

**Noorul Islam College of Engineering**  
Department of Management Studies  
Model questions

Services Marketing –BA1722  
**S3 M.B.A**

**1. Define services from a marketing view -point.**

A service is any activity or benefit that one party can offer to another that is intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product.

**2. List the factors, which are responsible for the growth of services industry.**

Increasing affluence, more leisure time, greater life expectancy, higher percentage of working women in the labour force, increasing complexity of life, greater complexity of products, greater concern for resource scarcity and ecology, increasing number of new products.

**3. What are the characteristics of services?**

- Intangibility
- Inseparability
- Heterogeneity
- Perishability
- Lack of ownership.

**4. Explain intangibility**

Intangibility means that unlike goods, service cannot be seen, touched and felt or smelled or even heard before they are purchased. In case of products, for example soap, you can see, feel, touch, smell, and use to check its effectiveness in cleaning. However, services, for example education service, you are paying for the benefit of deriving knowledge and education, which is delivered to you by teachers. In contrast to the soap where you can immediately check its benefits, there is no way you can do in case of teachers who are providing you the benefits. Teaching is an intangible service.

**5. What are intangible features of services?**

- A service cannot be touched
- Precise standardization is not possible
- A service cannot be patented, displayed

**6. What are the problems in marketing due to intangibility?**

- No samples, no display
- Production and consumption are inseparable
- There are no inventories of service
- Intermediary's roles are different
- Consumption is a part of the delivery system

**7. What is inseparability?**

Inseparability suggests that services are produced, distributed, and consumed simultaneously. In most cases, service cannot be separated from the person or firm providing it. A plumber has to be physically present to provide the service.

**8. What is heterogeneity?**

Heterogeneity means that services delivered generally vary in quality, time consumed in delivery, and the extent of service provided. Since people deliver most services, they are variable.

**9. What is perishability?**

Perishability means that the services cannot be stored. Its production and consumption takes place simultaneously. Examples, a car mechanic who has no cars to repair today, or spare berths on a train, unsold seats in a cinema hall represent service capacity, which is lost forever.

**10. What are problems in service marketing due to intangibility characteristics?**

Cannot be stored, no patents, no samples, no display, communication problem, pricing difficulties

**11. What are the strategies to overcome difficulties due to intangibility?**

Focus on providing tangible clues, personal sources, word of mouth, organizational image, cost accounting for prices, post purchase communication

**12. What are the problems due to inseparability?**

- Consumer involved in production
- No mass production
- Supply- demand mismatch
- Inventorying not possible

**13. How do you overcome the problems due to inseparability?**

- Learn to work in larger groups
- Train more service performers.
- Multi-site location
- Develop reputation
- Manage consumer

**14. What are the problems due to heterogeneity?**

- Standardisation difficult
- Quality control difficult

**15. How do you overcome difficulties due to heterogeneity?**

- Mechanize and automate the activities
- Careful selection and training of more contact person
- Define behaviour norms

**16. What are the problems due to perishability?**

- Cannot be stored
- Problems of demand fluctuation

**17. How do you overcome the difficulty due to perishability?**

- Better match between supply and demand by pricing strategies,
- Market positioning and targeting

**18. Illustrate goods service continuum**

1. Tangible goods- salt, soft drinks
2. Tangible goods with some service- Computer, car
3. Tangible goods and services in equal measure- fast food
4. Service with some tangible good- Airlines
5. Pure service- education, management consultancy

**19. What are the myths about services?**

- A service economy produces services at the expense of other sectors
- Service jobs are low paying and menial
- Service production is labour intensive and low in productivity

**20. What is innovation diffusion?**

When a service is innovative, it spreads to other personnel also, depending consumer's perception about innovation.

**21. What are the attributes of service**

□ **Basic attributes:** these are absolutely necessary without which it is not possible to function. Therefore, customers take them for granted. Their presence does not increase the salability of a service.

□ **Articulated attributes:** Customers think that these are desirable but not must. It is on these customers discriminate between companies.

Poor performance of these will lead to customer dissatisfaction and good performance will lead to customer satisfaction

□ **Exciting attributes:** these would delight and surprise customers. Delivery of these will develop strong loyalty of the customer. However attributes that are so stunning today may become commonplace things tomorrow.

**22. What is service management?**

Service management is a total organizational approach that makes quality of service, as perceived by the customer.

**23. What are the components of a service?**

- Core service, facilitating service, supporting service
- Service environment
- Service delivery

**24. What is service environment?**

Service environment consists of physical facilities, its location ambient conditions and interpersonal relations. For example, going to see a movie is more enjoyable if the service environment like clean theater, comfortable seats, spacious well-lit parking lot etc. in addition to the good movie

**25. Name three fastest growing services in India?**

- Cellular phone service
- IT services
- Housing finance

**26. What are the components of integrated service management?**

Product elements, place and time, process, productivity and quality, people, promotion and education, physical evidence, price and other cost of service

**27. What is services marketing triangle?**

Service Marketing triangle shows three interlinked groups ( customer, provider and the company) that work together to develop, promote and deliver service to the satisfaction of the customer.

The three sides of the triangle are

- Right -external marketing
- Left side- internal marketing
- Bottom side- interactive marketing

**28. What is external marketing?**

It is concerned with setting or giving promises to the customers. It includes market research, advertisement, Public relation etc.

**29. What is internal marketing?**

The process of using marketing concepts to enhance the satisfaction of a company's employees is called internal marketing. It is concerned with enabling the promise. It includes recruitment, training, and motivation of employees for effective and efficient performance, which will lead to customer satisfaction and loyalty.

**30. What is interactive marketing?**

It is concerned with delivering the promises to the customers. It includes design of effective process for service delivery.

**31. Why internal marketing is important to service marketing?**

Internal marketing refers to the activities the firm must carry out to train, motivate, and reward its employees. Due to inseparability characteristics of service, service cannot be separated from the performer ie employees.

**32. How internal marketing can be practiced in a service firm?**

- Compete aggressively for the talent market share
- Offer a vision that brings purpose meaning to the work environment
- Attraction, development, motivation and retention of employees through need meeting job-products
- Equip people with skills and knowledge to perform their service roles excellently.
- Nurture achievement through performance evaluation and rewards

**33. What are the methods for segmenting service market?**

- Demographic
- Geographic
- Psychographic
- Technographic- segmentation variable that reflects the customers' willingness and ability to use the latest technology. The important variables are customers' attitude towards technology, financial situation and application of technology.
- Also segmentation is possible based on when and where consumption takes place, quantities consumed, frequency and purpose of use, occasion under which consumption takes place, time of service, level of skill and experience of consumer, preferred language, access to electronic delivery system etc.

**34. What are the methods for positioning a service business?**

- Positioning by features
- Positioning by comparison
- Positioning through price/quality
- Positioning by benefit to the customers
- Positioning by an expert
- Positioning through guarantees
- Positioning through emotions such as love, fear, concern etc

**35. Name three important service organizations in India.**

- Indian railways,
- VSNL,
- BSNL

**36. A service is special kind of product. How?**

Many services contain some tangible good also. Moreover, we buy a product not because of its tangibility but for the benefits. Similarly, we buy service also for the benefits. Even many of the goods are accompanied by some services. There are only a few goods, which are pure tangible.

**37. Give examples to highlight the for inseparability characteristics of services**

Tailor, Musician, beautician

**38. Give examples to highlight the perishability characteristics of services**

Car mechanic with no vehicle to service on a particular day, vacant seats in a running bus

**39. What are the three sectors of Indian economy?**

Primary sector with includes agriculture, fishing, and forestry

Secondary sector, which includes manufacturing and construction.

Tertiary sector, which includes services and distribution

**40. What is the role of customer in the services?**

Customer is involved in service delivery and service process, and consumption.

**41. Give an example to highlight the customer involvement in service deliver.**

Tailoring: Customer buys cloths, co-operate with tailor in taking measurements, gives specifications.

**42. List important services due to IT application**

It enabled services like medical transcription, legal transcription, call centers, back office processing, and data processing.

**43. What are the elements in marketing mix of services?**

Product, price, promotion, place, process, people, and physical evidence, productivity.

**44. List the product levels identified by Kotler.**

- Core benefit
- Basic product
- Expected product
- Augmented product
- Potential product

**45. What are the Gronross three levels of service product?**

- Basic service package which includes core service, facilitating service, supporting service
- Augmented service offering which includes accessibility, interaction, and customer participation
- Market communication of service offering, which includes corporate image, word of mouth.

**46. What are the components of service package?**

Core service, facilitator service, supporting service

**47. Identify the elements of service package for hotel**

- Core service is lodging and room service
- Bell boy service is facilitating service
- Health club and car rental are support services.

**48. What are the components of augmented service offering?**

- Accessibility of service
- Interaction with service organisation
- Customer participation

**49. What are the steps in developing a new service offering?**

- Generation of ideas
- Screening of ideas
- Testing the concept
- Business analysis and evaluation
- Practical development
- Market testing
- Launching

**50. What are the difficulties in pricing services?**

- Perishability
- Intangibility
- Government control

**50.a) What are the factors determining the price of a service?**

Organizational pricing objectives, demand/price curve, elasticity of price, competition, marketing mix composition, operational position.

**51. List two pricing methods used by a service organisation?**

Cost based pricing and market oriented pricing.

**52. What are the various customer oriented pricing methods in service marketing?**

- Differential or flexible pricing
- Yield management
- Price bundling
- Discount pricing
- Diversionary pricing
- Guaranteed pricing
- High price maintenance pricing
- Loss leader pricing and
- Offset pricing
- Multiple use pricing discount

**53. What is differential or flexible pricing?**

Charging different prices according to

1. The time of service usage (telephone, internet)
2. Time of reservation (Airlines, railways)
3. The time of ticket purchase (railways)
4. Based on target market (discount for children in theme- parks, and zoo. Senior citizen- special fare by railways)
5. Based on location/place of consumption (Hotel, cinema hall)

**54. What is discount pricing?**

Offering commission or discount to intermediaries such as stockbrokers, property dealers

**55. What is diversionary pricing?**

Refers to a low price, which is quoted for a basic service to attract customers. A restaurant may offer a basic meal at a low price and soft drinks and side dishes at a higher price

**56. What is guaranteed pricing?**

Refers to pricing strategy in which payment is to be made only after the results are achieved.

Examples: Employment agencies, property dealers

**57. What is high price maintenance?**

This strategy is used when the high price associated with the quality of service. Many doctors, lawyers, and professionals follow this pricing strategy.

**58. What is loss leader pricing?**

Loss leader pricing is one in which an initial low price is charged in the hope of getting more business at subsequent better prices.

**59. What is offset pricing?**

It is similar to diversionary pricing in which a basic low price is quoted but the extra services are rather high priced. A gynaecologist may charge a low fee for the nine months of pregnancy through which she regularly checks her patient, but my charge extra for performing the actual delivery and post delivery visits.

**60. What are the important decisional variables in distribution of services?**

Location of services

Use of intermediaries

Provide service to maximum number of customers in the most cost-effective manner

**61. What are the new methods of distribution of services?**

Rental or leasing, franchising, and service integration

**62. Give examples of integrated service system?**

Hotels may offer local tours, booking tickets for journey

Travel agents offer package tours in which they take care of all formalities such as visa, foreign exchange, reservation, local travel etc.

**63. What are the recent trends in service distribution?**

Franchising, leasing and service integration

**64. List services which are using intermediaries**

Hotels, airlines, life insurance, stocks, employment, financial services

**65. What are the factors that affect the decision of location of services?**

- How important is the location of service to the customers?
- Is the service, technology based or people based
- How important are complementary services to the location decision?

**66. What are the methods for extending services to the maximum number of customers?**

Franchising, leasing

**67. What are the problems in distribution of services?**

The characteristics of services such as intangibility, inseparability, heterogeneity, perishability creates problem in effective distribution and hence conventional distribution system used for distribution of services cannot be employed for distribution of services.

**68. What are the promotional tools employed for service marketing?**

- Personal communication
- Advertising
- Sales promotion
- Instructional materials
- Corporate design
- Publicity and public relation

**69. What are the personal communication tools?**

- Personal selling
- Customer service
- Training
- Word of mouth

**70. What are the different methods of advertising a service?**

Broadcast, print media, Internet, outdoor, retail display, telemarketing, direct mail,

**71. What are different sales promotion tools**

Sample, coupons, discounts, signup rebate, gifts, prize,

**72. How corporate design is used as promotion tool for services?**

Design of interior decor, vehicle, equipments, stationery, and uniform that can give corporate identity.

**73. Why conventional promotional tools are not suitable for promotion of certain services?**

Because of the characteristics of services such as intangibility, inseparability, perishability and heterogeneity conventional promotion tools like samples, displays etc. are not suitable for some services.

**74. What are the important elements in designing promotional tools for the services?**

- Emphasize tangible clues
- Highlight the nature and sequence of service performance
- Highlight performance of customer-contact personnel
- Educate the customer how to participate in service delivery and how to conduct self-service

**75. What are the various instructional materials used for promotion of services?**

Brochures, manuals, software, CD ROMs, floppy, web site, video-audio cassettes, voice mail etc.

**76. What is word of mouth?**

Comments and recommendations that the customers make about their service experience have powerful influence on decision making of potential customers of services.

**77. Why word of mouth is an important promotional tool in services marketing?**

Conventional promotional tools are not very effective in case of some services due to their characteristics. There is no sample, no display, and no patents, which can guide customers for quick decisions. Hence, customers depend on the opinions expressed by other customers who have used the service for decision-making.

**78. What are the extended qualities required for service employees?**

Communication, Behavioural skills, ability to face situations, aptitude for mobile jobs, ability to deal with heterogeneous clientele, ability to cope with 24x7 work schedule, willingness to work with hand, technical skills, ability to work in groups.

**79. What are the steps in customer satisfaction survey?**

- Ensure top management involvement
- Exploratory research
- Choosing sample population
- Comparison with competitors
- Data collection
- Data analysis and results interpretation

**80. What are the tasks in designing customer satisfaction survey?**

- Decide the aspect of customer satisfaction to be covered.
- Decide sample size and type of sample
- Designing questionnaire
- Administration of questionnaire
- Decide method of statistical analysis
- Results interpretation

**81. Why 'people' is selected as a marketing mix for services marketing?**

People constitute an important dimension in the management of services both as performers of service and as customers. People as performers of service are important because " a customer sees a company through its employees". The employees represent the first line of contact with the customer.

**82. How service provider can use people as a marketing strategy?**

- Careful selection and training of personnel
- Laying down norms, rules, and procedures to ensure consistent behavior
- Ensuring consistent appearance
- Reducing importance of personal contact by introducing automation and computerization wherever possible



**83. What is physical evidence?**

All items that provide tangible evidence of service quality of a firm are physical evidence. They include the appearance of building, landscaping, vehicles, interior furnishing, equipment, staff members, printed materials, signboards etc.

**84. What are the two types of physical evidence?**

- Peripheral evidence
- Essential evidence

**85. What is peripheral evidence?**

Peripheral evidence is actually possessed as a part of the purchase of service but by itself is of no value.

Examples: airline ticket, chequebook, receipt for confirmed reservation in a hotel

It also adds on to the value of essential evidence. Example in a hotel you may find matchbox, writing pad, pen, complementary flowers, and drinks.

**86. What is essential evidence?**

Essential evidence that cannot be possessed by the customer. Examples; building, its size and design, interior layout and décor.

**87. What are the roles of physical evidence?**

- Shaping first impression
- Managing trust
- Facilitating quality of service
- Changing the image
- Providing the sensory stimule
- Socializing employees

**88. What is 'process' in service marketing?**

It includes the actual procedures, mechanisms, and flow of activities by which the service is delivered- the service delivery and the operating system

**89. What is the importance of process management in service marketing?**

- It assures service availability and consistent quality
- It helps to balance service demand and service supply
- It helps to handle peak load to optimize different customer needs with varied expertise levels within the service organization

**90. What are the growth strategies for service businesses?**

- Same product/same market growth –growth through penetration
- Same product/ new market growth- new market development
- Same market/ new product growth –new service product development
- New product/ new market growth-diversification

**91. What are tourism or hospitality products?**

Accommodation, restaurant, transportation, shopping, religious attractions, man-made tourist attractions, historical monuments, natural landscape and resources.

**93. What is service recovery?**

Service recovery refers to the actions taken by an organization in response to a service failure.

**94. What are the service recovery strategies?**

- Fail-safe your service- Do it right the first time
- Welcome and encourage complaints
- Act quickly
- Treat customers fairly
- Learn from recovery experiences
- Learn from lost customers

**95. What is relationship marketing?**

Relationship marketing is based on managing customer relationships (as well as relationships with other parties)

**96. What is the focal point of quality of a service?**

The quality of a particular service is what the customer perceives it to be.

**97. What is emotional labour?**

It refers to the labour that goes beyond the physical or mental skills needed to deliver quality service. It means delivering smile, making eye contact, showing sincere interest, and engaging in friendly conversation with people who are strangers.

**98. What are the three categories of properties consumer products?**

- Search qualities
- Experience qualities
- Credence qualities

**99. What are search qualities?**

It refers to the attributes that a customer can determine before purchasing a product.

Examples: Clothing, jewelry, Furniture, housing

**100. What are experience qualities?**

It refers to the attributes that a customer can determine only after purchase or during consumption

Examples; meals, haircut, childcare

**101. What is credence quality?**

It includes characteristics that the consumer may find impossible to evaluate even after purchase and consumption

Example: auto repair, medical diagnosis, television repair

## Essay Questions:

Students are expected to write answer for the essay questions in the following format.

A brief introduction followed by main points and detailed explanation of these points. Answer should end with a concluding paragraph. Reference of textbook, journal, and other reports should be mentioned. Sketches, block diagram, graphs, and charts are to be provided wherever applicable.

**1. Write an essay on role of service sector in India**

Hints: Different service sectors in India, their status, potential, their contribution to GDP, Employment potential of service sectors etc to be described

**2. Differentiate between goods and services**

Difference in characteristics and marketing are to be described with examples

**3. What are the characteristics of service?**

Explain each characteristic with examples

**4. How do you overcome these problems due to service characteristics in service marketing?**

Highlight special characteristics of services such as intangibility, inseparability, perishability, heterogeneity and lack of ownership and the problems due to these in marketing. Strategies to overcome each of these problems are to be highlighted

**5. What are the reasons for the growth of services in India?**

List the factors and give suitable explanation

**6. What are the reasons for the limitation of growth of service industry in India?**

List various factors and provide suitable explanations

**7. Write an essay on classification of services in India.**

Give all different types of classifications with suitable examples

**8. Describe the role of service industry in Indian economy**

Same as question No.1 Identify various components, provide their status, potential for growth and employment.

**9. Describe the potential and growth of health services in India**

Give various components; give present status, and potential for growth and employment

**10. Describe the potential and growth of financial services in India.**

Identify various components; provide their status, potential for growth and employment.

**11. Describe the potential and growth of tourism and travel services in India.**

Identify various components; provide their status, potential for growth and employment

**12. Describe the potential and growth of Information technology services in India.**

Identify various components, provide their status, potential for growth and employment

**13. Describe Kotler's product levels with examples of hospital**

List the product levels, explain them, and identify these levels in hospital service.

**14. Describe various steps in developing a new service offering.**

List various steps, describe them and apply them for developing a new service (entertainment, hospital)

**15. Describe Gronross three levels of product with suitable examples.**

List three levels and identify these levels for hospital, hotel, education

**16. Describe how product strategy is employed in marketing services.**

Kotler's 5 product levels, Gronross three levels of product, developing new services.

**17. Describe how price strategy is used in marketing services**

Problems in pricing, different pricing strategies

**18. Describe how place/ distribution strategy is used in marketing services**

Problems in distribution, three important decisions, new methods.

**19. What are the different promotional tools, which are effective for, services marketing.**

Describe them with suitable examples.

List all promotional tools for services marketing. Explain how they can be applied for services marketing with examples. Highlight three services for which conventional tools are not applicable

**20. List three services for which conventional promotion tools are not effective. Suggest suitable promotion tolls for each of them.**

Hospital, advertising, management consultancy. Explain with examples. Suggest suitable promotional tools for them such as word of mouth, publicity, and public relations

**21. Describe marketing strategy for Health service.**

Identify all components of health service. Apply segmentation, targeting and positioning. Explain how 8 Ps can be applied.

**22, Describe marketing strategy for logistics.**

Identify all components of Logistics service. Apply segmentation, targeting and positioning. Explain how 8 Ps can be applied.

**23 Describe marketing strategy for entertainment service**

Identify all components of entertainment services. Apply segmentation, targeting and positioning. Explain how 8 Ps can be applied.

**24. Describe marketing strategy for Tourism industry.**

Identify all components of Tourism. Apply segmentation, targeting and positioning. Explain how 8 Ps can be applied.

**25. Describe marketing strategy for Travel service**

Identify all components of Travel service. Apply segmentation, targeting and positioning. Explain how 8 Ps can be applied.

**26. Describe marketing strategy for information technology service**

Identify all components of information technology service. Apply segmentation, targeting and positioning. Explain how 8 Ps can be applied.

**27. Describe marketing services of financial services.**

Identify all components of financial services. Apply segmentation, targeting and positioning. Explain how 8 Ps can be applied.

**28. Describe marketing strategy for education services.**

Identify all components of education services. Explain how 8 Ps can be applied.

**29. Describe marketing strategy for public utility service?**

Identify all components of public utility services. Apply segmentation, targeting and positioning. Explain how 8Ps can be applied.

### **30. What are the recent trends and development in service industry?**

- Service industry is growing at a faster rate than industry and agriculture.
- Employment in service sector is also growing at a faster rate.
- Old services like public transport, and laundries will continue to fall
- Private sector demand for leisure, recreation, and entertainment etc; related services will increase
- Private sector investment in education and health will increase
- Cellular phone, IT services, and Tourism will dominate the service sector
- Average size of the service firm is increasing
- Leasing, franchising and integration are being practiced to increase the distribution of services.
- Internal marketing is being practiced to enhance customer satisfaction
- Customers are having a greater role in new services.
- Responsiveness from the service provider has increased (web-site, FAQ, internet solution, helpdesk.)

### **31. Explain the challenges for service marketers?**

1. Characteristics of service- problems due to characteristics
2. Customer involvement- customer as part of production
3. Problems of evaluation due to credence qualities
4. High interaction of employees with customers.

### **32. Discuss the problems connected with marketing of services at international level?**

1. Characteristics of service
2. Different business environment-social, political, economic, legal, cultural
3. Barriers to trade – GATT
4. Risk of international marketing – legal barriers, border restrictions, discriminatory laws, IPR, internal barriers, language barriers.
5. Problems of adaptation
6. Getting suitable service employees

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- References:
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  2. Services Marketing by ValarieA. Zeithaml
  3. Service Management and Marketing Christian Gronross
  4. Services Marketing by S.M. Jha
  5. Services Marketing by B. Balaji
  6. Services Marketing by Christopher Lovelock

## Additional Questions

### 1. What service environment?

Service environment consists of physical facilities, its location, ambient condition, and interpersonal relations.

### 2. What is servicescape? Why are they important for services?

It is the actual physical facility where the service is performed, delivered, and consumed. The servicescape consists of physical elements of service (tangible elements) and the ambient conditions such as temperature of the room, odor and noise etc.

Servicescapes are important for service marketing because of the following reasons.

It is important for communicating about services, which are high in credence qualities.

It helps creating the service experience, in satisfying customers and in enhancing customer's perception of quality.

### 3. What is physical evidence?

Physical evidence relate to the tangible objects encountered by the customers in the service delivery environment as well as tangible materials used in advertising communication and business process.

### 4. What are different types of Physical evidence?

Peripheral evidence and essential evidence

### 5. What is Peripheral evidence?

Peripheral evidences are those items, which can be possessed by the customer as a part of the service consumption. Eg. Bills, Tickets, Brochures, cheque books.

### 6. What is essential evidence?

Essential evidences are those items of physical evidences, which cannot be possessed by the customer as part of service consumption. Eg. Building, equipments, interior and exterior design and layout etc.

### 7. What is the role of physical evidence?

Shaping first impression

Facilitating service

Managing trust

Providing sensory stimuli

Motivating employees

Changing the image

### 8. What is service recovery?

Service recovery refers to the actions taken by an organization in response to a service failure.

### 9. What are service recovery strategies?

1. Fail-safe service
2. Welcome and encourage complaints
3. Act quickly
4. Treat customers fairly
5. Learn from recovery experiences
6. Learn from lost customers

### 10. Define service Guarantee. What are various types of service guarantees?

It is a particular type of tool for promoting and achieving service quality. It is defined as an assurance of the quality or length of use to be expected from a service offered for sale often with a promise of reimbursement if it fails to meet the promises.

#### There are 4 types of guarantee

Satisfaction guarantees, service attribute guarantees, external guarantees and, internal guarantees,

**11. What is relationship marketing?**

Relationship marketing is a philosophy of doing the business, a strategic orientation that focuses on keeping and improving current customers rather than acquiring new customers.

**12 What is 'moments of truth'?**

It is same as service encounter, i.e. the moments the consumer interacts with the service firm

**13.What are the methods to achieve quality of services?**

- Good hiring and training procedures
- Service blueprints- mapping processes into blueprints tells the company and employees the process that they should follow to serve customers.
- Monitoring customer satisfaction regularly
- Using employee suggestions

**14. What is service quality?**

Service quality is the difference between the perceived outcome of the service and what the customer expected prior to the service.

**15. What are the dimensions of service quality?**

- Tangibles, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding, access

**16. State the underlying principles of quality.**

1. Evaluation of service quality is difficult for the customer.
2. Service quality is based on customers' perception of the outcome of service and their evaluation of the process by which the service was performed
3. Service quality perceptions result from a comparison of what the customer expected prior to the service and the perceived level of service received.

**17. What is SERVQUAL scale?**

SERVQUAL is a multidimensional scale to capture customer perceptions and expectations of service quality. The scale currently contains 21 perception items that are distributed throughout the five service quality dimensions such as reliability, responsiveness, assurance, empathy, and tangibles.

**18. What is customer satisfaction?**

Satisfaction is the consumer's fulfillment response. It is a judgment that a product or service feature or the product or service itself, provides a pleasurable level of consumption related fulfillment.

**19. What determines customer satisfaction?**

Product and service features.  
Consumer emotions  
Attributions of service success or failure  
Perceptions of equity or fairness  
Other consumers, family members, and co-workers.

**20. Differentiate between satisfaction and service quality?**

Satisfaction is generally viewed as a broader concept, where as service quality assessment focuses specifically on dimensions of service. Based on this view, perceived service quality is a component of customer satisfaction.

**21. Define customer lifetime value?**

Customer lifetime value concept looks at customers from the point of view of their lifetime revenue and or profitability contribution to a company.

**22. What are the critical success factors in service marketing?**

Internal marketing, Clear positioning strategy, outlining the elements of the product package, emphasis on quality, customer retention, capturing and using customer data, close interaction

among marketing, operation and H.R., soliciting feedback from customers and employees, top management commitment

**23. What are the tasks performed by the marketing communication?**

1. Dissemination of information
2. Education of current and potential customers
3. Persuasion
4. To maintain contact

**24. What is provider gap?**

Provider gap is the gap between what customers expect and what they receive. The important gaps are listed below.

Gap 1- not knowing what customer expects (knowledge gap)

Gap2- not selecting the right services design and standards (standards gap)

Gap3- not delivering to service standards (delivery gap)

Gap4- not matching the performance to the promise (communication gap)

**25. What is service blue printing?**

Blueprinting is the process of diagramming the service operations, the points of customer contact, and the evidence of service from the customer's point of view.

**26. What is Yield management?**

Yield management is a differential pricing methodology for service, designed to produce highest revenue based on a detailed analysis of past behavior of each market segment served by the company. Example: Airlines companies adopt yield management pricing

**27. What is price bundling?**

Price bundling is offering customers two or more services in a single package for a special price.( eg. Executive check up in a super specialty hospital)

**23. What are different types of price bundling?**

Pure bundling- It is combining two or more services which are not sold individually.  
(eg. Cable TV - all channels)

Mixed bundling\_ combining two or more services which can also be offered individually, in to a single package for a special price.(Car service- comprehensive, food and drinks in a bar restaurant )

**28. What are different types of mixed bundling?**

Mixed leader and mixed joint

Mixed leader offers a service A for a discount if you purchase service B

Mixed joint is when two or more services are offered at a fixed price.

**29. What is multiple use price discounts?**

Price reductions given to customers for repeat usage of a service is known as multiple use pricing discounts. Example: season tickets by railways

**30. . What are the factors influencing the pricing of services?**

Organizational pricing objectives

Cost analysis

Demand/price curve

Price elasticity

Competition

Marketing mix

Target market

Company reputation/image

Legal constraints

**31. What are the components of a service?**

Service environment, core service, facilitating service, supporting service, service delivery.



### **32. Why is service product branding difficult?**

Intangibility, heterogeneity, inseparability, perishability.

### **33. What is service encounter? Or moments of truth?**

A service encounter (moments of truth) is a period of time during which customers interact directly with the service provider.

### **34. What are different types of service encounter?**

1. **High contact service**- those services in which customer visit the service facility in person and involve actively with the service organization and its personnel throughout the service delivery  
eg. Medical service. Haircut
2. **Medium contact service**- It entail less involvement with the service provider. They involve situations in which customers visit the service provider's facility or are visited at home or a third party location by the provider  
eg. Dry cleaning, Car- repair, Management consulting
3. **Low contact service**- It involves very little physical contact between service provider and the customer.  
eg. Internet service, TV and radio entertainment service

### **35. Define customer value package**

The customer value package is the perceived combination of factors that in the customers' mind creates a superior value for them.

The four factors are

**Price**

**Technical service quality**

**Functional service quality**

**Company's image**

### **36. Position Mapping**

Position mapping involves mapping a firm and its competitors on a graph relative to the two major purchase criteria