

MARKETING

Communicating through the service environment

Our impressions of a service organisation are also influenced by the surroundings in which we are served. It is not just advertising, pricing, the service people and the other aspects of marketing that communicate. The environment in which the service is provided also communicates and can contribute significantly to the image of a company.

Environment here refers to both the physical and non physical content in which the service is provided. It is only certain service providers that deliver their service at the customers' own premises that need not be too concerned with environment. Although even here things like livery, stationery and so on, can have a critical influence on the impression given to the customer. The design of an environment should be a deliberate act in the case of service organisations. The task here is concerned with the totality of the impression that results from the effective co-ordination of all the elements of marketing.

Physical attributes

Physical attributes can be divided into external and internal. It was Winston Churchill who once said "We shape our buildings and afterwards our buildings shape us." The external physical appearance on terms of size, shape and frontage

In service companies the product the customer receives is not bought off the shelf from a supermarket. The customer must enter a service location and it is within this environment that the product offering is made available. Contrary to physical goods producers, service firms often tend to own their own network of distribution and often make relatively limited use of intermediaries. With physical goods manufacturers the appearance of the factory would not normally be a concern of marketing but the same cannot be said in the case of service providers, writes Albert Caruana.

of a building are strong communication cues as to what sort of organisation to expect. These external architectural features can convey images of solidity, permanence, conservatism and so on. Each of the two large local commercial banks appear to have adopted a particular style. What does the style communicate to the customers? There are other external physical attributes that need to be considered: the materials used on the exterior, the uniformity and type and upkeep of signage, as well as the types and conditions of the vehicles used by the organisation.

If we now turn to the internal physical environment, one needs to look at various things. Do we have a uniform colour scheme that reinforces a unity of concept or are our different service locations variously decorated? What sort of layout do we have? Has it been designed with a customer perspective or with internal organisation considerations? Can we do away with counters? These in

themselves can be a subtle barrier and in no way do they contribute to the approachability of the.

At some of the older police stations you, as the customer, look up at some towering figure who is helped by a not inconsiderable platform under his feet. Is this congruent with the image the police force is trying to project? What sort of equipment and furniture is visible to customers? Is it modern looking computers and furniture or are there items which should have been written off ten years ago? What sort of materials have been used? Wooden chairs communicate differently from metal framed chairs. What about heating and ventilation? Can customers be served in the right environment?

Atmosphere

In looking at the non physical environment we need to focus on aspects that have to do with atmosphere. This represents the conscious design of space to

influence buyers. The atmosphere cannot be created in isolation and must take into account the target market that is being sought. Atmosphere can be of critical importance with things like restaurants. When people go out for a meal they are not just buying food - important though this may be, but perhaps more significant is the atmosphere that exists in the particular restaurant.

Atmosphere is generally related to aspects dealing with the senses.

Perhaps the key sense here is sight, which is conditioned by some of the variables already

mentioned such as layout, colour schemes as well as the presence or absence of uniformed employees.

Lighting can also be very important. Neon lights can be quite effective in giving light for a lecture room but would not contribute in any significant way to one of the better quality restaurants. Sound has also been effectively used in building atmosphere.

The type of piped music in use for a teenage shop would be different from that used for an outlet frequented by a more mature shopper. There is also some research to show that the rhythm of the music played has been found to have an effect on the rate of customer traffic through retail outlets. The feel of material to the touch can be a further consideration.

Similarly, although there may be no difference in temperature, a carpeted outlet has a warmer feel from one with a ceramic or terrazzo floor. Not only that, but the thicker a carpet the higher the perceived luxury of a place.

Finally, the aspect of scent can also be a contributor to the atmosphere that is created. Supermarkets that have an in-store bakery have found that by blowing the warm air laden with the fresh smell of baked bread onto shoppers it is possible to register increased levels of sales of bakery items. It is a device that some coffee outlets

have also used. They have their coffee shop extractor located above the entrance, blowing the aroma of fresh coffee onto passers-by and this acts as an effective way of attracting custom from pedestrians.

Competitive advantage

With services in particular the marketer must be concerned with the

environment in which the service is provided as this can be an important source of competitive advantage. This is because with services any new product can often be very easily reproduced and price differences are generally small. This attention to the service environment is especially important where the industry is characterised by a large and growing number of competitors as well as when service products are targeted at distinct social classes or life style groups.

Dr Albert Caruana holds a Ph.D. from Henley Management College and is a lecturer in marketing at the University of Marketing.

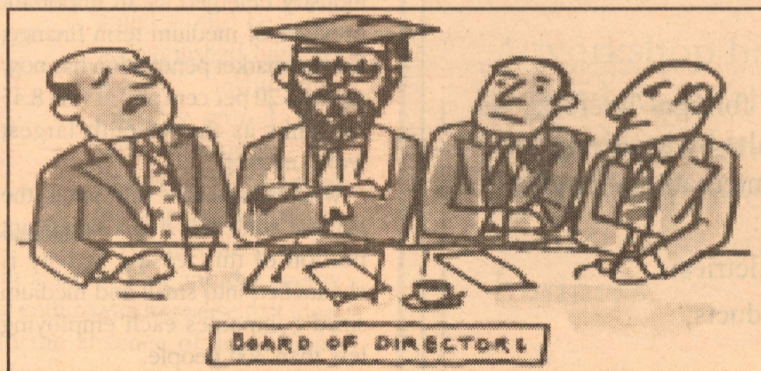
Developing strategic thought

Continued from page 20

Whilst we understand that the board has to work as a team sharing visions and developing strategic thought through to strategic planning and implementation, very few training organisations even in the UK are capable of delivering at this level. Even in the United States this is a very specialised area and very few consultant firms are able to tackle this clearly defined training issue effectively. In short it either succeeds or fails for one of two reasons, either the training organisation has not matched the programme to the requirements effectively, or older board members are just unreceptive to further personal development.

In larger organisations the problems associated with director training can be catered for by the human resource director subtly mentioning to the COE of who needs training and why, but in SMEs this is not the case. Whilst the big can get better at all levels it still leaves small organisations with a large and very real problem.

There is only one way that I can see this situation improving and that is by directors taking the



Few directors undergo formal training once they hit the boardroom.

responsibility for their skill development and training into own hands. However, in Malta there are extremely limited choices in this training area, and even fewer people with a wide knowledge and ability within the field of directorship skills and practice who are able to implement training at this level.

Perhaps to illustrate this point it is only now that in the UK a special degree is being developed especially for directors.

From experience directors who are aware of gaps in their abilities usually approach specialist consultants in this field, firstly to confirm their worst fears and to determine the levels of strategy development required and secondly

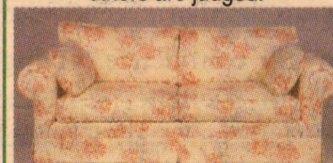
for one-to-one coaching in the identified skill areas. Alternatively they may well accept to work with small groups of other directors outside their organisation, but in strict confidence.

This way their skill base is developed in specific areas, without their position within the organisation being compromised.

In conclusion it is unreal for directors themselves to consider that they are above training, even if they believe it as being essential for their management team. However, Maltese directors do have a greater dilemma than their peers abroad, due to the specialist field and a very real scarcity of experienced consultants able to deliver.

The world's best
CUSHIONING

The supreme cushioning material
and the standard by which all
others are judged.



Dunlopillo
Latex Foam

form Msida Valley Road,
Msida Tel: 446000

For your
exclusive
travel
arrangements

... call Melita
312817 - 310828
or fax 344223.

**EVRE
ETRE
TRAVEL LTD** Testaferrata Street,
Msida MSD 02.
IATA Appointed Agents: Passenger & Cargo