



**SHEKHAWATI INSTITUTE OF TECHNOLOGY
DEPARTMENT OF MANAGEMENT STUDIES
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1st Mid - Term Examination 2017-18 (MBA 4th Sem.)
Subject Code & Name - M-421 Marketing of Services

Max. Marks - 30
Time - 01.30 hrs

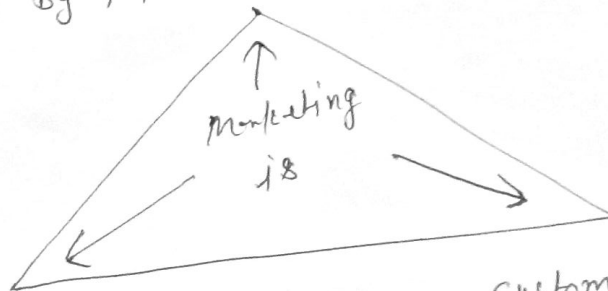
Model Question - Answer Paper

Q. ① what is service marketing? what are the basic characteristics of service?

Ans. → An act of performance offered by one party to another. The process may be tied to a physical product; the performance is intangible and does not normally result in ownership of any of the factors of production.

There are three perspectives of marketing:

Strategic thrust pursued
by top management



A set of functional
activities performed
by line managers

Customer driven
orientation for the
entire organization

→ Basic characteristics of services :-

There are four basic characteristics of services which make it different to market services as compared to marketing of goods. These are:

- (i) Intangibility
- (ii) Inseparability
- (iii) Variability
- (iv) Perishability

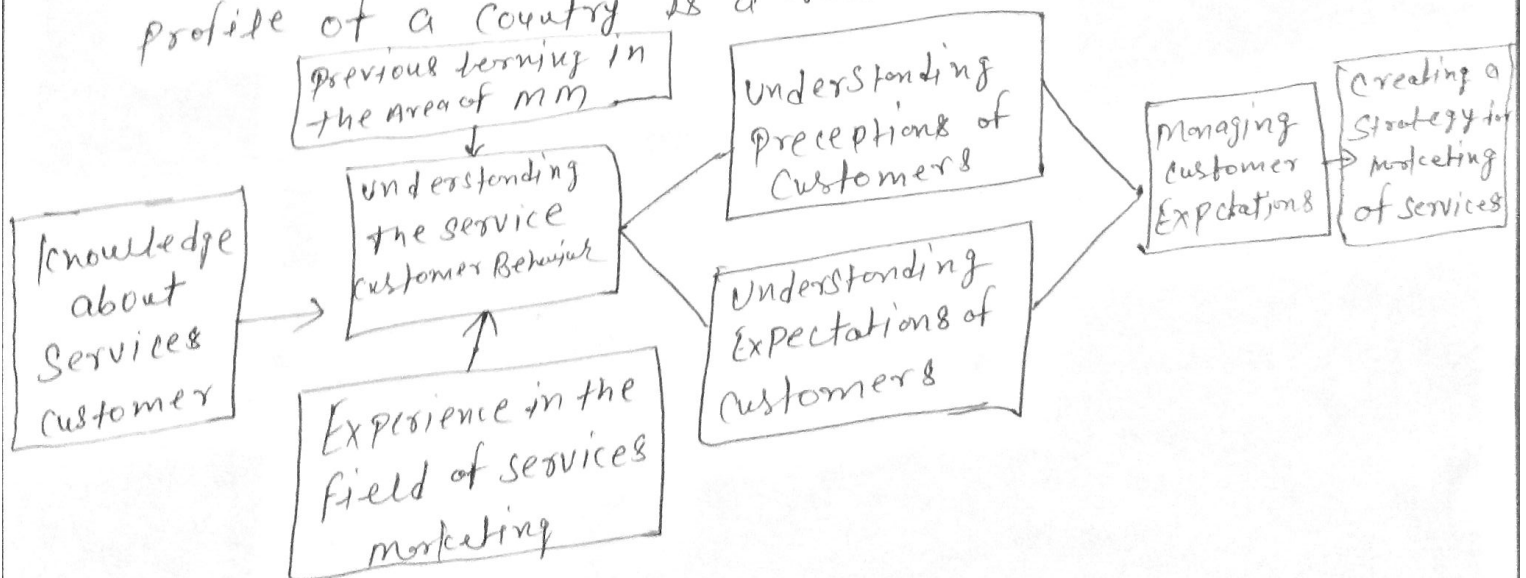
Q. ② What are the various ways in which services can be classified? Discuss using examples.

Ans. → We can classify service activity in many ways. Inevitable some degree of overlap between the methods available will be present:

- (i) Classification based upon the End-user of the service
 - (a) Consumer (b) Business to Business (c) Industrial
- (ii) Classification based upon the degree of tangibility of a service
 - (a) Highly intangible (b) Service linked to tangible goods (c) Highly Tangible
- (iii) Classification of services based upon degree of contact
 - (a) High contact People based (b) Low contact Equipment based
- (iv) Classification based upon the expertise of the service provider
 - (a) Professional (b) Non-Professional
- (v) Classification based upon the overall business orientation towards profit
 - (a) Non for profit (b) Commercial

Q. ③ How important is it to understanding Consumer behaviour in the marketing of services?

Ans → The service industry is an old one, yet the perception of the service sector as a strategic element in the economic profile of a country is a recent one.



Q. (3) What are the major factors influence customer expectations?

Ans. → 1. Internal Factors: Internal factors are those which are within the customer. They will impact the consumer's expectations of a service to a large extent. they include -

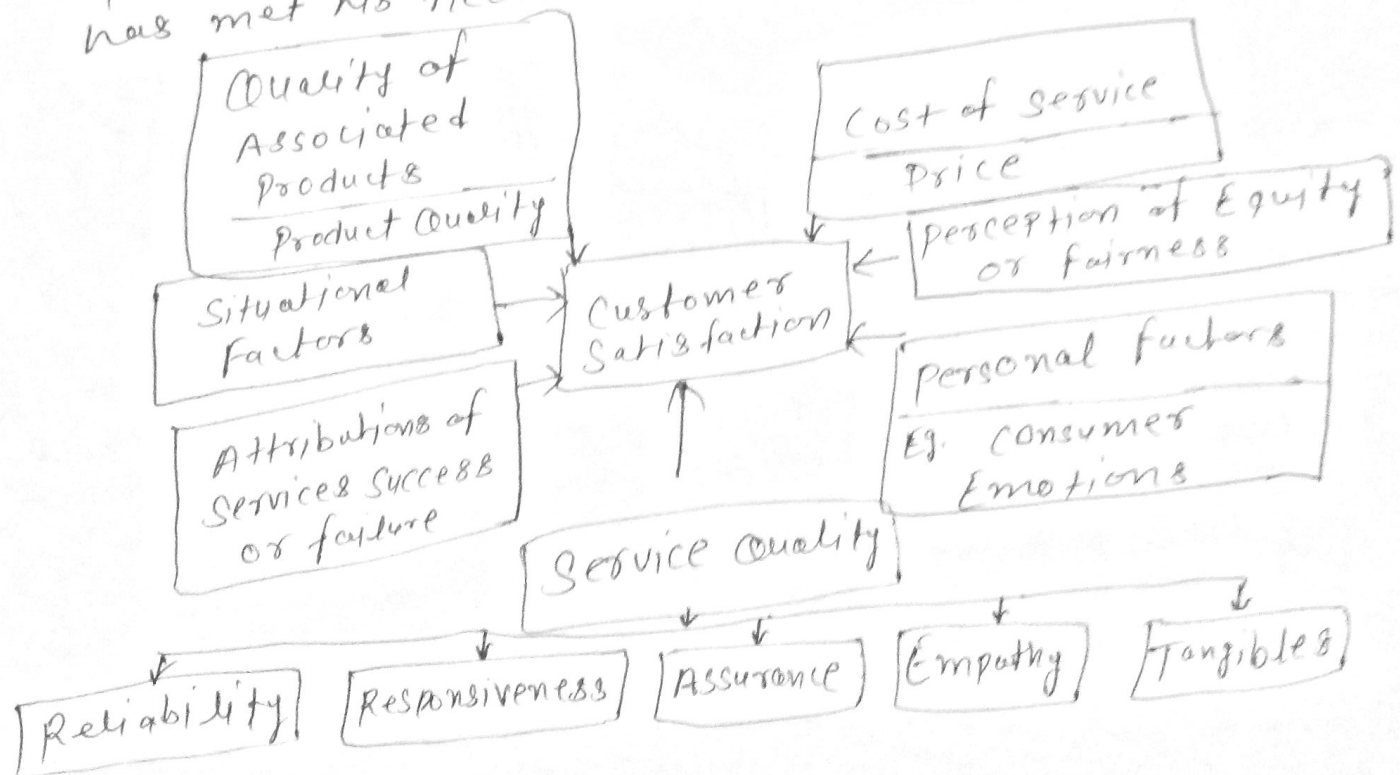
- (i) Individual Needs:
- (ii) Level of Involvement
- (iii) Past Experience
- (iv) Personal Philosophy of the individual
- (v) Demographical Reasons

2. External factors: several external factors can influence customer expectations.

- (i) Competitive options Available
- (ii) Social Setting
- (iii) Word-of-Mouth Communication
- (iv) Cultural context and Norms Regarding the Service

Q. (4) what is the customer satisfaction? Explain

Ans. we can define customer's satisfaction as the customer's perception of the service in terms of whether that service has met his needs and expectations.



④

Q. ⑤ What are factors that influence customer satisfactions?

Ans → The factors that influence customer satisfactions includes:

- (i) Service Quality
- (ii) Personal factors
- (iii) Perception of Equity of fairness
- (iv) Price
- (v) product Quality
- (vi) Situational factors
- (vii) Attributions for service success or failure

SECTION - B

Q. ① Highlight the importance of customer Retention. which customers should the company try to retain? why?

Ans. → Benefits of Customer Retention

The diagram shows the benefits of customer retention:

Benefits of Customer Retention

It will generate consistent profits from sales

It will keep operating costs down. This will also yield more income through

profits will be generated from referrals of a loyal customer
eg. provider can get valuable word-of-mouth advertisement through satisfied customers

Long-term customers have lower maintenance costs and require less time as service provider is familiar with his requirements.