

**MANAGING SERVICES INDUSTRIES IN THE NEW
MILLENNIUM:
EVIDENCE IS EVERYTHING***

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“Evidence” is the key to the success of all efforts at service marketing. What is evidence? How is it provided? What are the advantages of different kinds of evidence that can be supplied for a service that is being marketed? These and other key issues are treated in the article.

The Issue:

Consider the following scenarios, culled from the corporate life of India that are interesting to mention here:

- Early last year, I received a proposal to consult with a leading group of service companies located in Mumbai. The client was in the process of finalizing plans for marketing a unique concept in hospitality. The target customers were from the most wealthy, globally aware and influential persons in India. My assignment was to suggest a plan to enlist the support and sale of the project idea. The project involved large funds that would necessarily come from the target customers. It was imperative

* Paper presented at the AIMS Convention on Service Management, August 1999.

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that the project not only had early buyers for initial and regular funds inflows, but also a large number of believers in the concept for further deepening the acceptability of the project. The marketing brief was clear: how to convince the early buyer and the supporters that the project was worth investing in even at an early stage.

- A leading cardiologist in north-east India, completes his project offering the most modern cardiac care facility. The project involved not only his private funds but also, a substantial amount of interest-bearing institutional loans. Everything is working except one little detail. The inflow of patients is disappointingly low. The pre-project marketing research, feasibility studies and the personal experience of the medico-entrepreneur had predicted a sizable market. Research studies continued to show a large potential of cardiac-ready cases for the hospital. The target patients continue to go for the service outside the state where they not only spend more but also go through travel inconveniences. What should the hospital do!
- A leading public sector organization specializing in general insurance, introduced more than five years ago, a health insurance policy targeted at middle income group families in India. At the time of its introduction, the concept of health insurance was just emerging in India while it was fully accepted and in fact, mandatory in the West. Much to the delight of the insurance company, Indian markets received the policy well. However, a recent study showed that the customers were unhappy with the policy, even though the company had continuously improved the plan as well as its customer service. The demand for the policy was rising but not up to the projections. Worse, a good number of existing customers

indicated a willingness to defect to another health insurance provider when a competitor emerged. The company is in a deep search for a plan.

Each of the three situations described above belongs to a different phase of a Service Life Cycle (SLC): launching an innovative service concept (situation 1); acceptance of the service concept (situation 2) and enlisting further acceptance (situation 3). But all the three have a common challenge – how to spur their growth. Translated into marketing terms, they are all asking how to convince more customers to buy more and to stay more with the service concepts of the company.

Service industries like any other business need constant strategization for growth (Carmen and Langeard 1980). However, the need for growth is more pressing in service industries since they are fundamentally different from goods industries. The pressure of fixed overheads is not as high in goods industries as in the services (Lovelock, 1981, Rathmell, 1974, Thomas 1978, Zeithami, Parasuraman, and Berry 1985). The paper, therefore, addresses three questions:

- a) How are service industries different from goods industries and by extension, how is their marketing approach different from what is followed in goods industries?
- b) What is service evidence and its configuration and how is it essential in services?
- c) What is the most important evidence configuration for a service firm that needs to be identified and sustained by service industries if they are to respond to challenging scenarios like the ones mentioned above?

But first, a little thought on how the service economy dominates our life.

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The Servicization of the Globe – and of India

The last quarter of the twentieth century will always be remembered for having introduced us to the magic and all-pervasiveness of the services sector in our globe. In a way, it was a reminder to all of us that the world is no longer dominated by the goods and manufacturing industries. In place of them, a new and dynamic service sector came to dominate the world. This meant, among other things, that future progress and prosperity would emanate from the service sector. It was Clark (1940) who first foresaw the importance of services in the economies of the future. He classified economic transition, beginning from a pre-industrial society to the industrial and finally, to the post-industrial society, dividing all economies into three sectors: primary (agricultural), secondary (manufacturing), and tertiary (services). He further divided the service sector into three parts consisting of quasi-domestic services (food and lodging), whether performed in the home or not; business services; and a group of other including recreation, health care, and education, in which a central purpose is to involve and improve the customer. More recently, Bell (1973), analyzed the *service-oriented* post-industrial society from a sociological point of view.

The portrayal of the economic influence of the service sector in our life was most picturesque in the data supplied by the US Department of Commerce (1993). Now more data are pouring in from multiple sources that indicate the awesome power of the service economy today and tomorrow. Consider for instance, the following facts:

- three out of every four people are now employed by service firms;
- over seventy percent of the new job openings are offered to the fresh technical and business graduates of India from the service sector (Source: Business Today, New Delhi, 1996)
- Services were recorded as the fastest growing sector of the Indian economy in the last two years. In fact, certain sectors of services like the media and knowledge industries, recorded as high as 30 to 40 per cent annual growth in the last five years.
- The current confident mood in the global economy and indeed in the Indian economy has much to do with the growth and possibilities in the tech-services or Internet service industries.
- The growth in services industries now serves as an essential index of a country's development.
- The most desired value package by customers throughout world markets, now necessarily includes an element of service. The package has moved away from mere goods (physical objects) to services (add-on benefits). The package is now poised to be upgraded further with the demand for inclusion of more intangible elements and a total solution, including buying experiences.
- According to studies (Business Today, 1996), the elemental dominance of service has increased four times in the overall bundling of a solution for Indian consumers.

- Service industries are the natural sector to rely on for population-heavy countries like India, since the sector provides far greater employment opportunities.

It is said that services touch the core of business lives. Very soon, we will say that services touch the core of our lives too.

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Services Industries: Coping with the Substance (or lack of it!)

Defining service has never been easy (Bateson, 1979; Berry 1980; Longford 1998). An excellent state of the art review of service definitions and service classification schemes literature of the past four decades has recently been made by Cook (1999). It is clear from these reviews that services have decidedly advanced from the time they were viewed as a mere add on to a physical product (an early definition of the American Marketing Association 1966). Now the service industry seems to have won its independence from goods. It all began in the late sixties (Judd, 1964; Rathmall 1973). The following are some samples of these liberated definitions.

- “A service is any benefit or activity that one party can offer to another, which is essentially intangible and does not result in the ownership of anything. It’s production may or may not be tied to a physical product.” Kotler, 1999.
- “Service is an activity or a series of activities of more or less intangible nature that normally, but not necessarily, takes place in

- interaction between the customer and service employees and or physical resources or goods or systems of the service provider which are provided as solutions to customer problems” (Gronroos, 1979).
- “Services are deeds, processes and performances” (Zeithami and Bitner, 1996).
 - “All actions and reactions that customers perceive they have purchased ” (Federal Express, 1975).
 - “Service is anything that cannot be dropped on your foot” – a tongue-in-cheek description offered by Palmer (1977).

Yet service is a converging concept

Of late, a number of authors have begun to question the uniqueness of service as a concept (Shostack, 1977, Bateson 1990). They have three major concerns in this regard. First, they strongly believe that the so-called unique characteristics of a service are in effect not so unique, as they are found in a variety of goods also. The second and perhaps more persuasive concern of theirs is that, since services are a relatively new business discipline, prescribing a traditional dichotomy would only restrict the application of established marketing strategies to the services sector (Longford 1998). The third and possibly the strongest motivation for viewing services as a converging concept is the consumers’ strong desire to buy a solution or experience while buying anything. This would entail inclusion of goods with services (or mixing of tangibles with intangibles) dispatching thus, the whole dichotomy of goods vs. service to a mere footnote of the future literature on services.

Recognizing the incremental gains of services as a converging concept, Bateson (1990) observed that *“the goods/service dichotomy is a subtly changing spectrum with firms moving their position within this spectrum over time. A good example of a goods/service dichotomy is Domino’s Pizza, a home delivery pizza chain. Is the customer buying goods (pizza) or a service (a guaranteed arrival within 30 minutes)? The word service should be read with the following caveat: that the benefits delivered to customers are by a service rather than a good.”*

Echoing similar sentiments in the context of marketing of Personal Assurance Products (PA) in the United Kingdom, Longford (1998) suggested that the services vs. goods dichotomy needs to be viewed as the primary and secondary elements in a package. Kasper, Helsdingen and Wouter de Vries (1999) followed this line of analysis in their text on service marketing and observed that *“services are originally intangible and relatively quickly perishable activities whose buying takes place in an interaction process aimed at creating customer satisfaction, but during this interaction, consumption does not always lead to material possession.”*

Where does all this discussion leave a service firm? On what basis does it design its marketing and management responses? Before we answer these and other related questions, let us say without further ado that, as a rule, a service firm:

- offers an essentially intangible product(s);
- produces an output the units of which may be dissimilar in the same lot (heterogeneity);
- cannot store the unused (unsold) service;
- may often need engagement of customers in the production and delivery of the service;

- may leave the buying basket of customers as empty as it was before buying.

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Service Industries : The Marketing Response

Given the unique (probably) and distinguishing (definitely) traits of a service industry, it is hardly surprising that the eighties saw feverish activity in search of a different or modified marketing response that could be invoked for marketing services (Bateson, 1979; Berry, 1980). Fisk, Brown and Bitner (1993) asserted that “ since 1986, (as) differences between goods and services appear to have been assumed, researchers began to focus on substantive business issues and problems stemming from the implications of these basic service differences.” In fact, a literature review (Cook 1999) believed that marketing orientation appeared to have occupied a substantial share of service research conducted in recent years (Rathmell, 1974; Ryans & Wamnk 1977; Thomas, 1978; Lovelock 1981; Zeithami, Parasuraman, and Berry 1985; Bowen, 1990; Boon & Bitner, 1991).

Two models were offered as the framework for marketing services in this regard. McGrath offered the first and the other was offered by Parasuraman. Both models are presented as Figure 1 and 2. It is clear that to market services, the framework of the 4 Ps offered at the outset of the marketing literature (Borden, 1965; McCarthy, 1964) is not adequate. It needs to be enriched with elements of operations (process), service providers and customers (participants); and with physical facilities including

the ambiance of a service encounter. Following the trend, Agrwal (1997 and 1999) expanded the mix of marketing elements to eight variables and proposed a new marketing framework (Fig. 3). It was based on the emerging icon of the new marketing order, time and speed. The model proposed that the pace of the marketing response is as controllable by marketers and therefore is to be included in the marketing response as are the rest of the marketing elements. Also, pace is not only an independent element of the proposed marketing mix but also viewed as the enveloping element for the rest of the seven elements. Thus a number of service organizations have adopted pace as an influential element of their marketing strategy. For instance, several hotels now offer a time guaranteed service. A leading transporter in India, made a name for itself only by a time guaranteed marketing strategy. The story of Domino's Pizza is already a marketing legend in this regard.

Fig. 1: The McGrath Model of Services Marketing

(insert Fig. 1 here)

Fig. 2: The Parasuraman Model of Services Marketing

(insert Fig.2 here)

Fig. 3 : An Extended Model of Services marketing

(insert Fig. 3 here)

The Concept of Service Evidence and its Configuration

As a rule, services lack tangibility. They thus require evidence to prove that they exist and in the same form as is being claimed. A good on the other hand hardly requires evidence, since it is in itself evidence.

A piece of service evidence is ‘a physical object accompanying a service that cannot be categorized as true product elements’ (Shostack, 1977, 1987). As an illustration, for an educational institution, its brochure, buildings, class rooms and faculty form the evidence of a service that the institution proclaims to render. Similarly for a bank, its computers, personnel, ATMs, premises, ledgers will form some of the pieces of evidence that will be sought by its customers to appreciate the nature of service to be expected from the bank. Service evidence, according to Shostack (1977), ‘plays a critical role in verifying either the existence or the completion of a service’. Thus, the presence of a magician will verify if the service (magic) will begin or not. The presence of a stage and props will verify if the service (magic) will be completed or not.

In practice, however, service evidence plays a bigger role in the evaluation of services by customers (Zeithml, 1981). Since buying of services entails a high degree of uncertainty and anxiety, service evidence, plays a ‘risk reduction’ role as well in service buying. Thus, a patient at a hospital undergoes higher anxiety about the service, sometimes for his very survival. However, the sight of a well-equipped hospital and the availability of trained and competent staff reduces the risk to a large extent. Service evidence plays yet another role. It is to differentiate a particular service and a service provider from their competitors. Continuing with the example of a hospital taken earlier, having an MRI facility in a hospital differentiates it from another hospital, even though both may have a similar reputation for

their staff competence. Thus, a service provider can impact the customer evaluation process through the clever utilization of a single piece of evidence or through the whole configuration. The configuration of evidence is all that matters in a service organization. The configuration includes two types of evidence (Shotstack, 1977); the essential evidence and the peripheral evidence. Essential evidence serves only for the sight of service buyers and cannot be taken away after the use of the service. Thus, a computer in a bank or MRI in a hospital or a teacher in a management institute is essential evidence of these service providers. The essential evidence is 'so dominant in its impact on the service purchase and use that it must be considered virtually an element in its own right.

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Peripheral evidence, unlike essential evidence, can be given away or taken away by service customers. Thus, an in-flight magazine in an airline or the course material in an academic institution and the passbook in a bank are peripheral evidence of these service providers. Peripheral evidence plays an emotional role in consumer evaluation of a service before, during and after purchase (Zeithami, 1981). It can influence the mood of the service encounter and experience. It is quite unfortunate that in the era of computerization, the Indian Railways lost wonderful peripheral evidence that they had for years for Rajdhani passengers. The travel ticket was

distinctly recognizable from other travel tickets. Therefore, Rajdhani passengers proudly put it in their front pockets for every one to see. Of course, with computerized homogeneity, it now does not matter, as all tickets look alike. But the credit card companies did not repeat the mistake. They leveraged on permitting the pictures chosen by the customers on their Credit cards. This is an excellent indication of the potential that peripheral evidence holds for marketing services.

Service marketers are expected constantly to search, identify, innovate and sustain various configurations of service evidence, for it is these configurations that will provide 'clues and confirmations (or contradictions) that the service user seeks and needs to formulate a specific reality for the service' (Shostack 1977).

However, many service entrepreneurs and executives mistake the making of evidence configurations as 'mere marketing gimmicks, packaging and visual ornaments'. They tend to overlook that service evidence goes much deeper. It is a careful strategy to influence the perceptions of customers and services employees alike. It is a serious exercise in strategy formulation for service marketers and can impact the very survival and competitiveness of the service firm.

The Emerging Evidence Configuration

In theory, the search, identification, articulation and implementation of a suitable configuration of service evidence is a never-ending task. It requires a good appreciation of the service industry under reference, a vision, creativity and a palpable market orientation based on the psychology of both customers and competitors. Yet a selection is to be made after all. The best criterion probably will be that the evidence chosen by a service firm must have the maximum impact on customer evaluation processes.

Figure 4 proposes one such configuration of service evidence – a flower & petals framework.

Fig. 4: Evidence Configuration in Services: A Flower and Petal Framework

(insert Fig. 4 here)

a) Dynamic (re) location of the service on the goods/service continuum

The first petal of the emerging evidence configuration is the right location of the service itself on the continuum of service-goods. According to Hambrick (1984) “to classify things is to know one or two key attributes about an object and then infer (sometimes reliably, sometimes not so reliably) other attributes of the object.” How service marketers are able to project their service as an object on the continuum will ultimately decide their ability to facilitate the development of meaningful strategies and guidelines for service marketing and operations.

Over the years, the service sector has been defined in a variety of ways that leads to some confusion about what constitutes a service sector. As explained in the previous sections, these definitions have ranged from the narrow to the broad, with most narrow definitions of services relying upon listing the industries to be included in a service sector. Most definitions (AMA, 1960) offered illustrations of what a service industry is and avoided saying what constituted the discriminating core of service. Thus, the U.S. Government Standard Industrial Classification (1972) defined the services sector as consisting of those organizations that are... primarily engaged in providing a wide variety of services for individuals, business

and government establishments, and other organizations. Hotels and other lodging places, establishments providing personal, business, repair, and amusement services, health, legal, engineering, and other professional services, educational institutions Membership organizations, and other miscellaneous services are included.

Sensing an impending dead-end in this approach, Quinn, Baruch, and Paquette (1987) defined the service sector to “include all economic activities whose output is not a physical product or construction; is generally consumed at the time it is produced, and provides added value in forms (such as convenience, amusement, timeliness, comfort, or health) that are essentially intangible concerns of its first purchaser” A maidservant saves the consumers from doing household chores herself. Department stores and grocery stores provide many commodities for sale in one convenient place. A database service puts together information in a form more useful for the manager. A night out at a restaurant provides psychological refreshment in the middle of a busy workweek.

Service industries cannot be the direct opposite of the manufacturing sector. Almost all services are accompanied by facilitating goods and vice versa. For example, a customer service trainer who is assigned to modify the attitude of customer service executives in a firm, often includes in his or her service a course manual - an important facilitating good. Similarly, goods are often accompanied by a facilitating service (e.g. having car seats adjusted at the Maruti workshop). The distinction between the goods and service sectors is thus not so clear-cut as it is often assumed to be. An easy to follow dichotomy between manufacturing and service firms simply does not exist (Berry and Parasuraman 1991).

Therefore, smart service providers use the dichotomy to their advantage and (re)locate their service as close to the manufactured goods (Shostack, 1977, 1987) to create evidence for the service they offer. They integrate the facilitating physical cues with their core but non-physical service. The quality of the facilitating goods is taken by the service customers to be evidence of the quality of the service they receive or will receive later. Thus, , a savvy cardiac hospital in India supplies, before and after the cardiac services, a sleek and reader-friendly manual regarding the benefits of the surgery to be done on the patients and the post surgery precautions to be observed. For the patients, the evidence of their service lies in the quality of these little communication brochures. Such marketers firmly believe in what Levitt said in 1972, “There is no such thing as a service industry. There are only industries whose service components are greater or less than those of other industries. Everybody is in service.”

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b) Branding as evidence

The second and possibly, the most popular petal of service evidence is to brand the services (Agrawal, 1999, Berry 2000). It was David Aaker (1996) who argued that branding is what makes products acceptable. However, in service, branding plays a bigger role than just acceptance (Berry, 2000). “Strong (service) brands increase customers’ trust in the invisible purchase. Strong brands enable customers to better visualize and understand intangible products. They reduce customers’ perceived monetary, social, or safety risk in buying services, which are difficult to evaluate prior to purchase. Strong brands are the surrogates when the company offers no fabric to touch, no trousers to try on, no watermelons or apples to scrutinize, no automobile to test-drive.”

Service marketers need to study the structure of branding which is very different in service. Every product has two levels of branding, primary and secondary. Primary branding draws the customer to *a* product category while secondary branding guides him to *the* product. In the goods industry, the primary brand is the bundle of tangible elements itself. This element is missing in the service industry. So the name of the service provider (say, State Bank of India) serves as the primary brand. The secondary brand in the goods industry is the bundle of differentiating elements. In service, however, the secondary brand is the service description and the accompanying name of the service (global credit card). The whole process of service branding is interesting as well as intriguing. (Zeithami, 1981)

According to Berry (2000), the service brand plays a big role, that of value creation. “Brand impact shifts from product to company, as service plays a greater role in determining customer value” (Berry and

Parasuraman, 1991). Thus, most of us when we buy Symphony brand coolers, are not even aware that the company is based in Ahmedabad or that the brand belongs to Samskrut Comfort Systems. In fact, we need not bother with the answers since the locus of influence is the product design. However, when we buy a Xerox photocopier, the locus of impact is the company's reputation in customer service, support and satisfaction. Service brands work exactly this way. They create their own evidence for the customers.

c) Context of use as Evidence

The third petal of the service evidence configuration is context use of the service. This means that the service is better understood when the context in which it is to be used, is described to the customers or they are helped to visualize it themselves. Thus, to a parent, the service of a tutor may not mean more than its usual understanding. However, the same service evokes a better picture if presented in the use context of preparing the ward for higher examinations. Similarly, a body-massaging service is less *physical* when it is presented in the use context of stress reduction (or relaxation). The same logic goes for a cardiac clinic. Its offer of a complete heart check up has a less physical aspect than when it is use-contextualized (statistics of the number of patients suffering from cardiac stress or the fatal consequences of ignoring a regular cardiac check up form a feasible use-context.). An amusement park's offer of an 'experience' appears less understood than when it is presented in the context of the need for regular fun and enjoyment to stay healthy and interesting in birthday parties, family picnics or just simply entertaining guests visiting from out of town. The extent of such illustrations is virtually limitless.

The service context provides evidence indicating the need and utility and thus the overall desirability of a service product. The context is also important for one more reason. It makes customers remember and reinforce their learning and helps them recall their service experience with ease. In consumer behaviour theories, this is presented as the principles of classical (connectionist) learning and of episodic learning (Assael, 1987; Schiffman and Kaunik, 2000). The use context is thus, an impeccable reminder and retriever of a piece of service evidence.

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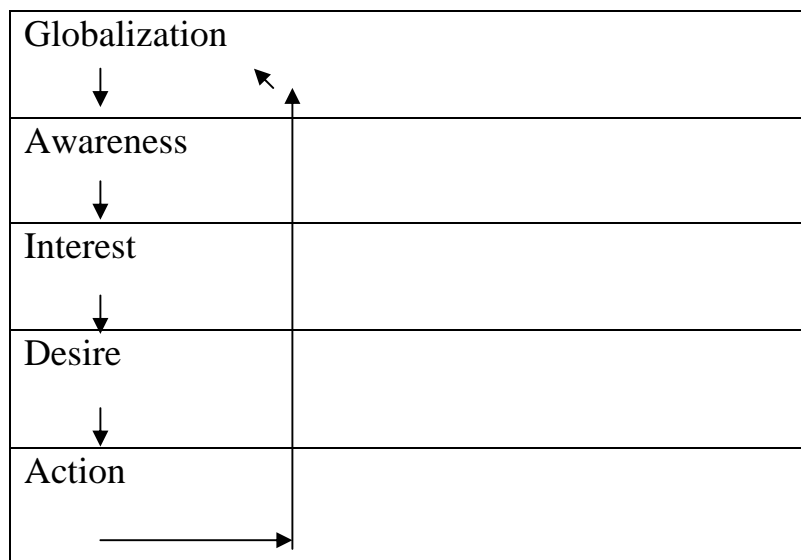
d) Message/Media as Service Evidence

In the competitive world that we have today, a consumer is approached with a variety of marketing claims and offered a great deal of incentives and promises. These are often conflicting and confusing to a customer. The need to persuade a target customer with an immediate incentive is as big in services as it is theorized to be for goods (Lovelock & Quelch 1983). Every marketer of whatever hue, aims to use the power of marketing communication to simplify and present his offer features (Levitt, 1981). Imagine for a moment the plight of a service consumer. The experience of listening to a horde of service sellers; competing claims and promises cannot but be perplexing. The intangibility associated with

services adds unmistakably to the lack of understanding of the message (George & Berry 1981).

Fortunately, this is the very route that can be used by service marketers to provide customers with another piece of service evidence, the fourth petal of our evidence-configuration (Reddy, Buskirk & Kaicker 1991). A service marketer should not only understand how marketing communication works but also the media in which it has to function. This calls for a revision in the formulation of the goals of communication for a service industry. Figure 5 offers a revised Hierarchy of Effects model for creating evidence of services:

Fig. 5: The Proposed ‘Hierarchy of Effects’ (TAIDA) Model for Services



Service marketers necessarily have to seek from their communication planning and media much beyond the goals of creating awareness, generating interest, developing a desire and then encouraging action among consumers. This was all right for goods. For services, it has to be more. A

service communication must also provide evidence of the service or tangibilize the service for the customers. For instance, the media chosen is in itself evidence of service (George & Berry, 1981). Further, a particular design, an electronic brochure, a web site are all different pieces of evidence of the service to be expected. Similarly, the user of a corporate logo in a services message is evidence of service continuity. It is in fact a surrogate measure of trust and belief that is being sought by service marketers. Gilly & Wolfinbarger (1998) further extended the argument by saying that message and media communication have internal audience too: it is evidence of service to the service employees as well as for external customers.

e) Service personnel as service evidence

Perhaps the longest petal in service evidence is the service personnel. Shostack (1977) goes as far as calling service personnel 'the most essential evidence of a service.' Though this may not be entirely true, especially in equipment-oriented services (such as medical imaging services, x-ray, MRI or CT scan), the valuable role of personnel as evidence cannot be denied (Ryans, & Wfmnk 1977), Lovelock, 1983; Silvestro, Johnston, & Voss 1992).

Service personnel provide evidence for the expected service at several stages of the service delivery. Often they are the first introduction (and therefore, the first impression) of the service. As we know from experience, first impressions last longer than subsequent ones. Service people therefore create lasting impressions on the customers. Secondly, it has been posited that service faults are often nothing more than human behavioural faults (Lehmann, 1998). When customers complain about a service, it is actually against the service employees. So it is not wrong to

include service personnel as a petal of evidence in our configuration. Recruiting and offering confident committed, competent, well turned out, trained and smiling personnel forms the surrogate evidence of these very qualities that can be expected in the service itself.

An interesting aspect in the context of service employees' evidence for the service is the issue of gender (Agrawal and Kumar 1992). There is a wide body of literature that deals with the negative and positive impacts of the perceived role of gender. To a large extent, the expected role of a particular gender in a service exchange is culturally embedded and therefore, varies from one culture to another (Agrawal 1994). At the same time, a gender schema is dynamic as it undergoes constant revision with changing individual experiences and life styles, education, mass communication and global exposure. Suffice it to say here from a practitioner's perspective, that the choice and positioning of the service staff for a particular service evidence, must be culturally right and compatible. For instance, warmth, hospitality, care and compassion are still portrayed by Indian women and, therefore, people with these attributes are best used in the customer liaison and care section or the front line activities of service providers. A firm should constantly review its gender schema and leverage on the additional strengths of the employees to strengthen the service evidence.

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f) Service Infrastructure as Service Evidence

Earlier while defining services, it was argued that services are mere performances, processes and deeds. Put in another way, service providers are like performers and customers like the audience. A service, in order to perform, requires a stage – a physical infrastructure to interact. The stage could be as traditional as a service store (pejoratively dismissed as mortar and brick shops) and as modern as a website (ambitiously termed click shops). The service stage could also be the premises of the service provider or it could be the home of the service user. It could also be a marketing channel. The real point here is that service providers need to develop a variety of physical stages and physical props (infrastructure and facilities) to prove to customers that they indeed have a service notion and that if tried by the customers, the service providers would deliver.

Examine for a moment an airline situation. Can it function without having at its disposal a physical infrastructure (e.g. airplanes, computers, check in counters, a waiting area for passengers at the airport) Similarly, can there be a hospital without wards, a pathology centre, testing and examining equipment? The value of service infrastructure as evidence is greater in markets where customers are *touchy, feely types*. No prizes for guessing why leading service organizations like ICICI and Gati have gone for a combination of the *click and brick shops* as evidence of their services. The vast networks of branches of the SBI and the ever-growing network of ATMs in the Citibank are physical evidence for their customers. There is no doubt, therefore, that the acquisition of a physical infrastructure is evidence to customers to guide them what to expect in terms of service.

An important aspect of the physical infrastructure is the service environment (Bitner, M J, 1992). Through a series of conceptual and

empirical arguments, this author stresses that the service environment (physical as well as psychological) influences customers and employees alike. A positive environment encourages both the service employees and the customers to stay more in the service premises and return again for more. As a service environment consists mostly of controllable elements (office layout, lights, wall visuals, to name some), there could be no difficulty in understanding this as service evidence and to work on it further. In fact Wemmerlov (1990) suggested a whole new classification of service industries on this very aspect: the varying degree of needs of a system design (the combination of operational process, organizational goal and physical assets) Why not configure them, therefore, in the array of physical assets as evidence to customers?

g) The Profile of customers and supporters as service evidence

In recent years, the role of customers in a business has been highlighted in general (Prahalad and Ramaswamy, 2000) as well as in the service sector (Chase 1978; Lovelock & Young 1979). It all began with Chase and Chase and Tansik (1991) who argued for incorporating customer actions and role in designing a service operation. Goodwin (1986) went further and offered a reclassification of services based on the role of customers. Examining yet another perspective of customers in services, based on the role of customers. Examining yet another perspective of customers in services, Agrawal (1997) argued that certain services needed their customers as essential inputs for the service to happen. It was further posited that the overall service quality is a combined result of the quality of the service personnel and the customers alike. Thus, it was suggested that reorientation and education of customers was as necessary for improving service quality as in the case of service employees (Agrawal, 1997). Keller,

Kevin and Lane (1993) proposed to conceptualize service brand equity as customer equity. Zeithami (1981) showed how customers evaluated services while buying and how it was different from evaluation in buying goods.

Clearly, service customers play as significant a role in designing the services and systems and the evaluation of the quality of the service, as the service employees do. It is therefore, entirely plausible and beneficial that service firms invoke their customers' profile as evidence of the service they are proposing or performing. The evidence could well begin with conceptualizing and communicating the profile of the initial target customers. This can be offered as the first evidence of the service to be offered and to be expected. The second layer of the evidence will be the customer profile of the actual customer who uses the service. The third and final piece of evidence will be the profile of future target customers.

Let us illustrate the point by invoking the first scenario mentioned at the beginning of the article. The scenario relates to a marketer who is engaged in communicating the evidence of the concept of a super premium dream-city. Here, the profile of target buyers (rich and influential and globally exposed) will be the first evidence of the proposed service quality which is very high. After all, such persons cannot be persuaded by low quality service. The second piece of evidence is the profile of the opinion leaders and supporters of the concept. Such persons are highly articulate and informed. They also have a critical eye to anything they are asked to support. Favourable mentions from such community opinion-makers of a concept cannot but be for a reason (evidence). The third and final piece of evidence will be the qualifications of the future customers. The very fact that the firm intends to screen applications from future buyers before

admitting them, in spite of their ability and willingness to pay, is the final evidence of the kind of service to be expected and to be delivered.

The scene is not very different when one is engaged in marketing services relating to social and entertainment clubs, hotels, banks and educational institutions. There should be no doubt that the profile of service customers (intended, actual and future) and of supporters (opinion makers and leaders) is the seventh and the final petal of evidence in a service organization.

It was further posited that the overall service quality is a combined result of the quality of the service personnel and the customers alike. Thus, it was suggested that reorientation and education of customers was as necessary for improving service quality as in the case of service employees

7. A Word of Caution

Recently, I heard a faculty colleague offer a piece of advice in Latin. Loosely translated in English, it went something like this: ‘in a restaurant, the menu card should never seem to have replaced the meal’.

In a service business, the configuration of service evidence is a menu card, the service benefit is the meal. Marketers while identifying and configuring service evidence, should not become so obsessed that they forget the very goal of the exercise, that is, to ensure the actual delivery of the promised benefits to the customers. There should be no compromise in service quality and design and there will be no shortchanging customers after they have entered the service premises on the basis of the service evidence configuration. It should be remembered that profitable customers

can never be retained unless there is value delivery to them – unfailingly and constantly.

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