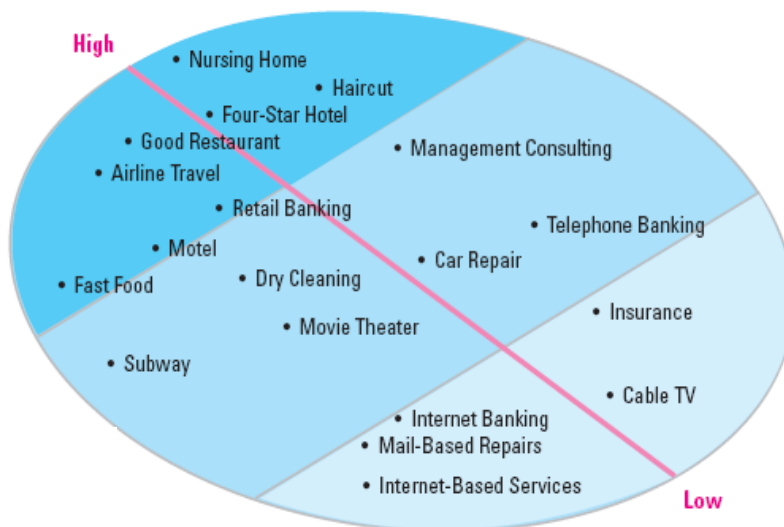


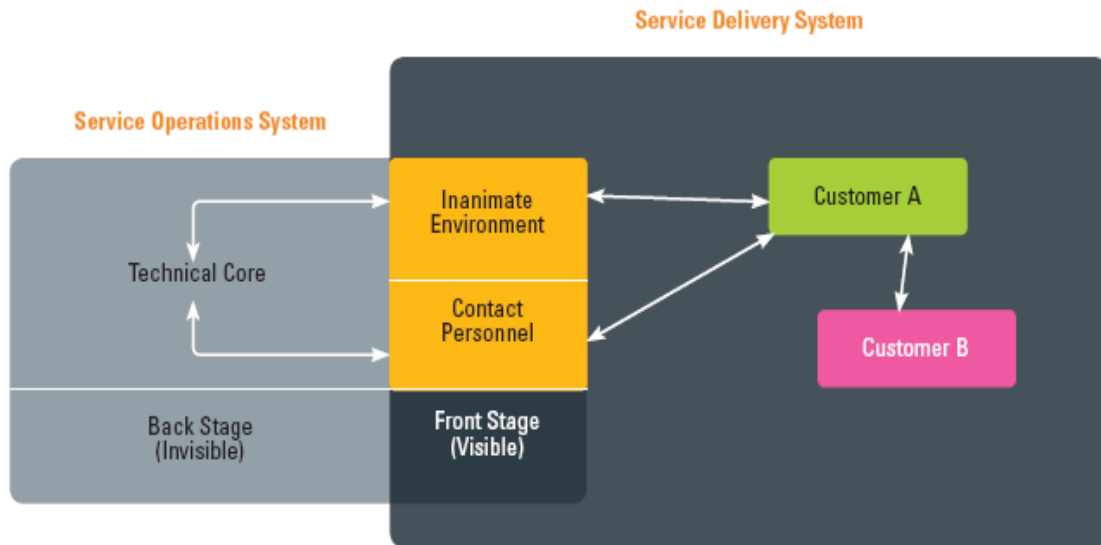
# Chapter 4: Developing Service Concepts: Core and Supplementary Elements



## Service Encounters Range



# The Servuction System

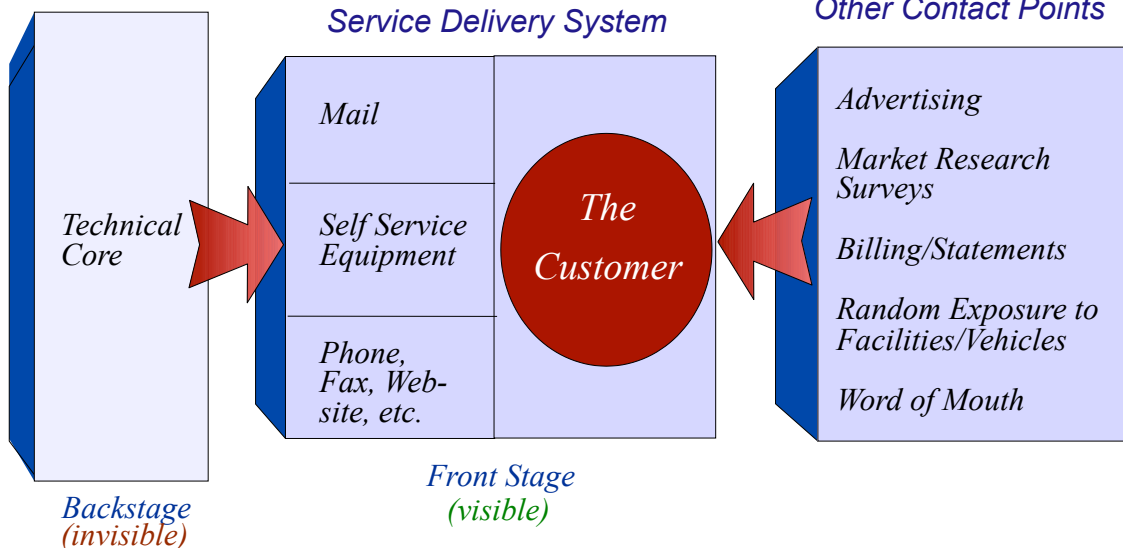


# Service Marketing System for a Low-Contact Service (Fig 2.11)

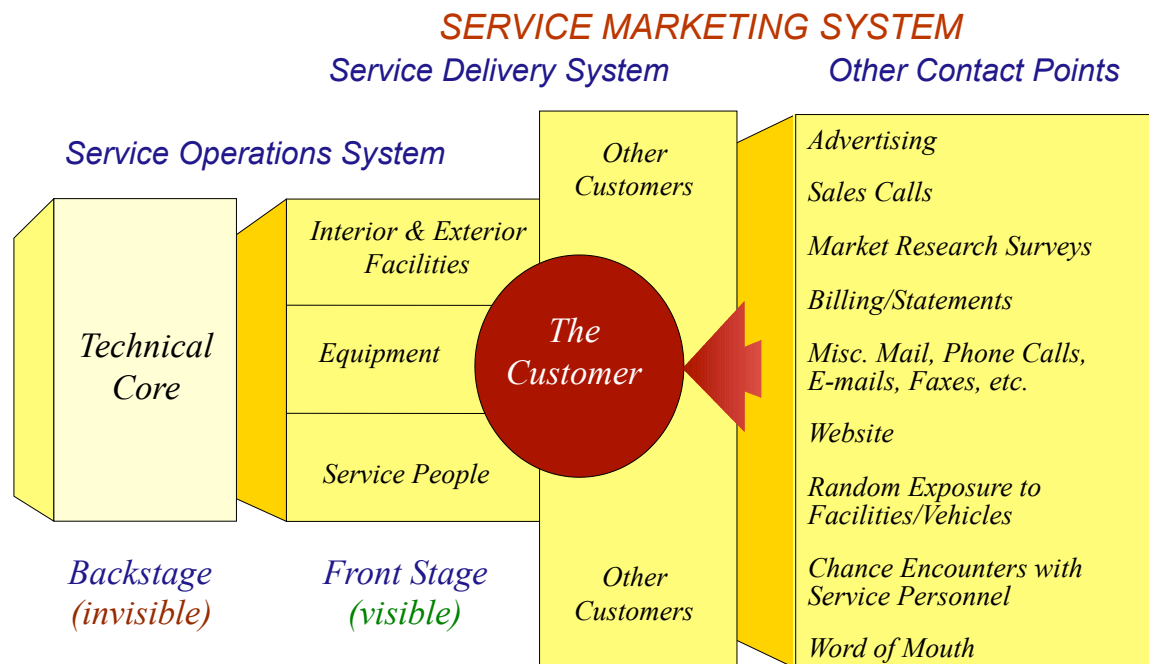


## Service Operations System

## SERVICE MARKETING SYSTEM



# Service Marketing System for a High-Contact Service (Fig 2.10)



# Designing a Service Concept



## ■ Core Product

- Central component that supplies the principal, problem-solving benefits customers seek

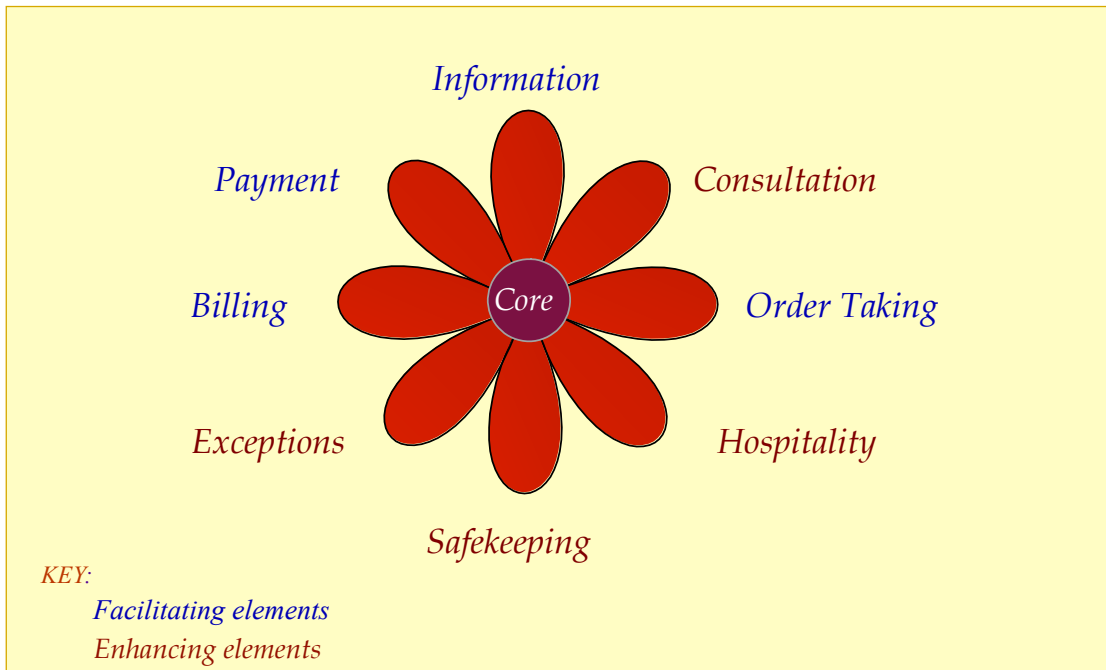
## ■ Supplementary Services

- Augment the core product, facilitating its use and enhancing its value and appeal

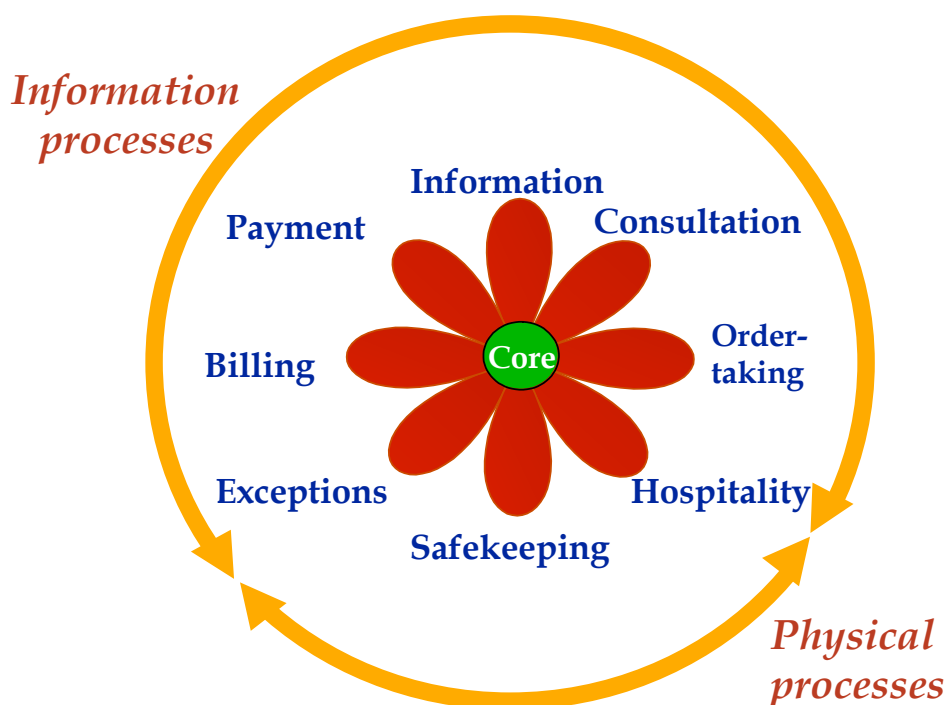
## ■ Delivery Processes

- Used to deliver both the core product and each of the supplementary services

# The Flower of Service (Fig 3.6)



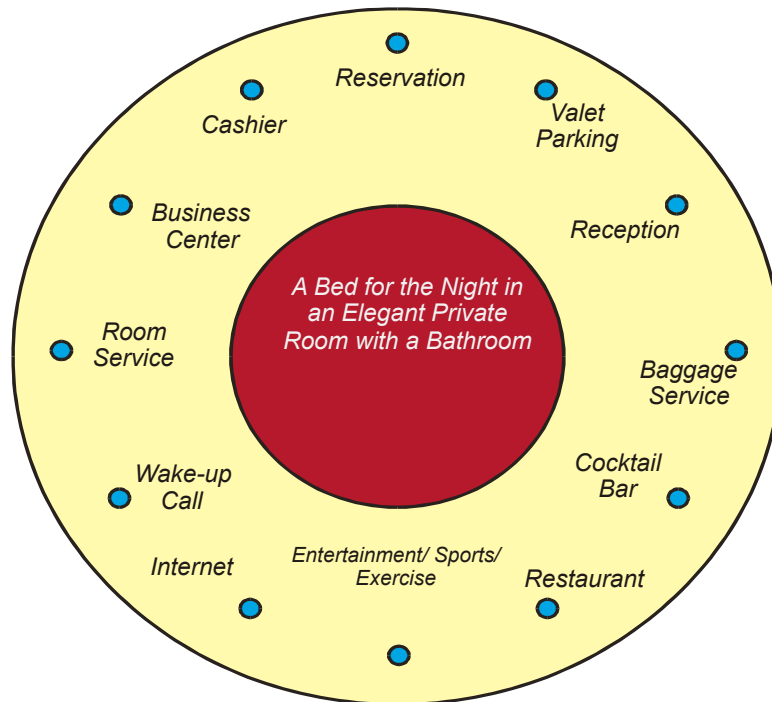
# Information and Physical Processes of Augmented Service Product (Fig 4.1)



# Core and Supplementary Services at Luxury Hotel (Offering Much More than Cheap Motel!)



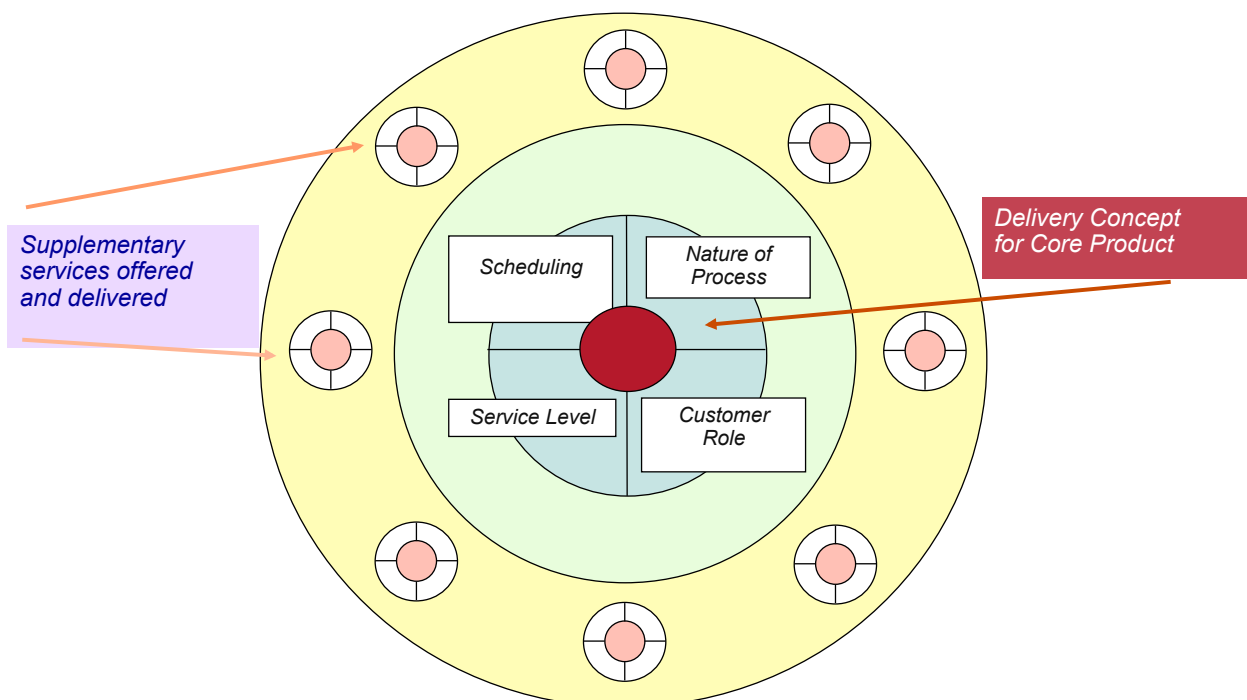
SERVICES MARKETING



# Core and Supplementary Product Design: An Integrated Perspective (Fig 3.2)



SERVICES MARKETING



# Four Categories Of Services (Fig 2.1)



SERVICES MARKETING

|                                  | <i>Who or What Is the Direct Recipient of the Service?</i>  |  |
|----------------------------------|---|--|
| <i>Nature of the Service Act</i> | <i>People</i>   | <i>Possessions</i>   |
| <i>Tangible Actions</i>          | <p><i>People processing</i><br/>(services directed at people's bodies):</p> <ul style="list-style-type: none"> <li>■ Barbers</li> <li>■ Health care</li> </ul>              | <p><i>Possession processing</i><br/>(services directed at physical possessions):</p> <ul style="list-style-type: none"> <li>■ Refueling</li> <li>■ Disposal/recycling</li> </ul> |
| <i>Intangible Actions</i>        | <p><i>Mental stimulus processing</i><br/>(services directed at people's minds):</p> <ul style="list-style-type: none"> <li>■ Education</li> <li>■ Advertising/PR</li> </ul> | <p><i>Information processing</i><br/>(services directed at intangible assets):</p> <ul style="list-style-type: none"> <li>■ Accounting</li> <li>■ Banking</li> </ul>             |

# Examples of Service Tiering in Different Industries (Table 7.1)



SERVICES MARKETING

| Industry   | Tiers   | Key Service Attributes and Physical Elements Used in Tiering  |
|------------|---|---|
| Lodging    | Star or diamond ratings (5 to 1)                                      | Architecture; landscaping; room size; furnishings and décor; restaurant facilities and menus; room service hours; array of services and physical amenities; staffing levels; caliber and attitudes of employees |
| Airline    | Classes (intercontinental): first, business, premium economy, economy | Seat pitch; seat width and reclining capability; meal and beverage service; staffing ratios; check-in speed; departure and arrival lounges; baggage retrieval speed   |
| Car Rental | Class of vehicle  | Vehicle size (from subcompact to full size); degree of luxury; special vehicle types (minivan, SUV, convertible)  |

# Seven Star Hotel: Burj Al Arab

SERVICES MARKETING



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## Developing Right Service Concept for a Specific Segment

SERVICES MARKETING

- **Use research to identify and prioritize which attributes of a given service are important to specific market segments**
- **Individuals may set different priorities according to:**
  - Purpose of using the service
  - Who makes decision
  - Timing of use
  - Whether service is used alone or with a group
  - Composition of that group



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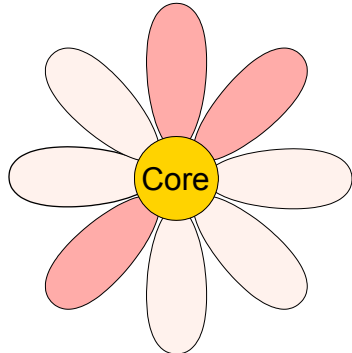
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# Splitting Responsibilities For Supplementary Service Elements (Fig 4.3)

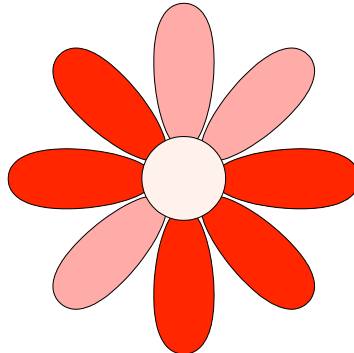


As created by originating firm



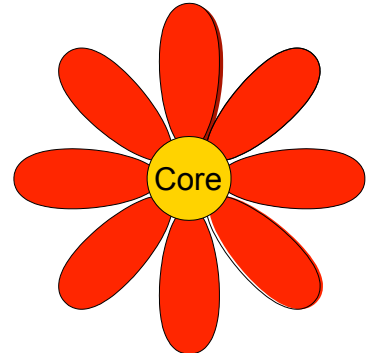
Core product

As enhanced by distributor



Supplementary services

As experienced by customer



Total experience and benefits

## Challenges for original supplier

- Act as guardian of overall process
- Ensure that each element offered by intermediaries fits overall service concept

## Example: Buying at Ebay





# Information and Physical Processes of Augmented Service Product (Fig 4.1)



## Homework till Thursday



**Build a service flower of your Business**

Where might be possibilities to change your offer?