

Roll No



**PRESIDENCY UNIVERSITY
BENGALURU**

SET B

**SCHOOL OF MANAGEMENT
END TERM EXAMINATION - JAN 2024**

Semester : Semester III - MBA - 2022

Course Code : MBA3059

Course Name : Marketing of Services - Concepts Strategies and Cases

Program : MBA

Date : 13-JAN-2024

Time : 10:00AM - 1:00 PM

Max Marks : 100

Weightage : 50%

Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Question paper consists of 3 parts.
- (iii) Scientific and non-programmable calculator are permitted.
- (iv) Do not write any information on the question paper other than Roll Number.

PART A

ANSWER ALL THE QUESTIONS

10 X 3M = 30M

1. Services are Intangible in nature. Identify any three implications of Intangibility. (CO1) [Knowledge]
2. Marketing Mix refers to all elements within the control of the firm that communicate the firm's capabilities and image to customers or that influence customer satisfaction with the firm's product and services. Recall the expanded Marketing Mix for Services. (CO1) [Knowledge]
3. Customer expectations are beliefs about service delivery that serve as standards or reference points against which performance is judged. In this context, define 'Zone of Tolerance'. (CO2) [Knowledge]
4. Market research is a powerful tool to close GAP 1. Describe "Mystery Shopping" of Service Providers. (CO2) [Knowledge]
5. The core competence of a service organization lies predominantly in the skills of its service personnel. List the problems faced by service personnel. (CO3) [Knowledge]
6. Service encounters can potentially be critical in determining customer satisfaction and loyalty. Name the factors leading to satisfaction or dissatisfaction in service encounters. (CO3) [Knowledge]
7. Customers are also called as "partial-employees". Outline the strategies for enhancing customer participation. (CO3) [Knowledge]

8. Internal marketing is so important in service firms because it enables interactive marketing communication. List the tools for Internal Marketing.
(CO4) [Knowledge]
9. Customers take hints from things that are visible to the eye. Identify the major elements of Physical Evidence.
(CO4) [Knowledge]
10. Services Marketing Communication is critical for closing GAP 4. Outline the strategies for integrating Services Marketing Communication.
(CO4) [Knowledge]

PART B

ANSWER ALL THE QUESTIONS

6 X 7M = 42M

11. Delivering service quality through people is a very important gap that needs to be monitored and addressed by the service delivery organization. Concerning this situation, explain with suitable examples, the implications of the characteristics of services and strategies to address them.
(CO1) [Comprehension]
12. Sometimes while receiving the services, customers themselves contribute to the gap in delivering service quality through people. Keeping this scenario in mind, illustrate with a suitable example, the components and importance of a service blueprint.
(CO2) [Comprehension]
13. Customers view service employees as a representation of the organization itself. Hence, service personnel play a very critical role in service delivery quality. In this scenario classify the various types of service personnel with suitable examples.
(CO3) [Comprehension]
14. Servicescape impacts the physical environment in which a service process takes place. Regarding this, explain the various roles Servicescape plays in a service delivery environment
(CO3) [Comprehension]
15. The customer's judgment of the overall excellence of the service provided to the quality that was expected is Service Quality. Regarding this situation, discuss the five dimensions of Service Quality, with suitable examples.
(CO4) [Comprehension]
16. Service marketing triangle is an important tool for service marketers. Explain its significance for a service organization, in a Bank, with the help of a diagram and examples.
(CO4) [Comprehension]

PART C

ANSWER ALL THE QUESTIONS

2 X 14M = 28M

17.

Moti Restaurant

Amol booked a table in a restaurant for 15 people at the beginning of Diwali to celebrate the festival season with his family and friends. He had been a regular visitor to Moti Restaurant and had developed loyalty for this place famous for South Indian food. Most of the friends were from the North who liked to eat South Indian food once in a while. Moti Restaurant served authentic South Indian fare. This was the reason Amol preferred to treat his family and friends at Moti. The patron of Moti Restaurant Mr. Rajkumar Pai was someone whom Amol knew well. Since Amol was a regular visitor to the restaurant, he was confident that the dinner party would be a great success.

Four days prior to the scheduled get-together dinner Amol spoke to Rajkumar and asked him to increase the booking to 20. Amol told Rajkumar, "Raj, I am meeting some of these friends after a long time. So, the party has to be really rocking. Are you sure you can accommodate 20 of us?" Rajkumar, though busy, informed Amol that there was nothing to worry and that all the arrangements would be in order. He also added that he looked forward to seeing Amol and his friends at the party.

On the scheduled day, Amol's friends met at his residence at 7 pm on the appointed day and after having a cup of coffee left for Moti to be present at the restaurant at 8.30 pm sharp. They were relaxed and were cracking jokes and reached the restaurant at 8.20 pm. With some difficulty, they were able to park all their cars in the close vicinity. Though it took some time, Amol told them that these were minor glitches in comparison to the quality of food served by Moti.

The guests arrived at the restaurant on time. Amol was taken aback to find that the table was booked only for 15 persons. Seeing them, Rajkumar came forward. Amol reminded Rajkumar that four days ago, he had informed him about the increase in the number of guests. He had called on Rajkumar's mobile but as there was no response, he had asked him to be connected to Raj via the board. Amol told Raj, "May be there has been an oversight. Can you reset the table for 20 persons please?" The guests were waiting and Amol found it embarrassing.

Amol was out of his wits when Rajkumar feigned ignorance about the whole telephonic conversation that they had. He argued with Amol that he had received no such phone call from Amol requesting for amendments in the booking. "Mr. Amol, you must have been mistaken", said Rajkumar.

A red-faced Amol tried to explain things to Rajkumar Pai but Pai was too stubborn and continued to insist that he had not received any such call and that the booking was for 15 people only. The restaurant was full and Amol asked Rajkumar to resolve the matter as his guests had been waiting for some time. Rajkumar pleaded helplessness and said that there was nothing that he could do at the moment. There was a lawn outside the restaurant (but within the restaurant campus) which was quite neat and well illuminated. It was getting late. Left with little choice, Amol & his family along with another couple opted to wait even as his friends protested. The 15 members of the group began having their lunch squirming at the thought of the hosts having to wait to join the group.

At 9:30 pm, after some of the other guests in Moti Restaurant left, Amol & the other members could be accommodated with the group. All of them settled for the dinner but the focus of discussion remained the service at the hotel. After the dinner was over, Amol settled the bill but did not leave any tip for the waiters. Amol met Rajkumar Pai on his way out and explained to him that this was his last visit to the restaurant. Rajkumar admitted that he may have been hasty but felt Amol was being unreasonable as it was his busiest evening and that Amol should make allowances.

Amol and his friends never visited Moti Restaurant ever again. They also posted their feedback on Face book and spread word about their experience to all their colleagues, friends and associates.

1. Illustrate the service failure, in this case. If you were in Rajkumar's place, choose at least two ways in which you would have triggered a service recovery.
2. Interpret the main reasons for the service failure. Prepare steps that Rajkumar Pai should take to take the issue as a learning, how soon and how can he bring back Amol into the fold as a customer. Remember – the damage has already been done.

(CO2) [Application]

Guarantee

A high-technology company introduces what it considers to be a bold service quality guarantee to communicate its commitment to service excellence to customers, prospects, and its own employees.

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 Global 2000"), 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 percent. This performance improvement was achieved by locating an intelligent storage and file management system at the "edges of the Internet" and thereby delivering content 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 toward multimedia and personalized Web content, all of which could not be delivered efficiently by 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 their own storage infrastructure for distributed Internet applications. To build a customer-driven culture and to communicate service excellence credibly 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 (shown in 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).

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 in 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 percent service availability, excluding *force majeure* 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 one (1) month's service fee for the month affected when the failure(s) 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 center 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-user 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. 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.

Disclosure of customer's information or data in Accellion's possession shall only be made where such disclosure is necessary for compliance with a court order, to protect the rights or property of Accellion and to enforce the terms of use of the service as provided in the contract.

Accellion 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 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.

Their QoS Guarantee, however, was just part of Accellion's push for operational excellence. Many factors worked together to keep the company focused on its clients and providing the best possible service, so 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.

Accellion's customers reacted positively. One customer stated, "Hey look at this. I haven't seen anything like it. No one offers 100 percent availability. That's tremendous." Another customer exclaimed, "You must really be confident in your service. This really is risk free now, isn't it?" Accellion was committed to its guarantee and strongly believed that having the best network and technology partners would enable it to deliver on its promise.

1. Evaluate the design of Accellion's guarantee shown in Exhibit 1. How effective will it be in communicating service excellence to potential and current customers? Would you recommend any changes to its design or implementation?
2. Will the guarantee be successful in creating a culture for service excellence within Accellion? What else may be needed for achieving such a culture?

(CO3) [Application]