



Code: 14E00404

MBA IV Semester Regular & Supplementary Examinations May 2018

SERVICES MARKETING

(For students admitted in 2014, 2015 & 2016 only)

Time: 3 hours

Max. Marks: 60

All questions carry equal marks

SECTION – A

Answer the following: (05 X 10 = 50 Marks)

- 1 Describe the importance of services in the economic growth of a developing country.
OR
- 2 Discuss about strategic responses of marketers to the distinctive characteristics of services.
- 3 Explain how companies identify attractive market segments and choose a market coverage strategy.
OR
- 4 What is positioning? Discuss its importance in the success of a firm.
- 5 State the pricing objectives for services. Describe how pricing policy is formulated based on customer value.
OR
- 6 Of the different promotion mix, which would you choose for a hospitality service provider and why?
- 7 Discuss the different types of distribution channels and their relative importance to a service marketer in the insurance sector.
OR
- 8 Do you think that physical evidence really matters in marketing of services? Discuss with the help of examples.
- 9 Identify and explain key activities in marketing planning process.
OR
- 10 Explain how understanding competitors can assist the development of marketing strategy.

SECTION – B

(Compulsory Question)

01 X 10 = 10 Marks

11 Case study:

Online shopping is set to account for nearly 40% of all UK retail sales by 2020, with online sales reaching £38 bn in 2009 and set to quadruple to £162 bn by 2020. According to uSwitch, 8 million UK households spend, on an average, two hours a day shopping online. The most popular online purchases are holidays, films and music.

One organization playing a key role in the facilitation of this growth of digital music sales is Apple's iTunes Music Store (iTMS). The iTunes Store is an online business run by Apple Inc., which sells media files that are accessed through its iTunes application. Opened as the iTunes Music Store on 28 April 2003, it proved the viability of online music sales. The virtual record shop sells music videos, TV shows, movies, and video games in addition to music. iTunes now has several personalization options and one of them is 'Just For You'. Apple thoroughly dominates the market, controlling more than 70% of the worldwide online digital music sales. Apple's iTunes store allows the users to purchase songs and transfer them easily to the iPod through iTunes. New songs are added to the iTunes catalogue every day, and the iTunes Store is updated each Tuesday.

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**Code: 14E00404****Music Distribution in India**

The Indian music industry has witnessed a sea change in its distribution pattern in recent years. The introduction of the digital platform has helped music lovers get access to music very easily. While a significant chunk of music is still distributed through retailers, music companies have started utilizing digital channels for revenue generation to the hilt.

Prominent music companies in India include Saregama, Sony BMG, Times Music, Universal, and Tips. Music Today, a subsidiary of India Today group, markets their products online. They sell their own CDs/DVDs on the Internet, providing shipping options worldwide. Music is also available in India through various online retailers such as Flip kart, Amazon and Landmark. The companies take orders online and deliver the CDs/DVDs physically. Other online platforms such as www.gaana.com allow users to access, listen or download music via the Internet.

Saregama India Ltd is one of the biggest music companies in India. The company pioneered expansion into the digital domain in India. Way back in 2004, music from their catalogue was made available for digital download on global sites such as iTunes, MSN Music, etc. Saregama's music is also available on domestic digital stores like India times, Sify, VSNL and Bharti telecom.

Hamara CD, an innovative venture by Saregama, is a CD purchase website where one can compile one's own customized song list on CD from Saregama's extensive catalogue and have it delivered anywhere in the world. Saregama allows customers to choose from a collection of over 1,00,000 songs. The prices of these services are highly affordable, starting from Rs. 200.

Questions:

- (a) Why do you think iTunes has been such a success as an online music retailer?
- (b) Consider your own recent purchase of music. What retail channel did you use to purchase the music and why?
- (c) Hamara CD has come up with a music distribution model that combines the conventional and also the contemporary. Do you think this is the ideal way to go about in the present market scenario?
