component of creating and providing services. In other words, controlling the crucial times in customer interactions is a marketing activity as well as one that falls within the purview of operations, people, human resources, and other departments that interact with or have an impact on consumers. In conventional manufacturing, when clients purchase and utilise the goods distant from the area of production, the separation of marketing, production, human resource management, and other operations may make sense. However, there is a clear distinction between managing the interactions of the moments of truth as a marketing task and carrying out conventional marketing activities like advertising, personal selling, and sales promotion. It is not appropriate for service systems where the production of service, delivery, and consumption are simultaneous. The latter are often planned and carried out by marketing and sales professionals, whilst the former are carried out by experts in other fields. Additionally, they are typically planned and overseen by managers and supervisors who do not work in marketing and who have little interest in consumers or marketing.

To borrow a phrase Evert Gummesson coined, the people working in marketing who are not marketing professionals are part-time marketers as opposed to full-time marketers. They are, of course, experts in their own fields. The customer connection will be strengthened if they can learn to conduct their duties in a manner that makes consumers want to come back. Therefore, they will need to learn how to operate with a focus on customers and marketing, and their managers and supervisors will need to learn how to consider the influence of marketing and customers as well. In the marketing process can be broken down into two distinct functions or sub-processes: a specialist function that handles many traditional marketing mix activities and market research; and a marketing function that is related to the buyer-seller interactions of the concurrent service production and consumption processes. In this function, marketing tasks are carried out by part-time marketers and supported by, and occasionally replaced by, customer-oriented physical resources, technological tools, and human resources. The classic external marketing process and the interactive marketing process are the two components or sub-processes of marketing.

The two marketing tasks performed by service organisations are schematically. The marketing operations are represented by the shaded regions. Traditional marketing is a distinct role from other areas of business. Market research, advertising, electronic and mobile communication, pricing, sales incentives, and other conventionally regarded marketing-related activities are all included. External marketing is another term widely used to describe this conventional marketing job. The conventional marketing function is a mass marketing function for consumer services. However, in business-to-business connections, salespeople's personal contacts also play a role and often take the lead in this function. The contacts between buyers and sellers or service encounters, which are where opportunities or moments of truth reveal themselves, constitute the interface between production and consuming. Since the late 1970s, this aspect of marketing has been referred to as the interactive marketing function45 in the literature on service marketing since the marketing effect of these encounters happens through interactive processes. When a client and a service provider engage, inter-active marketing, also known as marketing outside the marketing division, takes place. The activities in the buyer-seller interactions of the service encounters really supply the service and lay the groundwork for resales.

Both the methods of production and the procedure used to produce the service have an impact on the customer's perception of that service. Every component of a service, both human and non-human, every production resource used, and every stage of the service production and delivery process should be handled as a marketing issue, not just as an operational or administrative one, according to the interactive marketing function. Customers are also co-producers of a service in addition to being its customers or consumers. Customers are also a resource in this way for interactive marketing. In order for the production resources and operations to support and enhance the organization's efforts to establish and maintain long-term relationships with its customers, the marketing implications of each resource and activity involved in interactive marketing situations must be taken into account during the planning process. Customers' willingness to participate in coproduction cannot be assumed. Customers must be informed and counselled as needed on how to participate in the service process in a manner that supports their impression of the quality of the service. Additionally, significant efforts may be needed to encourage clients to utilise the new technology in addition to educating them about it, particularly when new technology for customer self-service is deployed.

In conclusion, the marketing tools used in the interactive marketing process are very unlike from those utilised in the conventional external marketing function. The resources of interactive marketing are just "part-time marketing resources," but the latter are "full-time marketing resources." The dual function of part-time marketers has previously been mentioned, but other resources also play a part. In order to create the service in a technically sound manner and to maintain internal efficiency at its highest level, physical resources, technology, and systems employed in the service process and to construct the servicescape should work properly. However, a customer-centered strategy must also be applied when deciding how such resources should be utilised. Resources in the service process should connect with consumers in a manner that produces strong functional process quality and, as a result, has good interactive marketing effects. The service provider must consider both internal efficiency and outward effectiveness at the same time while investing in these resources. Customers play two roles as well. They use the service, but they also have an impact on how it is provided.

**Traditional External Marketing or Interactive Marketing**

The core of marketing in the service sector might be characterised as interactive marketing. If interactive marketing fails, marketing fails, regardless of how customer-focused, well-planned, and executed conventional marketing activities like advertising campaigns are. Additionally, interactive marketing is constantly present since it is how customary operational and administrative efforts are carried out. Interactive marketing may or may not be excellent in the eyes of the consumers, but it is always there.

In circumstances when the service provider has a consistent customer base with happy clients who regularly use the business and bring in new clients via good word-of-mouth recommendations, there is, in theory, no need for anything other than price. Customers that use the company are happy enough to come back and recommend it to others, thanks to a customer-focused service process and a successful interactive marketing approach. Small bars, restaurants, and corner shops are obvious examples of this, but major service organisations may function well without a lot of conventional outside marketing assistance. For instance, Handelsbanken, one of Sweden's four major countrywide operating banks, spent just 7% as much on advertising in 2004 as its closest rival and only a little more than one-tenth as much as the two other banks in that category combined. Ten years later, the proportion is still obviously below 10%, but this bank did manage to beat the competition in terms of market share growth. Additionally, this bank has consistently had the best or among the greatest customer satisfaction and profitability ratings in the business throughout the years.

However, service organisations often need both interactive marketing and conventional external marketing. Traditional marketing efforts are required, especially when a business is launching a new service or attempting to penetrate a new market or client niche. Additionally, sometimes conventional marketing initiatives need to complement a competitor's approach. There is less need for it, however, as interactive marketing becomes more effective. The following ground rule can be used as a first indicator of how customer-focused the firm is when evaluating the effectiveness of a service firm's total marketing in a stable market environment: the higher the advertising expenditures, the less service-focused the firm is likely to be, and the less customer-focused its interactive marketing performance probably is. Of course, this is not always the case, and more research should always be conducted. Even a service provider that is particularly customer-focused and performs well in interactive marketing may need to spend more on conventional external marketing initiatives in a highly competitive market environment. However, it is common for less customer-focused service companies to make up for their operations' lack of service orientation with bigger advertising spending. New clients are enticed to take the place of the dissatisfied ones who have departed. This approach does not work over the long term.

**The World Wide Web and Marketing**

The usage of the Internet and, to a greater or lesser degree, mobile technology has increased in marketing. For instance, selling, communication, market research, and payment processing are all done online. These are all techniques for using technology to carry out conventional marketing tasks. However, since a range of service contacts may be begun and also carried out through the Internet, the latter is also a vehicle for interactive marketing. The Internet, for instance, becomes a component of the customer service process by giving helpdesks and other company activities access to e-mail. The way it works affects how the company uses interactive marketing. Of course, for this to happen, the company must successfully accept its position as an interactive partner in the virtual world. Last but not least, digital services are evolving, for instance in games where the service is also generated digitally.

The Internet is a relationship- and service-oriented medium, despite the fact that it is often primarily employed as a sales and communication tool. But it's vital to remember that, often, a consumer or prospective customer initiates communication with a company through the Internet rather than the other way around. A relationship could form if this contact can be turned into a service process that involves exchanges between the business and the client. Given how simple it is to switch from one website to another, developing a relationship-based service engagement with a specific consumer may be a useful strategy for keeping the customer interested in the company and generating repeat revenue.

To sum up, the Internet not only provides a way to conduct conventional marketing operations, but it also functions as an interactive process instrument that is crucial to the interactive marketing function. Cellular phones and mobile technology may be utilised as an interactive marketing tool as well as a means of communication and offer-making with consumers. However, they increasingly serve as a platform for the consumption of services, such as playing games.

**A Model of Three Stages**

In order to establish and sustain lucrative long-term client connections, marketing is a dynamic process where conventional external marketing operations and interactive marketing resources and activities collaborate. The customer connection lifecycle model showed how a three-stage process results in durable customer relationships. Each stage will have a new marketing function to be employed, as well as a different marketing purpose. The goal of marketing is to generate interest in the company and its products in the beginning, when prospective consumers may have unclear perceptions of the business and its services or maybe outdated or dated beliefs. Traditional marketing functions are the most effective at achieving this. Public relations, websites, sales promotions, and advertising are all acceptable forms of competition. Sometimes, particularly in business-to-business marketplaces, sales are also necessary. Additionally, one shouldn't undervalue the influence positive word-of-mouth advertising may have.

General interest should be converted into sales in the second step, which is the purchase procedure. More precisely, the vendor makes pledges that should, one would think, be acknowledged in the future. Again, standard marketing strategies, including sales, are applicable here. Interactive marketing initiatives, however, may also be used when a consumer contacts a company's production resources prior to making a final purchase choice. Resales, cross-sales, and ongoing client connections need to be accomplished within the consuming process. At this point, promises must be honoured in order for clients to believe that the business can meet their demands and be trusted. Traditional marketing initiatives have little to no possibility, if any, of changing consumers' preferences for the service at this time in the lifecycle. The success or failure in this case is determined by the interactive marketing approach. If consumers are to be kept at this point, the marketing focus and customer-focusedness of the service process, as well as the resources in the manufacturing process, are crucial.

Low perceived quality occurs when a company is strong at making promises but keeps those promises in a manner that is far less marketing-oriented. The first two stages of the customer relationship lifecycle may be successfully controlled by marketing, but in the third phase, the consumption or use process, nobody appears to be in charge of marketing and consumers any longer. If marketing is not planned for and applied continuously throughout the lifespan, too many client connections will end, which will result in negative word-of-mouth. In addition, replacing lost clients with new ones necessitates a larger spend for conventional marketing [8]–[10].

## CONCLUSION

Organisations may also spend marketing funds to tools for gauging consumer satisfaction and providing feedback. Organisations may monitor customer satisfaction levels, pinpoint areas for development, and take proactive steps to resolve consumer issues by routinely collecting customer feedback. Businesses show their dedication to the connection and strengthen consumer trust and loyalty by actively listening to customers and acting on their suggestions. In conclusion, marketing initiatives and resources may be carefully coordinated with the relational definition of marketing to develop enduring client connections. Organisations may successfully develop and nurture relationships by segmenting their client bases, connecting with customers, prioritising retention tactics, using CRM systems, and obtaining consumer feedback. Putting relationship-building activities first improves customer loyalty, contentment, and advocacy, which promotes long-term company success. The relationship definition offers a framework for structuring marketing strategies and allocating marketing budgets that prioritise customer connections as a key engine of organisational development.

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# CHAPTER 8

# A STUDY ON CONTINUUM OF MARKETING STRATEGIES

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**ABSTRACT:**

A range of methods that businesses might use to reach and engage target audiences are represented by the continuum of marketing tactics. This abstract examines the continuum of marketing strategies and how it affects businesses looking to maximise their marketing efforts. Businesses may adapt their strategies to fit with their unique aims, target markets, and resources by recognising the many tactics along the continuum. A variety of tactics that differ in their breadth, targeting, and personalization are included in the marketing strategy continuum. Mass marketing techniques, which attempt to reach a large audience with a standardised product and message, may be used by organisations at one end of the continuum. To increase reach and brand exposure, mass marketing makes use of economies of scale and broad-based promotional efforts. This tactic is appropriate for goods or services having a wide market appeal and seeks to get a sizable market share. Organisations are able to use segment marketing techniques as they go along the continuum. Customer groups may have different demands, tastes, and behaviours, which segment marketing acknowledges. Organisations may better address the demands of each segment by identifying and focusing on particular market segments when developing their marketing strategies. This tactic enables more targeted marketing, product modification, and a closer relationship with target clients.

**Keywords:**

Continuum, Marketing, Organization, Product, Strategies.

## INTRODUCTION

Organisations may use individualised marketing tactics, sometimes referred to as personalised or one-to-one marketing, at the other extreme of the marketing spectrum. Delivering unique experiences and products to each consumer is part of this approach. Organisations may acquire and analyse client data to provide personalised messages, suggestions, and offers thanks to advances in data analytics and technology. Through highly relevant and personalised consumer experiences, individualised marketing attempts to build better client connections and loyalty. As the continuum progresses, businesses might use specialised marketing techniques. Targeting a specific and specialised consumer base with goods or services that are highly customised is known as niche marketing. Organisations may distinguish themselves and get a thorough grasp of the particular demands and preferences of their target clients by concentrating on a narrow niche. Through specialised services and a tailored customer experience, niche marketing seeks to establish a following of devoted customers [1]–[3].

As we've seen, relationship marketing refers to a company's employment of a marketing plan meant to preserve and strengthen current client connections. Even while acquiring new clients is still crucial, marketing to current clients is the key strategic objective. Interactive marketing becomes crucial in a connection marketing approach. No conventional marketing strategy can guarantee that the clients will remain with the company if the buyer-seller interactions' moments of truth are handled poorly, literally squandering moments of opportunity. In the competitive service industry, a relationship marketing strategy and great interactive marketing skills are crucial. A service approach often fails in the absence of these components.

Relationship marketing is not the only marketing technique available in the service competition, but its significance is growing all the time. Relationship marketing may be seen as one end of a continuum of marketing tactics, which can be helpful when considering various marketing methods or strategies. On the opposite end of the spectrum, the approach would be to focus on one transaction at a time with each individual consumer, without consciously attempting to create any long-lasting relationships with them. Transaction marketing is a common name for this kind of marketing approach. There are undoubtedly circumstances when businesses may mix components of the two techniques since these two sorts of strategies represent the extremes of a continuum of marketing tactics. It's possible for a relationship- or transaction-based approach to predominate.

A transaction-type approach will presumably be most advantageous for marketers of consumer packaged products, however this is not always the case. On the other hand, service businesses and product manufacturers that embrace a service logic would often benefit more from using a relationship-type approach. Consumer packaged goods producers have vast markets but no direct contact with their end users, but service providers nearly always do, although sometimes on a regular basis or just occasionally. As a result, the service company's client interaction is greatly increased outside of the marketing and sales divisions. However, the growth of information technology has allowed marketers of consumer packaged products to build databases that enable them, too, to treat each and every client like an individual, provided they deem this to be successful and financially justifiable.

In contrast to consumer packaged products, consumer durables have a more varied user interface, and there are other marketing tactics that may be used. The durables must be installed as well as delivered to the clients. The optimum place for industrial products, which may range from mass-produced parts to intricate projects and machineries, is probably between consumer durables and services. It is impossible to draw a line between business-to-business marketing and service marketing in these circumstances since the client connections are often comparable to those in many service settings.

**Consequences of the Strategy Continuum for Marketing**

This section will explore nine possible outcomes of relationship marketing and transaction marketing strategies:

Depending on where a corporation is on the continuum, different temporal perspectives are used in marketing. The temporal perspective is fairly limited since transaction marketing implies that the company concentrates on a particular exchange or transaction at a time. One market exchange or transaction serves as the study's unit of analysis. Profits are anticipated to result from today's transactions. The time horizon is substantially longer in relationship marketing. The marketer does not make plans based solely on immediate outcomes. His goal is to build long-lasting, lucrative connections with consumers in order to produce outcomes. The relationship's individual transactions can sometimes even be wholly unprofitable. Relationships and how they grow via repeated contacts to support business transactions that satisfy both parties are therefore the units of study [4]–[6]. Businesses pursuing a transaction-type strategy will probably gain the most from a typical marketing mix approach due to the absence of personal touch with their clients and their concentration on mass markets. The 4Ps approach, which was first created for consumer packaged products marketing, where transaction marketing is most suitable, will provide direction in the majority of situations.

## DISCUSSION

The marketing mix is often too constrictive for a company using a relationship approach. The full-time marketers and those outside the scope of the marketing mix are the most crucial client connections from the perspective of marketing success. Critical components of a relationship-focused strategy include the effectiveness of part-time marketers, the customer orientation of information technology, operating systems, industrialised service routines like vending machines, ATMs, and home banking systems, and the willingness of customers to participate as co-producers in the service process. Whether a consumer chooses to do business with a certain company in the future depends on the marketing influence of his interactions with people, technology, systems, and other non-marketing tasks. All of these interactions with customers involve some level of interaction. These tools make up the interactive marketing strategy. This marketing function is also known as any marketing actions that take place outside of a marketing department and outside of the marketing mix. Interactive marketing takes over as the primary component of the marketing process in relationship marketing. Of course, other elements of the marketing mix, including conventional external marketing efforts, are also significant in this context, but to a much smaller extent and serving solely as a support for interactive marketing activities. In other circumstances, such as when closing a new purchase or maintaining constant attention throughout the consuming phase, salespeople's assistance is required.

Prices are elastic. Transaction marketing relies mostly on the core product and, sometimes, the reputation of the company or its brands to keep the consumer loyal to the vendor. Advertising and brand recognition may help retain clients when a rival launches a comparable product, at least temporarily. However, pricing soon becomes a concern. Because clients in transaction marketing are often very price sensitive, a company that offers a cheaper price or better conditions is a hazardous rival. On the other side, a business that uses relationship marketing may have given its clients more than what the core offering by itself can provide. Over time, such a business establishes closer relationships with its clients. The buyer and seller develop together as a result of the various ties that have been built up over time, even if, for example, a financial service arrangement is complicated, an online grocery store offers its customers simple ordering processes, consistent quality of goods, information, and deliveries, or a supplier offers its customers a complex solution. For instance, these connections or linkages may be of a technical, knowledge- or information-related, geographical, or social character. If properly managed, they provide clients value that is not offered by the primary product itself. Price is essential, but it tends to be less of a factor in this situation. Relationship marketing reduces clients' sensitivity to pricing.

dominating in terms of quality. Depending on a company's approach, clients will often have different perceptions of quality. In transaction marketing, consumers' interactions with the company are restricted to the product and their exposure to other conventional elements of the marketing mix. The technological answer that the product offers is embedded with the advantages that buyers want. There won't be much more given to the consumer to add value to his procedures. Therefore, the dominant source of quality creation in transaction marketing is the technical quality of the product, or what the client receives as a result. Relationship marketing presents a diverse set of circumstances. The company has options to provide its clients value of numerous kinds due to the wider customer contact. From the standpoint of quality perception, monitoring the interactions of the service processes becomes essential when many companies may provide a comparable technical quality. As a result, the functional quality factor becomes more crucial to relationship marketing and often predominates. Naturally, this does not imply that technological excellence may be ignored. Although it used to be the sole quality dimension to be taken into account, it is no longer a need for acceptable overall quality.

customer information systems and customer satisfaction measurement. Examining market share and conducting ad hoc customer satisfaction surveys are typical ways to track customer happiness and success. Ad hoc customer satisfaction surveys are the only option for a company that markets consumer packaged products and normally employs a transaction marketing approach to continually gauge market performance. On the other hand, a service company and many business-to-business marketers, who might more readily follow a relationship marketing approach, have at least some kind of engagement with almost every client, even if they serve mass markets. As a result, consumer happiness may be seen in real time. A business that uses a relationship-based approach may examine customer satisfaction by closely observing its clientele [7]–[9].

Managing the client base requires the company to have at least some direct information of the degree of customer satisfaction. Instead than focusing just on statistics or market share, management also considers the feelings and views of specific people. The marketer determines success by information directly from consumers rather than information gleaned from customer satisfaction research. For this, a method of compiling the many customer feedback kinds that are continually gathered by a big number of workers in a large number of customer encounters is needed. Such an intelligence system concentrating on consumer satisfaction, requirements, and wishes creates a significant source of information for decision-making when combined with market share figures. The information acquired from everyday client encounters may certainly be supplemented from time to time with standard customer satisfaction surveys.

In a relationship marketing scenario, the company may therefore develop an online, real-time information system. This system will provide management access to a constantly updated customer database as well as statistics on client satisfaction and discontent levels. This has the potential to be a strong management tool. Although creating such a database in a transaction marketing scenario is more challenging, it is now doable owing to information technology.

The value of interdepartmental cooperation from a strategic standpoint. Whether a company has adopted a transaction-type strategy or a relationship-type strategy determines the degree of interdependency between processes and departments inside the organisation. When a company engages in transaction marketing, the most, if not all, of its customer interactions are focused on the product itself and conventional marketing mix activities. There are no part-time marketers engaged; all marketing is handled by marketing and sales experts. The internal interconnection between departments thus has little or very little strategic value to the company from a marketing perspective.

Relationship marketing presents a unique set of challenges. The client interaction is significantly more extensive and often involves several part-time marketers in numerous departments. For instance, this is true for the majority of service marketing and business-to-business marketing scenarios. In order to provide consumers a positive overall perception of quality, a successful interactive marketing performance needs that all company departments engaged in customer care can cooperate, assist, and communicate with one another. Therefore, the internal interaction between marketing, operations, human resource management, and other departments is crucial to the success of a company adopting a relationship marketing strategy.

internal marketing's function. Part-time marketers need to be organised and ready for their job. To guarantee the cooperation of conventional non-marketing workers, internal marketing is required. To succeed as part-time marketers, they must be dedicated, organised, and motivated.

Employees in the back office and in customer interaction are not the only ones to whom this applies. Supervisors, middle managers, and senior managers must all be as devoted and prepared, of course. Internal marketing must be connected with the overall marketing process as a process. Performance in both conventional and interactive marketing originates from inside the organisation. Relationship marketing is effective when it has a complete and continuing internal marketing procedure. Interactive marketing in particular will suffer or fail if internal marketing is ignored.

Marketing Management or Customer-Focused/Market-Oriented Management: The term "marketing management" is used to define the practical implementations of the marketing idea in traditional marketing literature, which is mostly centred on the setting of consumer packaged products. In the context of consumer products, this is very acceptable. This clear vision of how to handle marketing, however, no longer holds true in circumstances when the normal customer connection is stretched much beyond the simple and impersonal interaction between a marketer and a purchase of consumer breakfast cereals, toothpaste, or soap. The situation alters when marketing is focused on managing customer connections.

In situations involving business-to-business marketing, the marketing management strategy is awkward. Other departments outside the marketing department are also concerned with many customer connection difficulties. Planning, coordination, and implementation are significantly more difficult than a standard marketing and sales department can manage due to the interrelationships across the divisions. The problem is often significantly more complicated in a service scenario. The whole organizational structure must support marketing since marketing operations, both conventional and interactive, are dispersed across the company. A marketing mindset is required across the organization due to the strong dependency between marketing and the other functions of a service business. George Day49 adds that the organisation as a whole has to have its hearts and minds involved.

Regardless of whether an activity is classified as production and operations, human resource management, finance, or any other conventional function, customers must be taken into account while planning and executing it. In other words, marketing considerations are one of many factors that should be taken into account when making decisions throughout an organisation. For those who work as full-time marketers, marketing is the primary or only factor to keep in mind, however for other activities and procedures, marketing is only one of several factors to consider. But in the end, a company's performance in the market is what matters most. Therefore, rather than being the exclusive duty of one department, marketing management requires market-oriented management and customer-focused performance across the organization.

The ultimate marketing duty must be held sufficiently far up in the organization since only top management has the required perspective of the company and the power to supervise the whole marketing process. Some marketing duties may be planned and carried out by a marketing department, but the whole management of the marketing process must be a component of overall business management. Market-oriented or customer-focused management, rather than marketing in the conventional functionalistic sense, is thus what it all comes down to—even psychologically. As a result, marketing is now an essential component of service management. The title of this book, Service Management and Marketing, reflects this as well. In reality, the phrase "service management" was first used as a synonym for "service marketing" since in service settings it is more of a concern of market-oriented, customer-focused management than merely marketing management.

## CONCLUSION

Organisations must understand that the continuum of marketing strategies is not a linear development but rather a spectrum of possibilities that may be used depending on the circumstances. Organisations may decide to use a variety of techniques throughout the continuum to maximise their marketing efforts, depending on variables including industry, competitive environment, and available resources. In conclusion, the continuum of marketing strategies offers businesses a framework for customising their strategies and maximising their marketing initiatives. Organisations may successfully reach and engage their intended audiences by knowing the many techniques that are available and matching them with their aims and target markets. Organisations may modify their methods to fit their particular conditions and promote commercial success via mass marketing, segment marketing, specialized marketing, or individualized marketing.

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# CHAPTER 9

# A BRIEF STUDY ON MANAGING RELATIONSHIP COMMUNICATION

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**ABSTRACT:**

Building and keeping solid connections with clients requires managing relationship communication on a regular basis. The idea of relationship communication management is explored in this abstract, which also identifies crucial factors to take into account while managing client connections' communication. Organisations may build trust, contentment, and enduring loyalty by appreciating the significance of communication in relationship management. Relationship communication is the term used to describe the information, communications, and interactions that take place between a business and its clients during the course of a relationship. It includes the frequency and channels of communication as well as the messages' frequency and delivery. Understanding client requirements, responding to complaints, and cultivating strong relationships all depend on effective relationship communication. Managing relationship communication requires a number of important factors. Organisations must first set up clear communication goals and tactics. Companies may coordinate their message and efforts to achieve desired results by identifying the objectives and purpose of communication within customer relationships. The target audience's distinct traits and preferences should be considered while developing communication tactics. Additionally, businesses must make sure that their messaging is consistent across all channels. The value proposition of the company is reinforced and a unified customer experience is produced by using consistent marketing and branding. Maintaining consistency in communication requires internal cooperation and alignment across many departments and roles.

**KEYWORDS:**

Communication, Company, Marketing, Product, Service.

## INTRODUCTION

Whether a marketer is aware of this and makes use of it or not, everything conveys information about a company and its products. This tackles the problem of marketing communication and illustrates the need of a complete communication or integrated marketing communications strategy, which integrates communication messages from a variety of sources. The idea of a communication cycle is explained, and the implications of different time horizons on marketing communication initiatives are examined. Additionally, some recommendations for controlling marketing messages in services are provided. The relationship conversation idea and the connections between relationship marketing and complete integrated marketing communication. This article presents a relationship communication paradigm in which a company's communication messages are seen as facilitators of the customers' development of meaning from these communications. The reader should grasp the significance of approaching marketing communication holistically and be able to combine communication efforts of all types, including planned communications for products and services as well as unexpected messages. The reader should also be aware of how marketing communication affects various target audiences and levels throughout time. The reader should also be aware of how crucial it is for the customer to create meaning from communication messages in his or her own time and place [1]–[3].

A significant aspect of the marketing process is marketing communication. Traditional marketing involves online communication as well as market communication operations including sales, advertising, and sales promotion. However, relationship marketing and interactive marketing both depend heavily on communication. Customers may learn something from what personnel say, how they say it, act, how service centres, equipment, and other physical resources seem and work. Positive communication effects include things like "they really care for me here," "they have modern, effective equipment," "this website is user-friendly and offers helpful interactions with the company," and "the employees are well-dressed." Of course, there are also less positive things that may be said, such "how rude their employees are," "what a messy office they have," "how can it always take so long to get things done here," or "why do they not keep me informed about the developments?"

The communication used by the conventional marketing function and that of the interactive marketing process vary significantly. The latter kind of communication deals with reality as it is seen by the audience. From the perspective of the customer, they convey the truth. The relationship marketing model is described and illustrates how interactions have an impact on communication. For clients, the first sort of communication, like advertising, is always on an abstract level. It has to do with the relationship marketing model's deliberate communication procedure. Planned communication may or may not include information that is accurate, but it must still be verified in the eyes of the consumer or prospective customer. Therefore, this letter is an assurance of what will, hopefully, take place in the future. Testing happens when the consumer and reality collide. There is a clear link between this and how service quality is viewed. The anticipated service is mostly impacted by marketing communication activities like advertising and sales, but the experienced service is primarily impacted by the communication impacts of the interactive marketing process.

For instance, a retail chain that promotes a certain product at a promotional price conveys a promise of high value. A negative communication message is formed if the product is not offered in the store or if it has already sold out: "They do not advertise honestly" or "They just want me to come to the store to buy stuff." They probably only had a small number of the promised low-priced items in store to begin with.' The latter's negative communication effect is significantly stronger since it is a result of the retailer's real actions. Additionally, it transforms the positive impact of the first sort of communication into a negative perception of the retail chain. As was already said, the sense of quality is determined by how much expectations and experiences diverge. Therefore, there is a true whole communication effect here; the customer is impacted by practically everything the organisation says about itself, its performance, and its actions that are felt during service interactions or elsewhere. Additionally, there is a connection between the different forms of communication and their outcomes. These communication impacts help to form the organization's perception in the eyes of current and future clients, together with other elements like the service's technical excellence.

**Advanced Marketing Communications**

As the total communication concept, it is based on the idea that it is not only planned communication efforts using separate and distinct communications media, such as TV, print, direct mail, the Internet, or social media, etc., that communicate a message about the firm and its offerings to customers and potential customers. The integrated marketing communications notion emerged as an approach to understanding how a holistic communications message could be developed and managed. Although the marketer may readily organise and carry out these communication operations, communication is a component of other factors as well. These customer relationship-related messages may be more persuasive than those that customers learn via commercials, brochures, and other conventional marketing communication channels. The research on integrated marketing communication, however, mostly focuses exclusively on communication mediums where communication activities may be organised clearly as communication.

Furthermore, as traditional marketing communication is mostly a firm-driven process, it is believed that what is conveyed would be taken more or less as intended. Of course, things may not really be this way. A customer-driven communication strategy is provided. Integrated marketing communications, which are still firm-driven yet represent a real comprehensive communications strategy, may be described as follows: A strategy known as integrated marketing communications combines traditional media marketing, direct marketing, public relations, and other distinct marketing communications media with communications related to the delivery and consumption of goods and services, customer service, and other customer interactions. Integrated marketing communications thus have a long-term outlook. This concept states that messages used in communication might come from several sources. Four categories of message sources are distinguished by Duncan and Moriarty:

1. Scheduled messages.

2. Product announcements.

3. Service announcements.

4. Unplanned communications.

Planned messages are the outcome of a planned marketing communications campaign in which a message is sent via several communications medium, including TV, print, direct mail, the Internet, social media, etc. Sales people also deliver communications that have been prepared. Since consumers are aware that these communications are being designed by the marketer to influence customers and prospective customers in a certain way, they are often the least trustworthy [4]–[6].

## DISCUSSION

Product messages are statements about a company and its offers that are implied by the actual goods that make up an offering. For example, product messaging could describe how a physical good is made, how it works, how it can be thrown away, etc. Messages generated by service processes are referred to as service messages. The way systems and technology work, the servicescape, the look, attitude, and conduct of service professionals, and other factors all convey service signals. Communication plays a big part in interactions between consumers and service personnel throughout the service process. These conversations not only provide the consumer with useful information, but they may also help him gain confidence in the company. On the other side, adverse consequences might also occur. Additionally communicating and maybe fostering confidence in the company are the ways in which the systems work and the servicescape supports the service process. Customers are aware that it is more challenging to manage the resources required to produce such communications than it is with planned messages and product messages, therefore one might argue that service messages are more reliable than planned messages and product messages.

Unplanned communications are the last kind and are seen to be the most reliable. Unintentional messages about the business and its products are sent by other customers who interact with a specific customer during the service process, who post comments on social media and spread positive or negative word-of-mouth information, or by articles in publications like newspapers, magazines, and TV shows, for example.

These four categories of message sources are outlined along with some samples of each sort of message. A fifth source of communication message has been added to the far right of the figure. As Henrik Calonius has out, a lack of communication in urgent circumstances, such as when a service breakdown or other unforeseen incident has happened, may negatively affect the customer's view of the quality of the provided services. Customers are kept in the dark about the problem if the marketer does not provide information, such as how long a delay may be anticipated to last or when a delayed cargo can be expected to arrive. This nearly always affects how people view the quality of the services being provided, raises the cost of psychological relationships, and damages relationships.

The fact that only prepared messages employing specific communications media—the least reliable source of information about the company and its offerings—are often scheduled as part of the marketing communications programme is a significant difficulty in marketing communication. Product communications may be planned to some extent, but more reliable sources, service messages, and unexpected notifications are often disregarded. The absence of a marketing communications budget and an organised marketing communications process does not imply that the effect of these kinds of messaging would be minimal. However, since they are difficult to plan, businesses often ignore them. The development of prepared messaging and the use of advertising, direct mail, sales promotions, and other conventional marketing communication channels as well as the Internet and other new media are much simpler to spend even more money on. Such a communications plan's outcome cannot be guaranteed.

A company's task is to combine the management of all message sources regarding the company, its products, and all communication platforms and their consequences. Otherwise, the various forms of communication will send clients varying, potentially conflicting messages. A personalised sales letter may offer one thing, a salesperson may promise another, and a third communication impact may appear when the buyer experiences the service and observes reality. Additionally, the whole communication impact may be muddled at any point along the way due to a communication gap that may have been intentional or unintentional. On the other hand, a company that has mastered whole communication management may have a significant influence on market communication and significantly improve the efficiency of the entire marketing process. It is a strategy for improving brand recognition and significantly affects word-of-mouth advertising.

**Difficulty in Communication**

The absence of communication, which is sometimes confused with lack of communication, when nothing is said, must be taken into account while designing entire communication, as was previously indicated.

It's possible that unplanned conversation may convey messages just as well as planned communication. It is not only a lack of communication when a company chooses not to notify its clients about, say, a delay or a quality issue. Instead, a clear message is being sent. This is either seen right away or later. The consumer is informed that the service provider or supplier doesn't value them and that they shouldn't be trusted. Communication when there is none is typically interpreted negatively.

When a consumer notices an issue, such as when a flight is delayed or a delivery of goods is late, and the company does nothing, the customer loses control of the situation. Being in charge is vital to customers. Being in charge of a bad circumstance, such a delayed shipment, increases a customer's faith in the provider more than ignorance of the problem. Keeping the client aware of issues and departures from expectations is also a sign of respect. As we've previously mentioned, effective service recovery is a requirement of high functional quality, and it begins with the open recognition of a service breakdown. In conclusion, a lack of communication may dangerously portray the company in an unfavourable light. Generally speaking, any knowledge is preferable than none, even bad information [7]–[9].

**Verbal Communication and The Communication Loop**

Word-of-mouth advertising often has a significant marketing effect, frequently higher than that of planned advertising. Since the advent of social media and the Internet, this influence has been rising tremendously. Word-of-mouth refers to information being shared among individuals or via digital media with larger audiences regarding the company, its standing and reliability, its methods of operation, its products, and so on. It is helpful to comprehend word of mouth in a relationship context since service is often dependent on an ongoing client connection:

From a relational viewpoint, word-of-mouth advertising is built on customers' consistent behaviour and long-term experiences. Their verbal exchanges reveal the kind and significance of the relationship events or service interactions they have had, as well as their psychological comfort or discomfort in the partnership. Depending on how strong the bond is, it fluctuates. A person having firsthand experience with the service provider is seen by a prospective consumer as an unbiased source of information. As a result, if a conflict arises between a word-of-mouth campaign and, let's say, an advertising campaign, the advertising campaign will lose.

A company and a particular client may form advocacy connections if a close relationship develops with that customer. These clients become brand ambassadors for the service provided by the company by praising it to their friends, coworkers, and other acquaintances as well as to total strangers on social media. consumers who have just had one or a few interactions with a service are more likely to emphasise the cost of the service when providing word-of-mouth recommendations, while long-term consumers are more inclined to discuss the value of the service.

The volume of recommendations from word-of-mouth also seems to favourably correspond with the proportionate expansion of a company within its industry. A company's growth rate is best when its consumers passionately refer it and its goods to others. From the perspective of corporate profitability, having many supporters on the market who recommend the company to others makes sense since expansion is often anticipated to be a primary driver of profitability. We won't dive into word-of-mouth in any more depth at this time. Instead, we will focus on the communication circle, where all types of word of mouth play a significant part.

Expectations/purchases, interactions/service encounters, experiences and word-of-mouth and references/social media make up the four components of the communication circle. A prospective customer or a current client may opt to make a purchase because they have particular expectations and as a result, new business is generated or a continuing customer connection is maintained, depending on the situation. He then enters the consuming phase of the customer relationship lifecycle after having completed this. The client now engages in contacts with the business and begins to understand the technical and functional aspects of the service being provided. There are often several "moments of truth" or "moments of opportunity" in these exchanges. Here, the client is exposed to the company's interactive marketing strategies and is given messages about services and products. A variety of signals about the company, like its reliability and interest in its clients, are sent via the work that workers do and the way that the systems work.

As a result of word-of-mouth, social media comments, and discussions, the experiences that arise from a customer participating in exchanges during service encounters and observing the quality aspects now increase several times. If the message conveyed is favourable, favourable changes in client expectations result. Positive customer experiences increase the likelihood that they will use the service again or in the future. The company and its goods attract the curiosity of new prospective clients. References are a proactive method for the business to incorporate excellent word of mouth into its advertising, maximising the possibility for such word of mouth.

The word-of-mouth multiplier impact varies by industry and circumstance. It is generally said that unpleasant experiences spread via word of mouth more quickly and frequently than favourable ones. And these consequences multiply rapidly thanks to social media. Despite the lack of data demonstrating the size of this multiplying impact, the trend is obvious and gives marketers a clear directive: Don't tamper with word-of-mouth. Make it work for you in every circumstance, and constantly look for ways to profit from it. From a marketer's standpoint, it is difficult, if not impossible, to influence social media conversations and word-of-mouth directly. Interfering with such conversations nearly always backfires. Word-of-mouth in all its manifestations can only be controlled indirectly by the elimination of errors and poor customer experiences, and when service failures do sometimes occur, through the correct and customer-centric recovery of the problem.

Thus, word-of-mouth is a key factor in predicting future purchase behaviour and has a significant influence on how expectations are formed among both current and prospective consumers. On the one hand, favourable word of mouth influences expectations and upcoming purchases favourably. Negative word of mouth, on the other hand, naturally has the opposite impact.

**The Communication Circle and Marketing Communication**

It is crucial that the marketer thoroughly comprehends the communication circle's existence and its ramifications. The client develops a resistance to active marketing communication if interactions with them result in too many bad impressions, which then lead to negative word-of-mouth. More bad word-of-mouth will result in less successful advertising, direct marketing, and sales activities, as well as decreased interest in the company website. If the harmful effects of word-of-mouth are to be eliminated, more investment must be made in these forms of communication. Increases in the marketing communication budget won't be sufficient to reverse the situation in the long term if there are too many negative messages spread via word of mouth and the organization's reputation falls significantly.

On the other side, good word of mouth reduces the need to spend as much on marketing communication, such as via sales and advertising. Additionally, it attracts clients and prospective customers to websites, either because they are curious or searching for answers to a problem. A large portion of the required new business is taken care of through positive experiences and word-of-mouth recommendations. Theoretically, great interactions reduce the need for mass marketing and provide price flexibility by improving consumer perception of quality and interactive communication. The necessity for mass communication, such as advertising campaigns, may not arise until completely new services are introduced. There are many instances of tiny local businesses functioning well in this manner, and similar success may be achieved by bigger businesses working in wider regions. Since implementing this communication approach more than 40 years ago, Svenska Handelsbanken, one of the top banks in Scandinavia, has consistently had above-average customer satisfaction levels and bank profitability.

Regardless of the organization's chosen communication strategy, the success of marketing communication depends on how interactions with customers have been tailored to their needs and desires, producing excellent perceived quality, and fostering positive word-of-mouth. The effect of interactive communication will be less positive, and may even be bad, if the communication components of encounters are disregarded. Therefore, greater funding will be required for other forms of communication, and even this may not be sufficient.

Without consideration for the communication effects of the service encounter and word-of-mouth, marketing communication efforts that send planned messages through, for example, personal selling, mass communication, and direct mail significantly increase the risk of overpromising and, as a result, of creating quality gaps. When this happens, customers will experience a reality that does not match their expectations. The communication loop is thus broken, which may have three different sorts of adverse effects:

1. Negative referrals and word-of-mouth spread, and social media disputes are sparked.
2. The organization's communication messages become less reliable.
3. Image of the company is tarnished.

On the other side, the comparable impact is obviously the reverse if all aspects of the communication process and client impressions of the service experiences are positive. Positive word-of-mouth spreads, marketing communication efforts become more credible, and brand perception is enhanced. Managing relationship communication is essential for effective relationship management, to sum up. Organisations may improve their communication efforts and deepen client connections by setting clear goals, using a customer-centric approach, utilising the proper media, maintaining consistency, and reviewing effectiveness. Long-term company success is ultimately a result of effective relationship communication, which also builds trust, contentment, and loyalty [10]–[12].

## CONCLUSION

In conclusion, only a comprehensive strategy to managing communication, in which the results of diverse sources of communication messages are integrated to the greatest extent feasible, can be successful and justifiable from a managerial standpoint. It is necessary to take into account the consequences of all forms of communication, including silence. It is not simple to integrate the many message sources and marketing communication channels. However, this cannot be used as an excuse for not making every effort to integrate. However, businesses sometimes face structural challenges. The management of marketing communication often occurs at a low level in the organisational hierarchy, where, for instance, a marketing manager or even a manager of marketing communications cannot integrate more communication messages than those that have been preplanned.

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# CHAPTER 10

# MARKETING COMMUNICATION AND RELATIONSHIP MARKETING INTEGRATED

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**ABSTRACT:**

A complete marketing plan must include both relationship marketing and marketing via communication. This abstract examines the idea of merging relationship marketing with marketing communication and discusses its advantages and disadvantages. Combining these two strategies enables businesses to interact with consumers effectively, develop lasting relationships, and provide value. In order to communicate messages about goods, services, and brands to target audiences, marketing communication entails the strategic planning and implementation of a variety of communication activities. It includes all forms of communication, including direct marketing, sales promotions, public relations, and advertising. The objectives of marketing communication are to raise awareness, shape perceptions, and motivate consumer behavior. Contrarily, relationship marketing is concerned with establishing and maintaining enduring connections with clients. Through personalized and ongoing contacts, it places a strong emphasis on client retention, loyalty, and satisfaction. Relationship marketing techniques seek to comprehend client requirements, provide first-rate customer support, and promote client involvement and advocacy. There are various benefits to combining relationship marketing and marketing communication.

**KEYWORDS:**

Communication, Marketing, Product, Service.

## INTRODUCTION

Unexpected communications were covered in the section before this. These are transmissions from sources that are either impossible to plan or difficult to prepare. The planned vs unanticipated problem has another facet. Even intended communications may go somewhat awry. Therefore, depending on how effectively the marketer is able to plan every component of a planned message, or of a message for a product or service, we may speak about both planned and unplanned communication [1]–[3]. There are many scenarios when communication effects happen even if they were not intended from a communication point of view. Unplanned communication, as opposed to planned communication, has a distinct impact that is comparable to the lack of communication. Such unintended communication consequences may be connected to messaging about products or services, or they may result from deliberate messages in sales discussions, advertising, or other specific communications medium. Unplanned messages are prone to harming customers' impressions. Therefore, it's crucial to examine all communication channels and any potential side effects, both intended and unintended. Of fact, it is seldom feasible to completely eliminate all potential sources of ad hoc communication in real-world contexts. To manage overall communications effectively, it is necessary to anticipate as many potential communication scenarios as you can and to at least reduce the likelihood of unpleasant unplanned communication.

The immediate, long-term, and ramifications of marketing communication:

Marketing communication is often only employed to accomplish short-term objectives. There are occasions when efforts are taken to produce impacts that last longer, such as corporate advertising campaigns or image communication initiatives. Such lengthy initiatives are, however, much too often organised independently of other campaigns. In a variety of various temporal frames, every communication activity short-term or long-term has an impact on consumers, as well as future customers, workers, and others. Three different time frames will be distinguished here, along with their effects on how a company is seen in the marketplace:

1. A short-term marketing communication effect.
2. A medium-term marketing effect.
3. A long-term influence on one's image.

Every communication endeavour, including marketing campaigns, websites, the conduct of customer care representatives, and the simplicity with which an ATM is handled, has an immediate, short-term communication effect. This might be a very powerful tool for communication, like a well thought out and executed advertising campaign that persuades prospective clients to believe in the claims stated. Over a longer time frame, the impacts could be less obvious or even harmful. Another point to keep in mind is that, although being designed and aimed, for example, primarily at prospective consumers, mass communication affects several target groups. Such communication also reaches the firm's staff and current clients. For instance, prospective clients to whom the business may offer discounts or other exclusive privileges if they make a purchase may be impressed, while the firm's current clients may be irritated. The marketer should anticipate these issues and take precautions to prevent them from the start of the planning phase.

**Market Communication Management Recommendations**

There are some broad rules for controlling market communication. The following 12 rules are discussed:

**Direct employee communication initiatives:** Profit from word-of-mouth. Give specific hints. convey the intangible. Explain the service clearly. Keep the lines of communication open. Promise just what is realistic. Observe the consequences of communication over time. Be mindful of how a lack of communication affects communication. Sync up marketing communication campaigns and communications. Customers incorporate communication messages into their expectations, life experiences, and prior learning. In the end, consumers are the ones who interpret signals from a company's communications for themselves.

**Direct employee communication initiatives:** Employees have access to all planned mass communication initiatives, including advertising campaigns, for diverse groups of current and future consumers. Therefore, employees constitute a crucial "second audience" for these efforts. Employees' responsibilities may be internally enhanced and their motivation can be increased by promoting their position in external communication initiatives.

**Profit from word-of-mouth:** Positive word-of-mouth influences consumer receptivity to external marketing communication efforts in the same way as it influences customer behaviour, as shown by the discussion of the communication circle and the significance of word-of-mouth and customer referrals. Additionally, positive word of mouth is the most powerful kind of advertising. Therefore, it is a good idea to employ the objectivity of word of mouth in marketing communication if a company has generated positive word of mouth, which is a message from an objective source. Several instances of this are testimonials.

Give specific hints. Since services are intangible, it may be challenging to convey information about them to a group of prospective clients. It is simple to make the intangible service even more ethereal. So it seems sense to make an effort to make the service more specific. A company may, for instance, use actual objects that are either related to the service or used in its creation to exhibit or demonstrate the service. This serves as proof of the high quality of the service. In comparison to an abstract visualisation of luxury, showing the actual comfort of first-class travel on an airline may be a more successful technique to give prospective buyers something concrete to connect to and remember.

Although it is often easy to provide concrete indicators of a service, it is important to remember that service is perceived intangibly. It's not always possible to distinguish a service in a meaningful manner by focusing on a material aspect of the service process, such as cutlery and cutlery for a first class or business class flight service. Instead, while some component of the service's intangibility may be what makes it stand out from the competition, dealing with it might sometimes be difficult. Providing instances of the service process, such as a client relaxing on a beach while on an all-inclusive vacation or displaying customer testimonials, are examples of how to explain the intangibility of services. Because services are intangible, great care must be taken to ensure that the advantages of a certain service are recognised. It's possible that using superlatives and complex language may hinder communication. It is yet unclear what the service can achieve for the client. Finding effective metaphors that effectively convey the service is crucial [4]–[6].

## DISCUSSION

Keep the lines of communication open. There must be consistency in communication efforts over time since service is intangible and because mass communication about service is challenging for the audience to understand. A strategy to help the viewer understand what is being sold and what the message is more quickly is to use a recurring melody in a TV or radio advertisement or a recurring layout, image, or phrase in a newspaper ad. When the target audience has begun to understand the message, marketers often believe that a communication theme is outdated and ready to replace. The marketer requires more tolerance when communicating about services than when promoting tangible goods. Promise just what is realistic. If external market communication's promises are broken, the gap between expectation and experience widens and the quality as perceived by the client falls. It is often said that fulfilling commitments is the most crucial component of effective customer service. Clearly, controlling marketing communication requires avoiding overpromising. This is clearly related to the following principle.

Watch the consequences of marketing communication over time. A communication effort may seem to be successful, but when considered over the long run, it may have unanticipated, detrimental repercussions, as the discussion in the preceding section showed. The short-term impact on sales may be favourable, but consumers will grow unsatisfied when they recognise reality if promises that cannot be kept are made. They won't come back, but they'll spread rumours. Long-term harm is done to the organization's reputation. The consequences on workers are comparable. Consequently, when external marketing communication is planned and carried out, a long-term view must always be adopted. Be conscious of the consequences of communication breakdown. Customers often interpret the lack of knowledge as bad news when it comes to stressful situations because they feel out of control. Usually, it is preferable to break bad news to clients than to remain silent. Sync up marketing communication campaigns and communications. Customers are exposed to a variety of communication messages, as was shown in a previous discussion in this chapter. These signals can be contradictory, which would have a confused effect. If communication messages are sent in conflict, such as via advertising or direct mail and messages from the service process, the result is unreliable and the company's reputation may be harmed. Therefore, it is crucial for the marketer to make an effort to include all forms of communication - planned, product, service, and unplanned - so that consumers are aware of the company's values and may build a rapport of trust with it.

Customers incorporate messaging into their expectations for their future and past experiences. A communication message can never exist in isolation. A consumer may even believe that there is at least some form of connection with the company if he had previous encounters with the company, its services, or its products. These prior encounters, as well as the impression of the company and its products that has formed in the customer's mind, are combined with the perception of the communication message from, for example, an advertising or service interaction. The message that is created in this fashion is likely at least somewhat off from what the company intended it to be, and it may even be drastically off. Similar to how the customer's life circumstances, background, and expectations will likely affect how he interprets the message. This effect might perhaps be significant. This implies that several clients will see the same marketing strategy, like an advertising, in completely different ways.

Customers ultimately shape the message that comes from a company's communication efforts. The message supplied by the marketer is equivalent to the message received by the consumer, according to the majority of marketing communications models, excluding the distortion caused by certain noise in the communication flow. Marketers often assume that consumers understand the message they are sending. Actually, the buyer is the one who creates the message for themselves. Each message is unique. Whether one can even argue that marketers deliver messages is very debatable. Perhaps what marketers do is provide numerous types of inputs for the machinery that generates personalised messages for each and every consumer. This mechanism exists in the customer's head, and the process of construction is influenced by the relationship history and prospective expectations of a certain client as well as by his personal background and expectations. Additionally, it depends on external factors, such as what a rival does at a given moment or changes in the customer's life situation. For instance, in service interactions, the service contact employees can make an effort to take a customer's personal circumstance, his relationship history and expectations, and perhaps even his life circumstance, into account as much as possible. The interaction's communicative impact will likely be enhanced in this manner. This is also somewhat achievable in direct communication, such as through direct mail. The marketer must utilise data on client groups in mass communication to increase the impact of communication efforts.

## Creating A Dialogue in A Relationship

In the framework of a continuous relationship, both the customer and the company are expected to communicate with each other. Communication between the two sides is necessary since it is a two-way street. The best-case scenario is when a conversation develops.18 A dialogue may be thought of as a collaborative, participatory process of thinking. 'Marketing's underutilised potential lies in the dialogical style,' write Ballantyne and Varey.

A conversation is meant to help two parties comprehend each other's points of view on an issue and ultimately find a solution. Therefore, two business parties should collaborate to reason through an issue and, if at all feasible, come up with a solution. The capacity to debate and communicate for the purpose of accomplishing a shared objective is a necessary component of the process of thinking together, as is the desire of both sides to listen. "In a dialogue participants speak and act between each other, not to each other," write Ballantyne and Varey in their conclusion. To establish trust between the company and the client in this conversation or thought process, a link between them must be formed. The goal of this approach is to create shared understandings and provide insights into what the two parties can do individually and together by having access to a shared understanding or body of knowledge.

The parties concerned must participate in a discourse. Participation occurs not just in interactions between the business and its clients, but also in one-way communication initiatives such as commercials, brochures, direct mail, and one-way Internet communication. However, messages sent via these conventional communication channels utilising both old and new technology need to advance shared understandings and areas of expertise. The two parties are thinking together when such signals via impersonal media and interactions between the client and the business reinforce one another [4]–[9]. One-way and two-way dialogues conducted via impersonal media have different dynamics. There is a sender and a receiver in one-way communication. Since all parties engaged must participate in a dialogue, there are no senders or receivers in a dialogue—only those who actively engage in the conversation. As a result, a conversation resembles a debate more than it does regular communication.

Marketers sometimes send out direct marketing letters that request a response from the recipient. It is considered the start of a discourse or even the manifestation of a dialogue if the recipient responds in response. However, it takes a lot more work than this to start a conversation between a company and a client. A conversation is a continuous process where information should be shared between the two sides so that both the company and the client are prepared to begin or continue doing business with one another. A genuine discourse cannot occur unless both sides are determined to start and keep it going. Instead of a discussion, there will be two simultaneous monologues or even just one monologue without a listener. Of course, both businesses and individual customers are affected by this.

Not every communication between the parties must contain an invitation to answer in order to sustain a discussion. If the customer feels that the information provided is valuable for him to move forward in the relationship for example, it tells the customer what advice to ask for or provides him with information needed to make the next purchase then an informative brochure or even a simple TV commercial may be part of an ongoing dialogue. Additionally, it's crucial to keep in mind that dialogues are maintained via a variety of scheduled communication channels.

In a relationship, the various channels of communication that were covered previously in this chapter also transmit signals that affect the conversation. All types of input into a continuing relationship conversation include goods, service procedures, and interactions with other customers throughout the numerous service encounters. These factors all add to the firm's overall communication message.

The relationship process in the relationship marketing model is made up of two simultaneous processes: communication and interaction. This model may be used to represent a relationship discourse and examine the effectiveness of that dialogue. For instance, a consumer who phones a help desk after reading a newspaper ad or brochure's recommendation does so and is given the necessary information and attentive care. This is a strong two-step progression of clear communication and service messaging that positively encourages the growth of a relationship discourse. A consumer may have also responded to a direct mailing and got a booklet outlining prompt and attentive service in exchange. The client chooses to acquire the service after this series of dialogue-oriented unique communication messages, with the customer's reaction coming in between the two messages, and engages in contacts with staff members and systems throughout a service process. He discovers that the promised swift and attentive service is not delivered at that point. For instance, there are not enough customer service representatives and they do not have the time or motivation to really care about the client's issue. The negative message that follows the customer's unfavourable experiences with the service contact detracts from what was first a pleasantly progressing discourse.

The communication process and the interaction process did not support one another, and as a result, no long-term positive relationship discourse emerged. The two people in a relationship must constantly grow in their understanding of one another for that connection to succeed. A developing awareness of the customer's wants, values, and consumption or use behaviours is acquired by the supplier or service provider. The consumer learns how to take part in the interaction processes in order to get assistance, timely and correct information, individualised care, efficient service, etc. One way to describe this approach is as a learning partnership.

A learning connection might develop more easily with continual conversation. A relationship discussion won't, however, if the collaboration between a supplier and a client excludes components of learning. In fact, when the persons involved do not believe that a shared worldview exists, no true partnership will grow. If the vendor has a cheap price, a technical edge over other companies, or is conveniently placed, the consumer could still choose to purchase from them in the future, at least for a while. However, this connection is considerably more susceptible to changes in the market, to fresh rivals, and to potential new alternative solutions.

Although communication efforts may appear relational, such as personally addressed letters inviting a customer response, relationship marketing is not simply planning and managing marketing communication through distinct communications media, even as a two-way process. Customers and marketers do not collaborate to develop a shared understanding. Relationship marketing is only possible via the planned fusion of several planned communication and engagement activities into a single, methodically carried out strategy. Relationship marketing can only be successfully implemented if the numerous marketing communication messages are really integrated with one another and with the results of the interaction process.

An ongoing communication between the company and its customers, which is a crucial component of relationship marketing, can only be maintained in this fashion. As the connection progresses, the various communication kinds evolve continuously, and their impacts build up in consumers' brains. Positive unplanned communication that results in positive word-of-mouth communication will happen if the separate communication process with its intended marketing communication is supported by the product and service messages established in the interaction process.

Communication between the business and the client should be encouraged. The customer should believe that the company sending the message cares about him and makes a strong case for their product. A relationship conversation with the consumer, the supplier, or the service provider as participants, is created in such a setting by the planned communication efforts and the communication parts of the interaction process merging into one single two-way communication process. Depending on how long a consumer has been a part of the contact process, the type and substance of word-of-mouth recommendations will likely vary. A long-standing customer's recommendations are likely to be more comprehensive than their detailed experiences and more value-oriented than price-related.

**Communication in a Relationship**

The business must use a long-term dialogical communication strategy in order to build relationships with its clients. The likelihood that the customer and the supplier or service provider develop a mutual understanding and commitment rises when the company and its customer "reason together" about how the customer's regular activities and processes can be best supported and a mutual understanding of how this can be done is emerging. Gaining a "share of the customer's wallet" as well as a "share of his heart and mind" increases the likelihood of achieving the marketing goal. The three layers in the paradigm are contact, connectivity, and planned communication.

From a low degree of engagement between the seller and the buyer to greater levels of interaction, the relationship communication process progresses. The majority of the communication operations in the first phase include planned communication utilising specific communication mediums, such as ads, brochures, direct mail, and sales discussions. As the process advances, the client is engaged in contacts with the company, such as dealing with service personnel, different systems that represent the company, or actual items. If the customer's daily operations are effectively supported by these contacts, a connection that goes beyond the scope of pre-planned communication messages is made. If the result is a well integrated message, then dialogical communication has begun. Product and service messages are interlaced with planned communication messages. Dialogical and relational communication may be described as taking place as the process progresses and two-way communication attempts intensify. A feeling of closeness between the two parties is developing as a consequence. The customer's heart and mind may have been won at this point in the relationship communication process, and a genuine connection may have been built. The possibility that the connection will last is high as long as the actions performed by the other person are seen as reasonable and helpful.

The client, not the advertiser, decides whether a communication attempt is seen as relationship communication. The client evaluates the message's significance to him. From the perspective of the client, what the marketer perceives as relationship-oriented communication may be something else entirely. The following definition of relational communication is offered by Finne and Gro nroos: Any kind of marketing communication that impacts the recipient's long-term loyalty to the sender by promoting meaning formation via integration with the recipient's temporal and contextual context is known as relationship communication. The receiver's perspective of the past and anticipated future of his or her connection with the sender are referred to as the temporal context. Other factors that are either internal or external to the receiver are included in the situational context. A communication message should, from the standpoint of the connection, increase the customer's loyalty to the business. The type and substance of the communication, as well as the customer's perspective of reality in terms of time and context, will ultimately determine whether or not this occurs.

Traditional marketing communication models make the assumption that the marketer defines the meaning a message delivers, even in the context of integrated marketing communication. The expectation is that the consumer will get this message, although somewhat muddled by some background noise throughout the communication process. The relational communication model, on the other hand, makes the assumption that the recipient of the communication is the one who gives it significance. The model suggests that there are two variables that affect its meaning: a temporal variable and a situational variable.

The temporal elements have to do with how the client and business are related. What interactions has he had with the company in the past, and what expectations does he have for the future of this partnership? The situational elements might either be internal or external to the client. Internal determinants include a person's personality, education, degree of knowledge, and "life expectations," among other things. The personal context of the individual, such as family situation, economic situation, and social situation, or trends, traditions, alternative choices, as well as communication messages from competing businesses, discussions on social media, and word of mouth, are examples of external factors that can be culturally situated. The client associates the four temporal and situational components of the model with any particular communication message, such as an advertising, sales call, or encounter with a service representative. Depending on how this evaluation of the message comes out, this communication may have a relationship-oriented connotation that is either good or negative, or it may not even be regarded a relationship message at all. Of course, this judgement is often made without conscious thought, but it may also be done on occasion. This implies that before developing any communication strategy, marketers should do a comprehensive examination of the temporal and situational circumstances of their target audiences. Otherwise, relationship contact with the consumers may not happen and much of the marketing communication may be ineffective or even destructive [10].

## CONCLUSION

Integration of relationship marketing and marketing communication, however, also has its difficulties. It necessitates coordination and cooperation between several organisational divisions and functions. For smooth integration and consistency in communications, there must be clear communication and alignment of goals. Organisations must also carefully strike a balance between personalisation and technology utilisation. While technology makes data analysis and communication more effective, it shouldn't take the place of personalised interactions and human touch. Successful integration depends on striking the correct balance between automation and personalisation. In conclusion, organisations may effectively engage consumers, forge lasting connections, and provide value over the long term by blending marketing communication with relationship marketing. Organisations may improve customer happiness, loyalty, and advocacy by coordinating messages, encouraging customer participation, and using customer information. While there are difficulties, the advantages of combining marketing communication and relationship marketing exceed the difficulties, making it a useful tactic for businesses looking to build deep and long-lasting connections with their clients.

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# CHAPTER 11

# MAINTAINING BRAND IMAGE AND RELATIONSHIPS

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**ABSTRACT:**

A brand may be developed by the consumer, if anybody. Marketers can't do that. They can only facilitate the growth of a brand image in the eyes of consumers. Two key marketing ideas are covered in this chapter: brand and image. First, the definition of a brand and the nature of the branding process are examined. Using a relationship-based perspective, brands are seen as brand relationships that are impacted by various brand interactions that take place throughout the course of a prolonged relationship between a consumer and a supplier or service provider. The picture notion is examined in the chapter's later parts. The impact that image has on a business is explored, along with potential causes for a poor image, and steps that may be done to enhance image are laid out. After reading the chapter, the reader should have a better understanding of the value of branding for service providers, the elements of building service brands and brand connections, the function of image, and the ways in which image may be enhanced in different contexts.

**KEYWORDS:**

Brand, Image, Management, Marketing, Product.

## INTRODUCTION

In marketing, the idea of a brand is widely established. A century ago, the first brands in the contemporary marketing sense were created. However, logos and branding became crucial marketing challenges in the second half of the 20th century. The majority of brand debates focus on tangible products, particularly consumer packaged goods. The past 30 years or so have seen a rise in understanding of the significance of developing service brands. The importance of branding for service organisations is now well acknowledged. A brand is defined by the American Marketing Association as "A name, term, sign, symbol, or any other feature that identifies one seller's product or service as distinct from those of other sellers." At least two objections can be raised from the perspective of the service industry: this definition ignores the crucial aspect of service as a process, and it excludes the customer.

1. First, it clearly draws attention to concerns like name, term, sign, symbol, and feature, but it ignores the basic fact that a service is a process and that using a service may be referred to as process consumption. This service process clearly distinguishes between the services of different providers since service is viewed through processes in which the consumer typically also participates. The service process must be at the centre of service brands since it leaves the deepest imprint on the customer's perception of the service. Of course, names, words, signs, and other elements may also contribute to the brand.
2. Second, the client is not included in this definition. From the perspective of the marketer, brands are seen as something that the company generates. In practise, a lot of

brand development, or brand creation as it is sometimes mislabeled, has been founded on this viewpoint. The consumer is supposed to build an impression of the brand that is consistent with the desired brand via a variety of planned marketing communication initiatives.

Although this is obviously not the case in reality, this perception of a brand and branding is a result of the typical branding processes for physical goods, in which planned marketing communication is the primary tool used3. In the context of consumer goods, this has been a successful method of building brands because the good is already pre-produced and in existence when the branding process begins. Although it is seldom openly acknowledged as such, creating and designing the items is the initial stage of the branding process. The products and their characteristics are taken for granted, and branding is believed to begin there. The products always have the same characteristics, which, if enough market research has been done, people enjoy or accept and which match the advantages buyers want. If the clients dislike the flavour of the morning cereal or the soft drink, the brand of the bottle or can cannot be turned into a successful one. Since the foundation for a successful brand in the case of goods already exists in the form of the actual goods, the central aspect of the branding process automatically transforms into a planned marketing communication issue using unique communication media, such as television, newspapers, direct marketing, and the Internet [1]–[3].

The growth of social media has given consumer power over firms and branding a new dimension. consumers' opinions of businesses may be significantly influenced by discussions between current and future consumers, such as those that take place on social media platforms like Facebook and YouTube. Adramatic illustration of this is the song "United Breaks Guitars," which was uploaded to YouTube by a musician who was treated unfairly by this airline. Customers may interact with businesses like hotels, restaurants, and tour operators via positive or negative comments posted on their websites or those of other companies, like Trip Advisor, thanks to the Internet and mobile devices. However, businesses may also have an impact on branding by aggressively using social media, the Internet, and mobile technology. But there has also been a significant amount of fraud as a result of this. Companies may publish false information on websites, but consumers may also commit fraud, as shown in online auctions.

The scenario changes, and the relevance and engagement of the client expand significantly since a service as a process is a far less standardised foundation for branding. Consideration of the service process and its result as a given and outside the branding process is the first and most important error in service branding. Finally, one must avoid being too focused on branding itself while dealing with brands and brand management. After all, branding is only a tool for winning in a hostile environment. In the words of Rust et al., "brands exist to serve customers." If a company spends too much time worrying about branding in this way, it may neglect the more important task of attracting new clients and keeping up with those it already has.

**Brand Identity and Image**

The difference that is often made between brand and brand image appears to be one of the issues with discussions about brands and branding. Brand image is the mental representation that a client has of a product or service. Keeping the concepts of a brand and brand image apart gives the impression that a brand can be created and can exist without the presence of the customer.8 In this view, the customers form an image of a readily created brand. The term "brand identity" can be used to describe the image of the brand that the marketer wants to create. This train of thinking gave rise to the deceptive term "brand building." Customers really constantly encounter information about the brand that is being developed, and they connect to these brand messages in such a way that they both consciously and subconsciously notice them, respond to them, and construct a picture of the brand in their brains. Both services and tangible commodities fall under this category. Another way to state this is that a brand is not created and then evaluated by the public. Instead, each stage of the branding process and each brand message is interpreted independently by consumers, who then combine their impressions to create a brand image (or brand, for short). Customers always have a "inherited" picture of a company or a product, as Anne Rindell notes, based on their prior interactions with it. Companies managing brands should be mindful of their visual history.

There is no need to distinguish between a brand and a brand image when including the consumer in the branding process. A brand's image is always based on the client. As a result, a brand's idea is always represented by an image. As a result, whenever we discuss a brand in this book, we always refer to it as a mental picture that consumers have of it. Brand and brand image are thus interchangeable terms. In the notion of brand identity may be used to explain the perception of the brand that the marketer hopes to engender among consumers. It is the objective that must be met. A brand is the mental representation that is really created. The process of developing this image called branding.

'Brand building' is a term that is often used to refer to branding. But since it suggests that the marketer can build a brand on his or her own, this is false, even deceptive and hazardous. This implies that the brand may be made available to consumers after it has been "built." The role of the client is really considerably more active in the branding process, as we will see in the parts that follow. The consumer, not the advertiser, determines if a desired brand is growing or not. The consumer is the one who creates a brand. The role of the marketer is to build frameworks for the development of a brand in customers' minds by offering an appropriate physical product, service process, and supportive communication using various forms of planned marketing communication, as stated by LEGO: "[W]e own the brand name, our customers own the brand." A brand image that matches the planned brand identity is emerging if the marketer was effective in building this branding "frame," else it is not.

**Brand Contacts and Relationships**

Our perception of the brand is altered when we see the consumer participating actively in branding. It is no longer something that can be communicated to consumers or something that exists in a vacuum. Instead, it is something that evolves and changes over time as a result of how the customer responds to the flow of brand messages, which may come from various sources, such as service staff, systems, and tangible product components, planned marketing communications, Internet websites, word of mouth, and social media discussions. In this approach, a bond between the client and the brand emerges and grows. In the eyes of the consumers, this brand connection provides the combination of products, services, or pieces of a solution meaning. As a result, the brand, as brand image, is the result of how a specific customer views his relationship with a brand through time [4]–[6]. According to Schultz and Barnes, consumers undergo a sequence of brand interactions where they either experience a brand message to which they are exposed or are engaged as co-producers. It doesn't matter where or what sort of encounter it is; they describe a brand interaction as an image- and information-bearing experience that a consumer or prospective customer has.

**A Definition of A Brand Based On Relationships, Brand Value, And Brand Equity**

When referring to a product, service, or solution in this context, the term "brand value" refers to the customer's estimation of its value to him in relation to competing options.13 If the brand value over time declines, the customer will be more receptive to competing solutions and interested in marketing messages from other businesses. On the other hand, if the value of the brand rises, it can be anticipated that the chance of a devoted consumer would rise. The importance of brand value to suppliers, distributors, and other network partners may be observed in a similar manner.

The value of brands to consumers is significant because it serves as the foundation for generating sales and, therefore, for generating value for the company out of a brand. A brand, however, also adds value to the company. More sales may be anticipated to be made the more highly regarded a brand is by consumers. The worth of a brand to the company is referred to as brand equity. The following is a definition of it:

The unique impact that brand awareness has on how customers react to a company's marketing. When a consumer is aware of a brand and has positive, powerful, and distinctive brand connections in their mind, equity is created. This differential impact, which may be either positive or negative, develops with time. The worth of a service or a product to the company is referred to as brand equity. The value of the product to the company increases with brand equity. The final definition of a brand is a brand image based on the customer's perception of his brand relationship: A brand image is created in continuously developing brand relationships where the customer forms a distinctive image of a physical good, a service, or a solution including goods, services, information, and other elements, based on all kinds of brand contacts that the customer is exposed to and engaged with.

## DISCUSSION

This definition fits well with Ambler's brief and straightforward definition of brand equity, which reads: "Brand equity is what we carry around in our heads about the brand."15 In light of both this definition of brand equity and the preceding definition of brand relationship, it is useless to attempt to develop a brand without taking into account the relevant customers' and potential customers' relationships with and participation in branding activities. Additionally, the phrase "to build a brand" is incorrect in a relationship context since it suggests that the marketer may start and carry out branding-creating actions. Of course, this is untrue. In the course of interactions between a customer and a supplier or service provider, including those involving tangible goods, operational procedures, information, etc., as well as planned marketing communication elements, online presences, and social media conversations, the brand is developed in the customer's mind. The process of building and sustaining a brand over time in the eyes of consumers, prospective consumers, and other stakeholders is accurately and descriptively referred to as "creating brand relationships." A customer's "heart and mind" must have been won over by the service and the company offering it in order to create an emotional attraction and a sense of closeness. Only then can there be a real brand relationship. The brand connection is merely latent until this degree of attraction has been established.

Active and positive word of mouth may be anticipated to follow if a brand connection has been developed and fostered to the point that a client feels connected to a particular service and thinks that this service, or any other sort of offering, is distinct from rival services. The client will be inspired to discuss this service and post comments on social media, and they will. The consumer has shown strong brand engagement, which is defined as having a positive experience with the service and the service delivery process of a particular supplier or service provider. Because of this, customers are often successful service marketers. There is a real brand connection when there is a high level of brand participation. Well-managed consumer contacts as well as other methods, such as online brand communities, may increase brand participation.

**How to Forge Relationships with Service Brand**

Two factors need to be considered while branding a service: There isn't a ready-made, uniform product that can be used as a jumping-off point for the development of brand partnerships. Instead, the core of the branding process is the service activities themselves. The organisation itself and its service operations, not individual offerings, are often the foundation for the branding process.

While the product itself is a supporting component in the branding process for physical items, the main concern is often planned marketing communication activities utilising specific marketing communication channels performed by the marketer. Features and advantages that appeal to and are relevant to clients should be included. Of course, designing the product is also a step in the branding process, but in reality, this step is sometimes overlooked since it is assumed that the product is already built to complement the desired brand identity. Therefore, the most crucial area that a brand manager invests time and resources on is marketing communication.

The planning and management of the service process is at the core of the branding process in the context of services. The branding process solely includes planned marketing communication as a supporting component. Planned communication activities are seldom able to make up for a bad brand value caused by the service process. A service marketer always runs the danger of failing if they focus on scheduled communications as their primary branding initiatives. However, this is merely a promise made about the brand. He may have raised brand awareness, informed people of the existence of a service, and possibly even of the brand identity the company hopes to establish. The service method may not live up to this marketing promise. If a client does not perceive this brand fulfilment, the branding process will not result in the development of a brand image that is consistent with the desired brand identity.

If the service process is not controlled as an element of branding, it may easily produce bad brand interactions that successfully undermine the intended communication efforts. A supportive service culture inside the organisation is crucial for a customer-focused service process that continuously includes positive brand encounters. If such a culture exists, the service delivery procedure will successfully support a desired brand identity. As a result, an intended brand develops when the values of the company and its personnel complement rather than clash with those of the consumers. The phrase "internal branding" is often used in brand management to emphasise the requirement to internally align the values of a company with those that are desired both internally and publicly as a foundation for building a positive brand image. Brand identity must also be promoted inside for brand images to grow. Even more difficult than exterior branding is the problem of internal branding for many businesses.

Employee branding also refers to ensuring that a company's workers adopt and uphold the firm's brand promise to its consumers.20 This phrase is often used synonymously with internal branding and internal marketing. Employer branding is a phrase that is sometimes used. A positive example set by managers and other leaders is one of the most important ways to build employee brand. Employees who interact with customers are inclined to change their conduct if it supports the brand promise. Employee brand identification is often used to refer to the firm's desired brand, brand identity, and the link between the workers and the organisation. Employees of a company are likely to acquire poor brand identification if they feel cut off from the company and its management. Employees in this condition are likely to perform less in favour of the promised brand than they would in circumstances when employee brand identification is strong.

An examination of the brand image that the company wants its clients, as well as other stakeholders, including shareholders, lending institutions, network partners, and workers, to have should serve as the beginning point. The desired brand identity is this. The creation of brand recognition then occurs via strategic marketing communication. This is being done for two reasons. Customers are first informed of the availability of a certain service. Second, these experiences are supported by the brand promise of marketing communication efforts, provided that the planned communication efforts complement and do not contradict the customers' experiences of the service business, the service process, and its end. The brand fulfilment in the service branding process is created by the interactions consumers have with the business and the service process. Customers create a perception of the brand in their brains as a result of this brand fulfilment, while planned communication efforts are just supportive of this process.

Even while the branding process seems organised, only the branding process making brand promises and developing brand-fulfilling experiences is controllable; brand image building is not. While the marketer should establish the ideal conditions for a desirable brand image to grow, the brand develops for the client in his mind via a continual brand creation process. Therefore, if one wishes to employ the often misunderstood term "brand building," it is the consumers who do so. The marketer is not permitted to take such action. The branding of services may be summed up as follows: The major responsibility in the branding process is to control the service procedures so that consumers experience pleasant brand encounters and a message that corresponds to the brand, which leads to brand fulfilment and, eventually, beneficial brand relationships. Only supporting actions are used in the intended marketing communication initiatives to build connections between brands. Additionally, brand enablement via internal initiatives is necessary to get staff members working for the company, as well as, for instance, in distributor and other network partner organisations, motivated and ready to actively contribute to the effective fulfilment of the brand.

A broken service process may and will ruin even a solid service brand notion. If the brand identity that the company is looking for conflicts with the corporate culture, the service process won't let the desired brand develop. Normally, planned marketing communication promoting a brand identity that is not expressed in the service process and in the organisational culture cannot make up for the fact that the service process does not foster a good brand image in the minds of consumers. In order to build brand equity, Leonard Berry offered a systematic approach to "cultivating service brands." His recommendations, which are based on a thorough analysis of many companies that provide exceptional service, include four strategic stances that should be taken into consideration in order for the company to build brand equity and profitable brand relationships:

Businesses with strong brands never present their service as a commodity. It is unique in a manner that makes it stand out and piques the curiosity of both present and future clients. These businesses differentiate their service from the competition by innovating rather than copying current offers. Brand connections that are unique from those of the competition are developed in this manner. Customers of these businesses see the brand as distinctive and unique. It develops a brand identity that favourably differentiates the product from rival options.

Companies with strong brands create products that are important to and useful to their consumers. Making the service stand out from the competition is a necessary first step, but it is insufficient. Customers must believe the service is worthwhile. Customers will experience little or no value in usage if an offering does not complement their regular behaviours, and brand connections will not grow. Businesses may use branding to communicate to consumers their organisational values and purpose. Therefore, businesses that control their own destiny will outperform their rivals in terms of service. As a result, the brand is strengthened through positive word-of-mouth and interactions amongst customers on social media.

An emotional connection between the company and its customers is a key component of effective customer relations. Customers have an emotional connection with the business. Service always has an emotional component, therefore businesses with strong brands make an effort to go beyond just the rational and practical features of a product or service. They foster in their clients a sense of intimacy, desire, and trust. Brands should represent the essential values of the consumers, which often go beyond what is physically or economically reasonable. Of course, the company must work to earn this; it does not just happen. Businesses that are able to connect emotionally with their clients may do the same for themselves.

Take the brand inward. The brand and a brand connection are ultimately mostly generated via service interactions, while communicational activities like advertising campaigns may help to promote the brand image. Any service interaction has the power to strengthen or weaken the connection. Service workers often, although obviously not always, play a key role. In service interactions, employees may help or hurt branding efforts. Companies with strong brands make investments to internalise the brand connection throughout the business. As a result, companies with strong brands value internal marketing.

In conclusion, the following five principles may be used to distil the secret of effective branding: A brand is always a picture in consumers' thoughts. One cannot create a brand. Only suitable conditions that support the development of a brand as an image in consumers' minds may be produced by the company. Managing brand connections is at the core of branding, and customer interactions with brand contacts are crucial to how a brand image develops. Only supporting actions are included in branding, such as marketing communication and brand awareness building. Successful brand management depends on internal branding [7]–[9].

**Company Image Management**

A company's or any other organization's image, whether it be global, national, or local, symbolises the ideals that current, future, former, and other groups of people associate with the business. Depending on which group is being evaluated, the image may change, and it may even change between people. Although certain groups may have a very distinct and familiar picture of the organisation, other groups may have a different impression that is less obvious. There are numerous layers to image. A restaurant chain is an example of a huge network organisation that has a corporate identity. Additionally, a neighbourhood business, like a restaurant, has a reputation among its neighbours. Each individual outlet may very well have its own image in addition to the general local image if there are several stores or offices that are a part of the local organisation.

On a variety of levels, company perceptions are connected. The impression of a local business is influenced by its overall image, and to some degree, the perception of a specific office or outlet is influenced by the local image. Furthermore, the multiple pictures may interact with one another in a variety of ways. Large clients, including financial institutions, are more likely to be swayed by a company's reputation. Local image is more important to smaller, local clients. For a local business, the overall corporate image and the local image may be almost identical. Note that a local unit is unavoidably impacted by the corporate reputation of the larger organisation of which it is a part. This is significant from a management perspective. On the other hand, service activities are often local, which offers a fantastic chance for a small business to create a unique reputation among its local clients. For instance, even if a network of hotels has a poor reputation overall, a particular hotel within that chain may have a strong and positive local reputation that draws in business.

From the perspective of the corporation, a distinctive local image may be allowed within certain bounds, but too-different local images may be detrimental to the pursuit of a corporate goal. It could be challenging to sustain a consistent brand image if local hotels are shown in too many different ways. Of course, this is a highly situation-specific problem.

Again, however, most consumer interactions and service are local. As a result, corporate management shouldn't always attempt to harmonise the images of all hotels. Because local business settings and civilizations vary, a simplified local image might be detrimental to company. A management challenge is the need to streamline or distinguish between local images and the intended corporate image. The merits of various local images should be weighed against the need for a distinct corporate image. There may or may not be a conflict present at any given moment.

**The Value of Images**

A positive and well-recognized image, whether it be the overall corporate image or the local image, is a benefit to any business since it influences how customers perceive the firm's operations and communication in many ways. Image plays at least four different roles. The difference between the organization's global image and its local image is omitted here for the purpose of simplification:

1. Expectations are communicated through image.
2. Experiences are moderated by image.
3. Image is influenced by both expectations and experiences.
4. Both the internal and exterior effects of image on staff members and consumers are present.

First, expectations are communicated via image, as well as through external marketing initiatives including advertising, direct mail, personal selling, and word-of-mouth marketing. Although we will primarily focus on customer connections in this article, image also applies to interactions with other stakeholders. Additionally, appearance affects expectations and aids in the screening of information, marketing messages, social media comments, and word-of-mouth. A good reputation makes it simpler for a business to communicate successfully and increases receptivity to positive word of mouth. A negative picture, of course, has a similar impact, but in the other way. A neutral or strange picture may not harm anything, but it also doesn't make communication and word of mouth more successful.

Second, image acts as a filter to temper experiences and shape how people see the firm's performance. Through this filter, both technical and functional qualities are perceived. If the perception is positive, it serves as a haven. Due to this shielding effect, minor issues and sometimes more significant issues of a technical or functional quality might be missed. This, however, only lasts a little time. If such issues persist, this shelter's impact will wane and the company's reputation will deteriorate. The reverse outcome is also produced by this filter. Customers are more displeased and irate with poor service when a negative impression is there. In this sense, a neutral or strange picture is not harmful, but it also does not provide protection.

Third, the image is influenced by both consumer expectations and past experiences. Customers' perceptions of service quality alter as a consequence of expectations they generate and realities they encounter in the shape of the service's technical and functional quality. If the perceived service quality is on par with or better than the image, the image is strengthened or even enhanced. The outcome will be the exact reverse if the company performs below picture. Additionally, if the image is not clear or widely known to consumers, customer experience develops it and gives it particular positive or bad aspects.

A fourth image-related consequence is crucial to management. Both the internal and exterior effects of image on workers and consumers. Employee views about the company as an employer may be affected to a greater or lesser extent depending on how distinct and clear the image is. This may thus have a detrimental effect on the performance of the staff, and consequently, on customer relationships and perceived quality. On the other hand, a favourable perception of, let's example, a company that offers exceptional customer service, communicates clear values internally and may bolster favourable sentiments towards the company among its staff. Good personnel are also readily attracted to such a company.

**Creating an Image**

Managers often complain that their company presents a bad, confused, or outdated image. They attempt to address this issue much too often without first examining it and the causes of the negative perception. In turn, this produces bad judgement and behaviour. For instance, in instances when they won't really remedy the issue, cosmetic measures are often used, such as corporate image advertising campaigns or activities using other mass communication channels. Such acts, at most, have a negligible or restricted beneficial impact.

The adage "image is reality" is well-known. Therefore, plans for developing or improving one's image must be grounded in truth. If a company's reputation is poor although it performs well, strategic marketing communication is necessary. However, the core issue is different if the company's reputation is poor and its performance is poor. The company is dealing with more than just a communication issue. One must first examine the causes of the image issue. Basically, there are two possibilities: the company is well-known but has a negative reputation; or the company is less well-known and, as a result, has a murky reputation or an outdated reputation based on previous customer experiences.

If the brand's reputation is poor in any manner, consumers are likely to have unfavourable experiences. Technical and/or functional quality issues might exist. If management, in such a position, asks an advertising agency to develop an advertising campaign with the message that the company is service-oriented, customer-conscious, cutting-edge, or whatever the message may be, the outcome might be deadly. The campaign will, at best, be a waste of money, but there have been instances when similar efforts have had far more dire repercussions. A national retail business in a European nation has a negative reputation for providing bad customer service. It made significant investments in a corporate advertising campaign that promoted exceptional service, customer-focused personnel, a welcoming environment for customers at its retail locations, and other attributes. Sales increased temporarily, but over time they declined back to their previous level and even sank below it. The company's already poor reputation took a hit.

The lesson is that while image is reality, reality usually prevails when market communication does not match reality. An advertising campaign that is not grounded in reality merely raises unrealistic expectations. When expectations are raised but reality remains same, the perceived level of service quality suffers, which hurts the reputation of the business. If the issue with the picture is legitimate, only genuine action will be helpful. An image issue results from genuine issues with the company's performance, technical, and/or functional quality. Internal company performance improvement measures are required if the bad reputation is to be improved. There is a communication issue if the company's reputation is unrecognised. The company may be entering a new market where it is unknown, or it may only have infrequent client interactions due to the nature of its operations, which prevents consumers from forming a detailed impression of the business based on experience. Additionally, the firm's reality may have changed, for example, making it more customer-conscious and service-oriented than previously, but consumers may not yet completely realise this. Because of this, the image is not yet as nice as it might and could be. When enough clients have adequate exposure to the new reality, the image will ultimately improve. However, this procedure will generally go more quickly if the company informs the market of this change. An image issue under these circumstances is essentially a communication issue, and better marketing communication provides a remedy.

Additionally, a company's reputation may always be supported via a variety of deliberate communication strategies. The design of offices and delivery trucks, as well as the style of websites, adverts, brochures, packages, and letterheads, may reinforce a certain image if they are consistent with it. On the other hand, if a company's operations are seen as being archaic and bureaucratic, then contemporary office layouts and advertising designs will not help the company's image [7], [10].

## CONCLUSION

In conclusion, it's critical to understand that, unless the transmitted picture matches reality, it is not the same as what is conveyed via planned marketing communication. Real performance prevails over communicated picture when there is a discrepancy. The firm's planned communications are seen as unreliable, further harming the company's reputation. Before taking any action, management should do a comprehensive analysis of any image issues. Improved communication is the best way to address a communication issue. However, if there is a genuine issue, if the unfavourable or negative image is the result of subpar performance, the image can only be addressed by internal action, the goal of which is to raise performance. Planned communication cannot be employed until the true performance-related cause of the negative image has been addressed in the second phase.

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# CHAPTER 12

# SOCIAL MEDIA FOR MARKETING AND SERVICE MANAGEMENT

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**ABSTRACT:**

Social media has completely changed how businesses handle marketing and customer service. This abstract discusses the advantages and difficulties of social media in marketing and service management. Organisations may improve their marketing initiatives, interact with consumers, and provide great customer service by using social media platforms well. Social media platforms have developed into effective marketing tools that help businesses connect and engage with a wide range of customers. They provide businesses a platform on which to build their brands, distribute interesting information, and interact with clients in two directions. Organisations may promote brand loyalty, increase consumer involvement, and spread good word of mouth using social media. In social media, a business is only as excellent as its customers believe it to be since the truth eventually comes out. The function of social media in service management and marketing is examined in this chapter. Additionally, many social media platforms are examined. The chapter next describes the social media communication circle before elaborating on how social media has an impact on service marketing and management. The reader should understand the many types of social media, how they work, and how businesses may modify their marketing to fit different social media after reading this chapter.

**KEYWORDS:**

Brand, Management, Media, Services, Social Media.

## INTRODUCTION

Social media are all those modern internet platforms that enable actors to produce and disseminate material on a broad scale. The material may take the form of text, images, audio, or video. The social media platforms facilitate and promote sharing, so the information gets out quickly to a large online audience and has a huge impact. Social media is essentially a new means of communication amongst individuals. From a marketing standpoint, social media's impact and pervasiveness in people's lives are its most crucial features. Today, the majority of people use social media, whether it be social networking sites1 like LinkedIn and Facebook, microblogging services like Twitter, communication apps like WhatsApp and Kik, content sharing communities like YouTube, SlideShare,

Instagram, and Pinterest, platforms for crowdsourcing or crowd funding, various blogs or online forums, or virtual worlds like Second Life or Habbo Hotel. Customers share their daily lives with others on various social media platforms as they remain constantly connected, including their interactions and experiences with businesses. Because information is shared widely, customers are also more educated, which gives them more power3 because they can identify and assess service providers, brands, or goods more easily. Additionally, since consumers are more able to share knowledge with one another, they could doubt professional judgement based on the data they have seen online. Since both positive and negative firm actions spread out much more quickly and to a wider audience than before, and many firms perceive an increasing lack of control over what is being said about them, the prevalence and ongoing mass sharing of experiences in social media further contribute to the transparency of firm actions. Customer stories regularly make their way from social media to conventional media, for example, via journalists who scan the information on social media for interesting tales [1]–[3].

User-generated content, or UGC, refers to material that is developed freely by regular users and not by professionals and is related to the content that is made and shared by individuals on social media. This material may range from a simple rating of a brand, company, or product on a review website to complicated information or creative works like songs, films, or virtual objects. In social media, a single user may reach millions of listeners with his message. Customers often provide material that, in some way, pertains to businesses. It may be constructive criticism of a business or brand, for example, or it could be destructive, like sharing a terrible experience. The consumer views and experiences are gathered and compiled by social media review sites like YELP!, and since they provide a constantly updated database of data, these evaluations have an impact on consumer behaviour and decision-making. Review websites may also serve as intermediaries, as does TripAdvisor, or they may focus on evaluating businesses from the perspective of their employees, as does Glassdoor. Customers prefer user-generated content over material that businesses post online because they think it to be more engaging and trustworthy. Particularly more imaginative material, like music, has a lot of traction on social media.

For instance, the Disney movie Frozen inspired video bloggers to provide tutorials on how to get the exact appearance of the film's key characters. These films can be seen on websites like YouTube, where viewers may rate and comment on them. The amount of traffic to the material and its grades then determine where it displays on the website, emphasising popular content. Another well-known instance is the guitar that was destroyed on a flight with United Airlines for Canadian country musician Dave Carroll. The airline rejected Carroll's claim for reimbursement after a nearly year-long effort to get the damages paid for. The outraged artist later created a song about his experiences, posted it on YouTube, and it quickly gained millions of views before being picked up by journalists and appearing in other media.5 Customers who had experienced mistreatment by United and other major airlines connected with the video, which caused United Airlines share values to crash. As a result of the video, Carroll gained popularity as a guest on morning shows, went on tour to discuss airline quality, published a book called United Breaks Guitars about his experiences, and completed a trilogy of songs about his flight on United Airlines. Gaining attention in social media may be difficult as a result of UGC due to the staggering volume of material that competes with firm-generated content.

The third significant characteristic of social media is that users often choose to join sub-groups within various social media that automatically entail a certain interest. Such sub-groups might be, for instance, Facebook brand pages, LinkedIn groups, blogs with specialised content, YouTube channels, pinned interests, or online forums. The individuals who have opted-in also often have a lot of expertise or involvement in the subject. This implies that many social media platforms provide businesses the ability to connect with specialised client groups that have shown an interest in and willingness to learn more about a certain issue.

Fourthly, social media provide a forum for businesses and clients to communicate. Manufacturers and suppliers are thus able to interact with end users on social media even if they may not have had any direct interaction with them in the past. One such example is the Finnish dairy business Valio, which collaborated with the weightlifting community through social media to produce new protein-rich and low-fat quark products. Similar to how social media increases the visibility of customer views for businesses, monitoring what is written about them and allowing for direct customer interaction.

Fifth, the service experience when using the service may be directly impacted by social media. The collective service experience as well as the individual customer experience may be altered by tweeting with others while watching TV or participating in any service activity. The service experience is altered when like-minded people exchange opinions and insights about it. For instance, its application may significantly alter a TV show's experience from what the producer had in mind. In this approach, social media raises the standard of customer service while presenting dangers and possibilities for service providers. This process is known as experientializing, according to Kai Huotari, who has researched how social media affects customer service interactions. The fact that experientializing occurs outside from the service provider's direct control is both an intriguing and difficult part of it.

Finally, since the social media landscape is dynamic, businesses must communicate in whole new ways. Consequently, the capacity to respond rapidly to unforeseen events is often necessary for the best customer service and relationship-building practises. One similar incident occurred during the 2013 Super Bowl power outage, when Oreo cookies quickly tweeted "You can still dunk in the dark," alluding to dipping the cookie in liquid to enjoy it. This fast, pithy comment sparked a flood of supportive responses from the general people, journalists, and marketing experts. The swift response to the disturbance, not the cleverness of the message, was what made it successful. Therefore, the businesses most likely to profit from them are those that are adaptable in the social media ecosystem. We'll then talk about the many forms of social media.

## DISCUSSION

Distinctive Types of Social Media: Social media may be understood by examining the many traits that they possess. Early forms of social media, called virtual communities, referred to groups of individuals that connected with one another because they were passionate or educated about a certain topic. As a result, virtual communities were split between those where the users were more interested in social connection than information sharing, and those where the interactions were restricted to a small group of individuals. In recent years, it has become more difficult to distinguish between social contact and information sharing since information exchange has itself evolved into a social activity. Recently, a new method based on media content and participant roles has been introduced to help people comprehend how social media platforms vary from one another. The social presence and media richness are discussed in media content.

The degree to which a medium can reproduce real-world sensory signals and increase social presence and media richness is reflected in the degree to which it can reduce ambiguity. The extent to which participants present or disclose personal information about themselves is the second component that makes up their function as a participant. Because users may build avatars that resemble them, virtual worlds like Second Life and Habbo Hotel are examples of social media with strong self-presentation/self-disclosure. Participants in the virtual world may communicate with one another by using their avatars to convey their personalities via clothes, language, and other symbols that stand in for their interests. The verbal and visual clues that virtual worlds utilise to reduce ambiguity also contribute to their high social presence and media richness. If self-disclosure rates are high, media interactions become more intimate, and customers may find it simpler to relate to one another and the company [4]–[6].

Social media may also be understood in terms of information depth and half-life. Information's "half-life"13 relates to how long it is accessible on a screen, and social media varies in this regard. For instance, the messages show on Kik and then vanish. Facebook posts have a longer shelf life since they may be discovered in the news feed or on the website of the person or business that posted them. The quantity, variety, and richness of the opinions offered on a subject are directly related to the depth of information. It may range from shallow information depth, such as that seen in blogs, which, although they may be rich, mostly reflect one person's viewpoint and are hence categorised as shallow, to deep information offered in specialised communities, which aggregate several people's opinions.

Information appearing and then disappearing amid the stream of fresh postings is a problem with many social media systems. Customers may thus be exposed to company posts in varying degrees, with some noting them all, while others simply detecting a small number. As a result, businesses need to comprehend social media in terms of the depth and endurance of information as well as participant self-presentation and self-disclosure.

**Participation of The Company in Social Media**

Companies may either create their own social media platforms, including corporate blogs or company-sponsored forums, or use external social media platforms to communicate with prospective, existing, and former consumers. firm-owned virtual communities are beneficial because the firm may control the community's rules, oversee activity, and collect information from participants. However, creating one's own communities may be expensive and, more importantly, it may be challenging to promote them and draw members.

Additionally, businesses may decide to use social media sites that are already popular and have a large audience. The majority of social media networks provide businesses the option to create corporate websites or post their own material on the network. Companies that create a presence on external social media platforms must abide by the platform owner's rules and guidelines. The owners of social media platforms may modify the regulations as a result of innovative marketing strategies, making it difficult to plan actions. For instance, IKEA, a Swedish furniture retailer, ran a Facebook campaign to advertise their new Malmo location. Within a two-week period of the campaign, the shop manager uploaded twelve images of IKEA catalog-style shots on Facebook. Customers may tag 15 items of furniture on the images. It was a race to see who could tag the furniture earliest. The marketing effort earned a large number of "likes," which spread among those who told their friends about it. But Facebook quickly outlawed these kinds of advertisements.

The environment in which consumer-company interactions occur on social media is created by a combination of customer behaviour, business behaviour, and social media platforms. The three regions rely on one another. The social media platform is essential to business and consumer operations. For instance, Twitter limits the length of messages transmitted to just 160 characters, forcing users to compress their messages and link them to other messages that include the tagged phrase. Customers' actions of producing, sharing, and consuming have an impact on what businesses can accomplish. For instance, the propensity of consumers to share material about the business determines how simple and expensive it is to propagate messaging on social media. Customers could have varying expectations of how businesses should behave on various social media platforms. Consumers may not be enthusiastic about a business's involvement on social media platforms that are not controlled by the firm since these platforms are often designed for customer-to-customer engagement. Customers often believe that companies should be transparent about their marketing motivations. Unfortunately, not all businesses take this action. Without revealing their motivations, businesses may use content and comments to promote debate among consumers, pique their attention, and help knowledge spread among them.

Social media have an influence on the conventional communication circle due to the unique media features and the interaction between business and customer activities. The social media communication circle will then be used to debate this.

**Circle of Social Media Communication**

Social media poses a threat to conventional forms of communication for a number of reasons, including the accelerated pace of communication, the ability of consumers to share their experiences with the company and other customers while still receiving services, and the ability of customers to seek out social support while receiving services. For instance, a patron may review the service while standing in queue for a table or during a meal in a restaurant, or they might snap pictures of the food and the venue's décor and post them on social media. Customer expectations, interactions, experiences, and word-of-mouth are the same fundamental components of the social media communication circle as they are in the conventional communication circle. The typical communication cycle involves expectations, interactions, experiences, and WOM. As the WOM changes expectations, the cycle closes. However, since a client using social media is always linked to it, interactions and WOM may occur at the same time. This means that WOM may even become a part of the contact and the whole service experience, as the idea of experientializing discussed earlier illustrates. For instance, a client may visit a store to get a new clothing for a family event and, while there, snap a picture of the garment and send it to her WhatsApp group to get input from family members. Depending on the reaction, the customer may decide to purchase the dress or not. The answer may also influence whether the buyer views their whole shopping experience as very embarrassing or as pleasurable. As a result, when social media communication is engaged, the WOM and the service engagement become entwined and dependant.

**Social Media's Impact On Service Marketing**

Social media brings to light a variety of connections and service management issues. First of all, the significance of establishing, enabling, and maintaining promises is highlighted since both great and bad customer experiences will propagate. Companies must ensure that their promises are really maintained and fulfilled since any issues with service quality will be rapidly shared on social media. This indicates that it is essential to eliminate the root of the unhappiness in order to stop the spread of bad word of mouth. In essence, businesses today more than ever need to accept that they have no control over customer-to-customer conversations. In reality, a lot of companies have websites dedicated to collecting complaints from consumers.17 The presence of such groups and any kind of word-of-mouth marketing may also be seen as a sign of success since it indicates that the brand stirs emotions rather than being in the consumers' domain of apathy, which may be considerably more harmful. Part-time marketers18 have a particularly important role since they have a direct impact on client happiness and are mentioned in internet evaluations. Social media as a result affects how businesses should set up their internal operations. The staff must understand exactly what is expected of them, including role distinctions such as who is accountable, how often and fast to reply, and how to handle various online problem kinds. It's crucial that employees be free to express their personalities while speaking with clients. Overall, the company will have to depend more heavily on direct communication that demonstrates authenticity and identity. Therefore, businesses should encourage workers to communicate with others in a real, personal manner.

Second, businesses must consider the effects of the social media landscape's flexibility. Social media connectivity among consumers enables businesses to provide immediate customer service. This is especially helpful when unforeseen circumstances occur or when businesses need to reach consumers rapidly. Different social media platforms may be used to connect with consumers in an emergency since they can be updated fast and are technically capable of mass communication when corporate websites or contact centres are unable to handle the high volume of customer contacts. Additionally, by using social media, marketers may discover ways to engage their audience in conversation and respond rapidly to less dramatic real-world events, such as by participating in general press discussions. Because customer service experiences are instantly visible, businesses may also track their service performance online in real time. Online monitoring tools and feedback systems enable businesses to rapidly react to unfavourable consumer comments, identify and address process faults, and reach out to customers. For instance, the Finnish airline business Finnair monitors customer tweets to identify problems with their flight experiences, then examines the underlying reasons of these service failures and, where necessary, makes adjustments to internal service procedures. Additionally, businesses may find it simpler to control the perishability of face-to-face services by promoting the service on social media at periods when it would otherwise become unprofitable, such as the off-season or when demand is unusually erratic.

Thirdly, the new social media communication formats, including as audio, video, and photos, have a number of effects on how consumers and clients communicate with the company. Customers have the option to substantiate any accusations they make about the business using images and video. Social media interactions that are backed by visual proof are more palpable than conventional word of mouth, which is mostly verbal storytelling. As a result, experience services that a client may only assess after using19 them may rank better in search rankings. Additionally, this material is saved and kept online, so it may still be accessed years after the original occurrence. On the one hand, increased quality management standards provide a problem to businesses since they make it more difficult to correct quality violations owing to the widespread use of electronic word-of-mouth. On the other side, businesses who provide exceptional customer service will profit from compliments and satisfied clients [7]–[9].

Fourth, social media provide consumers the opportunity to express their connection with a company or brand in a variety of ways that include both purchasing and refraining from purchasing.20 Customers' favourable firm-related behaviour are captured via customer engagement. Both consumer-to-firm and consumer-to-consumer conversations regarding the company or the brand are included. Discussions, comments, information searches, participation in polls, and communication via brand communities, blogs, and other social media are all examples of engagement behaviours. Customers get varied rewards from participating in various activities. Economic, entertainment-related, and social advantages are a few examples of the benefits that businesses aim to establish with their clients. Customers often exhibit a variety of behaviour. The advantages that consumers get from their community interaction depend on their conduct, including the actions of enjoying content, reading messages, and leaving comments. However, businesses should exercise caution if they prioritise financial perks like bonuses or lotteries since they could not have a significant impact on client happiness or loyalty. Instead, they could attract those who are looking for inexpensive deals but don't plan to pay full price. Additionally, consumers may become used to cheap pricing and start waiting for the next promotion before making a purchase.

Fifth, companies need to reevaluate how labour is divided up and whether to use the "wisdom of the crowds," especially when it comes to service innovation. Companies may use consumers in a variety of ways while working on innovations; externalising activities may be beneficial for idea creation, concept development, or idea commercialization.23 'Open innovation' is the term used to describe these kinds of operations, where the corporation sees innovation activity more generally in a network context. Both bringing in fresh ideas from outside the organisation and exporting intellectual property are considered forms of open innovation.24 Crowdsourcing may be used for everything from innovation work to renegotiating the roles that consumers and other interest groups play inside a firm. Although consumers often enjoy participating in the creation of new services, the business must ensure that the innovation process is seen as fair and transparent and that the customers are happy with the innovation's conclusion.25 In certain circumstances, involving consumers may be rather simple, such as asking them to try out a new idea or make them brand ambassadors by utilising the product. For instance, Yoogaia, a Finnish company that offers online yoga classes, launched its business via Facebook.

Sixth, businesses need to interact with consumers and assist them in their everyday activities, just as in other media. However, social media is unique in that businesses must take into account the reasons why customers would spread the word or serve as advocates there. For instance, businesses should think about why private bloggers write in the first place if they want to persuade them to promote their brand. Blogs are written for a variety of reasons, such as the fact that the activity itself is rewarding, the belief that the information is worthwhile, and the social interaction with blog readers.26 Therefore, the blogger is more likely to accept partnership if the firm can assist them in achieving such advantages, such as by assisting them in obtaining unique material, developing their blogging abilities, or assisting them in engaging with the audience. Similar to this, end users respect business social media initiatives that support them in achieving their own objectives, such as winning praise, being amused, or making money.27 When a company's fans get involved, for example, the process may be relatively simple since they are more inclined to accept and share material with others in their network. For instance, many sports fan clubs enable users to publish material, promote events, and organise fan competitions in addition to sharing information about upcoming games, player or league news, and events.

Finally, it is important to recognise that organisations' levels of client proximity vary. For instance, businesses that often work with third-party suppliers, like producers of consumer products, now have a direct line of communication with consumers via social media. However, their difficulty is determining whether social media marketing strategies really have an impact on consumer behaviour or not since they do not control the customer data. Travel, music, and theatre are examples of experiencing services that cannot normally be assessed in advance. By encouraging word-of-mouth marketing, service providers may increase the attraction of their offerings to prospective consumers. Similar to this, businesses that need consumers to interact physically, like auto repair shops, doctors' offices, and hair salons, should encourage their patrons to share their experiences in order to lower future customers' perceptions of risk. Opening up the internal production processes of the company allows manufacturers of goods with lengthy manufacturing processes, especially those with highly interested clients, to engage with them once again and differentiate the product for them. Such a strategy would include inviting the clients to familiarise themselves with the business' routine operations.

**Firm Social Media Activities**

The model is divided into four sections: the strategic objectives that specify what should be accomplished, the social media channels selected, the target customer categories, and the company actions carried out to accomplish the strategic goals. All four of these components rely on one another and are connected to the environment. For instance, the target customer market influences the right strategy decision, and as a result, various markets may have different strategic objectives. For instance, a business that has just joined a market would probably want to increase its visibility, but an established player on the market is more likely to be interested in servicing present clients or picking up tips from them. The same reasoning holds true for many submarkets. For instance, a corporation may set as its strategic objective to position its hotel chain as the most desirable choice for business visitors. If businesses want to use social media, they should begin by defining their strategic objectives. Setting measurable objectives is crucial because it enables monitoring of the effectiveness with which various activities produce desired outcomes. Additionally, well stated objectives enable the choosing of the target customer categories, the selection of the most effective strategies, and the evaluation of success and failure.

Increasing brand exposure, servicing consumers, driving traffic or revenues, and gathering customer feedback are all general strategic aims for social media. Brand recognition is crucial since it indicates that a firm is on a customer's radar, and it's especially pertinent when trying to penetrate untapped areas. Measures as basic as the number of content watchers and how they change over time may be used to gauge brand awareness. Serving clients on social media presents a significant chance to interact with them and provide assistance before, after, and during service usage. Perhaps the easiest objective to achieve is to increase internet traffic for the business since it is easily defined and quantified. An essential objective is to get consumer feedback or to "listen in" to customers in order to better understand them. This objective is challenging to quantify, however, since it calls for not just taking note of consumer inputs but also acting on them.

The sort of users they have and the kinds of business operations they support are intimately related to the social media channel choice. The types of consumers who use social media, the extent to which they are utilised, the material that is produced and shared, the activities that consumers may engage in thanks to the media, and the level of corporate participation vary. The business must take into account the ideal locations to reach its clients. Media agencies are often utilised to choose the suitable media, but the business must comprehend how each kind of media operates.

The social media channels employed and the target audience that the firm wishes to reach determine the company's social media operations. Several factors affect how well businesses can communicate with their clients on social media. Customers use social media for a variety of purposes and may be varying degrees of willing to communicate with businesses. Although a small percentage of individuals produce material, this contribution is crucial to the health of social media and may even be used as a kind of viral marketing when users promote a business or its products. Because of this, it's crucial to promote and value user-generated content. It should be remembered that there are normally 10 lurkers people who observe the social media content for every contributor. These observers could have the same devotion to the brand as the active players. Therefore, it is risky to believe that keeping ties with just the active participants is worthwhile.

## CONCLUSION

Social media platforms may be challenging from a business standpoint since they are sometimes controlled by a third party that establishes guidelines and limits what is permissible. The expense of using social media is increased by the fact that other parties charge for using the platform. Companies often distinguish between paid media, which refers to paid exposure, and earned media, which is basically non-paid visibility. Although the majority of word-of-mouth on social media is organic, businesses may need to seed content and pay for early exposure. The measuring of results in social media is among the most difficult tasks. In conclusion, social media has revolutionized service management and marketing. Organizations may improve their marketing initiatives, interact with consumers, and provide superior service by using the power of social media platforms. However, they need to be aware of the difficulties and complexity of social media and develop tactics to properly deal with them. Social media can be a powerful tool for promoting company development and consumer happiness when handled wisely and ethically.

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