

**SERVICES MARKETING**  
**(MBA IV SEMESTER-ELECTIVE IV)**

## JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY ANANTAPUR

### (14E00404) SERVICES MARKETING

The objective of the course is to provide a deeper insight into the marketing management of companies offering services as product.

**1:Understanding services marketing & CRM:** Introduction, services in the modern economy, Classification of services, marketing services Vs. Physical services, services as a system -Customer Relationship Marketing: Relationship Marketing, the nature of service consumption, understanding customer needs and expectations, Strategic responses to the intangibility of service performances.

**2:Services market segmentations:** The process of market segmentation, selecting the appropriate customer portfolio, creating and maintaining valued relations, customer loyalty. Creating value in a competitive market: Positioning a service in the market, value addition to the service product, planning and branding service products, new service development.

**3:Pricing & Promotion strategies for services:** Service pricing, establishing monetary pricing objectives, foundations of pricing objectives, pricing and demand, putting service pricing strategies into practice. Service promotion: The role of marketing communication. Implication for communication strategies, setting communication objectives, marketing communication mix.

**4:Planning and managing service delivery:** Creating delivery systems in price, cyberspace and time. The physical evidence of the service space. The role of intermediaries, enhancing value by improving quality and productivity.

**5:Marketing plans for services:** The marketing planning process, strategic context, situation review marketing strategy formulation, resource allocations and monitory marketing planning and services.

#### References:

- ❖ Services Marketing People, Technology, Strategy, Christopher Lovelock, Wirtz, Chatterjee, Pearson.
- ❖ Services Marketing—Integrating Customer Focus Across the Firm, Valarie A. Zeithaml & Mary Jo Bitner: TMH.
- ❖ Services Marketing – Concepts planning and implementation, Bhattacharjee, excel, 2009
- ❖ Services Marketing, Srinivasan, PHI.
- ❖ Services – Marketing, Operations and Management, Jauhari, Dutta, Oxford. Services Marketing – Text and Cases, Rajendra Nargundkar, TMH.
- ❖ Marketing of Services, Hoffman, Bateson, Cengage. Service sector Management, C. Bhattacharjee, Jaico.

## UNIT IV

### PLANNING AND MANAGING SERVICE DELIVERY

#### CUSTOMER SERVICE

A major differentiating factor for service companies is the quality of customer service. Customers are becoming more sophisticated in their requirements and are increasingly demanding higher standards of service. Hence customer service is now considered as a broader and separate element of the marketing mix. These include the following:

1. Changing customer expectations
2. The increased importance of customer service
3. The need for a relationship strategy

Companies often have different perspectives on customer service. These include:

- All the activities required to accept, process, deliver and fulfill customer orders and to follow up on any activity that has gone wrong.
- Timeliness and reliability of delivering products and services to customers in accordance with their expectations.
- A complex of activities involving all areas of the business which combine to deliver the company's products and services in a fashion that is perceived as satisfactory by the customer and which advances the company's objectives.
- Total order entry and all communications with customers, all invoicing and total control of defects.
- Timely and accurate delivery of products and services ordered by customers with accurate follow up and enquiry response including timely delivery of invoice.

These alternative views illustrate the extent to which the meaning of customer service varies considerably from one company to another.

The more pragmatic view of customer service is that it is broader than any of these definitions and that it is concerned with the building of bonds with customers and other markets or groups to ensure long-term relationships of mutual advantage which reinforce the other marketing mix elements. Customer service can thus be seen as an activity which provides time and place utilities for the customer and which also involves pre-transaction and post-transaction considerations relating to the exchange process with the customer.

Christopher has outlined four key steps in creating a customer service strategy:

1. *Identifying a service mission:* A service company should articulate its service commitment and value either within its corporate mission and/ or in a separate customer service mission statement which reflects the company's philosophy and commitment to customer service.
2. *Setting customer service objectives:* In considering levels of performance in setting these objectives, service companies need to consider the importance of service quality variables such as reliability, responsiveness, assurance, empathy and tangibles. Customer service objectives need to be considered in the context of pre-transaction, transaction and post-transaction

activities. This involves understanding what customers value, and their cost base, and developing a value proposition superior to that of competitors.

3. *Customer service strategy*: Christopher's approach to developing a service-based strategy consists of four parts:
  - a. Identify service segments;
  - b. Identify most important products and customers;
  - c. Prioritize service targets; and
  - d. Develop the service package

Market research can be used to identify the key components of customers service and their relative importance, and develop service segments.

4. *Implementation*: once the most effective service package has been developed for each segment the company wishes to pursue it should then become part of an integrated marketing mix. For service-sensitive sectors such as airlines the service attributes can be used as part of the promotional campaign.

A service company should focus especially on customer service and keep customer satisfaction levels under constant review. Usually there is a need for a complaint system which allows unhappy customers to be identified and corrective actions taken. Above all else, a service company needs to stay in touch with the changing needs of the customers in terms of customer service.

### **Service Quality**

Quality can be viewed from two perspectives – internal and external. Internal quality is based on conformance to specifications. External quality is based on relative customer-perceived quality. It is essential that quality is measured from the customer's perspective, not from what managers within a company think their customers' views are!

A model has been developed by Parasuraman and his colleagues which helps identify the gaps between the perceived service quality that customers receive and what they expect. The model identifies five gaps:

1. Consumer expectation – management perception gap.
2. Management perception – service quality expectation gap.
3. Service quality specifications – service delivery gap.
4. Service delivery – external communications to consumers gap.
5. Expected service – perceived service gap.

Gap-5 is the service quality shortfall as seen by the customers, and gaps 1-4 are shortfalls within the service organisation. Thus gaps 1-4 contribute to gap-5. These gaps are shown in the following figures:

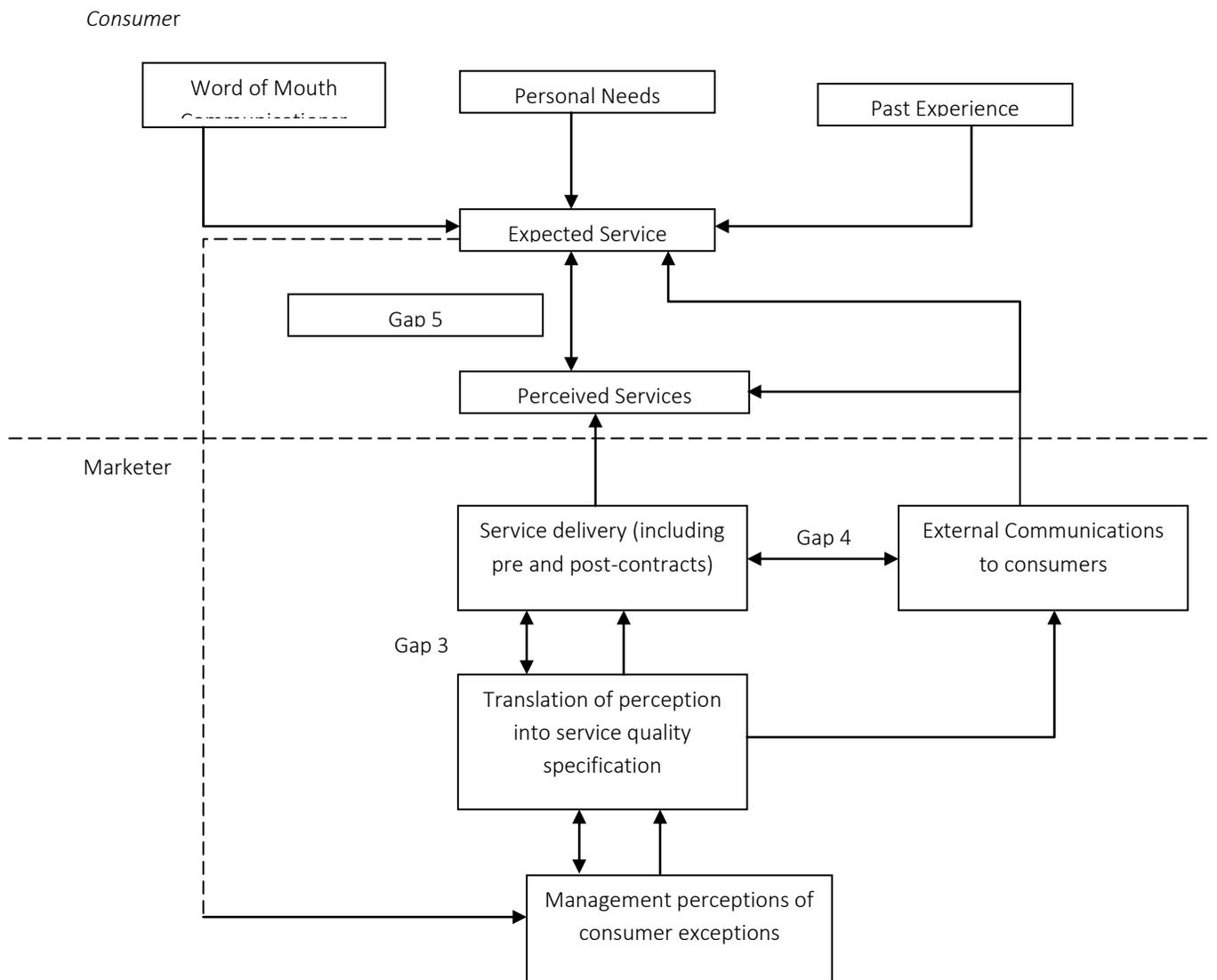


Fig. 9.1

The first gap is the difference between consumer expectations and management perceptions of consumer expectations. Research shows that financial service organisations often treat issues of privacy and confidentiality as relatively unimportant, whilst consumers considered them very important.

The second gap is the difference between the management perceptions of consumer expectations and service quality specifications. Managers will set specifications for service quality based on what they believe the consumer requires. However, this is not necessarily accurate. Hence many service companies have put much emphasis on technical quality, when in fact the quality issues associated with service delivery are perceived by clients as more important.

The third gap is the difference between service quality specification and the service actually delivered. This is of great importance to services where the delivery system relies heavily on people. It is extremely hard to ensure that quality specifications are met when a service involves immediate performance and delivery in the presence of the client. This is the case in many service industries: for example, a medical practice is dependent on all the administrative, clerical and medical staff performing their tasks according to certain standards.

The fourth gap is the difference between service delivery intention and what is communicated about the service to customers. This establishes an expectations within the customer which may not be met. Often this is a result of inadequate communication by the service provider.

The fifth gap represents the difference between the actual performance and the customers' perceptions of the service. Subjective judgment of service quality will be affected by many factors. Thus a guest in a hotel may receive excellent service throughout his stay, apart from poor checking out facilities. But this last experience may damage his entire perception of the service, changing his overall estimation of the quality of the total service provided from good to poor.

The gap model outlined above provides a framework for developing a deeper understanding of the causes of service quality problems, identifying shortfalls in service quality and determining the appropriate means to close the gaps.

Service quality is concerned with the ability of an organisation to meet or exceed customer expectations. The measure of performance is perceived service quality. It has been argued that the quality of a service has two important components:

- *Technical Quality* – the outcome dimension of the service operations process.
- *Functional quality* – the process dimension in terms of the interaction between the customer and the service provider.

These two dimensions of service quality highlight the subjective nature of quality assessments. Generally clients of professional service firms such as accounting and law firms have difficulty in distinguishing between good and outstanding technical quality of the service; thus judgments are often made on the subjective basis of how the client was treated.

Image also has a role to play here. Several writers suggest that technical and functional quality determine much of the corporate image which, in turn, can influence the customer's perceived service quality. In recent years research has been undertaken in an effort to understand the factors which influence service quality. Work by Berry and his colleagues has identified five key areas as follows:

- *Tangibles* – the physical facilities, equipment, appearance of personnel.
- *Reliability* – the ability to perform the desired service dependably, accurately and consistently.
- *Responsiveness* – willingness to provide prompt service and help customers.
- *Empathy* – caring, individualized attention to customers.

These dimensions represent how consumers organize information about service quality in their minds. On the basis of exploratory and quantitative research, these five dimensions were found relevant for banking, insurance, appliance repair and maintenance, securities brokerage, long-distance telephone service, automobiles repair service, and others. The dimensions are also applicable to retail and business services, and logic suggests they would be relevant for internal services as well. Sometimes customers will use all of the dimensions to determine service quality perceptions, at other times not.

### **Reliability: Delivering on promises**

Reliability is defined as the ability to perform the promised service dependably and accurately. In its broadest sense, reliability means that the company delivers on its promises – promises about delivery, service provision, problem resolution and pricing. Customers want to do business with companies that keep their promises, particularly their promises about the core service attributes.

### **Responsiveness: Being willing to help**

Responsiveness is the willingness to help customers and to provide prompt service. This dimension emphasizes attentiveness and promptness in dealing with customer requests, questions, complaints and problems.

To excel on the dimension of responsiveness, a company must be certain to view the process of services delivery and the handling of requests from the customer's point of view rather than from the company's point of view.

### **Assurance: inspiring trust and confidence**

Assurance is defined as employees' knowledge and courtesy and the ability of the firm and its employees to inspire trust and confidence. This dimension is likely to be particularly important for services that the customer perceives as involving high risk and/ or about which they feel uncertain about their ability to evaluate outcomes, for example, banking, insurance, brokerage, medical and legal service.

Trust and confidence may be embodied in the person who links the customer to the company, for example securities brokers, insurance agents, lawyers, counselors. In such service contexts the company seeks to build trust and loyalty between key contact people and individual customer.

### **Empathy: Treating customers as individuals**

Empathy is defined as the caring, individualized attention the firm provides its customers. The essence of empathy is conveying, through personalized or customized service, that customers are unique and special. Customers want to feel understood by and important to firms that provide service to them. Personnel at small service firms often know customers by name and build relationships that reflect their personal knowledge of customer requirements and preferences. When such a small firm competes with larger firms, the ability to be empathetic may give the small firm a clear advantage.

### **Tangibles: Representing the service responsibility**

Tangibles are defined as the appearance of physical facilities, equipments, personnel and communication materials. All of these provide physical representations or images of the service that customers, particularly new customers will use to evaluate quality. Service industries that emphasize tangibles in their strategies include hospitality services where the customer visits the establishment to receive the service, such as restaurants and hotels, retail stores, and entertainment companies.

The most relevant approach in defining and measuring service is the user-based approach. The idea that quality is subjective and will be strongly linked to the individual's needs and expectations recognizes that consumers have different criteria for judging service quality. This user-based approach equates quality with maximum levels of satisfaction.

In measuring quality in this way, however, a distinction needs to be drawn between quality of service delivery and the service output, or benefit. The customer may be involved in the service production, thus impacting on the quality of the service delivery process. The actual output of the service may be judged by the customer in terms of their expectations of the outcome or benefit.

The customer's overall judgment of service quality can be an evaluation of both the process and the outcome, compared with the customer's own expectations and desired benefits. This leads to an important idea in assessing quality from a services marketing perspective: *perceived service quality*.

Perceived service quality represents the customer's judgement of an organization's service based on their overall experience of the service encounter. Understanding how customers arrive at this

judgement—that is to say, how they decide whether or not they are satisfied with a particular service—is very important for services marketing management.

A number of techniques can be used to help improve service quality. Some of these have been used in manufacturing, whilst others have been developed or refined in the context of the service sector. Two important techniques are discussed below:

### **Benchmarking**

In order to evaluate service quality it is important to establish a firm's performance relative to its competitors. Benchmarking involves looking for the best ways to achieve competitive advantage. The company's products, service and practices are continually compared with the standards of the best competitors and identified industry leaders in other sectors. By observing and measuring the best within and outside the industry it is possible to improve the performance of the company.

An early firm to adopt benchmarking was Xerox Corporation who use it as a major tool in gaining competitive advantage. Xerox first started benchmarking in their manufacturing activities and focused on product quality and feature improvements. By examining competitors' processes step by step and operation by operation, Xerox were able to identify the best methods and practices in use by their competitors. Benchmarking has now come to be recognized as appropriate for any area of a company's operations.

The task of creating competitive advantage involves outperforming, rather than matching the efforts of competitors. This, together with the obvious difficulties in gaining all the information required on competitors, and their internal systems and processes, led to the adoption of a broader perspective on benchmarking. Thus benchmarking was expanded from a focus solely on competitors to a wider, but selective, focus on the products and services to top performing companies regardless of their industry sector.

This broader perspective on benchmarking has been used as a major element in increasing both quality and productivity.

### **Service blueprinting/ process analysis**

Service companies who wish to provide high levels of service quality and customer satisfaction need to understand all the factors which may influence customer perception. 'Blueprinting' or service process analysis is a concept which breaks down the basic systems and structure of an organisation in order to develop a greater understanding of the points of contact between the customer and the service provider.

Several approaches to carrying out a blueprinting exercise have been suggested:

1. *Blueprinting/ Cycle of service analysis*: The concept suggests that each contact with the customer is a 'moment of truth', each being an opportunity to either increase or decrease customer satisfaction. The customer's perception is a continuous stream of experiences which together determine the service quality. The company will very often not perceive the service in this way as their employees are constrained in their view by the particular part of the overall service with which they are involved. The blueprinting/ cycle of service approach enables a service company to shift its employees' perception so that they have a better understanding of the customer's experience.
2. *Value chain analysis*: it involves breaking down each of activities of a firm into its various activities, and showing where value is added for its customers. Each activity can be analysed to determine its contribution to customer satisfaction and service quality.

3. *Storyboarding*: this concept was developed by the Walt Disney organisation in designing its theme parks in order to engineer the customer experience and ensure the greatest customer satisfaction. When a film is made, each scene is outlined in advance, using a series of sketches arranged in a sequence known as a storyboard. Similarly, sketches of each contact a customer has with the service provider can be used to identify points for improvement in customer service. Scenes can be rearranged to improve the quality of the customer experience.

The best known methodology is the blueprinting approach suggested by Shostak. The blueprint is a valuable tool in helping visualize the service process, understanding what can go wrong and setting performance standards for improvement in service quality. This helps not just with solving potential problems but also in designing ways to deal with service recovery. Many service companies are now becoming interested in using blueprinting methods to improve their service quality.

## **CUSTOMER RETENTION**

Many service companies place too much emphasis on winning new customers and too little on retaining existing customers. Companies are now starting to develop specific programmes in order to increase customer loyalty.

There are many reasons why retaining customers is so profitable. These include the following:

- Retained business.
- Sales, marketing and set up costs are amortized over a longer customer life-time.
- Increased expenditure over time.
- Repeat customers often cost less to service.
- Satisfied customers provide referrals
- Satisfied customers may be willing to pay a price premium.

All these reasons may not apply for a particular service business, but overall they represent a significant profit improvement opportunity for most service sector companies.

The most important issues for companies to remember is that a customer who is lost through dissatisfaction with a service provider will be gained by a competitor. Keeping customers in therefore a key strategic issue for service companies to address. Customer retention helps predict the profitability of the company, and therefore provides an excellent management tool for considering the success of quality and customer service programmes. Retaining a customer allows a company to develop the relationship and encourages both repeated, and increasingly frequent, buying activity.

An additional benefit of effective retention programmes is employee satisfaction. The quantified results of retaining customers can act as a great motivator to staff and increase their willingness to perform excellent customer service. A total quality management approach which strives to attain a service free of defects should be considered an essential part of a retention programme.

## **RELATIONSHIP A MARKETING PROGRAMME**

Relationship marketing (or relationship management) is a philosophy of doing business, a strategic orientation, that focuses on keeping and improving current customers, rather than on acquiring new customers. This philosophy assumes that consumers prefer to have an ongoing relationship with one organization than to switch continually among providers in their search for value. Building on this assumption and the fact that it is usually much cheaper to keep a current customer than to attract a new one, successful marketers are working on effective strategies for retaining customers.

Given the many benefits of long-term customer relationships, it would seem that a company would not want to refuse or terminate a relationship with any customer. In some cases it may be preferable for the firm and the customer not to continue their relationship.

## **DEVELOPING MARKETING ORIENTATION**

The process of changing to a market orientation demands genuine and on-going commitment, especially at top management levels, if real change is to happen. A programme to increase marketing orientation involves the following:

- An identification of the existing types of orientation that already exists within the organisation – some of these, outlined shortly, may be a long way from the marketing ideal.
- An assessment of the present levels of marketing effectiveness within the business.
- The formulation and implementation of an action plan to improve the marketing orientation.

### **Identification of orientations**

The full potential of marketing is not realized in many service sector firms because of their conflicting orientations. Hence the top management should put their heads together to identify the varying orientations and their associated attitudes. After a discussion of their implications, members of the senior management can identify the extent to which they believe these views are held in their company. The results are then summarized and contrasted with the desired marketing orientation.

These orientations once identified, can form a usual background for a discussion of the mission of the organisation and the shared values that must be developed by top management if a marketing orientation is to be developed.

### Identifying Marketing Effectiveness

Kotler identified five attributes that can be used to audit the marketing effectiveness of the business organisation:

1. Customer philosophy
2. Integrated marketing organisation
3. Adequate marketing information
4. Strategic orientation
5. Operational efficiency

The audit rates the firm on each of these five attributes.

### **Planning a marketing orientation**

The audit reveals a need for improvements in the marketing area and the next stage is formulating a plan to realize them. The plan must involve the following steps:

- Understanding the organizational and cultural dimensions of change.
- Identifying a champion for marketing.
- Conducting a need analysis
- Designing a training and development programme
- Organizing key support activities.

*The organizational dimension*

To help identify the organizational and cultural dimensions of the problem, McKinsey & Company's '7S' framework can be used to consider key elements required by an effective marketing-oriented services organisation.

This suggests that a strategy to develop a marketing orientation must be supported by a set of shared value, systems, management style, and organizational structure and of skills and staff. This framework provides a means of viewing organizations as packages of key skills, or skill gaps. Hence, it can be used as a tool for analyzing organizational deficiencies, building on position skills and identifying new skills needed.

Recognition of each of these cultural, organisational and skill requirements is an essential task in installing a marketing orientation. Management must also be prepared to change parts of the organisation to meet these requirements.

#### *A champion for marketing*

The attitude of the chief executive can be the determining factor in the success or failure of the plan to change to a marketing orientation. The development of a fully marketing-oriented organisation requires intense effort to shift existing attitudes and requires a leader with imagination, energy and persistence. Without this person, the programme can fail or degenerate into a token management-training exercise. Of particular importance is this champion's behaviour.

#### *Conducting a needs analysis*

A management development needs analysis is the third step. Management development can be defined as an 'attempt to improve current or future managerial performance by imparting information, conditioning attitudes or increasing skills.' The needs analysis is a thorough examination of the competitive and marketing environment in which the company is placed and will identify the knowledge, skills and attitudes that need to be developed.

#### *The management development programme*

The need analysis can form the basis for a management development programme aimed at improving marketing effectiveness. While several options exist, one effective method is to design and run a series of courses involving marketing staff and executives from all other functions within the organisation. While the content will vary according to the company's situation, in general it will cover the knowledge, skills and attitudes necessary to develop a marketing-driven organisation.

#### *Key support activities*

The following ten key activities are considered as support activities of the marketing plan:

- Establish a marketing task force
- Establish appropriate organizational structure to support marketing
- Acquire marketing talent
- Use external consultants
- Promote market-oriented executives
- Maximize the impact of management development
- Develop a marketing information system

- Install an effective marketing-planning system.
- Recognize the long-term nature of the task.
- Ensure commitment

Once the management development programme has been initiated, the above tasks must be completed to ensure the successful installation of a marketing orientation.

## Tourism and Travel Marketing

Tourism is a major industry throughout the world today. It embraces activities ranging from the smallest sea-side hotel, for example, to airlines, multinational hotel chains and major international tour operators.

The concept of tourism marketing comprises of:

- Identifying and anticipating consumer demand (and desire) for tourism products and services
- Developing a means of providing products and services to fulfill these needs
- Communicating this to the consumer, thereby motivating sales, consequently satisfying both the consumer, and the organization's objectives.

Krippendorff says, "Marketing in tourism is to be understood as the systematic and coordinated execution of business policy by tourist undertakings whether private or state, owned at local, regional, national and international levels to achieve the optimal satisfaction of the needs of identifiable consumer groups and in doing so achieves an appropriate return".

Burkart and Medlick opine, "Tourism marketing activities are systematic and coordinated efforts extended by National Tourism Organisation and / or tourist enterprises at international, national and local levels to optimize the satisfaction of tourist groups and individuals in view of sustained tourism growth."

In view of the above, the following points emerge regarding tourism marketing:

- Tourism marketing is a process of creating a product or providing a service.
- Tourism marketing comprises fact finding, data gathering, analyzing (marketing research), communication to inform and promote (Promotion), ensuring and facilitating sales, selection of marketing planning (distribution), coordination, control and evaluation (marketing planning and auditing), developing professionally sound personnel (people).
- Tourism marketing is an integral effort to satisfy tourism and more so, it is a device to transform the potential tourism into the actual tourism.
- Tourism marketing is the safest way to generate demand, expand market and increase the market share.
- Tourism marketing is a managerial process to promote business.

Through market planning, segmentation and marketing research, a tourism marketing mix can be developed to achieve the tourism organization's goals through strategic marketing.

### Market segmentation

In tourism marketing segments may be categorized according to age, frequency of travel, education, occupation or income. Other bases for segmentation of tourism and travel markets include –

- Purpose (of trips – business, vacation, convention, social/family);
- Psychographic (where behavioral aspects of motivation are used); and

- Benefits (where the benefits being sought by the consumer are the key variable).

### **The tourism marketing mix**

The marketing mix refers to the blend of ideas, concepts and features which marketing management put together to best appeal to their target market segments. Each target segment will have a separate marketing mix, tailored to meet the specific needs of consumers in the individual segment.

### **PRODUCT MIX**

The tourism product is a non-material intangible thing. The following service are included in the product mix for the tourism industry:

- Attraction
- Accommodation: one star to Five star, Cottages.
- Transportation: Airways, Railways, Roads, Sea-ways
- Recreation: Theatre, Club, Park, Music
- Restaurant: Western, Chinese, Indian, Others.
- Shopping: Artistic, Handicrafts, Handloom, Books, Garments, Jewellery.

Branding plays a very important role in tourism marketing. Car rental firms, hotel chains and airlines, in particular employ tremendous efforts to ensure that their name is widely recognized and synonymous with quality, value or some other characteristic. Travel agents and tour operators depend on reputation to a large extent, and so it is imperative that they have a strong, recognizable identity. The main reason to build brand loyalty is to encourage repeat business.

### **PRICE MIX**

In the tourism industry, the pricing decisions are found critical and challenging since it is a multi-segment industry. When a tourist proposes to visit a particular place, the total cost on his/her travelling includes the expenses incurred on transportation, accommodation, communication or so.

In the pricing decisions, the product or the service mist of the tourist organizations is found important. This makes it essential that the tourist organizations set prices in line with the quality of services to be made available to the customers.

Pricing policy decisions will be directed by strategic objectives. If the objective is market penetration then prices must be set very competitively to appeal to the largest possible number of potential consumers. If, on the other hand, a firm is pursuing a niche strategy, catering for the luxury market in high value, exclusive tourism services, then prices should reflect this promotion and advertising can be used to differentiate the product on an exclusively basis and premium prices may be charged.

The tourist professionals while making the pricing decisions are required to think in favour of discounting price. The different forms of discount, such as discounting for cash payment, price reduction for quality, trade discounts, trade allowances, seasonal discount, distressed stock and similar discount tactics are the options.

### **PLACE MIX**

Distribution management is concerned with two things – availability and accessibility. If tourism marketing management is to be certain that their products and services are both available and accessible to the target market, they must design a channel strategy that will be effective.

Some tourist organizations deal directly with the consumers; some other organizations utilize more than one method of distribution. The middlemen are the tour operators and the transport operators who buy services like hotel rooms, seats in the aircrafts, railways, arrange chartered flights and sell the same either to the travel agents or even directly to the tourists. Airlines, for example, sell tickets through travel agents, and sell seats on flights to tour operators, whilst also operating direct marketing by offering travellers the opportunity to make reservations through their own banking offices.

## **PROMOTIONAL MIX**

The tourist organizations take up the responsibility of informing, sensing and persuading the potential tourists. The marketers need to use the various components of promotion to increase the number of users.

The advertisement helps in providing important information to the actual and potential tourists. Its coverage is so wide. It essentially follows the AIDA principle of attracting the *attention*, arouse *interest*, create *desire*, and stimulate *actions*. Advertising is aimed to create the awareness of the travel offers available on a resort and its attractions to influence their business decisions.

Another dimension of the promotion mix is publicity which focuses attention on strengthening the public relations by developing a rapport with the media people and getting their personalized support in publicizing the business.

*Sales promotion* through brochures, point of sale displays and even video cassettes plays a very important role as advertising. In a tourism industry a travel company offers to their clients compliments such as flight bags, wallets for tickets and foreign exchange and covers and passport. The hotels offer a number of facilities like shoe shine clothes, first aid sewing kits and shampoo. Further, the clients also get fruits and flowers in their rooms. There is not doubt that almost all the promotional measures generate goodwill and add values to the product.

*Personal selling*: The travel and hotel business depend considerably on the personal selling. The development of travel and tourism has been possible due to well educated and trained sales personal.

*People*: The tourism industry depends substantially on the management of human resources. The travel agents and travel guides play an important role and therefore the management of people helps in developing their credentials to deliver goods to the tourist organizations.

## **Hotel Marketing**

Marketing hotel services include in its purview everything and almost all the dimensions directly or indirectly helping in promoting the business. This necessitates formulation of a sound marketing mix, such as an aggregation of different sub-mixes such as product, promotion, pricing, place, people and process.

### **MARKET SEGMENTATION FOR HOTEL**

The hotel professionals segment the market in such a way to identify the changing needs and requirements of different segments to make the marketing decisions effective.

The main bases for hotel segments are geographic, psychographic and socio-economic. The geographic bases include hotel companies located at different places and psychographic bases include life cycle, buying motives and knowledge of prospects regarding the services. The social-economic bases include women segment, weak-end segment and instant market segment. To be more specific, the life-style segment is found to be more important.

### **MARKETING MIX FOR HOTEL INDUSTRY**

The term marketing mix is the combination of what market offers and identifying the actual point where marketing actions can be taken to improve the acceptability of hotel product and stimulate demand. The combination of core and peripheral services, the creative promotional decisions, the pricing strategies helping hotels in maintaining the commercial viability, the efficient hotel personnel are important decision making areas which gravitate attention on the formulation of a sound mix for the hotel industry. It is against this background, the different sub-mixes of the marketing mix are discussed.

#### **PRODUCT MIX**

The product mix for the hotel services include catering management, restaurant and cafeteria management, management of bedrooms, management of convention halls etc. The boarding services are considered to be an important part of product mix. In addition, the lodging services also become significant.

#### **PRODUCT MIX OF HOTEL SERVICES**

Here it is essential that facilities like light, water, electricity, ventilation, entertainment, sanitation arrangement of bed etc. are also equally important. While formulating the product mix, the hotel organisations are required to make possible a fair mix of all the above services.

#### **PROMOTION MIX**

It is not only sufficient to provide quality services, but it is equally important to promote the business in such a way that the prospects come to know about the quality to be offered to them. There are number of components for promoting the business such as, advertisement, publicity, sales promotion, personal selling and word of mouth.

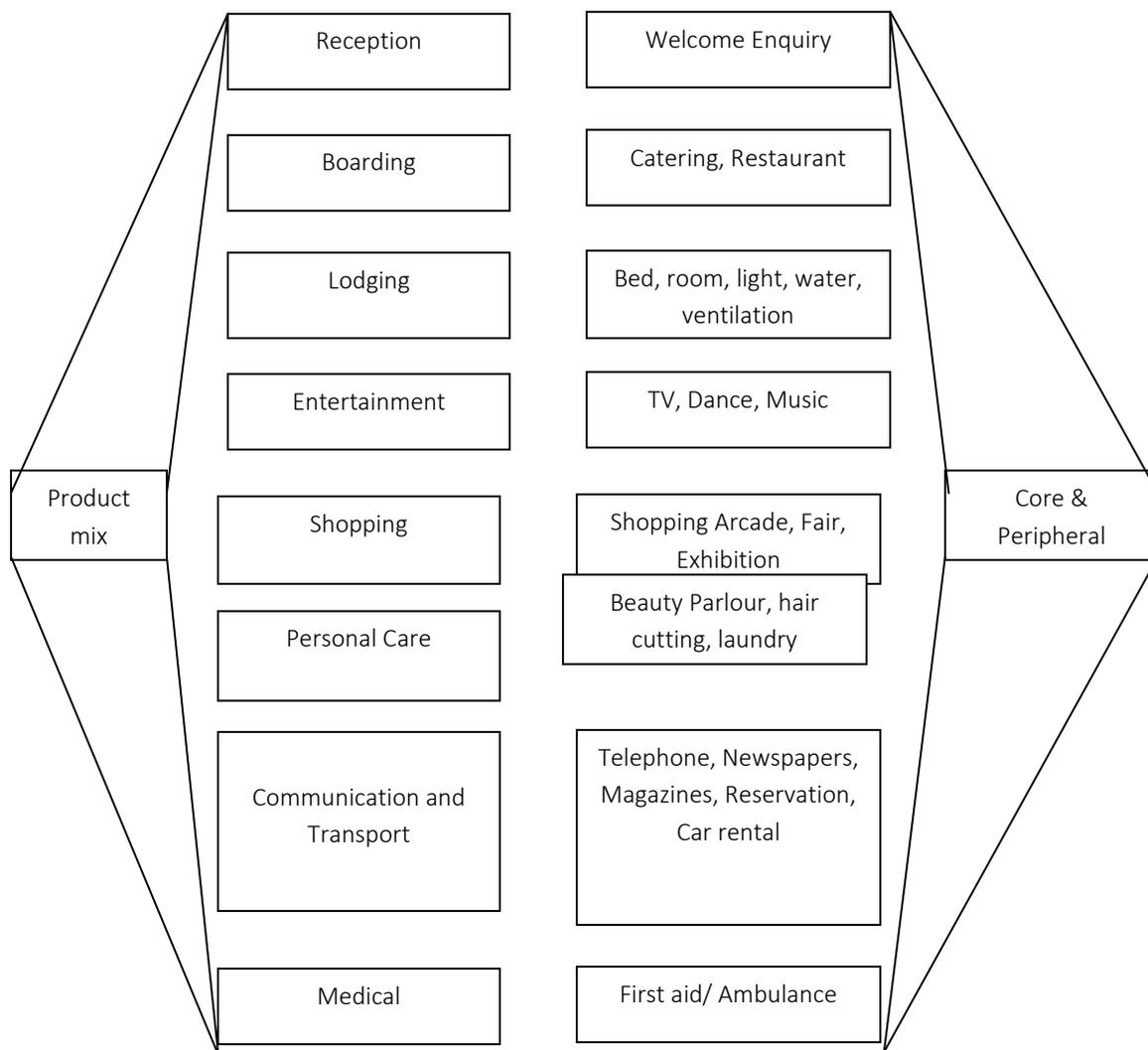


Fig. 11.1

## Advertising

The hotel professionals make productive use of print media, broadcast media and telecast media for advertisement. There are significant developments in the print media and due to sophistication in the printing technologies, it is possible to attract the attention of prospectus by displaying attractive scenes, events, comforts etc. While selecting the media, it should be kept in mind the magazines and newspapers preferred by target audience. The professionals have to select a suitable time for transmission in broadcast media, when a majority of the target audience are supposed to be close to the radio set. Similarly, in telecast media, while advertising due weightage to be given in selecting sensitive hours, when a majority of viewers are found before their T.V. sets. The scenes of hotel location, the swimming pool, the shopping complex, the personal car centres, the arranged bed rooms, the restaurants and convention hall, the aesthetic management are required to be telecast in such a way that attracts the target users.

## Publicity

In the hotel industry, public relations activities play an important role in informing the clients regarding the merits of different services offered. The specialties of hotel are presented in such a way that the prospects are motivated to avail of the facilities offered by a particular hotel.

In the hotel business, there are number of events which should be transmitted to the local press, such as menus for certain functions held at hotel, particulars or certain important conferences or exhibitions to be held, menus for special days of the year, photographs of staff dressed up for special days and well-known people staying in the hotel. Sponsored fashion-designing events, entertainment programmes, beauty contest etc. can also be effective publicity tools.

## **SALES PROMOTION**

Like other organizations, the hotels also offer incentives to the users vis-à-vis to the personnel and organizations evencing interest in promoting the business.

### **Tools of sales promotion**

- Directed at Hotel Staff: Travel, concessional accommodation for close relations, use of wedding halls for staff, contests, gift.
- Directed at Tour Operators and Travel Agents: Compliments (Pen, ashtrays, diaries, calendars, brochure, trade exhibition, lunch, direct mail – letters, circulars) concessional accommodation, contest.
- Directed at Guests: Off-reason discount, point of sale, sales, literature, compliments (Pen, ashtrays, diaries, calendars, gifts, contest, joint promotion with travel companies, direct mail).

### **Word of mouth**

The word of mouth promotion is very much instrumental in sensitizing the prospects. In the hotel industry it is much more significant. The word of mouth promoters are those who are satisfied with the service of hotels, who inturn motivate the prospects. The hotel professionals bear the responsibility of identifying opinion leaders who can successfully act as a publicist. Persons with high communicative ability, having a reputation in the society are found suitable for publicizing the services of hotels.

### **Personal selling**

The hotel business is substantially influenced by personal selling. The sales personnel are required to be friendly in dealings and expression. They are required to be helpful and patient and work towards generating more satisfaction to customers. For selling successfully, it is essential that sales forces are professionally sound. A fair combination of personal and social skill is found essential for the sales force to be engaged.

### **Price mix**

Pricing decisions are found critical and challenging. The hotel professionals need to be intelligent while fixing the hotel traffics since the service are of perishable in nature. In addition, the seasonal fluctuation in demand and increasing intensity of competition also complicate the task. So they need intelligence while making strategical and tactical pricing decisions.

Tactical pricing is found instrumental in promoting the hotel business. There are number of ways for practicing this tool:

- Seasonal Discounts: To charge lower prices, especially during off-season.
- Trade Discounts: This is offered to tour operators and travel agents
- Special Discounts: Special function room rates for overnight conventions.

### **Place Mix**

In the hotel industry the distribution of services is mainly related to the transmission of information by the related persons to the ultimate users. As and when the bookings are made of a bed-room or a function room or of a restaurant, the confirmation is found essential. A number of factors are found influencing the distribution process, such as location, point of sale, the cost of distribution, effectiveness of marketing resources, image of hotels, tactical strategy and the motivational schemes.

The choice of location is the most important business decision, specially for proprietor owned restaurants, guest houses and small tourist attractions. With the introduction of computers and increasing user of information technologies, a radical change has come in the distribution system.

The middleman are wholesalers buying hotel rooms in bulk and then selling the same to the retailers, known as the travel agents. The tour operators are called the producers of services. The travel agents buy the services at the request of their clients and provide a convenient network of sales outlets which caters to the needs of the catchment area.

The strategic choice between internal and external selling, domestic and international selling, direct and indirect selling occupy a place of significance. The hotel professionals are supposed to make the decision sound, so that the process of distribution is made cost effective.

## **People**

The people working in the organisation are quite important for the success of the business. In hotel industry, the receptionists, the porters, the house-keepers, the waiters and waitresses play an incremental role in promoting the business. The marketing managers take up the responsibility of managing the frontline personnel in such a way that the promised services reach to the ultimate users. If the hotel personnel in such a way that the promised services reach to the ultimate users. If the hotel personnel prove to be high performers, personally committed, professionally sound, value oriented, aware of the behavioral management, familiar with the aesthetic management, they can satisfy the users.

## **Consultancy Marketing**

The Institute of Management Consultancy UK consider consultancy services as the services provided by an independent and qualified person or persons in identifying the investigating the problems concerned with policy, organisatoin, procedures and methods; recommending appropriate action and helping to implement these recommendations.

The aforesaid views make it clear that in the consultancy services, an expert of the related field or discipline or group of experts identify and investigate the problems and on the basis of their expertise, make available suitable suggestions and also help in the implementation of recommendations. As for example, person or persons having and outstanding excellence in the concerned areas like legal, medical, management, technical or so make available specialized services to a person or persons in the shape or knowledge and information. They make an indepth study of the problems and offer to them appropriate suggestions to combat the problem. For the services rendered, they may or may not charge fee or commission.

The application of marketing concept in the consultancy services is a recent phenomenon. A number of consultants have been found engaged in the process and they have been found selling their views or

expertise. This made ways for conceptualizing marketing in the consultancy services. The growing significance of innovative ideas, expertise mainly to excel competition paved avenues or practicing marketing. An individual or an institution started the process of marketing the consultancy services on national and international levels for making profits which made the business conditions competitive. Since then, the marketing concept has gained importance. Thus by consultancy marketing. The emphasis is one marketing of expertise by an individual or an institution where they formulate the marketing mix and keep on moving the process of innovating the decisions to establish their edge on the competitors.

### **Market segmentation**

Clients possess some uniqueness which complicate the task of a marketer, while assessing their needs and identifying the level of their expectations. In the consultancy services, there are a number of factors influencing the needs and requirements of the prospects. In the consultancy services and organisation needs to segment the market on the basis of region, sector and geographical conditions.

Market segmented on the basis of zones helps the consultancy organisations in studying the needs and requirements of different zones and the development of marketing resources are thus made optimal to the users representing a particular zone. Segmentation on the basis of sector helps the consultants and the consultancy organisations in understanding the expectations of different categories of users in a different way.

### **Marketing mix for the consultancy organisations**

The formulation of marketing mix is an important decision making area which requires professional excellence. An individual or a group of individuals engaged in the consultancy services is required to formulate a sound marketing mix that makes possible an optimal development of marketing resources. It is the quality and quantity of different submixes that play a significant role in determining the quality of marketing decisions. This makes it essential that the marketers while formulating product mix, place mix, promotion mix, price mix and people keep in their mind the intensity of competition in addition to the level of expectations of clients.

### **Product mix**

In the consultancy services, the important products are technical services, legal services, medical services and the managerial services. The providers and the clients may be an individual or even an institution.

The formulation of product mix requires a number of care and precautions. The innovative ideas, sophisticated technologies, intensive research need due care while formulating the product mix.

The formulation of a sound product mix makes it essential that the consultancy organizations make efforts to design a sound product portfolio in which different types of services are included. The medical consultants need to be aware of the latest devices of treatment and to offer the patients the best medical aids. The technical consultants also need to innovate their product mix in the face of technological sophistication from the product mix. The legal consultants need to be aware of the latest developments, such as amendments in laws, rules and regulations and to formulate the service mix accordingly. Thus the elimination and inclusion processes need to be adopted even in consultancy services. These facts make it clear that like other organizations, the consultancy organizations also need to make possible innovating in the face of multi-dimensional developments in the business.

The formulation of sound package is also found important in the product mix of the consultancy organisations. Here the emphasis is on the blending of different types of services keeping in view the

needs and requirements of different segments availing the services. The packages become a point of attraction if the marketers show their professional excellence in the blending process.

In view of the above, it is right to mention that the formulation of a sound product mix is considered essential and the marketing professional serving the consultancy organisations need to make it possible. This is easier when they are well aware of the changing needs and requirements and the increasing level of expectations of the clients / customers.

### **Promotion mix**

Like other services, the consultancy services are also required to be promoted. With the help of sound mix of promotion which is a fair blending of the different constituents, such as advertising, publicity, sales promotion, word-of-mouth promotion and personal selling, the consultancy services can be effectively promoted.

### **Advertising**

While advertising, the consultancy organisations need to draw their attention to some of the important problems mentioned below:

- Composing slogans having creativity.
- Selecting suitable vehicles for traveling the messages
- Injecting sensitivity to the messages, themes and appeals.
- Making the advertisements measures cost effective.
- Increasing the life-span of advertisement slogans
- Testing the advertising slogans before their final launching
- Testing the advertising effectiveness.

With the increasing sophistication in print technology, the print media is an effective instrument in informing, sensing and persuading the clients. The newspapers, magazines, posters, brochures, leaflets are effective print media.

Now, the telecast media has established its edge over the print and broadcast media. This is due to the fact that televisions have the outstanding merit of audio-visual exposure. The marketing and advertising professionals bear the responsibility of making the advertisement slogans creative provide adequate budget to make advertisement effective and purposeful.

### **Publicity**

Like other organisations even the consultancy organisation are required to use this component of promotion. The ultimate object of publicity is to transmit the news and information to the masses. In the consultancy services, the publicity measures are required to be innovative. This requires support of academics and professionals in the field of creative literature and getting them published in the important newspapers, magazines and journals preferred by the target clients. The services to be offered by a consultancy organisation would be published in a reputed media having wider circulation. The technical, medical, legal's management journal, and the important newspapers and magazines preferred by the prospects require due attention of marketing professionals.

The marketing professionals serving the consultancy organisation need to develop rapport with the media people to publish the developments. Organizing press conferences, displaying and visualizing positive contributions, quality of services, benefits to the users are some of the important aspects requiring due attention of marketing professionals in general and the public relations officers in particular.

### **Sales promotion**

This component of promotion bears the efficacy of touching the target with the help of incentives offered to the middlemen and the clients. It is a temporary incentive instrumental in promoting the consultancy business.

The consultancy organizations are required to influence the personnel supposed to offer the services to the clients by small gifts. In addition, the sales promotion measures are also offered for the users or clients. This may be in different forms, such as concessional services for a particular period, offering of small gifts to the customers, organisation of sales contests for the clients and users, package benefits to the customers for a particular period. While offering incentives, the consultancy organizations also need to turn their eyes on the strategies adopted by the competitors so that they are in a position to offer the innovative measures.

### **Personal selling**

Sales people are supposed to perceive power, value and decision making system in the client's organisations. It is also essential that they develop personal relationship with clients. The success of personal selling substantially depends on the personality and excellence of an individual. Physical attractions are assigned due weightage in the very context. If they behave well, act well, move well, communicate well and receive well; the task of consultancy organizations becomes simple.

Personal promotion helps the consultancy organizations in creating impulse buying. A consultant salesman is required to devise new ways to move market into action so that impulse buying is generated in a right direction. The excellence of a consultative salesman occupies a place of outstanding significance. If the clients remain satisfied with the communicative ability of the consulting sales people, the task of consultants and the consultancy organizations is simplified considerably. It is pertinent to mention that it is not only the consultants who generate the business but virtually it is the result of a joint endeavour of the consultative sales people and the consultants that simplify the process of promoting the business. The consultative sales people are required to create awareness and interest, reinforce to overcome cognitive dissonance, facilitate and cause the purchase to take place and ensure that the clients are satisfied with the service of consultants. It is against this background that personal selling occupies a place of outstanding significance in the promotion of consultancy services.

### **Word-of-mouth promotion**

By word-of-mouth communication the emphasis is on promoting the services by the hidden sales force. It is pertinent to mention that the satisfied group of customers communicate to their close friends and relatives the outstanding properties of the services availed by them. For instance, if you are satisfied with the services of a medical consultant you talk to your friends and relatives regarding the same. In fact, you act as a hidden sales force. In future your friends and relatives prefer to use the services of the same doctor. Like this, if a legal consultant helps you in protecting the property, you talk to your friends and relatives the same. They prefer to use the services of the same legal consultants as and when they need. These facts are a mute testimony to this proposition that quality goods or services are promoted even by the satisfied group of customers or users. It is in the context that we talk about the instrumentality of word-of-mouth promotion in promoting the consultancy services.

It is important that in this context the marketing professionals also need to sue the services of opinion leaders or vocal persons. They identify such persons, offer to them concessional services in addition to small gifts and expect from them a strong advocacy in favour of their services.

### **PRICE MIX**

In the consultancy services the price mix refers to fee or commission charged by the consultants or the consultancy organisations for making the services available to the clients. The pricing objectives may be either price-competitor or non-price-competitor. In the price-competitor objective, the consultancy organizations offer lower price since the pricing decisions are required to be motivational. In the non-price-competitor objective, stable pricing is followed. The other objectives are profit-generating, market stability, market share etc.

It is important that the consultants and the consultancy organizations explore possibilities for a rational pricing policy which helps in maintaining the commercial viability besides serving the social interests.

### **PLACE MIX**

An individual consultant offers the services directly to the ultimate users. But the consultancy organisations offer the services to the clients with the help of branch offices. To be more specific when the head office located for off, it is essential that the consultancy organizations make suitable arrangements for the offering of service at different places through its branches. The opening of branch offices simplify the task of head office which also helps in improving the quality of services.

### **PEOPLE MIX**

In almost all the consultancy organizations, the instrumentality of people in implementing the policies and programmes in an effective way. The consultancy organizations also need the services of quality people serving as consultants, consultant sales people, working in the branch offices. A fair synchronization of sophisticated technologies and quality employees makes the ways for quality upgradation. If the employees serving the branch offices are satisfied with the incentives offered to them, the promised services reach to the clients or the ultimate users. This makes it essential that the consultancy organisations make possible employee-orientation by offering to the employees incentives in different forms. Thus while managing people, the marketing professionals need due weightage to the incentive plans for employees which would pave avenues for performance – orientation.

## **Courier Services**

With the increasing pressure of work and decreasing efficiency, the Department of Posts failed in managing the mailing services which made it essential that an alternative system emerges to cater to the changing needs of trade as well as the domestic sectors. The courier services thus came into existence. A number of formal and informal organisations started offering the services at regional, national and international levels. The different categories of users have no option but to depend on the private sector who, of course offer quality but of expensive nature. It is against this background that we talk about the marketing of courier services.

### **COURIER MARKETING – A CONCEPTUAL FRAMEWORK**

Marketing the courier services focuses our attention on the application of modern marketing principles in the business process. Courier marketing is a managerial process that make possible a planned development of services. It is an organized efforts to make the services commercially viable to the courier organizations vis-à-vis affordable to the users who make use of their multi-dimensional services. The marketing concept makes it essential that the organizations formulate a sound service mix in which we find a fair synchronization of different types of services. The courier marketing practices thus make possible formulation of different submixes of the marketing mix, such as the product mix, the promotion mix, the price mix, the place mix and the people mix. In addition, the development of sound marketing inputs becomes a focal point which makes the ways for the development of quality outputs.

Conceptualizing courier marketing makes the ways for satisfying the users which happens to be the most important thing for increasing the market share and the level of profits. The courier organizations thus can maintain commercial viability. By formulating and innovating the marketing mix, the courier organisations can be successful in developing and perceiving a new perception of quality which makes possible qualitative improvements in the process. Generation of profits and satisfaction to the users are the two important dimensions which pave avenues for multi-dimensional quantitative-cum-qualitative improvements in the process. The organizations by making the services competitive can be successful in excelling competition. Since the marketing focuses on professional excellence, the courier organizations can also be successful in projecting a fair image. These facts make it clear that the application of marketing principles is to benefit the courier organizations in many ways. It is against this background that the leading courier organisations are found practicing innovative marketing.

### **MARKETING MIX FOR COURIER ORGANIZATIONS**

The courier organizations are required to formulate a sound marketing mix for improving the quality of services. The courier services are required to be made competitive and this makes it essential that the courier organizations conceptualize marketing in such a way that the processes of qualitative-cum-quantitative transformation are activated in the face of emerging business conditions. It is against this background that the marketing professionals are supposed to make creative marketing decisions. This focuses our attention on the formulation of different submixes.

#### **PRODUCT MIX**

Mounting intensity of competition makes it essential that the courier organizations formulate a sound product mix. By formulating a sound product mix, they would be in a position to understand the changing needs and requirements of different segments of users on prospects and the service profile would be made user-friendly.

Inclusion of innovative services in the service mix would enrich the service profile and would also be instrumental in sensitizing the prospects. The stimulation of demand makes it essential that the

customer get the services which are not to be made available by the Department of Posts. This draws our attention on the formulation of a sound product mix for the courier organizations. The professionals are supposed to work with the service motive. They need to make it sure that the promised services reach to the users without making any distortion in the process.

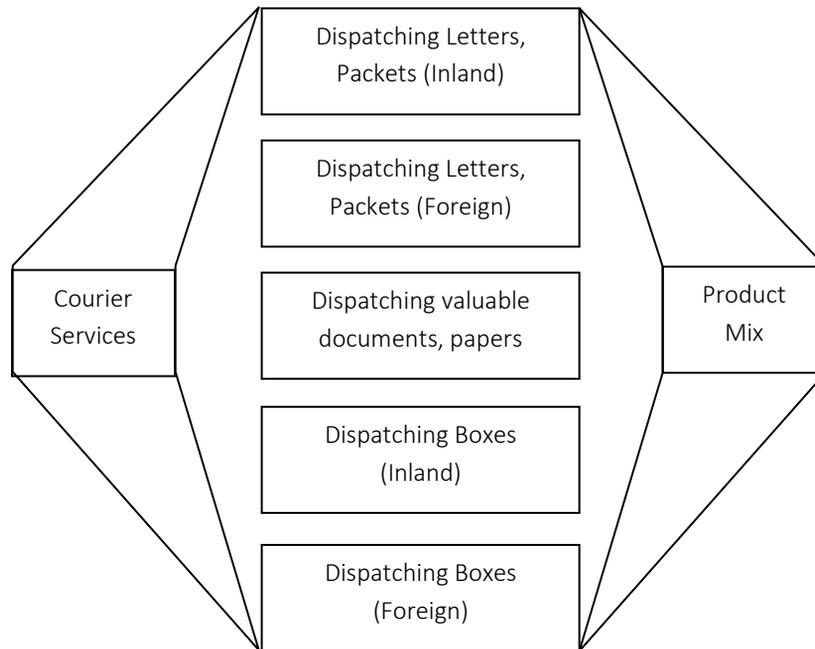


Fig. 13.1

While formulating the product mix, they are required to make it sure that the service portfolio includes both the high-profit-generating services as well as the low-profit-generating services.

## PROMOTION MIX

### Advertising

The first constituent of promotion, i.e. advertising plays an effective role in promoting the business. To be more specific in the present age of sophisticated technologies, we find advertisement instrumental in promoting the business of courier organizations. In this context, they need to advertise through print media, broadcast media and the telecast media. The courier organizations find print media ore effective because the sophistication in the development of print technology has opened doors for creativity. The availability of quality materials is found injecting additional attractions while advertising through the print media. The advertising professionals need to select the media preferred by the target prospects. The newspapers, magazines in big circulation may be effective since the services are used by almost all the segments of the market. In addition, the courier organizations also get an opportunity of making descriptive advertisements to courier organizations also get an opportunity of making descriptive advertisements to inform in detail the target prospects. Further we have been found more effective. The marketing professionals and to be more specific the advertising professionals bear the responsibility of composing creative slogans so that messages, themes and appeals are found

instrumental in sensitizing the prospects. There is no doubt that due to audio-visual exposure we find telecast media very much effective in stimulating the demand. The large-sized courier organizations are found using all the three media.

### **Publicity**

Being an unpaid form of persuasive communication, the publicity makes it essential that the professional attempt to develop a rapport with the media people and organize a get-together and offer to them lunch, dinner and the small gifts to influence them to write articles and news items in favour. If the media people are found satisfied with the quality of services offered by them, they may give suitable coverage as a news item which would considerably be instrumental in sensitizing the prospects. The publicity measures are found more effective since the prospects at large feel that the media people are presenting right things regarding the services of courier organisations. Thus the courier organisations may also use this component of the promotion mix.

### **Personal selling**

It is right to mention that for promoting the business of courier organisation, we find personal selling very much effective. The courier organisations may be successful in promoting the business in a right fashion, if the sales people have high communication ability. To be more specific the large sized courier organizations may engage agents, trade representatives for developing contract with the target prospects. If the sales personnel have high communicative ability, attractive personality and commitment to profession, the dialogues can be transformed into a deal. We can't deny the fact that the courier organisations need to recruit and train quality sales people for that very purpose. The instrumentalities of messengers acting as courier have been accepted by all. If the courier, agents, representative narrate to the prospects right things in a right fashion, we find enough scope for stimulation.

### **Word-of-mouth promotion**

If the courier organizations offer world class services to the prospects or users; it is natural that they remain satisfied and communicate to their friends and relatives the plus and negative points. They in a true sense act as a hidden salesforce. If we come to know about the outstanding quality of courier services from our friends and relatives, we prefer to use the services of that very organisation as and when the circumstances necessitate so. The courier organizations may also take the support of opinion leaders for this purposes.

### **Sales promotion**

Sales promotion happens to be an important component of the promotion mix. The courier organisation need to think about the innovative promotional tools for the sales personnel, marketing personnel and more so for the users of the services. in these context, they need to offer gifts, offer an attractive package, concessional services to the habitual users or so. The main thing in the process is to make the tools innovative because almost all the courier organizations are found offering small or big gifts.

### **PRICE MIX**

The pricing decisions of courier services become critical because the organizations are supposed to make rational decision which on the one hand maintain their commercial viability while on the other also subserve the interests of those segments of the society who find it difficult to pay the high tariff. Like other organizations, the courier organisations are also required to keep into consideration the fact that even the weaker sections of the society find it convenient to user their services. It is against this background that we go through the price mix of the courier organizations.

The courier organizations buy the supporting services from the different categories of organisations which substantially influence their tariff structure. It is right to mention that whatever they charge as tariff from the users remains the only source of financing the business and therefore it is difficult for them to subserve the social interests by offering concessional or subsidized services. However the courier organization need to explore avenues for the same.

The courier organizations are required to make the pricing decisions more scientific and progressive. This draws our attention on charging high structure from the users dispatching valuable documents and papers, charging low structure from the habitual users, charging very low structure from the habitual large-sized users. The motive is to increase the market share and therefore in no case the tariff structure should cross the structure charged by the Department of Posts. If they improve the quality of services and make the structure competitive, the market share would automatically be increased.

## **PLACE MIX**

The place mix draws attention on the two important issues, first the services are processed in a right way in order that the gap between the services-promised and service-offered is bridged over and second the courier organization and their branch officers are located at a sensitive point so that the users as well as the personnel working there don't feel any trouble.

The first dimension of the place makes it essential that the professionals manage their head and branch offices properly. The personnel working there are efficient and the technologies used in the process of offering the services are sophisticated.

The second dimension of the place mix drawn attention on the location points for the branch and head offices. We can't deny that the places selected for the offices of the courier organizations should smoothly be accessible. The required infrastructural facilities should be available at the centers and the offices should be managed in a right way. The interior decoration needs due attention of the professionals because this is the provision found instrumental in adding attractions to the services. In this context, it is also significant that proper furnishing is made possible and sophisticated communication services are available at the centers. To be more specific, we find safety and protection provisions requiring due attention of the professionals responsible for managing the branch offices as well as the head office. The availability of power and transportation facilities can't be under estimated.

The management of place for the courier organizations need due attention of the policy planners failing which the new perception of quality can't be developed. Thus it is right to mention that the courier organizations need to manage place mix with the help of efficient personnel and with the support of sophisticated technologies.

## **PEOPLE MIX**

In addition to other components of the marketing mix, we also need to gravitate our attention one the people mix. It is against this background that the professionals make a strong advocacy in favour of managing the people mix. This draws attention on the different categories of employees serving the courier organizations at head or branch offices.

By performance-orientation, our emphasis is on improving the efficiency of employees involved in the process. This makes it essential that the marketing professionals assign due weightage to the management of employees serving the courier organizations. The employees working at the head and branch offices are required to be efficient, well aware of the operation and maintenance of technologies used in the process, sincere and punctual to the management of time and familiar with the behavioral profile of prospects or users. By showing commitment to the profession, they can prove themselves to be high performs.

We talk about performance-orientation but don't find it essential to assign due weightage to employee-orientation. By the employee-orientation, our focus is on motivating the employees suitably by offering to them efficiency-based incentive plans. The professionals need to realize that unless they offer to the employees suitable incentives, the process of efficiency-generation would hardly be accelerated. This makes it essential that the courier organizations assign an overriding priority to the incentive plans for the employees which would make ways for performance – orientation.

In view of the above, it is right to mention that the professionals bearing the responsibility of formulating a sound marketing mix also consider the instrumentality of people mix and they need to blend the different submixes in such a way that the marketing decisions are found proactive.

## **Bank Marketing**

The new concept of bank marketing assigned due weightage to customer satisfaction. It is aimed at having a full view of customers needs fulfilling them in the best possible way by required services, identification of potential customers and conducting the activities on the basis of market segmentation. It is said that marketing of banking service is concerned with product, promotion, pricing and place. In addition, an number of experts also advocate in favour of people, process and physical evidence.

### **MARKET SEGMENTATION**

The bank professionals have to segments the market in such a way that the expectations of all the potential customers are studied in the right perspective and the marketing resources are developed to fulfil the same.

The policy of segmentation helps the professionals in formulating and innovating the policies and at the same time simplifies their task, while formulating and innovating the strategic decisions.

An important criteria for market segmentation is the economic system is which agricultural sector, industrial sector, services sector, household sector, institutional sector and rural sector require due weightage.

### **MARKETING MIX FOR THE BANKING SERVICES**

The formulation of the marketing mix for the banking services is the prime responsible-to the product portfolio, which means, the different types of services/ schemes formulated by the banks.

#### Product Portfolio for Banks

- a. Deposits
  - i. Time deposit
  - ii. Demand deposit
- b. International Banking
  - i. Letters of credit
  - ii. Foreign currency
- c. Consultancy
  - i. Tax
  - ii. Merchant banking
  - iii. Project counselling
  - iv. Investment counselling
- d. Loans and Advances
  - i. Agricultural loan
  - ii. Vehicle loan

- iii. Educational loan
  - iv. Jewel loan
  - v. Business loan
- e. Miscellaneous
- i. Safe-custody
  - ii. Credit cards
  - iii. Travellers' Cheque
  - iv. Collections
  - v. Gift Cheque

## **PROMOTION MIX**

In the formulating of marketing mix, the bank professionals see also supposed to blend the promotion mix in which different components of promotion, such as advertising, publicity, sales promotion, word of mouth promotion, personal selling and telemarketing are given due weightage.

### **Advertisement**

While developing advertising the bank has to prepare appeals, slogans and messages and select a suitable media for travelling the messages. There are a number of devices to advertise, such as broadcast media, telecast media and the print media. For promoting the banking business, the print media is found economic as well as effective. The telecast media very much effective, but it is found very expensive. The messages, appeals can be presented in a very effective way.

They have to provide sufficient budget and test the effectiveness of advertisements. Banks need to develop and strengthen the public relation activities to promote their business.

### **Personal selling**

The personal selling is found instrumental in promoting the banking business. It is just another name for persuasion. The banking organizations need to make use of this dimension with the help and cooperation of efficient and personally committed sales people. If the sales people have in-depth knowledge of the sales, dialogue, sales technique behavioral profile of the customers, the task of transforming the dialogue into a business is found easier. This requires an intensive training programme. The personal selling is based on the personal skill of sales people. If they know in detail about the prospects to be interviewed, the questions to be asked by the prospects/ representative of business houses, it is possible for them to convince.

## **SALES PROMOTION**

The banking organizations also think in favour of promotional incentives both to the bankers as well as the customers. The gift, contests, fairs and shows, discount and commission, entertainment and travelling plans for bankers, additional allowances, low interest financing and retaliatory are to mention a few found instrumental in promoting the banking business.

## **WORD OF MOUTH**

The social reformists, popular cine artists, TV artists, opinion leaders, vocal persons may act as word of mouth promoters. A satisfied group of customers is considered to be the most successful hidden

promoters. They will commend to others the excellent services of a particular bank or the outstanding properties of a particular scheme. Hence it is clear that the word of mouth promotion is an important component of promotion mix, but its instrumentality is influenced by the quality of service offered.

### **PRICE MIX**

The pricing decisions related to interest and fee or commission charged by banks are found instrumental in motivating the target market. The pricing policy is considered important for raising the number of customers vis-à-vis the accretion of deposits. Of course, there are a number of factors of influence the process, but the key role is placed by the Reserve Bank of India.

### **PLACE MIX**

A selection of suitable place for the establishment of a branch is significant with the view point of making the place accessible and in addition, the safety and securing provision are also important. The management of office is also found significant with the view point of making the services attractive. The furnishing, civic amenities and parking facilities cannot be overlooked. Of late, aesthetic management getting due place in the foreign branches. This draws our attention on beautifying the office and premises and making the place environment friendly. Thus these consideration need due weightage while managing the branches of a bank.

### **People**

Generation of efficiency is substantially influenced by the quality of human resources. The commercial banks need to assign a priority to the development of quality people for the development of an organisation. Hence the first task before the banks is to overhaul the recruitment process. While fixing criteria for selection, they need assign due weightage to the ethical values. Further, the education and training facilities are required to be innovated. Above all due weightage to be given for the development of *Human, Humane, Humanism*, these three terms if found in the human resources, help developing productive people.

It is high time that the commercial banks conceptualize innovative marketing to satisfy the customers' expectations and to meet the global competition.

## **Insurance Marketing**

The term insurance marketing refers to the marketing of insurance service with the motto of customer-orientation and profit-generation. The insurance marketing focuses on the formulation of an ideal mix for the insurance business so that the insurance organizations survive and thrive in a right perspective. The quality of services can be improved by formulating a fair mix of the core and peripheral services.

The marketing concept in the insurance business is concerned with the expansion of insurance business in the best interest of society vis-à-vis the insurance organisations. The insurance companies lag behind most manufacturers in recognizing the marketing concept in their organizations. Insurance companies tend towards a strong sales orientation, since the services they sell, although certainly necessary ones, rarely sell themselves. Potential policy holders are reluctant to think about the disaster and death. So they postpone planning for these possibilities unless they are contacted and influenced by insurance agents. Thus the insurance company's mutual orientation is toward sales, not marketing. But in the modern business world, the marketing concept insists on fixing of accountability for overall marketing performance.

The selection of risks (product planning), policy writing (customer service), rating of actuarial (pricing) and agency management (distribution) – all marketing activities make up an integrated marketing strategy. Particularly in the developing countries like ours, the organizational objectives advocate spreading of insurance services much more widely and in particular to the rural areas and specially to the economically backward classes with a view to reaching all insurable persons. This naturally necessitates an integral marketing strategy. In other words, market-orientation in place of sales orientation is need of the hour. Hence the marketing concept in the insurance business focuses on the formulation of marketing mix or a control over the whole group of marketing activities that make up an integrated marketing strategy.

### **MARKET SEGMENTATION**

In the insurance organizations, the task of formulating the overall marketing strategies cannot be performed efficiently unless the market is segmented. It was against this background that marketing studies engineered a sound foundation for segmenting the markets of insurance business. The market for the insurance business is found vast, the potential policyholders are in very good number and their needs and requirements are not identical. The segmentation helps the insurance organisations in dividing and sub-dividing the market into small segments in which the needs and requirements are found by the large identical.

If the market segmentation is done in a right fashion, the marketers find it convenient to identify the level of expectation of users. The main purpose of market segmentation is to know the market. Unless the insurance companies know the needs and requirements and identify the level of expectations of the policy holders, it is difficult to formulate a sound marketing strategy.

Where a large number of users living in the rural areas, the emergence of a strong rural sector cannot be negated. The region-wise segmentation simplifies the task of having a microscopic study of culture, language, likes and dislikes. This helps in making the marketing decisions creative. It is essential that the insurance organisations capitalize on the available opportunities in the market. They need to increase their market share. This makes it essential that they succeed in informing, sensing and persuading the different segments where the potential users are available. It is not productive to concentrate on only one segment. The insurance professionals need to business in all the segments, such as rural and urban,

men and women, agricultural and industrial or so. The need of the hour is to spread the insurance business even to the agricultural sector of the economy.

The segmentation would help insurance professionals in making the promotional measures creative which would be very much instrumental in sensitizing the prospects. The advertisement professionals would make advertisement appeals, messages, campaigns proactive to the receiving capacity of the target audience. The sales promotion measures can also be innovated to get a positive response. The personal selling may be effective since the sales personnel/ agents are supposed to be aware of the needs and requirements of customers/ users. Thus the segmentation would help marketers in many ways. The pricing/ fee decision can also be rationalized and the weaker sections of the society would get substantial benefits. The main thing in segmentation is receiving the expectations of users/ prospects in a right fashion and accordingly developing a suitable marketing strategy.

## **MARKETING MIX FOR INSURANCE**

The insurance organizations in general and the public sector insurance organisations in particular need to assign due weightage to the formulation of marketing mix for the insurance business. The emerging trends indicate that if the insurance organizations delay the process of formulating a sound marketing mix for their business, there would be a sharp fall in their market share in the future, which would bring down the rate of profitability. It is against this background that we go through the problem of marketing mix for the insurance services. This makes it essential to study the different submixes of marketing such as the product mix, the promotion mix, the price mix, the place mix, the people, the process and the physical evidence, in relation to the marketing of insurance.

## **INSURANCE PRODUCT**

The insurance organizations produce or generate services in different forms. A product is both what a seller has to sell and what a buyer has to buy. Thus any enterprise that has something to sell, tangible goods or not is selling products. In the insurance business, the insurance organisations are found selling services and therefore, services are their product. Thus a product is also called a bundle of utilities consisting of various product features and accompanying services. When an individual or a company buys a policy from the insurance organizations, not only the policies are bought but the agents's assistance and advice, the prestige of the insurance organizations, the facilities of claims and compensations are also bought.

In the context of formulating the product mix, it is essential that the insurance organisations promote innovation and in the product portfolio include even those services and schemes which are likely to get a positive response in the future. In addition, they need to formulate a sound package that proves to be more motivational. While formulating a package, the insurance professionals need to assign due weightage to the interests of rural India. The private sector insurance organisations have been found making their service mix internationally competitive. This makes a strong advocacy in favour of innovative product strategy for the public sector insurance organizations.

In view of the above, the following aspects need due attention of policy makers:

1. The formulation of product mix should be in the face of innovative product strategy. The strategies adopted by the foreign and private insurance companies should be taken into consideration while initiating the innovation process.
2. The Data Processing Department is supposed to collect necessary information related to the changing level of expectations of prospects so that the senior executives make the product portfolio productive to the users and profitable to the insurance organizations.

3. It is also significant that the insurance organizations initiate the process of elimination of the services, schemes not profitable to them. This necessitates a study of the product life cycle.
4. The formulation of product strategy should assign due weightage to the rural segment emerging as a big profitable segment.
5. The insurance organisations include in the product portfolio even those policies and schemes which become instrumental in safeguarding the interests of the weaker sections of the society.
6. The formulation of a package is also found important. We find the foreign insurance companies designing a package on the basis of the needs and requirements of the concerned segment. This would make the product mix competitive.
7. There are some of the profitable areas which till now are found either partially tapped or even totally untapped. The agents, rural career agents, the branch managers bear the responsibility of identifying the profitable segments of future and helping the senior executive in tapping the potential optimally.
8. A sound product portfolio is the need of the hour and therefore the regulatory barriers or constraints in activating the innovation process should be minimized.

## **PROMOTION MIX**

In the formulation of marketing mix, the promotion mix occupies a significant place. In the promotion mix, a number of submixes, such as the advertising, public relations, sales promotion, word-of-mouth promotion, personal selling are included.

### **Advertising**

Advertising a paid form of persuasive communications is found important to promote the insurance business. The advertising professionals bear the responsibility of making the advertisement slogans, appeals, campaigns creative so that the process of sensitizing the prospects is found proactive. The insurance companies advertise through telecast media, broadcast media and the print media. Among these, telecast media is found to be more effective in sensitizing process. With the help of audio-visual exposure, the rate of acceptability of the messages can be increased sizeably. If the advertising professionals are well aware of the messages creative. The broadcast media can also be used for that very purpose. Through the available big transmission network and a well developed system, the insurance organisations are supposed to use even the broadcast media. Another benefit of this media is to reach the messages even to the remotest parts of the country. The print media can also be used for promoting the insurance business. Being economic in nature and impressive in expression, the print media of late, has been found gaining popularity. The sophistication in the print technologies has made the media more attractive. It is against this background that now almost all the organizations assign due weightage to this. The insurance organizations need to promote the print media since this would simplify their task of making the appeals effective by using regional languages.

### **Publicity**

In addition to advertisement, the insurance/ professionals also need to think in favour of publicity since this component of promotion if used in a right fashion makes our promotional efforts proactive. The advertisements may be insensitive, but we find publicity effective since the messages, views, opinions, facts, figures are publicized by media or the vocal leaders. It is a device to promote business without

making any payment and therefore it is called as an unpaid form of persuasive communication bearing high rate of sensitivity. Strengthening the public relations activities is another dimension requiring due attention and the public relations officers shall bear the responsibility of projecting a positive image of the organisation. The PRO is considered to be professional having the world class excellence in influencing the prospects, users, others. He/She bears an important responsibility of informing, sensing and persuading. He/she is found responsible for managing the sales dialogues. This makes it essential that we find selection of suitable persons for the said purpose and in addition also intensify training programmes, refresher courses, capsule courses to educate and train them in tune with the changing business conditions. The receptionists, secretaries, front-line-staff publicize the business with their gesture and posture. They are supposed to know-how to talk, how to initiate, how to impress and how to conclude. They should look smart and attractive and should also have quality communicative ability. It is an art which is found based on certain properties. It is essential to educate and train them properly so that they, with the help of their dialogues and body communications succeed in impressing upon the prospects/ users. If they are well aware of the changing level of expectations of customers, the task is made easier.

### **Sales promotion**

Sales promotion is a temporary device which is adopted only for a particular period. In the insurance business, the incentives to the policy holders users or to the agents, rural career agents or even to the insurance personnel for promoting the business are the sales promotion tools. Incentives to the end users for taking a policy play an incremental role in promoting the insurance business. The offering of small gifts during a particular period, the rebate, discount, bonus can be instrumental in increasing the business of insurance organizations. It is right to mention that such incentive to the policy holders/ prospects would be successful in increasing the business. It is the responsibility of the insurance professionals that they keep on activating the process of innovation so that the foreign insurance companies find it difficult to compete with the public sector insurance organizations.

This makes it clear that incentives to the user/ policyholders as well as to the agents and the rural career agents would be instrumental in promoting the insurance business, provided the insurance professionals innovate the same, much earlier than their competitors.

### **Personal selling**

The personal selling occupies a place of outstanding significance. This is due to the fact that the insurance business is substantially influenced by the instrumentality of agents and the rural career agents. If they are aware of the art of informing, sensing and persuading the potential policyholders, the task of insurance organisations is simplified considerably.

Personal selling is based on the excellence of an individual. This focuses our attention on the ability of an individual to influence the impulse by activating the persuasion process. This makes it significant that the agents as well as the rural career agents have certain outstanding properties or attributes, such as patience, communicative ability, attractive personality and commitment to the profession. Hence the insurance organizations are supposed to assign due weightage to the excellence in an individual who is assigned this responsibility. The need to provide due incentive to the agents so that they work satisfactorily and keep on moving the process of informing and persuading the policyholders/ prospects. While recruiting agents, the insurance professionals need to be careful so that persons with high communicative ability, an attractive physique and everlasting patience are assigned the responsibility of acting as an agent. The branch managers bear the responsibility of managing and

developing the agents by monitoring their contributions to the process of increasing the insurance business. They are supposed to organize refresher courses to develop the agents so that the emerging trends in the investment potentials of a command area vis-à-vis the changing level of expectations of the policyholders/ prospects are transmitted to them in a right fashion and on time. The personal selling thus requires an intensive care. It is high time that the *Career Agents Schemes* and the *Rural Career Agents' Schemes* are promoted.

### **Word-of-mouth promotion**

The word-of-mouth communications result into wider publicity which substantially sensitive the process of influencing the impulse of users/ prospects of the insurance services. The satisfied group of customers, the opinion leaders, the social reformists, the popular personalities acts as word-of-mouth communicators. The insurance organizations need to assign due weightage to the quality of service made available to the users. The insurance professionals are also supposed to seek the cooperation of opinion leaders, vocal persons for promoting the business and for that the offering of small gifts to them is required essential.

Another dimension of this component of the promotion mix is to seek the cooperation of users who are satisfied with the services. They are habitual users and therefore it is natural that they talk to their friends and relatives about your positive contributions. The advertisements slogans may be insensitive, even the sales promotion measures may be ineffective but the positive feelings of your friends and relations communicated to you can't be ineffective. This makes it clear that the most important thing in the promotion of any business is the quality of services that you offer to your users/ customers.

### **PRICE MIX**

In the insurance business, the pricing decisions are concerned with the premium charged against the policies interest charged for defaulting the payment of premium and credit facilities, commission charged for underwriting and consultancy services. The formulating of pricing strategies becomes significant with the viewpoint of influencing the target market or prospects. It is pertinent that the insurance organisations in general and public sector insurance organizations in particular adopt such a strategy for pricing that makes it a motivational tool and paves the ways for increasing the insurance business. This necessitates a new vision for setting premium structure and paying the bonus and charging the interest.

The insurance organizations prefer to make a mix of high a low pricing strategy. To be more specific, in the public sector insurance organisations which are instrumental in offering policies, schemes for the weaker sections, it is pertinent that the pricing strategy is rationalized to cater to the low paying capacity of the concerned segment. However the insurance organisations would be required to think in favour of a high pricing strategy for the affluent section of the society. The motive is to make the premium structure commercially viable so that the insurance organizations succeed in having a sound product portfolio besides fuelling development orientation.

The pricing decisions make it essential that the insurers keep in their minds the nature of policy vis-à-vis the segment to which the prospects belong. The insurance executives bear the responsibility of managing the pricing decisions in such a way that a rational premium structure is possible. There are number of factors influencing the rate of premium, such as the positive developments in the socio-economic environment, growing healthcare facilities, rising standard of living of the masses, increasing discretionary income, increasing rate of literacy, attitudinal change in investors or so. The investment decisions of insurance organisation are also found instrumental in influencing the costs.

### **PRICE MIX**

Another component of the marketing mix is related to the place decisions. While locating branches, the branch managers need to consider a number of factors, such as smooth accessibility, availability of infrastructural facilities and the management of branch offices and premises. In addition, it is also significant that the branch managers assign due weightage to the safety provision. The places found of vulnerable nature should not be selected for the location of branch offices and the users' safety vis-à-vis the safety of insurance personnel and cash need due attention. The management of offices makes it significant that the branch managers are particular to the office furnishing, civic amenities and facilities, parking facilities and interior office decoration. The foreign insurance companies are found serious to this component of place management which helps them in attracting the users. Besides, the management of premises is also an important component since of late the management experts make a strong advocacy in favour of aesthetic management for generating the work culture and motivating the users. The plantation, gardening, dustbin, drains, sign posts are some of the important facets which makes your premises attractive and healthy.

In view of the above, it is right to opine that the place management of insurance branch offices needs a new vision, a distinct approach and an innovative strategy. This is essential to make the work place conducive, attractive, proactive to the generation of efficiency or so. The motives are to offer the promised services to the end users without any distortion and making the branch offices a point of attraction. The branch managers need professional excellence to make place decision productive.

## **People**

The management scientists make a strong advocacy in favour of managing the insurance personnel since they identify people as an important component of the marketing mix. This focuses our attention on the development of insurance professionals. The use of computers, micro-computers, fax machines, sophisticated telephonic services, e-mailing, internet and intranet services have a big impact on the perception of quality of services. This makes it essential that the insurance organisation also think in favour of developing personnel in line with the development and use of information technologies. This gravitates attention on the education and training facilities to the insurance personnel. The front-line-staff as well as the branch managers are required to be given the training facilities so that they are in a position to make possible an effective use of the technologies. The insurance organisations bear the responsibility of developing the credentials of their employees. The senior executives while recruiting, training and developing the insurance personnel make it sure that employees serving the organisation have a high behavioral profile in which empathy has been given due place.

The marketing management of an organisation plays a contributory role in fuelling the processes of qualitative-cum-quantitative improvements. The different mixes are required to be innovated to cater to the changing needs and requirements of the different categories of users. The product mix necessitates a fair synchronization of core and peripheral services, the product portfolio is required to be made optimal, the packages need due attention in the formulation process, the new services are required to be incorporate, the unprofitable services or schemes are required to be eliminated and the effective fulfillment of development needs require world class insurance professionals who by making their decision innovative are found successful in having a sound product mix. In addition, the promotion decisions also need a new vision, a distinct approach mix. In addition, the promotion decision also need a new vision, a distinct approach and an new strategy. The sophistication in the process of advertising, the creativity in advertisement messages and slogans, the well managed public relation activities, the innovative tools of sale promotion, the word-of-mouth communications, the personal selling, and the telemarketing need due attention of marketing executives. The premium, bonus, commission policies need to be made rational and the place decision require due weightage. The management of insurance personnel requires an overriding priority and the physical attractions of insurance professionals are to be given due weightage.

In view of the above, it is right to opine that the marketing practices need a new look, an innovative approach and the conceptualization of the holistic concept of management. The defined principles of social or societal marketing if practiced in a right fashion would pave avenues for the blending of three important considerations, such as profit-generation, customer-satisfaction and social-orientation. It is in this context that the public sector insurance organizations need to realize gravity of the situation and to assign an overriding priority to the management of marketing activities.

## **Hospital Marketing**

Hospital is a social institution for delivering healthcare, offering considerable advantages to both patient and society. It is considered to be a place for the diagnosis and treatment of human ills and restoration of health and well-being of those temporarily deprived of. Above all, it is a social institution responsible for protecting the social interests and a non-profit organisation.

We have failed in improving the medicate facilities keeping pace with the growing requirements but have been successful in making the environment unhealthy which is found raising the pressure on both the government as well as the private hospitals. In view of the prevailing condition, we expect much more from hospitals government of private. By marketing medicate services, the hospitals would not only serve masses but would also be efficacious in inculcating mass awareness to prevent ailments and to decrease the number of prospects.

Marketing of medicare services means, making available the medicare services to the users in such a way that they get quality services at a reasonable cost. The social marketing principles focus on making available the services even to those segments of the society who are not in a position to pay for the prices. It is in this context that a managerial approach to formulate a sound service mix is required.

### **MARKETING MIX FOR HOSPITAL SERVICES**

The components of marketing mix namely, product, price, place and promotion could be applied for effective marketing of hospital services.

#### **PRODUCT MIX**

The service programming for hospitals include different types of services required to protect the public interests. The services have been classified as line services, supportive services and auxiliary services.

The first one, line services include emergency services, outdoor and indoor services, intensive care unit and operations theatre. This is also called core services.

The supporting services in a true sense determine the quality of services made available by medical and para-medical personnel.

The auxiliary services consists of registration and indoor case records, stores management, transportation management, mortuary arrangement, dietary services, engineering and maintenance services For effectives marketing these services are to be managed in an effective way.

#### **PROMOTION MIX**

In the medicare services innovating the promotional measures and inculcating mass awareness are important for promotion of hospital services. For making available right services to the right users at the right time, it is essential to instumentalise the personal promotion. In this context, both the core and para-medical personnel play an important role. To be more specific, the frontline personnel have been found playing an outstanding role. If nurses neglect patients, if receptionist miscommunicate users, prospects, if doctors do not show human approach, the medicare services even after the availability of most sophisticated equipment and technologies, most efficient doctors and nurses, most comfortable buildings and infrastructural facilities would fails in delivering the goods to the society. Ultimately, the personnel determine the magnet of success and not the supporting forces.

*Advertisement and publicity* measures are important to promote medical services. While advertising, the hospitals and health care centres should make possible creativity in their campaigns, messages and slogans for the prospects to avail the services.

*Service promotion* is an important dimension of promotion, which is found instrumental in the generation of efficiency, formation of a team spirit, establishment of a work culture and more so a personal touch in service. This requires a team work and involvement of all the medical and para-medical personnel.

The *word of mouth communication* also plays an outstanding role. The satisfied users act an agent in spreading the message to their friends, relatives and others, who are found motivated and prefer to use the services of that hospital as and when the circumstances necessitates so.

## **PRICE MIX**

Now the hospitals need to invest a lot on the sophisticated equipment and technologies to improve the quality of medical aid. Increasing cost on inputs in found aggravating the setting the task of fee structure which makes possible a fair synchronization of users' and hospitals interests'. The fees strategy for hospitals should be in proportion to the income of the users which would engineer a sound foundation for qualitative or quantitative improvements. For a social institution like hospital, a discriminatory fee structure is suitable, since it provides even weaker sections of the society an opportunity to avail the quality medical services.

## **PLACE MIX**

For effective distribution of medicare services it is essential that the hospitals should be able to provide basic medical services at different parts of residential areas and also to rural areas in particular. Further, wherever there is concentration of users' like industrial establishments, educational institutions, the hospitals must be able to take their services to those places.

To conclude for marketing of hospital services innovation is a must. The aim should be to serve the society; to improve quality; to make services cost effective; to minimize the medicare needs and in due course to minimize the pressure on hospitals.

## **Telecommunication Marketing**

Telecommunication services play an incremental role in the multi-dimensional development activities. A well functioning telecommunications network is an essential component of economic infrastructure. The application of modern marketing principles in the telecommunication services would make ways for the generation of profits and at the same time would also make the services affordable to the users at large. The telecommunications organizations are supposed to market the services in such a way that a high level of efficiency generates a high level of profit. With the growing sophistication in the process of telecommunication technologies, multi-faceted services are being offered by the telecommunication organisation which is managed and controlled as a government department by the Ministry of Communications. Telecommunications marketing focuses on marketing the services professionally and this makes it a managerial process. The marketing professionals bear the responsibility of managing the services which enrich the service profile of telecom in order that the world class services are made nationally and internationally competitive.

### **MARKETING MIX FOR TELECOMMUNICATION ORGANIZATIONS**

The formulation of a sound marketing mix is found essential to make possible an optimal development of marketing resources. The marketing professionals bear the responsibility of developing optimal marketing inputs so that the world class services reach to the different segments of users in a right way. It is in this context the formulation of marketing mix for telecommunication is considered. It goes through the different submixes such as the product mix covering the designing of a quality services profile, the promotion mix having more creativity and sensitivity, the tariff policy making possible designing of a sound tariff structure, the place mix containing the problem of processing the services with the motto of bridging over the gap between services – promised and services – offered and the people mix for striking a balance between performance-orientation and employee-orientation.

### **PRODUCT MIX**

The telecommunication organizations offer multi-dimensional services to the different categories of domestic and institutional users. telecommunication include a number of services such as the telephonic service including cell services, telegraphic services, e-mailing services, fax services, internet services and so on. On one hand the telecom organisations feel that the services are quite satisfactory, while on the other hand there are increasing cases of dissatisfaction among the users. This makes it essential that sincere efforts to be made to improve the quality of service.

In the category of services mix, the telephonic services occupy a place of outstanding significance because of majority of the users of almost all the categories are found using the same. With the development of cordless and cellular phones, we find a change in the nature of services. In this context, it is the prime responsibility of the telecommunication organisations to make it sure that users get quality services, such as services with a dismal breakdown, noise and interruption, quality audio-delivery or so. The cases of one-way are to be checked. The technical personnel are required to make it sure that the users are made available quality instruments and the replacement is made possible as the when the circumstance necessitate so.

The marketing professionals bear the responsibility of making it sure that a sound services profile is designed in which both the categories of services, such as core and peripheral are optimally blended. The innovation in the formulation of a services portfolio needs to be given due weightage. The main think in the process is to formulate a service mix that makes the ways for profit-generation vis-à-vis user-satisfaction.

In view of the above, it is right to mention that like other organizations, the telecommunication organisation also need to formulate a sound product mix that focuses our attention on offering of the world class services so that the level of efficiency is increased and the task of marketing professionals is made easier.

## **PROMOTION MIX**

This submix of the marketing mix focuses on creative promotional measures helping the telecom organisatoin in informing, sensing and persuading the users. In this context, different constituents of promotion, such as advertising, publicity, sales promotion, personal selling, word-of-mouth promotion are discussed.

### **Advertising**

Like other organizations, the telecommunication organisatoin may also advertise with the help of media. All the three media, such as the print media, broadcast media and telecast media can be used for that very purpose. While advertsing, the marketing professionals in general and the advertising professionals in particular are supposed to make the slogans, themes and appeals more creative so that the target prospects are sensitized in a right way. The print media may be more effective since while advertising through this media, an organization gets adequate space to inform and sense the users.

In addition, they can also advertise through the broadcast media. Telecast media emerging as the most effective media found very much instrumental in sensitizing the prospects. With the help of audio-visual exposures, it is possible to inform and sense the users and the prospects. The advertising professionals having world class excellence are to be engaged for that purpose who would design advertisement layout, compose slogans and messages bearing more creativity. If they are professionally sound, the advertising budget would also be made optimal.

### **Publicity**

Another component of promotion focuses on publicizing the business with the support of media personnel and opinion leaders. The telecom organizations may use this constituent with he motto of informing the prospects the salient features of innovative services offered or to be included in the services mix. The marketing professionals or the public relation officers need to accept the responsibility of developing rapport with the media people, to arrange for them lunch or dinner and to offer to them some small gifts to write news items or articles related to the services and to place them at the eye catching locations. It is in this context that we talk about the instrumentality of public relations activities in promoting the telecom business.

### **Sales promotion**

It is essential that the telecommunication organisatoin makes use of sales promotion measures for promoting the innovative services, specially used by the large-sized customers. If he prospects are offered some small gifts, the motivation process would be switched on. In addition, they also need to offer innovative tools of sales promotion to some of the high performers in the group of employees who instrumentalise the process of getting the profitable business. This would considerably be helpful in tapping the market potentials which would activate the process of profit generation.

### **Personal selling**

The instrumentality of personal selling is involved in the essence of promoting the business with the support and cooperation of sales people. The telecommunication organisatoin are required to promote its business to tap the sales potentials or the market potentials which remain untapped or

partially tapped due to a communications gap. The role of personal selling becomes important in the context of privatization of telecom services and due to emergence of buyers' market.

### **Word-of-mouth promotion**

This constituent of the promotion mix is found based on the quality of services offered by the service generating organisations. In the telecommunication organisations, we find this component instrumental because the satisfied group of users would narrate to their friends, relatives, well wishers regarding the outstanding services they experienced as a customer. The individuals trust on their relatives and friends and therefore use the services as and when the circumstances necessitate so. It is in this context that we make a strong advocacy in favour of improving the quality of services by the telecommunications organisation. The support and cooperation of opinion leaders or vocal persons would also be effective in the process.

The aforesaid components of promotion are found helpful to the telecommunication organizations in promoting the business. The main thing in the promotion is to inform, sense and persuade the prospects or users in such a way that they are transformed into the habitual users. The instrumentality of a particular constituent would depend upon the prevailing conditions.

### **PRICE MIX**

Almost all the organizations either producing goods or generating services find pricing decisions significant to the development process. In the context of telecommunication organisation the different categories of users buy the services and therefore the telecommunication organisation is required to be more careful in setting the tariff structure. The main thing is the designing of a rational tariff structure which on the one hand makes the ways for profit-generation while on the other hand also make the services affordable to the users.

The telecommunication organisation adopts a discriminatory policy of pricing. The special categories of users are given subsidized or concessional services, such as the rural users, new or budding entrepreneurs, new institutions promoting welfare or so. In this context, it is important to mention that the telecommunication organisation charges different slabs of tariff for different operational hours. There is also provision for special concession on selected days and festivals. Thus diversified pricing strategy is adopted by the telecommunication organisation to generate revenue. The Telecom Regulatory Authority plays a significant role in making the pricing decisions in the Indian context.

The pricing decisions and the tariff structure also depend upon the nature and types of services offered by the telecommunications organisation. For the data/fax services, facsimile services, internet services, there is a different slab and base. The pricing decisions are of sensitive in nature. The governmental interference in the process of making the pricing decision is to be checked to the extent it is found legitimate. The revision in tariff structure, licensing fee have a close relation with the costs of services.

The aforesaid facts make it clear that the telecommunication organisations need freedom while setting the tariff-structure. The marketing professionals serving the telecommunications organisations are supposed to be aware of the business as well as the social responsibilities. For promoting business, they need to generate more revenue and for enriching the social profile, they need to strike a balance between the organizational strength and the social requirements.

### **PLACE MIX**

In the place mix, we need to gravitate our attention on two important issues, first the promised services reach to the ultimate users in a decent way and second the location points for the telecommunication services.

The first problem is related to the processing of services in which the marketing professionals are supposed to be sure that whatever the services have been promised are delivered to the ultimate users in decent way.

In addition to the aforesaid problem, we also find cases of unplanned and inconvenient location. The administrative offices in particular are required to be accessible. The users and personnel working there should not face difficulties while visiting the offices. Thus the place decisions becomes important to the telecommunication organisations.

## **People**

In the formulations of marketing mix, we also need to manage the human resources in an effective way. The Department of Telecommunications has been facing the problem of inadequacy of quality people resulting into low level of efficiency, deceleration in productivity and profitability or so. The increasing domination of trade unions in the day-do-day activities makes it difficult for the management to bring things on the rail. The trade unions also feel that poor level of efficiency is substantially on account of inefficient employees but very often they don't find it essential to regulate them.

In view of the above, the marketing professionals are required to assign due weightage to the people mix. The telecommunication organisation is also supposed to assign an overriding priority to the Total Quality Management that focuses innovative schemes attention on quality technologies, quality employees, quality environmental conditions at the workplace, reasonable tariff structure, and above all, personalized services to the consumers.

## Education Marketing

An important question may be raised here that why do we use the term marketing for literacy. Since we have been investing huge amount of money and deploying a good number of personnel and sophisticated technologies to literate the masses, it is judicious to know about the results, if we invest more for removing illiteracy (inputs) but the literacy (output) is not increasing proportionately, the policy would be deemed to be unproductive since it is cost-ineffective. The very essence of marketing is to make our policies and programmes cost-effective so that we cross the target or atleast even touch the target without crossing the financial and time limits. The marketing practices bear the efficacy of improving the input-output ratio since we frame a service mix keeping in view the sensitivity of target prospects, attempt to promote the same by using modern sophisticated devices, frame a fee-structure in the face of holistic concept of management and channelize the services with the support of efficient and personally committed personnel acting and behaving professionally.

In view of the aforesaid facts, we use the term marketing for literacy, education and development of knowledge. Here, it is also to be clarified that by using the term marketing we are not bound to generate profits. Since most of the not-for-profit making organizations are now found liberal to the generation of profits, it is also significant to mention that whatever they generate as surplus should essentially be re-invested or ploughed back for the development and expansion of world class services. The simple logic in using the term marketing is to make available to the prospects the quality services either free of cost or for the fee-structure they are supposed to pay. The marketing practices would simplify the processes of qualitative-cum-quantitative transformation in the process of efficiency generation.

The universities, colleges, institutes, studies and research centers are found engaged in the process of offering higher education. Scientific inventions and innovations, technological advances, professional excellence, managerial proficiency are some of the important dimensions playing a decisive role in shaping the destiny of a nation. The system of higher education is found efficacious in making available to the society a dedicated, committed, devoted and professionally – sound team of human resources who decide the future of a nation. Against this background, the crying need of the hour is to manage the system of higher education in such a way that sets a right direction for the development of human resources in the national and international perspectives.

The universities, colleges, institutes, research centers are found in depleted condition. The financial crunch is a major problem which has been disallowing these centers to importance the time honoured changes in their curriculum even if they are found dying. Except a very few almost all the centers are engaged in producing substandard outputs resulting into unemployment, poverty and backwardness. It is in this context that we talk in favour of marketing higher education which according to the holistic marketing principles attempts to enrich the efficiency of these centers vis-à-vis offer quality services even to the poor persons having an outstanding educational background. This is based on the principles of societal marketing in which the educational institutions are not supposed to make profits. Thus, the marketing practices pave ways for the development of human resources in the face of international specifications. Here, the qualitative transformation establishes an edge over the quantitative transfiguration.

### MARKETING OF DISTANCE EDUCATION

The distance education system has come into stay as an accepted form of education and has been gaining wide-spread popularity in recent years. This is evident from the fact that more than 70 countries are offering educational programmes through distance education all over the world today. The distance education has made it possible for those in inaccessible areas; the drop-outs, who want re-entry into

education and the economically weaker sections to avail of educational opportunities. It can be a particular boon for women, since parents are unwilling to send them beyond their immediate locale for education after the completion of school education.

At present there are 10 open universities in India. Further, among 229 conventional Universities, 62 are dual mode Universities offering education both under regular and distance education modes. Distance education now caters over 7 lacs of students. It is expected that this growth would outnumber the formal system itself in the near future. Thus there is potential market for distance education. As many as 72 Universities are vying each other to attract higher enrolment of their distance education programs. It is partly due to the fact that almost all the Universities greatly depend on distance education programmes for generating their own financial resources. Hence, unless these Distance Education Institutes adopt systematic and effective marketing, it would be very difficult for them to survive in the long-run. This paper makes an attempt to explain the strategies to be adopted for successful marketing of distance education programmes by the Distance Education Institutes.

## **MARKET SEGMENTATION**

The distance education learners belong to different segments. The major segments of distance education learners are – rural and urban, drop-outs, elder persons who did not have the opportunity to learn through regular stream in their early age and those who want to update knowledge and acquire special skill. Besides these, other specific segments are women, socially backward and physically handicapped. Appropriate marketing strategies need to be evolved for reaching these unreached group through distance and open learning.

## **LEARNER-ORIENTATION**

The learner oriented marketing approach is concerned with identifying the specific educational needs of the target market and tailoring and delivery of those educational programmes to the satisfaction of learners. It involves identifying the right type of product mix of educational programmes, offered at right price, through effective delivery mechanisms and with appropriate promotional tools. In other words, all activities and strategies of DEIs ultimately aim at satisfying the learners.

## **MARKETING MIX**

The marketing mix concept is a well established tool used as a structure by marketers. It consists of the various elements of a marketing programme which need to be considered in order to successfully implement the marketing strategy for any service business. The major elements are Products, Price, Place, Promotion, Physical Evidence, People and Process. The underlying concept in developing each of these elements is to use them to support each other, to reinforce the positioning of the product and to deliver appropriate service quality to achieve competitive advantage.

## **PRODUCT MIX**

Distance Education is a service product and has a complex set of value satisfactions. People attach value to distance education in proportion to the perceived ability of the service to do this. Value is assigned by the buyers in relation to the benefits they receive. Augmentation of the expected product represents a means of creating product differentiation and thus added value from the customer perspective. In Distance Education service, the academic programmes offered are core products. The expected product consists of the generic product together with the minimal support facilities which need to be met. The augmented product is the area which enables one product to be differentiate from another. They differentiate by 'adding value' to the core product in terms of reliability and responsiveness. Thus, in Distance Education, the academic programmes offered are core product; the quality learning materials and effective contact programmes are expected products and specialized programmes are augmented products.

## **SERVICE PRODUCT DECISIONS**

DEIs offer a range of academic programmes. Decisions on the range of services to be offered need to be considered in the context of the DEIs positioning strategy and the competitors' service offerings. New courses to be offered should also be consistent with the competence of the DEI to deliver them.

## **MARKET PENETRATION**

Market penetration by DEIs is concerned with how to exploit the current position in the market place better. This can be achieved by more focused segmentation, a more clearly defined positioning strategy or through better application of the marketing mix elements. Essentially it is concerned with gaining greater productivity from the marketing mix elements and building market share for its distance education programme.

## **MARKET DEVELOPMENT**

An alternative strategy to service development is to undertake market extension, which seeks new groups of buyers with a firm's current service offerings. For instance, many DEIs have opened their Study Centres in overseas to attract foreign clients.

The Distance Education Institutes (DEIs) should have a right type of product mix to suit the requirements of different segments of distance education learners. Different educational programmes should be designed in such a way that it suits to different segments. A particular segment which would like to acquire a higher qualification for the sake of higher qualification looks for a course which they would like to acquire without much effort and a specific need. The Distance Education Institutions are also able to get a good enrolment for such type general academic programme. A degree in history is a good example that suits for mass marketing. Another segment of learners which belong to class marketing is a specific group which require specialized knowledge and skill in their chosen area of interest. The Distance Education Institutes have to identify such type of specialized academic programmes suited to specific segment of learners. For instance, the Distance Education Institutes of the Alagappa University offer specialized courses on bank management, sports management, corporate secretary ship, women's studies, child care, marketing, digital instrumentation and waste water treatment.

The important aspect of Distance Education Institutes is that they have to constantly study the requirements of intending learners and must develop need based new educational programmes. Such programmes are to be developed for different levels such as certificate, diploma, under-graduate and post-graduate depending on the learner's need.

Because of increased sophistication, each individual must be a multidisciplinary. He may be an expert in one field but necessary requires considerable knowledge in related fields also. For example, even a physician need to have basic engineering knowledge due to advanced medical equipments he has to deal with. Though Computer Engineering is a specialized field, the knowledge of computer operations has become a basic need to every individual working in any field. For instance, course on E-Commerce, Medical Transcriptions, Information Technology Enabled Services are in great demand now. Hence, there is a great potential for information Technology education with the DEIs can effectively explore by developing appropriate programme suited to different segments.

Similarly, the curriculum and the course materials of the existing course need to be revised/ modified periodically, depending on the requirement. For instance, the curriculum on computer education, economic legislations, and tax laws require frequent revision and up-gradation.

## **PHYSICAL EVIDENCE**

This is the service firm's physical environment where the service is created and where the service provider and customer interact, plus any tangible elements that are used to communicate or support the role of the service. In a service business, the marketer should seek to compensate for the intangibility dimension by providing physical clues to support the positioning and image and enhance the product surround.

Physical evidence can be divided into two types – essential and peripheral. Essential physical evidence in distance education represents the key decisions made by the DEIs about the design of the learning resources such as, print materials and pre-recorded audio-video cassettes.

It is the fact that the success and effectiveness of distance education systems largely depend on the study materials, because the learners have less contact with the institution / teachers. Hence, they have to be supplied with specially prepared teaching materials prepared under Self-Instructional Pattern. The course materials are presented in such a way that a learner can learn from the materials independently and the materials themselves have to perform the functions of a teacher such as expounding, explaining, guiding, motivating, reminding, evaluating etc. this is the essential part of physical evidence. It is worth mentioning the role played by Distance Education Council (DEC), Commonwealth Educational Media Centre for Asia (CEMA) and Staff Training and Research Institute of Distance Education (STRIDE) and Educational Media Research Centres (EMRC) in conducting training, research and guidance in the area of preparation of self-instructional materials, multi-media, staff development, computerization and networking.

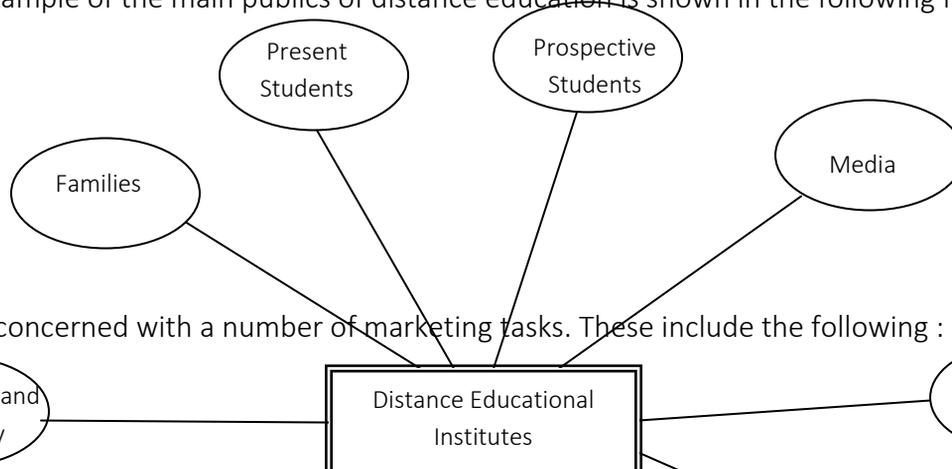
The logical arrangement of contents, the lucid style, conversational language, use of personal pronouns and division of content into small manageable learning steps shall increase the effectiveness of learning. Beside these, even the quality of paper used, printing and the size of letters also count in stimulating the learners to use the course materials. This forms the peripheral physical evidence of the product and adds tangibility to the value of the service provided to the learner segment to which it is directed.

## QUALITY

The distance education system is criticized for the lack of quality. It is argued that for the sake of quantity, quality is very often sacrificed. The DEIs should ensure that quality is maintained along with the increase in enrolment. Hence, what is required is some sort of 'ISI Mark' for the Distance Education institutes to ensure quality. The Distance Education Council in consultation with the National Assessment and Accreditation Council is in the process of developing some sort of Quality Assessment and Accreditation that will be relevant to the Distance and Open Education system.

## Public relations

Public relations is defined by the British Institute of Public Relations as, "the planned and sustained effort to establish and maintain goodwill between an organisation and its publics". These 'publics' are all the groups of people and organisations which have an interest in the distance education programme. An example of the main publics of distance education is shown in the following figure:



Public relations is concerned with a number of marketing tasks. These include the following :

- Building or maintaining image
- Supporting the other communication activities
- Handling problems and issues
- Reinforcing positioning
- Influencing specific publics
- Assisting the launch of new services

A service organization's 'image' is made up of the collective experience, views attitudes and beliefs held about it. Public relations can use a range of communication approaches to improve or maintain the image of a DEI. Overall the objective with image is to ensure that a particular DEI is viewed more favorably than competitors in the market segment it serves.

A wide range of tools can be used in the design of a Public Relation programme. These could include-

- Publications including press releases, annual reports, brochures, posters etc.
- Press conferences, seminars and conferences
- Exhibitions and trade fairs

As with other elements of the communications mix, a Public Relation programme should follow a process, which consists of the specification of objectives, determining the mix of Public Relations activities to be undertaken. Implementing an integrated programme and evaluating the results.

### **Word-of-mouth promotion**

Research points to personal recommendations through word of mouth being one of the most important information sources. One of the most distinctive features of promotion in Distance Education marketing is the greater importance of referral and word of mouth communications. This highlights the importance of the people factor in services promotion. Learners are often closely involved in the delivery of a service and they talk to other potential customers about their experiences. They are glad to offer advice on a specific DEI. Thus, word of mouth can have an important impact that other mass or personal communication mix elements in distance education.

Gronroos has outlined a communication pattern that illustrates the role of word of mouth and referrals have to play.

- Expectations / purchases
- Interactions
- Experiences
- Word of mouth / referrals

An existing or a new distance education learner has certain expectations. Once the decision to join distance education has been made, the candidate begins interacting with the DEI and discovers the technical and functional quality of the service being supplied. As a result of the experiences, that follow from these interactions and the judgments made about service quality, the candidate may or may not return. Positive or negative word of mouth communication will then influence the extent to which others use the service. It is said that the 'satisfied consumer is a better sales force'.

When the programmes are offered with better issues materials, effective delivery system, proper organizations of Personal Contact Programmes, effective student support services, proper conduct of examinations and timely announcement of results – the satisfied learner will be acting as an effective ambassador for Distance Education Institute.

The multiplier effect from word of mouth varies from situations to situation. However, negative experiences tend to have a greater impact than positive experiences. Learners who are dissatisfied tend to tell more than twice as many people of their bitter experiences. Thus, negative word of mouth can significantly reduce the effectiveness of advertising and other elements of the communications mix and positive word of mouth can result in less expensive formal communications programmes being needed.

## **DIRECT MARKETING**

In recent years more sophisticated approaches to direct marketing have been adopted. Developments in electronic media, telecommunications and computers are now presenting greater opportunities for developing an integrated programme of direct marketing activities. These can be used in conjunction with each other to reinforce the personal selling, advertising and other promotional elements. Many DEIs are taking the advantage of the benefits of a coordinated, direct marketing programme. Contacting the potential feeding centres, wherever there are cluster of prospective learners, could be another effective tool. For example contacting Banking / Insurance institutions could help promoting courses on banking, insurance etc. it is only the effective teaching that creates a lasting impression on the minds of the learners and help create goodwill on DEI.

## **PEOPLE**

The success of marketing of distance education programmes is tied closely to the selection, training, motivating and management of people. There are many examples of distance education programmes failing or succeeding as a consequences of the ineffective or effective management of people.

The importance of people within the marketing of services has led to great interest in internal marketing. Internal marketing aims to encourage effective behaviour by staff. Which will attract customers to the firm. This means that, the Distance Education Institutions should ensure that their employees should have the desirable behaviour that will attract learners to the institute. While the expression 'our employees are our greatest asset' is increasingly being heard among organisatoins. It is clear that this statement is often a platitude. By recognizing the contribution, people make to acquiring and keeping customers, within the overall marketing mix, the service company's competitive performance will be substantially enhances.

The idea behind internal marketing is to ensure that all members of the staff in the DEI provide the best possible contribution to the marketing of education programmes and successfully complete all telephone, mail electronic and personal interactions with the learners in manner that adds value to the service encounter.

Internal marketing in all its forms was recognized as an important activity in contributing to the people element of marketing mix and in developing a customer focused organisation. In practice, internal marketing is concerned with communications, with developing responsiveness, responsibility and unity of purpose. The fundamental aims of internal marketing are to develop internal and external customer awareness and remove functional barriers to organisation effectiveness.

## **PROCESSES**

The processes by which services are created and delivered to the customer is a major factor within the services marketing mix. All work activity is process. Processes involve the procedures, tasks schedules, mechanisms, activities and routines by which a product or service is delivered to the customer. It

involves policy decisions about customer involvement and employee discretion. Identification of process management as a separate activity is a prerequisite of service quality improvement. The importance of this element is especially highlighted in service businesses.

If the DEI functions effectively with a well established administered systems and procedures, it shall have a clear advantage over less efficient competitors. For example, a DEI which ensures proper recording of 'change of address' of a particular learner, will be seen as being efficient. If there is any confusion in recording of changes in address of the learners, is likely to be more critical of others services offered by the DEI.

Thus, the successful marketing of distance education requires identifying and devolping right type of educational programmes, pricing theme within the reach of the learners, making the programmes available at the places convenient to the learners and promoting them with suitable pormotioanl tools. Further, the success of marketing of distance education is tied closely to be behaviour of the members of he staff working in the DEIs. The well established procedures and systems in the functioning of the Institute is an added advantage. Above all, in the case of duel mode universities, the Distance Education Institute is a major sub-system and requires administrative, academic and financial support and freedom to make the marketing of distance education effective and efficient.