

MANAGEMENT PROGRAMME

Term-End Examination

December, 2015

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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) Give some examples of services that are high in credence qualities. How do high credence qualities affect consumer behaviour for these services ?
- (b) What do you understand by the term 'physical evidence' ? Discuss the importance of physical evidence for the following :
 - (i) Bank
 - (ii) Insurance company

2. (a) Why do customers switch service providers ? Can you do anything as a marketer to prevent customers from switching ? Discuss.
- (b) In what ways is distribution of services different from goods ? Identify a few services which can be distributed through electronic channels and discuss the benefits and challenges involved in it.
3. (a) With the help of examples discuss the various forms of consumer sales promotion schemes which can be used by hotels.
- (b) Explain the factors responsible for the growth of tourism industry.
4. Write short notes on **any three** of the following :
 - (a) Internal marketing
 - (b) Gaps Model of Service Quality
 - (c) Product Support Services
 - (d) Importance of location decision for educational services
 - (e) Significance of non-monetary costs in pricing of services

SECTION - B

5. **Note :** Study the case given below and answer the questions given at the end. It is a complaint letter written to the proprietor of a restaurant by an angry and disappointed customer.

THE COMPLAINT LETTER

October 13, 2013
123 Main Street,
Model Town,
Delhi.

Mr. P.K. Roy,
Managing Director,
The Retreat House,
New Delhi.

Dear Mr. Roy,

This is the first time that I have ever written a letter like this, but my wife and I are so upset by the treatment afforded by your staff, that we felt compelled to let you know what happened to us. We had dinner reservations at The Retreat House for a party of four under my name for Saturday evening, October 11. We were hosting my wife's brother and his wife, visiting from U.S.A.

We were seated at 7:00 p.m. in the dining room to the left of the front desk. There were at least four empty tables in the room when we were seated. We were immediately given menus, a wine list, ice-water, dinner rolls and butter. Then we sat for 15 minutes until the cocktail waitress asked us for our drink orders. My sister-in-law said after being asked what she would like, "I'll have a vodka martini straight-up with an olive." The cocktail waitress responded immediately, "I'm not a stenographer." My sister-in-law repeated her drink order.

Soon after our waiter arrived, informing us of the specials of the evening, I don't remember his name, but he had dark hair, wore glasses, was a little stocky, and had his sleeves rolled up. He returned about 10 minutes later, our drinks still not having arrived. We had not decided upon our food but requested appetizers, at which time he informed us that we could not order appetizers without ordering our food at the same time. We decided not to order our appetizers.

Our drinks arrived and the waiter returned. We ordered our food at 7:30. When the waiter asked my wife for her order, he addressed her as "young lady". When he served her the meal, he called her "dear".

At ten minutes to eight we requested that our salads be brought to us as soon as possible. I then asked the waiter's assistant to bring us more rolls (each of us had been served one when we were seated). Her response was, "who wants a roll," upon which, caught off-guard, we went round the table saying yes or no so she would know exactly how many "extra" rolls to bring to our table. Our salads were served at five minutes to eight. At twenty-five minutes past the hour, we requested our food. It was served at 8:30, one and one-half hours after we were seated in a restaurant which was one-third empty. Let me also add that we had to make constant requests for water refills, butter replacement and the like.

In fairness to the chef, the food was excellent, and as you already realize, the atmosphere delightful. Despite this, the dinner was a disaster. We were extremely upset and very insulted by the experience. Your staff is not well

trained. They were overtly rude, and displayed little etiquette or social grace. This was compounded by the atmosphere you were trying to present and the prices you charge in your dining room. Perhaps we should have made our feelings known at the time, but our foremost desire was to leave as soon as possible. We had been looking forward to dining at The Retreat House for quite some time. We will be hard-pressed to return to your establishment. Please be sure to know that we will share our experience at The Retreat House with our family, friends and business associates.

Sincerely,

Dr. A.M. Singh

Questions :

- (a) Identify the key problem areas which resulted in a bad customer experience at the restaurant. Give your suggestions for improvement.
 - (b) If you were in Mr. Roy's position, how would you respond to the above letter ?
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