

## WHAT MAKES SERVICES DIFFERENT

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As a firm in the services sector, you are trying to sell something invisible to the buyer; in fact, you are trying to sell a *promise*. It is much easier to sell products because they can be inspected and tried out. Services, in contrast, are usually not delivered on the spot and the buyer does not see an immediate benefit. Since you are trying to convince someone to buy something they cannot see to test, it is critical that you appear to be as credible as possible so that the buyer will take the risk, *cross that imaginary line and take a chance* that you will deliver what you promised.

Because the service cannot be inspected ahead of time, the approach to potential customers needs to be different. Traditionally, *product* marketing courses stress these four steps: present the product, talk about the features and benefits, overcome objections, and close the sale.

With *services* marketing, you need to link your ability to create a service to what it is that the customer needs – creating the following four steps:

- Build rapport
- Probe the client's services needs
- Present the service, shaped around client need
- Seek commitment

In fact services marketing is actually *relationship marketing*: building a trusting relationship with potential clients out of which a sale eventually results. Even *how* products and services are sold is different. Products can be sold at trade shows and in stores instantly because customers can handle them and try them out. This makes it possible for a distributor or sales agent to represent a manufacturer in an export market. But services cannot be inspected ahead of time. Usually, potential customers want to meet the service provider (not an agent) to judge for themselves whether or not they think the service provider can actually perform the service.

This also means that service firms face different marketing challenges than goods firms and need different types of market information and support:

| Challenge                                                                | Consequence                                                                           |
|--------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Sell a promise to deliver, not a product that can be inspected           | Marketing must focus on building credibility and confidence in capacity to deliver    |
| Cannot patent most services                                              | Stay competitive through continuous innovation                                        |
| Service is usually created in interaction with the customer              | Interpersonal and problem-solving skills are critical, especially in front-line staff |
| New customers of professional services want to meet the service provider | Most professional services cannot be marketed by agents or sales reps                 |

| <b>Challenge</b>                                                                                | <b>Consequence</b>                                                                        |
|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| Profit is linked to addressing unmet needs                                                      | Promotion must focus on capacity to customize rather than on services previously provided |
| Usually customers will not switch to a new service provider until a relationship has been built | It usually takes 2-3 trips into a new market before a sale is made                        |