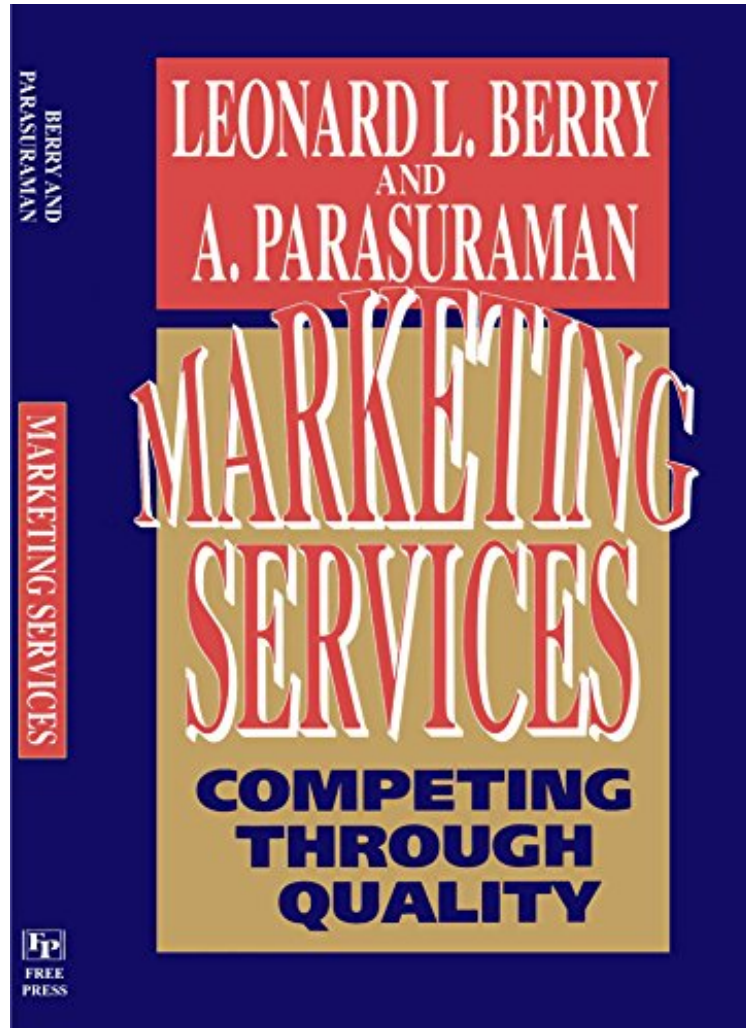


(Download pdf) Marketing Services: Competing Through Quality

## Marketing Services: Competing Through Quality

Leonard L. Berry

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**Leonard L. Berry : Marketing Services: Competing Through Quality** before purchasing it in order to gage whether or not it would be worth my time, and all praised Marketing Services: Competing Through Quality:

8 of 8 people found the following review helpful. Truly a classic!By Uli LeitnerThe terrible thing about Berry's/Parasuraman's book is that, although it first has been published almost a decade ago, its message on the meaning and the importance of service hasn't become more widespread. Why should you read this book? - Good ideas for new (meaning: not commonly known and accepted) service ideas. - Useful checklists - Although scientifically based the book is still easy and fun reading - Very good section on complaint-management6 of 7 people found the following review helpful. 2nd one Ordered- pages falling from 1st one!By Michael TullyI'm a CFO for a large service company. I first read the book in an MBA program in 1991 and it has never left my "often used" book shelf. Extremely concrete explanations and examples that can be put into real life. We are developing a training model for our employees from

the book. Nothing but kudos for Berry and Parasuraman! 3 of 3 people found the following review helpful. "Hard Sell" to the Company Staff By Gene R. Beaty The hardest sell for quality companies is to their staff. This book is a great help for management efforts to communicate effectively with staff the importance of providing high quality, caring customer service.

Excellent service is the foundation for services marketing, contend Leonard Berry and A. Parasuraman in this companion volume to *Delivering Quality Service*. Building on eight years of research, the authors develop a model for understanding the relationship between quality and marketing in services and offer dozens of practical insights into ways to improve services marketing. They argue that superior service cannot be manufactured in a factory, packaged, and delivered intact to customers. Though an innovative service concept may give a company an initial edge, superior quality is vital to sustaining success. Berry and Parasuraman show that inspired leadership, a customer-minded corporate culture, an excellent service-system design, and effective use of technology and information are crucial to superior service quality and services marketing. When a company's service is excellent, customers are more likely to perceive value in transactions, spread favorable word-of-mouth impressions, and respond positively to employee-cross-selling efforts. The authors point out that a service company that does relatively little pre-sales marketing but is truly dedicated to delivering excellent quality service will have greater marketing effectiveness, higher customer retention, and more sales to existing customers than a company that emphasizes pre-sale marketing but falls short during actual service delivery. The focus of any company, they insist, must be customer satisfaction through integration of service quality throughout the entire system. Filled with examples, stories, and insights from senior executives, Berry and Parasuraman's new framework for effective marketing services contains the key to high-performance services marketing.

Thomas M. Bloch President and Chief Operating Officer, HR Block This book represents an important advancement in the field of services marketing literature. It should be placed on the "required reading" list for all directors of service marketing. About the Author Leonard L. Berry holds the JCPenney Chair of Retailing Studies at Texas AM University, where he is also Professor of Marketing and Director of the Center for Retailing Studies. Excerpt. copy; Reprinted by permission. All rights reserved. Chapter 1 Services and Quality A guest at the Holiday Inn on Union Square in San Francisco is attempting to turn on the radio in his room. No matter which button he pushes the radio will not play. Finally, the guest reports a defective radio. A hotel employee soon arrives at the guest's room with a new radio, a box of chocolates, and flowers. As for the radio already in the room, the employee turns it on without difficulty (it plays perfectly) and quickly reassures the guest that the radio is tricky to operate. The server shows the guest how to work the radio and pleasantly exits the room, leaving both radios, the chocolates, and the flowers. An elderly woman is in her favorite food store, Ukrop's Super Markets of Richmond, Virginia. She picks up a large pineapple from the display case, holds it for several moments, and then returns it with obvious reluctance. Ukrop's president, James Ukrop, witnesses this scene and asks the customer if she would like to buy half of the pineapple, indicating that the store would be glad to cut it in half. The customer accepts and states how she looks forward to visiting Ukrop's because the staff is so friendly and makes her feel so welcome. The manager of the downtown Chicago Marriott hotel discovers that two thirds of all guest calls to housekeeping are requests for ironing boards. This discovery leads to the idea of placing irons and ironing boards in each guest room. The problem is where to find the \$20,000 this will cost. The hotel manager reviews the capital budget and notes that \$22,000 is earmarked to replace black-and-white television sets with color sets in the bathrooms of concierge-level guest rooms. The manager inquires how many VIP guests have requested color television sets for their bathrooms and learns that no guest has ever made such a request. So the manager cancels plans to buy color sets and adds the irons and ironing boards. The result is no net addition to the capital budget, a big productivity boost for housekeeping, and an important new guest room feature. Night after night, Aurora, Colorado, police officers answer calls for break-ins of cars parked outside a local dance hall. One officer notes that the burglaries usually involve purses and interviews female customers who say they lock their handbags in their parked cars, fearing the bags would be stolen from unattended tables during dances. The officer then persuades the dance hall owner to install lockers and the burglary calls drop from dozens each month to two in four months. These four stories underscore our central argument in this book: the essence of services marketing is service. Service quality is the foundation of services marketing. The textbooks stress the four Ps of marketing -- product, place, promotion, and price -- but in a service business none of this works very well without a Q -- for quality. The stories illustrate that cutting-edge services marketing is less the slick and fancy and more old-fashioned virtues such as caring and common sense. They illustrate the marketing power of doing the little things that competitors forget to do, from delivering flowers and chocolates with a radio to placing irons and ironing boards in the closets of hotel rooms. They illustrate the importance of customer-friendly service designs, such as outfitting a dance hall with lockers. Finally, the stories illustrate that everyone performing a service is a marketer, from a supermarket president who roams the store aisles to a hotel housekeeper who teaches guests how to operate a (poorly designed) radio. Effective services marketing is a strong service concept delivered well, a desired service performed excellently. This synergy of strategy and execution

fuels service industry builders and leaders, from Domino's Pizza to Cable News Network (CNN), from Federal Express to Walt Disney World, from ServiceMaster to Southwest Airlines. Each of these industry leaders reflects a special chemistry that combines a big idea and superior execution. The big idea alone offers only a temporary advantage. Companies that pioneer successful new service concepts always face ambitious competitors unashamed to imitate. Pizza Hut had little choice but to add home-delivery service given the dynamic growth of Domino's. Federal Express's success ushered in a horde of new competitors -- and a climate of fierce price-cutting -- in the overnight mail business. Superior execution is vital to sustaining the success initiated by an innovative service concept. An innovator's service quality is usually more difficult to imitate than its service concept. This is because quality service comes from inspired leadership throughout an organization, a customer-minded corporate culture, excellent service-system design, the effective use of information and technology, and other factors that develop slowly in a company, if at all. Entering the home-delivery pizza business is one matter. Performing this service as well as Domino's Pizza is quite another matter. Service quality is the foundation for services marketing because the core product being marketed is a performance. The performance is the product; the performance is what customers buy. A strong service concept gives companies the opportunity to compete for customers; a strong performance of the service concept builds competitiveness by earning customers' confidence and reinforcing branding, advertising, selling, and pricing.

**SERVICES MARKETING VERSUS GOODS MARKETING** In manufacturing, the marketing function plays (or should play) a dominant role in customer need identification and product development prior to production and in effecting product demand following production. Production precedes demand stimulation, which precedes consumption. Marketing's post-production roles include creating brand awareness, inducing brand trial, demonstrating brand benefits, and building brand preference. Customers assess the brand's promised benefits during consumption, strengthening or weakening brand preference accordingly. The chronological sequence of the four functional phases are shown in Exhibit 1-1. It also delineates the contributions of postproduction marketing, consumption, and word-of-mouth communications -- spawned by other customers' experiences with the brand -- to brand awareness, trial, demonstration, and preference. The tangibility of goods and their visible demonstration enable the marketing department to perform effectively all four demand-stimulation roles prior to a customer's purchase commitment. Likewise, product tangibility can boost prospective customers' confidence in their own evaluation of goods, thereby lowering their reliance on word-of-mouth communications. The limited promotional impact of word-of-mouth communications is signified by the thin-line arrows in Exhibit 1-1. When word-of-mouth communications do exert a strong influence on the purchase of goods -- automobiles and personal computers, for example -- it is usually because customers perceive difficulty in evaluating the product prior to purchase and perceive risk in making a mistake. In general, the more difficult it is for customers to evaluate salient aspects of a product prior to purchase, the stronger the potential influence of word-of-mouth communications and the more the product will need to be marketed like a service. As Exhibit 1-2 shows, the nature and roles of marketing differ for services. Although both services marketing and goods marketing start with the critical need-identification and product design functions, goods generally are produced before sold and services generally are sold before produced. Moreover, services marketing has a more limited influence on customers prior to purchase than goods marketing. Whereas goods marketers may be able to move prospective customers from brand awareness to brand