

Post Graduate Diploma in Management – Retail Management

Services Marketing

Sub. Code: 307

Trimester – III, End Term Examination, March 2018

Time: 2 hrs 30 mins

Max Marks: 50

Roll No: _____

Instruction: students are required to write the Roll No on every page of the question paper, writing anything except the Roll No will be treated as **unfair means**. In case of rough work please use the answer sheet.

Sections	No. of questions to attempt	Marks	Marks
A	3 out of 5 (Short Questions)	5 marks each	3*5 = 15
B	2 out of 3 (Long Questions)	10 marks each	2*10 = 20
C	Compulsory Case Study	15 marks	7+8 =15
		Total Marks	50

Section A

Answer any 3 questions out of 5

(Max 300 words per answer)

1. What are the basic characteristics of services compared with goods? What do you think are the implications for goods producing companies entering services?
2. Imagine that you have recently become a manager of a luxury retail outlet (please mention the assumed organization). What do you think are the various factors that would affect their expectations and how?
3. You are working in an organization which has a lot of hierarchical levels between consumers and top management. What are the implications on the listening gap? How can you manage some expected effects?

26

4. You are in charge of service recovery in your organization, what service recovery strategies would you employ to provide excellent service recovery?
5. Your segmentation and targeting means that you primarily serve customers for whom value means low price. Describe pricing strategies for such consumers.

Section B

Answer any 2 questions out of 3

(Max 600 words per answer)

1. Describe Human Resource strategies for developing a customer oriented organization in the context of a retail organization which you have visited/ studied.
2. What are the five dimensions of service quality according to the servqual scale? Choose an organization and outline how you would assess the organization's service quality through servqual.
3. Assume you manage a health care clinic consisting of doctors, dieticians and dentists which provides preventive health care facilities to IT sector employees. What pattern of demand fluctuation do you anticipate? How would you use demand oriented and capacity oriented strategies to match demand and supply?.

Section C

Both Questions are Mandatory

The Accellion Service Guarantee

Accellion was a young, high technology firm with leading edge technology in the distributed file storage, management, and delivery market space. Still new to the industry, the firm aimed to become the global backbone for the next generation of internet based applications.

Accellion's main value proposition to the world's largest enterprises (the top 2000 firms) as well as to Internet based providers of premium content was to allow them to serve their users faster, increase operational efficiencies and lower total costs. Specifically, Accellion customers could improve the access time for downloading and uploading files by more than 200 per cent. This performance improvement was achieved by locating an intelligent storage and file management system at the "edges of the internet" and thereby delivering content

2)

from regions located closer to the end-user. The typical time-consuming routing through many servers and hubs could be avoided using Accellion's infrastructure.

The need for an internet infrastructure to deliver high bandwidth content to end-users had never been greater. There was a trend towards multimedia and personalized web content, all of which could not be delivered efficiently by the existing infrastructure, which routed data through the congested network of servers that form the backbone of the internet. This prompted Accellion to develop and launch a new service: distributed file storage, management and delivery. Accellion provided an applications platform that resided on independent servers which were directly connected to the users' Internet Service Providers (ISPs), thereby avoiding the congested "centers" of the Internet. This decreased access time and allowed Accellion to distribute specialized content and applications more efficiently.

To effectively market Accellion's value proposition, Warren J Kaplan, Accellion's CEO and S. Mohan, its Chief Strategist and Founder, felt that in addition to its leading edge technology, key success factors for Accellion's aggressive growth strategy were excellence in service delivery and high customer satisfaction. They envisioned that customers would prefer to leverage Accellion's technology and partnerships instead of having to manage the details of deploying, maintaining and upgrading credibility to the market, Accellion aimed to harness the power of service guarantees.

Cost-effective services for improving performance and reliability were becoming critical, as the widespread use of multimedia and other large files increased exponentially. The value proposition was clearly attractive, but how could Accellion convince prospective clients that its technology and service actually could deliver what they promised?

Mohan felt that a Quality of Service (QoS) Guarantee would be a powerful tool to make its promises credible and at the same time, push his team to deliver what has been promised. Mark Ranford, Accellion's director for Product Management, and Mohan spearheaded the development of the QoS Guarantee. They finally launched the QoS Guarantee (Exhibit 1) stating that "it is a revolutionary statement of our commitment to the customer to do whatever it takes to ensure satisfaction." The official launch of the guarantee was announced to all staff by email (Exhibit 2).

Their QoS Guarantee, however was just part of Accellion's push for operational excellence. Many factors worked together to keep the company focussed on its clients and providing the best possible service to that the staff could create a large and loyal customer base for their innovative product. Thus it was very important to raise awareness for Accellion's unique value proposition and convince the early adopters of the advantages.

22

Exhibit 1: Accellion's Service Guarantee

QUALITY OF SERVICE GUARANTEE

The Accellion Quality of Service Guarantee defines Accellion's assurance and commitment to providing the customer with value-added service and is incorporated into Accellion's customer contract. The definition of terms used herein is the same as those found in the customer contract.

1. Performance Guarantee

Accellion guarantees that the performance of the Network is uploading and downloading content as a result of using the Accellion service will be no less than 200 percent of that which is achieved by a benchmark origin site being accessed from the edges of the internet. For all purposes herein, performance measurement tests will be conducted by Accellion.

2. Availability Guarantee

Accellion guarantees 100 per cent service availability excluding *force majeure* (unforceable circumstances) and scheduled maintenance for customers who have opted for our replication services.

3. Customer Service Guarantee

Should Accellion fail to meet the service levels set out in sections 1 and 2 above, Accellion will credit the customer's account with (1) month's service fee for the month affected when failures occurred, provided the customer gives written notice to Accellion of such failure within five (5) days from the date such failure occurred. The customer's failure to comply with this requirement will forfeit the customer's right to receive such credit.

Accellion will notify the customer no less than 48 hours (2 days) in advance of scheduled maintenance. If the service becomes unavailable for any other reason, Accellion will promptly notify the customer and take all necessary action to restore the service.

Accellion maintains a 24-hour support centre and will provide the customer with a response to any inquiry in relation to the service no more than 2 hours from the time of receipt of such query by customer service

4. Security and Privacy Policy

Accellion has complete respect for the customer's privacy and that of any customer data stored in Accellion servers. The Accellion service does not require customers to provide any end use private details for the data stored on the servers. All information provided to Accellion by the customer is stored for the customer's sole benefit.

23

Accellion will not share, disclose or sell any personally identifiable information to which it may have access and will ensure that the customer's information and data [are] kept secure and protected from unauthorized access or improper use, which includes taking all reasonable steps to verify the customer's identity before granting access.

Exhibit 2: Email to all Accellion Staff Announcing the Launch of the QoS Guarantee

Dear Team,

I am pleased to forward to everyone our industry's leading Quality of Service guarantee (QoS). Please read it over very carefully. You will find it to be very aggressive and it puts the ownership on everyone in this company to deliver. Customers don't want a Service Level Agreement (SLA); They just want their network up and running all the time. That is why we have created this no questions asked guarantee. This type of guarantee has proven successful in other industries where service is the key to success (e.g. Industry Leaders such as Gartner Group, LL Bean, Nordstrom etc.).

As a member of the Accellion team, you are key to our client's satisfaction.

Thanks in advance for your support in making our clients and ourselves successful.

1. Will the guarantee be successful in creating a culture for service excellence in Accellion? What else may be needed for achieving such a culture?
2. Do you foresee any potential negative effects of this guarantee? Think of both the employees, and the customers and discuss potential problems due to the guarantee.

24