Car Hire Services Intangibility And Loss Of Customers

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Introduction

Services marketing is a specialized branch that emerged as a separate study and research field in the 1980s. Services marketing suggests that the unique characteristics of services require different strategies compared with the marketing of physical goods. This refers to both the B2B Business and B2C Business Consumer aspects of services marketing. It is related to all types of industries and marketing agencies, including telecommunications business, financial services, trade services, tourism, etc. (Lovelock, 2011).

Service marketing is an effective concept of strategy that suggests using the 7 Ps of marketing, including product, price, process, people, and promotion, to name a few. It is defined by the AMA American Marketing Association as the function or set of activities for creating and identifying the value to the customers and managing the customer relationships. The ultimate goal of service marketing is to benefit the customers and stakeholders through economic activities that boost profits and increase revenue. Through effective marketing mix and strategies, the customers are able to access all goods at lower prices, and the company can afford its labor at affordable wages.

Customers always interact with a service organization within a certain time frame. In addition to interactions with the physical elements, the customers also use their assets and facilities and communicate with the customer's service representatives all the time for any queries or problems. The nature of services marketing has been debated by scholars for a long time; this makes services a little different from products. The experience of the customers is the heart and soul of any product or company offering benefits to customers to earn profits. It takes place in real time, which provides time and place for solving customers' problems and offers them great services in return for their money.

Unique Attributes of Services

The most common characteristic of services marketing is intangibility; services do not interact with people in any tangible format. The customers are the ones who help to evaluate the composition and quality of services. Prior to purchase or consumption, the customers cannot evaluate the services and

the quality offered by a company. Consumption and production cannot be separated; therefore, they are inseparable characteristics. Unlike physical tangible goods, there is no inventory of services (Zeithaml et al., 1985).

Services are highly variable, as the activities are delivered by the service delivery professionals or personnel hired by the organizations offering their services. The quality of services is a difficult thing to handle for the management; opportunities are often created to standardize the delivery of services and ensure customer satisfaction. There is always a factor or risk involved in the purchase decisions customers make. The perceived risk is greater for the services than for goods. The customer has to go through stages of information collection and make a purchase decision to make the right choice.

The Process of Services Marketing and Case Study

The first period of service marketing is the period of risk; the marketers need to pay a lot of attention to the marketing of services. In the absence of services marketing, a significant growth in the level of services and quality is not possible. Customer-seller relationships depend on the service encounters between them on a daily or weekly basis; new service development is a different approach used by marketers to improve the outcomes of services.

Small businesses like Best Car Hire, a small rental firm in the United Kingdom, often do not use new innovative marketing models. The revenue of the company is obviously declining, which is a sign that even after enjoying a few early successful years, the company has lost its charisma of providing good services and marketing. The car hire environment is competitive in the United Kingdom with the emergence of many new companies. New firms are being aggressive in their marketing style and attributes regarding car lending business; the obvious reasons for the failure of a company include many factors like poor strategic management, lower customer satisfaction, lesser emphasis on service delivery and customer delight, poor customer services and ineffective communication between company and customers.

The customers were dissatisfied with the Best Car Hire company’s services because of other low-level services and non-cooperative staff behavior. Even though they offer a wide range of cars to their customers so they can hire them and solve their problems of conveyance, the marketing communication campaign was less effective and failed to convince customers of the best price slogan with a smile on their faces.

There is a reason behind the fall in service revenue; one of their customers revealed a long, disappointing series of events and activities he went through after running the risk of hiring their services. Customers often do not have much experience hiring from this company, which puts them at a state of risk and enables them to have greater benefits from this company. They supply cars and obviously claim to supply the most competitive prices in the car rental market in the United Kingdom to help people get to their destinations. However, the customers do not wish to come back after a

one-time rental and mostly describe a bad experience with the company team (Auto Rental News, 2003).

The case study reveals that customers are dissatisfied due to the slowness of the website; it wastes a lot of time to open slow pages and find the information customers need to make the all-important purchase decision. The personal details are taken on a website that takes a long time to wait. Customers often request small cars for hiring purposes, but customer service representatives told them that they could only have mid- to large-size cars at the moment. It was disappointing for the customers to know that the prime need for a small car was not met by the company at a critical hour. Moreover, the customer services department was not able to provide adequate information to the customers regarding the availability of their desired cars within the next few hours.

Several reasons contribute to the disappointment of customers at Best Car Hire UK. One is the extra charge that the company charges customers to collect their car from the Bristol office, which was unfair in the eyes of many customers. Moreover, the Bristol office hours were only until 18:00 hours, and it closed after that, which was annoying for customers.

The team of customer service representatives is not enough to deal with a large number of queries and questions from the customers over the phone or on the website. It seems like the company has hired only one customer service representative staff member to handle all the difficult queries of customers who often fail to satisfy the customer's expectations and answer their questions promptly. Most customers do not have enough time to explore too many options or go to other companies to hire a car, and they often need it urgently. The problem persists for them if the customer service staff is not able to deliver them from their problem and tells them to explore more alternatives. It is a clear sign of bad customer service.

The further problems in customer service reveal that the company could go on to lose more customers in the coming days. The representative was unable to tell the customer whether it was cheaper to hire the car on a daily basis or for the weekend, even though they had all the information collected over the phone.

The worst thing for a customer who hires a car from the Best Car Hire services in the UK is that the condition of the cars is not satisfactory. Cars often break down on the roads, and customers driving on the motorway often face hopeless situations when cars break down. They are stranded in the middle of the road and find no information on who to contact to fix the car and reach their destination. The phone number for the Bristol office is provided to them, but it is found to be closed after hours when customers need someone to talk to about their solution. The worst thing is that no one answers the automated questions and tells the customer what to do at the time of breakdown. The customers find the repairing locations located one hour from the place of breakdown.

The hours spent on roads by customers due to the inappropriate condition of cars waste their time too much; complaints were noticed when neither Bristol nor the London office responded to customers at the moment. The company charges 70 pounds for a car, which is an overwhelming amount that

annoys customers who do not expect such an expense. The mid-level car is too expensive for the customer to hire. The customer in the case study also lodged a complaint report to the administration for his disastrous experience of hiring a car from their company, but no one responded to them.

Solutions

The car hiring services are intangible; the customers are not given enough time to test drive the cars before they can complete their satisfaction to fulfill their needs and avoid problems on the highway. The customers must go through the testimonials of past customers on the website prior to making a car hiring decision. Word of mouth counts to encourage customers who feel disappointed after hiring from the company. Offering higher prices for cars is another major problem the company can solve by reducing the prices of mid to low-level cars to 40 pounds or more. Offering customer discounts on special or Christmas days is a good way to promote business.

The marketing head must consider applying strategic management solutions to handle customer loss through the above-stated problems. There are obvious flaws in the customer service and marketing techniques of the company, which need immediate changes in strategy and the use of new effective methods and tools to communicate better with customers. The support team should be increased to handle all the queries of customers 24/7 instead of closing after 18:00; one employee is overwhelmed to handle all the customers.

The marketers and support team can use tactics to help customers make quick decisions. They can offer services on a trial basis and will not discourage customers from trying their cars and checking their level of service quality. The company should also hire knowledgeable and experienced experts to boost its marketing campaign and social media marketing. The website is already slow, and customers need to open it quickly to save time. The company needs a new effective web hosting plan so that its website can open quickly. Moreover, the website must improve its content and code to help it open quickly (Parasuraman et al., 1988).

The techniques used by service marketers, such as offering a competitive price and discounts, can satisfy customers. To make good money in the car rental business, various aspects of the business, including marketing, car condition, customer services, and effective administration and hiring, are involved. Taking time to look at their vehicles as products and their rates is important for people operating their businesses. The company must evolve its strategies and look at every benchmark to build sustainable earnings.

It is the best strategy to let the customers dictate the fate of the company; if the car is running out too much and customers do not like it, replace those cars. The company should know when to replace their vehicles; neglecting sales and marketing is the biggest mistake a company is making. Referring customers to the Bristol office and not charging extra will reduce their annoyance. It is a better idea to place cars near a hotel where customers can walk and get their cars.

Developing a sound plan for sales opportunities is also a good strategy to increase sales. To double the overall company profit, a$3 sales per day is required. Allow customers to waive their financial responsibility for the rented vehicle and provide them full fuel and tools to fix their cars. A service-based sales culture needs to be created, which is not possible in one night. Implementing a customer-centred sales process for car rentals will assist the managers to stay in control of their business.

Moreover, high-level training must be provided to all the staff and employees in the company to ensure no customer is dissatisfied and make sure they return to the same company the next time they need a car. The senior leadership should develop a customer-focused strategy that would show the team the true cost of customer complaints. To reduce the negative remarks and word of mouth of customers, it is necessary to answer their complaints quickly to reduce the ratio. Customer-focused dialogues are the company's need at this moment.

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