

Marketing Mixes for Services

Product strategy

Product strategies for service offerings include decisions of the type of process in question, central and supplemental services, standardization or customization of the service product, and the mix of services.

Place strategy (distribution)

Distribution strategies for service organizations should focus on topics such as convenience, number of establishments, direct versus indirect distribution, location, and programming. A key factor influencing the selection of a service provider is convenience. Therefore, a large number of service companies must offer convenience.

Promotion strategy

Consumers and business users have greater problems evaluating services than goods, as the latter are less tangible. Your promotion strategy should be focused on making your intangible services seem more concrete, that the consumer can imagine, to create an idea of what it is.

Price strategy

In order to assign price to a service, it is important to define the consumption unit of the service. For example, if pricing should be based on completing a specific service task (cutting a customer's hair) or whether it should be in time (how long does a customer's haircut take?) the issue is whether pricing should be based on a "set" of elements or whether each element should be priced separately. A group price may be preferable when consumers dislike having to

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pay "extra" for each part of the service (e.g. paying extra for food or luggage on a plane) and is simpler to manage for the company. For example, many wireless companies offer basic communications packages that include telephone time, Internet access, and text messages, all for a fee.

Alternatively, customers may not want to pay for service items they don't use.

REFERENCE:

Lamb, C., Hair, J. and McDaniel, C. (2011). Marketing. Ohio: Cengage Learning.