

**Code No: 13MBA2017****ADITYA INSTITUTE OF TECHNOLOGY AND MANAGEMENT, TEKKALI  
(AUTONOMOUS)****MBA III Semester Regular/Suppl. Examinations, November – 2015****SERVICES MARKETING****Time: 3 Hours****Max. Marks: 60**

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

1. Examine different ways of classifying services to help gain strategic marketing insights.
2. “Both parties could derive value in business with other over an extended period of time.”Elaborate.
3. Distinguish between Customer satisfaction and Customer loyalty? Explain in detail the concept of Customer Loyalty?
4. What are the pricing strategies that are followed in the pricing of the health care services? Explain with suitable example?
5. Explain three coinciding elements of Services Marketing Triangle?
6. Explain the implications of communication strategies in promoting and branding services?
7. An IT company wants to launch providing Internet service. In view of the presence of giants such as a VSNL, Satyam Info Way, Mantra Online, etc; it wants to get its quality norms right. Can you help the company define the standards of customer service delivery?

**8. Case study:**

Band Box Uniforms, based in Jaipur, rents uniforms to some of north India's leading companies. This small, growing Rajasthani firm has built its success on recruiting and richly rewarding its employees, encouraging its delivery van drivers to act like entrepreneurs. The company has also managed its customers' expectations effectively and has promoted strong ties between its employees and their customers. The reward for this determined company has been 25 per cent average growth over the past fifteen years, and double digit gross profit margins, which is more than any other in the industry. In 1996, the company won a certificate of merit winner of the Rajiv Gandhi National Quality Award in the small business category. In 2000, it bagged the prestigious Golden Peacock Quality Award. Band Box has managed to keep its employee turnover very low, at about 5 per cent, and customers do not leave either. The company loses only one per cent of its customers annually due to factors within the company's control. Band Box offers a clear illustration of a company that has excelled in three types of marketing in the service triangle.

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By staying in close touch with its customers, Band Box understands their needs and is able to design its services around customer expectations. Since drivers are assigned to account and stay with the same accounts over long periods of time, they are able to build relationships and understand customers' changing needs over time. Everything that Band Box communicates to its customers speaks of 'quality service', from the people it hires, to the way employees dress, to employees' personalities, to the vans they drive, and the quality of uniforms they supply.

Promises of quality service are delivered to Band Box's customers through its drivers. Delivery drivers-called customer service executives (CSE) - are assigned an account, which then belongs to the driver for the life of the account. Therefore, customers interact regularly with the same person and get to know their driver. If a customer leaves the company for what are determined to be 'controllable' causes, the driver loses income. Drivers spend most of their eight-hour days delivering and collecting uniforms, interacting with customers, and building new business. During the day, drivers are connected via cell phones, handling requests and complaints from their clients. Says one CSE, "What I like about this job is the rapport you get to build with customers. You become their focal point. You do it in style.' About 50 to 60 per cent of a CSE's pay is based on customer satisfaction and retention.

To ensure that its CSEs are able to interact effectively with customers and retain their business, Band Box is very careful about who it recruits for those jobs, and then it trains its employees to be successful at customer retention. Five interviews are the norm for Band Box's CSEs. The company looks for employees who are obsessively neat, proud of their work, physically fit, and exceptionally friendly. Says one of the company managers, responsible for recruiting CSEs, I am looking for someone with positive attitude, someone who wants to work, who is ready to work.' After they are hired, Band Box employees go through three months of training to learn the whole scope of the business before setting foot in a delivery van. After that they accompany experienced CSEs for nine to twelve months, to watch how they interact with customers. Only then are they eligible for their own routes. Band Box also pays its CSEs well, about Rs 75,000 a year, nearly one and a half times the industry average.

**Questions:**

- i) How does Band Box carry out its marketing activities? Discuss in the light of the elements of marketing triangle.
- ii) Are there specific challenges or barriers to effective marketing in any of the areas?