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08MBAMM314

**Third Semester MBA Degree Examination, June/July 2011**  
**Services Marketing**

Time: 3 hrs.

Max. Marks:100

**Note: 1. Answer any FOUR full questions from the Q.No.1 to 7.**  
**2. Question No. 8 is compulsory.**

- 1 a. What is service marketing triangle? (03 Marks)  
b. What are the basic differences in marketing goods and services? (07 Marks)  
c. Discuss the marketing mix in services marketing. (10 Marks)
- 2 a. What is service encounter? (03 Marks)  
b. What are search qualities, experience qualities and credence qualities, with examples? (07 Marks)  
c. Explain the role of consumer expectations, with suitable examples. (10 Marks)
- 3 a. What is zone of tolerance? (03 Marks)  
b. Explain the different types of service research. (07 Marks)  
c. Explain the components of blue print. (10 Marks)
- 4 a. What is a service blue print? (03 Marks)  
b. Explain the 'new service development stages/process', with a suitable example. (07 Marks)  
c. What is service quality? Explain the role of service quality. (10 Marks)
- 5 a. What are the types of service intermediaries? (03 Marks)  
b. Explain the strategies for effective delivery through intermediaries, with an example. (07 Marks)  
c. Explain Gap-3. What are the methods to be adopted to close the Gap-3? (10 Marks)
- 6 a. Differentiate 'hard and soft' customer defined standards. (03 Marks)  
b. Mention the different approaches to services pricing. (07 Marks)  
c. Explain the communication process and explain its importance in closing Gap-4. (10 Marks)
- 7 a. Explain service scopes. (03 Marks)  
b. Explain the elements of physical evidence, with an example. (07 Marks)  
c. Explain the process of setting customer defined standards, with a suitable example. (10 Marks)

Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.  
2. Any revealing of identification, appeal to evaluator and/or equations written eg. 42+8 = 50, will be treated as malpractice.

**CASE STUDY : (Compulsory)**

One of the new private banks tried to analyze its customer base, their banking habits and their aspiration. The market research brief was broad enough to include an investigation into customer psychographics, performances as well as feelings for the bank. The study was restricted to its customers. The research stumbled onto a startling find for the bank on its loyalty factor. This case concentrates on one aspect of the study : “why do customers leave bank”? Looking from another perspective, the research problem could very well be : “why does a bank lose its customers”? The implication is that the customers left the bank and migrated to some other service provider.

The first job was to define a customer for the purpose of the study – which was confined to existing customers of the bank’s services as well as customers as “prospects”.

Many service products were included in the study, but we will deal only with the savings accounts. The acquired customers were either walk-in to through personal selling by direct sales agents or bank personal. A lost customer was defined as one who stopped making any transactions for over a year, one who had closed his account, or a prospect who did not finally agree to open an account.

An analysis on the customers it lost, and the underlying reasons there of, makes interesting reading :

<u>Reasons for losing its customers</u>	<u>Lost customers (%)</u>
i) Customer did not understand the message	- 5%
ii) Customer felt the bank personnel were rude	- 12%
iii) Customer was dissatisfied with the bank and its products	- 18%
iv) There were no follows ups from the bank in pursuing the customer	- 65%

Many customers (for various reasons) had changed their residences and finding no other branch, or ATMs in the vicinity and due to inconvenience in going all the way to their earlier bankers, had opted to discontinue with bank.

**Questions :**

- What is the importance of the people factor in services? **(05 Marks)**
- What indications do the above findings give to the service provider? **(05 Marks)**
- Explain the types of market research. **(05 Marks)**
- Explain the importance or benefits of customer retention in service industry, than customer acquisition in service industry. **(05 Marks)**

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