

Jagan Institute of Management Studies
End-Term Examination, December 2017 – January 2018
Trimester V – PGDM (RM) 2016-18

Service Marketing
ET_RM_SM_0401

Time: 3 Hrs.

M. Marks: 70

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

- Q 1** Write notes on any **THREE** of the following:
- a) Marketing is moving from Transaction to Relationship.
 - b) Recovery Paradox.
 - c) Service Provision as Drama.
 - d) Franchising of Service Brands.
 - e) Promotion is difficult for Service brands. **14**
- Q 2** In case of an emergency what would happen to the Zone of Tolerance. How do you think this understanding of Zone of Tolerance help a marketer in responding to the customers' requirements? Explain this with the help of an example. **14**
- Q 3** "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 industry and explain in details as to what should that company do to have better Service Encounter? **14**
- Q 4** How is Pricing different in case of services as compared to goods? Explain by taking any example the role of Non-Monetary Costs in case of Services Marketing? **14**
- Q 5** "Customers who complain are to be considered Service Marketers best friends." How are customers divided into various categories in terms of how they complain? Explain each category in details. **14**
- Q 6** "On a flight from Orlando. Florida, to London, a drunken passenger smashed a video screen and began ramming a window, telling fellow passengers that they were about to "get sucked out and die." The crew strapped him down, and the air craft made an unscheduled landing in Bangor, Maine, where U.S. marshals arrested him."

Explain in the context of the above episode what are the three types of labor that are associated with the service jobs? Explain what is Emotional Labor?

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Q 7 [Read the case and attempt the questions given at the end.](#)

BUILD-A-BEAR WORKSHOP

Service firms can strategically view their operations along a continuum ranging from necessary evil to the other extreme, where operations are viewed as a key source of competitive advantage. Clearly, Build-a-Bear Workshop has used their world-class service delivery systems to create a compelling service experience for its customers. Build –a-Bear Workshops offer an experience-based business model where customers and their children or grandchildren can make and accessorize their own teddy bears. Given the option of purchasing a bear off the shelf at the local discount toy store or accompanying a child to a Build-a-Bear Workshop where they can be personally involved in creating the bear as a family, many customers are enthusiastically opting for the latter choice.

Build-a Bear Workshop is the only national company that provides a make-your-own stuffed animal, interactive-entertainment retail experience. The company opened its first store in St. Louis in 1997 and as of January 2005 operated 170 stores in 40 states and Canada. The company opened international stores in 2003 and 2004 in England, Japan, Denmark, and Australia. Since 1997, the company has sold over 25 million stuffed animals, making Build—Bear Workshop the global leader in the teddy bear business.

Build-a-Bear’s competitive advantage has been its service delivery system consisting of the clever processes of *Choose Me, Hear Me, stuffs Me, Stitch Me, Fluff Me, Name Me, Dress Me, and Take Me Home*. As described by the company, the process of making a teddy bear flows as follows:

Choose Me – guests select from a variety of bears, dogs, cats, bunnies, monkeys, and a series of limited edition offerings.

Hear Me – guests are then able to select from several sound choices that are placed inside their new stuffed friend. Examples of sounds include giggles, growls, barks, meows and recorded messages such as “I Love You” and songs like “Let Me Call You Sweetheart.”

Stuff Me – guests, with the help of master Bear Builder associates, fill their new stuffed friends with just the right amount of stuffing for customized huggability. Each guest then selects a satin heart, makes a wish and places the heart inside their new furry friend.

Stitch Me – stuffed friends are stitched up but not before a store associate places a barcode inside the stuffed animal so that if lost, the furry friend can be reunited with its owner. The company believes that thousands of bears have been returned to their owners through their exclusive Find-a Bear ID tracking program.

Fluff Me – guests are now able to fluff their new friends to perfection with the use of cool-air hair dryers and brushes at the purposely designed bear spa.

Name Me – guests stop at the Name Me computer where they enter their names, and the birth date and name of their new friend. Guests can then select between customized birth certificates or a story that incorporates the owner's name and the stuffed animal's name. Guests can select either English or Spanish.

Dress Me – guests are now directed to the bear apparel boutique where Personal Shoppers help guests select from hundreds of choices the perfect outfit and accessories for their new friend.

Take Me Home – guests end their experience at the Take Me Home station where they are given their customized birth certificate story and a Buy Stuff Club Card to apply toward future purchases. Finally, each new furry friend is placed within a Club Condo carrying case that is specifically designed as a handy travel carrier and new home.

As testament to the effectiveness of Build-a-Bear Workshop's extraordinary delivery system, the company has received numerous awards such as ICSC "2004 Hot Retailer Award" and was named *National Retail Federation's International 2001 Retail Innovator of the Year- Global Winner*. The company has also been profiled in books such as *Revolutionize Your Customer Experience and Customer Service Excellence 2004: Exemplary Practices in Retail*.

Questions:

- a) What are the different roles that the customers can perform in the service delivery process? Discuss. 7
- b) How do you think that the customer's involvement in the service encounter influenced the service rendering process? 7
