

Jagan Institute of Management Studies
End-Term Examination, December, 2016 – January, 2017
Trimester V – PGDM 2015-17

Service Marketing
ET_PG_SM_2612

Time: 3 Hrs.

M. Marks: 70

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

- Q 1** Comment briefly on any **FOUR** of the following statements and illustrate with suitable examples:
- a) The Zone of Tolerance helps marketer understand and respond to customer's expectations under varying influences, say in an emergency.
 - b) To overcome challenge due to intangible nature of a service product, the marketer tries to tangibilize the intangible.
 - c) Customer is not always right.
 - d) Managing with credence attributes of a service product is far more challenging than the search attributes and experience attributes.
 - e) Whatever is the role of packaging for goods product, Physical evidence does the same to a service product.
 - f) Whatever is the role of packaging for goods product, Physical evidence does the same to a service product.
 - g) Before getting into promotion strategy decisions, it is necessary to understand the status of its target on the hierarchy of customers' readiness.
 - h) Quality of a service product benefits both, the service-provider and the customer. **16**
- Q 2** In services, it is difficult to adjust supply with the demand in the short run. Do you agree with this statement? Give reasons. For a 5 star hotel in Delhi, suggest three each of Demand-shift and Capacity-flex strategies in both the situations when
- a) Demand exceeds its capacity.
 - b) Demand is less than its capacity. **13**
- Q 3** What is the GAPS Model of Service Quality? Explain this model with the help of any particular service of your choice that is being performed in the market place. **13**

- Q 4** How is pricing of services different from that of goods? How do you think Airlines can offer ridiculously low prices (e.g. Re. 1 ticket to a traveler) and hope to make profit? **13**
- Q 5** “Service Encounters are the important real time touch points for the customers to judge a company’s performance in rendering services in the market place.” Pick up any service industry and explain in details as to what should that company do to have better Service Encounter, moments of truth and critical incidents? **13**
- Q 6** Service sector is playing a dominant role in growth of Indian economy. Is it true? Give details to justify your answer. **13**
- Q 7** Read the following case study carefully and then answer the questions that follow.

VOLVO TRUCKS: SWEDISH MANUFACTURER LOOKS TO SERVICES FOR NEW REVENUE

Volvo, headquartered in Sweden, is one of the world’s largest producers of trucks. In fact, two-thirds of Volvo’s total of 130 billion SEK came from its Global Trucks groups. But, as with many manufacturers worldwide, Volvo is much more than an equipment company. It views itself as total customer Solution Company offering wide variety of services to enhance the value of its products and to provide revenue growth.

By listening to its truck fleet customers, Volvo has identified ideas for new services that can enhance the value of its trucks. The physical product, the truck, has become a component of Volvo’s service concept, and the company is moving in a direction of becoming a service company instead of purely a heavy truck manufacturer.

One of Volvo’s recent service offerings, Dynafleet 2.0, provides a good example of how Volvo is enhancing the value it offers to its business customers. Dynafleet 2.0 is an extensive transportation information system that Volvo can customize for its truck transportation business customers. The system is composed of three separate modules that are installed in the company’s fleet of trucks to provide exact information and direct communication resulting in more efficient operations and reduced costs for the company. One of the module is the “logger tool” that gathers information on a vehicle and its driver. Some information is stored on the driver’s smart card, and some information is logged in by the driver. The second module is the “communication tool,” which transmits and receives the text messages and also sends out information about the vehicle’s location, fuel consumption, and other details to the company’s fleet office. Drivers can also communicate

directly with the office or send messages to other drivers through this communication system. The third module is the “information tool,” providing maps and traffic information to the driver of the vehicle via a color display.

Back in the office, the fleet manager utilizes a “logger manager” that provides reports on vehicle fuel consumption, hour by hour information on workday activities of each vehicle and driver, and start and stop times. This information is useful for wage calculations and keeping track of work hours. The “transport manager”, used to track exactly where each vehicle is at all times, generate reports that can be used in traffic planning and other operational decisions.

This example illustrates how Volvo has expanded far beyond simply providing trucks for its business customers. Other services, such as maintenance agreements, training, and financing, further enhance Dynafleet’s offering.

The services available through Dynafleet address more fully the total customer value chain, allowing Volvo to move towards its goal of being a customer solution provider rather than truck manufacturer. The benefits accrue directly to the drivers of the trucks as well as the transportation companies that buy the trucks. Administrative work is simplified, and fleet managers and traffic planners become more efficient. Volvo aims to maintain its leadership and complete effectively through offering Dynafleet 2.0 and other services aimed at improving their customer’s efficiency, service reliability, and economic returns.

Questions:

- a) What is the role of Technology in enhancing the services of Volvo Trucks?
- b) Compare and contrast a franchisee, an agent and a broker as service channel partner. Which one of these will you propose for Volvo for extending its access to untapped markets in other geographic locations, and why?

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