

## ALIGNING SERVICE CHARACTERISTICS: A REVIEW ON SIMILARITIES OF SERVICES AND GOODS

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### ABSTRACT

Marketing is an activity that identifies the needs of the consumer and providing goods or services by the manufacturers to the consumer for satisfying the needs of the consumers. The goods are set of attributes that are satisfying the consumer needs and basically tangible in nature. But the services are act or performance done by the service provider to the consumer, by which the consumer enjoy the services and get satisfied their needs. There is a lot of difference between the goods and services more over it was found that the characteristics of the services are considered as base for differentiating goods and services from the various literatures. So lot of Management experts considers that service characteristics are deterministic characteristics of services. But it is not always true. In some ways only the service characteristics are considered as a deterministic characteristics but it not always true. This article is illustrated about how the service characteristics are not considered as deterministic characteristics with lot of exhibits.

**Keywords :** Service Marketing, Service Characteristics, Services & Goods Differences

**INTRODUCTION: -**

Marketing is a social process whereby individuals and groups obtain what they need and want through creating and exchanging products and value with others. According to the American Marketing Association “Marketing is the process of planning and executing the conception, pricing, promotion, and distributing of ideas, goods and services to create exchanges that satisfy individual and organizational objectives.” It is said that marketing is always a tough job. It deals with understanding the customer's mind, and then fine-tuning one's offer to match the customer's expectations. Many a marketing pitch has hit the ground due to the occasional slips between the cup and the lip. A new stream of marketing is emerging, called expectation management, to ensure customer's expectation and the company's offering match. From this above we can understand that the marketing organization is to identify the needs of the consumer and they have to provide goods by considering the four marketing mix and formulating them based on the customer's expectations or rendering services to the consumers by formulating the six service marketing mix based on customer's expectations. So the marketing is an integral function of adjusting a marketing mix. The goods are one among the marketing mix and considered as most important one.

**Goods: -**

Goods is a products that an organization after having a detail analysis of the needs, preferences, taste, and wants of the consumers and provide a tangible set of attributes to the consumers that satisfy their needs. The goods can be defined as “Anything that can be offered to a market for acquisition, use or consumption especially in tangible in nature that might satisfy a want or need of the consumer.” The goods are classified as Durables, Non-durables, Shopping goods, Specialty goods and Convenience goods. The Components of goods are taste, colour, style, shape, fit, hardness and smell. Goods are tangible in nature and can be stored as inventory.

**Services: -**

Rendering the services to consumer is also satisfied the needs of a consumer. A service is defined as “Any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything”. A service is defined as deeds, processes, and performances, which are intangible in nature. Services are in comparison with a classically defined product intangible, less standardized, could not be produced on stock (simultaneous production and consumption), requiring presence of a consumer as an immediate user, labour intensive and consisting of wide range of activities from various supporting systems. The uniqueness of service offerings are in terms of their intangibility, non-standardization, perish ability and inseparability of production and consumption. Bharadwaj et al (1993) suggests that extrinsic cues such as image and reputation may be particularly important in adding value in cases, in particular, where services offerings are complex and, as a result, highly ‘mentally intangible’ to the average consumer. According to the above definition the services are intangible in nature. The number of scholars have done number of research and identified some characteristics for services.

The Characteristics of services are.,

1. Intangible
2. Perishable
3. Inseparable
4. Heterogeneous

**Difference between Goods and Services:-**

According to the definition given by V.A. Zeithmal & M. J. Bitner about services they pointed out that the above said service characteristics are determinant characteristics of services and it is considered as key determinant of whether an offering is or not a service. They differentiate the services and goods based on characteristics. The differences according them are as follows;

**Intangibility: -**

Services are performances or actions rather than objects, that cannot be seen, felt, tasted, or touched in the same manner that we can sense tangible goods. For example the doctor is diagnosing the problems of the patient and gives treatment for his illness. In that services the consumer can't able to visualize the service rendered by the doctor but he can enjoy the services done for him. Because of the intangibility of services they cannot be inventoried, patented, readily displayed or communicated and pricing is difficult. But there are goods with tangible in nature.

**Perishable:-**

It refers to the fact that services cannot be saved, stored, resold, or returned. A unoccupied room of a star hotel cannot be sold on some other day or in demand period. A unsold ticket of entertainment show cannot be added in next show. This is in contrast to the goods that can be stored in inventory or resold another day, or even returned if the consumer is unhappy. So the services are difficult to synchronize supply and demand with services and it cannot be returned or resold.

**Inseparability:-**

Non-perishable goods can be suitably inventoried and sold or delivered to the customer at a date later than that of production. But services can't be like this because it is perishable. The services have to be rendered in real time, when the customer needs it. Most of the goods are produced first, then sold and consumed; most services are sold first and then produced and consumed simultaneously. This means the customer is present while the service is being produced and this views and may even take part in the production process. This also means that frequently customers will interact with each other during the service production process and thus may affect each other's experiences. For example – Doctor can able to render service to the patient only in the presence of the patient. Otherwise he can do it if he has some direct contact with help of medias. Without the doctor no one can render services to the patient. So customers participate in and affect the service and interact each other, employees affect the service outcome, decentralization is necessary and mass production is difficult.

**Heterogeneity:-**

Services are performances, frequently, produced by humans; no two services will be precisely alike. The employees delivering the service frequently are the service in the customer's eyes, and people may differ in their performance from day to day or even hour to hour. It results because no two customers are precisely alike, each will have unique demands or experience, services in a unique way. For example- Handling a class by a lecturer is not same in all the days. It may differ based on their situation, student's knowledge, hour and etc. So delivery and customer satisfaction depends, on employee action, quality depends on many uncontrollable factors. Because of this they couldn't have sure knowledge about the service delivered matches the planned one. But this is not in respect of Goods.

We can also find various literatures and lot of scholars is also differentiating the services and goods on the basis of the above said service characteristics. The contributions by Zeithmeal,(1985), Gronroos (1990), Norman (1991) and Edvardsson & Gustafsson (1999) are also focused on the above said one. The inherent characteristics of services are responsible for the difficult nature of service marketing, while professionals attribute this to the unique characteristics of the service customers. They also used these service characteristics to identify whether the offerings belong to service or goods.

**Service Characteristics are not Deterministic Characteristics:**

But the above said classification may not be true in all occasions and for all services. Likewise we can't determine the services based on the above said characteristics only. Because there are lot of services couldn't have these characteristics and also lot of products are having these above said characteristics.

**Intangible: -**

Services rendered to the belongingness of the consumers are visible one. For example dry cleaning services. Dry cleaners are rendering services by cleaning the dresses of the consumers. In that if a consumer's dress is having any strains or dirt, it is visible. But after that dry cleaning it is neat and clean. Likewise there are lot of services such as eg - lawn care, pet care, car repair services and etc.

On other side all goods are not considered as tangible one. There are some goods which are also termed as intangibles. It is also true that very few products are purely intangible or totally tangible. Services tend to be more intangible than manufactured products, and manufactured products tend too more tangible than services. A consumer does not buy whole physical components of the products but it's usefulness, function, satisfaction of consumer's needs, solving the problems etc. That is why the product must need the whole of tangible and intangible components, which means satisfaction of consumer's needs and desires. For example –Book. Book is considered as a good. But the purpose is fulfilled only if we go through the book otherwise the consumer has not get satisfied. So the book is considered as an intangible one. *So the intangibility is not considered as a determinant characteristic of service.*

**Perishable: -**

The major services can't be produced in advance and stored for the future use but there are some services, which can be stored for the future use. For example – educational services. Today lot of educational institutions recorded the lectures given by the lecturer and play back whenever they need. A video rental shop owner records all the entertainment show and a film stored it and gives to their customers when they need all these items.

On other side lot of goods are perishable in nature. *So the perishability is not considered as determinant characteristics of service.*

**Inseparability: -**

This is the important claim in the service literature from Gronroos (1990) Normann (1991). The services are separable, for example – the students of the educational institution is acquired knowledge and if he apply the concepts in the real life situation or in his work then only he get satisfied at that time of the service rendered i.e. the faculty is not accompanying with him or her. Like wise a person enjoys the film show when he have the enjoyable memories even after the end of the show. *So the inseparability is not considered as a deterministic characteristic of service.*

**Heterogeneity: -**

Gronroos (1990) claims that “A service to one customer is not exactly as the same service to the next customer”. This may be true for major services. But there are standardized services that can it for different consumers. For example – the entertainment shows which is broadcasted or delivered for the entire set of consumers. Like that ATM services from the various banks provide banking services, which is standard for all of its customers. Now a day the companies want for a customization.

Because of that they delivered different goods to their customers based on their needs and wants. *So the heterogeneity is not considered as a deterministic characteristic of service.*

**CONCLUSION: -**

So by this we can come to the conclusion that some of the services are having the above said characteristics but it couldn't consider as a deterministic characteristics. The services and goods can be differentiated by various manners. There are lot of literatures available to find out the differentiation Some of them are Castells (1996) “To understand the new type of economy and social structure”, Wright (1995) “The traditional division between goods and services is outdated and may led to myopic behaviour in both the manufacturing and service.

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