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A Study of Service Marketing Mix Impact on Increasing Of It Services Customers with Reference to Selected It Firms Operating In Pune City”

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Abstract: *In this paper we try to prioritize the importance of all indices of service marketing mix in IT sector from its costumers' standpoints and present some costumer-oriented guidelines. For attaining to research goals, we codify some hypotheses, and for data collection, we use library and questionnaire method. Statistical population is the costumers of IT services. For statistical investigation of service marketing mix and its impact on increasing of IT services costumers, we utilize Z-test (one-tailed). The obtained statistical results indicate that the relationship between existing variables is meaningful; then we identify the hierarchical order of factors related to service marketing mix and important indices.*

Keywords: *Marketing, Service Marketing Mix, IT Services, Marketing Mix of IT Services*

I. INTRODUCTION

1.1 SERVICES: THE CONCEPT

Defining a service is not an easy task and there is no single universally accepted definition of the term. An earlier view of the concept of service was that it was a mere benefit attached to a physical product. Now a major shift has taken place in the concept of service and the service industry at present has achieved its independence and growth quite apart from physical goods. Hence service industries are fundamentally different from manufacturing industries.

In common parlance the term services means personal services like repairing, health service, legal services, counseling etc. Marketing experts view the problem in a different way. They feel that the contents of services are much wider. Services are deeds, acts or performances.¹ The complexity of definition of services increases when one realizes that there are no pure services or pure tangible products.

"Any act or performance that one party can offer to another that is essentially intangible and does not result in ownership of anything. Its production may or may not be tied to a physical product."²

"Services can also be defined as action of organization that maintains and improves the well being and functioning of people."³

¹ Berry. L. L. "Service Marketing is Different." Business Volume 30 – May - June 1980, pp. 24-30.

² Kotler, Philip, Marketing Management: Analysis, Planning, Implementation and Control. Prentice- Hall of India, New Delhi, 1990, p. 467.

³ Hasenfield. Y and Richard, A.E., Human Services Organizations. The University of Michigan Press, 1974, p. 1.

1.2 SERVICES MARKETING

Service marketing is defined as the integrated system of business activities designed to plan, price, promote and distribute appropriate services for the benefit of existing and potential consumers to achieve organizational objectives. The perception of services marketing focuses on selling the services in the best interest of the customers.⁴ It is a systematic and coordinated effort of a service organisation to expand its market by delivering the best possible services. The objects of services marketing are the achievement of organisational goals like making profits, establishing leadership, long term survival and growth and the satisfaction of consumers by rendering excellent services.

The concept of services marketing covers the following aspects:

- » selling services profitably to target consumers and prospects
- » delivering maximum satisfaction to consumers of services; and
- » Positioning the service firm in the market.

Marketing is thus an integral part of service management. The managerial decisions are not found to be effective in the absence of a time bound implementation of marketing principles. Of late, customer satisfaction is found to be a focal point of the marketing decisions since the marketing process can help in offering the right services to the right persons at the right time. Marketing simplifies the process of transforming prospects into actual customers of services.

1.3 SERVICE MARKETING MIX

The elements of the marketing mix as applied in the marketing of tangible goods are equally applicable to services marketing also. As in product marketing the management should first define its marketing goals and select its target markets. Then management must design and implement marketing mix strategies to reach its markets and fulfill its marketing goals. However, the task of developing a total marketing programme in service industry is challenging because of the special features of services. The special characteristics of services make it quite difficult to apply the traditional Four Ps of marketing mix to services namely product, price, place and promotion.⁵

The object of a services firm is to deliver quality service to customers at competitive prices. The quality of service depends on the customer's expectations and their perception of the service. If these do not match, quality difference can arise which will lead not only to a dissatisfied customers but also to bad publicity. Thus a modified marketing mix has to be developed which will incorporate those elements which are essential to the marketing of services in addition to the Four Ps. The activities involved in the effective marketing of services are quite different and generally do not fall in the conventional marketing mix. Therefore, it is imperative for service managers to consider the extended marketing mix in formulating their marketing strategies. Marketing experts have added three more Ps namely process, people and physical evidence to the services marketing mix.⁶ The three- extra Ps which are added to the existing four Ps, basically take into account the intangible nature of services and the considerable human element involved in the service process. Thus the 7 Ps of the service marketing mix are product, price, place, promotion, process, people and the physical evidence.

1.4 MARKETING OF IT SERVICES

Marketing of IT services is the result of a function of all activities related to production and presenting IT services. Unlike general conception about marketing, which consider it merely an act for signing a contract or negotiation for presenting a product, marketing process is totally a sound and specialized process, which continue even after selling the product. Thus every

⁴ Jha. S.M., Services Marketing, Himalaya Publishing House, Mumbai, 2000, p. 10.

⁵ Zeithaml. V.A. Pararuraman, A and Berry, L.L., "Problems and Strategies in Services Marketing", Journal of Marketing, Vo1.49, No.2, 1985, pp.33-46

⁶ Booms, M.H and Bitner. M.J., "Marketing Strategies and Organisation Structure for Service Firms". In Donnelly, J.H and George, W.R (Eds .) , Marketing of Services, American Marketing Association, Chicago, 1982, pp.47-51.

activity, which has some impact on supply and demand, is a part of marketing and must be considered from marketing standpoints, even a full technical decision may constitute a part of marketing. Therefore, marketing is creative movement with a focus on profit that is marketing makes presenting the service more profitable, so marketing is a movement; it is a sequence of activities and events which happen one after another. IT organizations must pay more attention to marketing of IT Services in the global scenario.

1.5 IT SERVICES MARKETING MIX

With focusing on management and service marketing, some new changes and orientations will be created in IT sector. Marketing mix is a set of marketing tools through which organizations try to attain their goals in the market. IT Services marketing mix is of seven factors, which include product (service), price, place, promotion, personnel, properties (or tangible facilities), and processes.

II. REVIEW OF LITERATURE

Valarie A. Zeithaml, A. Parasuraman & Leonard L. Berry (1985)⁷ in their article problems and Strategies in Services Marketing cited in the services marketing literature with those reported by actual service suppliers in a study conducted by the authors. A need exists for services marketing research to enter a new phase of empirical work that integrates various disciplines and various service industries. Jha (1995)⁸ points out the need for applying marketing principles in tourism services. Tourism marketing is an integrated effort to satisfy tourists by making available to them the best possible services. Joshuakhan (1996)⁹ points out that marketing in hospital services is spurred by increasing competition that we face in the health sector today. Raghavan and Price (1999)¹⁰ state that management consulting services in India requires intensive use of selected methods of marketing practices to meet the requirements of clients with diverse backgrounds, cultures and value systems. Kalaimani (2005)¹¹ in his article 7 P's of services marketing in insurance and banking services stated that wherever there is uncertainty there is risk. We do not have any control over uncertainties which involves financial losses. Seyed Mahdi Moniri (2011)¹² in his article studying the impact of service marketing mix on increasing of Agricultural banks costumers it is concluded that "the process related to presenting services to customers is effective in increasing banks' customers."

III. RESEARCH METHODOLOGY

3.1 RESEARCH GOAL

Studying the impact of service marketing mix on increasing of customers of IT services

3.2 RESEARCH HYPOTHESIS

There is a relationship between service marketing mix and increasing the customers of IT services.

3.3 RESEARCH METHOD

According to the goal research method is in descriptive-inferential mode, because it is trying to describe and establish the relationship between different causes. We have used library and surveying methods for collecting information. For this reason we use questionnaire. 200 questionnaires were distributed randomly among the customers of 10 selected IT firms operating in

⁷ Valarie A. Zeithaml, A. Parasuraman & Leonard L. Berry, "Problems and Strategies in Services Marketing" *Journal of Marketing*, Vol. 49 (Spring 1985), 33-46.

⁸ Jha, S.M., *Tourism Marketing*. Himalaya Publishing House, Bombay 1995.

⁹ Joshuakhan, "Marketing of Hospital Services", *Journal of Hospital Administration – Official Journal of the Indian Hospital Association*, Vol. 33; March/June 1996, New Delhi, pp. 19-26.

¹⁰ Raghavan, Sridhar and Price, Charlton, R., "Consultancy Services Marketing: The Indian Management Consultancy Experience," in Ravishankar (Edr.), *Services Marketing : The Indian Experience*, South Asia Publications, New Delhi, 1999, pp. 367-377.

¹¹ Kalaimani G. "7 P's of services marketing in insurance and banking services" *Journal of Management and Science - JMS* ISSN 2250-1819 (Online) / ISSN 2249-1260 (Printed).

¹² Seyed Mahdi Moniri, "Studying the impact of service marketing mix on increasing of Agricultural banks costumers" *Adv. Environ. Biol.*, 5(13): 3959-3966, 2011.

Pune and the degree of their satisfaction from the 7 elements of service marketing mix was assessed.

IV. DATA ANALYSIS AND INTERPRETATION

4.1 DATA ANALYSIS

The process of data analysis as a step of scientific method constitutes the basis of every research through which all activities related to research are controlled and guided from its beginning to its end. Statistical analysis is performed in two descriptive and inferential parts. We use descriptive analysis for summarizing the collected data and for more identification of research population; but we use inferential analysis for analyzing the information in sample data and for assessing the uncertainty in inferences. In descriptive part first we draw frequency table and statistical graphs for general characteristics (gender, age, marital status, and education) and somehow describe the samples. Then we draw tables of frequency distribution for the related questions in which we present frequency of answers to each question with its mean, mode and standard deviation. In inferential analysis for approval or rejection of hypotheses distinctively, we compare observed mean and theoretical one by Z-test (one-tailed). If the observed mean (the mean from studied samples for each hypothesis) is meaningfully bigger than the theoretical mean we can accept that the hypothesis is acceptable. In this research the major tool is questionnaire. Research hypotheses are tested with regard to answers from 200 subjects who were clients of 10 selected IT firms operating in Pune. We codify respondents' opinions according to the following codes in a way that Likert's structure is acceptable for the questionnaire: 5-point scale where "1" refers to very low, "2" refers to low, "3" refers to medium "4" refers to high and "5" refers to very high.

Table No. 1: Elements of Marketing Mix

Sr. No.	Elements of Marketing Mix
1	Product in service
2	Price
3	Promotion
4	Place (location, channel for distribution)
5	Process(service elements, activities)
6	People (reputation of service provider)
7	Physical evidence(facilities, appearance)

4.2 DESCRIPTIVE ANALYSIS

H1: There is a relationship between service marketing mix and increasing the customers of IT services.

Table No. 2: Validation of Hypothesis

Sr. No.	Mean	SD	Hypothesized Mean	Z test (One - tailed)	P Value
1	4.51	0.50	3.00	30.05	0.00
2	4.23	0.47	3.00	26.27	0.00
3	3.75	0.56	3.00	13.46	0.00
4	3.47	0.64	3.00	7.31	0.00
5	3.33	0.59	3.00	5.62	0.00
6	4.05	0.64	3.00	16.37	0.00
7	3.13	0.63	3.00	2.06	0.02

According to descriptions and the results of Table No. 2, we interpret hypotheses analysis as following:

1. H_0 is rejected in the error level of 5 percent. That is, the observed mean is not ≤ 3 and since practical mean (4.51) is bigger than theoretical mean i.e. 3, therefore we can conclude that the observed mean is meaningfully bigger than 3. On the other hand the researcher's hypothesis is acceptable at the error level of five percent. Thus, we can claim that the service package is effective in increasing the customers of IT services.

2. H_0 is rejected in the error level of 5 percent. That is, the observed mean is not ≤ 3 and since practical mean (4.23) is bigger than theoretical mean i.e. 3, therefore we can conclude that the observed mean is meaningfully bigger than 3. On the other hand the researcher's hypothesis is acceptable at the error level of five percent. Thus, we can claim that the pricing is effective in increasing the customers of IT services.

3. H_0 is rejected in the error level of 5 percent. That is, the observed mean is not ≤ 3 and since practical mean (3.75) is bigger than theoretical mean i.e. 3, therefore we can conclude that the observed mean is meaningfully bigger than 3. On the other hand the researcher's hypothesis is acceptable at the error level of five percent. Thus, we can claim that the progressive activities for using IT services are effective in increasing the customers of IT services.

4. H_0 is rejected in the error level of 5 percent. That is, the observed mean is not ≤ 3 and since practical mean (3.47) is bigger than theoretical mean i.e. 3, therefore we can conclude that the observed mean is meaningfully bigger than 3. On the other hand the researcher's hypothesis is acceptable at the error level of five percent. Thus, we can claim that the place IT service provider is effective in increasing the customers of IT services.

5. H_0 is rejected in the error level of 5 percent. That is, the observed mean is not ≤ 3 and since practical mean (3.33) is bigger than theoretical mean i.e. 3, therefore we can conclude that the observed mean is meaningfully bigger than 3. On the other hand the researcher's hypothesis is acceptable at the error level of five percent. Thus, we can claim that the personnel of IT service provider are effective in increasing the customers of IT services.

6. H_0 is rejected in the error level of 5 percent. That is, the observed mean is not ≤ 3 and since practical mean (4.05) is bigger than theoretical mean i.e. 3, therefore we can conclude that the observed mean is meaningfully bigger than 3. On the other hand the researcher's hypothesis is acceptable at the error level of five percent. Thus, we can claim that the tangible equipment and facilities related to IT services are effective in increasing the customers of IT services.

7. H_0 is rejected in the error level of 5 percent. That is, the observed mean is not ≤ 3 and since practical mean (3.13) is bigger than theoretical mean i.e. 3, therefore we can conclude that the observed mean is meaningfully bigger than 3. On the other hand the researcher's hypothesis is acceptable at the error level of five percent. Thus, we can claim that the process related to presenting services to customers is effective in increasing the customers of IT services.

V. CONCLUSION

Findings from data analysis indicate that the research hypothesis is accepted. Therefore, it is concluded that "the process related to presenting services to customers is effective in increasing the customers of IT services." The study reveals all the seven elements of IT services marketing mix do not have equal importance in the formulation of marketing strategies. The service offer is the most important element among all the seven elements of marketing mix. This means that IT firms assign more importance to the services offered to clients, its contents, quality and timely execution. The people engaged in service delivery and the price of the service is also important elements. It is seen that place is the least important element. This is due to the fact that many IT firms operate from single locations and follow concentrated marketing strategies. From the analysis it can be concluded that Quality of the service **and** Reasonableness of fees of the IT firms are the important criteria for selection of IT service provider by clients.

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