Chapter 1
E-Service Marketing

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ABSTRACT

In the cyber era, the extension of the information economy and electronic networks has caused the shifting of the economy from goods to services and emerging e-service marketing. The synthesis of Internet marketing and services marketing has formed this new area of marketing. This chapter starts with introducing e-service marketing and comparing components of traditional and electronic services marketing. The click-only and click-and-mortar business models are described as types of e-tailing. Afterward, the paradigm shift from traditional e-commerce to e-service is investigated. In order to measure of e-service quality, some scales are discussed. Finally, the chapter suggests 7Cs of the customer interface in e-service marketing.

INTRODUCTION

E-service concept is a merger of two important trends: the shifting of the overall economy from goods to services, the extension of the information economy and electronic networks (Rust and Kannan, 2002; 3). The first trend is that services have been more important than goods. World economy has tended to expand towards the service sector rather than the other two basic sectors-industry and agriculture - for over years. Government policies, social changes, business trends, advances in information technology and globalization are the factors that stimulate the transformation of the service economy (Lovelock and Wirtz, 2007). Therefore, both traditional services marketing and e-services marketing businesses are the leading industries in the economy.

The second trend is that the world system has transformed from the industry age to the information age with the extension of information society, knowledge economy, technical advance in information technology and increasing globalization. As a result of these developments, New
Economy which was identified as acceleration around 1995 in the rate of technical progress in information technology (Gordon, 2000) has come up and internet has become the most powerful tool in commerce. This transformation has led to the increasing of the importance of cyber era. In cyber era with the effect of the internet, new business areas have occurred for over two decades which are called electronic commerce in general. One of the most important types of electronic commerce is electronic services marketing. The synthesis of internet marketing and services marketing has formed a new area called electronic services marketing.

E-SERVICE MARKETING VERSUS TRADITIONAL SERVICE MARKETING

In traditional services marketing, the value proposition integrates three components: core product, supplementary services and delivery processes. Core product is a principal component that solves customers’ needs. Supplementary services enhance and facilitate the core product, differentiate and position the core product against competing services. Delivery processes change according to the nature of services for instance high or low customer contact with service personnel, process categories of services such as people processing, possession processing, mental stimulus processing, information processing, and requirements for supplementary services (Lovelock and Wirtz, 2007; 70).

In e-services marketing, the core product which is offered to the market by online retailers turns into e-product. An education service can be offered as a core product through in-class activity in traditional services marketing whereas in e-services marketing it turns to e-product with online education and e-learning system via the internet. Supplementary services which also can be defined as customer services presented through the internet are diversified with many online service tools such as chat via instant messaging, performing online payments and billing enquiries, personalization of web site by users, suggesting product from previous shopping activity, quick comparison of products with one click, e-complaint management, and bulletins via e-mail. These types of services are important for the company to achieve customer satisfaction and retain customers. Except the alterations in core and supplementary services, the delivery process changes from the physical channels to the electronic channel in e-services marketing. E-Service may be ready to be used in a few minutes. The most important characteristics of online delivery process are to be reachable at every hours of a day and to be faster than the traditional delivery process. A consultant serves customers only in working hours however through a web site with an e-consultation system a customer could reach the consultancy service faster and quickly at any time of the day.

E-TAILING

In today’s competitive world, electronic retailing business model has been becoming more popular since the retailers have begun to operate their activities over the internet. Electronic retailing has been started to call “e-tailing” which is a new term in marketing literature. As types of e-tailing click-only and click-and-mortar business models have raised instead of brick-and-mortar model and they have begun to spread all over the world. Click-only companies operate through only online stores via the internet without any brick-and-mortar market presence and click-and-mortar companies operate through both online and physical stores.

E-tailers may sell different types of services over the internet such as consultation services, educational services, travelling services, financial services, accommodation services, food delivery services, rental services, and leasing services. A click-and-mortar company offers these types
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