

KIBABII UNIVERSITY



UNIVERSITY EXAMINATIONS

MAIN EXAMINATIONS

2020/2021 ACADEMIC YEAR

THIRD YEAR SECOND SEMESTER

FOR THE DEGREE OF BACHELOR OF COMMERCE

COURSE CODE: BCM 321

COURSE TITLE: SERVICE MARKETING AND MANAGEMENT

DATE:14/05/2021

TIME: 2.00PM-4.00PM

INSTRUCTIONS TO CANDIDATES

Answer Question ONE (compulsory) and ANY OTHER TWO questions

QUESTION ONE

Denvoshire opened as a Lunch and Snack Joint in the newly developed office area in Hinzewadi near Pune. The area of Hinzewadi developed when a number of I.T. Industries developed. The boom in the IT Industry enabled a number of new startup companies to prosper. The main investment of those types of companies was in real estate in the form of Offices and Infrastructure Development. The companies prospered using English Speaking College graduates available in adequate numbers at salaries that are not too high. A majority of employees of those companies were fresh graduates. About a year after Denvoshire opened, Mr. Joshi the owner, was contemplating on business expansion. During one afternoon Mr. Joshi was focussing on the customer complaints received which majorly focused on late serving time inspite of continuous efforts. The business of denvoshire had grown leaps and bounds within a short period of time. However a new restaurant was going to open in the neighbouring building. Therefore expansion and improvement of facilities was the key focus of Mr. Joshi to stay in the competition. Mr. Joshi thought that they should go for top class decor, fancy designer furniture that would push them upmarked and they would also be able to charge better. He thought of going for new monogrammed ceramic cuttlery to give a distinct look. They also thought of buying some new kitchen equipment with electric tandoor and improvised kitchen equipment. The main concern was to borrow a large sum of money from a financier. As it would lead to increase charges or considerably reduce food portions and charge extra for additional portions of dal or subzi that is currently free of charge for fixed thali customers, said Joshi. He wondered if the crowd of office goers who are their main customers would be able to afford that. He always thought that their main need was to a fed substantial meal as they are all young and work long hours. Mr. Joshi thought that people liked his food because they served healthy home - like food at prices that his customers afford at their salary level. Deciding how to go about this expansion is a real problem.

- a) Discuss the pricing tactics that may be adopted to sell services at Denvoshire restaurant. (10 marks)
- b) What would be the desired and adequate levels of service? What level of service would you plan to deliver? (10 marks)
- c) Using examples from the case explain the kinds of physical evidence that are used in the restaurant. (10 marks)

QUESTION TWO

- a) To identify a group for dividing into a segment, certain characteristics need to be satisfied. All segments are not useful for business organizations. In order to be useful what criteria should be applied? (10 marks)
- b) Discuss the service triangle in service marketing (10 marks)

QUESTION THREE

- a) How do satisfaction and service quality relate to one another and how do they finally relate to profitability (10 marks)

b) Elaborate on the traditional marketing mix for services. What marketing instruments deserve attention and what are the extras marketing mix elements that are added in the case of services (10 marks)

QUESTION FOUR

a) Discuss how intangibility of service creates difficulties in the marketing of credit cards by banks. (10 marks)

b) Write briefly about the following terms as they apply to the marketing of services:

- i) Inseparability (5 marks)
- ii) Perishability (5 marks)
- iii) Service encounter (5 marks)
- iv) Gap analysis (5 marks)

QUESTION FIVE

a) In what specific ways does the distribution of service differ from the distribution of goods? (10 marks)

b) Explain how a marketer can adapt the marketing concept of product, price, place and promotion to a service (10 marks)