

CHARACTERISTICS OF SERVICES.

Services have a number of unique characteristics that make them so different from products. Some of the most commonly accepted characteristics are:

- a) Intangibility
- b) Inseparability
- c) Heterogeneity
- d) Perishability
- e) Ownership

a) Intangibility-When you buy a cake of soap, you can see, feel, touch, smell and use it to check its effectiveness in cleaning. But when you pay fees for a term in college, you are paying for the benefit of deriving knowledge and education which is delivered to you by teachers. In contrast to the soap where you can immediately check its benefits, there is no way you can do so in case of the teachers who are providing you the benefits. Teaching is an intangible service. When you travel by an aeroplane, the benefit which you are deriving is a service (transaction) but it has some tangible aspects such as the particular plane in which you fly (and the food and drink which is served). In this case the service has both a tangible and intangible aspect as compared to teaching which has hardly any tangible aspect.

The distinguishing feature of a service is that its intangible aspect is dominant.

J. Bateson has described the intangible characteristics of services which make them distinct from products. These intangible features are:

- A service cannot be touched
- Precise standardisation is not possible
- There is no ownership transfer
- A service cannot be patented
- Production and consumption are inseparable
- There are no inventories of the service
- Middlemen roles are different
- The consumer is part of the production process so the delivery system must go to the market or the customer must come to the delivery system.

b). Inseparability

In most cases a service cannot be separated from the person or firm providing it. A service is provided by a person who possesses a particular skill (singer), by using equipment to handle a tangible product (dry cleaning) or by allowing access to or use of physical infrastructure (hotel, train). A plumber has to be physically present to provide the service, the beautician has to be available to perform the massage. This is in direct contrast to products which can be produced in the factory today, stocked for the next two, three or more months and sold when an order is procured.

c.) Heterogeneity

The human element is very much involved in providing and rendering services and this makes standardisation a very difficult task to achieve. The doctor who gave you his complete attention in your last visit may behave a little differently the next time. The new bank clerk who cashed your cheques may not be as efficient as the previous one and you have to spend more time for the same

activity. This is despite the fact that rules and procedures have been laid down to reduce the role of the human element and ensure maximum efficiency. Airlines, restaurants, banks, hotels have large number of standardised procedures. You have to reserve a room in a hotel and this is a straight

forward procedure for which all the steps are clearly defined. Human contact is minimal in the computerised reservation systems, but when you go to the hotel there will be a person at the reception to hand over the key of your room. The way this person interacts with you will be an important factor in your overall assessment of the service provided by the hotel. The rooms, the

food, the facilities may be all perfect, but it is the people interacting with you who make all the difference between a favourable and unfavourable perception of the hotel.

d). Perishability

Services cannot be stored and are perishable. A car mechanic who has no cars to repair today, spare berths on a train, or unsold seats in a cinema hall represent a service capacity which is lost forever. Apart from the fact that a service not fully utilised represents a total loss, the other dimension of this

perishability aspect is that most services may face a fluctuating demand. There is a peak demand time for buses in the morning and evening (office hours). Certain train routes are always more heavily booked than others. This fluctuating demand pattern aggravates the perishability characteristic of services.

e). Ownership

When you buy a product, you become its owner-be it a pencil, book, shirt, refrigerator or car. In the case of a service, you may pay for its use but you never own it. By buying a ticket you can see the evening film show in the local cinema theatre; by paying wages you can hire the services of a chauffeur who will drive your car; by paying the required charges you can have a marketing research firm survey into the reasons for your product's poor sales performance, etc. In case of a service, the payment is not for purchase, but only for the use or access to or for hire of items or facilities. A service is purchased for the benefits it provides. If we closely examine the reasons why products are purchased, we find that they are bought because they provide certain intangible benefits and satisfactions. Detergent powder provides the primary benefit of cleanliness, air-conditioners provide the benefit of a cool, comfortable environment, a mixer-cum-grinder provides convenience.

The only difference between products and services is that in the latter, the intangible component is greater than in the former. Thus, services can be treated as a special kind of product.

From a marketing view-point, the same concepts and techniques are applicable for both products and services. The successful marketing of both requires market research, product design, product planning and development, pricing, promotion and distribution. However, for marketing services, the marketing manager must understand the nature of the five characteristics of services and the manner in which they impinge on the marketing strategy.

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