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MANAGEMENT PROGRAMME

Term-End Examination

June, 2016

MS-65 : MARKETING OF SERVICES

Time : 3 hours

Maximum Marks : 100

(Weightage : 70%)

Note : (i) Attempt any three questions from Section-A.

(ii) Section-B is compulsory.

(iii) All questions carry equal marks.

SECTION - A

1. (a) Explain the 'heterogeneity' and 'perishability' characteristics of services. Discuss their marketing implications for a hotel.
(b) Give some examples of services that are high in credence qualities. How do high credence qualities affect consumer behaviour for these services ? Discuss.
2. (a) How is pricing for health services different from pricing for goods ? Explain.
(b) Briefly explain the 'Gaps Model of Service Quality'. Which of the four service provider gaps do you believe is the most difficult to close and why ?

3. (a) Why do customers switch service providers ? Can you do anything as a marketer to prevent the customers from switching ? Discuss.
- (b) Explain the factors governing tourism demand giving suitable examples.

4. Write short notes on **any three** of the following :
 - (a) Internal Marketing
 - (b) Positioning strategies for advertising agencies
 - (c) Classification of product support services
 - (d) Branding of financial products
 - (e) Service recovery strategies

SECTION - B

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

Case Situation : The amusement park with a successful history was now facing problems. It had its first money losing last year followed by another one now. The park had three ways to bring in more revenues : increase visit per customer, increase average spending per visit or attract new customers. Because of a mature industry all three were hard to do. As pulling in people from broader geographical area seemed an unlikely proposition due to the wide availability of such parks, attracting new customers required new value proposition. With this background, it was proposed to offer a

“preferred guest card” to win more business from moneyed and time pressed group of people. Under this plan, visitors could pay an additional fee to get free rein of the park : Card Holders would enter the ride through separate lines which would give them first crack and they would be seated immediately at any in-park restaurant. It was hoped that this plan will help to up-sell the people who are already coming to the park. And by making it possible to spend less time in queues, the guest card will also attract a different type of customer - time starved, high- income professionals and their families, who might otherwise avoid the whole experience. However, certain objections were raised against such a scheme. “I don’t even think it’s a great experience for the preferred guests. Who want to feel all that animosity diverted at them ? The key to this business is the customers feeling good while they are here. With this scheme neither side’s coming back” commented an executive. A possible solution given to this was to separate the lines and limiting the percentage of special tickets issued on any given day. If the ‘preferred guest card’ scheme was not implemented the park might be forced to raise price across the board.

Questions :

- (a) Evaluate the ‘preferred guest card’ scheme and give your recommendations to the management.
- (b) Suggest some ways of managing waiting lines at the amusement park.
- (c) Discuss the importance of physical evidence for an amusement park.