

**MANAGEMENT PROGRAMME****Term-End Examination, 2019****MS-065 : MARKETING OF SERVICES****Time : 3 Hours]****[Maximum Marks : 100****(Weightage 70%)**

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**Note : Answer any three questions from Section-A.  
Section-B is compulsory. All questions carry equal  
marks.**

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**SECTION-A**

1. (a) What are the basic characteristics of services compared with goods ? What are the implications of these characteristics for an airline ?
- (b) Where do the following fit on the 'continuum of evaluation for different types of products' :
  - (i) Automobile repairs
  - (ii) Medical diagnosis
  - (iii) Fast food restaurant

What are the implications for consumer behaviour ?

2. (a) What do you understand by 'non-monetary costs' with reference to marketing of services ? Describe the non-monetary costs involved in the following services :
  - (i) Home loans
  - (ii) Health services
- (b) Explain the logic behind these two quotes : "A complaint is a gift" and "The customer who complains is your friend".
3. (a) How can product support services be used in a manufacturing context for competitive advantage ? Explain in the context of automobiles or personal computers.
- (b) Do you think physical evidence really matters in marketing of services ? Discuss with the help of examples.

4. Write short notes on **any three** of the following :
- (a) Internal Marketing
  - (b) Yield Management
  - (c) Buyer behaviour for financial services
  - (d) Marketing communication for healthcare services
  - (e) Role of non-verbal communication in service encounters.

### SECTION-B

5. Read the following case situation and answer the questions given at the end :

**Case Situation :** The amusement park with a successful history was now facing problems. It had its first money losing year last year followed by another one now. The park had three ways to bring in more revenues : increase visit per customer, increase average spending per visit or attract new customers. Because of a mature industry all three were hard to do. As pulling in people from

broader geographical areas seemed an unlikely proposition due to the wide availability of such parks, attracting new customers required new value proposition. With this background, it was proposed to offer a "preferred guest card" to win more business from moneyed and time pressed group of people. Under this plan, visitors could pay an additional fee to get free rein of the park: Card Holders would enter the ride through separate lines which would give them first crack and they would be seated immediately at any in-park restaurant. It was hoped that this plan will help to up-sell the people who are already coming to the park. And by making it possible to spend less time in queues, the guest card will also attract a different type of customer - time starved, high-income professionals and their families, who might otherwise avoid the whole experience. However, certain objections were raised against such a scheme. "I don't even think it's a great experience for the preferred guests. Who want to feel all that animosity diverted at them ? The key to this business is the customers feeling good while they are here. With this scheme neither side's coming back" commented an executive. A possible

solution given to this was to separate the lines and limiting the percentage of special tickets issued on any given day. If the 'preferred guest card' scheme was not implemented the park might be forced to raise price across the board.

Questions :

- (a) Evaluate the 'preferred guest card' scheme and give your recommendations to the management.
- (b) Suggest some ways of 'perception management' of waiting lines at the amusement park.
- (c) Explain the pattern of demand fluctuation that is likely to occur at an amusement park.

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