

PGDM, 2013-15
Services Marketing
DM-332

Trimester – III, Supplementary Examination: September 2014

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	$3 \times 5 = 15$
B	2 out of 3 (Long Questions)	10 Marks each	$2 \times 10 = 20$
C	Compulsory Case Study	15 Marks	15
		Total Marks	50

TURN OVER

Section A

1. What are the characteristics of Services that makes the marketing of services different from that of consumer goods? What particular factors are largely responsible for the growth of the Service Industry in India?
2. Draw a diagram depicting either the Tangibility spectrum or the Attribute continuum of goods versus services. Explain, giving examples, the concept of search, experience and credence qualities in evaluation of services.
3. What is the Customer Gap in the Servqual model and how do customer perceptions and customer experiences of services differ? What are customer perceptions based on and how is customer perception related to service quality?
4. Explain with help of a diagram the Russel model of Affect. Give three practical examples of its utility to service marketers.
5. Why is service design so crucial in a service industry? Why is service re- design sometimes necessary? What are the various forms process re – designing can take?

Section B

1. What is Brand Equity and how is it created? Give two examples of Service organizations with high brand equity, drawn from different industries, giving your views on how they have established such strong positions.
2. You have been hired as an architect to re - design Bimtech's existing Servicescape. Outline with help of a diagram the elements that would go into it and justify your reasons for the new design.
3. As the newly appointed HR Head of Airtel, draw up your people's policy for achieving a cycle of success to differentiate your service from competitors such as Vodafone. Justify your recommendations.

Section C

1. With reference to the case given on the next page evaluate Village Bank's service strategy and Phil's proposal. (Marks 10)
- 2, As Marketing Consultant to Village Bank, give your recommendation for improvement in brand image and market share. (Marks 5)

ployees are all local residents and are trained to be friendly with all customers, greeting them on a first-name basis. Even Phil's father tries to know all the customers personally and often comes out of his office to talk with them. The bank has followed a conservative policy—for example, insisting on 25 percent down payments on homes and relatively short maturities on loans. The interest rates charged are competitive or slightly higher than in the nearby city, but they are similar to those charged by the other full-service bank in town. In fact, the two local banks seem to be following more or less the same approach—friendly, small-town service. Since they both have fairly convenient downtown locations, Phil feels that the two banks will continue to share the business equally unless some change is made.

Phil has an idea that he thinks will attract a greater share of the local business. At a recent luncheon meeting with his father, he floated his idea and was disappointed when it wasn't enthusiastically received. Nevertheless, he has continued to push the idea—even going to the trouble to prepare an elaborate PowerPoint presentation with a detailed plan.

Phil has tried to explain that he wants to differentiate the bank by promoting a new look and image. His proposal is to try to get all the people in town to think of the bank as "The Friendly Bank." He believes that this positioning would differentiate Village Bank from the other local bank and make it much harder for one of the really big banks to come into town with a new branch office. The big banks can offer diverse financial services, but Phil figures that their size would make it hard for any of them to position themselves as friendly or personal. And Phil wants to paint the inside and outside of the bank in residential-like designers' colors (e.g., pastels) and have all the bank's advertising and printed materials refer to "The Friendly Bank" campaign. The bank would give away pastel shopping bags, offer pastel deposit slips, mail out pastel interest checks, advertise on pastel billboards, and have pastel stationery for the bank's correspondence. The friendly bank message would be printed on all of these items. And all the employees will be trained to be even more friendly to everyone.

Phil knows that his proposal is different for a conservative bank. But that's exactly why he thinks it will work. He wants people to notice his bank instead of just assuming that both banks are alike. He is sure that after the initial surprise, the local people will think even more positively about Village Bank. Its reputation is very good now, but he would like it to be recognized as different. Phil feels that this will help attract a larger

18. Village Bank

Phil McNeill isn't having much luck convincing his father that their bank needs the new look and image he is proposing.

Phil McNeill was recently appointed director of marketing by his father, Mack McNeill, long-time president of Village Bank. Phil is a recent marketing graduate of the nearby state college. He worked in the bank during summer vacations, but this is his first full-time job.

Village Bank is a profitable, family-run business located in Hillsborough, the county seat. The town itself has a population of only 15,000, but it serves suburbanites and farmers as far away as 20 miles. About 10 miles east is a metropolitan area of 350,000, to which many in the Hillsborough area commute. Banking competition is quite strong there. But Hillsborough has only one other downtown full-service bank—of about the same size—and two small limited-service branches of two metro banks on the main highway going east. Village Bank has been quite profitable, last year earning about \$400,000—or 1 percent of assets—a profit margin that would look very attractive to big-city bankers.

Village Bank has prospered over the years by emphasizing its friendly, small-town atmosphere. The em-

share of new residents and businesses. Further, he hopes that his "The Friendly Bank" campaign will cause people to talk about Village Bank—and given that word-of-mouth comments are likely to be positive, the bank might win a bigger share of the present business.

Mack McNeill is less than excited about his son's proposal. He thinks the bank has done very well under his direction—and he is concerned about changing a good thing. He worries that some of the older townspeople and farmers who are loyal customers will question the sincerity of the bank. His initial request to Phil was to come up with some way of differentiating the bank without offending present customers. Further, Mack McNeill thinks that Phil is talking about an important change that will be expensive and difficult to undo once the decision is made. On the plus side, Mack agrees that the proposal will make the bank appear quite different from its local competitor. Further, people are continuing to move into the Hillsborough area, and he wants an increasing share of this business—and he doesn't want one of the big banks to come in and make a strong competitive push.