

Problems of Service Organizations in India: A Study

Dhananjay Awasarikar

Suryadatta Institute of Management and Mass Communication (SIMMC), Pune
E-mail: dhananjay_awasarikar@rediffmail.com

Abstract—Each and every Service Organization faces either one or more problems in different domains. As the nature, features and the characteristics of different services are different from each other, really there cannot be done any generalization, in this respect. However, if a researcher arranges to take a holistic view of the existing situation, he would definitely come across some common problems associated with almost all or the majority of the services in India. Such problems can be two fold, namely, the problems of Service Organizations and the Problems related to the Customers.

The typical Problems faced by a Marketer of a Service Organization in India are conveniently and broadly summarized in this Research Paper. This Paper also covers the findings of the Research conducted to ascertain the reasons for Customer Defection and Unhappiness.

As it is well known, Service Sector is growing at an alarming rate, in India, at present. The problems related to Service Organizations in India can be resolved only when these problems would be identified firstly and addressed to, quite seriously and sincerely, subsequently.

1. INTRODUCTION

Each and every Service Organization faces either one or more problems in different domains. As the nature, features and the characteristics of different services are different from each other, really there cannot be done any generalization, in this respect. However, if a researcher arranges to take a holistic view of the existing situation, he would definitely come across some common problems associated with almost all or the majority of the services in India. Such **problems can be two fold, namely, the problems of Service Organizations and the Problems related to the Customers.**

2. RATIONALE OF THE PAPER

In this Research Paper the two major problems in Service Sector in India are dealt with. As it is well known, this sector is growing at an alarming rate, at present. Thus, if these problems would be addressed to, quite seriously and sincerely firstly and resolved subsequently, this sector can further blossom.

3. OBJECTIVES OF THE PAPER

The Objectives of this Paper are as follows.

1. To Identify the Problems faced by a Marketer of Services in India
2. To Ascertain the reasons for Customer Defection and Unhappiness

4. SCOPE OF THE PAPER

The Scope of this Paper firstly extends to the Identification of the Problems faced by a Marketer of Services in India and further it extends to ascertainment of different reasons for Customer Defection and Unhappiness.

5. METHODOLOGY ADOPTED FOR PAPER WRITING

The Methodology adopted for writing this Paper is as follows.

1. The Review of Literature was done through several books and significant websites (Secondary Data) in order to identify the Problems faced by a Marketer of Services in India and also to Ascertain the reasons for Customer Defection and Unhappiness.

2. The Paper is based on Secondary Data.

6. SOURCES OF SECONDARY DATA

The sources of Secondary Data collected for this Paper include several Books and other Websites, the details of which are given in the Section, of Categorized Bibliography, which is located towards the end of this Paper.

7. PROBLEMS OF SERVICE ORGANIZATIONS IN INDIA

The typical Problems faced by a Marketer of a Service Organization in India can conveniently and broadly be summarized in the following lines.

1. Production as well as Consumption or Sale of a Service takes place, almost simultaneously, as it cannot be produced, inspected, stocked or warehoused at a central place like a product. Furthermore, it is delivered at a place where the customer demands, whether near or distant, where the Service Management does not have immediate influence.

Thus, the difficulties or the problems faced by the customers during and after Service Delivery may be beyond the purview of the Service Management, because although a customer may complain about a service to the immediate service provider proper, he may not communicate the problem to the Service Management or may dilute or twist the problem while communicating the same. In the process, he would definitely try to safeguard his personal interest first at the cost of the interest of Service Organization. As a result, the **Service Management may not understand in time the real difficulties or the practical problems faced by the customers during and after Service Delivery.** Even if they come to know about such problems, though not, too late, little late, it may be too late, for the customer because, by the time, the customer might have switched over to the competitor's Service.

2. Especially because of a peculiar nature and specific feature of a service, a service can certainly neither be demonstrated nor can be shown nor a sample of service can be sent to the customer firstly for its inspection and consequently for its approval like a physical product. At the most, the Service Sales Executive can clearly explain the nature and the feature of a service and can also highlight as to how effectively it has benefited several other customers.

However, **for a prospective customer, at times, indeed, it becomes quite difficult to visualize or imagine a 'Would be Service.'** Hence, the sale of a Service becomes quite tough, if a Sales Executive fails to convince a prospective customer, quite satisfactorily and moreover, empathetically.

3. **'Word of Mouth'** for each and every service need necessarily not, at all, be favorable, always, as it may keep on **fluctuating on a Continuum of 'Highly Favorable to Highly Unfavorable,'** strictly depending upon the nature and the profile of the customers.

This factor would definitely affect, either favorably or adversely, the actual Sale, at last, of a Service, at a particular time in a specific geographical area. Moreover, as this factor, being external is totally beyond the control of the Service Management as good as the Service Provider. In spite of the excellent Quality Production and Delivery of a Service, neither the Service Management nor the Service Provider can do anything against this factor just to eliminate or reduce its bad impact on Sale of a Service.

4. In one of the Market Surveys, it was found out that the **Perception of a Customer about Service Quality is in direct proportion with the Morale, Knowledge, Skills and Authority** exhibited by the frontline Staff of the Service Organization during the course of the delivery of the Service.

In other words, if a Service Organization has not given proper attention to the Staff-welfare, consequently, it would adversely affect the sale of a Service.

5. The Customer's Perception about Service Quality, Delivery and Performance would ultimately determine Customer Satisfaction or Delight.

As Customer Perception differs drastically and dramatically, from Customer to Customer, neither the Service Management nor the Service Provider can come to a conclusion about exact Customer Reaction.

8. REASONS FOR CUSTOMER DEFECTION AND UNHAPPINESS –

The following are the findings of the Research conducted to ascertain the reasons for Customer Defection and Unhappiness.

1. 01 % of the customers die.
2. 05 % of the customers buy from the friends.
3. 09 % of the customers prefer the competitor because of low Service Price
4. 14 % of the customers prefer the competitor because of superior Service Quality
5. 68 % of the customers deviate because of indifference experienced with the employees of the service Organization during Service Delivery, proper.
6. At any moment, one in four customers is dissatisfied and he decides to stop doing business with the same Service Organization for any specific reason, whatsoever.
7. The unhappy or dissatisfied customer prefers to switch over to the competitor rather than to fight with the Service Organization.
8. The unhappy or dissatisfied customer do not communicate the fact of dissatisfaction or unhappiness to the Service Organization, but he does communicate the same fact to minimum eight to maximum ten or even more number of his friends or relatives.
9. As per the findings of the Research conducted by Technical Assistance Research Program – T. A. R. P, out of 100 unhappy customers 96 customers never complain about either the Rude or Discourteous Service, but 90 customers move to the competitor. These 96 unhappy customers communicate with their minimum 10 friends and relatives about poor service. (96 x 10 = 960 People). Out of these 960 people, many people communicate with their friends and relatives. As a result, **because of 100 unhappy customers, more than 1000 people,**

approximately, come to know about Poor Service of a specific Service Organization.

9. LIMITATIONS

1. As the study for this paper is purely based on Secondary Data, all the limitations of Secondary Data have direct and deep impact on the various views formed and inferences arrived at by the Researcher in this paper related to the Problems faced by a Marketer of Services in India and also to Ascertainment of different reasons for Customer Defection and Unhappiness.
2. The study for this Paper is purely of academic orientation solely based on secondary data. Therefore, some level of adaptation may be required in practical decision making situations related to Service Organizations and their Problems in India.

10. SCOPE FOR FUTURE RESEARCH

During the course of the study of this Research Paper, the researcher found out that there is an ample scope and adequate potential for Research in future for the following topics related to the Problems faced by a Marketer of Services in India and different reasons for Customer Defection and Unhappiness

1. Resolution of Problems of Service Organizations in India : A study
2. Development of Delighted Customers through Indian Services A Study
3. Reasons for Failure of Services in India : An Empirical Study

REFERENCES

Books

- [1] Baron Steve, Harris Kim and Hilton Toni, Services Marketing, Text and Cases, 2009, Palgrave Macmillan, New York, U. S. edn3.
- [2] Clow, Kenneth E. and Kurtz and David L., Services Marketing: Operation, Management and Strategy, 2009, Biztantra, India, New Delhi, edn2.

- [3] Danyi Saiki, Services Marketing, 2008, Oxford Book Company, India, Jaipur, edn1.
- [4] Gupta P. K., Services Marketing, 2007, Everest Publishing House, India, Pune, edn6.
- [5] Gupta S. L. (Dr.), Ratna V. V., Marketing of Services, Wisdom Publications, India, New Delhi, edn1, 2005.
- [6] Hoffman, K. Douglas and Baterson and John E. G., Services Marketing: Concepts, Strategies and Cases, 2004, Thomson Press, Australia, edn3.
- [7] Jha S. M., Services Marketing, 2003, Himalaya Publishing House, India, Mumbai, edn6.
- [8] Kotler Philip, Marketing Management, 2003, Pearson Education (Singapore) P. Ltd, India, New Delhi, edn13.
- [9] Lovelock, Christopher and wirtz and Jochen, Services Marketing, 2011, Pearson Education (Singapore) P. Ltd, India, New Delhi, edn7.
- [10] Nargundkar Rajendra, Services Marketing : Text and Cases, 2006, Tata McGraw- Hill Publishing Company Ltd., India, New Delhi, edn7.
- [11] Payne Adrian, The Essence of Services Marketing, Prentice-Hall of India Pvt. Ltd, India, New Delhi, edn1, 2003.
- [12] Shankar Ravi, Services Marketing, 2006, Excel Books, India, New Delhi, edn1.
- [13] Sherlekar S. A., Krishnamoorthy R., Marketing Management, Concepts and Cases, 2012, Himalaya Publishing House, India, Mumbai, edn14.
- [14] Sheth, Jagdish N., Parvatiyar Atul, Shainesh G., Customer Relationship Management, Emerging Concepts, Tools and Applications, 2005, Tata McGraw- Hill Publishing Company Ltd., India, New Delhi, edn7.
- [15] Srinivasan R., Services Marketing: The Indian Context, PHI Learning, 2009, India, New Delhi, edn2.
- [16] Stevens Debra, Brilliant Customer Service, 2010, Pearson Education Ltd., Great Britain, edn1.
- [17] Zeithamal, Valarie and Others, Services Marketing, 2008, Tata McGraw Hill Publishing Company Ltd., India, New Delhi, India, edn5.

Websites

1. www.bms.co.in
2. www.scribd.com
3. www.whatistechtarget.com
4. www.wikipedia.org