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### SERVICE MARKETING IN INDIA: AN OVERVIEW

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#### ABSTRACT

In recent times, services marketing plays an important role in country, in this paper a researcher provides an overview of service marketing in India with their concepts, scopes, future prospects, etc., Because services are inherently multifunctional in nature, operation, marketing, technology and human issues are intimately connected to each other. A paper also describes comparison with other countries on the basis of GDP. A paper also saw future prospects of service marketing in India with different services sector and their growth. It is also represented recent investment held in country in service marketing. Due to services sector in India, it is expected that a more job creation will be held and provide high income on the basis of skills. Service sector is an important pillar of GDP as they have higher ratio in it. Service marketing is based on relationship and value. It may be used as a service or a product.

**KEY WORDS-** Service, Services Marketing, India, GDP, Growth.

#### 1. INTRODUCTION

It is now known that services are the largest part of the economy in many developed countries. The services sector is not only India's main GDP sector, but has also attracted significant foreign investment, contributed significantly to exports, and created large scale jobs. The Indian services sector covers a wide range of activities, such as trade, hotels and restaurants, transport, storage and communications, finance, insurance, real estate, business services, municipal services, social and personal services and construction services.

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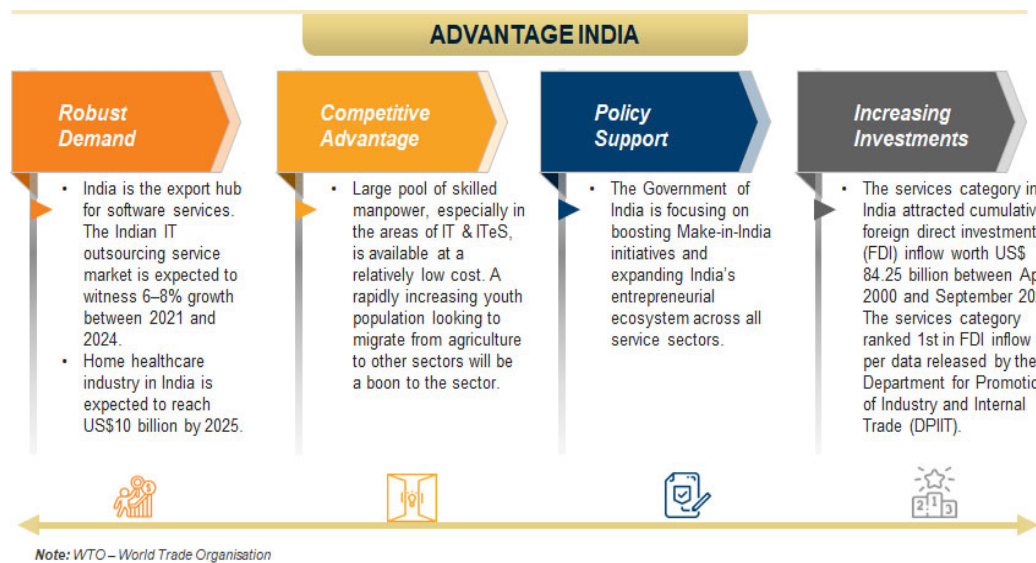
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The services sector is an important driver of India's economic growth. The sector contributed 55.39% of India's Gross Value Added (GVA) to the present price for the 2020 financial year. The Gross Value Added (GVA) at present prices in the second quarter of 2020-2021 is projected at Rs 42.80 lakh crore. in the second quarter of 2019-2020 compared to 44.66 lakh crore which shows a decrease of 4.2%. According to the RBI, exports of services amounted to USD 17.28 billion in September 2020, while imports amounted to USD 10.13 billion.



Sources: IBEF Report, 2021

The growth of the services sector is due to national and global factors. India's asset management market is expected to reach 17% of Compounded Annual Growth Rate (CAGR) between 2015 and 2020, surpassing the USD 19 billion generated by the expanding real estate, retail and hotel sectors. By 2023, the healthcare industry is expected to grow to 132 billion dollars. India's digital economy is estimated to reach a trillion dollars by 2025. By the end of 2023, India's IT, education industry and business services industry are expected to grow by eight percent to 14.3 billion dollars.

## 2. REVIEW OF LITERATURE

There is a lot of study on service marketing in India context, here some of related literature are potted as follows:

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- **Mehrdad and Elham (2011)** studied service marketing mix as 7p used to consider the service marketing. In this study, these seven factors and their impacts on marketing review in engineering and technical service corporation. The researcher discussed the importance of building service products according to the needs of customers, pricing programming, delivery in the right way and actively introducing to customers. This research is considered a descriptive study of data collection in hypothetical experiments. The study concluded that the product has the highest correlation value with dependent variables in different activity processes.
- **Gyaneshwar and Shiv Ratan (2015)** conducted a study to examine the impact of the marketing components of the services on Indian customers in order to implement the right marketing mix strategy in the banking context. The research has been carried out a sample of 351 customers in India of bank users who answered an online questionnaire. The study used the analysis of confirmation factors and the modelling of structural equations to analyse and validate the conceptual model planned in the study. The study stated that physical evidence, process, location, and people have an important and significant impact on the customer. The study suggested a mixed marketing strategy that is suitable for Indian clients in the banking context. The study would help bankers to develop marketing tactics and action plans to hold existing customers and attract new customers.
- **Thimmanna (2015)** studied to understand the conceptual framework, opportunity and challenges and issues in service marketing. He discussed the fact that service marketing became an independent issue in the early 1980s. In general, the service sectors lag behind manufacturing companies in the introduction and application of marketing concepts. But the scenario was changed. Marketing mix is the one of the most basic concepts in marketing is the. The traditional marketing mix consists of the four P: product, price, place and promotion. The study revealed that the specific characteristics of services, i.e., inhumanity, heterogeneity, inseparability and anticipation, mean that services become enormous in order to adopt the concept of an extended combination of marketing services.

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- **Sablu and Mohd (2018)** undertaken study is to conceptualise and explore the strategic importance of e-retailers' service convenience. This study aims to measure the convenience of electronic services for online retailers by adopting the scale developed by Jiang et al. (2013). The convenience of the electronic service provides a customer experience when shopping. The results of this study contribute to this and broaden the theory by adjusting the comfort scale of the electronic service for online retailers. This study also has two new buildings e.g., ordering convenience and reverse logistics to facilitate electronic services in electronic retail. The results and the new range of electronic services will be useful for online retailers and retail specialists to improve their services. This study suggests that the convenience of electronic service is an important factor in the buying behaviours of online shoppers.

### 3. OBJECTIVE OF THE STUDY

- To study the concept, trends, and major themes in services marketing.
- To look over the opportunity of service marketing in India and
- To study the issues related to service marketing in India.

### 4. MARKET SIZE OF SERVICE INDUSTRY

A quick comparison with the US and Chinese economies reveals the uniqueness of India's GDP growth due to the contribution of the service sector and its links to employment and income distribution (numbers in brackets indicate employment). Over time, a highly productive manufacturing and agricultural sector has made India's service sector the mainstay of GDP and employment. In our context, the service sector has become extremely important not only for our GDP growth but also for the main engine of job creation. The question, however, is how to reassess the GDP of service companies in India while reducing the dependence of employment on agriculture and strengthening the manufacturing sector.

### 5. FUTURE PROSPECTS OF THE SERVICE SECTOR IN INDIA

The service sector in India has the highest employment elasticity of all sectors. Thus, it has enormous growth potential as well as the ability to create highly productive jobs -

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which leads to income generation. To meet the job creation challenge, the Skill India program aims to meet its skills / development target of 400 million people by 2022. This goal is mainly achieved through the promotion of private sector initiatives in programs Competence development and provision of the necessary resources.

As the Make in India program aims to strengthen the industry, it will have a multiplier effect by expanding the service sector portfolio. In this context, the Start-up India Initiative is an important catalyst for the industry and service sector in India and supports innovative start-ups.

### 6. RECENT INVESTMENT IN SERVICE MARKETING

- Connecting Gujarat and Maharashtra, India's first bullet train has potential similar to that of the Mumbai - Pune expressway, but on a larger scale.
- Manufacturing of Rafale jets in India.
- Building large highway systems in India (expressways and freight corridors), inland waterways (Jalmarg Vikas project), port modernisation and new port development (Sagarmala project).
- Amazon India expanding its logistics footprint.
- Creation of a Taiwanese tech park in Karnataka
- A dedicated fund of \$ 693 million, which will be utilised to support sectoral undertakings under the Champion Services Sectors Initiative. These include IT and IT, Tourism and Hospitality Services, Medical Value Travel, Transport and Logistics Services, Accounting and Finance Services, Audio Visual Services, Legal Services, Communication Services, Construction and Related Engineering Services, Environmental Services, Financial Services and Education Services.

### 7. SERVICE SECTOR IN INDIA: SECTORS AND GROWTH POTENTIAL

#### IT-BPM/ Fintech

The IT & Fintech segments offer gross added value of over 155 billion US dollars and can grow between 10 and 15% per year. Exports are the most important component. Our main advantage so far has been to find cheap labour in a predominantly English-speaking

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country. In the future, the IT and IT segments will require a considerable improvement in skills in order to move from a “low-cost supplier with little added value” to a “partner with high added value”.

Indian IT companies can also use their skills to provide fintech solutions to global financial clients. Examples of high value-added services offered to a global audience in India include financial risk management services, insurance, natural disaster modeling, and underwriting.

### **Healthcare & Tourism**

The healthcare industry's current contribution is over \$ 110 billion and is projected to reach \$ 280 billion by 2020. The availability of world class medical facilities, qualified doctors, technicians and pharmaceuticals are some of our advantages. Thanks to digital communication and interfaces, diagnostic medicine can also be operated as a service for global customers.

Likewise, India is known to tourism for its places of natural beauty and historical importance. Tourism currently contributes \$ 47 billion to the country's GM, compared to \$ 115 billion for China. Thus, tourism has exponential opportunities to boost the Indian service sector over the next decade.

In order to generate significant revenue, improving the customer experience (medicine or tourism) is the key factor for future growth. In this context, government initiatives such as electronic visas, infrastructure improvements, security, connectivity, etc. are catalysts in the right direction.

### **Space**

India caught the world's attention last February when it broke the record for the most satellites launched into space. In addition, it was done at a fraction of the cost that other space powers have incurred.

India's Space Services with proven expertise in multiple launch technologies gives it a significant advantage over its competitors in the global space industry. Our starting skills have a nearly 100% track record. Many countries are actively trying to take advantage of India's departure options. This shows great potential. The government is actively

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demonstrating its capabilities, but more can be done to build capabilities in military and non-military space applications. In this context, public-private participation is essential to ensure the flow of capital and develop skills in this area.

### **Logistics & Transportation**

India's natural coastline and extensive river network give it a competitive advantage in providing transportation and logistics services domestically and internationally. These can be divided into ports and port services, warehousing, transshipment services, electronic logistics, freight and passenger waterways, highways and special freight routes. India's logistics services industry is expected to grow from \$ 115 billion to \$ 360 billion by 2032.

India should study closely the development of the service sector given the potential and need for large-scale sustainable investments. Investments usually have a long gestation period. Once the infrastructure is in place, however, the connections to the rest of the economy have significant multiplier effects.

### **Other services**

Media and entertainment (animation, games, dubbing), education (online platforms such as MOOC) and sports (IPL, IFL, and sports management), legal / attorney services, risk management and advisory functions, etc. are areas that the service sector performs.

## **8. VARIOUS ISSUES OF SERVICE MARKETING IN INDIA**

Companies that market a product face different challenges than companies that promote a service. Understanding the different issues of service marketing can help you find the right approach.

### **1. Intangibility**

Consumers can see and touch the goods – it is a physical product. They know very well what they buy when they spend their money. They can even carry the item with them, even though they have to drive out of the crowd when buying a car. This portability is not the case for services. The impact of services cannot be immediately seen, and what is being done is not always obvious.

### **2. Lack of Ownership**



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After buying a product you can take it home, own it for years and maybe even sell it again. But you can't do the similar with a service. You can only enjoy it for a certain time period, then it's too much - unless you pay again. The lack of material goods makes it difficult to sell services. Even companies do not have services and do not control how they can control material products.

### **3. Perish ability**

Another crucial quality of the services is that they are easily perishable. I don't think they're going to spoil themselves, but they're temporary. You cannot create inventory or store services as you would for physical products. The services typically run at specific times and on specific dates. A dentist cannot be operated on until the patient is sitting on the chair.

### **4. Heterogeneity**

Service companies work through a variety of elements and interactions. A bank can provide customer service through a hotline or website and withdraw money through ATMs. In most industries, the process of providing services involves a great human interaction. Because human behavior is subjective and unpredictable, there are not two services that can be identical in their minutiae and outcomes.

### **5. Interactivity**

The provision of the services depends on a chain of interactions between the customer and the service provider and between the persons working in the service provider. The customer is at the heart of the entire process, and all activities must strive for their satisfaction.

In order for the service to be provided, the consumer must cooperate with the service provider and coordinate. For example, if they offer invoices over the Internet – the service – the consumer must have affective payment system, a connection to work on the Internet, and use both.

## **9 CONCLUSION**

Service marketing provides many opportunities. This paper represents an overview of the conceptual framework, basis, trends and major theme in services marketing. The paper



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describes on the basis of current trends in India in service marketing. Recently the government making many investments in services sector they majorly focus on transportation sector as they started a bullet train. Service marketing requires a high level of detail and a better understanding of the customer.

In this paper a researcher also describes future prospects of services marketing in India as they concluded that in IT& fintech have more future in-service marketing also an important pillar of country GDP size as they have large number of sources on it. Paper describes market size of services sector in country as 61.5% in India. It is also saw the great job creation in India with high income.

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