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MARKETING STRATEGIES OF CONSULTANCY SERVICES IN TAMIL NADU

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ABSTRACT

Marketing strategies involve selection and balancing of the right marketing mix that make possible optimum development of marketing resources. The creation and fine tuning of the marketing mix produce unique results for consultancy firms in the market place. The following pages present a detailed analysis of the marketing strategies adopted by consultancy firms under study.

KEYWORDS: *Strategies, Marketing mix*

INTRODUCTION

Consultancy service is the providing of expert advice, opinion or solution by a presumably qualified person or a group of persons to those who need professional help. It is a personalised service rendered to clients by persons having expert knowledge in their fields. Since clients need expert advice on various matters, the consultant must be qualified and competent to comprehend the client's problem and give expert advice. A consultant needs knowledge, creativity and resourcefulness.

STATEMENT OF PROBLEM

The study envisages the various strategies used to take decisions in the marketing mix of the consultancy services.

OBJECTIVES OF THE STUDY

1. To study the marketing strategies of consultancy services.
2. To study the planning of marketing-mix of consultancy services.

METHODOLOGY

The study is a search into the application of services marketing concepts and principles to consultancy services. It is an exploratory, descriptive and analytical study aimed at bringing out the current

marketing practices of consultancy organisations in Tamil Nadu.

NATURE AND SOURCES OF DATA

Primary and secondary data were used for the purpose of the study. Primary data were collected from a sample of 20 Consultancy Organisations operating in the State of Tamil Nadu.

Primary data were also collected from clients of sample Consultancy Organisations on the basis of the information provided by these firms.

Secondary data and other information were collected from relevant literature on professional services marketing, journals and periodicals, newspapers, publications of professional bodies, internet including websites of Consultancy Organisations.

ELEMENTS OF CONSULTANCY MARKETING MIX

The seven Ps of service marketing mix are equally applicable to consultancy organisations. These are the decisions relating to service (product), price, place, promotion, people, physical evidence and process. The marketing decisions of consultancy firms invariably depend on the selection of the right combination of these elements.

Table No. - 1
Knowledge of Service Marketing Mix by Consultancy Firms

Particulars	No. of firms	Percentage
Firms having knowledge of 7 Ps of service marketing mix	16	82
Firms not having knowledge of the 7 Ps of marketing mix	04	18
Total	20	100

Source : Primary data

Thus the majority of the consultancy firms under study are aware of the 7 Ps of service marketing mix. 04 firms (18 per cent) are not aware of it. However, it is revealed that all the respondents

are aware of the conventional 4 Ps of marketing mix as applied to product marketing, namely product, price, place and promotion.

Table No. 2
Summary of the Relative importance of the Consultancy Marketing Mix Elements

Elements of marketing mix	No. of Respondents - Ranking							Total
	1	2	3	4	5	6	7	
Product in service	15	2	1	1	1	0	0	20
Price	1	2	14	2	0	1	0	20
Place	0	0	2	1	1	1	14	19
Promotion	1	2	0	12	1	2	1	19
Process	0	1	2	1	2	13	1	20
People in service	2	13	1	1	1	1	0	19
Physical Evidence	1	0	0	2	13	1	3	20
	20	20	20	20	19	19	19	

Source: Primary data

As the table reveals, all the seven elements of consultancy marketing mix do not have equal importance in the formulation of marketing strategies. The service offer is the most important element among all the seven elements of marketing mix.

1. The Service (Product) Strategy

In the context of a consultancy firm, a product is an expert advice or solution to a client need or problem. A consultancy organisation offers a single service or a range of services depending on the expertise and area of operations.

In the study most of the respondents state that they design the service offering considering

Table No. 3
Knowledge of Services Features by Consultancy Firms

Particulars	No. of firms	Percentage
Firms which are aware of the special features of services	20	100
Firms which formulate marketing strategies based on services features	17	86

Source: Primary data

The study reveals that all the respondents are aware of the special features of services. However, these are not specifically considered while formulating the marketing strategies. The majority of the firms (86 per cent) formulate their marketing policies based on the services features. They hold the view that many marketing problems can be solved by framing marketing strategies based on services features.

needs and wants of their clients. Client satisfaction and retention are the objectives of the service design strategy. It is found in the study that many firms offer auxiliary or augmented services in addition to the core services. Some consultancy firms help the clients in the implementation of solution or decision packages.

1.1 Services Features

Knowledge of services features like intangibility, inseparability, heterogeneity, perishability etc. is important for formulating marketing strategies by consultancy firms:

2. Pricing Strategies

Pricing or charging fee for consultancy services is an important element of the overall consultancy marketing strategy. Pricing is related to the value of the services and often reckoned with quality of services. Consultancy organisations consider various factors in the pricing of their services like the content and quality of services, the time involved in delivering the services, direct and indirect cost attributable to the services, fee charged

by competitors and of course, the paying capacity of clients.

2.1 Pricing Methods

Table No. 4 shows the pricing strategies followed by consultancy firms:

Table No. 4
Pricing Strategies followed by Consultancy Organisations

Pricing Strategies	No. of firms	Percentage
Cost-oriented	11	57
Competition based	05	26
Demand oriented	04	17
Prestige pricing	00	00
Skimming strategy	00	00
Penetration strategy	00	00
Total	20	100

Source: Primary data

The survey indicates that the majority of consultancy firms (57 per cent) follow cost-oriented pricing strategy. 5 firms (26 per cent) under study follow a competitive pricing strategy for their services while 4 firms (17 per cent) follow demand-oriented pricing strategy. The study reveals that no consulting firm is following prestige pricing, price skimming or penetration strategy.

3. DISTRIBUTION DECISIONS

Distribution of consultancy services requires the interaction between the consultant and

the client at the point of exchange. The intangible nature of the service implies that the method used for delivering the service forms part of the service itself. The service perish ability makes it essential to deliver the service to the clients at the right place and at the right time.

3.1 Channels of Distribution

Table No. 5 shows the channels used by consultancy organizations for distribution of services:

Table No. 5
Channels used by Consultancy Firms in the Distribution of Services

Channels	No. of firms	Percentage
Personal selling (direct distribution)	20	100
Through intermediaries	00	00
Through franchisees	1	3
Through branch offices	5	24
Total	20	100

Source: Primary data

The table shows that personal selling is used for service distribution by all the firms included in the study. No firm in the survey uses the services of intermediaries in the distribution of services. 1 firms use the services of franchisees and 5 firms have branch offices or multiple locations in their service delivery system.

4. PROMOTION DECISIONS

Marketing communication is the most important element in the consultancy service marketing mix. It is the process by which professional consultant communicates with his target clients and prospects in order to increase the volume of business. The table given below shows the methods used by consultancy organisations for marketing communication:

Table No. 6
Methods used by Consultancy Organisations for Marketing Communication

Channels	No. of firms	Percentage
Advertisement	08	39
Personal selling	14	70
Publicity	02	11
Sales Promotion	04	20

Source: Primary data

From the above data it is clear that consultancy firms use more than one method of marketing communication. Of the four methods cited above, personal selling is found to be the most

important method of marketing communication used by consultancy firms. Out of 20 firms in the sample 14 firms (70 per cent) use personal selling for service promotion. Advertisement is the second

important media used for marketing communication. It is used by 39 per cent of the respondents in the study. Sales promotion is used by 4 firms (20 per cent) and publicity by 2 firms (11 per cent).

5. PEOPLE IN CONSULTANCY SERVICES

People as the fifth P in the consultancy service marketing mix has greater influence on the service delivery process and quality of services. Service marketing experts recommend internal marketing that contemplates active involvement of staff at all levels in implementing the marketing programme. Table shows the classification of consultancy firms on the basis of the respondents view regarding internal marketing in the organisation.

Table No. 7
Classification on the Basis of Internal Marketing

Particulars	No. of firms	Percentage
Internal marketing is needed	18	91
Internal marketing in not needed	02	09
Total	20	100

Source: Primary data

As the table shows most of the consultancy firms (91 per cent) state that internal marketing is necessary in the organisation. Only 02 firms (9 per cent) state that it is not necessary. The respondents who support internal marketing state that it is necessary for better employee motivation and creating an overall marketing orientation within the organisation.

6. SERVICE DELIVERY PROCESS IN CONSULTANCY SERVICES

The objective of service process design is to see that the services are delivered efficiently taking minimum time and client contacts. Consultancy firms use modern information technology products for quick and efficient services as shown in the table given below:

Table No. 8
Use of Information Technology by Consultancy Firms in the Service Delivery Process

Particulars	No. of firms	Percentage
Firms using computers for service delivery	17	86
Firms using Internet and Websites	03	14
Total	20	100

Source: Primary data

The table indicates that most of the consultancy organisations (86 per cent) use computers for service delivery. Only 03 firms (14 per cent) in the study have internet and websites. Some consultancy firms like educational and HR consultancy provide online services to their clients.

7. PHYSICAL EVIDENCE IN CONSULTANCY SERVICES

Physical evidence as the 7th P of consultancy service marketing mix has greater appeal to clients in evaluating the service quality and organizational image of the consultancy firm.

All the respondents in the study agree that physical and peripheral evidence like location, infrastructure, layout and decor of the office give a strong corporate image to the firm. The peripheral evidence also includes the material part of the service which differentiates the service from that of its competitors. It is found in the study that consultants give due importance to physical evidence

of their services and the facilities are contemporary and conducive for optimum service delivery.

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