

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER 4 • EXAMINATION – SUMMER 2016

Subject Code: 2840102**Date: 07/05/2016****Subject Name: Services & Relationship Marketing (SRM)****Time: 10.30 AM TO 01.30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

Q.1 (a) Answer the following multiple choice questions: **06**

1. Which of the following is an example of a tangible component provided by a hotel?
 - A. Wake-up call
 - B. Guest rooms
 - C. Room service
 - D. Guaranteed reservations
2. Which of the following is NOT an example of a service business?
 - A. Amusement park
 - B. Bank
 - C. Department store
 - D. Soft drink bottler
3. SSTS refers to _____
 - A. Self-Service Technologies
 - B. Standard Service Technologies
 - C. Service Standards Testing
 - D. None of the Above
4. _____ is the physical surroundings or the physical facility where the service is produced, delivered and consumed.
 - A. Servicespace
 - B. Serviceplace
 - C. Servicescape
 - D. Servicescope
5. Which of the following is not an element of physical evidence?
 - A. Employee dress
 - B. Employee Training
 - C. Equipment
 - D. Facility design
6. Services or products that customers buy immediately after noticing are classified as
 - A. Augmented product or services
 - B. Convenience products and services
 - C. Shopping goods or services
 - D. Sought products or services

Q.1 (b) Define following terms briefly: **04**

1. Skimming pricing
2. Heterogeneity
3. Credence service
4. CRM

Q.1 (c) Lighting plays an important role in multiband retailing clothing showroom. Discuss. **04**

Q.2 (a) What do you mean by “Service”? How services differ from product? Explain. **07**

(b) How services marketing mix differ from product marketing mix and explain extra elements of services marketing mix with an example of each one. **07**

OR

- (b) “Selling a product is not only an important criterion; but how you are offering a service is more important in now a day” – Discuss this statement in view of service marketing perspective. **07**
- Q.3** (a) What is “Service Blueprint”? Discuss. Also explain its various elements with any practical example of any industry of your choice. **07**
- (b) Explain the term “Zone Of Tolerance (ZOT)”? Discuss its importance in service marketing. Also relate & elaborate the concept with service provided by any Airlines company of your choice. **07**
- OR**
- Q.3** (a) Explain the “flower of services” concept and identify and explain each of the petals in detail. **07**
- (b) Describe four basic waiting line strategies, and give an example of each one, preferably based on your own experiences as a consumer. **07**
- Q.4** (a) Write down short note on: SERVQUAL survey **07**
- (b) Discuss the utility of “Yield Management” & relate it to the multiplex of Ahmedabad city. **07**
- OR**
- Q.4** (a) Write down short note on: Service Recovery strategies **07**
- (b) Discuss three step model of consumer behavior & relate this model to college education provided by any self finance college. **07**
- Q.5** **Discuss the case study with answers of following questions.** **14**

Six to Seven Telecommunication

Six to Seven is a telecommunications company marketing state of the art telecommunications equipment. The company is currently in the process of developing a new generation type of mobile phones. When developed, this phone will enable users not only to make standard telephone calls and connect to the Web, but will have a small screen which will enable users to view the person at the other end of the line in high definition, unlike competitors’ models whose definition characteristics leave a lot to be desired. Needless to say, investment to develop the technology and market the product is substantial.

As part of the development process, the company is eager to find out more about potential customers for this product. In particular, they are interested in finding out if there is a market for the product, how big this market might be, and how customers will respond to this concept. They propose hiring a specialist market research agency with skills in the area of researching buyer behaviour, particularly for new product concepts.

Questions:

1. What areas of buyer behavior should this proposed research encompass, and why?
2. What types of research techniques might be useful in researching these areas?

OR

ACME Engineering

Pamela Spencelayh has been the accountant at ACME Engineering for over 20 years. During that time one of her responsibilities has been to help set prices for new products launched by the company. In her view this has never posed problems.

As an experienced cost and management accountant, Spencelayh has taken the approach of estimating the average cost of producing any new product and then simply adding on a predetermined mark up for profit set by the managing director in line with required rates of return. In her and the company's view, this pricing method has worked well and has a no. of advantages. She feels it is the simplest method and it 'ensures' that costs are covered and a profit is made. Finally, she sees it as a 'fair' method of pricing which can be justified both to customers and the outside world.

Over this twenty year period not all new products launched by the company have been successful. Of the unsuccessful ones, no one has ever blamed price as being a reason for failure. The view has been taken that how could price be wrong if it was based on a factual assessment of average cost with a fair margin for profit added.

Spencelayh has never had to think or consider the effect or otherwise of price on product success and failure, and has left these considerations to the design team and the marketers who are, after all, collectively responsible for new products.

Things have now changed. As a result of appointing a new marketing manager who has had a new innovative product developed quickly, Spencelayh found her position as regards pricing decisions challenged. The new marketing manager has simply asked Spencelayh for some cost estimates. When she asked how these were going to be used and proposed a price for the new product based on these estimates, she was told that the new product would be priced using a customer-value based method. Spencelayh had never heard of this.

It was explained that for the new product it was necessary to establish the economic value of the product to the customer (EVC) and that Spencelayh was expected to help in the costing side of this exercise. She was now extremely worried. Not only did she wonder why it was not sufficient to use cost-plus, but she had no idea what establishing the economic value of the product to a customer meant and what information and analysis would be required to establish the EVC.

Questions:

1. What arguments can be used in this context to justify a customer-value based pricing method as opposed to the simpler cost-plus method?
2. What information and analyses will be required by Spencelayh to assess the EVC of the new product, and what problems might there be in using this approach to pricing?
