

PGDM (RM), 2014-16

Services Marketing

RM-303

Trimester III, End Term Examination: April, 2015

Time Allowed: 2 Hrs 30 Min

Max Marks: 50

Roll No:

Section A

This Section contains five questions. Attempt any three questions. All questions carry equal marks. (3*5 marks=15 marks)

- Q1. How is technology changing the nature of customer service and service offering? Discuss using a suitable example from the service industry.
- Q2. Why are consumer evaluations so important in the evaluation process for services? What should companies do to create effectiveness of consumer evaluations?
- Q3. Which approach to pricing (cost-based, competition-based, or demand-based) is the most fair to customers? Discuss.
- Q4. What are the most effective Internet advertisements you have seen? Why are they effective?
- Q5. Explain the logic behind these two quotes: "a complaint is a gift" and "the customer who complains is your friend."

Section B

This Section contains three questions. Attempt any two questions. All questions carry equal marks. (2*10 marks=20 marks)

- Q1. Assume that you are the manager of a health club. Discuss general strategies you might use to maximize customer's positive perceptions of your club. How would you know if you were successful?
- Q2. Why is it important for a service firm to have a strong recovery strategy? Think of a time when you received less-than-desired service from a particular organization. Was any effort made to recover? What should/could have been done differently? Do you still buy services from the organization? Discuss in detail with an example.

Q3. There is a trend of service delivery moving from high contact to low contact. Are service employees still important in low contact services? Discuss the same using a suitable example from industry.

Section C

Case Study (Compulsory): 15 marks

██████████ Dr. Mahalee Goes to London ██████████

A senior accounts officer at an international bank is about to meet a wealthy businessman, who seeks funding for a buyout of his company. The prospective client has already visited a competing bank.

It was a Friday in mid-February and Dr. Mahalee, a wealthy businessman from Chennai, was visiting London on a trip that combined business and pleasure. Dr. Mahalee who held a doctorate from the London School of Economics and had earlier been a professor of *International Trade* was the founder of JC Foods (JCF), a major organic food export company in India. Business brought him to London in every two to three months. These trips provided him the opportunity to visit his daughter, Angana, the eldest of his four children, who lived in London. Several of his grandchildren were attending colleges in Europe, and he was especially proud of his grandson, Piyush, who was a student at the Academy of Performing Arts. In fact, he had scheduled this trip to coincide with a flute recital by Piyush at 8 p.m., on the same day of his visit.

The primary purpose of his visit was to resolve a delicate matter regarding his company. He had decided to retire and wished to make arrangements for the company's future. His son, Rangeet, was involved in the business and ran JCF's trading office in Europe. However, Rangeet was more interested in golf and snookers and not keen to take over the firm. Mahalee believed that a group of loyal employees were interested in buying his company if the necessary credit could be arranged.

Before leaving Chennai, Mahalee had discussed the possibility of a buyout with his trusted financial adviser, Jeeya Chatterjee, who recommended that it would be better to talk to several banks in London because of the potential complexity of the business deal.

"The London banks are quite experienced in buyouts. Also, you need a bank that can handle the credit for the interested buyers in Singapore and London as well as in Hong Kong. Once the buyout takes place, you will have a significant amount of cash to invest. This would be a good time to review your estate plans as well," advised Jeeya.

Referring Mahalee to two major competitors, The Trust Company and Global Private Bank, Jeeya added: "I had met an accounts officer by the name Kim from Global who called on me several times. Here is Kim's business card. He did seem quite competent. Unfortunately, I do not know anyone at the Trust Company, but here is their address in London."

After checking into the Taj Hotel in London, two days back, Mahalee had telephoned Kim's office. As Kim was out, Mahalee spoke to the secretary, described himself briefly, and arranged to stop by Global's Lombard Street office around mid-morning on Friday.

On Thursday, however, Dr. Mahalee had visited The Trust Company. The two people he met there were extremely pleasant and had spent some time in India. They seemed very knowledgeable about managing estates and gave him some good recommendations about handling his complex affairs. However, they were clearly less experienced in handling business credit, which was his most urgent need.

The next morning, Mahalee had breakfast with Angana. As they parted, she said, "I will meet you at 5:30 p.m. in the lobby of the Taj, and we will go early to the NPA auditorium to get front-row seats. Piyush will love that."

On his way to Global Private Bank, Mahalee stopped at Mappin & Webb's jewelry store to buy his daughter a present. His shopping was pleasant and very leisurely; he purchased a beautiful necklace that he knew his daughter would like. When he emerged from the jewelry store, he was caught in an unexpected snow flurry. He had difficulty in finding a taxi and his arthritis started acting up, making his walking to the

nearest tube station out of the question. At last he caught a taxi and arrived at the Lombard Street location of Global Bank about noon. After going into the street-level branch of Global Retail Bank, he was redirected by a security guard to the Private Bank's office on the second floor.

He arrived at the Private Bank's nicely appointed reception area at 12:15 p.m. The receptionist initially greeted him and then contacted Miguel Kim's secretary, who came out promptly to see Dr. Mahalee and declare.

"Kim was disappointed that he could not be here to welcome you, Dr. Mahalee, as he had a lunch appointment with one of his clients that was scheduled over a month ago. He expects to return at about 1:30 p.m. In the meantime, he has asked another senior private banking officer, Sophia Costa, to assist you." Sophia Costa, 41, was a vice president of the bank and had worked for Global Bank for about 14 years (two years longer than Miguel Kim). She had visited India on several occasions, but she had neither met Dr. Mahalee's financial adviser nor any other member of the family, at any time. An experienced relationship manager, Costa was knowledgeable about offshore investment management and fiduciary services. Miguel Kim had looked into her office at 11:45 a.m. and asked her if she would cover for him in case a prospective client, a Dr. Mahalee, whom he had expected to see earlier, should happen to arrive. He briefed Costa that Mahalee was a successful Indian businessman who was planning for his retirement; but unluckily, he had never met the prospect personally, and then he rushed off to lunch.

The phone rang in Costa's office and she reached across the desk to pick it up. It was Kim's secretary, who said "Dr. Mahalee is in reception, Ms Costa."

Questions

1. Prepare a flowchart of Dr. Mahalee's service encounters.
2. As Sophia Costa, what action would you take in your first five minutes with Dr. Mahalee?
3. What would constitute a good outcome of the meeting for both the client and the bank? How should Costa try to bring about such an outcome?