

Code No: 13MBA2017**ADITYA INSTITUTE OF TECHNOLOGY AND MANAGEMENT, TEKKALI
(AUTONOMOUS)****II MBA III Semester Regular/Supplementary Examinations, November–2016****SERVICE MARKETING****Time: 3 Hours****Max. Marks: 60**

**Answer any FIVE questions
All questions carry equal marks
Question No.8 is Compulsory.**

1. “Many economies in the world are becoming Service Economies.” Is this a positive trend? Give reasons.
2. “An undifferentiated Market is not appropriate to the Service Business.” Comment?
3. Evaluate different Market Positioning Strategies with special reference to Apple iphone 6s?
4. What are the major design differences between High-Customer-Contact and Low-Customer Contact services?
5. What are the different types of Marketing Communication Mix with reference to insurance companies?
6. Should self-service in Restaurants always be rewarded with lower prices? Explain.
7. How changes within Service Distribution Channels impact customer retention?
8. **Case study:**

Dr Saraswat, a professor at the university, had a very unpleasant experience once while staying at a state-owned tourism development corporation motel. At the time, the motel had a corporate service guarantee stating that the guests who were not 100 per cent satisfied with their accommodations would not have to pay. This particular night the motel was bustling and all the rooms were occupied.

It became apparent that the guests in the room adjoining Dr Saraswat were having a party and were being very loud. Through the thin walls, Dr Saraswat could distinctly hear everything that was being said. He called the front desk about the noise and asked if he could be moved to a different room. The front desk clerk was very impolite with him, his only response being, 'The hotel is sold out tonight and there is nothing that I can do about your problem.' He was decidedly discourteous, informing the professor that the front desk was understaffed and that the hotel was very busy that night. There was little that could be done to solve his problem. After several minutes of somewhat frenzied discussion, the clerk finally agreed to send someone up to the room next door, to request that the occupants of that room bring the noise level down.

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Unfortunately, the noise continued unabated. After a considerable amount of time, Dr Saraswat called the front desk a second time. The same front desk clerk, with whom we had spoken earlier, answered the call and pointed out again that the front office was too busy to take care of his problem. Finally, the people next door left their room.

A few hours later, while the professor was sleeping, the party next door came back. This time not only did their noise disturb his sleep, but their lights did as well, as they shone through from under the connecting door. As it was well after midnight, he decided not to complain to the front desk this time, figuring that his only source of satisfaction would be the hotel's guarantee that he would not have to pay for his room.

The next morning, when Dr Saraswat was checking out, he told the front desk clerk that he was not satisfied with his stay and that he did not want to pay for it. The clerk was not particularly courteous and told Dr Saraswat that he had received no information regarding any guest complaints from previous night, and the professor would indeed have to pay for the night's stay. Dr Saraswat pointed out to the clerk that the guarantee of the motel stated that a guest who was not satisfied with the stay would not have to pay. At this point, the clerk abruptly left her station, saying, 'I cannot do anything about this, you will have to speak to the manager.' Several minutes later, the manager appeared, and before even discussing the matter simply stated, 'Because the hotel was sold out last night, I could not have done anything to solve your problem.' He refused to honour hotels' guarantee. Dr Saraswat paid for his room but was upset about the treatment he had received. Following this experience he wrote a letter of complaint to the company, to which he received no response.

Questions:

- i) What impact does a guarantee have on a guest's expectation?
- ii) What action might have been taken to resolve the situation?
- iii) What costs might be associated with this type of situation?