



# ALVA'S INSTITUTE OF ENGINEERING & TECHNOLOGY

(A Unit of Alva's Education Foundation)

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(Affiliated to VTU Belagavi, Approved by AICTE, New Delhi, Recognized by Govt. of Karnataka)

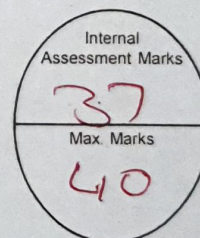
## INTERNAL ASSESSMENT ANSWER BOOK

Branch : MBA

| Test                                         | Date     | Signature of the Invigilator | Maximum Marks  | Signature of the Student with Date | Signature of the Teacher with Date |
|----------------------------------------------|----------|------------------------------|----------------|------------------------------------|------------------------------------|
|                                              |          |                              | Marks Obtained |                                    |                                    |
| I                                            | 21.9.19  |                              | 35 1/2         |                                    |                                    |
| II                                           | 26/10/19 |                              | 40 1/2         |                                    |                                    |
| III                                          | 4/12/19  |                              | 43 1/2         |                                    |                                    |
| Total Marks                                  |          |                              | 84             |                                    |                                    |
| Average Marks                                |          |                              | 21.5           |                                    |                                    |
| Average of Assignment / Quiz / Seminar etc.. |          |                              | 15             |                                    |                                    |
| Grand Total                                  |          |                              | 36.5           |                                    |                                    |

Marks in words :

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Subject Name / Code : Service Marketing / 18MBA MM 303  
Faculty Name : Mrs. Priya Sagar.



Signature of Faculty

Signature of the HOD



## VISION OF THE INSTITUTE

"Transformative education by pursuing excellence in Engineering and Management through enhancing skills to meet the evolving needs of the community

## MISSION OF THE INSTITUTE

- To bestow quality technical education to imbibe knowledge, creativity and ethos to students community.
- To inculcate the best engineering practices through transformative education.
- To develop a knowledgeable individual for a dynamic industrial scenario.
- To inculcate research, entrepreneurial skills and human values in order to cater the needs of the society.

## VISION OF THE DEPARTMENT

To Develop Competent ethical managers with transformational leadership and entrepreneurial approach, sensitive to the environment culture & responsible to their communities with a Global outlook & approach.

## MISSION OF THE DEPARTMENT

- \* Provide students with the necessary knowledge and skills to enable them to be effective in the field of their choice.
- \* Promote critical thinking, leadership qualities & entrepreneurial skills in a rigorous academic environment.
- \* Adopt the interdisciplinary & holistic approach to enable students to excel in a volatile uncertain complete and ambiguous (VUCA) world.
- \* Develop in students a strong commitment to ethics, values & integrity and Global outlook.



## Part A

1 [a] 1. According to Philip Kotler, "Service is an act or performance ~~that~~ one party can offer to ~~the~~ another <sup>that</sup> ~~is~~ <sup>evaluate</sup> intangible and does not have results of the ownership of anything. Its production may or may not be tied to physical evidence."

Eg: Hospital, Hotel, Medical, Bank, Hostel.

1 [b]

| Goods                    | Service.                     |
|--------------------------|------------------------------|
| # Goods is an tangible   | # Service is an intangible   |
| # Goods is an Homogenous | # Service is an Heterogenous |



# In Goods, Core value are produced in the factory.

# In Service, Core value are produced in Buyers and Sellers expectation.

# Production, Distribution are separated from the Consumption.

# Production, Distribution, and Consumption are simultaneous process.

# Here, transfer of ownership.

# Here, No transfer of ownership.

# Goods can be kept in stock

# Service cannot be kept in stock

# Goods can be returnable

# Service cannot be returnable.

# Here customers do not interact when production will made.

# Here, customers will interacting when the service made.

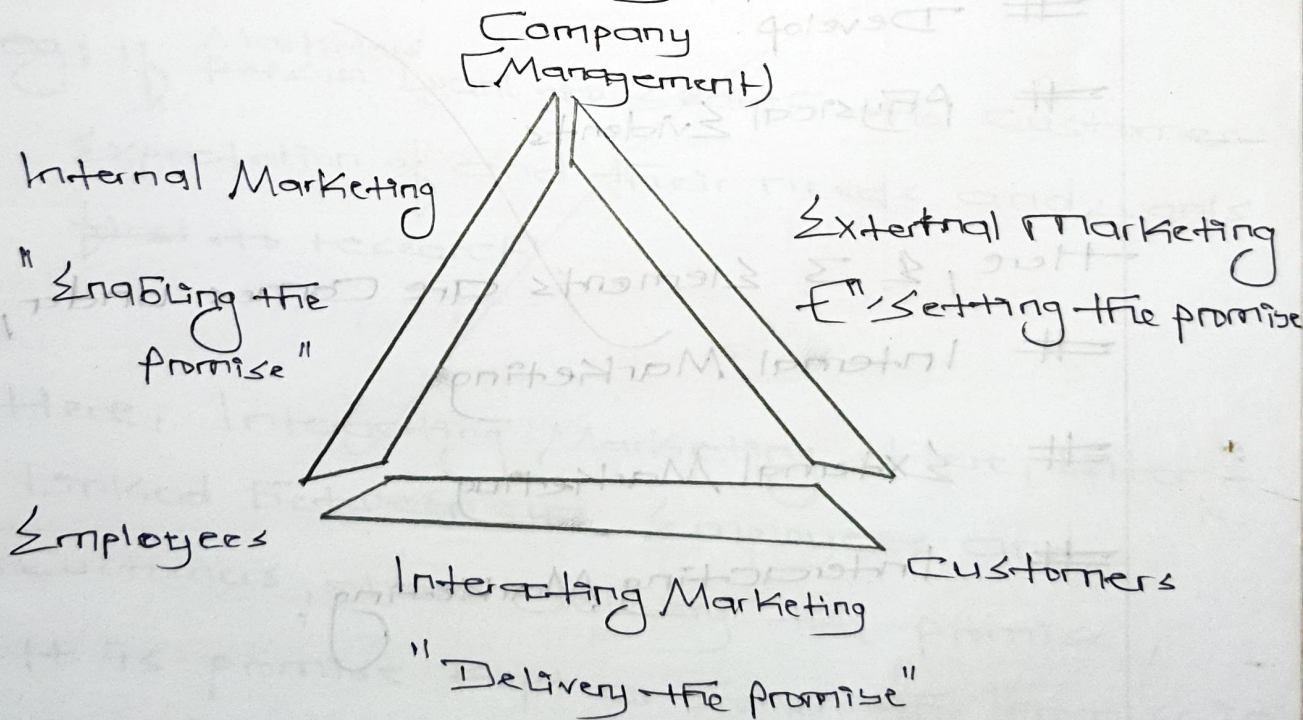


# 1[C]. Service Market Triangle :

## Introduction :

Service is an act or performance that one party can offer to the another party it is essential intangible and does not show results of the ownership of anything. Its production may or may not be tied physical evidence.

## Service Market Triangle :





Explanation:

Here, Promise means "promise made or promise kept to customers"

Here, Internal Marketing, is the inter linked between the customers and employees.

Then, triangle as the 3 interaction groups,

# Promote

# Develop

# Physical Evidents

Here, 3 elements are comes under, in

# Internal Marketing

# External Marketing

# Interacting Marketing.



Here, Internal Marketing is the Inter Linked <sup>Company</sup> Between the Customers and Employees. and also they also "Enabling the Promise"

Eg: Good Hotel restaurants.

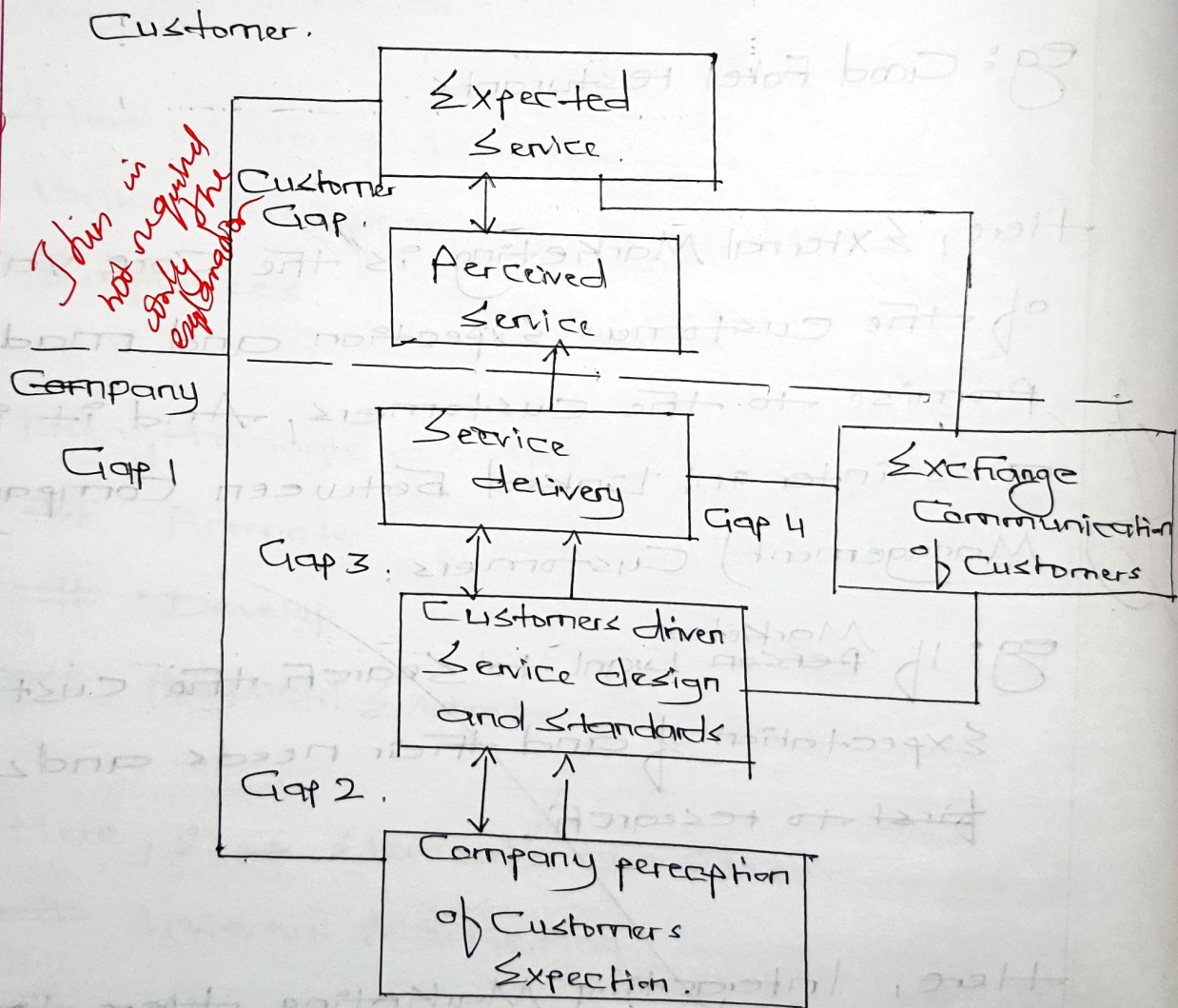
Here, External Marketing is the Core value of the Customers expectation and made promise to the customers, And it is also inter linked Between Company (Management) Customers.

Eg: If Marketers person want to search the Customer expectation of and their needs and wants first to research.

Here, Integrating Marketing, here, Inter-Linked Between the Employees and Customers, here delivery the promise, It is promise kept or Broken the promise in Sometimes.



## 2[q]. Customer Service quality gap.



In the 4 Gap 2 will comes under Customer Service quality gap. Here, Customer will expecting good quality service in High price.



2[5].

Gap 2 of Customer Service :

Gap 2

Customers driven Service  
of designs and standards

↑

### # Poor Service Design

- Unsystematic new Service development process.
- Vague undefined Service Design
- Failure to Connect Service Design to Service positioning.

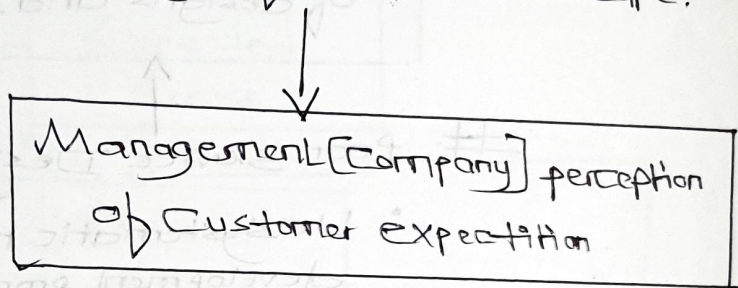
### # Absence of Customer driven standards

- Lack to Customer Driven Service standards
- Absence of process right to focus on Customer expectations
- Absence of formal process for Setting Service quality goods.

### # Inappropriate Physical Evidence and Service scope



- Failure to drive tangible in line with customer expectation.
- Inadequate Management and updating of the service scope.



### Explanation :

# Poor Customer Service of driven standards  
 - Here, poor design service will be made in the service and also they failure to connect service design to service positioning.

- Then comes to the Absence of Customer driven standards, Here Absence of the process management to focus on the



Customer Expectation + their driven of the Customers and the designed and standards.  
Then Absence of the formal setting Service quality goods.

5/2 - Then Inappropriate physical Evidence and Servicescape here, they made the failure to drive tangible in line with Customer Expectation. And also the Inadequate to the Management and also updating of the Servicescape.

- Then management will <sup>do</sup> perception of the Customer expectation. Company will do what is the perception of the Customer expectations.



## 2[E]. Service Marketing Mix.

### Introduction:

Service is an act or performance that one party can offer to another party of the & evaluate Intangible and does not result < Flow < Ownership of anything. Its production may or may not need physical evidence.

Eg: Hotel.

### Service Marketing Mix:

#### ~~Traditional Marketing Mix.~~

- Product.
- Price.
- Place and distribution
- Promotion.



## # Extended Marketing Mix :

- People
- process
- Physical Evidence

## Explanation :

## # Traditional marketing Mix :

- Product :

Here, product has the 3 levels they are

- Core levels
- Tangible levels
- Augmented Levels.

- Core level means to full fill the customer expectation.

- Tangible level means service done can seen, touch, smell, feel etc.

- Augmented Levels means service will serves initial to the customers.



Eg: Good Hotel (meal) Restaurants.

# Price;

- price
- Cost Components.

- price means the cost of the product is high, and customers will expect quantity of the service will also high.

- Cost components means if the fixed cost is high, then variable cost will be low.

# Place / Distribution:

Place of Distribution means if the cost of the products is very low, then the quality/quantity of the service is more in the Distribution.



## # Promotion :

Promotion means promoting the persons to the higher post. If any product will be launching first we need to promote

- Creates the Brand image
- Communication should be avoidable
- Word of mouth to the public.
- Heard.
- Advertisement.
- Brochures should distribute -

Eg: Park.

## Extended Marketing Mix

# people

# process it means procedures of the making service.

# Physical Evidence.



## Part B.

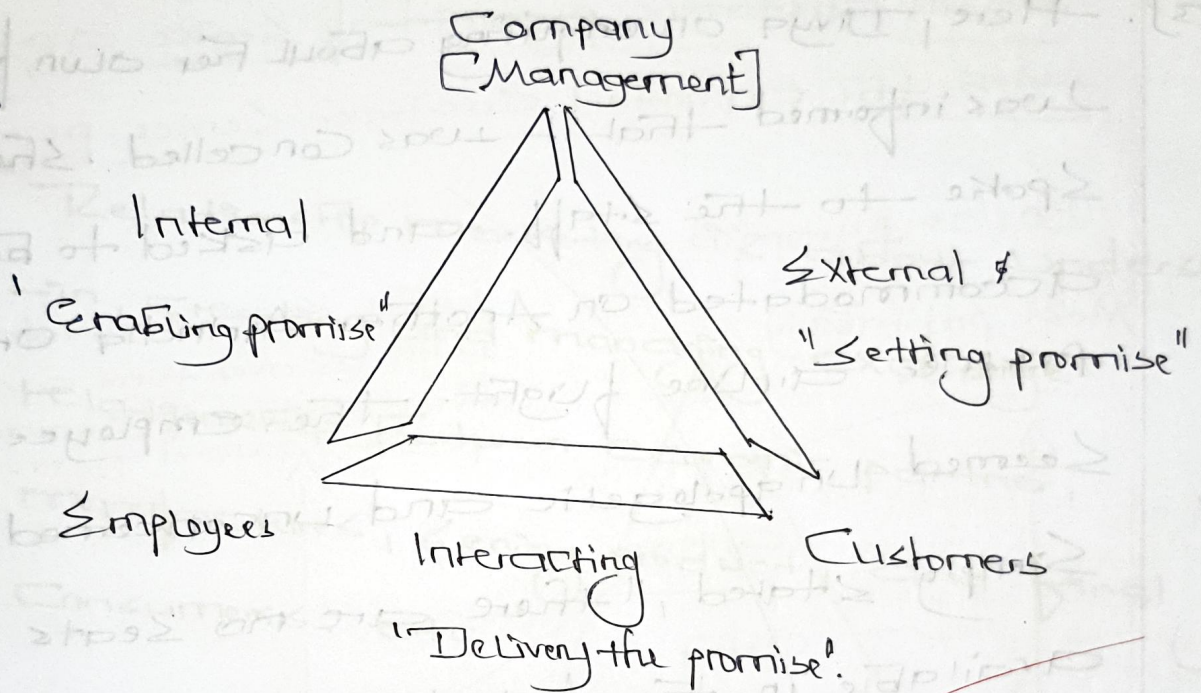
4[1]. - The news Headlines on 4th May, announced a strike by air India pilots. In the past five years air India passenger faced Major flight delays and disruption to the air flights schedules due to strike. Over pay promotion etc.

Because of the other passenger fought to get their checked-in luggage back the passengers were complaining about the lack of information.

Passenger only the responsible to the ~~at~~ Here Divya lost her temper like the other passengers and joined the mob of shouting passengers. the Air India employees were responsible.



4[2]



- 2
- Her, the InterLinked bet ~~are~~ the Company and Employees to the Internal process.
  - Then Company and Customers will InterLinked to the ~~External~~ process.
  - Then ~~Employees~~ and Customers Linked Between Interacting or promise made ~~kept~~ or Broken.
  - Here,



4[3]. Here, Divya on enquiring about her own flight, was informed that it was cancelled. She spoke to the staff and asked to be accommodated on another AirIndia or partner airline flight. The employees seemed unapologetic and unconcerned and simply stated, "there are no seats available in the AirIndia."

She pleaded for a temporary accommodation for herself and her baby. The employee signed and handed her over a sandwich and coffee voucher and made the service recovery do the recommend to AirIndia.



## Part A.

1 [q] "Relationship marketing is about understanding, creating and managing exchange relationship between economic partner, manufactures, serving product, and final consumers. etc."

eg: Attracts Attention - If some customers will Attention to the same product.

2 Connection - If some customers Connection Between the and particular product.



1[5]. 80:20 customers pyramid of service along with the expanded customer service pyramid.

80:20 pyramid.

Most profitability  
Customers



What Segment spends more with us over time cost less to maintain & spread positive word of mouth



Least profitability  
Customers

What Segment cost us in time effort and money yet does not provides the return we we want? What Segment is different to do business with.

Here, 80 pyramid will products the production and 20 pyramid will sales and

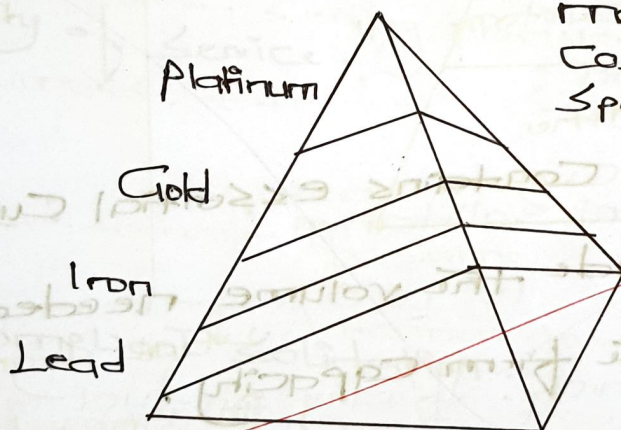


make the profit. and also 80:20 pyramid will be one of them other customers and another one will be the Best customer to production and sales and make the profit.

### Expanded Customers Service pyramid :-

Most profitability  
Customers.

LuFial Segment spends more with us over time Cost less to maintain & Spend positive word of mouth.



Least  
profitability  
Customers.

LuFial Segment cost us in time effort & money yet does not provides the return we want? LuFial Segment is different to do Business with.



• Platinum - It describes the Company most Profitable customers, typically those who are Heavy Users of the product.

• Gold - It differs from the platinum tier in that profitability levels are not as High.

• Iron - It contains essential customers who provide the volume needed to utilize the firm capacity.

• Lead - It consist of customer who are costing the company money.



## 1(c). Types of Service research :

### Introduction :

"Service research means the understanding the customer expectation of paramount important to provide firm a good quality of service."

### Types :

- # Compliant Solitation
- # Requirement research
- # Critical Incidence Research.
- # Mystery Shopping.
- # Exit Survey.
- # Lost Customer research.
- # Customer Panel.



- # Service Expectation Meeting | <sup>Reviews.</sup> <sup>Rewards</sup>
- # Future Expectation Research.
- # Service Blueprinting.
- # Market oriented Ethnography.
- # Satisfaction Survey.

### Explanation :

#### # Complaint Solitation :

It is one of the types of the Service research. If any product quality will not good that product will not Satisfaction to the customers then Complaint Solitation to the products owner.

#### # Requirement research :

It is one of the types of the Service research. If new markets will Starts first they want to research the area



Then after all the research they want to start market. For the more requirement research is necessary.

### # Critical Incidence Research :

It is one of the types of the service research. If any incidence will happen first we want to study the case what happen in that Critical Incidence Method.

### # Mystery Shopping :

It is also one of the types of the service research. Here, Mystery Shopping means Secret Shopping.

### # Exit Survey :

It is one of the types of the service research, here if any market one product is not going to sales much



customers will not taking that product then that products wants to exit in the survey

### # Last Customer Research :

It is also another types of the service research, here customers researching the product which product he need. But it would be last by the research.

### # Satisfaction Survey :

It is one of the types of the service research, if some people satisfaction with some other person survey. Some customer will expects the them only because they satisfaction with their survey.



## # Service Blueprinting :

It is also one of the types of the Service research. In some case they have Blueprint of the Service Flow to do the service. It will be easy to do service, etc.

3[a] " Emotional Labour is the force of managing feelings and expression to fulfill the emotional requirements of a job more specifically workers are expected to regulate with their emotion during interaction with customers, co-workers & superior!!

Eg: Connection : If some people fully emotion between any person or product any else. They connect the emotional love, affection, etc.



3[5]. Strategies used for closing gap 3 :

# Managing Service Employee &

# Acknowledging customers Role.

# Controlling Service Intermediaries

# Managing Demand and Capacity.

Explanation :

# Managing Service Employee &

It comes under the Gap 3. Here, Make the Employee clearly understand the role they play in the Company.

- Manage Conflicts Between Customer and Company management.



## # Acknowledging Customers Role:

It is also comes under the Gap 3. Here, Service quality could be jeopardized due to Service Customer not performing their role.

- Customer can introduce heterogeneity in Service delivery.

## # Controlling Service Intermediaries:

It is also comes under the Gap 3, Here, The firm must develop, ways to control and motivate these intermediaries.

## # Managing Demand and Capacity:

It is also comes under the Gap 3. Here,

- Capacity Constraints: Time, labour, equipment



and facility, optimal verses maximal use of Capacity.

- Demand Constraints : Here charting demand patterns, predictable cycle, Random demand fluctuations and demand pattern by market segment.

3[c]. Strategies of delivering service quality through people + fly are :

- # Hire the p. right people
- # Develop people to delivery service quality.
- # provide needed support system.
- # Retain the Best people.



## Explanation :

### # Hire the right people :

It is one of the strategies of delivery service quality, First we want to Hire / pick up the right people to the service they are :

- Compete for the Best people.
- Hire for Service Competencies & Service Inclination.
- Be the preferred employee.

### # Develop people to delivery service quality :

It is also one of the strategies for the delivery service. If some quality of people is good to develop the people to delivery service quality they are :



- First train for technical and interactive skills.
- Empower employees.
- Promote Teamwork.

### # Provide Needed Support Systems:

It is also one of the strategies of delivery service quality to the people. They become motivated to the people to do best service then they will learn everything but first they want support systems so they provided needed support system.

### # Retain the Best people:

It is one of strategies of delivering service quality through people. They need the best people to the service they are:



- Include Employees in the company's Vision.
- Treat Employees as Customers.
- Measure & Reward Strong Service Performers.

## Part B

4[1] Here, Mr. Wadhwa, the general Manager [H2] appointed by Skywalk, has a daunting task ahead of him. He has to find pilots Cabin crew and ground Handling staff for the Airlines in four months flat.

Secondly if new recruits are hired for Cabin crew and ground Handling positions then they have to be trained adequately.



4[2]

Here, ground Handling position. Then from to be trained adequately. But most of all Mr. Wadwa is wondering what kinds of criteria he should look for in selecting the front line staff who will interact with customers on a regular basis and may be determine the success or failure of the airline, should he focus on good looks and personality.

4[3]

Baggage Handler. Its skywalk has a low brand equity. Therefore it would be tough to attract the best candidates. Its capacity to pay high wages is not questionable, but whether business will be bright enough to sustain the high wages in future.



4[4] They differ from the skill sets needed in the hotel industry, they should focus on good looks and personality or a good school and college and communication skill or was it high IQ than was needed. His past experience in the hotel industry had given him some ideas, but he is not sure if any different skill sets were needed in the airline.



4-12-2019

IA-III

Ans Part A

Pricing  
1 [9] Approaches for Services :-

①. Cost Based pricing :-

①. Variable Cost.

②. Fixed Cost.

③. ~~Profit Margin~~

②. Value Based pricing :-

③. Demand Based pricing.

• By Customer.

• By product or Service.

• By Location

• By time.

④. Competitor Based pricing.

• Going rate pricing.

• Sealed Bid pricing

• Pricing below the Competitors.



## 16] Role of Service Scope:

- ①. Package
- ②. Socialiser
- ③. Facilitator
- ④. Differentiator.

### Introduction:

Service scopes it gives great weight to the physical environment in which particular service is being executed.

#### • Package:

Service scope serves as a package for the service offered by the service firm and creates an image of what the consumer is likely to get which he subscribed to the service offering.

#### • Facilitator:-

The service scope also acts as a facilitator of the service process.



It assists both the Customer and the employee to make maximum utilization of the service opportunity so that the maximum satisfaction is provided.

- Socialiser:

Service scope designs helps in the socialiser of both the customers and employees. It defines their expected roles, behaviour and relationship in the service delivery.

- Differentiator:

This is one of the most important roles played by Service scope. The layout of the service firm also conveys its nature to the customers.



[C]

Architectural Elements

Historic Environment

Internal Company

Ambient Conditions

- ① Temperature
- ② Air qualities
- ③ Noise
- ④ Music
- ⑤ Odour

Perceived Servicecape

Cognitive  
• Beliefs  
• Categorisation  
• Symbolic meaning

Emotional  
• Mood  
• Attitude

Physiological  
• Pain  
• Comfort  
• Movement  
• Physical fit

Employee

Customer response

Social Interaction  
Between and Among Customer & Employee

Individual Behaviour

- Attraction
- Stay / explore
- Spend money
- Return
- Carry out Plan

Cognitive  
• Beliefs  
• Categorisation  
• Symbolic meaning

Emotional  
• Mood  
• Attitude

Physiological  
• Pain  
• Comfort  
• Movement



## Explanation :-

### # Architectural Elements :-

In this Architecture elements

Grouped under Ambient Condition. Under these:

# Noise

# Temperature.

# Music.

# Odour.

# Air qualities etc.

### # Internal Company :

In this Internal Company there are

3 types comes:

# Cognitive

# Emotion.

# Physiological.

In this Cognitive Under

• Belief.

• Categories

• Symbolic.



# Emotional :

Here Emotional ~~High~~ Comes

• mood

• Attitude.

# Physiological.

• Air

• Comfort

• Movement etc

Will Be Comes Under Intensity

Physiological.

# Social Interaction :

Social Interaction means

Between and among Customers and employee will be together.



## 2[a]. Physical evidence:

"Physical evidence can also be understood as that part of an organisation which is exposed or physically exhibited to the customers. This includes components like the service outlet interior and exterior designs and various tangible components (machinery, furniture, service vans, signage etc)."

## 2[b]. Price as an indicator of Quality:

Here, Due to the intangibility of service it is often difficult for customers to assess the quality of service. Customers are likely to use price as an indicator of both service costs and quality. Customers use of price as an indicator



of quality depends on several factors. One of which is the other information available to them.

# Another factor that increases the dependence on price as a quality indicator is the risk associated with a service.

# Because customer depends on price as a cue of quality and because price sets expectation of quality.

# When service cues to quality are readily available, buyers are likely to use price as an indicator of both service cost and reputation.

# Because goods are dominated by the service.



### 3(a). Non monetary Cost in pricing decision of Services.

- Time
- Search
- Effort
- Convenience
- Physic Eff Costs

#### Explanation :

##### Time :-

Time is investment Customer has to provide Service use. How much the Customer expected to wait? In government Healthcare facilities.

##### Search :

A Customer has a buy a particular type<sup>ob</sup> LED. television. His or Her search Effort would require firm or firm to



visit a couple of stores selling the television.

- Effort: A Customer Has to Buy a particular type of LCD, same as the search.

- Convenience:

Goods can be procured more conveniently than services. In the case of goods, goods are generally widely distributed and made available to customers.

- Psychic Costs:

Service use often involves psychological discomforts. Going to the dentist is psychologically challenging.



## Part B

4[1] Nature of Services provided by Zomato :

# Here, Zomato is an online restaurant discovery platform where customers can find restaurants in a particular area, and place order, and pay online.

# And also can order by internet and mobile app are the only channel used for the whole process for customers to find the restaurant.

# Facebook, Twitter and Pinterest are the main platform which made the base for the success of Zomato.

# Zomato wants to start delivering the ordered food to the customer's doorstep by the own vehicle.



# And also plans to focus on Segments such as online food ordering, restaurant Booking, Subscription Based Services and Billing in restaurants.

4[2]. The services provided by Zomato can be equally utilized by the customers & restaurants. :-

# Here Zomato will providing food to the home delivery only. If they delivering the food to the home in their own Vehicle.

# Customers can give review about the restaurants and the quality of food which helps the restaurants and customers to have a better experience.



# Internet & mobile app are the only Channel used for the whole process for Customers to find a suitable restaurant with better discount deals and to place an order.

# Here, Facebook, Twitter and printest are the main platform which made the base for the success of Zomato with a deep presence among their customers.

# Here Zomato wants to start delivering the ordered food to the customers door step by their own, which was earlier taken care of by restaurants.



## INTERNAL ASSESSMENT MARKS ENTRY

| Q.No's |   | I.A. - I   |                |      | I.A. - II  |                |      | I.A. - III |                |      |
|--------|---|------------|----------------|------|------------|----------------|------|------------|----------------|------|
|        |   | Max. Marks | Marks Obtained | Co's | Max. Marks | Marks Obtained | Co's | Max. Marks | Marks Obtained | Co's |
| 1      | a | 3          | 2 1/2          |      |            |                |      |            | 3              |      |
|        | b | 7          | 6              |      |            |                |      |            | 7 1/2          |      |
|        | c | 10         | 8              |      |            |                |      |            | 8 1/2          |      |
| OR     |   |            |                |      |            |                |      |            |                |      |
| 2      | a | 3          | 2              |      |            |                |      |            | 3              |      |
|        | b | 7          | 5 1/2          |      |            |                |      |            | 5              |      |
|        | c | 10         | 6              |      |            |                |      |            | 8              |      |
| 3      | a |            |                |      |            |                |      |            |                |      |
|        | b |            |                |      |            |                |      |            |                |      |
|        | c |            |                |      |            |                |      |            | 8              |      |
| OR     |   |            |                |      |            |                |      |            |                |      |
| 4      | a | 10         | 5 1/2          |      |            |                |      |            | 9              |      |
|        | b |            |                |      |            |                |      |            |                |      |
|        | c |            |                |      |            |                |      |            |                |      |
| TOTAL  |   | 50         | 35 1/2         | ---- |            |                | ---- |            | 43 1/2         | ---- |

### COURSE OUTCOMES

|     |                                                                                                     |
|-----|-----------------------------------------------------------------------------------------------------|
| C01 | Explain the 6 Develop an understanding about the various concepts & importance of Service Marketing |
| C02 | Enhance Knowledge about emerging issues & trends in the Service Sector                              |
| C03 | Learn to implement Service strategies to meet new challenges.                                       |
| C04 |                                                                                                     |
| C05 |                                                                                                     |
| C06 |                                                                                                     |