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GUJARAT TECHNOLOGICAL UNIVERSITY

MBA – SEMESTER 4 – EXAMINATION – SUMMER 2019

Subject Code: 3549212 Date: 06/05/2019

Subject Name: Services and Relationship Marketing (SRM)

Time: 10:30 AM TO 01:30 PM Total Marks: 70

Instructions:

1. **Attempt all questions.**
2. **Make suitable assumptions wherever necessary.**
3. **Figures to the right indicate full marks.**

Q.1 **Define the following terms**: **14**

(a) Credence Service
(b) Jay Customers
(c) CRM
(d) Servicescape
(e) Service Redesign
(f) Low Contact Services
(g) SST

Q.2 **(a)** Explain briefly with diagram "Flower of Services". **07**

(b) What do you mean by "Service"? How services differ from product? Explain. **07**

OR

(b) How are customers Expectation formed? Explain the difference between desired service and adequate service with reference to a service experience of your choice. **07**

Q.3 **(a)** Discuss the marketing communication mix for services. **07**

(b) Explain The Wheel of Loyalty as strategies of building customer loyalty. **07**

OR

Q.3 **(a)** Define productive capacity? Can capacity levels sometimes be stretched or shrunk? How capacity can be adjusted to match demand? **07**

(b) The foundation underlying pricing strategy can be described as a tripod. Explain in brief. **07**

Q.4 **(a)** 'When waiting is unavoidable make it at least tolerable.' – Discuss. **07**

(b) Explain seven categories of perceived risks. **07**

OR

Q.4 **(a)** Prepare a blue print for a high contact, people processing service. **07**

(b) Draw the figure showing seven service quality gaps and discuss prescription for closing each one of it. **07**

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Q.5 **CASE STUDY:**

Clearly, the traditional model of branch banking has undergone a sea change. Branches have moved on from being primarily service-oriented to sales and service outlets, with the focus on cross-selling.

The customer walks into the branch to deposit some cash. He finishes his transaction and walks over to the personal banker's desk for an account detail query. Not only does the personal banker resolve the customer's query, but is in a position to cross sell the product and service options which the customer could avail of, at preferential rates, based on his account and transaction history. Welcome to the new-age of branch of the modern bank, a one-stop financial supermarket to fulfill all the financial needs of the customer.

However, a change in mindset and focus alone is not enough. For the new model to succeed, the front-line employees have to be empowered enough to take important decisions and make preferential offers to customers in an instant manner. This would depend on the quality of information that the personal banker at the branch has at his/her fingertips. It is also necessary that the information be consistent across all branches and other direct access channels like the ATMs, phone banking, Mobile banking and Net banking, throughout the country. The customers today have become more demanding and expect 24-hour access to their bank accounts through these various channels.

In order to fulfil the requirements of the bank's employees as well as the customer, centralized processing with a data warehouse is a must. At HDFC Bank, the management embarked on this journey when it implemented the data warehousing solution, which enables the managers to have a holistic view of all relationships of the customers, helping the bank understand them and their requirements better.

The bank always had the data required to make informed decisions that would help it meet its business objective. Yet, collecting and analyzing the data was a lengthy and cumbersome process. It was stored in disparate sources ant the task of compiling and analyzing this information took a lot of time. What was required was a system whereby the business teams could easily analyze the customer transactions and banking behavior in several permutations and combinations and make it available to the customer-interfacing staff.

A full-fledged data warehouse could eliminate the time consuming hurdle of working with disparate sources. The warehouse pulls information from different transaction systems and customer interface channels, and centralizes it in a single database.

The database would enable the bank to understand the type of product that a particular customer would avail of, how frequently the customer uses that product, the transaction characteristics and the customer's banking behavior. The bank can also find out profitability of the customer which is critical in offering preferential pricing so that the relationships could not only be sustained but even enhanced. The profitability metrics are used extensively in service differentiation. Certain profitable customers are given

customers are given the "preferred" status in service deliveries and pricing.

What differentiates a new age banking service from a traditional one?

(a) **07**

(b) What new skills are needed by new age frontline service people in a bank to provide various services to customers? **07**

OR

Q.5 (a) As a branch manager, what other services should be offered to profitable customers for service differentiation? **07**

(b) What role does technology play in providing superior service to customers in new age bank? **07**

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