



MARKETING OF CONSULTANCY SERVICES IN SIVAGANGAI DISTRICT

M.Saravanakumar

Lecturer in Commerce, Alagappa Govt.Arts College, Karaikudi-3, Tamil Nadu, India

Dr.K.M.Murugesan

Lecturer in Commerce and Management, Alagappa Govt.Arts College, Karaikudi-3, Tamil Nadu, India

ABSTRACT

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.

In Tamil Nadu consultancy services have emerged in a number of areas in addition to the traditional fields of medicine, law, accounting and audit. These include project and engineering consultancy, management consultancy, investment consultancy, tax consultancy, software consultancy, architecture and design consultancy, employment consultancy, educational consultancy etc. A number of professional consultants and firms have established themselves in their respective areas in Tamil Nadu. Individuals and organizations seeking advice on various matters are more aware and conscious about the utility of consultancy services. Consultancy services operate professionally with the object of providing service to clients for a reasonable remuneration. Although consultants are professionals they face a number of problems in their field, especially in the area of marketing of their services. It is at the interest of the State in general and consultancy organizations in particular to enquire into the marketing – orientation of these firms and suggest suitable measures for the successful marketing of their services.

KEYWORDS: *Consultancy service, remuneration, expert advice, Services, organization*

INTRODUCTION

The last quarter of the twentieth century witnessed an unprecedented growth of the service sector in countries all over the world. A virtual service revolution transformed many economies in the world to service economies. The service sector contributes nearly three-fourth of the Gross National Product in developed countries and about one half of the Gross National Product in developing countries. Around 70 percent of the new employment opportunities are provided in the service firms of service dominated industries. Services have come to be recognized as the fastest growing sector of the economies of the world. The service sector holds the key to the continuous growth of the economies of the future. It is also envisaged as the catalyst of growth in the new millennium for the world in general and for India in particular.

Services lie at the core of every economic activity in society in the present day context. Services touch the lives of every person in all walks of life. Technological innovations

and economic changes have transformed the concept of services to the extent where its original definition as an intangible benefit no longer holds good today. The growth of the service sector is reflected in the widening of the number and range of services. A steady progress towards the emergence of a service economy implies greater demand for new and innovative services. The sophistication in human life will further enlarge the scope and range of services in the coming years. The transformation of service economy into a knowledge economy would mean demand for more knowledge-based services like information, ideas and solutions.

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.

In Tamil Nadu consultancy services have emerged in a number of areas in addition to the traditional fields of medicine, law, accounting and audit. These include project and engineering consultancy, management consultancy, investment consultancy, tax consultancy, software consultancy, architecture and design consultancy, employment consultancy, educational consultancy etc. A number of professional consultants and firms have established themselves in their respective areas in Tamil Nadu. Individuals and organizations seeking advice on various matters are more aware and conscious about the utility of consultancy services. Consultancy services operate professionally with the object of providing service to clients for a reasonable remuneration. Although consultants are professionals they face a number of problems in their field, especially in the area of marketing of their services. It is at the interest of the State in general and consultancy organizations in particular to enquire into the marketing – orientation of these firms and suggest suitable measures for the successful marketing of their services.

STATEMENT OF THE PROBLEMS

The problem under study is the marketing of consultancy services in Sivagangai district. Marketing of consultancy services includes analysis, planning, implementation, control and organization of studying the target market's needs, designing appropriate services, carefully formulating programmes and using effective pricing, communication and distribution strategies to inform, motivate and serve the clients to achieve organizational objectives. The study includes an analysis of the organizational structure of consultancy services firms in Tamil Nadu and also their marketing organization. The study comprehensively covers an analysis of the marketing opportunities, identification of target markets, segmentation strategies and client analysis.

SIGNIFICANCE OF THE STUDY

Consultancy is a personalized service which needs professionalism, since a large number of people require the services of consultants in many areas. Consultancy is needed by those who face multifarious problems in their professional, business or personal life. The necessity of consultancy services is relevant in the context of the scientific problem - solving approach practiced by the consultants. The problem-solving approach consists of surveying to ascertain pertinent facts and circumstances, defining the problem, seeking and selecting appropriate tools and techniques, presenting findings and recommendations, programming actions required to achieve a solution or improvement and assisting in implementation and follow up.

OBJECTIVES OF THE STUDY

1. To analyse the organizational features of consultancy services.
2. To evaluate the organizing of marketing of consultancy services.

METHODOLOGY

The study is a search into the application of services marketing concepts and principles to consultancy services. The generally accepted marketing principles and practices are applied in this study to suit the requirements of consultancy services. It is an exploratory, descriptive and analytical study aimed at bringing out the current marketing practices of consultancy organizations in Sivagangai district.

Data Collection

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 District of Sivagangai.

Sampling Design

The primary data were collected from units using multistage sampling. In the first stage, all units in three Municipalities in the State, namely, Sivaganga, Karaikudi, Devakottai were taken for enumeration, since different varieties of consultancy services are found actively practicing only in these cities in the State. In this stage, census method was used instead of sampling procedure because of the small number of population.

REVIEW OF LITERATURE

Early studies on services marketing point out the difficulty of defining a service offer (Bateson 1979; Berry 1980). It was difficult to distinguish services from products. An earlier definition of services by American Marketing Association (1966) viewed services as a mere 'add' to a physical product. Services were the ultimate benefits received by customers from buying a product. Services gained prominence during the last two decades. A revolution in the service sector projected services as a matured and independent entity. Authors on services marketing observe that there are no products as such, there are only services; even products eventually satisfy the consumer's demand for specific services. Services are quite different from products. Services possess unique features and need separate marketing strategies (Booms and Bitner 1982).

Lovelock's (1983) classification of services into five broad categories gives a good insight into the marketing implications of services. It requires a strategic vision that consists of identification of target consumers, development of the right service product and design of a sound operating strategy to satisfy the consumers' needs.

The difference between goods and services invoked researchers to evolve new marketing responses to services. The traditional 4 Ps of marketing applied to product marketing were found inadequate to services marketing. Zeithaml and others (1985) suggest the pyramid model of services marketing by extending the services marketing mix elements to seven, namely, product, price, place, promotion, people, process and physical evidence. They suggest different strategies for solving marketing problems for each service feature.

Berry and Parasuraman (1991) state that service quality is the key to customer satisfaction. Service quality comprises of technical quality and functional quality. Quality is a dynamic concept and achieving quality is a never-ending task. With ever-increasing customer expectations and quality consciousness, a service firm must endeavour to deliver quality services for maximum consumer satisfaction.

DATA ANALYSIS AND INTERPRETATION

A well-conceived internal organisation design is absolutely necessary for achieving organisational objectives and delivering quality services to clients. Against this backdrop an in-depth analysis is made of the socio-economic conditions of consultancy service firms in Sivagangai district which would give an insight into the strengths and weaknesses of these firms.

Table No.1 shows the distribution of consultancy firms on the basis of the number of years of their existence since their inception.

Table No. 1
Age consultancy services

S.No.	Age in Years	No. of firms	Percentage
1.	Less than 5 years	5	25
2.	Between 5 to 10 years	8	40
3.	Above 10 years	7	35
	Total	20	100

Source : Primary data

The above table shows that the majority of the consultancy firms 65 % have been existing for less than ten years. 35 % of the consultancy firms are above ten years. The average age of consultancy firms is approximately 7.5 years. Therefore it is concluded that consultancy services in the district are of recent origin and are still in their developing stage.

The areas of consultancy services are vast and wide. These are grouped under eight broad categories for the purpose of the study. Many consultancy organisations offer more than one line of consultancy services. Table No. 2 gives the composition of respondents from different areas of consultancy services.

Table No. 2
Distribution of consultancy firms based on nature of service

S.No.	Area of consultancy services	No. of firms	Percentage
1.	Management consultancy	7	35
2.	Investment consultancy	3	15
3.	Project consultancy	4	20
4.	Employment/Educational consultancy	6	30
	Total	20	100

Source : Primary data

The table reveals that management consultancy, investment consultancy, project consultancy and Employment/Educational consultancy together come to low level of the consultancy services in the district. This shows that these four are the major consultancy services commonly

practiced in the district. Of these management consultancy occupies 35 per cent of the total consultancy services. The table also indicates that other consultancy services like investment consultancy, project consultancy and employment/ Educational consultancy are also actively practised in the District.

Table No. 3
Capital investment in Consultancy Firms

S.No.	Investment (In lakhs)	No. of firms	Percentage
1.	Less than 2	12	60
2.	Between 2 - 4	8	40
	Total	20	100

Source : Primary data

The above table shows that investment of consultancy firm is approximately less than Rs.4 lakhs. It indicates the relatively low investment required by consultancy organisations. It is found in the study that capital investment

in consultancy service firms includes cost of office building, equipments, furniture and other infrastructure for delivering the services. Capital investment again depends on the nature of services offered and the size of operation.

Table No. 4
Table Showing Number of Employees in Consultancy Organisations

S.No.	Number of Employees	No. of firms	Percentage
1.	Less than 5	13	65
2.	Between 5 - 10	7	35
	Total	20	100

Source : Primary data

The table reveals that out of 20 firms studied 13 firms (65 per cent) have less than 5 employees in their organisations. 35 per cent of the consultancy firms have between 5 to 10 employees in their organisations. The number of service personnel employed is low on account of the small size of consultancy firms.

FINDINGS

1. The majority of the consultancy firms 65 % have been existing for less than ten years. 35 % of the consultancy firms are above ten years. The average

age of consultancy firms is approximately 7.5 years. Therefore it is concluded that consultancy services in the district are of recent origin and are still in their developing stage.

2. This shows that these four are the major consultancy services commonly practiced in the district. Of these management consultancy occupies 35 per cent of the total consultancy services.
3. Investment of consultancy firm is approximately less than Rs.4 lakhs.

4. The table reveals that out of 20 firms studied 13 firms (65 per cent) have less than 5 employees in their organisations. 35 per cent of the consultancy firms have between 5 to 10 employees in their organisations.

RECOMMENDATIONS

1. Being a service the consultancy organisation needs a service –orientation and it must create a service culture within the organisation. The firm must induct service personnel who are motivated by a spirit of service to the client and who enjoy team-work.
2. The firm must develop a vision stating for what it stands for and what it wants to become. It may be expressed in terms of its mission, objectives, goals and targets and communicated to all concerned.

CONCLUSION

Consultancy services are going through rapid and profound change. The diversity of clients and markets will create demand for consultants in new areas. Consultants will be required to change their roles from advisers to more practical change agents or as business partners. The role of consultants will be greatly accepted by clients not because of their inability to respond to a situation but because consultants are experts in providing feasible solutions. The consultants have to improve their leadership qualities and professional skills since the clients are increasingly sophisticated and discerning. The consultant-client partnership will really work to solve distinct problems, implement changes and .take important decisions related to client's business.

REFERENCES

1. Kotler, Philip and Armstrong, Gary, *Principles of Marketing*, Prentice Hall of India, New Delhi, 1996.
2. Mamoria, C.B.,Suri, R.K., andMamoria, Satish, *MarketingManagement, Kitab Mahal, Allahabad, 2000.*