

June 2016

Bachelor of Business Administration (BBA) Examination

VI Semester

Marketing of Services

Time 3 Hours]

[Max. Marks 80

Note : Attempt any four questions (out of seven questions) from Section A. Each question of Section A carries 15 marks. Section B is compulsory and carries 20 marks.

Section A

1. "The need and variety of services would depend on economic and social factors." Illustrate this viewpoint with examples.
2. Discuss the various service quality dimensions.
3. What do you mean by service recovery? Explain the process of service recovery.
4. Write a note on market segmentation and, forget marketing in the marketing of services.
5. What are the determinants of service quality ? Discuss the reasons why quality has become an increasingly important issue in service marketing?
6. How does the concept of relationship marketing works in service industry?
7. Discuss the criteria on the basis of which the service customers evaluate the service.

Section B

8. Analyse the case and answer the questions given at the end :

Arvind is a graduate mechanical engineer from one of the ten best engineering institutes of the country. He is young, energetic and a gold medalist. During the campus interviews he was selected by an industrial house to work in the industrial products division as sales executive. Though he found this job satisfactory he felt his qualifications were inadequate as all the people superior to him in the organisation were management, graduates in addition to their basic qualifications. This inadequacy made him insecure and he soon left this job to acquire an MBA.

He joined the MBA course as a regular student and completed it with distinction. As apart of the MBA curriculum he took up a project work to develop a marketing plan for Autocrop, a small organisation which was producing autoelectric parts for the replacement market. Though Autocrop had established itself as a quality product in the replacement market, the lack of professional competence was a major drawback in establishing its roots in the market. The organisation did not have a professionally qualified marketing manager to energise its sales team members.

The plan submitted by Arvind was based on market analysis, competitor strengths and weaknesses, promotional marketing strategies and strategies of various players in the market. After making a systematic analysis he focused on issues related to demand projections, competitive analysis, marketing mix elements i.e., product offering promotional, pricing and distribution strategies. Autocrop found the report quite useful and could implement some of Arvind's recommendations to its benefit. But being too small an organisation it could not absorb him.

MK Associates are consultants in the field of management consultancy and training and provide advice and training to various companies in the area of facilities planning, re-engineering and productivity improvement.

- The re-engineering department, of MK Associates provides services of psychological testing, total quality management, employee training, efficiency studies, process planning, layout studies and application of information technology in business decisions.
- The facilities planning department of MK Associates have experts in the field of mechanical, electrical and civil engineering. They have been provided with the full support of a computer lab, CAD/CAM facilities to optimise the use of facilities. They are fully equipped to provide services related to fulfillment of regulatory obligations, like building bylaws, pollution control; environmental issues and land use, etc.
- The productivity improvement department is competent to establish PIPS (Productivity Improvement Programmes) establishing and implementing Productivity Measurement System, selecting and advising productivity improvement approaches, suggesting productivity improvement methods through work redesign, through incentives, through job enrichment, through individual and group participation, etc.

Promoter directors and staff of MK Associates are qualified personnel in the area of mechanical, civil, electrical engineering, industrial engineering, computer assisted designing and have long industrial experience. In fact most of them were employed with reputed companies before promoting MK Associates.

Their client base is very broad and industries served by them include engineering and metallurgical industries and the mining and allied industries. The clients are from the private and public sector. Advisory and training services are also provided to some government departments.

Rajesh, Managing Director of Autocrop talked to Rakesh, Chief Executive Officer of MK Associates about Arvind and appraised him of the good work done by him for his organisation. He requested Rakesh to interview Arvind and see if he could be absorbed into MK Associates.

Arvind was called for an interview with the directors of MK Associates and was appraised of the business interests of the organisation. No one at MK Associates had ever worked in the field of marketing and their total business was based on their contacts. They were facing great difficulty in expanding the business base.

Since Arvind had a marketing background and experience in industrial products, he was a suitable candidate for marketing consulting services. As marketing consulting services is customer-oriented, they felt that hiring Arvind will result in winning more customers even in the competitive market place.

MK Associates had a competitive edge because of their technical superiority. Their company was doing exceedingly well for the past five years. During these five years of operations, three more consulting organisations in the same field had emerged and were establishing their base in the segment where MK had a stronghold. The impact of this was being felt as they were losing clients every now and then. They were not able to win the tenders they used to do in the past. The technical competency of the staff was no more a competitive edge. They were not even able to diagnose the cause of declining sales of the organisation.

To deal with the above situation, MK Associates offered the position of Marketing Manager to Arvind. Arvind realised that the combination of basic marketing knowledge (as he has worked as sales executive for three years with Autocrop), has technical background and newly acquired MBA degree will enable him to take on the challenges of marketing consulting services. His marketing knowledge blended with technical expertise of MK Associates will make the organisation proactive in the present competitive environment.

Arvind joins MK Associates to take up this challenge. He is assigned the task of making the marketing plan for the organisation.

Questions for Discussion

If you were Arvind :

1. Explain where you will start ?
2. What would you like to know about the service business ?
3. What difference is there between marketing autoproducts and the consulting services ?
4. How would you use the technical expertise of the staff to market consulting services ?
5. What marketing strategy will you suggest to promote consulting services?
6. How will your offerings differ from those your competitors are offering ?

