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**Presidency University**

**Bengaluru**

**School of Management**

**Make-up End-Term Examination - July 2024**

**Semester**: III

**Course Code**: MBA3059

**Course Name**: Marketing of Services – Concepts, Strategies, and Cases

**Department:** SOM

**Date**: 02-JUL-2024

**Time**: 9:30 AM – 12:30 PM

**Max Marks**: 100

**Weightage**: 50%

**Instructions:**

1. *Read the all questions carefully and answer accordingly.*
2. *Do not write any information on the question paper other than roll number.*
3. *Question paper consists of 3 parts.*

**PART A**

**Answer any 10 Questions. Each question carries 3 marks. (10Qx 3M= 30)**

1. Service Marketing is about promises made and kept to customers. In this context, define the strategic framework – “Service Marketing Triangle.” (CO1 Knowledge)
2. Over the last three decades, India witnessed a rapid expansion of service sector of the economy. With reference to this context in Services Marketing, define what are “Services”? (CO1 Knowledge)
3. King’s Palace is a boutique 3-star lodge. To help raise the service delivery quality, marketers at King’s Palace must face challenges and develop various tools and frameworks. Within this context define “Service Marketing Mix” with suitable examples. (CO1 Knowledge)
4. Everything that is marketed falls under the category of either products/goods or services. From a marketing standpoint, distinguish between “Products” and “Services”. (CO2 Knowledge)
5. PVR Cinemas is a chain of multiplexes across India. Within the context of PVR Cinemas, define “Derived Services.” (CO2 Knowledge)

1. Employees of a service organization are very critical component in the Service Delivery. State the importance of employees (people) in marketing of services? (CO2 Knowledge)
2. Ms. Carol visits Lakme beauty salon and gives a 2-star rating. Ms. Sheeba visits the same salon and gives a 5-star rating. As can be seen, services can be perceived differently by different customers. Within this context, define ‘Zone of Tolerance.’ (CO3 Knowledge)
3. Mr. Sam is a regular at Gold’s Gym. Identify what kind of a service process category does “Gold’s Gym” offer in this context? (CO3 Knowledge)
4. “Band Box” offers a range of services such as ironing and drycleaning. Recognize what kind of a service process category does “Band Box” offer in this context? (CO3 Knowledge)
5. Mr. Acharya is a class 12 student and attends a two-day seminar on “Memory improvement” offered by “Brilliant Tutorials”. Identify the kind of a service process category does “Brilliant Tutorials” offer in this context? (CO4 Knowledge)
6. Customers take hints from things that are visible to the eyes. Identify the major elements of Physical Evidence. (CO4 Knowledge)
7. Internal marketing is so important in services firms because it enables interactive marketing communication. List the tools for Internal Marketing. (CO4 Knowledge)

**PART B**

**Answer any 4 Questions. Each question carries 10 marks. (4Qx 10M= 40)**

1. If you were the manager of a service organization and wanted to apply the GAPS model to improve service, explain which gap would you start with and illustrate the order in which you proceed to close the gaps? (CO1 Application)
2. Services have few distinct characteristic features demanding an extension of marketing mix. Do you think services need an extended set of Ps of marketing? Recognize the reasons for this extension by summarizing the extension process. (CO1 Application)

1. Pricing a Service is a little tricky compared to pricing a Product. In this context, when the customer defines value as "Low Price", discuss the various pricing strategies a service organization can adopt, along with suitable examples. (CO2 Application)
2. Physical Evidence is regarded as the 7th P in the Services Marketing Mix. Regarding this context, answer the following questions with suitable examples:   
   a. Identify the types of physical evidence  
   b. Indicate the benefits of Physical evidence. (CO3 Application)

1. 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. (CO4 Application)
2. Service Encounter is the customer's actual interaction with a service company. In this scenario, demonstrate the four (4) factors that contribute to service encounter success, with suitable examples. (CO4 Application)

**PART C**

**Answer the following Questions. (2Qx 15M= 30)**

**19.** Since the demonetization drive was announced by Prime Minister Narendra Modi, Paytm has added new users at unforeseen rates and its trading volume grew by leaps and bounds. But the brand has been facing some critical challenges in terms of transaction glitches, advertising faux pas and even a trademark infringement case against the brand. It is by overcoming these challenges that the digital wallet sector’s market leader, Paytm, can stabilize its brand image and grow at a steady rate. The technological backend of Paytm seems to have crumbled under high pressure. When demonetization was announced, Paytm could not have anticipated the 1000% jump in users. Paytm has been struggling to cater to its 170 million users, 20 million of whom join between November 10 and December 20, 2016. Demonetization was a humongous opportunity for Paytm, and the company seems to have taken a bigger bite than it can chew. Experts deliberated that a growth of 200-400% may have been easily digested but 500-600% jump is tough to digest.

In addition, for some days the Paytm app went missing from the iOS App Store because a recent update of the app was buggy. Harish Bijoor, CEO said “By the time we submitted the fix, uploaded it on app store and got it approved from Apple for release, it was late. With more than 95% users being on android and the website, the disruption was restricted to our iOS users.

Adding to this mix of unfortunate incidents, Paytm’s employees are now being investigated by CBI sleuths for defrauding the company itself. It has been reported that based on complaints from Paytm, two cases of fraud amounting to nearly Rs 10 lakh have been registered against 22 private individuals. The police suspect that insiders facilitated the fraud.

Even in the sphere of advertising the company faced controversy. Many newspapers across India were splashed with a Paytm ad, just on the next day demonetization was announced, congratulating Prime Minister Modi for “taking the boldest decision in the financial history of Independent India.” Opposition political parties and politicians criticized Paytm for this ad. The taunts of “Pay to Modi,” “Pay to Me” are not just smart quips, they dragged Paytm into a political war.

On December 18th another kind of misfortune befell Paytm. US-based e-wallet company, PayPal filed a trademark infringement case against Paytm. In the complaint, PayPal has said that Paytm has no reason to adopt identical colors and color scheme other than to take advantage of the reputation built by PayPal. The complaint from PayPal came on the last day of the statutory four-month period that follows advertising a logo. Paytm advertised its logo on July 18.

This issue hardly impacts the day-to-day use of Paytm as a mobile wallet app. But N. Chandramouli, CEO, Trust Research Advisory expresses that “long time implications can result in brand erosion and competitors taking advantage of a weak leader but it is more of an early start-up syndrome.”

1. Illustrate the environmental factors driving growth of mobile wallet and e-commerce start-up industry in India. Choose the target segment of Paytm in terms of growth potential and customer service expectation.
2. Prepare the design / service blueprint, of the service offering in the light of the challenges identified in the case. Choose a service recovery strategy to win back customer confidence. (CO2 Analysis)

**20. Background of the case:**

Roadside food vendors are a ubiquitous part of the urban landscape in many parts of the world. They provide affordable and convenient meals to a wide range of customers, from commuters and students to tourists and locals. However, roadside food vendors face several challenges in running their businesses.

Challenges

Competition: Roadside food vendors often operate in highly competitive markets. This is due to the low barriers to entry in the business, as anyone with a cart or stall can start selling food. As a result, vendors must constantly strive to differentiate their offerings from those of their competitors.

Regulation: Roadside food vendors are often subject to a variety of regulations from local authorities. These regulations can cover everything from food safety and hygiene to licensing and zoning. Vendors must be aware of these regulations and ensure that they are complying.

Location: The location of a roadside food vendor can have a significant impact on their success. Vendors must choose locations that are both visible and accessible to potential customers. However, good locations can be scarce and may be subject to competition from other vendors.

Weather: Roadside food vendors are exposed to the elements. This can be a challenge in both hot and cold climates. Vendors must be prepared to deal with extreme weather conditions and protect their food and equipment.

Perishability: Roadside food vendors typically sell perishable goods. This means that they must carefully manage their inventory to avoid waste. Vendors must also be aware of food safety concerns and ensure that their food is properly stored and prepared.

Case Study: Raju's Chaat Corner

Raju's Chaat Corner is a roadside food stall located in a busy market in Mumbai, India. Raju has been selling chaat, a type of savory snack, for over 20 years. Raju faces all the challenges listed above. He operates in a highly competitive market, and he is subject to a variety of regulations from the local authorities. Raju's stall is in a narrow alleyway, which makes it difficult for customers to see. However, Raju has been able to overcome these challenges and build a successful business.

Raju has differentiated his offerings from those of his competitors by specializing in a particular type of chaat. He also offers a variety of chutneys and sauces to accompany his chaat. Raju is known for the high quality of his food, and he has a loyal customer base. Raju is also very aware of food safety concerns, and he takes steps to ensure that his food is properly prepared and stored.

Conclusion

Roadside food vendors face several challenges in running their businesses. However, by carefully managing these challenges, vendors can build successful businesses. Raju's Chaat Corner is a prime example of a roadside food vendor that has been able to overcome challenges and achieve success.

Discussion Questions

1. How can Raju improve the visibility of his stall in the narrow alleyway? How can Raju deal with the challenges posed by extreme weather conditions?
2. How can Raju deal with the threat of foodborne illness? How can Raju develop a sustainable business model of his food stall? (CO3 Analysis)