

**MANAGEMENT PROGRAMME**

Term-End Examination 02573

December, 2011

**MS-65 : MARKETING OF SERVICES**

Time : 3 hours

Maximum Marks : 100

(Weightage 70%)

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- Note :**
- (i) Attempt *any three* questions from Section A.
  - (ii) Section B is compulsory.
  - (iii) All questions carry equal marks.
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**SECTION - A**

1. (a) Differentiate between the following giving suitable examples :
    - (i) Search, experience and credence qualities.
    - (ii) Core, facilitating and supporting services.
  - (b) What is the significance of non-monetary costs in pricing decision for services ? Discuss taking the example of health care services.
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2. (a) Explain the term yield Management. Discuss the importance of yield management for a hotel.

- (b) Why do customers switch service providers ? Can you do anything as a marketer to prevent the customers from switching ?
3. (a) What are the various modes of service delivery in international trade ? Discuss with the help of examples.
- (b) Do you agree with the following statements ? Justify your answer.
- (i) A complaint is a gift and the customer who complains is your friend.
- (ii) Growth in services is at the expense of manufacturing sector of the economy.
4. Write short notes on *any three* of the following :
- (a) Classification of product support services
- (b) The services marketing triangle
- (c) Cycle of success and cycle of failure
- (d) Channels of distribution for retail banking services
- (e) Promotional strategies for educational services.

## SECTION - B

5. Study the case given below and answer the questions given at the end.

### AARP Uses New Name To Reach Broader

#### Target Market

AARP is the name, and baby boomers (A baby boomer is a person who was born during the post-world war II baby boom) are the target of its new marketing efforts in the United states. Formerly known as American Association of Retired Persons, AARP is a membership and advocacy organisation for people in the 50-and-over age group. The organisation offers group discount programmes, consumer education, and other services, in addition to lobbying on behalf of its 34 million members. However, AARP isn't just for retired people anymore, which is why the organisation has changed its name and is in the process of completing a major make-over.

The decision to give special attention to baby boomers has led to AARP's two challenges. First is to show this new generation of seniors that its services are relevant and valuable. Second challenge is to balance its outreach to 50-year-olds with commitment to older members.

Before making any changes, AARP conducted extensive marketing research to learn what baby boomers thought of the organisation. Data collected indicated that "Boomers think of

AARP as more for their parents", says one AARP official, "but we think we can change this". In fact, when AARP researchers explained the organisation's services, potential members responded positively. "So we don't need to reinvent AARP and come out with a bunch of new programme," Concluded AARP's executive director.

With this background, AARP started its makeover by adopting the association's acronym as its name. This softened any negative relations baby boomers might have to joining a group for "retired persons" then management launched a 100 million. Five year advertising campaign to position AARP as the organisation for active boomers and older seniors using the tag line "Today's AARP. Your choice, your voice, Your Attitude". Next, AARP revamped its publication in line with the new target segments. So AARP split its 'Modern Maturity' magazine into two separate editions: one with articles for members ages 56 to 65 and one for member over 65. In addition, the association created a new magazine, 'My generation', for members under 55 - the new boomer target.

AARP is also giving out into the community to reach its target market. Its magazines are sponsoring summer time mall tours featuring dance and yoga exhibitions by seniors, golf games, give aways, and family entertainments. AARP's long-term marketing objective is to attract half of all Americans age 50 and older as members.

**Questions :**

- (a) Critically examine the repositioning effort undertaken by AARP.
  - (b) How is AARP coping with the challenges of marketing an intangible service ?
  - (c) What steps might AARP take to demonstrate reliability, responsiveness, assurance and empathy ?
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