PUBLIC RELATIONS IN SERVICE MARKETING
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Abstract
This study will examine the phenomenon of public relations in service marketing. Public relations is a business function and administrative tool that serves to establish mutual communication, understanding, acceptance, trust and cooperation between an organization and its target groups and to make this environment permanent. The current business environment, which is highly competitive, makes public relations essential for service marketing. This qualitative and descriptive study analyzes public relations in service marketing in a linear perspective from past to present based on a review of the relevant literature.

Keywords: Public Relations, Service Marketing, Service, Marketing Communication, Corporate Image.

1. Introduction
Marketing communication has been a key role during the last decades of new economy including dense technological affects, branding, sustainability of brand value, acquiring reputation of a brand, potential customer communication and persuasion process for buying/selling. Herein, Public Relations -PR- is admitted as an underpinning factor for products and services. Publicity in marketing mix, has only been perceived as an advertisement.

Marketing communication plays a significant role in branding and brand value to ensure the continuity of the brand’s credibility, the potential customer’s product purchase to be convinced as to achieve the objectives of marketing components. Withal intensive structure of new economy global economical dynamism causes alteration and interaction in public relations and advertisement. Within that period, diffusion of service marketing and PR’s positioning in marketing communication take an important place. In this article PR’s positioning in service marketing has been determined including marketing, service marketing and PR correlation.

2. Conceptual Framework
Marketing is an organizational function and set of processes for creating, communicating and delivering value to customers and for managing customer relationship in ways that benefit the organization and its stakeholders (Solomon et al., 2008: 3). According to the definition of the American Marketing Association -AMA-, marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

However, marketing concept is utterly dynamic; or in other words, marketing has been designed to facilitate the creation and exchange of all of the activities organized for the satisfaction of all kinds of human wants and needs (Kırdar, 2012: 21). Definition of product and service marketing includes individual and organizational goals that will satisfy exchanging ideas, goods and services to the conceptualisation, pricing, implementation process, promotion and distribution planning.

If we define term of product in marketing literature: “A good or service that most closely meets the requirements of a particular market and yields enough profit to justify its continued existence. As long as cars are manufactured, companies such as Michelin that produce tires fill the market need and continue to be profitable”. In a general approach to the term of product: “A good, idea, method, information, object or service created as a result of a process and serves a need or satisfies a want. It has a combination of tangible and intangible attributes -

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benefits, features, functions, uses - that a seller offers a buyer for purchase” (Business Dictionary, 2016).

At the heart of every marketing act is something we refer to as an ‘exchange relationship’. An ‘exchange’ occurs when something is obtained for something else in return. The buyer receives an object, service or idea that satisfies a need whereas the seller receives something he or she feels of equivalent value (Solomon et al., 2008: 9).

To clarify the differences between product and services, the term of service is determined as: “A valuable action, deed, or effort performed to satisfy a need or to fulfill a demand” (Business Dictionary, 2016). A service is a non-material equivalent of goods. A service provision is an economic activity that does not result in ownership and this is what differentiates it from providing physical goods. It is claimed to be a process that creates benefits by facilitating either a change in customers or a change in their physical possessions, or even a change in their intangible assets.

As in words of Kotler and Keller (2009: 214), the meaning of service is: “A service is an act of performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product. A service is any act or performance that one can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product. Many services include no physical products, and some service firms are purely online, with no physical presence”.

Services are processes, and hence service firms do not offer products that are comparable to pre-produced bundles of physical resources and features that are provided by manufacturing companies. Instead, the outcome of the process is an integral part of the service process which is consumed by customers as a solution to perceived problems. Thus the use of a service can be characterized as a process consumption as opposed to outcome consumption, where only the outcome of a process is consumed or used (Grönroos, 1998: 1).

A company can offer some products but this offerings often include some services. Services can be categorized like; ‘pure tangible good’ -like soap-, ‘tangible good with accompanying services’ -like Toyota-, ‘hybrid’ -the offering consists of equal parts of goods and services like restaurants-, ‘major service with accompanying minor goods and services’ -for example, airline passengers are buying transportation service, although they get snacks and drinks as well-. Because services are generally high in experience and credence qualities, there is more risk in purchase. As a result, service consumers generally rely on word of mouth rather than advertising. They also rely heavily on price, personnel, and physical cues to judge quality, and are highly loyal to service providers who satisfy them (Kotler and Keller 2009: 215). These characteristic features of services get stronger boundaries between services and public relations.

Public relations is the management function that establishes and maintains mutually beneficial relationships between an organization and the publics on whom its success or failure depends (Cutlip et al., 2006: 5). Public relations is the deliberate, planned and sustained effort to establish and maintain mutual understanding between an organization -or individual- and its -or their- publics. It’s the key to effective communication in all sectors of business, government, academic and not-for-profit. It is a management function which evaluates public attitudes, identifies the policies and procedures of an individual or an organization with the public interest, and plans and executes a program of action to earn public understanding and acceptance.

Public relations is another major mass-promotion tool for building relations with the company’s various publics by obtaining favorable publicity, building up a good corporate image, and handling or heading off unfavorable rumors, stories, and events. Public relations is a collection of techniques performing via press relations or press agency, product publicity, public affairs, lobbying, investor relations, development for gaining financial or volunteer support, used to optimize the relation between a company and the public.

Public relations makes sure that the service organization is playing an active role in this process and can prevent negative rumors circulating about the company or its products/services. There is no doubt to get noted that in a service company, everyone is responsible for public relations. As Kotler and Armstrong defined, publicity is important, it is cheap, has high coverage and comes from a reliable and independent source. On the other hand, publicity is almost uncontrollable and thus can turn out to be negative. Therefore, good relations between experienced PR people and press are necessary (Kotler and Armstrong, 2010: 97)
In marketing communication base, a service company must have up to date information about consumers’ direction to buy goods to generate awareness and then selling. Today consumers pay more attention to culture, localization in global market, environmental issues and general welfare. Not only service company’s selling activities, but also personal communication and its connection with vision of the company is another aspect in service marketing and PR. Personal communication often called ‘the backbone of service marketing’ and it is based on the following factors:

- Buying services implies risk;
- Prices are less frequently compared;
- The quality of services is hard to evaluate;
- The image of the service company has a key role for the decision to buy;
- The customer’s satisfaction is influenced by salesperson’s behavior;
- Buying services is less pleasant than buying goods;
- Salesperson often has to reassure their clients.

Service company can have an opportunity for cross-selling possibility and with closer personal interaction, employees can detect additional customer needs and can provide information on other services. Prerequisite at this point is a good knowledge of the range of services and of the customer’s needs as well as the company’s capability to fulfill that needs. In perspective of awareness, knowledge persuasion purchase the communications mix for selling includes advertising, publicity, sales promotions and personal selling (Van Looy et al., 2003: 89).

Building satisfaction, loyalty and profitability is not something that can be decided upon one day and implemented the next. It can only result from building and sustaining close and/or long-term relationship. This means that in services much attention must be paid to PR.

<table>
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<th>Table 1. Main Characteristics of Services</th>
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<td>Ownership</td>
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<td>Intangibility</td>
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<td>Inseparability</td>
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<td>Variability</td>
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<td>Perishability</td>
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<td>Lack of ownership</td>
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In today’s economic perspective, rise of service sector in economics because of people’s increasing income, their demand for food -the main product of agriculture- reaches its natural limit, and they begin to demand relatively more industrial goods. As incomes continue to rise, people’s needs become less ‘material’ and they begin to demand more services -in health, education, entertainment, and many other areas since 1990s. Meanwhile, labor productivity in services does not grow as fast as it does in agriculture and industry because most service jobs cannot be filled by machines. This makes services more expensive relative to agricultural and industrial goods, further increasing the share of services in gross domestic product -GDP- in developed countries. Economists like to divide our industries into three or sometimes even four broad -some economists have mentioned an evolution to a quaternary sector, but there is some disagreement over which services are tertiary and which are quaternary-sectors (Van Looy et al., 2003: 4):

- The primary sector -farming forestry and fishing
- The secondary sector -the industrial sector, including gas, mining and manufacturing, electricity, water and construction.
- The tertiary sector -a synonym for the service sector.

It is hard to pinpoint one determining factor in the service sector’s growth rather, a combination of different factors have all played a part in the sector’s increasing importance. In general, two groups of factors can be determined.

- Increasing consumer incomes and sociological changes have led a greater demand for services.
- Increasing professionalism in companies and technological changes have brought about the creation of new services, notably of producer services.

According to Engel’s Law* when people are poor, they have to allocate all or a large part of their income to the necessities of life-namely food and shelter. When incomes rise, people spend more

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*Nineteenth century, the statistician Ernst Engel observed a phenomenon which is now called ‘Engel’s Law’.
on food, but not all of the increase in income is spent on food, since this need can be saturated. Instead of spending their extra income on food, people spend it on clothing, personal care, travel and other luxury items. Disposable incomes have risen in, most countries in the last few decades. As a result, the demand for both social and personal services -such as leisure, private health care, hotels and restaurants- has increased. New customer services, such as fitness centers, have been developed in order to satisfy people’s needs for services. Such a development can be explained by Maslow’s pyramid of needs, where a distinction is made between basic and complementary needs.

Customer Perceived Value -CPV- is the difference between the prospective customer’s evaluation of all the benefits and all the costs of an offering and the perceived alternatives (Kotler & Keller 2009: 82). Total customer value is the perceived monetary value of the bundle of economic, functional and psychological benefits customers expect from a given market offering because of the services, products, personnel and image involved.

![Figure 1. Value Equalisation in Service Marketing](image)

Total Customer Value = Core Service Value + Service Value + Image Value + Personal Value

Total Expenditure Value = Price (The service includes energy in the process of fulfilling) + Time Value

(Physical cost of rendering the physically encompasses)

Table 2. Marketing Mix Theories Summary

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<th>Description</th>
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<td>1953</td>
<td>The concept of the marketing mix reportedly introduced by Neil Borden in 1953. The term “marketing mix” therefore referred to the mixture of elements useful in pursuing a certain market response. Marketing Mix 4P is a method for determining product strategy and product portfolio. Father of this thought was Neil H. Borden. It was based on the analogy with a cake mix. He claimed that the starting powder is a suitable basis for baking a good cake. It can be modified to some extent -e.g. too much sugar-.</td>
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<td>1960</td>
<td>The marketing mix of Product, Price, Promotion, and Place was introduced to marketing education by E. Jerome McCarthy in 1960. These easy-to-remember labels rapidly became the organizing structure for virtually all introductory marketing textbooks. Since then, there have been many advances in marketing thought and conceptualization, including the broadening of the marketing concept -1970s-, an emphasis on the exchange</td>
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transaction -1980s-, and, most recently -1990s-, the development of Relationship Marketing and Total Quality Management. Each of these advances has posed challenges to McCarthy's four P's.

Booms and Bitner (1981) They argued that the traditional marketing mix model is inadequate for services marketing context; especially with the existence of the unique characteristics of services. Booms and Bitner (1981) had modified and expanded the traditional marketing mix elements from 4Ps to become 7Ps by adding another three new Ps which are ‘people’, ‘process’ and ‘physical evidence’. These new marketing variables are fundamental marketing variables for the success of any service company.

Cowell (1984) Questioned whether the new elements of the expanded SMM are relevant to be distinct elements. The additional three Ps can be incorporated within the existing framework of the 4Ps, especially if the importance of the augmented product rather than the generic or core product is recognized. The physical evidence can be incorporated within the product and promotion; meanwhile, the process can be incorporated within the place -distribution- element.

Magrath (1986); Ennew and Watkins (1992) Argued that the four Ps are not enough for the marketing of services. There are another three Ps, which are personnel, physical facilities and process management, to be considered as strategic elements about which management should pay attention.

Kotler (1986) Kotler (1986) adds political power and public opinion formation to the Ps concept.

Judd (1987) Judd (1987) argues that employees should be recognized as a distinctive element of the marketing mix and as an integral part of marketing strategy. Managing people as a distinctive element of the marketing mix can gain a competitive advantage for the organization.

Marr (1987) Marr (1987) argued that the customer service should be viewed as a fifth element alongside the 4Ps of the marketing mix to become five elements. He argued that customer service is a crucial element to achieve a company’s marketing success and can play a crucial part of a non-price competitive strategy.

Beaven and Scotti (1990) Argued that the traditional 4Ps of the marketing mix model are considered very narrow and simple within the services marketing context and services marketers should think in service oriented thinking not within the manufacturing thinking.

Grönroos (1991) Argued that the marketing concept is predominantly related to the exchange concept and leads to the use of the marketing mix. Another approach has been introduced which is concerned with the development of long-term customer relationships with the company’s customers and its other parties such as its suppliers and distributors.

Gummesson (1991) Criticized the traditional marketing mix model and trials to incorporate additional variables to extend it to be appropriate to the services marketing context. His suggestion is the concept of part-time marketers and their crucial role in creating a market-oriented company.

Collier (1991) Argued that the 4Ps traditional model should be expanded to become the 7Ps services management. These 7Ps can be used to formulate a marketing strategy by which a service company can achieve a competitive advantage. Each one of the 7Ps of the service management paradigm can be viewed as an opportunity to gain competitive advantage and define business strategy.

Smith and Saker (1992) Argued that the marketing mix elements are considered an essential element of any marketing strategy. They argued that the traditional 4Ps model should be extended to include the other 3Ps. These 3Ps are considered highly important and they affect the perceived quality of service.

Grönroos (1994, 1996) Emphasized that even the marketing mix that has dominated marketing for a long time is declining; this does not mean that the marketing mix elements themselves are less important than before. He forwarded another criticism, which is that the marketing mix model focuses on the seller side by considering him as active and does not focus on the buyer by considering him as passive.

The 7 Ps model, also known as the services marketing mix, goes beyond the four basic marketing principles for product marketing. Services have unique characteristics, for example intangibility, heterogeneity, inseparability and perishability. Bernard H. Booms and Mary J. Bitner’s insight in relation to physical products and services led to an extension of the traditional marketing mix. In addition to the four traditional factors, three important factors have been added: ‘People’, ‘Process’ and ‘Physical evidence’.

In first half of 1980s using the abovementioned information above, Booms and Bitner further developed the traditional marketing mix developed by Jerome McCarthy into the extended marketing
mix or services marketing mix. This services marketing mix is also called the 7Ps model or the 7Ps of Booms and Bitner. This marketing strategy extends the original marketing mix model from four to seven elements. While Jerome McCarthy has only defined four verifiable marketing elements, the 7Ps are an extension as a result of which this services marketing mix can also be applied in service companies and knowledge intensive environments (Vliet, 2013: 1). These three elements added 4Ps represent a service and provide intangibility by physical evidence. Briefly explaining the new elements as follows:

- **People**: People are an essential ingredient in service provision; recruiting and training the right staff is required to create a competitive advantage. Customers make judgments about service provision and delivery based on the people representing your organisation.

- **Process**: This element of the marketing mix looks at the systems used to deliver the service. All services need to be underpinned by clearly defined and efficient processes. This will avoid confusion and promote a consistent service. In other words, processes mean that everybody knows what to do and how to do it.

- **Physical Evidence**: Physical evidence is about where the service is being delivered from. It is particularly relevant to retailers operating out of shops. This element of the marketing mix will distinguish a company from its competitors. Physical evidence can be used to charge a premium price for a service and establish a positive experience. For example, all hotels provide a bed to sleep on but one of the things affecting the price charged, is the condition of the room -physical evidence- holding the bed. Customers will make judgments about the organization based on the physical evidence.

The positioning of the concept of PR and marketing services; PR should be expressed as a complementary position for services companies in terms of their internal and external customers in 7P approach. On the other hand, service as a product has emergent gaps which has to be managed strategically. If we look closer, with regards to development in service quality and creating customer satisfaction, service gaps which mean unsatisfied fields of supplied services must be estimated (Islamoglu et al., 2006: 138). The figure mentioned below presents dimensions of service quality and potential service gaps which can only be fulfilled via strategically designed PR and efficient marketing communication tools.

![Figure 2. Service Gaps and PR](image-url)

Source: Adapted from Islamoglu et al., 2006: 138.

Dimensions of service quality includes service company’s perceived image and preparedness including expected service quality. Considering Figure 2, each product has its’ own product life cycle which is managed in product based strategic plan in service company. In the meantime PR has a key role not only to reinforce service/product’s life cycle* but also to lay out of new service/product’s

* Service life cycle includes presentation, growth, maturity, regression and decease phases. Minimum cost/ maximum demand efficient phase is Maturity phase. Maturity phase means service company must be ready for new services and/or innovative approach for recent services before regression and decease phases approaching.
approach based on company’s strategic plan. PR plays a key role in managing gaps likely to occur between expected and received services. (Zeithaml et al., 2005: 39).

3. Conclusion and Expected Trends

Conceptually, when considered in terms of descriptive and historical roots public relations focuses on the organization’s interaction with the internal and external community. In this sense public relations is the management of communication between an organization and its publics (Grunig and Hunt, 1984: 6).

As a business functions and management task public relations play an important role in successful organizations. Like other management processes, professional public relations work emanates from clear strategies and bottom-line objectives that flow into specific tactics, each with its own budget, timetable, and allocation of resources. Stated another way, public relations today is much more planned, persuasive social managerial science than a knee-jerk, damage-control reaction to sudden flare-ups (Seitel, 2011: 112).

From a marketing perspective, public relations is a part of the marketing strategy and incorporate into the marketing communication mix. It is a set of information and strategies that promises a competitive advantage in marketing the scope of services. PR, is a strategy and a knowledge cluster which pledges competitive advantages within the scope of service marketing. Public relations brings control mutuality, trust and commitment into marketing processes. In this context public relations in service marketing is a sustainable service communication between perception tailoring, occurred perception, expectation management process and designing perception of the service supplier corporation.

A process as a sequence of activities must deliver the expected outcomes in a reliable way and at a satisfactory level of quality. In manufacturing, systematic analytical methodologies are used to design processes which are reliable and satisfactory. In services it is much less common to design processes in a systematic way. Services are put together haphazardly, relying on a mixture of judgement and past experience. In the meantime, knowledgeable people and proper equipment have a key role in process. In the customer’s point of view, customer criterias were originally defined in terms of the five dimensions: Reliability, responsiveness, assurance, tangibles and empathy (Van Looy et al., 2003: 263-267).

Especially service marketing must focus on PR with in tendency in pro-active way with reactive way together. PR strategy must be a part of strategic management process for unexpected but possible situations against service company’s image and/or its services as products. Meanwhile PR department must focus on reactional actions against daily emergencies.

On the other hand, service companies must position public relations as a strategic management tool instead of merely mass-promotion tool (Kotler and Armstrong 2010: 472). Due to the importance of competitiveness, the role of services as financial services, manufacturing services inside company, business services -like consulting, auditing, advertising, waste disposal- in an economy are becoming more and more important than before.

REFERENCES


