

Code: 14E00404

MBA IV Semester Regular &amp; Supplementary Examinations May 2017

**SERVICES MARKETING**

(For students admitted in 2014 &amp; 2015 only)

Time: 3 hours

Max. Marks: 60

All questions carry equal marks

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**SECTION – A**

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

- 1 Explain the consumer decision making process/consumer choice.  
**OR**
- 2 What are the strategic responses to the intangibility of service performances?
- 3 Define market segmentation. Explain the process of market segmentation.  
**OR**
- 4 Define effective positioning. Explain the positioning process.
- 5 What are the factors contributing to price sensitivity?  
**OR**
- 6 Explain publics and functions/role of public relations.
- 7 Discuss about the location of service premises.  
**OR**
- 8 Explain role of intermediaries in service delivery.
- 9 Explain elements of marketing planning.  
**OR**
- 10 Discuss the factors affecting marketing planning.

**SECTION – B**

(Compulsory Question)

01 X 10 = 10 Marks

- 11 **Case study:**  
**Customer loyalty:**

I have written recently on the all important topic of customer loyalty and lifetime value and have thrown out some kooky ideas for trying to get more out of those happy customers.

This past weekend a couple of different incidents made me think about the source of customer loyalty.

On Saturday afternoon there was no hot water at my house. In my vast experience with home improvement projects I've learned that things generally happen when I try to fix something:

- (i) I curse a lot.
- (ii) There is bloodshed.
- (iii) I end up calling someone who knows how to fix things.

I checked to make sure the circuit breakers weren't thrown, that there was voltage at the unit, I pushed a reset button. Nothing worked. Sunday afternoon I gave up and called Curtis heating & cooling. I've used Curtis for years for HVAC stuff and was delighted to see that they worked on water heaters, too.

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They suggested over the phone a couple of things to try and I'd tried those. I suggested that they'd probably need to replace the unit and he said: "Well, if wouldn't be able to fix it today anyway, and I'd have to charge you more for the visit since its Sunday. Can it wait till tomorrow"?

Curtis Morris, himself, came out first thing Monday morning and spent an hour or so diagnosing the problem. The problem was electrical after all, the circuit breaker switch was bad and wasn't providing enough current for the water heater. He suggested we call electrician he knew as he wasn't certified to do that kind of work. Curtis wouldn't accept payment for the hour he spent at our house.

This is the third or fourth opportunity Curtis heating and cooling and has had to charge me thousands of dollars to fix a problem I through I had, and instead provided a simple solution that was more than adequate. It's why I will always call them, and why I tell everyone I know to call them. (A colleague mine was talked into replacing his heat pump to the tune of dollars 3 k by another company. I suggested he call Curtis just to be sure. Curtis fixed system or dollars 73).

By looking out for his customer's interest first, his companies in the first in the short term but benefits ultimately by creating customers for life.

Also this past weekend I ran across a blog post by one of RKG's former IT developers. He left to help build a company that provides open sources software development. His article touts the merits of charging fair hourly rates instead of billing clients for on-site visits and work they don't need, suggesting that at the end of the day the strongest business model is to provide valuable service for a fair price. This is a model we have tried to follow at RKG. Where some firms seem to see themselves as commissioned broker for the engines, we take the view that focusing strictly on what serves our clients best interest regardless of near term impacts on our bottom line will lead to long term growth and prosperity.

As the economy recovers and corporate survival is no longer the only issue, I think we all do well to reflect on the lessons taught by Curtis Morris and consider what we can do engender that kind of loyalty.

**Questions:**

- (a) Analyze the case and discuss about the source of customer loyalty.
- (b) Discuss about the value of customer relationship from the case.

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