Remarking

Services V/S Products- Better Brand Builder
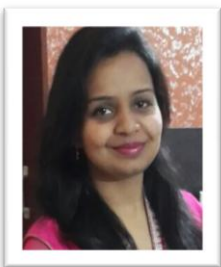
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Abstract

Products and services are 2 closely aligned concepts and as a matter of fact, today, most products have an element of service in them. Take the case of Microsoft for instance – it licenses its products like Windows and Office to a large number of users across the globe, but also bundles its services with these products like Product Support, Training of IT personnel etc. On the other hand, we have the two big timers – Apple and Google.Adapting in answer from Quora.com, Apple Inc. has never been the kind of company to understand how much money there can to be made by giving things away for free. 'They have created products, not services, and they charge as much as they can for them.' – As people point out. This paper mainly emphasize on review of the impact studied by earlier researchers and academicians.

Keywords: Services, Product, Brand Building, Customer.

Introduction

The whole "product versus service marketing" topic is nothing new to marketers all over the world. However, as brand managers, we have to remember that the customer is the best advertiser of our brand, be it a product or a service. It is basic human nature to go for the tried, tested and validated products/services. This comes from our innate nature of not wanting to take too many risks. And this is the primary reason product and services marketing differ based on this innate human nature.

One fundamental difference between products and services is that services cannot start until the customer arrives. Of course, some preparations can be made without a customer, but the service itself can't. For example, a restaurant can prepare certain foods in advance, and perhaps even distribute dishes to multiple venues from a central kitchen, but the core service doesn't start until a hungry customer shows up. This contrasts with industry, where many workers rarely if ever meet consumers of their products.

Products V/S Services

Products are described as tangible, which can be touched, felt or experienced.Because of this, the product is tested beforehand and the customer is secure in the knowledge that the test product and final one delivered are not radically different from one another.

Services on the other hand are a different game altogether. Consider an E-Mail service. Each e-mail service provider will provide their own unique functionalities and features to the end-users. However, their services are less likely to be recommended to others by their unsatisfied customers, even if they were to incorporate the best of their components and knowledge into them. The brand ambassador, i.e. the customer plays a major role in this case.
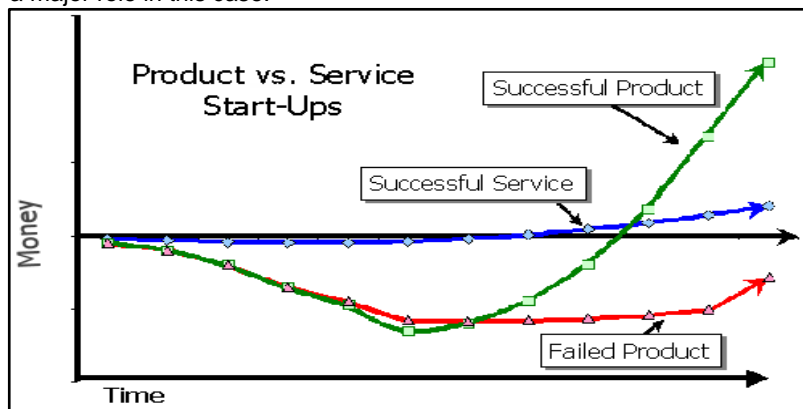

Image Source: Hurdle: The Book on Business Planning, Tim Berry (year 2006)

Another difference between products and services is quite rarely discussed: customization. In industry, customization of products makes it harder to manage constraints, so a preferred strategy is to serve as many distinct market segments as possible with as few product variations as possible, for instance in case of mobile phones market. On the contrary, many services, such as health care and education, also benefit from standardization for constraint management and other purposes, such as quality control.

Aim of the Study

1. To study the importance of Brand and Services.
2. To study the factors affecting Product and Service.
3. To study and analyze the parameters for band building.
4. To study the earlier research about brand and services.

Factors Affecting Marketing

A service rendered depends on a lot of factors enlisted, but not limited to below:

1. The mood of the customer at a particular time.
2. The relationship between the marketer/seller and the customer. Studies have proven that it is difficult for people to be highly negative towards someone who is very positive in their behavior towards the said person.
3. Trust level – The trust level of the customer is more for the persons/brands they are familiar with.

Moreover, there are a lot of factors that lead to formulation of different strategies for marketing products and services. They are listed as follows:

Comparing Quality

Measuring the quality of a product is much easier than measuring that of a service. For instance, if a customer buys a cleaning product to clean the kitchen sink and it doesn't do the job, the customer knows that the product is useless to them and of no value. On the other hand, it is harder to measure the quality of a service.

Return Factor

If a customer purchases a product and it doesn't work as it is supposed to, the customer can return the product for her money back or at least to receive a store credit. A service is consumed as it is offered, so it lacks the return factor that a product has. Some service providers, for e.g. E-Commerce platforms like Flipkart, Amazon etc. overcome this by offering money-back guarantees.

A Look at Apple's And Google's Approach to Brand-Building:

Apple is well-known for being introverted, secretive and perfectionist, insisting on end-to-end control over its products, and keeping hardware, software and content all carefully cross-matched and strictly under wraps. Employees are often prohibited from talking to one another about their work, and often know very little beyond their own jobs. Apple products are launched only when perfection is perceived to have been achieved, and customers can be presented with user-friendly, beautifully designed technology whose rules are dictated by Apple alone.

Google, by contrast, is an open-source, fast-moving, almost anarchic operation. The company launches products during various stages of testing and development, changes them constantly, and takes a "crowd-sourced" approach to product decisions. Employees are encouraged to work on their own ideas during office hours, and everyone in the business has access to the same pool of information, from which ideas for new products and services emerge with dizzying frequency.

The current battle between these giants in the mobile phone industry clearly illustrates their contrasting approaches. Apple controls every step of the process, from hardware and software to approving apps on the iTunes App Store. Google distributes their Android model for free to the developer community as well as to hardware manufacturers such as HTC, Samsung and Nokia

Given that Apple makes around USD 1 billion a month on iPhone sales and Android's market share has increased hugely in the last few years, it's difficult for smaller companies not to try and directly emulate their respective "closed" and "open" approaches. But sociologist Ronald S. Burt of the University of Chicago Booth School of Business suggests a wiser methodology might be to navigate between the two extremes.

Having analyzed Google's and Apple's organizational and management styles over the past 20 years, Burt makes a distinction between brokerage companies (open structures, many loose ties with the outside world) and closure companies (dominated by a small number of strong relationships).

The former strategy, he said, is better suited to rapid top-line growth and developing new processes, products and business models. It has a steeper learning curve, and is more innovative. The latter approach, meanwhile, is more suited to efficiency, profitability and bottom-line growth. According to his research, closure models promote groupthink and a fortress mentality, are less flexible and encourage people to take themselves far too seriously. Brokerage models are more lax, chaotic and vulnerable in a crisis.

Burt argued for a more "referential" relationship with these dominant companies, rather than simply imitating their systems. All companies need to find the right mix of the two opposites. He points to Amazon's Jeff Bezos as a successful hybrid, specifically the way he uses Android, Google's open operating system, to sell Kindle Fire tablets at bargain-basement prices. Buy one (or an Apple product, for that matter), and you are locked into a largely closed ecosystem.

Like Google, Bezos gives his staff plenty of room for creativity and experimentation, but also fiercely defends his intellectual property. It's notable that even Apple has to pay license fees for the one-click technology invented by Amazon. In business, as with everything in life, it's always worth exploring a "third way".

Conclusion

Business commentators often say that we're operating in a "service economy," which means that today's customers are looking for service value even in their physical products. Post-industrial societies that are growing economically are employing more people and doing more business thanks to growing demand

for services. However, neither product nor services marketing would produce great results if the underlying product or service is of poor standards. It is highly critical to maintain quality in terms of product and service for it to be a success.

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