

Marketing Mix of Service Industry: A Case Study on Axis Bank

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Abstract:

The marketing mix meaning is simple. It is about placing the right product or a combination thereof in the place, at the right time, and at the right cost. The difficult aspect is doing this well, as you need to know every aspect of your business strategy. An industry made up of businesses that primarily earn income through giving intangible products and services. Service industry companies take part in retail store, transportation, distribution, food services, as well as other service-dominated businesses. Also called service sector. In this paper we will discuss about the marketing mix in Axis bank.

Key Words:

Marketing Mix, Service Industry, Axis Bank.

PREFACE:

The service marketing mix is also known as a stretched marketing mix and is an inclusive part of a service blueprint design. The service marketing mix consists of 7 P's as compared to the 4 P's of a product marketing mix. Simply said, the service marketing mix assumes the service as a product itself. However adds 3 more P's which are required for perfect service delivery. The product marketing mix consists of the 4 P's which are Product, Pricing, Promotions and Placement. These are discussed in my article on product marketing mix – the 4 P's. The extended service marketing mix places 3 further P's which include People, Process and Physical evidence. All of these elements are required for perfect service delivery. The marketing mix meaning is simple. It is about placing the right product or a combination thereof in the place, at the right time, and at the right cost.

The difficult aspect is doing this well, as you need to know every aspect of your business strategy. An industry made up of businesses that primarily earn income through giving intangible products and services. Service industry companies take part in retail store, transportation, distribution, food services, as well as other service-dominated businesses. The service marketing mix of Axis bank discusses the 7P's of Axis bank and how the bank is using an effective marketing mix to increase its customer base and rise in the banking industry.

Review of Literature:

Marketing by service industries are yet to gain momentum, especially when it comes to marketing by private sector commercial banks. In India, the liberalization of the financial sector has impelled all the players to redefine what business they are in and strategically think how to stay ahead in the existing business. Marketing orientation of banks is imperative for survival and success. Marketing of financial services by banks is under active and extensive discussion among academicians and bank personnel. Surveys and researches have been conducted both by academic researchers and practitioners on the various aspects of services marketing in general and financial services marketing by banks. Udel (1968) identified marketing promotions as the most important facet of marketing strategy leading to effectiveness. Advertising, an aspect of promotional strategy, both an informative and persuasive role, and in this respect can alter customers' perceptions of a service. National Institute of Bank Management's study on deposit mobilization (1969) concluded that mobilization of resources is one important facet of the various services performed by banks.

Banks should classify depositors into segments and take intensive measures to market their services to them. They should design suitable schemes to mobilize the savings and attract them through suitable media of publicity. The various techniques of banks are essentially based on the principles of mobility, flexibility, convenience, reduction of cash drain, automatic facilities and special inducements. More personalized service to achieve deposit mobilization at branches. Danielet. carol (1970) in his paper "Ten commandments for Bank Marketing" has framed a set of Ten Commandments for bank marketing as is very much clear from the title itself.

According to him inclusion of marketing functions within the marketing participation in key banking decisions, product orientation, learning curve of chief marketing executives, quality of marketing personnel, development of a record of accomplishment and use of outside services etc. are the main commandments for successful bank marketing. In Rossier's study (1973) it was suggested that banks should not open a branch without first analyzing market potential and determining the expenditure required to obtain a sufficient market share. The risk in expansion is not so much one of opening unprofitable branches, but rather of allocating scarce resources of managerial talent, qualified personnel and capital to marginal projects.

A study by George William R and Hiran C Barksdale (1974) on the marketing activities in the service firms discovered that service marketing is generally on the low ebb. Service firms tend to be less marketing oriented; less likely to have marketing mix activities carried out in the marketing department; less likely to perform analysis in the area of service product; more likely to undertake advertising internally rather than go to specialized advertising agencies; less likely to have overall sales plan; less likely to develop sales training programmes; less likely to utilize the services of marketing consultants and marketing research firms; and less likely to spend much on marketing, as a percentage of gross sales.

Rathmell (1974) has suggested the dominant channel configuration in the service sector where agents and brokers play the key role in distribution of services. Study by Bessom, Richard M and Donald W Jackson Jr. (1975) of 400 service and marketing firms revealed that service firms are less likely to have marketing departments, to make use of sales planning and training, and to employ marketing professionals like consultants, advertising firms and market research agencies. Geiger's (1975) study was to establish the needs of customers.

Social structure of the bank's customers and the image that the customers had of the banks were studied along with customers judgment of the range of services that the banks had to offer, the effectiveness of various advertising and other sales promoting measures, and the customers' will to save and other habit. Findings indicate that satisfied customers are more positively minded than those who are critical of what their banks have to offer them. A study by Meidan (1976) revealed that about 90 percent of the respondents banked at the branch nearest to their home place or place of work. Convenience, in terms of location, was found to be the single most important factor for selecting a branch. Sasser (1976) has described several strategies for producing a better match between demand and supply in service business.

On the demand side, the firm can make use of differential pricing, cultivating non-peak demand and developing complementary services. On the supply side, for effective matching with demand peak-time efficiency routines can be introduced, facilities for future expansion can be delivered, and increased consumer participation can be encouraged. He further observed that the firm is unable to store or transport services that only direct distribution is possible, thereby potentially limiting the number of markets the firm can cover. Apart from the stress laid on 'right place' and 'right time' in case of distribution goods, there is additional importance given to the performance of service in the 'right way' as well.

Pickering (1976) suggested that advertising could increase brand loyalty, thereby decreasing price elasticity through increased price differentiation. Meidan (1976) had also revealed the fact that about 90% of the respondents banked at the branch nearest to their home place and place of work. Convenience, in terms of location, was also found to be the single most important factor for selecting a branch. Shostack (1977) summarized that most market offerings are a combination of tangible and intangible elements. It is whether the essence of what is being bought is tangible or intangible that determines its classification as a good or a service. Gitlow (1978) suggested that price not only influences the market position but also significantly affects customers' perceptual positioning. It is, therefore, important to keep market position in mind while deciding on pricing strategy.

A study conducted by Preston et al (1978) indicates that there is no significant difference between the retention rates of premium-attracted and of, non-premium offered deposit accounts. Consequently, the conclusion is that customers attracted by a free premium were just as loyal as those customers attracted by a lower-price banking service premium. Rayburn's study (1978) it was suggested that the purpose of the advertising and promotional functions is to create demand for the bank's services and to build and maintain goodwill towards the organization. Sasser (1978) defines security, consistency, attitude, completeness, condition, availability and training as important attributes of service quality.

In banking industry all such attributes are very pertinent and imperative to customers as possessions are very risky and customer concern is very much. The most important research in to service quality is strongly customer oriented. Kamath (1979) conducted a study on the marketing of bank service and customer service with special reference to the customers of the branches of Syndicate.

Need for the Study:

SERVICE INDUSTRY has significant impact on present market conditions in this paper we will discuss about the marketing mix of axis bank .

Objective:

To study the marketing mix in Axis bank.

Methodology:

This paper mainly based on secondary data .The articles which are published in the area of marketing mix of service industry.and information from axis bank website.

The Marketing Mix



The Marketing Mix

The tools available to a business to gain the reaction it is seeking from its target market in relation to its marketing objectives 7Ps - Price, Product, Promotion, Place, People, Process, Physical Environment products. The product in service marketing mix is intangible in nature. Like physical products such as a soap or a detergent, service products cannot be measured. Tourism industry or the education industry can be an excellent example. At the same time service products are heterogenous, perishable and cannot be owned. The service product thus has to be designed with care

PRODUCT OF AXIS BANK:

The main products of AXIS Bank are Saving Account, Current Account and Demat Account. The other products are Home loan, personal loan, Insurance, credit cards etc. For better marketing of products, the products are categorized under Axis Bank and Axis Sales.

PLACE:

The place part of the marketing mix is where the customer receives the product or service. Place in case of services determine where is the service product going to be located.

OR

The means by which products and services get from producer to consumer and where they can be accessed by the consumer. Place plays an important role in tangibilizing service offerings. Quality of service is perceived by many customers in the form of place of delivery- locational appeal, interiors, ambience, etc. If a bank is located in a crowded market the place or location will be a negative tangibilizes. More recently, some of the private banks in India like AXIS Bank are providing very attractive tangibles in the form of their locations, exteriors and interiors.

Price:

Pricing in case of services is rather more difficult than in case of products. The price of the product depends upon the services provided by the Bank on the respective product to the customers. Detailed pricing changes from time to time and the same can be found on the website of Axis bank.

Promotion:

Strategies to make the consumer aware of the existence of a product or service. Promotion have become critical factor of Service marketing. Visualization tangibilizes services through hoardings, TV and print campaigns or advertisements. Physical representation in services has a good promotional appeal to customers like use of colors to symbolize wealth and status. Service providers use documentation in their promotions in support of their claims for dependability, popularity and responsiveness.

People:

People is one of the elements of service marketing mix. People define a service.

If you have an IT company, your software engineers define you. If you have a restaurant, your chef and service staff defines you. If you are into banking, employees in your branch and their behavior towards customers defines you. In case of service marketing, people can make or break an organization. People are a common factor in every service. And people tangibilize services. Good people (means good performance) make good or successful services. Bad performers deliver bad services

PROCESS:

Service process is the way in which a service is delivered to end the customer. Process is something related to:

How do people consume services?

What processes do they have to go through to acquire the services?

PHYSICAL EVIDENCE:

The ambience, mood or physical presentation of the environment

Smart/shabby

Trendy/retro/modern/old fashioned

Light/dark/bright/subdued

Romantic/chic/loud

Clean/dirty/unkept/neat

Music

Reduce paper usage- Due to technological innovations such as use of Finical software for core banking solutions. It has positioned it self as a bank which gives higher standard of services through product innovation. Satisfies the diverse need of individual and corporate clients. It is customer centric, and service oriented

Conclusion:

The service marketing mix of Axis bank discusses the 7P's of Axis bank and how the bank is using an effective marketing mix to increase its customer base and rise in the banking industry.

They are implementing changes in their product, place, price, promotion, physical evidence, process and people to increase more no of customers.

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