

Code: 14E00404**MBA IV Semester Regular Examinations June/July 2016****SERVICES MARKETING**

(For students admitted in 2014 only)

Time: 3 hours

Max. Marks: 60

All questions carry equal marks

SECTION – A

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

- 1 What distinguishes service offering from products? Explain.
OR
- 2 Explain how relationship marketing is different from the traditional emphasis in marketing.
- 3 Discuss the stages in service innovation and development.
OR
- 4 Why do you think market segmentation is important for service organization?
- 5 Pricing strategy stands on three foundations. Justify.
OR
- 6 Marketing communication, in one form or other is essential to a company's success. Explain the role of marketing communication in service firms.
- 7 Explain the key factors driving place and time decisions of service distribution.
OR
- 8 Explain the role of physical evidence for communicating service quality in an organization.
- 9 A detailed audit of the porter's five forces will help to understand the prospect for future profitability of the service organization. Explain.
OR
- 10 Marketing plan becomes a framework for identifying where and why marketing resources are going to be allocated. Justify the statement.

SECTION – B

(Compulsory Question)

01 X 10 = 10 Marks

11 Case study:

Construction projects are collaborative efforts among property owners, architects, engineers, general contractors and subcontractors. However, with hundreds of people working in disparate teams, such projects can be plagued by miscommunications and mistakes that result in costly overruns, lost time and other difficulties. A group of construction engineers and software industry leaders came up with a vision to address these issues by using the World Wide Web to manage building projects. Their vision became Buzzsaw.com, a web-site that functions as a virtual storehouse and conference room where everyone involved in a construction project can "meet" and view one another's work. By collaborating online, building professionals can reduce project cycle times and costs there by boosting profits.

Contd. in page 2

Code: 14E00404

Through Buzzsaw.com, project team members can monitor every step in the construction process, often without ever leaving their desks. They can transmit, store and share blueprints, forms, change orders and loan and legal documents. For example, Buzzsaw's project folders enable team members to post drawings and discuss them online with other members of the project team. General contractors can use Bid Manager to invite qualified subcontractors to bid on specific jobs. The site's construction manager consolidates work orders and helps team members address design and building problems that inevitably arise on any project. A recently introduced application, plans and specs, allows architects and contractors to download blueprints and plans to their own computers, make real-time design changes and communicate these changes with others as the project takes shape.

Initially spun off from Autodesk, Inc., a software firm Buzzsaw.com has become the premier work-space collaboration site for the \$3.9 trillion building design, construction and property management industry. Within its first two year of operation, more than 125,000 construction professionals has subscribed to the site to manage some 35,000 projects a new project every twenty minutes, on average. A survey conducted by Zwieg White & Associates found that 45 percent of industry professionals had used Buzzsaw's project management and collaboration services: its closest competitor had attracted just 16 percent of the companies surveyed. Buzzsaw captured such a large share of the market by offering a secure online workspace for a highly fragmented process, allowing project teams to share information quickly while simultaneously increasing profitability. Among the firms that have benefited from the service are The Walt Disney Company, Dow Corning and Toys "R" Us.

For Toys "R" Us, Buzzsaw helped manage the conversion of two former Times Square (New York) theaters into a 10,000 square-foot-flagship store, complete with a 30-foot-tall mechanical dinosaur, a 50 foot-tall ferris wheel and a 2-story Barbie town house. Through Buzzsaw, Tracy LeBlanc, the projects senior architectural manager, was able to monitor the project from his office 20 miles away in Paramus, New Jersey, LeBlanc and the projects architects; consultants and contractors shared and updated documents electronically. They also observed the projects progress through digital photographs uploaded weekly as well as via webcams LaBlanc installed inside and outside the construction site. In previous projects LeBlanc man-aged, construction team members could share documents only by printing out each new draft and sending it to others via messenger; ensuring that everyone worked from the most recent set of plans was a challenge in itself. Toys "R" Us paid \$2,000 a month to subscribe to the service, which Leblanc estimated saved \$100,000 in messenger, printing and photo-processing charges in one year alone.

When Buzzsaw.com was spun off from Autodesk, Inc., as an independent company in 1999, it was funded by Autodesk, Morgan Stanley Dean Witter and Real Estate Equity Groups, Bank of America and Impact Venture Partners. Just two years later, however, Autodesk announced that it had reacquired Buzzsaw for \$15 million because of its ability to extend its business into new markets. Moreover, executives expected Buzzsaw to become profitable by the end of its second year, at a time when many dot-com companies were failing and only a few were profitable.

Questions:

- (a) Describe the marketing strategy Buzzsaw.com used to successfully serve building industry professionals.
- (b) How was Buzzsaw succeeded as an online facilitator of communications among members of construction project teams while so many internet-based companies have failed?
- (c) What changes in Buzzsaw's marketing strategy might be appropriate for continued success under Autodesk?
