

PGDM 2014-16
Services Marketing
DM -332

Trimester – III, End-Term Examination: April 2015

Time allowed: 2 hrs 30 min

Max Marks: 50

Roll No: _____

Instruction: Students are required to write 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 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	15
		Total Marks	50

TURN OVER

Section A

(Answer 3 questions out of 5. Each question carries 5 marks. Word Limit 300 words)

- Q1.** In what ways does Services Marketing resemble Theatre? Explain the parallels between both.
- Q2.** Explain with a diagram the Servqual model showing clearly the various gaps that contribute to the Customer Gap.
- Q3.** Explain the concept of Moments of Truth. What is their relevance to a Service Marketer and how would you use the concept if you owned a multi – specialty hospital?
- Q4.** Explain the different philosophies underlying cycles of Failure, Mediocrity and Success in Organizations. Draw a Cycle of Success.
- Q5.** With the help of a diagram explain the concept of Zone of Tolerance. How can Indian Railways use this concept to improve their Service Levels?

Section B

(Answer 2 questions out of 3. Each Question carries 10 marks. Word Limit 600 words)

- Q1.** What are the broad components of a typical Integrated Marketing Communication Mix for services? As the new Marketing Communications Head of Airtel (India) outline and justify the Integrated Marketing Communication Mix you would employ for your organization.
- Q2.** As a progressive Customer Care Head of Radisson (India), outline and explain the components of an effective service recovery system you would like to institute in your organization. What guidelines would you lay down for effective problem resolution?
- Q3.** As the new HR Head of Tata Steel what would be your Pan India “People” strategy? Detail your strategy and justify your priority focus areas. Diagrammatically depict your Cycle of Success.

Section C

(Compulsory Case study carries 15 marks. Read the case on the next page and answer all the 3 questions below. All questions carry 5 marks)

- Q1.** Outline and critically analyze Suzanne Drolet’s current Service strategy.
- Q2** What should she do about the Senior Citizens’ market – encourage, discourage or ignore the Seniors? Give reasons for your answer.
- Q3.** As her Marketing Consultant suggest the way forward. What concepts learnt in your Services Marketing course would be relevant in this role?

1. McDonald's "Seniors" Restaurant

Suzanne Drolet is manager of a McDonald's restaurant in a city with many "seniors." She has noticed that some senior citizens have become not just regular patrons—but patrons who come for breakfast and stay on until about 3 PM. Many of these older customers were attracted initially by a monthly breakfast special for people aged 55 and older. The meal costs \$1.99, and refills of coffee are free. Every fourth Monday, between 100 and 150 seniors jam Suzanne's McDonald's for the special offer. But now almost as many of them are coming every day—turning the fast-food restaurant into a meeting place. They sit for hours with a cup of coffee, chatting with friends. On most days, as many as 100 will stay from one to four hours.

Suzanne's employees have been very friendly to the seniors, calling them by their first names and visiting with them each day. In fact, Suzanne's McDonald's is a happy place—with her employees developing close relationships with the seniors. Some employees have even visited customers who have been hospitalized. "You know," Suzanne says, "I really get attached to the customers. They're like my family. I really care about these people." They are all "friends" and it is part of McDonald's corporate philosophy (as reflected in its website, www.mcdonalds.com) to be friendly with its customers and to give back to the communities it serves.

These older customers are an orderly group and very friendly to anyone who comes in. Further, they are neater than most customers and carefully clean up their tables before they leave. Nevertheless, Suzanne is beginning to wonder if anything should be done about her growing "non-fast-food" clientele. There's no crowding problem yet, during the time when the seniors like to come. But if the size of the senior citizen group continues to grow, crowding could become a problem. Further, Suzanne is concerned that her restaurant might come to be known as an "old people's" restaurant—which might discourage some younger customers. And if customers felt the restaurant was crowded, some might feel that they wouldn't get fast service. On the other hand, a place that seems busy might be seen as "a good place to go" and a "friendly place."

Suzanne also worries about the image she is projecting. McDonald's is a fast-food restaurant (there are over 30,000 of them in 119 countries), and normally cus-

tomers are expected to eat and run. Will allowing people to stay and visit change the whole concept? In the extreme, Suzanne's McDonald's might become more like a European-style restaurant where the customers are never rushed and feel very comfortable about lingering over coffee for an hour or two! Suzanne knows that the amount her senior customers spend is similar to the average customer's purchase—but the seniors do use the facilities for a much longer time. However, most of the older customers leave McDonald's by 11:30, before the noon crowd comes in.

Suzanne is also concerned about another possibility. If catering to seniors is OK, then should she do even more with this age group? In particular, she is considering offering bingo games during the slow morning hours—9 AM to 11 AM. Bingo is popular with some seniors, and this could be a new revenue source—beyond the extra food and drink purchases that probably would result. She figures she could charge \$5 per person for the two-hour period and run it with two underutilized employees. The prizes would be coupons for purchases at her store (to keep it legal) and would amount to about two-thirds of the bingo receipts (at retail prices). The party room area of her McDonald's would be perfect for this use and could hold up to 150 persons.