

# Services Marketing

## The Importance of Services

According to Lamb, Hair & McDaniel, (2011) A service is the result of applying human or mechanical efforts to people or objects. Services include an action, performance or effort that cannot be physically possessed.

Today, the services sector has a significant impact on the U.S. economy and accounts for 81% of the U.S. economy's gross domestic product and employment. Much of this demand results from demographics. An aging population will need nurses, home care, physical therapists, and social workers.

Families with two working people need child care, home cleaning and gardening services. The demand for information managers, such as computer systems engineers and systems analysts, will also increase. There is also a growing market for service companies worldwide.

## How Services Differ from Goods

The services have four unique characteristics that distinguish them from goods. The services are intangible, inseparable, heterogeneous and perishable.

**Intangibility** cannot be touched, seen, tested, heard or felt in the same way that goods can be seen. Services cannot be stored and can often be easy to duplicate.

# Services Marketing

**Inseparability**, the goods are manufactured, sold and then consumed. In contrast, services are often sold, produced, and consumed at the same time. In other words, their production and consumption are inseparable activities.

Services have a greater **heterogeneity** or variability of supplies and results tend to be less standardized and uniform than goods. For example, doctors in a group practice or barbers in a barber shop differ from each other in terms of their technical and interpersonal skills.

And their **perishable** condition, which means that they cannot be stored, stored or inventoried.

## REFERENCE:

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