Problems and Strategies in Service Marketing:
Bangladesh Perspective

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Abstract: Unique characteristics named intangibility, inseparability in production and consumption, perishability, irrevocability and heterogeneity make services different from goods and pose vexing problems that are not faced by the goods marketers. Perishability and irrevocability features of service create problems in managing fluctuating demand. Moreover, additional P's of service marketing namely period, physical evidence, people, process, etc. need to manage in a different way. That's why service marketing problems require solutions which are different from that required for goods marketing. Service quality Gap Model will be fitted to better answer the problems faced by service marketer.

1. Introduction

In Bangladesh, the service sector growth now-a-days is much higher than that of goods sector. In one side that's an opportunity for the entrepreneurs, on the other hand that is challenging due to the problems of service firms originating from unique characteristics of services that are not easy to manage. In fact, experiences of fighting against problems in goods market are insufficient for the service industry. All these problems require a set of service marketing solution. This article presents a conceptual framework of problems and strategies in services marketing that derive from five unique characteristics of services. The framework is based on a review of the growing body of literature in services marketing. The article also will report the findings from a survey of service firms concerning problems they face and strategies they use. Combination of theoretical aspects and survey results in one article affords the opportunity to make a bridge between the empirical practices and theoretical aspects.

2. Objective of the report

The objective of the article is to analyze the problems faced by managers of service providing firms concerning the services marketing and the marketing strategies they use to overcome them.

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3. Methodology

The literature review provided a basis for developing the questionnaire used in a survey of 150 service firms. These 150 service firms were selected randomly from 'Yellow Pages'. A questionnaire and cover letter were mailed to the Managing Director of each firm. We went for the face to face interview later on as the response rate in mail questionnaire was too little (5%). Among 150 firms we could collect information from 53 firms on which 3 questionnaire were considered as non-response due to incomplete answering. Finally, this study was analyzed based on the information collected from 50 organizations (Sample size). These firms include construction, transportation, utilities, telecommunication, banking, business services, recreation, health club, cyber café etc. Almost 80% of the respondents filling out the questionnaire held top management positions such as CEO, MD, Executive Director, Senior Vice President, while the rest held titles such as Marketing Manager, General Manager, etc.

The Questionnaire: The questionnaire contained three sections. The first section include items classifying service businesses: geographic scope of operations, primary customer group, need for customer's physical presence and duration of benefits. The second section listed nine items capturing the essence of what the literature suggests are difficulties unique to services (shown in Table-1) (for a detailed discussion please see Zeithaml, Bitner, and Gremler (2006)). In this section, respondents were asked to indicate on a scale of 1 (no problem at all) to 5 (major problem) the extent to which they believed each item created difficulties in their firms. Part three listed statements concerning business practices and strategies which are frequently cited used in the service marketing (Zeithaml, Parasuraman, and Berry, 1985) as solutions to service related problems. Respondents indicated the extent to which each statement applied to their firm on a scale ranging from 1 (doesn't apply to our firm) to 5 (definitely applies to our firm).

Simple statistical techniques like frequency distribution along with percentage were obtained to check for data entry errors (e. g. unrecognized or missing codes) and to obtain descriptive statistics mean and standard deviation were also obtained from the frequency analysis. To determine whether a significant association exists between binomial variables, cross tabulation analysis and chi-square test were performed. For the sample as a whole, mean scores (on a 1 to 5 scale) were calculated for each problem area, business practice and strategy. In addition, mean scores across categories under each of the four service classification variables (e. g; geographic scope of operation) were examined using a one-way ANOVA model. Significant ANOVA results were further investigated using Duncan's multiple range tests to identify the categories of firms that differed significantly in terms of their mean scores.

4. Literature on Services Marketing

We have already mentioned that the treatments for the service providing firms are quite different from that of goods marketer. Researchers identified four unique characteristics of services: Intangibility, inseparability, heterogeneity and Perishability (Zeithaml, Bitner, and Gremler, (2006, pp. 22-24). In addition, Alam (2003) mentioned another unique feature of services namely Irrevocability. Fundamental and unique characteristics of service are described below:

i) Intangibility feature of service depicts that the service can't be touched or seen thus one can't store and display the services. The patients in a psychiatrist's office can not know the exact outcome before treatment. This unique feature creates problem in setting the price of services.

*ii) **Inseparability*** of production and consumption involves the simultaneous production and consumption which characterizes most services. Whereas goods are first produced, then sold and then consumed, services are first sold, then produced and consumed simultaneously. Since the customer must be present during the production of many services (e.g. hair cuts), inseparability forces the buyer into intimate contact with the production process (Carmen and Langeard 1980, p.8).

*iii) **Heterogeneity*** concerns the potential for high variability in the performance of service (Bitner & Zeithaml). Service quality varies from producer to producer, customer to customer and even day to day. Service provider's performance fluctuates depending on the environment, mood of the service provider and so on. Unless the company is using a machine (e.g. use of internet banking), there must be a variability in providing services to the customers. In some cases intimacy with the customer (e.g. in beauty parlors) may reduce the degree of variability but can not eliminate the fluctuation totally.

*iv) **Perishability*** means that services cannot be saved or stored. Hotel rooms not occupied and telephone line capacity not used cannot be reclaimed. For this reason the service providers find it difficult to synchronize supply and demand. Sometimes too much demand exists (e.g. withdrawal of deposit increases before the *Eid*) and sometimes too little demand (e.g. demand for hotels in Cox's Bazar in summer) exists.

The literature suggests that each unique characteristic of services leads to specific problems for service marketers and require specific and specialized strategies for dealing with them.

*v) **Irrevocability*** feature of service depicts that once rendered, service can not be revoked.

**Table-1 summarizes the unique features of services that result
in marketing challenges.**

Intangibility	Services cannot be stored.
	Service cannot be protected by patents.
	Service cannot be readily displayed.
	Prices are difficult to set.
Inseparability	Consumers are involved in production process.
	Other consumers are involved in production process.
	Production and consumption of service take place simultaneously.
Heterogeneity	Standardization and quality control are difficult to achieve.
Perishability	Once rendered or produced and there is nobody to receive it, service instantly perishes.
Irrevocability	Once rendered, service can't be revoked.

Marketing mix for service: There are four P's in marketing named **product** (Defining the characteristics of your product or service to meet the customers' needs), **price** (Deciding on a pricing strategy. Even if you decide not to charge for a service, it is useful to realize that this is still a pricing strategy. Identifying the total cost to the user is a part of the price element), **place** (Looking at location and where a service is delivered) and **promotion** (This includes advertising, personal selling, sales promotions, and creating the right impression through the working environment. Public Relations are included within Promotion by many marketing people). In case of service marketing we have few more P's along with the stated 4 P's. Let's have a look to the remaining P's in service marketing:

People: An essential ingredient to any service provision is the use of appropriate staff and people. Recruiting the right staff and training them appropriately in the delivery of their service is essential if the organization wants to obtain a form of competitive advantage. Consumers make judgments and deliver perceptions of the service based on the employees they interact with. Staff should have the appropriate interpersonal skills, aptitude, and service knowledge to provide the service that consumers are paying for.

Process: It refers to the systems used to assist the organization in delivering the service. What was the process that allowed you to obtain an efficient service delivery? Banks that send out credit cards automatically when their customer's old one has expired again

require an efficient process to identify expiry dates and renewal. An efficient service that replaces old credit cards will foster consumer loyalty and confidence in the company.

Physical Evidence: It is the place where is the service being delivered. Physical Evidence is the element of the service mix which allows the consumer again to make judgments on the organization. If you walk into a restaurant your expectations are of a clean, friendly environment. On an aircraft if you travel first class you expect enough room to be able to lay down. Physical evidence is an essential ingredient of the service mix; consumers will make perceptions based on their sight of the service provision which will have an impact on the organizations perceptual plan of the service.

Promotion and Education: It is important in service marketing to educate customers about your services precisely and correctly. "In services marketing, much communication is educational in nature, especially for new customers. Companies may need to teach these customers about the benefits of the service, where and when to obtain it, and how to participate in service processes" (Lovelock and Wirtz, 2004, p. 21).

Performance/Productivity of quality: Continuous monitoring of the service standard is another important element in service mix. A service provider must have idea whether customers are satisfied with his/her services or not. Do you under-promise and over-deliver or visa versa? Your clients will judge you, not on what you promise but, on what you actually do. Keep up your reading and education for your core professional skills while expanding your knowledge in other areas. Marketing, selling, negotiation, computer, financial and communication skills are important to every business.

Period: Alam (2003) proposed this new P. This P emerges from the unique characteristics of service named perishability. Time period when the service will be provided or required is vital in the service decision making process because the demand for service fluctuates depending on time period which is not an easy task to manage as the service can't be stored. Service firms have to make decision how to cope with the time of extra service demand and low service demand. Service firms should follow synchro-marketing.

Service Quality Gap Model

Managers in the service sector are under increasing pressure to demonstrate that their services are customer-focused and that continuous performance improvement is being delivered. Given the financial and resource constraints under which service organizations must manage, it is essential that customer expectations are properly understood and

measured and that, from the customers ' perspective, any gaps in service quality are identified. This information then assists a manager in identifying cost-effective ways of closing service quality gaps and of prioritizing which gaps to focus on – a critical decision given scarce resources.

What makes managing customer service different, as a marketing problem, from managing the standard elements of the marketing mix (product, price, promotions, and place) is that customer service is typically delivered by front-line employees. Personnel policies, thus, have immediate marketing implications. Many retailers take this into consideration by treating employees as "internal customers." According to this philosophy, management must "sell" their internal customers on the company and its policies in order to induce front-line employees to deliver the desired levels of customer service. Standard personnel policies that can facilitate customer service and sell the "internal customers" include (a) employee screening and selection, (b) training, (c) setting suitable reporting relationships, (d) goals and reward systems, (e) internal communications, and (f) generally creating a "service" culture. The Gap Analysis Model goes a step beyond simply re-examining each of the standard personnel policies in light of the desired customer service. The model provides specific criteria concerning personnel and management policies that complete the linkage between customer expectations and perceived service delivery. In addition, the model provides a checklist of where breaks in the chain can occur; using this checklist can provide a useful audit of service quality.

Lovelock (1994) proposed that there are seven major gaps in the service quality concept, which are shown in Figure-1. The model is an extension of Zeithaml, Parasuraman and Berry (1990). According to the following explanation, the three important gap, which are more associated with the external customers are Gap1, Gap5 and Gap6; since they have a direct relationship with customers. Gaps 1 through 6 widen or close, so does Gap 7. The authors' conceptual model of service quality follows: The key to delivering high quality service is to continually monitor customer perceptions of service quality, identify causes of service quality shortfalls, and take appropriate action to improve the quality of service (close the service gaps).

Gap 1. Not Knowing What Customers Expect: Based on interviews, the authors found that executives' perceptions of superior quality service are largely congruent with customers' expectations. Customers' expectations versus management perceptions are the result of the lack of a marketing research orientation, inadequate upward communication and too many layers of management.

Gap 2. The Wrong Service-Quality Standards: Gap 2 arises when there is a discrepancy between what managers perceive that customers expect and the actual standards that they (the managers) set for service delivery. This gap may occur when management is aware of customers' expectations but may not be willing or able to put systems in place that meet or exceed those expectations.

Gap 3. The Service-Performance Gap: Organizational policies and standards for service levels may be in place, but is front line staff following them? A very common gap in the service industry, Gap 3 is the difference between organizational service specifications and actual levels of service delivery. Service specifications versus service delivery is the result of role ambiguity and conflict, poor employee-job fit and poor technology-job fit, inappropriate supervisory control systems, lack of perceived control and lack of teamwork.

Gap 4. When Promises Do Not Match Delivery: Customers perceive that organizations are delivering low-quality service when a gap appears between promised levels of service and the service that is actually delivered. This gap is created when advertising, personal selling or public relations over-promise or misrepresent service levels. Service delivery versus external communication may occur as a result of inadequate horizontal communications and propensity to over-promise.

Gap 5: The discrepancy between customer expectations and their perceptions of the service delivered: as a result of the influences exerted from the customer side and the shortfalls (gaps) on the part of the service provider. In this case, customer expectations are influenced by the extent of personal needs, word of mouth recommendation and past service experiences.

Gap 6: The discrepancy between customer expectations and employees' perceptions: as a result of the differences in the understanding of customer expectations by front-line service providers.

Gap7: The discrepancy between employee's perceptions and management perceptions: as a result of the differences in the understanding of customer expectations between managers and service providers.
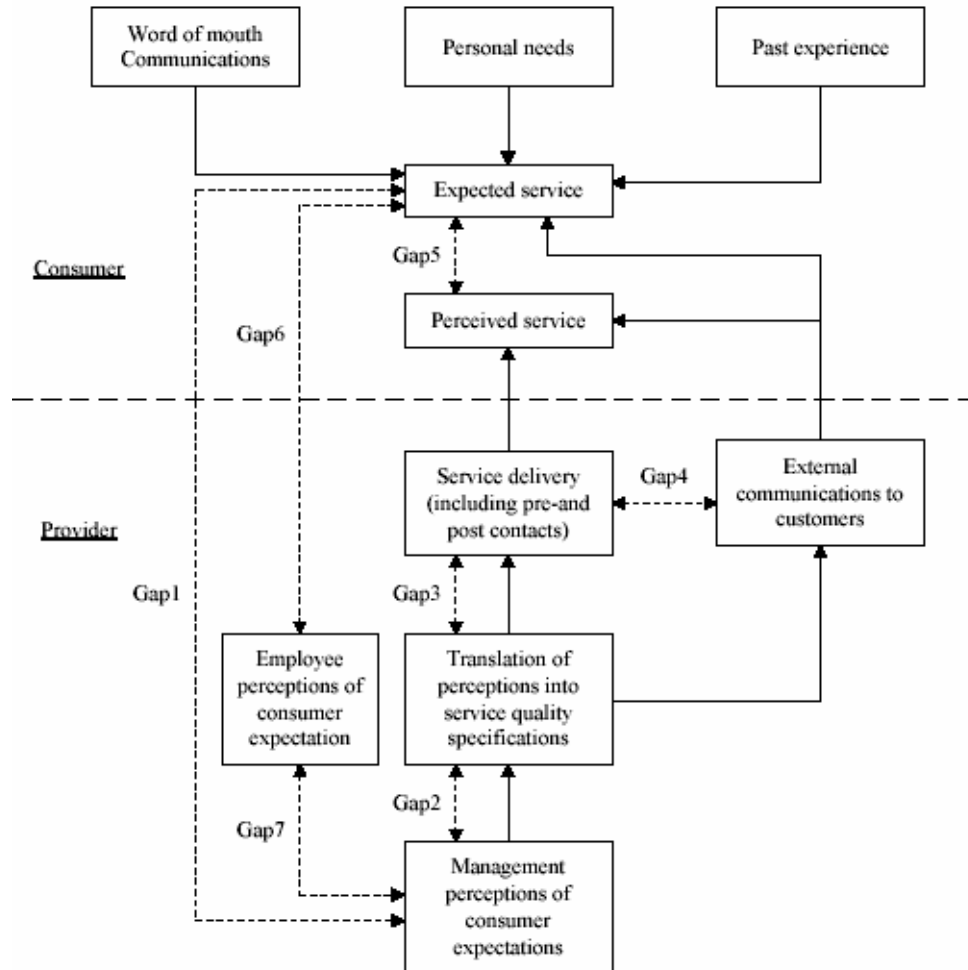
Figure1: Service quality gaps model of Christopher Lovelock (1994).

5. Results and Findings

5.1. Problem Areas

Table-2 reports the means of the respondents' perceptions concerning the extent to which service characteristics presented problems in their firms. The table also isolates significant differences in the perceptions of problem areas among different types of service firms. Judging from the average responses of all firms, service providers are considering all eight problems almost equally due to close mean values but less

problematic (as all mean values are below 3.00) to them. One explanation of this finding may be that the service firms are dealing equally with all problem variables. Among the eight service problems, service can't be stored is considered as the most problematic (mean = 2.70) to the service providers, whereas consumer themselves are involved during production is in the second position with a mean value of 2.56. This is a quite obvious finding in the sense that storing problem of the services is true for almost all the service providers other than those who are using technologies (e. g; online banking, ATM booths) that can in some extent store the services through software. Service providers considered 'service costs are difficult to measure' as the least (mean = 2.06) problematic variable. These results are further supported by the high percentage of firms checking 4 and 5 for 'service can't be stored and consumer themselves are involved in production' problem areas (26% and 30% respectively) and low percentage (only 10%) of firms checking 4 and 5 for the variable named service costs are difficult to measure.

From the result it is evident that service storing problem is more acute (mean = 4.14) in the firms where duration of benefit is immediate like hair cutting saloon and hotels. Transportation problem is more severe in the firms where need for customer presence is low (mean = 3.33) like laundry or cleaning services. This is quite sure in the sense that these types of services can't be transported to the places of customers (e. g; at their home). Transportation problem of service was also found more in local firms Numbers are mean values on a 5-point scale, on which the higher the value, the more a characteristics applies to a firm: numbers within parentheses in the second last column are the respective Standard Deviations. [b,c] [,d] Means with the same superscripts are not significantly different. Means with different superscripts are significantly different.

(mean = 2.90) as they can't establish more branches or employ more service representatives due to lack of financial resources. On the other hand transportation is easily manageable problem (mean = 1.86) to the firms operating internationally just for the opposite reasons stated above. Surprisingly it was found that patent protection is not at all a problem (mean = 1) for the firms serving institutions only. But for the firms who are serving both institutional and individual, this problem is somewhat high (mean = 2.34). It is also evident that more the customers a firm is serving, severe the patent protection problem is (institutional mean = 1, individual mean = 2.17 and both mean = 2.34). Probably serving more customers confuses the clients about the services and target markets of the organization which in turn has affect in their patent protection. From the table it can be seen that the service quality is difficult to control for the firms whose primary customer group is individual customer (mean = 2.83) having a mean above the mid-point. This is quite simple because the service needs of the individual customers

Table-2: Significant Differences in Perceptions of Problem Areas Among Types of Service Firms

Problem Areas	Primary Customer Group			Geographic Spread				Duration of Bbenefit				Need for Customer Presence				All Firms	% of firms checking a 4 or 5
	Individual	Institut.	Both	Local	Region.	Natl.	Intl.	Immediate	Short	Long	All	High	Med	Low	All		
Services can't be stored								4.14[b]	1.67[c]	2.41[c]	2.67[bc]					2.70 (1.43)	26
Services can't be transported				2.90[b]	2.44[b]	1.96[bc]	1.86[c]					2.29[b]	1.91[c]	3.33[bc]	2.08	2.22 (1.44)	22
Services can't be mass produced																2.20 (1.16)	10
Services can't be protected by patents	2.17[b]	1.00[c]	2.34[b]	2.30[b]	1.89[c]	2.37[bc]	2.00[c]									2.22 (1.37)	20
Service quality is difficult to control	2.83[b]	2.33[c]	1.91[b]	2.00[b]	2.56[c]	2.12[bc]	2.00[d]									2.16 (1.22)	16
Service costs are difficult to measure								2.00[b]	2.33[c]	2.47[bc]	2.11[b]					2.06 (1.02)	10
Demand for service fluctuates	2.25[b]	2.67[c]	2.51[bc]					2.14[b]	2.33[b]	2.41[c]	2.67					2.46 (1.07)	14
Consumer themselves are involved during the production of services	3.00[b]	2.00[c]	2.46[bc]					3.43[b]	3.33[c]	2.45[b]	2.22[d]					2.56 (1.43)	30

are too diverse and it becomes difficult for the firms to maintain that quality equally always. This argument is also supported by the smaller mean value (mean = 2.33) of the firms serving limited number of institutional buyers only. Smaller mean value in controlling service quality by the firms operating locally and internationally (mean for both = 2.00) implies that these firms better understand the needs of the local customers and satisfy them accordingly. Geographic dispersions of many outlets may be another reason for which international firms are dealing efficiently with the quality control problem.

Costs of services appear to be more difficult to calculate as the duration of benefits increases. Associating direct and indirect cost with the provision of a service evidently becomes less precise and more difficult as the service extends over a longer time period. Still in Bangladesh this is not a serious problem in the sense that all the means are below the mid point with an average of minimum 2.06 for all firms. Results suggest that the demand for service fluctuates more in case of institutional buyers (mean = 2.67). The reason is due to the derived demand of the business firms that changes frequently due to the frequent change in the demand of customers whom these firms are serving. Fluctuation in the demand for service appears to be more difficult as the duration of benefits increases. Probable reason may be that the customers tend to expect newer services as they are taking services for longer period of time. For example, where the duration of benefit is long like, education system and health club, the demand for customers fluctuates time to time depending on the requirements of the specific time period. Demand for services by a student may vary between the courses like Computer Science and Marketing, where in the first one the students need lab services but in the later one he or she needs organizational visit. Customer's involvement is more problematic for the firms serving individual customers (mean = 3.00) compared to firms serving institutional customers (mean = 2.00). It is simple to explain that dealing with many customers (companies serving individuals) is much more difficult than dealing with less customers' (companies serving other institutions) involvement. Problem of customer involvement becomes less problematic as the duration of benefit increases (means for immediate, short and long are 3.43, 3.33 and 2.45 respectively). It implies that in immediate duration of benefit (e. g; hair cut, ATM), customers like to involve themselves more as the service they are getting remains quite visible to them. On the other hand this involvement reduces when the duration of benefit become short (e. g; legal services) or long (e. g; hospital services).

5. 2. Practices and Strategies

Table-3 summarizes the extent to which various business practices and strategies are used to overcome problems associated with services across all firms and different types of firms.

Pricing: Average responses across all firms show that cost-oriented pricing strategies are used more (mean = 3.50) than competition (mean = 3.46) and demand oriented pricing strategies (mean= 3.10). Consistent with these averages are the percentages of responding checking a 4 or 5 on the scale: 60% base prices on costs whereas a lower percentage base price on competition (56%) and much lower for market willingness to pay (48%). Although service cost may be difficult to calculate (according to the previous finding), service companies are apparently making estimates of costs to be sure that they are covered. Competition-oriented pricing although seems to be simpler, may not assure covering costs.

It can be seen that cost based pricing is more popular (mean = 4.00) in the service firms whose target customer is other institutions. Surprisingly it was found that the international firms are less interested in using the cost-oriented pricing (mean = 2.86). Probably these firms prefer to set their service prices based more on competitive environment of the country they are operating. Table-3 depicts that the use of cost-based pricing is more where the need for customer presence is less, e.g. repairing and consultancy services. It means less customer presence and the nature of service makes the firms to calculate their cost easily. Though the practice of demand-based pricing is found less (mean = 3.10) in the industry, table shows that if the duration of service benefit is immediate, they are mostly using this pricing method (mean = 4.43). Service firms (like hotels or hair cutting saloon) who are giving immediate benefit charges according to what customer is willing to pay to create loyal customers who will come back again to their service firms as the firm honored them by charging the price what they (customers) wanted to pay. This explanation seems true because data shows that use of demand based pricing decreases as the service benefit increases to short (mean = 3.33) or long (mean = 2.95) term.

It can be also be seen from the table that the firms whose primary customer group is individual customers prefers demand-based pricing (mean = 3.58) than cost-based (mean = 3.42) or competitor based pricing (mean = 3.00). That mean these firms want to provide more customized services and charges accordingly. On the other hand, as a good relation with an institutional buyer provides substantial healthy long term profit, the institutional service providers are more inclined to follow competition based pricing (mean = 4.33) so that they (service providers) can satisfy the buyer better than their competitors. In fact competitive rivalry in the service industry is so intense that the service providers are always careful about the pricing (quotation) of their competitors at the time of bidding in the institutional selling.

Table-3: Significant Differences in Usage of Business Strategies Among Types of Service Firms

Business Practices	Primary Customer Group			Geographic Spread				Duration of Benefit				Need for Customer Presence				All Firms	% of firms a 4 or 5
	Individual	Institut.	Both	Local	Region.	Natl.	Intl.	Immediate	Short	Long	All	High	Med	Low	All		
Pricing																	
Pricing is based on what it costs us	3.42 b	4.00 c	3.49 bc	3.60 b	3.22 c	3.75 b	2.86 bc					3.54 b	2.55 c	4.00 d	4.17 bc	3.50 (1.54)	60
Pricing is based on competitor's price	3.00 b	4.33 bc	3.54 bc													3.46 (1.57)	56
Pricing based on what the market is willing to pay	3.58 b	2.33 c	3.00 bc	3.20 b	3.56 b	3.17 c	2.14 bc	4.43 b	3.33 b	2.95 c	2.72 bc					3.10 (1.67)	48
Advertising																	
Advertising is an important part of marketing program	3.17 b	5.00 c	3.74 bc					2.57 b	4.0 c	4.55 bc	3.00 d					3.68 (1.63)	62
Television adv is important	3.08 b	3.00 c	2.94 bc					2.00 b	3.00 bc	3.73 c	2.44 d	3.00 b	2.73 c	4.00 c	2.92 d	2.98 (1.71)	50
Newspaper adv is important part	3.17 b	3.00 c	3.69 bc					2.43 b	3.67	4.23 b	3.06 d	3.50 b	3.45 c	4.00 bc	3.50 d	3.52 (1.55)	58
Direct mail adv is important part	2.67 b	4.33 c	2.63 bc													2.74 (1.47)	34

	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	Mean (SD)	N
Existing customers encouraged to tell others about our service	3.92 b	3.67 c	3.83 bc					3.43 b	4.00 c	4.23 b	3.50 d	3.67 b	4.27 c	2.33	4.17 bc	3.84 (1.36)	58
Personal Selling																	
Do a lot of personal selling of service	3.08 b	3.67 c	3.20 bc													3.20 (1.40)	40
Contact customers after purchase	3.67 b	5.00 c	3.11 bc	3.2 b	3.33 c	3.25 c	4.00 c	3.71 b	4.00 b	3.77 c	2.61 bd					3.36 (1.67)	56
Carefully choose personnel who interact with customers	3.67 b	4.67 c	3.40 bc									3.25 b	4.36 c	4.33 bc	3.17 d	3.54 (1.58)	60
Training to the employees to interact well with customers	3.58 b	3.67 c	3.71 bc													3.68 (1.37)	56
Institutional Image																	
Marketing activites carried out to create specific company image	3.25 b	4.33 c	3.63 bc	2.90 b	3.89 c	3.71 b	3.71 d									3.58 (1.50)	60
Use employee dress code to uplift company image												2.92 b	2.91 c	3.33 bc	2.33 d	2.80 (1.69)	42

Advertising: Advertising was found somewhat important (mean = 3.68) for all the firms for their promotional activities. Surprisingly it was found that the service firms whose customers are institutional have posed their maximum support (mean = 5.00) in favor of advertising which was found comparatively low (mean = 3.17) for the firms serving individual customers. Probable reason of this deviation may be that the individual customer server concentrates more on sales promotion than advertising. Data depicts that the use of advertising increases with the duration of benefit. Firms whose service benefit is immediate (e. g; hair cut saloon) use less advertising campaign (mean = 2.57) as their service will be perished immediately. On the other hand the firms providing short (e. g; consultation) (mean = 4.00) benefit and the firms providing longer benefit (e. g; education provider) (mean = 4.55) concentrate more on advertising campaign because they have to remind the customers time to time about their services. Customers are also looking for information in choosing firms who will be providing short or long term benefits and those firms prefer advertising as the appropriate tool. Encouraging the existing customers to tell others about the services was found the most preferred (mean = 3.84) advertising type among different types of advertising. We think this is a cost effective and trustworthy way to promote the services to others because traditional advertisement may provide over-estimated information about the services of the organization to the customers. But if that is done by the existing customers, the future customers will find that more trustworthy. For example, Building Ideas and Technologies consultancy firm advertise by saying, "Our clients speak for us". It was found that the newspaper is in the second popular way (mean = 3.52) to advertise by the service firms. This is mainly due to the wide coverage and less expensive advantage of this media. Television advertisement has got a lower response (mean = 2.98) because the services are intangible in nature and most of the time they can not be shown in Television only the physical infrastructures may be shown which may not be that much convincible.

It was also found that the firms serving the individual customers prefer encouraging their existing customers to tell about their services (mean = 3.92) compared to newspaper ad (mean = 3.17) and TV ad (mean = 3.08). We think they are using their existing customers as opinion leader because it saves their advertisement budget a lot and moreover this is the fastest way to get new customers. Though overall direct mail has got the least favor (mean = 2.74) as advertising media, it has got the maximum acceptability (mean = 4.33) to the firms serving institutions. The reason is in business to business market direct mail with catalogue or sales people is more effective than that of TV or newspaper ad as the target market is narrow. Moreover sending sales personnel with mail will empower another institutional buyer too which in turn may ends up with a long term relationship. This finding is further supported by the lower response of the service firms serving individual customers towards direct mail (mean = 2.67) as their customer base is so large that it may not be possible for the service providers to send mail to every customer. We

have also found in the survey that the firms in which the need for customer presence is low (e. g; laundry, cleaning, repairing) prefer TV and newspaper ad equally and highly (mean = 4.00) as they can show their physical evidences and equipments through the stated medias. It was also found that the firms who are delivering services with long time duration (e. g; health club, private university, hospital) prefer newspaper ad and encouraging existing customers to tell about them equally and highly (mean = 4.23). Time lengthiness in fact encourages them to choose these two cost-effective media.

Maximum favor of the service providers towards the newspaper and word-of-mouth ad that we have stated previously is also supported by the percentage of firms checking 4 and 5 on these two medias (both have got 58%). But direct mail's overall acceptance made it a 'sitting duck' with only 34% firms checking 4 and 5 in favor of this media.

Personal selling: Higher average scores in all personal selling related factors showing particular emphasize in this area. Overall, respondent firms appear to concentrate more on training their personnel (mean = 3.68) to interact well with customers and carefully choosing them (mean = 3.54). These high averages are consistent with high percentages of respondents checking a 4 or 5 on these items: 60% report careful selection of personnel and 56% report training them in interaction skills. Firms that sell to institutional customers report greater care in choosing personnel (mean = 4.67) than firm selling to individual customers (mean = 3.67), perhaps because there is frequently more riding on each sale to institutional customers. But training employees to interact well has got almost equal preference to both the firms serving individuals (mean = 3.58) and institutions (mean = 3.67). It was found that the firms serving institutional customers are highly careful (mean = 5.00) about contacting customers after selling a service to them. This is mainly to keep the relation long lasting with the institutions who are buying services from them (e. g; shipping lines). It was also found that all the personal selling factors are more important for the firms serving institutions compared to the firms serving individual customers (in all cases mean scores of institutional server is higher). It is evident from the table that the firms engaged in international business are more careful about after sales support compared to national or local service firms. Higher service requirements of the foreigners and a good source of profit encourage the multinationals to concentrate more on after sales contact.

Institutional image: Overall, firms appear to emphasize gearing much of their marketing to projecting a specific company image (mean = 3.58) compared to dress codes of the service employees (mean = 2.80). As might be expected, service firms which emphasize specific company image through facilities design most are those the consumer visits: firms whose customer group is individual customers (e. g; travel agency), whose geographic scope is local (hair cutting saloon), whose benefits are immediate (child care centre) and whose need for customer's presence is high (health spas).

Table-3(Continued): Significant Differences in Usage of Business Strategies Among Types of Service Firms

Business Practices	Primary Customer Group			Geographic Spread				Duration of Benefit				Need for Customer Presence				All Firms	% of firms checking a 4 or 5
	Individual	Institut.	Both	Local	Region.	Natl.	Intl.	Immediate	Short	Long	All	High	Med	Low	All		
Quality Control																	
Formal quality control system used in the organization	3.92^b	5.00^c	3.83^{bc}	4.10^b	4.22^c	3.77^d	3.86^{bc}									3.92 (1.39)	72
Customer Orientation																	
Regularly collect information about customer needs	3.42^b	4.00^c	3.60^{bc}	3.80^b	3.56^c	3.71^b	2.86^d									3.58 (1.41)	56
Marketing activities are based on knowledge about customers	2.67^b	4.33^c	3.89^{bc}	4.10^b	2.67^{bc}	4.04^b	2.71^d									3.62 (1.48)	64
Firm's activities are coordinated to ensure customer satisfaction	3.92^b	4.33^c	4.17^{bc}					4.29^b	5.00^c	4.32^d	3.67^{bc}					4.12 (1.10)	78
Chief marketing executives participates in top mgt decisions	3.17^b	4.33^c	4.03^{bc}	4.50^b	3.44^c	3.79^{bc}	3.57^d									3.84 (1.55)	66
Customer designed services for clients produced by the company	2.42^b	4.00^c	3.00^{bc}													2.92 (1.48)	38
When a customer is dissatisfied, we revise services	3.58^b	5.00^c	3.49^{bc}									3.50^b	4.00^{bc}	3.67^b	3.42^d	3.60 (1.38)	56

Numbers are mean values on a 5-point scale, on which the higher the value, the more a characteristics applies to a firm: numbers within parentheses in the second last column are the respective Standard Deviations. [b,c] [.d] Means with the same superscripts are not significantly different. Means with different superscripts are significantly different.

Productivity and Quality: Quality control has got a high preference to the service firms (mean = 3.92) with 72% of the firms checking 4 and 5. Firms serving institutions have rated maximum (mean = 5.00) concentration on formal quality control system. These firms are very much aware about quality controlling due to a chance of loosing institutional customers for low quality service delivery. Side by side that system is also supported by firms serving individual customers (mean = 3.92). It was also found that regional firms are more careful (mean = 4.22) about quality compared to national (mean = 3.77) and firms serving internationally (mean = 3.86). These regional firms' narrow market coverage induces them to maintain a certain high quality service delivery to their small customer base.

Customer orientation: High mean scores on items such as coordinating activities to ensure customer satisfaction (mean = 4.12) and involving marketing executives in top management decisions (mean = 3.84) indicate marketing sensitivity. However, lower scores obtained on item like producing customer designed services (mean = 2.92), reveals less sensitivity to customer needs. These results are also further supported by the percentage of firms checking 4 and 5 on the stated items (e. g; 78% firms voted in favor

of item called coordinating activities to ensure customer satisfaction). Local firms, perhaps due to ease of collecting information from the customers, seem more inclined to research customers need (mean = 3.80) than non-local firms (mean = 2.86). But it may be opposite in many cases due to the greater resource bases of the non-local firms. Institutional firms seem more inclined (mean = 4.00) to do customer research than consumer firms. This is mainly to maintain a long term relationship by taking the opinions of the institutional buyers about their service requirements. In many cases both the firms work as partner where flow of customer information is greater too. Same behavior was also found in case where institutional service provider rated high (mean = 4.33) to the strategy entitled 'marketing activities are based on knowledge about customers' for the above mentioned reasons.

One very important finding is that, all the customer orientation strategies are more applied by the institutional firms compared to individual firms (see all the mean values for institutional market is more than 4.00). This necessarily implies that the institutional firms keep more close relation with their customers compared to individual customer serving firms. Among all the customer orientation strategies, institutional firms are highly preferring revising the service when customers are dissatisfied (mean = 5.00). Our above mentioned explanation is further supported with this finding. On the other hand individual

Table-4: Significant Differences in Usage of Business Strategies to Cope with Fluctuating Demand

Strategies to cope with fluctuating demand	Primary Customer Group			Geographic Spread				Duration of Benefit				Need for Customer Presence				Firms	% of firms checking a 4 or 5
	Individual	Institut.	Both	Local	Region.	Natl.	Intl.	Immediate	Short	Long	All	High	Med	Low	All		
Period of High Demand																	
Hire extra full time employees at the time of high demand	1.67^b	3.33^c	2.46^b	2.60^b	1.56^c	2.42^b	2.57^b					2.46^b	2.36^c	3.33^c	1.75^{bc}	2.32 (1.42)	24
Hire extra part-time employees at the time of high demand	2.50^b	2.67^b	2.00^c					3.14^b	2.33^b	2.00^c	1.94^c					2.16 (1.37)	18
Use differential work time of existing employees during peak time	2.00^b	5.00^c	2.37^{bc}	2.60^b	2.89^b	2.13^c	2.71^b					2.25^b	2.09^b	4.67^c	2.58^{bc}	2.44 (1.54	34
Employees work overtime at peak demand time	3.08^b	3.00^c	2.74^{bc}	2.90^b	2.89^{bc}	2.54^c	3.71^b									2.84 (1.59)	42
Subcontract work to others when demand for the service is max	3.08^b	2.00^c	2.63^b													2.70 (1.54)	44
Take care of regular customers and allow others wait	3.17^b	5.00^c	3.06^{bc}	3.30^b	3.44^c	2.75^c	4.29^c									3.20 (1.53)	44
Cross-train	2.42^b	3.00^c	2.63^{bc}					2.43^b	2.33^b	2.64	2.67^c					2.60	32

employees to perform multiple tasks													(1.50)	
Educate and motivate customers to use services during non-peak time	2.33 b	3.00 c	1.91 bc					1.71 b	2.00 bc	1.82	2.56 b		2.08 (1.35)	16
Period of Low Demand														
Lay off employees at the time of low demand of services	2.33 b	1.00 c	1.89 bc	1.80 b	1.89 c	2.04 b	1.86 d						1.94 (1.25)	14
Offer price reductions when demand for service is low	2.58 b	2.00 c	1.89 b	2.20 b	1.89 c	1.79 bc	3.00 d		1.87 b	2.64 b	1.00 c	2.17 c	2.06 (1.42)	24
Increase advertising at the time of lower demand	2.92 b	3.67 c	2.34 b	2.60 b	3.33 c	1.83 bc	4.00 b						2.56 (1.66)	28
Use employees to perform non-vital tasks during slow times	2.25 b	3.00 c	2.03 bc						2.13 b	1.91 c	3.00 c	2.17 bc	2.14 (1.16)	14

Numbers are mean values on a 5-point scale, on which the higher the value, the more a characteristics applies to a firm: numbers within parentheses in the second last column are the respective Standard Deviations. [b,c,d] Means with the same superscripts are not significantly different. Means with different superscripts are significantly different.

firms prefer the participation of marketing executives in top management's decision among all customer orientation strategies. The reason is that, they think these marketing executives interact with the individual customers and they are better aware about the specific needs of the individual customers thus their (marketing executives) participation will help the top management to formulate market and customer oriented strategies.

Local firms are found to be more serious about adopting this strategy (mean = 4.50) compared to national or international firms. Probably their niche marketing approach induces them to satisfy their small customer base by taking information from the marketing executives who work in the field actually. It was also found that the firms whose service benefit is short has a highest degree of preference (mean = 5.00) towards ensuring customer satisfaction by coordinating firms activities carefully. Obvious reason behind this is to make the people loyal to their firms.

5. 3. Managing the periods of demand: Strategies to cope with fluctuating demand

Service organizations need to adopt syncro-marketing for managing fluctuating demand, seasonal demand and avoid long queue in the service delivery process.

Table-4 presents average responses of all firms concentrating the use of strategies to cope with fluctuating demand as well as differences among types of firms.

Period of high demand: Strategies for peak demand period which apply most to the sample firms include taking care of regular customers and allow others wait (mean = 3.20), having employees work overtime (mean = 2.84) and out sourcing work to others (2.70). Peak time strategies which apply least to respondent firms include motivating customers to use service in non-peak time (mean = 2.08), hiring extra part-time employees (mean = 2.16) and hiring extra full time employees (mean = 2.32). These inferences are confirmed by the percentage of firms checking a 4 or 5 on each item (final column of table-4). But one thing we must say that the mean values of the strategies applied on peak time other than one (take care of regular customer) are all lower than a mean of 3.00 and are somewhat higher than mid value (e. g; 2.50) which necessarily implies that Bangladeshi service providing firms are not that much careful about dealing the peak time demand in a better way. In fact in most cases the customer becomes dissatisfied at the time of high demand due to the weak peak demand management practices of the service firms.

It was found that individual firm's preference towards employing full time employees at peak demand time is very low (mean = 1.67) whereas institutional firms in large extent (mean = 3.33) adopt this strategy. Institutional firms are giving maximum preference (mean = 5.00) on taking care of regular customers by keeping others waiting during peak time. This is just to empower the regular customers to keep the relation more close and partnering. Individual firms are also giving more concentration (mean = 3.17) on the

stated strategy. Interesting finding is that, the institutional firms are giving maximum effort on differential work time (mean = 5.00) at peak periods, whereas the individual firms have rated this strategy as the least adopted one with a mean = 2.00. That shows that the strategies to fight with peak demand time varies between institutional and individual firms. From table-4 it can be seen that the preference towards hiring extra part-time employees reduces with the increment of the duration of benefit. This is quite obvious in the sense that, those firms whose duration of benefit is immediate (e. g; hair cutting saloon, beauty parlor, cash section of a bank) will try to manage the peak demand of the customers by employing more extra part-time employees (mean = 3.14). But whose duration of benefit is long (hospital, universities), will try to manage the peak demand by taking care of regular or loyal customers or by some other means (mean = 2.00). It was also found that the international firms are much more careful compared to national or local firms in dealing with peak demand time by serving regular customer (mean = 4.29) first keeping others waiting. That means the international firms don't want to loose their regular customers while trying to keep comparatively new buyer too. Poor responses were found from the firms according to duration of benefit using the strategy of motivating customers to use services in non-peak time gives us a signal that the firms are totally mad about attracting customers even though they don't know what to do if the demand is too high. Probably they think, let the customer come, somehow we will manage. But this type of behavior dissatisfies customers towards the service delivery process of the firms. We think firms should consider de-marketing by educating the customers.

Period of low demand: Data shows (as the overall mean values are small and below mid point) that the strategies we have listed in the questionnaire is not that much used by the Bangladeshi firms at the time of low demand of their services. This interpretation is also supported by the very low percentage (Maximum is 28% for increasing advertisement) of the firms checking 4 or 5 for the stated strategies. Most prominent strategy in low demand period is increasing advertisement (mean = 2.56) whereas least used strategy by the respondents is lay off employees (mean = 1.94). Price reduction, which seems to be a good strategy for the low demand period was found a little practice (mean = 2.06) in reality. Rather data also shows that both the individual firms (mean = 2.92) and institutional firms (mean = 3.67) prefer increasing advertisement strategy in the low demand time. That means both individual and institutional firms try to attract new customers at the time of low demand. Data implies that institutional firms don't like to lay off employees at low demand time (mean = 1.00), rather they prefer the employees performing non-vital task (men = 3.00) at that time that's seem to be very good strategy. Price reduction strategy in non-peak time is preferred by the individual firms (mean = 2.58) compared to institutional firms (mean = 2.00). The reason is that the firm can increase the demand of the individual customer by giving a discount but in most cases the

pricing in the institutional market is pre-determined which doesn't necessarily depends on demand for services. It was also found that advertisement strategy in the low demand period is widely used by the international firm (mean = 4.00) compared to local firms (mean = 1.83). Even it was seen that international firms like to offer more discount (mean = 3.00) compared to local firms (mean = 1.79). Probably the strong financial resource base permits the international firms to go for this strategy.

6. Recommendations

We have analyzed the problems and strategies of the service providing firms from different point of view like the primary customer group, geographic scope of operation, duration of benefit etc and that's why depending on their specific nature the different service firm requires different set of strategies. It may not be wise to provide a specific policy paper for every kind of service firm. Still we have listed a number of strategies below that in much extent fit with all categories of service firms under consideration:

1. Use a combination of cost and competition based costing system as gradually competition based costing might be popular in the industry due to increment in the number of competitors.

2. Syncro-pricing may be a better strategy to cope with the fluctuating demand in service firms (Alam, 2003).

3. It will be better for the service firms to provide more customized services to the customers which in turn will permit them to follow demand based pricing (Minimizing Gap-1 & 7).

4. Use heavy informative advertisement to show how the service can be better utilized. But the firms whose benefit of service is long should practice more of reminder advertisement (to minimize Gap1 & 2).

5. Encourage the existing customers to promote services to the new customers and use newspaper as the prime media for advertisement to educate the customers in using services (Minimizing Gap-5).

6. As the institutional service provider, empower customers by close contact through sending mail and knowledgeable sales personnel (Minimizing Gap- 3 & 4).

7. Whatever the category of service firm you belong to, choose service providing employees very carefully, train them highly to make them knowledgeable regarding the service standards (Minimizing Gap-3 & 6).

8. Use technology to keep in touch with customers even after sales.

9. Service providers (e.g. universities, hospitals) must be concentrating on their physical infrastructure and wide distribution facilities (Minimizing Gap 3).

10. Use technology to maximize the service quality and to reduce the fluctuation in service quality. Provide service above standard as promised to the customers to reduce the service gaps (Minimizing Gap 5 & 6).

11. Do marketing research through field level marketing executives to prepare customer driven services and make marketing decisions participatory (Minimizing Gap 1, 2 & 7).

12. Revision of service and service delivery mechanism are required according to marketing research result and activities of the competitors.

13. A formal demand management plan should be prepared incorporating the strategy to motivate customers to shift their service demand to non-peak time (Minimizing Gap 4).

14. Service providers should employ extra part-time employees in peak demand time. Or transfer full-time employees from the branch where the demand is low to the high demand branches.

15. Show target market the benefit of services with sales promotional incentives in low demand time.

7. Implications for Further Research

Numerous implications for researchers interested in services marketing arise from the findings reported in this article. Some of more intriguing implications are as follows:

a. This article is an overview of the problems and strategies of the overall service firms. A research priority in services marketing is empirical study that transcends specific industries and tests service marketing concepts.

b. For reason suggested earlier, this research study didn't for the most part uncover the critical problems facing most service business today. What are these problems? How are they changing due to environmental, competitive and other conditions? How do they differ for various types of service firms? The further research needs to be concentrating on those.

c. There are importance of institutional image and the use of tangible cues like servicescape and personnel appearance to enhance service quality and delivery. Additional investigation of such issues as the use of employee uniforms, the role of architecture in the marketing mix, and building of corporate image would be useful to service firms.

d. It was found that institutional service providers are more marketing oriented compared to the firms serving individual customers. Even they are more apt to contact customers after purchase, to choose carefully the personnel who interact

with customers, and to regularly collect information about customers needs. Why this finding is different from the goods industry? What aspects of services lead to this reversal in marketing practices is necessary to be identified.

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