Excellence and Customer Delight in Services Marketing: Linkages With E-Adoption and Innovation

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ABSTRACT

Innovation, differentiation, and e-adoption are imperative for companies to sustain in the competition. It is difficult to innovate and differentiate physical products. Service companies gain in importance because of higher scope of innovation and differentiation with the help of e-adoption. The importance of innovation in services, initiatives taken by service companies, and the roles of e-adoption and technology as enablers to achieve excellence and customer delight are discussed. The initiatives include a strategic orientation, commitment from the top management, maintaining high standards, having profit tiers, monitoring service performance, and prompting action on customer complaints. The study focuses on the differentiation incorporated in services, adoption of the internet, and the roles of the internet in the differentiation of services. The study discusses those companies which excel in providing superior services and analyses the strategies adopted by them. Proper implementation and execution of strategies enable companies to delight customers and achieve excellence.

KEYWORDS

Differentiation, E-Adoption, External Marketing, Innovation, Interactive Marketing, Internal Marketing, Profit Tiers, Service Performance, Strategic Orientation, Technology

1. INTRODUCTION

Companies require differentiating themselves to sustain in the competition (Prahalad & Ramaswamy, 2003). It is difficult for companies to differentiate their physical products (Guizzardi, Pons, & Ranieri, 2019). Physical products are tangible, differentiation introduced in physical products is visible, and can be copied instantly. Companies focus on providing services to differentiate their offerings. Services are intangible and differentiation introduced in services is not visible instantly. Also, it is difficult for competitors to imitate the differentiation and innovation incorporated in services (Tuttle, 2013). Companies require delivering superior service quality to generate profitability. Superior service quality may mean on-time delivery, better and faster responses, or quicker resolution of complaints. Companies realize the importance of providing and delivering superior services and also of creating memorable customer experiences (Oodith, 2019). Services are gaining in importance in the current business scenario because of the scope of differentiation. Customers expect exceptional service quality from companies. Companies will not be able to deliver exceptional service quality unless they achieve excellence. Companies are willing to achieve excellence in services marketing. They focus on improving upon those parameters which help them to excel in the marketing of services (Metaxas, Chatzoglou, & Koulouriotis, 2019). Technology, e-adoption, and the internet play a vital role in this process.
role in the delivery of superior services. Companies require adopting technology and the internet (Zarei, Asgarnezhad Nuri, & Noroozi, 2019).

It is important for service companies to aim for customer delight and to achieve excellence. Service companies are gaining in importance in the present business scenario. So, it is essential to conduct a qualitative analysis of service companies and the strategies and the initiatives such companies adopt and to understand the ways in which such companies achieve business excellence. It is also important to understand the roles played by e-adoption, technology, and the internet in achieving business excellence for service companies. Although the issue is important, few studies have conducted in-depth analysis. The present study aims to address this research gap.

The study focuses on all those aspects and strategies which help companies to achieve excellence in services marketing citing examples of various industries from the services sector. The objective of the study is to understand the strategies and the initiatives which help service companies to achieve business excellence and the roles played by e-adoption, technology, and the internet.

The contributions and the novelty of the study lie in the fact that an in-depth discussion of the various strategies for achieving excellence in services was done. Technology, e-adoption, and differentiation have become imperative to achieve success in the competitive business environment. The roles played by e-adoption, technology, and the internet are discussed. The discussions have both theoretical and managerial implications. Based on the discussions presented, academicians may conduct a further review and analysis of the different strategies and suggest improved strategies. They will understand the importance of technology, e-adoption, and differentiation in the field of services. The discussions will sensitize managers about the importance of achieving excellence in services marketing. They will realize the importance of the applications of technology, e-adoption, innovation, and differentiation in services marketing. Efforts were made to include the latest and the relevant literature related to services marketing and the relations among strategic orientation, e-adoption, differentiation, and innovation. However, world-class service companies strive continuously and adopt better strategies for delighting their customers. Developments are happening regularly in the fields of services marketing and innovation. Researchers and practicing managers may utilize the discussions done in the study to delve more into the importance of achieving excellence in services marketing for generating better customer insights and delighting the customers. They might collect primary data, conduct empirical analysis, and generate results which are actionable. They should also keep themselves updated about the latest trends and developments to understand the roles of strategies, differentiation, and innovation in delighting customers and achieving excellence in services marketing.

The study is structured as follows. Section 2 discusses those areas where companies need to excel in the marketing of services. These areas include external marketing, internal marketing, and interactive marketing. The section discusses those areas with examples from the services industry. Section 3 discusses about the roles of e-adoption and technology as enablers for achieving excellence in services marketing. Section 4 focuses on organizational orientation of companies and the initiatives taken by them to achieve excellence in services. Companies focus on having a strategic orientation, commitment from the top management, maintaining high standards, targeting customers selectively based on profitability, monitoring service performance, and taking prompt action on customer complaints. Section 5 discusses about differentiation which companies introduce to achieve excellence in services marketing. Companies require excelling in both primary and secondary services. They require introducing innovation in services in different sectors. Online travel, retail health clinics, and private aviation are taken as examples. Roles played by e-adoption and the internet in the differentiation of services are also discussed. Section 6 deals with instances of excellence in services marketing in action. In order to achieve excellence in services, companies require doing continual improvement. Examples are cited from airlines industry, entertainment industry, company call centers, and brokerage industry. Section 7 focuses on discussions done throughout the study. Theoretical implications and managerial implications of the study are highlighted in sub-sections 7.1 and 7.2 respectively. Section
8 concludes the study with sub-sections 8.1 and 8.2 focusing on the limitations of the study and the avenues of future research respectively.

1.1. Methodology
The methodology adopted is the qualitative and the conceptual analysis of the literature on services marketing, the strategies and initiatives service companies adopt to achieve excellence, and the roles of e-adoption, technology, and the internet. Primary data was not collected and empirical analysis was not done.

2. EXCELLENCE IN SERVICES MARKETING

Achieving excellence in services marketing requires focus on three broad areas – external marketing, internal marketing, and interactive marketing (Bernoff, 2011). Each of these areas is explained in the following sub-sections.

2.1. External Marketing
External marketing refers to the basic job of preparing, pricing, distributing, and promoting a service to customers (Baum & Kahn, 2020). External marketing also deals with how companies interact and deal with outside parties to achieve excellence in services marketing.

2.2. Internal Marketing
Internal marketing refers to how companies train and motivate their employees and other individuals appointed for delivering services to customers (Al-Hazmi, 2020). Such individuals should be empathetic and emphatic in their behavior and attitude towards customers. The most important contribution of the marketing department of an organization is to be “exceptionally clever in getting everyone else in the organization to practice marketing” (Marinova, Ye, & Singh 2008).

2.3. Interactive Marketing
Interactive marketing refers to the interaction between companies and their customers. Employees of companies should have effective communication skills and should be empathetic while interacting with customers (Asnawi & Setyaningsih, 2019). Customers judge a service not only on the basis of technical quality but also on the basis of functional quality (Babic-Hodovic, Arslanagic-Kalajdzic, & Imsirpasic, 2017). For example, whether a service is having high technical quality or not will be answered by the question “Was the surgery successful?” On the other hand, functional quality will be answered by the question, “Did the surgeon show concern and inspire confidence?” Companies should be able to convince their customers that they are compassionate about customers and truly care for them (Zeithaml, Bitner, & Gremler, 2018).

Employees and individuals appointed by companies to serve customers need to work as a team to deliver superior services. Interactive marketing is more about collaboration among the employees in an organization (Bowen & Sethi, 2020). It is imperative for employees across different functions and departments to appreciate the importance of collaboration so that they are able to exceed customer expectations and to delight them. Frontline employees are the individuals who come in direct contact with customers. So, they must be empowered enough and authority must be delegated to them to provide quick solutions. Delegation of authority results in greater service flexibility and adaptability through problem-solving, closer employee cooperation, and more efficient knowledge transfer (Baldwin, 2011).
3. E-ADOPITON AND TECHNOLOGY AS ENABLERS IN SERVICES MARKETING

E-adoption and technology are enableers which automate the different processes in an organisation (Lakshmi, Srircharan, & Vijayakumar, 2020). This increases the productivity of service workers. At the same time, companies should be willing to go for e-adoption and technology. In 2008, US Airways deployed handheld scanners to track baggage. The move resulted in a faster process and better handling of baggage by almost 50% than the year before (McGregor, 2009). The technology produced results in the first year itself with customer complaints dropping by 35% (McGregor, 2009).

New technology provides unanticipated benefits. BMW introduced Wi-Fi facilities in its dealership outlets so that customers are able to utilise their time effectively while they wait for their cars getting serviced (Ferrell & Ferrell, 2012). More customers choose to wait at the outlets than to use loaner cars. This helped dealers in cutting down costs because maintaining loaner cars is expensive (Ferrell & Ferrell, 2012).

E-adoption and implementation of technology have a number of benefits. Such initiatives help companies to improve productivity. However, excessive focus on productivity may result in a negative impact on perceived quality. Various processes require standardization so that productivity gets increased (Rust & Huang, 2012). Again, too much standardization in processes may act as a hindrance for innovation. Service providers must deliver “high touch” as well as “high tech”. Companies require balancing between technology and innovation. Those companies which can balance the two aspects will be able to generate the most advanced technological innovations. For example, Amazon.com achieves this to keep its customers extremely satisfied. When a problem arises, the company tries to resolve it immediately with the help of its technological innovations (Nandamuri, Rao, & Mishra, 2020).

The internet is one of the technological innovations which allows firms to improve their service offerings and strengthen their relationships with customers. The internet helps in providing connectivity, customer-specific and situational personalization and real-time adjustments of the firms’ offerings (Martin & Murphy, 2017). Companies collect relevant information about customers and analyze the information to know and understand their requirements and preferences better. The internet helps companies in collecting information from customers. Companies can collect information online and track the online activities of customers. However, collection of information online results in safety, security, and privacy issues (Hamidi & Moradi, 2017). Companies should assure customers of the safety, security, and privacy of information shared by customers. This will instill a sense of trust in the minds of customers.

4. INITIATIVES BY COMPANIES FOR ACHIEVING EXCELLENCE

Companies providing services adopt a number of practices and undertake initiatives to achieve excellence. They adopt a strategic orientation; have a history of top-management commitment to quality; high standards; profit tiers; and systems for monitoring service performance and customer complaints. The approaches are explained in the following sub-sections.

4.1. Strategic Orientation

Companies require delighting their customers. They should be obsessed about serving their customers (Lee & Park, 2019). They identify the requirements of their customers and target them accordingly. They adopt strategies which satisfy and exceed customer expectations (Mintzberg & Lampel, 1999). This is also true for service companies. Job applicants at Four Seasons luxury hotel chain are required to pass four levels of interviews before they can be considered for jobs. They are tested on all those parameters which determine whether they will be able to delight the customers. Once hired, employees receive proper training to develop skills so that they are able to provide the best services to customers. The hotel chain also employs “guest historians” who track and analyze guest preferences (Mody, Suess, & Lehto, 2019). A financial advisor and an administrator at each of
the offices of the brokerage firm, Edward Jones caters to the requirements of customers (Stewart & O’Connell, 2017). Although employing individual financial advisors and administrators are costly, Edward Jones does it to delight its customers. Such an initiative has a long-term impact in developing and building personal relationships with customers.

4.2. Commitment from the Top Management

High commitment towards maintaining and improving service quality is practiced by world-class companies like USAA, Marriott, and Disney. Top management of such companies is committed towards providing services of the highest quality to their customers. The top management of such companies analyzes not only the monthly financial performance but also service performance (Rust & Huang, 2012). Ray Kroc of McDonald’s insisted on continually measuring each McDonald’s outlet on its conformance to QSCV: quality, service, cleanliness, and value. Many service companies insert a reminder in paychecks about their commitment towards customers: “brought to you by the customer”. Sam Walton of Wal-Mart required his employees to take the following pledge: “I solemnly swear and declare that every customer that comes within 10 feet of me, I will smile, look at them in the eye and greet them, so help me, Sam” (Hagen, 2011). All the above examples emphasize the importance of the commitment from the top management to achieve excellence in delivering services.

4.3. Maintenance of High Standards

Delivery of superior services is not possible without maintaining high standards (Zeithaml et al., 2018). Citibank, known for its superior customer services, aims to respond to phone calls within ten seconds and customer letters within two days. Top service companies set high quality standards for themselves. Ninety-eight percent accuracy may sound good for companies. However, it would result in 64000 lost FedEx packages a day, six misspelled words on each page of a book, 400000 incorrectly filled prescriptions daily, three million lost USPS mail pieces daily, no phone or internet or electricity eight days per year or 29 minutes per day, 1000 mislabeled or mispriced products at a supermarket and six million people unaccounted for in a U.S. census (Kapner, 2012). Achieving success in the competition depends to a large extent on whether companies are able to maintain high standards or not.

4.4. Profit Tiers

Companies have large customer bases and not all customers are equally profitable for companies. Many customers may actually generate losses for companies. Companies try to get rid of such customers and focus on those customers who are profitable. They vary the quality of service provided depending on the profitability of customers (Briggs, Deretti, & Kato, 2020). Companies charge full fees and provide lower services for customers who are not profitable and buy infrequently, and focus on regular and high margin customers. Customers with high profitability receive special discounts, promotional offers, and other special services. Customers in lower-profit tiers may not receive discounts and special offers, may get stripped-down services and voice messages to process their inquiries (Walters & Helman, 2020). Resources, time, and energy which are saved while serving customers from low-profit tiers may be invested while serving customers from high-profit tiers. This might result in delight for customers with high profitability.

Zappos is a company which differentiated its customers based on profitability. During recession, Zappos decided to stop offering complimentary overnight shipping to its first-time buyers (Purcarea, 2019). The services were offered only to regular buyers. The money saved was invested in providing VIP services to its most loyal customers (Purcarea, 2019). However, companies may face backlash if they discriminate customers like this. Companies which provide differentiated levels of services to their customers depending on profitability should be cautious about the backlash which may occur from customers receiving lower levels of service. Such customers may be dissatisfied, frustrated, and in extreme cases, may spread bad word of mouth about companies. This might affect the reputation
of companies. It is difficult to maximize both customer satisfaction and company profitability at the same time. Top level service companies aim to optimize the two objectives.

4.5. Monitoring Service Performance

Service performance requires to be maintained on a regular basis. Companies introduce voice of the customer (VOC) measurements to keep a track on customer satisfaction and dissatisfaction. VOC measurements allow companies to understand customer requirements better and such understanding helps companies to provide better services. VOC measurements use comparison shopping, mystery or ghost shopping, customer surveys, suggestion and complaint forms, service-audit teams, and consumers’ letters to the top management (Zeithaml et al., 2018). Companies judge services based on customer importance and their own performance in delivering services. A number of attributes are fixed for measuring customer importance and company performance. Customers rate each of the attributes on the two parameters. Mean rating of each attribute is calculated. The ratings for the two attributes are plotted. Decisions are taken based on the ratings and the plot. Such an in-depth analysis helps companies to increase customer satisfaction.

4.6. Prompt Actions on Customer Complaints

Customers who are dissatisfied and frustrated with the services provided by a company stop doing business with the company. Research shows that 40 percent of dissatisfied customers stop availing the services (Rust & Huang, 2012). However, if customers feel that the complaints were attended to and have been resolved to their satisfaction, then they continue availing the services. Customers look not only for prompt solutions. They also want to have the assurance that companies really care for them. Customers are willing to continue doing business with those companies which acknowledge a service failure once it has occurred and act promptly to recover from the failure to the satisfaction of customers (Wang, Liu, Gao, & Zhang, 2020). Top level service companies encourage customers to complain. They train and motivate their employees to be proactive in delivering instant solutions to customers. Companies that provide instant and effective solutions to customer problems have been shown to achieve higher revenues and greater profits than companies that do not adopt a systematic and prompt approach to resolve customer complaints (Kasabov, 2015). E-adoption and applications of technology allow companies to respond promptly to issues raised by customers. For example, companies like Pizza Hut have their toll-free numbers printed on all its pizza boxes. Once a customer calls on the toll-free number, the call is recorded and is transferred to the store manager. The store manager needs to call the customer within 48 hours and resolve the complaint (Fickling, 2012). Such prompt actions help Pizza Hut to instill trust in the minds of customers and to win their hearts.

Frontline employees are the individuals who interact directly with customers. So, they are in a better position to understand customer requirements and issues. Also, customers judge a company based on the responsive of the frontline employees. To many customers, frontline employees are the company. Frontline employees have the important task of advocating the interests and the image of the company to customers (Martinaityte, Sacramento, & Aryee, 2019). They should be empathetic while listening to and understanding customer problems. They can be a critical asset in solving customer complaints (Rod, Ashill, & Gibbs, 2016). Customers evaluate complaint incidents in terms of the outcomes they receive, the procedures used to arrive at those outcomes, and the nature of interpersonal treatment during the process (Chan & Wan, 2012).

5. DIFFERENTIATION OF SERVICES

Service is an offering where companies have high scope of differentiating their offerings from that of others. When customers perceive that a service is fairly homogeneous, they care less about the service provider than about the price (Zeithaml et al., 2018). Like any other offering, companies providing services need to differentiate their services from that provided by their competitors.
Otherwise, customers will not realize any difference among the brands and will perceive the brands as a commodity (DeVine, Lal, & Zea, 2012).

5.1. Primary and Secondary Services

Customers expect value addition in services. People and processes help companies to add value and differentiate their service offerings (Samudro, Sumarwan, Simanjuntak, & Yusuf, 2020). Customers expect that the primary service provided by companies will be of superior quality. They will feel frustrated if a company fails to provide even the primary service. Vanguard is the second-largest no-load mutual fund company. It has developed and maintains a unique client ownership structure that lowers costs and permits better fund returns. Based on this, Vanguard differentiates itself from its competitors. The differentiation has helped Vanguard to grow and establish its brand through word of mouth, public relations, and viral marketing (Kostovetsky & Warner, 2020).

Customers expect a primary service package without which they will get frustrated. At the same time, customers expect secondary service features in the package. These features are secondary because they are not a part of the core service. For example, in the hotel industry, apart from the primary services, various chains have introduced merchandise for sale, free breakfast buffet, and loyalty programs (Genchev, 2019). However, any offering should have a superior primary service before having secondary service package. Customers will reject an offering with a poor primary service package even when the secondary service package might be superior.

The major challenge in any form of innovation and differentiation is that, once introduced, there is a high risk of competitors copying the offerings and innovations easily and quickly (Schumpeter, 2000). Consequently, the innovator loses the first mover advantage. Even worse will be that challengers and imitators may copy the innovation, may develop further on the innovation, and leave the innovator behind in the competition (Klarin, 2019). Companies should aim for continual innovation to overcome temporary advantages over competitors (Drucker, 2002). E-adoption and technology allow companies to perform continual innovation.

Schneider National is a company that believes in doing continual innovation to remain ahead of its competitors. Schneider National is the world’s largest long-haul truckload freight carrier. It generates $3.7 billion in revenues and employs more than 54000 bright orange tractors and trailers on the roads (Hempel, 2009). The company excels in its core service of moving freight from one location to another. Schneider National excels in providing superior services because it views its business from a broader and holistic perspective in the form of providing complete customer solutions. Its service guarantees are backed with monetary incentives for drivers who meet tight schedules. Drivers are provided training so that they are able to achieve improved performance (Hempel, 2009). It was the first company to provide its drivers with an in-can satellite technology and mobile technology. Because of such innovative measures, Schneider won a number of awards in 2009 for excellent customer services, solutions, and commitment to the environment from government organizations, shippers, and industry media (Hempel, 2009). Schneider adopts a number of measures for providing excellent services. It recruits the best drivers who are able to provide the best possible services. Schneider invests substantially in its promotional activities. It employs e-adoption and technology to the maximum extent possible. It advertises on television shows such as “Trick My Truck”, on satellite radio, in newspapers, and online. It also invests in webinars, public relations, and partners with AARP, local organizations, and veterans’ groups. Schneider National took a strategic move when it decided to color its trucks Omaha orange. Such an initiative helped to improve safety and to create awareness.

5.2. Innovation in Services

It is imperative for any company to do continual innovation to survive and excel in the industry. It is more important for companies operating in the services sector. Service companies differentiate themselves from their competitors through continual innovation. Starwood lost its customers to Hilton and Marriott Hotel who are its competitors, for a number of years. Starwood understood that it is
imperative to innovate in order to satisfy and to delight its customers. Towards achieving excellence in innovation, Starwood invested $1.7 billion in its Sheraton chain of 400 properties worldwide to give them fresh decor and brighter colors, more attractive lobbies, restaurants, and cafes. One hospitality expert commented, “There was a time when Sheraton was one of the leading brands. But it lacked in introducing new design and service concepts and developed a level of inconsistency” (Yu, 2008). Sheraton was able to improve its brand image by investing in innovation.

Companies introduce new service categories continuously to satisfy unmet customer needs and wants. For example, the “blow-dry bar” salon concept introduced by Alli Webb focuses on the simple promise: “No cuts. No color. Just blowouts for $40” (Upbin, 2012). Redditis, a giant online digital bulletin board and has a number of active forums where registered users can post contents or links and discuss among themselves (Alsinet, Argelich, Béjar, & Martínez, 2020). Online start-up, Carelinx is a matchmaking site for families with at-home elderly and non-medical caregivers who can provide home care (Qose, 2017).

Companies which introduce innovation in their existing services have higher payoffs than companies which do not do so. Ticketmaster introduced interactive seat maps which allowed customers to choose their own seats instead of being allotted one (Altman & Tushman, 2017). Customers welcomed the initiative because it allowed them to choose their own seats according to their preferences. The conversion rate from potential to actual buyers increased by 25 percent to 30 percent. The company makes extensive use of the social media. Ticketmaster motivated its customers to add an “I’m going …” message on Facebook. This resulted in adding an extra $5 in ticket sales on average. Customers also posted reviews on Facebook about the movies they have watched recently. This motivated individuals to watch the movies and doubled the conversion rate (Savitz, 2011).

Several new service categories have emerged in the recent past. Companies have also introduced creative solutions and innovations in existing categories (Buganza, Trabucchi, & Pellizzoni, 2020). Some of the categories where companies have been successful in introducing innovation include private aviation, retail health clinics, and online travel:

1. **Private Aviation:** Previously, governments of different countries restricted the scope of aviation by appointing selected authorities. However, at present, in many countries, aviation has been thrown open to private players. Initially, private aviation was restricted to owning or chartering a private plane. At present, companies allow even customers to have fractional ownership by paying a percentage of the cost of the private plane plus maintenance and a directly hourly cost. The company which pioneered this concept was NetJets (Sharkey, 2012). Marquis Jets further innovated with a simple idea of combining prepaid time on the world’s largest, best maintained fleet, offering the consistency and benefits of fractional ownership without the long-term commitment (Sharkey, 2012).

2. **Retail Health Clinics:** Innovation in services is required in all domains. However, healthcare is a domain where it is difficult to innovate. Companies in the healthcare sector are equipped to solve a small number of complex cases. However, in reality, healthcare clinics solve a large number of simple cases. Retail healthcare clinics like Quick Care, RediClinic, and Minute Clinic are found in drugstores and also inside retail chain stores like Wal-Mart and Target (Gaur, 2019). Minor injuries and illnesses like colds, flu, and ear infections are handled by nurse practitioners. Such clinics also provide other health and welfare services such as physicals and examinations for high school sports. They differentiate themselves by offering social healthcare services like vaccinations for kids. Pricing for all the services offered is affordable and transparent. The services are convenient to avail because prior appointment is not required and the services are available seven days a week. Patients have to pay short visits (less than 15 minutes) and each visit costs between $25 and $100 (Gaur, 2019). Healthcare is a sensitive sector because it deals with the physical and mental well-being of patients. So, healthcare has an immense opportunity
to develop emotional attachments with customers. Companies operating in healthcare sector should utilize the opportunity to develop strong bonds with customers.

3. **Online Travel:** E-adoption and the internet facilitate e-commerce and the process of transactions. Transactions become faster, streamlined, and more convenient. Customers can have information and can book tickets practically from anywhere in the world (Uğur, 2020). Discount prices and various offers in the form of coupons are available. Customers are charged only when they book tickets themselves through websites or through travel agents. There are travel agents like Kayak that apply the Google business model of collecting money on a per click basis. Kayak provides better search options for customers with more alternatives and flexibility (Bozhuk, Pletneva, Maslova, & Evdokimov, 2020).

5.3. Roles of E-adoption and the Internet in the Differentiation of Services

Companies require adopting the internet and the latest technologies. The internet acts as a vital platform for service companies to deliver superior value to customers. Companies can use the web to offer primary and secondary services which was not possible before the advent of the internet. E-adoption and the usage of the internet allow companies to communicate faster and deliver services more conveniently. If implemented properly, it also results in less spending for companies. Companies like Salesforce.com make extensive use of the internet. Salesforce.com uses cloud computing that is a centralized computing service delivered over the internet. The backbone of cloud computing is the ability of companies to develop and maintain customer databases (Sehgal, Bhatt, & Acken, 2020). Maintenance of customer databases comes at a substantial cost for companies. Haagen-Dazs estimated that it needs to spend $65000 for a customer database to know about its customers and to stay in touch with the company’s retail franchises across the country. Haagen-Dazs created tie-up with Salesforce.com to set up an account. Haagen-Dazs paid only $20000 to set up the accounts. It only pays $125 per month for 20 users to remotely monitor franchises via the web (Dougherty & Murthy, 2009). The initiative helped Haagen-Dazs to save money, time, and other resources which it could utilize on other fruitful efforts for customers.

6. EXCELLENCE IN SERVICES MARKETING IN ACTION

Service companies aim to excel and delight their customers. A lot of initiatives are taken by service companies which help such companies in developing and in building relationships with customers and in creating bondage with them. This section discusses some of the initiatives taken by service companies from different domains and explains the manner in which those initiatives help service companies from diverse industries to excel in providing services to customers and to build customer relationships. The different domains which are discussed include airlines industry, entertainment industry, company call centers, and brokerage industry. These four domains are highlighted because companies in such domains introduce technology and differentiation in their services to delight their customers. Also, excellence in services is required because of tough competition in all the four domains. Industry growth is high in these four domains. Companies in such domains will not be able to have substantial growth without achieving excellence in services marketing. Service companies in similar domains and also from other domains will be able to have a strategic orientation based on the analysis of the four domains.

6.1. Excellence in Airlines Industry

Companies in the airlines industry face tough competition because of the existing players and also because of new entrants. The industry is also characterized by bankruptcy and unhappy customers (Eng & Vichitsarawong, 2019). Even in this tough competition, JetBlue and Southwest Airlines have kept their customers happy and have achieved financial stability (Tae, Pang, & Greenwood, 2020).
The two companies adopt different strategies to achieve financial and marketplace success. Southwest Airlines adopts a business model which is unusual for an airline, to achieve success. Southwest Airlines focused on short hauls only. The model focused on offering the basic customer services eliminating travel agents, meals, gates at major airports, and fees (Roberts & Griffith, 2019). The elimination of extra services ensured that Southwest Airlines operated as a low-cost carrier and saved money. At present, the airline has changed some of its practices. However, Southwest Airlines eliminates extra cost by avoiding the bag, ticket change, and other fees adopted by the competing airlines. The airline believes that it would lose $1 billion in revenue from lost bookings (Zou & Yu, 2020). Tight control over costs allows Southwest Airlines to offer low fares. It has a low turnaround time which allows keeping planes in the air and seats filled. The airline ensures that they deal with customers in an informal and friendly style. It hires those people who are outgoing, passionate, and obsessed with satisfying customers. Employees are empowered to take instant decisions and to be friendly with customers (Zou & Yu, 2020). JetBlue operated with a different business model. Its target market consists of leisure travelers at its JFK hub in New York City. JetBlue also focuses on minimizing costs. However, unlike Southwest Airlines, JetBlue offers comfy seats, choice of snacks, and live television (Rossy, Wittmer, & Linden, 2019). It has JetBlue University in Orlando. The airline has built a $25 million lodge in the university. The airline encourages a culture of camaraderie among its employees. It provides extra options for business travelers, including fancier and more expensive seating on its transcontinental routes (Rossy et al., 2019). Such initiatives allow Southwest Airlines to operate on low costs, streamline its operations, and to provide excellent services to customers.

6.2. Excellence in Entertainment Industry

It becomes sometimes imperative for world-class service companies to do continual innovation to delight their customers and to stay ahead of the competition. Companies in entertainment industry reinvent a service category. Cirque du Soleil (French for “circus of the sun”) is a company which has repeatedly broken loose from circus convention in its more than 25-year history (Forrest, Nicholls, Schimmel, & Liu, 2020). The company uses traditional ingredients like contortionists, trapeze artists, muscle man, and clowns. However, they are presented in unconventional settings with lavish costumes, new age music, and spectacular stage designs (Lauer, 2019). The company is respected because of efforts for social causes in not using animals for any of its performances. Each of its stage shows has a story and connected with a theme such as “a tribute to a nomadic soul” (Varekai) or “a phantasmagoria of urban life” (Saltimbanco). Initially, the group used to perform on the streets of Quebec. It went ahead of the competition because of its uniqueness and superior performance. Presently, it is a half-billion-dollar global enterprise with more than 3000 employees in four continents entertaining audiences of millions annually (Forrest et al., 2020). The company is successful because it encourages a culture of artistic creativity and innovation. The vibrant culture also helps to protect the brand. Since the company believes in quality performance, it limits the number of performances to one per year. The creation is done in-house. So, the production is unique and there are no duplicate touring companies. E-adoption and technology are applied by the company to the maximum possible extent. The brand is promoted through a mix of media and local promotion. The company has created Cirque Club which has more than one million members. The company uses e-mail to interact with its members. The online community of fans helps in selling the tickets with 20 percent to 30 percent of sales coming from club members (Eng & Laliberte, 2011). The company generates annual revenue of more than $800 million. The brand has expanded to encompass a record label, a retail operation, and resident production in Las Vegas (five in all), Orlando, Tokyo, and other cities (Rahman & Choudhury, 2019). Customers have a lasting impression about the brands in their minds because of superior performance and unique features. Customers keep coming back to watch the performance to have a unique experience.
6.3. Improvement and Service Excellence in Call Centers

Customers are empowered now-a-days and they are not willing to accept poor services. Most of the companies realize this truth the hard way. Customers want prompt responses from companies once a service failure has occurred and expect an effective solution to recover from the service failure. Only those companies which excel in providing services will be able to provide such solutions. After the two companies merged, Sprint and Nextel treated their call centers as cost centers (Jasmand, Blazevic, & de Ruyter, 2012). Call centers interact directly with customers and the actions taken by call centers have a direct impact on customer loyalty. The company did not realize this truth. On the contrary, the company rewarded its employees for keeping calls short. Morale of the employees became low when the management started monitoring even bathroom trips. Low morale of employees resulted in low service quality, and consequently, customer dissatisfaction. When customer churn reached a critical level, Sprint Nextel emphasized service quality over efficiency (Chan & Wan, 2012). The company realized the importance of service quality. It took several initiatives to improve service quality. A chief service officer was appointed. The company also started rewarding those employees who solved issues faced by customers the first-time customers called to resolve the issues. Emphasis was placed on service quality and on solving a specific problem to the satisfaction of customers rather than keeping the calls short. The promptness reduced the number of calls a customer made from eight to four (Walker & Silverman, 2012). All these initiatives helped the company in excelling in providing superior services and to improve its brand image.

Multinational companies establish call centers mostly in countries other than their own and also where costs of operations are low, to save on costs incurred. Companies like AT&T, Expedia, and JP Morgan Chase have established their call centers in the Philippines. The companies chose to set up their call centers in the Philippines rather than setting them up in countries like India because Filipinos speak lightly accented English and are more steeped in the US culture than Indians. Also, Indians may use unfamiliar idioms and speak British-style English (Bajaj, 2011). Companies also decide which calls need to be diverted to offshore call centers. They homeshore those calls which are complex and involve decision-making to highly trained and efficient domestic customer service representatives. The representatives are allowed to work from home. They provide high-quality service at a low cost. Also, turnover for such representatives is lower than other representatives (Shroeck, 2011).

The number of call center representatives required is decided based on the number of calls received. One study revealed that eliminating four representatives from a team of three dozen representatives at a call center resulted in increasing the number of customers put on hold for four minutes or more from zero to 80 (Bajaj, 2011). Appointment of optimum number of representatives also allows companies to keep representatives motivated and to get the maximum output. Companies like Marriott, KeyBank, and Ace Hardware consolidated their call center operations. This resulted in appointing lesser number of representatives with call centers in fewer locations (Shroeck, 2011).

Companies should formulate proper strategies for hiring and training their call center employees because such activities are critical for success. An extensive study by Xerox demonstrated that a good call center employee with a high probability to stay the six months necessary to recoup the company’s $5000 investment was likely to have a creative rather than an inquisitive personality (Jasmand et al., 2012). Call center employees should have proper attitude and motivation while interacting with customers. So, attitude and motivation of employees towards serving customers are given more importance than anything else. For example, for recruiting employees for its 50000 call center jobs, Xerox focuses on individual characteristics like “I ask more questions than most people do” and “People tend to trust what I say” (Chan & Wan, 2012). Such statements reveal the inquisitiveness and trustworthiness of individuals. Possessing these characteristics is vital for a call center employee.

Big data analytics play an important role in matching requirements of individual customers with the capabilities of the call center agent. For example, companies collect data about customers from online dating sites and social media websites. Advanced analytics technologies are applied to gain insights into consumer behavior by mining transaction and demographic information (Nargundkar &
Kulkarni, 2020). The information may contain details about products or services purchased, contract terms and expiry date, records of complaints, or average call waiting time. Simultaneously, average call handling time and sales efficiency of call center employees are analyzed. Based on the analysis, optimal matches between customers and call center employees are identified in real-time (Nam, Lee, & Lee, 2019).

Internal marketing is required to keep call center employees happy and motivated. Motivated employees help in offering excellent customer services (Stauss & Seidel, 2019). For example, American Express allows its call center employees to choose their own working hours and to swap shifts without taking the approval of supervisors (Malhotra & Sood, 2019). All such activities and initiatives and embracing e-adoption and technology help call centers to provide superior services to customers.

6.4. Excellence in the Brokerage Industry

Companies operating in the brokerage industry aim for achieving excellence in services. Charles Schwab is one of the largest discount brokerage houses in the USA. It has achieved excellence in services marketing. It uses the telephone, the internet, and wireless devices to create a combination of high tech and high touch services (Deshpande, Ertley, Lundin, & Satchell, 2019). The customer base of the company exceeds eight million which include both individual and institutional accounts. The company offers account information and proprietary research from retail brokers, real-time quotes, an after-hours trading program, the Schwab Learning Center, live events, online chats with customer service representatives, a global investing service, and marketing updates delivered by e-mail. The Charles Schwab Bank offers mortgages, annuities, mutual funds, and bond trading (Shanks, 2018). The company focuses on three core areas to succeed: innovative products, low prices, and superior service (online, via phone and in local branch offices). Charles Schwab realizes and appreciates that customers are value-conscious and look for value for money when they request any service. To understand customers better, Charles Schwab emphasizes interactions with customers. It reviews customer feedback daily and provides prompt responses to customer feedback within the next working day. Because of such initiatives, customers feel that the company is serious in serving them. If any customer faces any issues in filling out the feedback form, a Schwab representative contacts the customer to find the source of the problem and addresses how it can be solved (Markey, Reichheld, & Dullweber 2009).

7. DISCUSSIONS

The 21st century presents both opportunities and challenges for the marketing of services. Challenges exist due to the new realities of customer empowerment, customer coproduction, and the need to satisfy customers as well as employees. Previously, companies providing services lagged behind manufacturing firms in adopting and using marketing concepts and tools. With the changing scenario, service companies compete with firms from other sectors in achieving marketing excellence. Excellence in services marketing cannot be achieved only by external marketing. Service companies also require excelling in doing internal marketing. Internal marketing is required to motivate employees to be enthusiastic and empathetic while serving customers. Excellence in services marketing also requires interactive marketing which emphasizes the importance of both “high tech” and “high touch”. E-adoption, information technology, and the internet play important roles for companies which aim to achieve excellence in services marketing.

World-class companies need to have a number of characteristics to succeed in services marketing. They adopt a strategic concept; have a history of top management commitment to quality; commitment and maintenance of high standards; establish profit tiers; pay attention to their systems; monitor service performance; and take prompt action on customer complaints. Service companies provide primary and secondary service features and do continual innovation to differentiate their brands. E-adoption, technology, and the internet play important roles in the differentiation and in the innovation
of services. Service companies adopt a number of strategies and initiatives to achieve excellence. By adopting such strategies and initiatives, various service companies like JetBlue and Southwest Airlines from the airlines sector and Cirque du Soleil from the entertainment sector have excelled in delighting their customers.

7.1. Theoretical Implications

Academicians may study and analyze the various strategies and initiatives adopted by service companies to achieve business excellence. They may also analyze the importance of e-adoption, technology, and the Internet for service companies to achieve excellence. They may analyze the importance of differentiation and innovation to achieve excellence. They may suggest improvements in differentiation and innovation to achieve business excellence. They may suggest models for e-adoption, differentiation, and innovation in services to companies. Such models might help service companies achieve business excellence.

7.2. Managerial Implications

Practitioners and marketers may study and analyze the strategies adopted by top-class service companies to achieve excellence. They should understand the benefits and the shortcomings of the various strategies service companies adopt. They may also evaluate which of the strategies and initiatives are already in place and which new strategies and initiatives need to be incorporated in their organizations to understand their customers better and to delight them. They will be able to appreciate and evaluate the roles of e-adoption, information technology, and the Internet in achieving excellence in services marketing. Service companies should also evaluate customer preferences and requirements regularly and do continual innovation to develop long-term customer relationships.

8. CONCLUSION

The study discussed the various aspects of achieving excellence in services marketing and the ways in which an organization may understand customer requirements. Technology, e-adoption, differentiation, and innovation are important in all sectors and more so for services. The study reviewed and discussed about e-adoption, technology, differentiation, innovation, and the various strategies which companies adopt to achieve excellence in services marketing. Differentiation of services is required to delight customers. Companies adopt a number of strategies and initiatives to achieve excellence in services marketing. Examples were taken from various industries to explain how services companies achieve excellence. Also, it is emphasized and suggested throughout the study that companies require doing continual innovation to remain ahead of the competition.

8.1. Limitations

The study focused on conducting a qualitative and a conceptual analysis of the various strategies and initiatives adopted by service companies to achieve business excellence and the roles played by e-adoption, technology, and the Internet. Primary data was not collected and empirical analysis was not done.

8.2. Avenues of Future Research

In-depth discussions on achieving excellence in services marketing was done in the study. The roles of e-adoption, technology, and the Internet to achieve excellence were discussed. Several avenues of future research emanate from the discussions. Primary data was not collected and empirical analysis was not done. Researchers may collect primary data and conduct empirical analysis to determine and finalize strategies and initiatives which are actionable. Research may be conducted to understand the roles of e-adoption, technology, and the Internet in achieving excellence in services marketing.
E-adoption is becoming a reality and companies will not be able to sustain in the competition without e-adoption. So, the roles of e-adoption should be analyzed in-depth. Achieving excellence in services marketing has become imperative for companies operating in the services sector. Service companies may look for setting standards for evaluation of performance. The standards should be formulated after conducting an in-depth analysis of customer requirements. Research needs to be conducted to determine the standards to be set. Not all customers are equally profitable for companies and companies do not focus on serving all of their customers. Companies should be able to categorize customers based on revenues and profitability generated. Different levels of services should be provided based on categories. It needs to be researched by companies which customers will receive what types of services so that the returns for both customers and companies are optimized. Services are evaluated based on their performance and whether customers are delighted based on the service quality provided by companies. Research may be conducted to set the norms for performance of service companies across different domains based on which the companies may be evaluated. Based on the evaluation, practitioners may decide all those areas where companies have been able to achieve excellence in services marketing and also those areas which need improvement.

Academicians may study the various strategies and initiatives service companies adopt, analyze their advantages and disadvantages, and suggest new ways of satisfying and delighting customers. The existing strategies and initiatives might be studied and improved strategies and initiatives for excelling in services marketing might be suggested.
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