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Survey on the Service Characteristics to Retain and Attract Customers

Shahrzad Shahriari

University College of Commerce & Business Management
Osmania University
Hyderabad – India

Abstract: *Nowadays, services have taken a huge part in world economy. Small, big, public and private companies all over the world have recognized this fact. This article is going to talk more about unique Characteristics of Services such as of being intangible, inseparable and non-store.its going to make the effects of those Characteristics on different parameters like: Customer Satisfaction and Acquisition.*

Keywords: *Services, Services Characteristics, Satisfaction Customer, Retain Customers, Attract Customers.*

I. INTRODUCTION

Despite tough competition in a diverse area, the survival of the organization is threatened and they require special capabilities. Provide permanent, increasing commodity and new services, the result of this competition, which represent the continuous for survival. The topic of discussion in the various communities is important, which improves productivity and creates business, employment, income on various aspects of economic, which has influenced national and international area.

Service, a type of economic activity that is intangible, is not stored and does not result in ownership. Services in special places and times to create value for customers and benefit are not available. Services are activities which are offered by one party to the other party. Although this process may be associated with physical product and usually does not lead to the ownership of any of the factors of production. Services in most developed countries around the world make up a large part of the economic system of the daytime. The services sector justifies the enormous growth of new jobs in this country. With the development of the national economy, the proportion of employment in agriculture, industry and services will change dramatically.

II. REVIEW OF THE LITERATURE

1. Service characteristics

Services have four distinctive characteristics that affect the marketing plan, including these features:

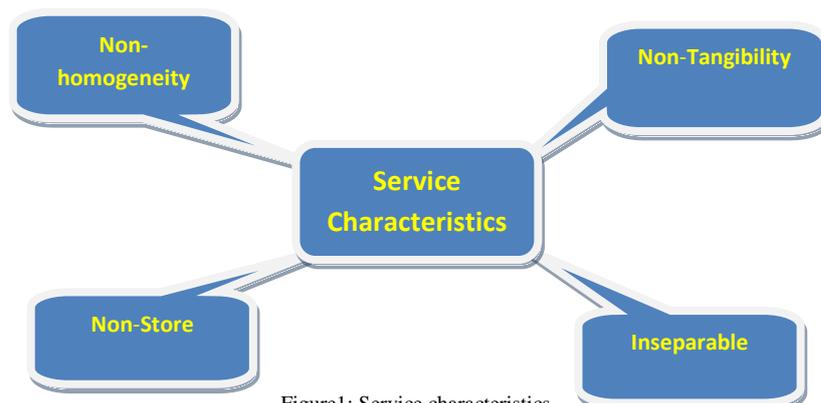


Figure1: Service characteristics

Non-homogeneity

As we know, service consumes at the moment production. This means, there is no time between production and consumption and the individuals can be part of supplied. Then can be this argued that the service is always unique, and is not uniform and repeatable which will lead to greater attention to quality of service.

Non-Store

Service is destroyed. In other word, it is non-store. For instance, an empty seat aircraft, that opportunity is lost forever. In cases where demand is stable for certain services, non – store isn't a major problem. But for service companies that demand is very low and high, this may cause a big problem.

Non-tangibility

These service are non-financial and intangibles. For instance, they cannot see or taste. This feature may reduce customer confidence.

Inseparable

Service consumes at the production moment and conversely goods which consumes stages of production, storage and distribution which are not separate. All service done by the company and their clients as part of the service are considered.

2. Eight Components of a Coherent and Comprehensive Management Services

In the marketing of goods produced, Marketers usually consider four basic elements such as product, place, price and promotion sales which are called marketing mixes. The nature of services requires the existence of some vital factors. For these cases we use the 8p of the coherent management services.

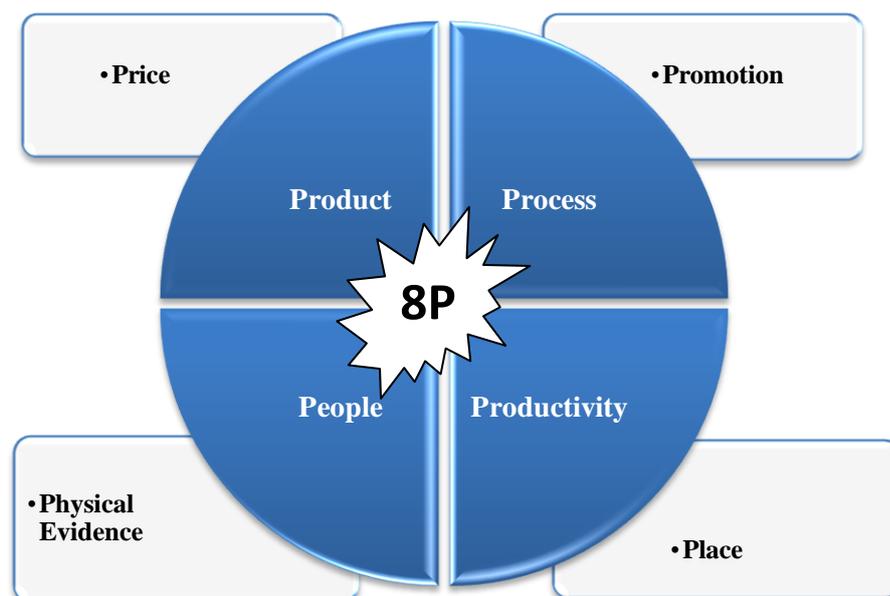


Figure2: 8P of the coherent management services

The meaning of 8p in coherent Management Services is 8 decision factors for managers of service organizations, which starts with the letter P. They are:

Product Elements

Directors are required to consider the interests of customers, performance of competing products, the core features of the product (goods or services) to select some elements of additional services.

Place and Time

Delivery of product to the customer, to take decisions regarding the time and place of delivery and the nature of distribution channels can be physical or electronic.

Process

Creating and delivering product elements to customers requires the efficient design and execution of the procedure. Process determines style and performance of operating service. The client is not satisfied due to bad design process such as slow performance and poor service delivery. As a result, it will reduce productivity and increase broke Services.

Productivity & Quality

Productivity and quality are both significant. None of the services company can't to consider one of these two elements although improving productivity is essential to control costs, but managers should be aware of the problems that are causing customers offend. Service quality from the perspective of clients is essential to make a distinction between the products, customer loyalty and confidence.

People

Many services depend on the personal interaction between customers and employees of corporations. The nature of these interactions can affect customer perception of service quality. Often customers judge on the quality of service which they receive, the evaluation of individuals on who can offer the service. Successful service companies perform special efforts to recruit, train, and motivate employees, especially those who are in communication with customers.

Promotion & Education

None of marketing plan without an effective communication program which provides more advertisement and training will not succeed. This element plays three vital roles:

- Provide information and advice needed.
- Encourage customers to action in specific time.
- Persuade target customers, toward scores and benefits of a particular product.

Communication can be done by people such as vendors or by the media such as TV and radio, newspapers and websites.

Physical Evidence

Buildings, landscapes, people and equipment provide evidence of the quality of services companies. Services companies need to manage carefully the physical evidence because it will impact on customer perceptions.

Price & Other Costs of Service

At this stage, management will be aware of the customer of the costs, which is created for more benefit and welfare. The customers normally pay the fee for use and purchase of services, some costs may be non - physical like spending time, Physical and intellectual efforts. Managers are attempting to identify and decrease these costs.

III. DEVELOPMENT OF NEW SERVICE

Competition intensity and customer expectations in almost all industry services are growing, so company's success is not only in good supply of current services, but also in creating new services. Five different categories of new products ranged from innovation and introductions to simple changes are:

1. Main innovation, new products for new markets, its means the attempt to identify new markets for new products of the company.

2. Creation of new products for existing markets which the company is already active in them and results in creation of new jobs.
3. Development of product lines consists of increasing the current product lines or new marked routes, in delivery of existing products.
4. Stylistic changes, although this change is very evident, it almost considered as the least innovation.
5. Product modifications, changes in the composition or appearance of existing products.

IV. ROLE OF ENVIRONMENTAL SERVICES

Environment appearance helps to understand the behavior of customers and employees. Physical evidence and the environment affect on behavior of buyers in three ways:

1. Encouraging customers to provide the appropriate appearance which in the finally result in getting the main part of the target market.
2. Use of the special advertising to communicates with the audience about the nature and quality of the service experience.
3. Creating the effect of using color, composition, sound, space, and initiatives which affect on increasing desire for goods and services or a particular business.

V. CUSTOMER SATISFACTION

Customer satisfaction is the emotional response that is achieved from interaction with the customer or supplier of the product. Satisfaction is created from understanding the difference between customer expectations and actual performance of the product. Customer satisfaction is a measure of how products and services which are supplied by a company meet or surpass customer expectation.

Some effective factors in attracting customer's satisfaction include: Behavior of service employees, Internal and external appearance and characteristics of service, interaction with equipment, the characteristics and behavior of other customers.

When the physical presence of the customer is essential for service delivery, Process should be designed from the moment they entered in the institute. Customers often have to play an active role in creating and delivering services. Place of delivery service should be calm. If service places to be noisy, smelly, bad combination, inappropriate, the customers would have a negative feeling towards that type of service. Employees related to customers must have good appearance, technical and personal skills for good performance.

VI. CUSTOMER EXPECTATIONS

Customers have different expectations of different services. Customer satisfaction reflects the expectations and experiences that the customer has with a product or service. Expectations reflect both past and current product evaluation and use experiences. Service providers need to recognize customers' expectations and they try to maximize customer satisfaction. Achievement of Customers expectations will increase customer loyalty and satisfaction. Individual's expectations are very important which must to consider them. Customers evaluate quality of service, use of some subjective criteria that exist in prior service experience.

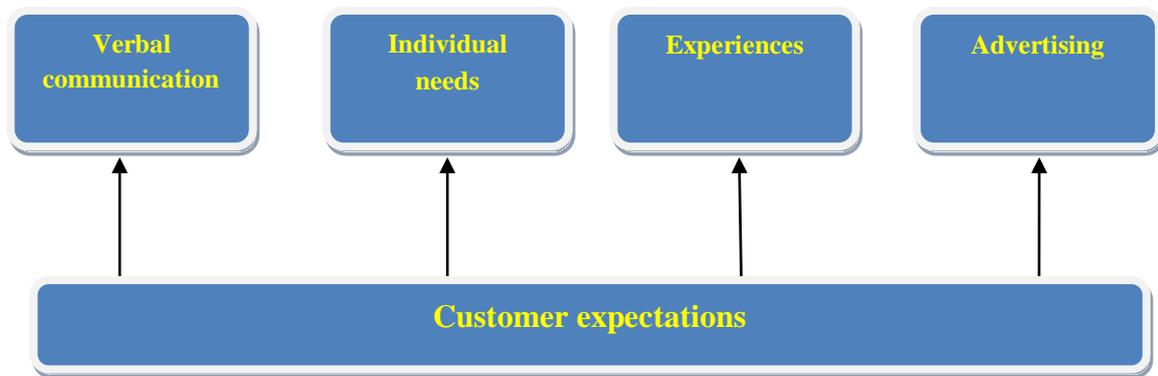


Figure 3: Effective factors on customer expectations

Factors that affect the customer's expectations include:

- Verbal communication, including how the interaction with the customer.
- The individual needs which are conditions and special needs each of the customers.
- Past experiences which represent impact the quality of services during customer interactions with the organization.
- Advertising and external communications, which show all direct and indirect message to organization of services.

VII. NEED TO RETAIN CUSTOMER

According to research conducted in 1997 by American telephone and telegraph company with old customers within the first 18 months after the purchase, 6 times more than the company's current customers want to purchase. The traditional marketing emphasizes on action to attract new customers, but nowadays this emphasis is changing. In addition to the companies plan to attract new customers and encourage them to buy, the companies must establish principles to retain current customers and permanent relationship with old customers.

Why the current emphasis on customer retention?

Nowadays, companies are faced with the new realities of marketing, such as changing demographics, slowing economic growth, increasing more advanced competition. In recent times, many companies struggle to maintain market share and to avoid reducing of shares. Hence, costs are for attracting a new customer 5 times more than an old customer satisfied.

VIII. CUSTOMER COMPLAINS

Customers who complain want the company to correct the problems, and renew relations with the complainant and the term of quality of the service. Studies show that most complaints in the same place where the services is purchased or received are discussed. A small number of dissatisfactory customers complain directly to the manufacturers or central office. Research shows that high-income customers complain more than the low-income customers and young people complain more than older people. People who complain more have more information about that service or product.

IX. ATTRACT NEW CUSTOMER

Service organizations must do to attract customer's three specialized works that include different management practices, quality of service and efficiency. Service providers always complain about what should offer different services at different prices.

One way of finding new customers for your products and services is to increase awareness in your local area. You can do this by:

- Asking your customers to recommend you to their friends and colleagues.
- Advertising in local media.
- Using other forms of marketing, including online.

X. CONCLUSION AND SUGGESTION

Developments show the service is widely spread in recent years. This process extends more rapidly in the coming years. Institutions share in the highly competitive market that is facing the threat of international companies. Customer satisfaction is the basis of survival of the industry, which can increase with new service, offering new coverage by improving organizational structure and the use of scientific methods in the corporate workplace.

According to awareness of the service process and customer requirements in during the pre-shopping these suggestions are offered such as:

- Setting up SMS to announce information for speed and ease at work in order to appropriately interact with old customers.
- Increasing speed of service through the reform of the labor process.
- Designing and periodically training that how to have a good deal with a customer.
- Giving them a reward for each referral.
- Providing incentives for them to continue referring others.

There are many ways to keep in touch with customers such as mailing a newsletter, faxing a brochure, using email to communicate, using the telephone, Remembering their birthday, Sending them holiday cards (especially offbeat holidays like thanksgiving).

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AUTHOR(S) PROFILE



Shahrzad Shahriari, received the M.com. Degree in commerce (Finance), from Osmania University, Hyderabad, India in 2013. She has received Bachelor degree in Commerce. Her main research interest includes E-Banking and life insurance.