

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER IV • EXAMINATION – WINTER 2015

Subject Code: 840103

Date: 05/12/2015

Subject Name: Services & Relationship Marketing

Time: 02.30 PM TO 05.30 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 (a)** What do you mean by “Service”? Discuss how service is differing from product? **07**
- (b)** “Selling a product is not only an important criterion; but how you are offering a service is more important in now a day” – Discuss this statement in view of service marketing perspective. **07**
- Q.2 (a)** Explain the term “Zone Of Tolerance (ZOT)”? Discuss its importance in service marketing. Also relate & elaborate the concept with service provided by any Multi cuisine restaurant of your choice. **07**
- (b)** Explain different types of customer roles in service delivery. **07**
- OR**
- (b)** Discuss the role of CRM for enhancing customer retention and loyalty through better customer relation. **07**
- Q.3 (a)** Discuss “Yield Management”. Relate this price phenomenon with Multiplex industry and also with Airline industry of India. **07**
- (b)** Write down short note on: 7P’s of service marketing **07**
- OR**
- Q.3 (a)** Explain the ‘Flower of Service’ concept and identify each of the petals in detail. **07**
- (b)** What is “Perceived Risk”? Discuss various perceived risk while purchasing and using services. **07**
- Q.4 (a)** Describe four basic waiting line strategies, and give an example of each one, preferably based on your own experiences as a customer. **07**
- (b)** Draw & briefly explain GAP model of services. **07**
- OR**
- Q.4 (a)** Discuss the concept of “Servicescape”. List out various servicescape elements that as a manager you can use in your firm. **07**
- (b)** Write a short note on Four broad categories of services. **07**
- Q.5 (a)** Take example of any service industry; draw and explain its Services Blue Print by showing its various components and tasks. Also explain importance of service blue print in service industry. **07**
- (b)** What is “Consumer Behavior”? Discuss three step model of consumer behavior & relate this model to 108 emergency service provided by Gujarat government. **07**
- OR**
- Q.5 (a)** Write down short note on: SERVQUAL survey **07**
- (b)** Read the case and answer the questions given at the end of the case : **07**

A PRODUCT FAILURE AT SATURN

Saturn has always attempted to create committed customers. Saturn a division of General Motors, advertises around the theme :

*“A different kind of company
A different kind of car”*

Though Saturn cars costs only 10 to 14 thousand USD (Rs. 6 lakhs to Rs. 8 lakhs), the firm attempts to provide its customers the same level of service and consideration typically associated with expensive luxury cars. Its stated objective is to be "the friendliest, best-liked car company in the world". The company states: "We're going to do more than what the customer expects, and in the long run, it will enhance our image".

Saturn's attempt to build an image of a high-quality car built by skilled, caring workers and sold in helpful, non pressure dealerships, had received two small tests in its first two years. In one, it had to recall and replace 1,836 cars that had received improper coolant. In another, it had to repair 1,480 cars with faulty seat-back recliners. In the second case, the firm made a TV commercial showing a Saturn representative flying to location to fix the car of a resident who had purchased it in the first year of its launch.

However, in 1998 Saturn began receiving reports of a wire short-circuiting and causing a fire. Thirty-four fires (no injuries) were reported. Saturn faced a dilemma. A recall would involve 350,000 cars and a direct expense of as much as \$ 55 million dollars. Any negative publicity associated with the recall could seriously depress sales. Saturn had yet to break even and General Motors was under serious financial pressure. Saturn managers decided to deal with the problem in a manner consistent with its company objective described early. It quickly notified all purchasers of the affected cars and asked them to contact their dealers to have the defective wire replaced at no charge. The dealerships extended their operating hours, hired extra personnel, arranged door-to-door pickup and delivery, provided free car washes, and often provided barbecues or other festivities. All the repaired cars had a courtesy card placed inside that said:

We'd like to thank you for allowing us to make this correction today. We know an event like this will test our relationship, so we want to repeat to you our basic promise - that everyone at Saturn is fully committed to making you as happy a Saturn owner as we can.

According to Steve Shannon, Saturn's Director of consumer marketing, the decision to handle the recall in this manner was simple:

The measure of whether we are a different kind of company is how we handle the bad times as well as the good. We're trying to minimize the inconvenience and show that we stand behind the cars, so that our owners don't lose faith in us or the cars.

How have consumers responded to the recall? Ms. K. learned of the recall from friends who had heard of it on news reports before she received her letter from Saturn. She took her car to the dealer who served her coffee and doughnuts during the 24-minute repair. Her response.

I expected this would be my first bad experience with Saturn. But it was so positive, I trust them even more than when I purchased the car.

Questions:

- (a) Evaluate the manner by which Saturn handled the recall. What options did it have?
- (b) How will publicity about the recall affect Saturn's image among non-owners?
