

## STRATEGIES FOR SERVICE CHARACTERISTICS OF STAR HOTEL

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### Abstract

Today businesses are operating in a globalized economy, which things are moving at a nanosecond pace. Markets are challenges by competition and disruptive technologies. Businesses are urging to adopt drastic changes to meet empowered consumers. The industries are in need of design and deliver the services in effective and efficient manner to attract more consumers due to boom in service economy. The strategies adopted by the goods marketer are no more value to the filed of service marketing. This paper is focused on identifying the problems faced by the hotel industry in respect to the service characteristics. From the opinion of the practitioner's Tangibles cues, Employees dress, Physical evidence, training to employees & Consumers, Positioning of services and Service delivery based on the service plan will overcome the problems.

**Key Words-** Service Characteristics, Service Marketing, Hotel Industry

### INTRODUCTION

Early marketing thought was built on a foundation of goods marketing, essentially the distribution and monetized exchange of manufactured output. Since marketing grew out of economic science, with models developed during, and intended to deal with issues of, the Industrial Revolution, this goods-based foundation is understandable. During the past 40 to 50 years, service marketing scholars have

created a sub discipline of services marketing to address exchange phenomena that had been previously underdressed in marketing, given this manufactured output orientation. Scholars have made tremendous strides and have been credited with "breaking" services marketing "free from goods marketing swartz (1992)"

Prior to the 1970's the sub discipline of service marketing did not exist berry(1993). Robust growth in services marketing publication in recent years has allowed a cohesive core of research to be indentified within a variety of a specific topical area. The result is increased focus and rigor as researchers have moved relatively simple conceptual issues to more empirically and theoretically based approaches

As a society becomes more sophisticated and affluent, the demand for service surpasses the demand for commodities. With the increase in relative spending on services has come an increase in competition among service firms. As competition has increased, so has the need to design and deliver services more effectively and efficiently Albrecht (1985).

### PROBLEM IDENTIFICATION

In the beginning of the work toward accumulating service marketing knowledge was slow. Reason for that is within the academic community, many marketing educators felt that the marketing of services was not significantly different from the marketing of goods. Since those early days, a great deal has been written regarding specific differences between goods and services and their corresponding marketing implication. The majority of these differences are primarily attributed to four unique characteristics

The initial period of service thought (approximately 1950-1980) was a period of

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debate over the definition of services and the delineation of services from goods, which has been characterized by Fisk, Brown, and Bitner (1993) as a "Crawling Out" stage. Judd (1964) laid the foundation for the contemporary approach to definition and delineation by discussing "illustrative definitions" and "definitions by listing" and then recommending defining services "by exclusion (from products) . . . pending the development of a positive definition," because, "together with a product definition, it exhausts the category of "economic goods" (pp. 58-59). However, he noted that this approach to definition has "defect," because from it "nothing can be learned about what are the essential characteristics of a service." Rathmell (1966), argue that all economic products could be arrayed along a goods-services continuum. He identified 13 marketing characteristics of services in comparison with goods, including intangibility, non-inventoriability, and non-standardization. This approach of defining services residually has persisted; services are still mostly seen as what tangible goods are not. Solomon et al. (1985) noted that "services marketing refers to the marketing of activities and processes rather than objects" (p. 106). Lovelock (1991) defined service as "a process or performance rather than a thing" (p. 13). Gummesson (2000) has claimed, "The distinction between goods and service has become a burden". Rust (1998) has argued for a more integrative view of goods and services by noting, "The typical services research article documented ways in which services are different from goods. Service research is not a niche field characterized by arcane points of difference with the dominant goods management field". Gronroos (2000a) has extended Rust's argument by suggesting that "services and physical goods should not be kept apart anymore. This means that physical goods marketing and services marketing converge, but services oriented principles dominate" (p. 88). Similar arguments can be found in the work of Schlesinger and Heskett (1992), Normann and Ramirez (1993), Gronroos (1994),

Gummesson (1995), and Vargo and Lusch (2004).

By reviewing the various review of literature it is found that services is differ from products by the four service characteristics. The unique characteristics are Intangibility, Inseparability, Perish ability and Heterogeneity. The service marketers are facing problems (Table - 1) because of these service characteristics.

Intangibility is the primary source from which the other three characteristics emerge. Due to this, services cannot be seen, felt, tasted, or touched. Because of the intangibility of services they cannot be inventoried, patented, readily displayed or communicated and pricing is difficult. But there are goods with tangible in nature.

Inseparability is the one of the most intriguing characterizes of the service experience. It reflects the interconnection among the service provider, the customer involved in receiving the service, and other customers sharing the same experience. Service providers are often in constant contact with their customers and must construct their services operations with the customer's physical presence in mind. This interaction between customer and service provider defines a critical incident.

Perishability is closely linked to the characteristic of tangibility, they cannot be produced at one point in time, inventoried, and then sold at a later time when demanded. As Gummesson (2000) noted, "The claim that services can not be stored is nonsense. Services are stored in systems, buildings, machines, knowledge, and people.

The focus of the characteristic of heterogeneity is standardization. The idea is that because humans are involved in the provision of services, services cannot be standardized like goods. But if human input is the constraining factor, tangible goods cannot be inherently more homogeneous than services. Human activity is the common, not the distinguishing; factor in

the provision of both services and tangible output.

**INSERT TABLE -1**

Strategies formulate for product may not be fruitful for the service industries. This research is focus on identify the problems facing by the hoteliers, what kind of influence that service characteristics is having on it. So this research is focus on formulating strategies for the service industries by considering the differences between products and services with respect to service characteristics.

**RESEARCH METHODOLOGY**

Based on the review of literature the questionnaire was framed and data was collected from 312 samples (i.e. 2 samples per hotel) from 156 hotels in Chennai by convenience sampling method from the person who is involved in marketing activities of star hotel in Chennai. The questionnaire was framed based on the following objectives.

1. To Identify the problems faced by the hoteliers because of the service characteristics
2. To Evaluate the extent of the problems associated with their business
3. To identify Solutions based on opinions of hoteliers to overcome the problems
4. To Formulate the strategies to overcome the service characteristics

**INSERT TABLE-2**

It is found that Nature of competition, Characteristics and P's of Marketing would differentiate the products and services and the hoteliers are given more importance to formulate their strategies. More over the hoteliers are facing problems due to service characteristics such as Intangibility, Inseparability, Heterogeneity, and Perish ability.

**INSERT TABLE-3**

The analysis shows that the opinion about the problems and strategies to overcome is related. Rating of hotels and problems faced due to service characteristics is not related which clearly indicates problems is faced by all hoteliers and not only associated with any particular types of hotels.

**INSERT TABLE - 4**

Providing tangible cues, Employee dress & attitude, physical evidence in respect to utilization of service and benefits offered to the consumers will tangblise the services. Training to employees to act according to the service environment, training to consumers to maximize their benefits, positioning the services and differences in the time of offering the service will overcome the implications of Inseparability. Trained employees to serve fast without sacrifice on the quality will overcome the perishability. Educate service providers to stick on the service plan to eradicate the difference in the service delivery so that the heterogeneity can be overcome.

**CONCLUSION**

Service marketing is becoming a recognized and accepted subset of the marketing discipline. As the service marketing discipline grows by leaps and bounds it is well to keep in mind that marketing strategies adopted for the product is not fruitful for the services marketing. The pivotal difference between goods marketing and service marketing is that goods marketing sell things and service marketing sell performances. The fast growing service economy compels the academician and practitioner to work out fruitful strategies by keeping in mind about the service differences.

**Managerial Implications and opportunity for further Study**

The available service marketing literature is focused only on certain industries (Banking, Education, Health care and etc.). Only few empirical research is found on hotel

industry. So the common attributes of service industries were considered for this research. The research study is restricted to the opinion of hoteliers; the findings are not generalized in nature. Most of the empirical research is found in evaluating service quality and gap. Only few conceptual researches were found on problems due to service characteristics. From the chi-square analysis it is found that hoteliers are facing the problems due to the unique characteristics of services. So it is necessary for the researchers to focus on empirical study on various service industries with respect to service characteristics. From the data analysis it is identified that the services providers are facing problems in respect to extended P's of Marketing, Nature of competition and activity. This research is only focused on formulating strategies with particular service characteristics. It is suggested to have more focused research on extended P's of Service Marketing. This research is only focused on star hotels in general, further it may be extended to the specific services in hotel industry such as resorts, Holiday Clubs, and etc.

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**Table -1 - Review on Service Characteristics**

Characteristics	Implications	Review
<b>Intangibility</b>	Cannot be stored	Bateson (1977), Berry (1980), Langeard et al. (1981), Sasser (1976)
	Patent is not possible	Eiglier and Langeard (1975, 1976), Judd (1968)
	Cannot readily display	Rathmell (1974)
	Pricing difficulties	Dearden (1978), Lovelock (1981), TThomas (1978)
<b>Inseparability</b>	Consumer took part in production	Booms and Nyquist (1981)
	Co consumer	Bateson (1977), George (1977), Gronroos (1978)
	Centralized mass production is difficult	Sasser et al. (1978), Upah (1980)
<b>Heterogeneity</b>	Standardization and quality control	Berry (1980), Booms and Bitner (1981)
<b>Perishability</b>	Cannot be inventoried	Bateson (1977), Sasser (1976)

(Sources- Valarie A. Zeithaml, A. Parasuraman, & Leonard L Berry "Problems and Strategies in Services Marketing" *Journal of Marketing*, Vol. 49 (Spring 1985) 33-46)

**Table - 2 - Analysis and Outcome**

Attributes	Opinion about the differences	Attributes consider for strategy	Opinion about problems due to characteristics	
			Characteristics	Opinion
P's of Marketing	75	77	Intangibility	100
Characteristics	79	84	Inseparability	98
Nature of Activity	45	36	Heterogeneity	81
Nature of Competition	84	82	Perish ability	93

**Table - 3 Data Analysis**

Cross Tabulation	Test	Value	Asymp. Sig.	Result
Opinion about difference * Attributes consider for strategy formulation	Chi-Square	1120.191	.000	Related
Opinion about attributes consider for strategy * problems faced by service characteristics	Chi-square	15.709	.000	Related
Rating of Hotels * Problems faced due to Service Characteristics	Ch-Square	1.282	.999	Not Related
Problems faced by the intangibility * Strategies to tangblize the services	Chi-Square	764.96	.000	Related
Problems faced by the Inseparability * Strategies to overcome	Chi- Square	640.07	.000	Related
Problems faced by the Heterogeneity * Strategies to overcome	Chi-Square	540.596	.000	Related
Problems faced by the Perish ability * Strategies to overcome	Chi- Square	115.54	.000	Related

Table - 4 Opinion on Problems faced and strategies to overcome

	Problems Faced by Service Characteristics	%	Strategies to Overcome	%
Intangibility	Identify the need of consumer	79	Tangible cues	100
	Readily Display	96	Employees	96
	Sample	95	Benefits	80
	Demonstration	75	Affiliation	46
	Able to Assess	70	Physical Evidence	89
	Positioning of Services	86		
	Branding of Services	82		
	Patent for your Services	93		
	Valuation of Services	41		
	Measuring Satisfaction	62		
	Perceived Risk	57		
	Pricing	50		
Inseparability	Presence of Consumer	98	Training to consumer	11
	Influence on service Delivery	52	Training to Employees	91
	Consumer Interact with co consumer	39	Mechanize Services	29
	Satisfaction based on customer	39	Different Schedule	77
	Customer has to wait for services	14	Position the service	70
	Mismatch of demand & supply	18		
	Ideal time for service provider	25		
Perish ability	Not able to store	100	Establish service at Multi-location	23
	Not able to mass Produced	100	Multi service delivery only	59
	Not able to cut expense in lean period	91	Trained employees to serve fast	95
			Educate consumers to serve themselves	46
Heterogeneity	Differ from customer to customer	43	Stick on the methods	87
	Differ from time to time	18	Educate consumer	11
	Differ based on service provider	29		
	Differ based on customer Involvement	52		