

04552

MANAGEMENT PROGRAMME

Term-End Examination

June, 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) How is information search behaviour different in case of services as compared to goods ? Explain with the help of suitable examples.
- (b) Discuss the importance of physical evidence for the following :
 - (i) Banks
 - (ii) Educational institutes

2. (a) What are the benefits of a good service guarantee ? Is service guarantee equally beneficial for all service firms ? Discuss with the help of examples.

- (b) Explain why it is important for service organisations to match demand and capacity. What are the implications of a mismatch between the two ?
- 3.
- (a) Discuss some of consumer sales promotion schemes used by hotels.
 - (b) Identify and explain the product support services which a personal computer manufacturer can offer to remain competitive or for gaining competitive advantage.
4. Write short notes on *any three* of the following :
- (a) Factors governing tourism demand.
 - (b) Modes of service delivery in international trade
 - (c) Internal marketing
 - (d) Grouroos model of service quality
 - (e) Reasons for growth of service sector.

SECTION - B

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

Marketing of Health Services

Pulin Kayastha was simply amazed. He had seen all forms of hostility and marketing warfare in the consumer goods industry, but to see similar warfare in the health industry fascinated him. Clearly, he told himself, doctors had found consumers in their patients. At least, that's what the concept note sent by Dr. Ajit Varman, country manager of Recovery Clinics and Hospitals, seemed to indicate. Varman and seven other senior doctors had left Karuna Nursing Home and Hospital to set up Recovery, which, as the note said.".... would be entirely devoted and dedicated to customer responsiveness."

Pulin was a management consultant and was recommended to Recovery by the marketing director of Regrow Pharma, a large pharmaceuticals company in Mumbai. In fact, the suggestion to set up Recovery came from a non - resident patient, Dinesh Shah, who was undergoing treatment at Karuna's large speciality hospital in Central India. It was in the course of his interaction with the doctors that Shah sensed their unhappiness with the system. This prompted him to suggest the idea of Recovery. Varman had

joined Karuna 10 years ago, assured of a challenging career in a hospital that was promising to be different. But over time, disillusionment set in as Karuna's image and response to the environment diluted its equity.

"Now that we have decided to do this, we do not want to repeat old mistakes," Varman had told Pulin during their first meeting. "Having worked at Karuna, we can see its weaknesses and why it's losing saline. Ten years ago, when it was established, we believed it was going to add value to our careers. We became a part of it because we were told that we are specialists who would bring exclusivity to the hospital. But soon, the focus shifted to fetching business and revenues. The management started hiring specialists and private practitioners, offering them cabins and consultancy arrangements at Karuna. The strategy was that these doctors would bring in their patients and use the infrastructure so that the hospital would start earning money."

The Karuna management wanted to derive short - term benefits, rather than gradually build up clientele. But the strategy, it appeared, did not pay off. As Varman said : "Because there were many doctors and the business was not large enough in the first few months. Consequently, competition for business became cut - throat between doctors."

marketing plan. What we want you to do is to help us build this brand, help ordinary doctors like us understand what brand-building entails and how it is managed in a service industry.”

Questions :

- (a) Suggest a positioning strategy for Recovery Clinics and Hospitals.
 - (b) Explain why it is necessary for doctors as well as nursing staff to be marketing oriented.
 - (c) What steps might Recovery Clinics and Hospitals take to demonstrate reliability, responsiveness, assurance and empathy ?
 - (d) Explain the role of non-monetary costs in pricing of health services.
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