

Jagan Institute of Management Studies
End-Term Examination, September, 2016
Trimester IV – PGDM (IB) 2015-17

Service Marketing
ET_IB_MoS_3009

Time: 3 Hrs.

M. Marks: 70

INSTRUCTIONS: Attempt any FIVE questions including Q1 & Q7 which are compulsory.

- Q 1** Briefly explain any **THREE** of the following concepts as applicable to Service Marketing:
- a) Penetration and skimming.
 - b) Importance of service sector in Indian economy.
 - c) SERVQUAL Model.
 - d) Behavioural segmentation.
 - e) Inconsistency and Inseparability in services.
 - f) Flowcharting. **15**
- Q 2** There are many aspects of loss to a Car Service Garage firm in either case when its capacity is lower than its service product demand, or in other case of capacity higher than demand. Comment on this statement with your reasons. Suggest at least **THREE** alternative Demand-shift and Capacity-flex strategies to manage in both cases of imbalance. **13**
- Q 3** American Airlines pioneered the Dynamic Pricing of their service products by applying Yield Management and not only managed well to get over the competitive challenge from ‘Low-Fair’ economy airlines, but made substantial increments in their bottom-line. Give details of the Yield Management pricing. What are the essential conditions under which a service firm can successfully apply this model to price their service product? **13**
- Q 4** The channels for a service firm are fairly simple and straight-forward without too-long a hierarchy as in case of distributing Goods. Is it true? Differentiate among franchisee, agent and broker as service channel partner and explain suitability condition for each of them. **13**
- Q 5** What is 24-by-7 concept in service delivery? Why are the service firms going 24-by-7? Explain how new technology tools are helping service firms in improving their service delivery. **13**

Q 6 One out the various risks as perceived by a customer while buying a service product is the 'Performance risk' where the customer suspects whether the product will perform as promised. What are the other risks perceived by the customers? Suggest some strategies for the firm to help customers get over these perceptions.

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Q 7 Read the case and answer the questions at the end of the case.
Amit and Arun joined hands together in 2008 after spending a decade in automobile industry. Their company, Flexi Car Garage is a large MRO service outlet for all cars sold in large numbers by most of the car manufacturers. The unique feature of the Garage was that it was open 24 hours 365 days a year. As a happy customer put it, "I leave my car at Flexi in the evening on way to my home. They drop me home, pick up next morning to the Garage and I drive in my own car to work. They do everything that my car needs during the night."

The Garage has done well in last seven years and is running to full capacity. So Amit is now working on doubling the capacity by acquiring two garages in different parts of the city. He is also planning to now offer a 3-year maintenance contract on decent terms. Flexi has selected you as Marketing Manager in view of expansion plans.

Questions:

- a) Design the 3-year service package product highlighting facilitating and enhancing supplementary services; Search, experience and credence attributes.
- b) Design a warranty statement for this product.
- c) Propose a Promotion mix for year 2017-18.
- d) Prepare a Physical evidence strategy plan.

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