



UNIVERSITY OF COLOMBO, SRI LANKA

Faculty of Management and Finance

Postgraduate & Mid - career Development Unit

**Master of Business Administration/ Master of Business Administration in Finance/ Master of Business Administration in Marketing/ Master of Business Administration in Human Resources Management
(Semester -IV – Second Half) Examination – March, 2017**

MBAMK 620 – Services Marketing

Three (03) hours

Answer Four (04) questions in all including question number One (01)

This is an Open Book Examination.

1. Fiona and Grant had planned a weekend away at a favourite spot in the country that they could not visit for a long time, a beautiful heritage Bed and Breakfast (B&B) where they had stayed on their honeymoon. What really captured their attention to revisit this time was the information they found in a magazine about a special catered dinner served on an old steam train as it journeyed through the countryside. The menu looked really appealing and the pictures of the train and dinner carriage promised a memorable experience. This was confirmed by another party who run the B&B in this location who said that they have heard lots of good things about the dinner train. They also recommended this place to Fiona and Grant.

From Fiona and Grant's perspective, however, the evening proved to be a great disappointment. First to their surprise they found they were seated with another group of people rather than on their own as they have requested and as the pictures suggested. When they registered their disappointment about their expectation they were simply told that there were no tables for two available on the train. The quality of the food also

disappointed, partly because it was not appealing and palatable as had appeared in the magazine article and was not up to the standard they were accustomed to in the city, but also because the choice was very limited. To add to their disappointment, they found that the train ride was somewhat bumpy, thus making it difficult to eat and drink without making a mess on the table. The table services were provided mainly by young inexperienced and not very knowledgeable locals who fell short of Fiona and Grant's expectations. As a result they informed all of these to the owners and suggested that they will not recommend this place to anyone else.

- i. Identify the key problems in the above case using the two quality models SERVQUAL and Gaps model. (20 Marks)
- ii. What would you recommend this place to improve their services and to regain the trust of the future and the past customers? (10 Marks)
- iii. Explore how the inherent characteristics of services have an influence on the type of a business in the case and identify the strategies to overcome the influence of each of these characteristics. (10 Marks)

(Total 40 marks)

2. Eric has been running service station together with petrol shed for 12 years. During that time he has seen his regular clientele decline and change. There are certainly the regulars who continue to bring their cars to him for the thorough service and personal attention to detail that they've come to depend on him to provide, and there are those who come in every Friday or Monday morning like clockwork for a fill-up, but Eric has noticed that lately there don't seem to be as many. He's started thinking about what he might be able to do about this with the aim of building a more regular and loyal customer base, especially since there are now two big service stations providing competition nearby, one of which has a convenience store attached to it, and the other a McDonald's restaurant.

i. Discuss the importance of a customer relationship management (CRM) practices for Eric's business. (5 marks)

ii. What CRM would recommend Eric consider implementing in his business? (15 marks)

(Total 20 Marks)

3. Experienced services marketers recognise the need of take a holistic view of entire performance they want customers to experience. The value proposition must address and integrate three components: core product, supplementary product and the delivery process.

i. Selecting an example of your choice identify how supplementary services can be introduced noting which are facilitating and which are supporting. (10 marks)

ii. What are the managerial implications of adding supplementary services? (05 marks)

iii. Identify the tools a services marketer can use to effectively design the service delivery process and identify the advantages of it? (05 marks)

(Total 20 Marks)

4. A local yoga centre offers: drop in class, 8 week course for beginners and blocks of 10 classes. Members can visit any classes during a 12 month period. Since opening the centre four years ago the owners noticed recurring patterns in demand. While sometimes the centre is relatively busy and customers have to be regularly turned away other times it is quiet. Evenig and Sunday classes are slightly more popular than early morning classes and daytime classes.

i. What could yoga centre do to smooth and manage the different demand patterns? (15 marks)

ii. What alternative strategies can be used to make better use of their teaching spaces? (05 marks)

(Total 20 Marks)

5. Retail banks are experiencing increased competition from new financial service providers. Thus it has become important to enhance service to customers. One key improvement required is to reduce the amount of time customers spend waiting in a line for services in retail branches.

i. Identify the strategies the bank can adopt to manage this situation. (10 marks)

ii. While many organisations are now using customers as partial employees to overcome problems in service delivery, identify the pros and cons of this approach and explain how an organisation can effectively use this strategy. (10 marks)

(Total 20 Marks)

6. i. Customers handle their dissatisfaction in numerous ways. Explain this statement. (05 marks)

ii. Evaluate the suitability of social media as a channel to handle customer complaints. Would it to replace traditional service recovery programs? (15 marks)

(Total 20 Marks)
