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Services Marketing

Sources: (1) Ray Freeman and Kelley Glazer

<https://opentextbc.ca/introtourism/chapter/chapter-8-services-marketing/>

(2) <https://www.icmrindia.org/courseware/services%20marketing/SM-DS23.htm>

"Marketing is not an event, but a process... It has a beginning, a middle, but never an end, for it is a process. You improve it, perfect it, change it, even pause it. But you never stop it

completely." _____ Jay Conrad Levinson

<https://www.icmrindia.org/courseware/Services%20Marketing/Services%20Marketing.htm>

"To the customer, only service may distinguish a business from its competition" (Masberg, Chase, & Madlem, 2003, p. 19)

Unit One: Globalization of Services

Source: <https://www.icmrindia.org/courseware/services%20marketing/SM-DS23.htm>

Key Words:

The Growth in Global Service Markets

Factors Influencing Globalization

Changes in Social Factors

Changes in Technology

Changes in Political Conditions

Competition in the Market

Competitive Advantage

Regulations in Home Country

Lack of Demand in Home Country

Overseas Market Entry Decisions

Exporting

Turnkey Projects

Licensing

Franchising

Joint Ventures

Strategic Alliance

Wholly Owned Subsidiaries

Mergers and Acquisitions

Piggyback

Assessing Globalization

Challenges in the Global Market

Legal Barriers

Cultural Barriers

Financial Barriers

wants, and meet the organization's objectives.

Services marketing is a concept based on recognition of the uniqueness of all services; it is a branch of marketing that specifically applies to the service industries.

The General Agreement on Trade in Services (GATS) indentified 155 activities as services and classified them into 11 categories. These 11 types of activities are:

- 1. Business services**
- 2. Communication**
- 3. Construction and engineering**
- 4. Distribution**
- 5. Education**
- 6. Environment**
- 7. Finance**
- 8. Tourism**
- 9. Health**
- 10. Recreation**
- 11. Transportation**

Source: <https://bbamantra.com/services-marketing-introduction>

2. The Evolution of Marketing

Until the 1930s, the primary objective of businesses was manufacturing, with little thought given to sales or marketing. In the 1930s, a focus on sales became more important; technological advances meant that multiple companies could produce similar goods, creating increased competition. Even as companies began to understand the importance of sales, the needs and wants of the customer remained a secondary consideration (Morrison, 2010).

In 1944, the first television commercial, for Bulova watches, reached 4,000 television sets (Davis, 2013). The decades that followed, the 1950s and 1960s, are known as an era when marketing began to truly take off, with the number of mediums expanding and TV ad spending going

The era from approximately 1950 to around 1970 was known as a time of **marketing orientation** (Morrison, 2010). Customers had more choice in product, this required companies to shift focus to ensure that consumers knew how their products matched specific needs. This was also the time where quality of service and customer satisfaction became part of organizational strategy. We began to see companies develop internal marketing departments, and in the 1960s, the first full-service advertising agencies began to emerge.

Societal marketing emerged in the 1970s when organizations began to recognize their place in society and their responsibility to citizens (or at least the appearance thereof). This change is demonstrated, for example, by natural resource extraction companies supporting environmental management issues and implementing more transparent policies. This decade saw the emergence of media we are familiar with today (the first hand-held mobile phone was launched in 1973) and the decline of traditional marketing through vehicles such as print; the latter evidenced by the closure of *LIFE Magazine* in 1972 amid complaints that TV advertising was too difficult to compete with (Davis, 2013).

The mid-1990s ushered in the start of the online marketing era. **E-commerce** (electronic commerce) revolutionized every industry, perhaps impacting the travel industry most of all. Tourism and hospitality service providers began making use of this technology to optimize marketing to consumers; manage reservations; facilitate transactions; partner and package itineraries; provide (multiple) customer feedback channels; collect, mine, analyze, and sell data; and automate functions. The marketing opportunities of this era appear limitless. The following table summarizes the evolution of marketing over the last century.

Evolution of marketing in the 20th century

Time frame	Marketing Era
1920-1930	Production orientation
1930-1950	Sales orientation
1950-1960	Marketing department (marketing orientation, internal agency)
1960-1970	Marketing company (marketing orientation, external agency)
1970- Present	Societal marketing
1995-Present	Online marketing

Data source: Morrison, 2010

Reading: Progression of marketing in tourism and hospitality

Typically, the progression of marketing in tourism and hospitality has been 10 to 20 years behind other sectors. Some in the industry attribute this to the traditional career path in the tourism and hospitality industry where managers and executives worked their way up the ranks (e.g., from bellhop to general manager) rather than through a postsecondary business education. It was commonly believed that to be a leader in this industry one had to understand the operations inside-out, so training and development of managers was based on technical and functional capabilities, rather than marketing savvy. And, as we'll learn next, marketing services and experiences is distinct and sometimes more challenging than marketing goods. For these reasons, most businesses in the industry have been developing marketing skills for only about 30 years (Morrison, 2010).

Source: <https://opentextbc.ca/introtourism/chapter/chapter-8-services-marketing/>

3. Differences Between Goods and Services

There are four key differences between goods and services. Services are:

1. Intangible
2. Heterogeneous
3. Inseparable (simultaneously produced and consumed)
4. Perishable

These concepts mean:

- a. **Intangibility:** **Tangible** goods are ones the customer can see, feel, and/or taste ahead of payment. **Intangible** services, on the other hand, cannot be “touched” beforehand. An airplane flight is an example of an intangible service because a customer purchases it in advance and doesn’t “experience” or “consume” the product until he or she is on the plane.
- b. **Heterogeneity:** While most goods may be replicated identically, services are never exactly the same; they are **heterogeneous**. Variability in experiences may be caused by location, time, topography, season, the environment, amenities, events, and service providers. Because human beings factor so largely in the provision of services, the quality and level of service may differ between vendors or may even be inconsistent within one provider.

Inseparability: A physical good may last for an extended period of time (in some cases for many years). In contrast, a service is produced and consumed at the same time. A service exists only at the moment or during the period in which a person is engaged and immersed in the experience.

- c. **Perishability:** Services and experiences cannot be stored; they are highly **perishable**. In contrast, goods may be held in physical inventory in a lot, warehouse, or a store until purchased, then used and stored at a person’s home or place of work. If a service is not sold when available, it disappears forever. Using the airline example, once the airplane takes off, the opportunity to sell tickets on that flight is lost forever, and any empty seats represent revenue lost.

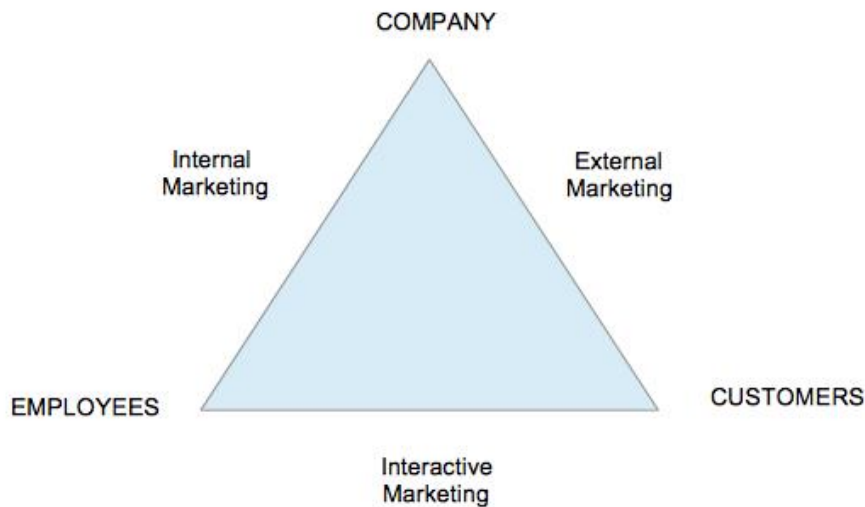
4. Planning for Services Marketing

To ensure effective services marketing, marketers need to be strategic in their planning process. For example using a **tourism marketing system** requires carefully evaluating multiple alternatives, choosing the right activities for specific markets, anticipating challenges, adapting to these challenges, and measuring success (Morrison, 2010). For instance tourism marketers can choose to follow a strategic management process called the **PRICE concept**, where they:

- P: plan (where are we now?)
- R: research (where would we like to be?)
- I: implement (how do we get there?)
- C: control (how do we make sure we get there?)
- E: evaluate (how do we know if we got there?)

In this way, marketers can be more assured they are strategically satisfying both the customer’s needs and the organization’s objectives (Morrison, 2010). The relationship between company, employees, and customers in the services marketing context can be described as a **services marketing triangle** (Morrison, 2010), which is illustrated in the following figure:

Services Marketing Triangle



Services marketing triangle (adapted from Morrison, 2010)

Source: <https://opentextbc.ca/introtourism/chapter/chapter-8-services-marketing/>

In traditional marketing, a business broadcasts messaging directly to the consumer. In contrast, in services marketing, employees play an integral component. The communications between the three groups can be summarized as follows (Morrison, 2010):

1. External marketing: promotional efforts aimed at potential customers and guests (creating a promise between the organization and the guest)
2. Internal marketing: training, culture, and internal communications (enabling employees to deliver on the promise)
3. Interactive marketing: direct exchanges between employees and guests (delivering the promise)

The direct and indirect ways that a company or destination reaches its potential customers or guests can be grouped into eight concepts known as the **8 Ps of services marketing**.

5. The 8 Ps of Services Marketing

The 8 Ps are best described as the specific components required to reach selected markets. In traditional marketing, there are four Ps: price, product, place, and promotion. In services marketing, the list expands to the following (Morrison, 2010):

- Product: the range of product and service mix offered to customers
- Place: how the product will be made available to consumers in the market, selection of distribution channels, and partners

- Promotion: specific combination of marketing techniques (advertising, personal sales, public relations, etc.)
- Pricing: part of a comprehensive revenue management and pricing plan
- People: developing human resources plans and strategies to support positive interactions between hosts and guests
- Programming: customer-oriented activities (special events, festivals, or special activities) designed to increase customer spending or length of stay, or to add to the appeal of packages
- Partnership: also known as cooperative marketing, increasing the reach and impact of marketing efforts
- Physical evidence: ways in which businesses can demonstrate their marketing claims and customers can document their experience such as stories, reviews, blog posts, or in-location signage and components

Unit Three: Marketing in Tourism and Hospitality Industry

Marketing in the tourism and hospitality industry requires an understanding of the differences between marketing goods and marketing services. *To be successful in tourism marketing, organizations need to understand the unique characteristics of their tourism experiences, the motivations and behaviors of travelling consumers, and the fundamental differences between marketing goods and services.*

It's important that the **8 Ps of Services Marketing** all work together in a seamless set of messages and activities known as integrated marketing communications, or IMC, to ensure the guests receive a clear message and an experience that meets their expectations.

Integrated marketing communications (IMC)

IMC involves planning and coordinating all the promotional mix elements (including online and social media components) to be as consistent and mutually supportive as possible. This approach is much superior to using each element separately and independently.

Tour operators, attractions, hotels, and destination marketing organizations will often break down marketing into separate departments, losing the opportunity to ensure each activity is aligned with a common goal. Sometimes a potential visitor or guest is bombarded with messaging about independent destinations within a region, or businesses within a city, rather than one consistent set of messages about the core attributes of that destination.

It's important to consider how consumers use various and multiple channels of communication and reach out to them in a comprehensive and coherent fashion. As a concept, IMC is not new, but it is more challenging than ever due to the numerous social media and unconventional communication channels now available. Each channel must be well

maintained and aligned around the same messages, and selected with the visitor in mind. Too often businesses and destinations deploy multiple channels and end up neglecting some of these, rather than ensuring key platforms are well maintained (Eliason, 2014).

In order to better understand our guests, and the best ways to reach them, let's take a closer look at the consumer as the starting and focal point of any marketing plan.

Consumer Behavior in Tourism and Hospitality

Customers use their senses to see, hear, smell, and touch (and sometimes taste) to decipher messages from businesses, deciding on a product or service based on their perception of the facts rather than, at times, the actual facts. A number of factors have been shown to impact the choices the consumer makes, including **personal factors**, which reflect needs, wants, motivations, previous experience, and a person's lifestyle, and **interpersonal factors**, such as culture, social class, family, and opinion leaders.

Unit Four: Customer Service- a key component of success in tourism and hospitality industry

Ray Freeman and Kelley Glazer

<https://opentextbc.ca/introtourism/chapter/chapter-9-customer-service/>

Available on 4 April, 2020

Learning Objectives

- Explain the importance of customer service
- Describe the characteristics of exceptional customer service and its benefits
- Explain how the quality of customer service differentiates a destination
- Describe how to recover from service failure
- Explain how social media impacts customer service delivery

Key Terms

- **Customer lifetime value (CLV):** a view of customer relationships that looks at the long-term cycle of customer interactions, rather than at single transactions
- **Customer orientation:** positioning a business or organization so that customer interests and value are the highest priority
- **Customer relationship management (CRM):** a strategy used by businesses to select customers and to maintain relationships with them to increase their lifetime value to the business
- **Loyalty programs:** programs that identify and build databases of frequent customers to promote directly to them, and to reward and provide special services for those frequent customers
- **Moment of truth:** when a customer's interaction with a front-line employee makes a critical difference in his or her perception of that company or destination

- **Service recovery:** what happens when a customer service professional takes actions that result in the customer being satisfied after a service failure has occurred
- **SERVQUAL:** a technique developed to measure service quality
- **Total quality (TQ):** integrating all employees, from management to front-level, in a process of continuous learning, which leads toward increasing customer satisfaction
- **Total quality management (TQM):** a process of setting service goals as a team

1. Overview

In the tourism and hospitality industry, the success or failure of these businesses and destinations depends on service. Some, however, deliver consistently higher levels of customer service. Why and how are they able to do this? This section will try to answer these questions as we explore the fundamentals of customer service in the context of a competitive global tourism environment.

2. Quality of Customer Service

Quality customer service is an experience of feeling valued or heard. Sometimes it's an intangible component of why a guest may prefer, for example, one tourism or hospitality provider over another. It's a critical factor for tourism success, both as a means of satisfying ever-increasing customer expectations, and as a way to achieve business profitability (Erdly & Kesterson-Townes, 2002).

Reading: Quality of customer service: An example

In 2012, Cornell Hospitality presented a report from PKF Hospitality Research that showed guest satisfaction is heavily influenced by service factors such as employee attitude and the pacing and order of services provided. It found that the greater the client satisfaction, the higher the revenues for a given hospitality business, and that service plays a far greater role than price and location in the guest-purchase decision (Cornell Hospitality Research, 2012).

Source: <https://opentextbc.ca/introtourism/chapter/chapter-9-customer-service/>

Integrating human resources training and total quality management practices is crucial to increase customer satisfaction in the tourism and hospitality industry (Brown et al., 2009)

Source: <https://opentextbc.ca/introtourism/chapter/chapter-9-customer-service/>

The concept of **total quality (TQ)** refers to an approach by businesses to integrate all employees, from management to front-level, in a process of continuous learning, with a goal of increasing customer satisfaction. It involves examining all encounters and points of interaction with guests to identify points of improvement. **Total quality management (TQM)** in tourism and hospitality is a process where service expectations are created by the

entire team, with a collaborative approach between management and employees (Kapiki, 2012).

Reading: Training of Human Resources in Tourism and Hospitality Industry in Canada

Canada ranks high in human resources capabilities. Unfortunately, due to the seasonal nature of many tourism and hospitality positions, and limited access to affordable and accessible training, the industry isn't always able to take advantage of this position (Blanke & Chiesa, 2009), as it can be difficult to attract, train, and retain reliable and qualified staff year-round.

Source: <https://opentextbc.ca/introtourism/chapter/chapter-9-customer-service/>

3. Key Challenges and Benefits to Employers

Many employers struggle to justify the time and expense associated with training, particularly in a seasonal workplace or environment with high staff turnover (Saunders, 2009). In fact, many of the benefits of training are intangible and therefore difficult to measure, although there is evidence that the return-on-investment of training is quite high. For example, employee competence and job satisfaction are not always easily assessed, but can improve productivity and organizational profitability.

Customer service training provides employees with a foundation for effective service delivery. Potential benefits of this training may include improved skills and attitudes; better communication skills; better understanding of workplace practices; increased morale, confidence, self-satisfaction, and work satisfaction; increased participation; greater job/career advancement potential; greater interest in and willingness to participate in further training; and more independence (Grey, 2006).

As employees acquire certifications and credentials, and these are recognized by employers, both groups benefit. Employees have a tangible way of demonstrating mastery of service knowledge and skills, and employers have tools to assist with the recruitment and screening of potential staff.

4. Customer Orientation

Kim defines **customer orientation** “as the set of activities, behaviours, and beliefs that place high priority on customers’ interests and continuously create superior customer value” (2008, p. 195). Even when employees have positive attributes, it may not be enough to ensure positive customer engagements unless they are specifically trained toward customer orientation (Kim, 2008).

5. Customer Service and Competition: The Customer-Oriented Organization

According to Masberg and colleagues, “to the customer, only service may distinguish a business from its competition” (Masberg, Chase, & Madlem, 2003, p. 19). While specific customer service jobs require different skills, building an overall customer-oriented organization may better meet customer expectations. One way to ensure quality service may

be to encourage tourism and hospitality professionals to acquire industry certifications. Businesses can also choose to implement tools to determine customer satisfactions levels, such as the **SERVQUAL** technique that compares customer perceptions of quality against customer expectations (Morrison, 2010). Under the SERVQUAL model, the five dimensions of service are:

1. Reliability: where the quality and level of service is consistent
2. Assurance: knowledge and courtesy of staff and their ability to convey trust and confidence
3. Tangibles: the organization's physical facilities, equipment, and appearance of staff
4. Empathy: the degree of caring, individualized attention that the organization's staff provide to its customers
5. Responsiveness: the willingness of staff to help customers and provide prompt service

***For information on the SERVQUAL
technique visit:
<https://en.wikipedia.org/wiki/SERVQUAL>***

You can remember these five dimensions by using the acronym RATER. When these dimensions are consistently met, a company is well on its way to becoming customer oriented.

Reading: Service Skills in Australia

Service Skills Australia (SSA) supports skills and workforce development in the service industries. These include retail and wholesale, sport, fitness, community recreation, outdoor recreation, travel, tourism, meetings and events, accommodation, restaurants and catering, holiday parks and resorts, hairdressing, beauty, floristry, community pharmacy, and funeral services. SSA is a not-for-profit, independent organization and one of 11 Industry Skills Councils funded by the Department of Industry to support skills development for Australian industries (Service Skills Australia, 2015). For more information Visit [Service Skills Australia: www.serviceskills.com.au](http://www.serviceskills.com.au)

Source: <https://opentextbc.ca/introtourism/chapter/chapter-8-services-marketing/>

Customer Relationship Management (CRM) Strategy

So far we've explored the reasons good customer service is critical to tourism and hospitality industry. And with the acronym RATER, we now understand the basics of what a customer might expect from an organization. Together, these concepts can form part of a **customer relationship management (CRM)** strategy for tourism and hospitality businesses. CRMs are tools used by businesses to select customers and maintain relationships with them to increase their lifetime value to the business.

There are a number of points in time where this relationship is maintained. For example:

- The first time potential guests visit a website and leave their email address to receive more information
- The moment a reservation is made and the company captures their personal details
- The in-person service encounters from the front desk to the parking lot
- Welcome notes, personalized menus, friendly hellos, and other touches throughout the interaction
- Background messages including clean facilities and equipment in good repair, pleasant decor and ambiance (flowers, etc.)
- Follow-up communications like a newsletter
- Further interactions on social media

All of these touch points are opportunities to maintain strong relationships with customers and to increase the likelihood of positive word of mouth sharing.

Let's take a closer look at one tool that tourism and hospitality businesses are increasingly using as part of their CRM strategies: rewarding customer loyalty.

Rewarding customer loyalty

With competition between tourism destinations and businesses continuing to grow, organizations are increasingly focusing on retaining existing customers, which is often less expensive than attracting new ones. This focus forces tourism businesses to look at the customer relationship over the long term, or the **customer lifetime value (CLV)** cycle, rather than at single transactions only.

It has been proven that it is much less expensive for a company to retain an existing customer than acquire a new one (Beaujean, Davidson & Madge, 2006). Ultimately, successful organizations will strive to build a base of loyal customers who will provide repeat business and may influence other potential customers. Building positive relationships with loyal customers requires planning and diligence for all customer touch points. This may include (Lovelock & Wirtz, 2007):

1. Managing service encounters: training staff to provide personal service to customers
2. Providing customer incentives: inducing customers to frequent the business
3. Providing special service options: offering enhanced services or extra offerings to loyal customers
4. Developing pricing strategies to encourage long-term use: offering repeat customers special prices or rates
5. Maintaining a customer database: keeping an up-to-date set of records on customer purchase history, preferences, demographics, and so on.

6. Communicating with customers: reaching individual customers through direct or specialized media, using non-mass media approaches

Loyalty programs pull together several of these elements to help a business identify, maintain contact with, and reward frequent customers.

Reading: Creating Customer Loyalty

Andrea Chan, a guest services supervisor at the Holiday Inn and Suites in Vancouver, received a call from a hotel guest who said she was ill. Concerned because the caller sounded disoriented, Andrea recommended a visit to the hospital. To be sure her guest was safe, Andrea accompanied her to the emergency room and stayed with her until her health and safety were assured — working well beyond the hours of her shift, and returning home the next morning. By treating every guest like family, Andrea created a lasting impression about Holiday Inn and its customer service values.

Source: <https://opentextbc.ca/introtourism/chapter/chapter-8-services-marketing/>

However, it's not possible for every customer encounter to be positive. Let's look at what happens when a customer encounter does not go well, and what can be done about it.

Recovery from Service Failures

If a business fails to meet customer expectations, there's a risk the customer will tell others about it, often through social media networks. An on-location problem that turns into an online complaint, going from private to public, can become far more damaging to business than the original issue. To avoid any problem from escalating, organizations and staff must work hard to resolve issues before the customer walks out the door — or pulls out a smartphone to make an online posting.

Of course, it's not always possible to resolve issues on the spot. A customer's expectations may go beyond the service the business is able to provide, or staff might not be authorized by management to provide the means necessary to resolve the complaint. In these cases, staff must still step up as service professionals, realizing that the actions they take when faced with a complaint can have a significant impact.

Online complaints highlight this point; reviewers are often more upset about how a problem was handled than about the problem itself. As well, potential guests who read online complaints are looking for reassurance that the same thing won't happen to them. If they don't find it, they may dismiss the business as an option and move on. How a business handles complaints, face-to-face and online, is critical to ensuring successful recovery from service failures.

Service recovery occurs when a customer service professional takes action that results in the customer being satisfied after a service failure has occurred. Often service failures are not the fault of front-line staff, and at times, may not even be the fault of the business. Failure may be the result of an error made by another employee, by the guest him- or herself, or by a technical error. Regardless of where the problem originated, when customers bring it to the attention of the staff, they have certain expectations for resolution.

Disappointed customers often want

- **An empathetic ear.** Sometimes they simply want to vent. They want to know that the employee or manager is listening and cares.
- **An apology.** In some cases a sincere apology is enough.
- **A solution.** Typically customers bring issues to the attention of staff because they want them fixed.
- **Compensation.** Upset customers are looking for compensation, but not always.
- **Follow-up.** For some people, it's important to know that their concerns are brought to the attention of management and are fixed for future customers.
- **Reassurance.** Customers want to know they're in good hands.

Source: <https://opentextbc.ca/introtourism/chapter/chapter-8-services-marketing/>

Skilled service recovery in the age of social media

Skilled service recovery is especially important in the age of social media. Customers who are active on social networks are likely to be equally vocal about their satisfaction with service recovery when a problem is expertly handled as they are with their displeasure when they are disappointed with service (WorldHost Training Services, 2013; Source: <https://opentextbc.ca/introtourism/chapter/chapter-8-services-marketing/>).

While service recovery is a critical skill, all tourism and hospitality professionals should approach each encounter with the goal of providing remarkable service. The next sections explore how this is accomplished.

7. Exceeding Expectations with Remarkable Service

Providing good service is about understanding, recognizing, and anticipating the needs of customers and working hard to meet or exceed them. The core service essentials are also simple: make eye contact, smile, greet warmly, and use the customer's name. These simple actions tell customers that your organization values them and is eager to help. (WorldHost Training Services, 2013).

8. The Role of Service and Social Media in Customer Satisfaction

While the basics of great service haven't changed, social media and networking have raised the stakes in the service industry. The cost of a negative experience is higher — but so is the

value of a positive experience. In fact, the opportunities of social media reviews and ratings far outweigh the risks.

Businesses that take time to “listen” to social media are going to be more successful at leveraging the power of online interactions. These companies effectively read review sites such as [TripAdvisor](#), [Yelp](#), and others and respond to guest comments both good and bad.

Many factors contribute to how people rate businesses, including value, quality, and convenience. More than anything, however, service influences customer impressions. Whereas a lapse in quality or convenience can be overcome with excellent service, it is especially challenging to overcome the effects of bad service.

Reading Remarkable Service in the Age of Social Media

This WorldHost Training Services video introduces the concept of remarkable service and what it means for the industry today: [Remarkable Service – Social Media Administrators](#):

https://www.youtube.com/watch?v=2q471_ano2E&feature=em-share_video_user

Source: <https://opentextbc.ca/introtourism/chapter/chapter-8-services-marketing/>

Now that we have a deeper understanding of the fundamentals of customer service, maintaining positive relationships with our guests and aiming to exceed their expectations, let’s look at some organizations that support the training and development of the industry in Canada as an example.

Reading: Tourism and Hospitality Human Resource Support: Examples from Canada

A number of organizations support the training, development, and credentialing of tourism and hospitality professionals at both the national and provincial level in Canada.

Human Resource Councils

At the national level, the Canadian Tourism Human Resource Council (CTHRC), a national sector council, is responsible for best practice research, training, and other professional development support on behalf of the 174,000 tourism businesses and the 1.75 million people employed in tourism-related occupations across the country. Provincially, the organization go2HR serves to educate employers on attracting, training, and retaining employees, as well as hosts a tourism job board to match prospective employees with job options in

tourism around the province.

Training Providers

There are not-for-profit industry associations providing training and certification for industry professionals the world over. In, Canada, for example, the former Canadian Institute of Travel Counsellors (CITC) is now hosted by the Association of Canadian Travel Agents and continues to offer a full-time and distance program to train for the occupation of Certified Travel Counsellor. Closer to home, WorldHost Training Services, a division of Destination BC, offers world-class customer service training.

Educational Institutions

British Columbia is home to a number of high-quality public and private colleges and universities that offer tourism-related educational options. Training options include certificates, diplomas, and degrees in adventure tourism, outdoor recreation, hospitality management, and tourism management. Whether students are learning how to manage a restaurant, gaining mountain adventure skills, or exploring the world of outdoor recreation and tourism management, tomorrow's workforce is being prepared by skilled instructors with solid industry experience.

Through these educational opportunities, tourism professionals can earn a range of credentials and certifications that not only boost their confidence, but have proven benefits to employers seeking fresh ideas and potential leaders for their organizations.

Source: <https://opentextbc.ca/introtourism/chapter/chapter-8-services-marketing/>

Reading: Accent Inn and WorldHost Training Service

Accent Inns is an award-winning, family-owned and operated company based in Victoria with hotels located in Victoria, Richmond, Burnaby, Kelowna, and Kamloops. All Accent Inns have developed a reputation for their quality, reasonable rates, and excellent service. Guest and staff satisfaction are key components of their service culture to treat every guest like family. The team at Accent Inns put great effort into making every customer interaction memorable.

In 2013, Accent Inns committed to incorporating customer service training at each property to be delivered by Accent Inns assistant general managers (AGMs). Core outcomes were to raise the level of service, empower front-line staff with the tools to exceed guest expectations, and strengthen the facilitation

and coaching skills of the AGM team. Building on the business's existing training culture and strong corporate values, WorldHost Training Services created a customized half-day program for the AGMs to use in their hotels.

To prepare, the AGMs completed an experiential 1.5-day train-the-trainer session. An emphasis on coaching support and a team facilitation approach led many to gain confidence in this new role. One trainer excelled and was selected as the full-time trainer for Accent Inns. Working with the human resources team from Accent Inns, WorldHost also completed a needs analysis at each property to ensure staff had input into future training. Training continues to be developed and delivered internally.

According to Kathy Gaudry, human resources manager for Accent Inns, "The WorldHost team was fantastic; they worked hard to ensure the training was completely relevant to our employees and our culture. The results were phenomenal — our junior leaders have acquired the skills they need to deliver training locally to their own teams — we couldn't be happier."

Source: <https://opentextbc.ca/introtourism/chapter/chapter-8-services-marketing/>

Unit Five: Marketing of Financial Services

Source: <https://www.icmrindia.org/courseware/services%20marketing/SM-DS30.htm>

1. The Banking Industry

Definition

Market Segmentation in Banking Industry

Marketing Mix

Product Pricing

Place

Price

Promotion

People

Process

Physical Evidence

2. Recent Trends in Banking

Banking Industry

The bank is a financial institution which accepts deposits and lends that money to its customers. As banks deal with their customers' finances, banking is a high-involvement service. Therefore banks need to win the trust of their customers. Based on the customer

profiles, banks segment their market into retail banking, corporate banking, personal banking etc.

Services Marketing Mix in the Banking Industry: The 7 Ps

Products

Depending on customer needs for finance, the market can also be segmented into trade finance, consumer finance, etc. For the banker to derive maximum returns and enhance his market position the marketing mix has to be effectively managed. The products offered by a bank may be in the core or augmented form. The core products offered by a bank include a savings bank account or a housing loan. The augmented product includes services like internet banking, ATMs, 24-hour customer service etc. These augmented services help the banker differentiate his service offering from those of his competitors.

Pricing

In the pricing of banking services, determining the interest rates plays an important role, as these rates in turn determine the revenues and profits of the bank. The multiple sources of revenue for today's banks include annual charges for core services and augmented services, penalties, commissions for cross selling and charges for payment of utility bills, apart from the differential interest rate. The basic pricing strategy in banks is based on risk-return pay-offs. However, the competitor and customer reaction have to be taken into consideration while initiating a price change.

Place

The place element of the marketing mix refers to making the services available and accessible to customers. Improvements in the availability and accessibility of services have changed the process of banking. Technological innovations have given rise to modern channels like the Internet, which have helped banks increase business volumes and attract new customers. ATMs and credit and debit cards offer convenience to customers and have also improved the efficiency of banking operations. These changes have helped banks tackle the challenges of services marketing.

Promotion or Communication

The promotion or communication mix in banking refers to varied strategies like personal selling, advertising, discounts, and publicity etc. used by present day banks to promote their service offerings.

People

People also play an important role, even though their role has been eclipsed by technology in the recent past.

Process

Process determines the efficiency of banking operations and thus the service quality in a bank.

Physical Evidence

Physical evidence includes the infrastructure and buildings not only in branch offices, but also the ATMs or other places of interaction. Even the quality of cheque books and mailers to

customers forms physical evidence.

Reading: Trends in the Banking Industry

The banking industry has changed drastically over the past decade. The banking reforms and the opening of the economy to foreign and private banks have improved the working of the public sector banks. This has resulted in improved service to the customers of the banking industry. Increased competition and technology have enhanced the quality of service offered to the customers and also improved the returns for bankers.

<https://www.icmrindia.org/courseware/Services%20Marketing/Services%20Marketing.htm>

Unit Six: Reading on Marketing in the other Financial Services

Source: <https://www.icmrindia.org/courseware/Services%20Marketing/Services%20Marketing.htm>

One: The Insurance Industry

Key Terms

Market Segmentation in Insurance Industry

Marketing Mix for Insurance Industry

Product Price

Place

Promotion

Process

People

Physical Evidence

Recent Trends in Insurance Marketing

The insurance business is based on customers' trust and confidence as it deals with the finances of the customer. The basis for a well-planned and well-executed marketing strategy is effective market segmentation. Insurance is broadly segmented into individuals, institutions, industry, and trade customers. Most industry players offer specialized services to cater to the needs of these segments.

Some marketers target niche markets and offer customized services. The scope of insurance has increased with more private and foreign players entering the market. They have introduced many innovative services targeted at different segments. Price plays an important

role in marketing of insurance as it determines the premium to be paid by the customer.

Pricing of insurance products is influenced by competitor strategy and the prevailing interest rate, but is basically determined by the risk involved. The higher the risk involved for the marketer, the higher the price. As insurance needs to be 'pushed' in the market, the importance of interaction between the service deliverer and the customer increases.

Therefore, agents, brokers and employees of the company become important channels of distribution for the service. Though unconventional channels like bancassurance, the Internet and tie-ups with automobile marketers have emerged, the role of agents cannot be discounted. Insurance companies have simplified their processes of service design and delivery to offer greater convenience to customers and reduce their perceived costs.

Physical evidence can be provided to insurance customers in the form of policy certificate and premium payment receipts. The office building, the ambience, the service personnel etc. of the insurance company and their logo and brand name in advertisements also add to the physical evidence. Private and foreign players entered the Indian insurance market in 1999 after the reforms were initiated.

Their entry ushered in new competition and improved the service quality offered to the customer. With awareness increasing, customer expectations also increased. New distribution channels and innovative promotional strategies also evolved because of the increased competition. All these led to the development of the insurance industry and expanded the market in India.

Two: Mutual Funds Industry

Key Terms

Definition
Market Segmentation,
Marketing Mix of Mutual Fund Industry
Product
Price
Place
Promotion
Process
People and Physical Evidence
Recent Trends in Mutual Fund Industry

A mutual fund pools the savings from numerous investors and invests them in diversified securities in the capital market in order to optimize the returns, safety and liquidity and offer the maximum benefits to investors. Mutual funds can be divided into open-ended, closed-ended and interval schemes, based on their structure.

The mutual funds market can be segmented into growth fund, income fund, balanced fund and money-market fund, based on the customer's investment objective. In purchasing mutual funds, investors look for capital appreciation, liquidity and safety. Therefore, marketers are required to design the products keeping those objectives in mind.

Products that are customized and designed to suit the risk profile of the customer and his investment objective are offered in the market. The price of a fund chiefly depends on the underlying stocks' performances and the stock market trends. The company's performance allows it to charge a load on the purchase and redemption prices.

The various channels of distribution used by mutual fund companies include their own employees, distribution companies, agents, banks and post offices apart from the Internet. The role of people becomes quite important in the mutual fund industry for two reasons. The fund manager determines the success of a fund in the market. As there is limited knowledge of mutual funds among investors, they need to be convinced by the employees and agents to invest in mutual funds.

The mutual fund industry has evolved as a competitive industry in the financial services sector with the introduction of reforms. The entry of global and private players and the inventions of technology like the Internet have transformed the business completely. The development of the equity market has made the mutual fund an attractive investment option for consumers. The option to invest in foreign equities is expected to change the mutual fund market in India further.

Three: Portfolio Management

Key Terms

Definition of Portfolio Management
Market Segmentation and Marketing Mix
Product
Price
People
Place
Promotion
Process
Physical Evidence

Portfolio management service refers to managing the funds of a customer taking into consideration their short-term and long term needs. As the customers may not have the time or expertise, their assets are managed by the portfolio managers who invest in different financial instruments like bonds, insurance, stocks, real estate, etc.

The market for these services is divided into discretionary services and non-discretionary services. In the case of non-discretionary services, the decision-making regarding investments lies with the customers, whereas in the case of discretionary services, it vests with the service provider. The product needs to be designed to suit the specific needs of individual investors.

A standard product might not suit the needs of all investors as their needs and profiles differ. The price of portfolio management services is generally calculated as a percentage of the net asset value or a percentage of the returns or profits earned on the investment portfolio. People assume center stage in portfolio management services, as portfolio managers determine the success of an investment portfolio.

Process plays a pivotal role; it starts with understanding the customer profile and needs and

ends with performance evaluation of the portfolio. In providing physical evidence, the service provider's achievements, clearances from regulatory bodies, quality compliance certifications like ISO 9001:2000, past performance, etc. can be used effectively through brochures and displays.

Home Work: 40 points

Answer all questions and send your answers to the teacher in WORD or PDF files to his professional e-mail at:

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Questions from Unit One

Answer the following questions by referring to the in Unit One in the text above: (1 point each)

(1) Globalization refers to: _____.

(2) The major factors that drive globalization are _____.

(3) The parameters that can be used to measure the level of globalization achieved by an organization are:

(4) Some of the major challenges faced by organizations in establishing and expanding their operations in foreign markets are: _____.

(5) The factors that contribute to the success of a global firm are:

Questions from Unit Two

(A): Find the right (correct) concept and fit it in the blank space (0.25 point each; total 5 points):

Example: Until the 1930s, the primary objective of businesses was _____.

The correct answer is _____ manufacturing _____.

1. Services marketing is a concept based on recognition of the uniqueness of _____; it is a branch of marketing that specifically applies to _____.

(2). The General Agreement on Trade in Services (GATS) indentified _____ activities as services and classified them into _____. These 11 types of activities are:

1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	

(3). The time frame of evolution of marketing in the 20th Century was described in the text as in the following table.

The question is: Fill the column of the marketing era

Time frame	Marketing Era
1920-1930	
1930-1950	
1950-1960	
1960-1970	
1970-Pesent	
1950-Present	

B. Find the right answer and write the matching letter in the available space (0.5 point each)

(1) **Example:** In 1944, the first television commercial, for Bulova watches, reached this number of television sets:

- a. 1000
- b. 6000
- c. 4000
- d. 8000
- e. 9000

The Correct answer is: C .

(2) There are four key differences between goods and services. Services are all of the following except:

- a. Intangible
- b. Heterogeneous
- c. Inseparable (simultaneously produced and consumed)
- d. Perishable

e. Extendable

The correct answer is: _____.

(3) All the following belong to the PRICE system in services marketing except:

- a. P: plan (where are we now?)
- b. R: research (where would we like to be?)
- c. I: interest (cost of borrowing)
- d. C: control (how do we make sure we get there?)
- e. E: evaluate (how do we know if we got there?)

The correct answer is: _____.

(4) In traditional marketing, a business broadcasts messaging directly to the:

- a. consumer
- b. employees
- c. managers
- d. investors
- e. controls

The correct answer is: _____.

(5) **Services marketing triangle describes:**

- a. services marketing context
- b. the PRICE system
- c. the 8 Ps of services marketing
- d. the 4 Ps of marketing
- e. None of the above

The correct answer is: _____.

C. Put the correct concept in the blank space that fits the given definition in the following (0.5 each)

Example: External marketing: promotional efforts aimed at potential customers and guests (creating a promise between the organization and the guest)

- (a) _____: training, culture, and internal communications (enabling employees to deliver on the promise)
- (b) _____: direct exchanges between employees and guests (delivering the promise)
- (c) _____: the range of product and service mix offered to customers
- (d) _____: how the product will be made available to consumers in the market, selection of distribution channels, and partners
- (e) _____: specific combination of marketing techniques (advertising, personal sales, public relations, etc.)
- (f) _____: part of a comprehensive revenue management and pricing plan
- (g) _____: developing human resources plans and strategies to support positive interactions between hosts and guest

- (h) _____: customer-oriented activities (special events, festivals, or special activities) designed to increase customer spending or length of stay, or to add to the appeal of packages
- (i) _____: also known as cooperative marketing, increasing the reach and impact of marketing efforts
- (j) _____: ways in which businesses can demonstrate their marketing claims and customers can document their experience such as stories, reviews, blog posts, or in-location signage

Questions from Unit Three

A. Give the right description to the following concepts (2 points each)

(a) IMC involves:

(b) In explaining Consumer Behavior in Tourism and Hospitality industry, a number of factors have been shown to impact the choices the consumer makes, including:

(1) personal factors, which reflect _____

(2) interpersonal factors, such as _____

B. Section Three in the text above has not given a definition of the concept

“persons’ life styles”, use your sources (the Internet for example) to find the right definition as it’s being used in Marketing as a segmentation of customers into subgroups and write down this definition in the in the given space below:

Question from Unit Four

Question 1 (7 points) : Write a short essay on the things a business (for a example a hotel or a restaurant) in the tourism and hospitality industry does, to create a *customer-oriented organization*.

Question from Unit Five

Question (7 points): Write an essay on the trends in the banking (financial) sector in Algeria.

Good Luck

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السنة الأولى ماستر – تسويق الخدمات
المادة: الإنجليزية
السداسي الثاني
أستاذ المادة: أ.د. نويبات عبد القادر

الامتحان الاستكشافي الأول - 20 نقطة

Mohamed Boudiaf University – M'sila
Faculty of Economic, Commercial and Management Sciences
Department of Commercial Sciences
First Year Masters – Services Marketing
First Quiz (interrogation) in English

الاسم و اللقب:

High inflation is usually associated with a slumping exchange rate, though this is generally a case of the weaker currency leading to inflation, not the other way around. Economies that import significant amounts of goods and services – which, for now, is just about every economy – must pay more for these imports in local-currency terms when their currencies fall against those of their trading partners. Say that Country X's currency falls 10% against Country Y's. The latter doesn't have to raise the price of the products it exports to Country X for them to cost Country X 10% more; the weaker exchange rate alone has that effect. Multiply cost increases across enough trading partners selling enough products, and the result is economy-wide inflation in Country.

Read the text above and answer the following question:

Translate the text into Arabic (20 points)

Send your answers in WORD or PDF files to the teacher on his professional e-Mail at:

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الامتحان الاستكشافي الثاني -20 نقطة

Mohamed Boudiaf University – M'sila
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Department of Commercial Sciences
1st Year Masters – Services Marketing - Online
Second Quiz in English

الاسم و اللقب _____

Read the following text to answer question (3)

Unemployment is a socio-economic situation in which some active persons are willing to work, but cannot obtain a job. In such a situation, the number of job seekers exceeds the number of job vacancies. Economically speaking, unemployment represents a waste of human resources, because the economy produces below its potential. There are several types of unemployment: Structural, frictional, seasonal, technological, and general or cyclical unemployment.

Question (1) (5 points):

Read the chapter on UNEMPLOYMENT in your English Book (المطبوعة) to answer this question: Put the right type of unemployment in the available space.

1. _____ is a situation in which some workers become redundant because of the advances in automation.
2. _____ is due to the nature of the trade, e.g. hotel industry.
3. _____ which results from temporary labor immobility.
4. _____ is due to the decline of an industry caused by a change in the patterns of goods and services or an increase of foreign competition.

5. _____ is due to a fall in goods and services because a decrease in the supply of goods and services, thus, less workers are needed.

Question (2) (10 points): Give the meaning of words or group of words in Arabic

<i>Words or group of words in English</i>	<i>Arabic meaning of words or group of words</i>
Unemployment	
Socio-economic situation	
Job	
Number of job seekers	
Number of job vacancies	
Structural	
Frictional	
Seasonal	
Technological	
Cyclical	

Question (3) (5 points): Translate the text above into Arabic.

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