

Code No: MB1343/R13

MBA IV Semester Supplementary Examinations, May-2019

SERVICES MARKETING

Time: 3 Hours

Max. Marks: 60

*Answer Any FIVE Questions
All Questions Carry Equal Marks
Question No. 8 is Compulsory*

- | | | |
|------|---------------------------------------------------------------------------------------------------------------------------|----|
| 1. a | What is services marketing triangle? | 4M |
| b | How do you classify services? Explain the classification with examples | 8M |
| 2. a | What do you mean by product-service line of continuum? | 6M |
| b | Explain the process of positioning a service in the competitive market. | 6M |
| 3. a | What is relationship marketing? | 4M |
| b | How can quality services be used in a manufacturing context for competitive advantage? | 8M |
| 4. a | List five services for which customer compatibility is essential. | 6M |
| b | What are the examples of services where brand switching is difficult for consumers? | 6M |
| 5. a | What is Demand-based pricing? | 4M |
| b | Explain special problems in Demand-based pricing for services. | 8M |
| 6. a | What is services marketing communication-mix? | 6M |
| b | Examine the role of marketing communication in service promotion. | 6M |
| 7. a | Why do tangibles require a special mention in service business? | 4M |
| b | Mention the ways in which an insurance company can improve its marketing through the use of physical evidence management. | 8M |

Code No: MB1343/R13

8. **CASE STUDY**

Study the case given below and answer the questions given at the end.

12M

World Gym

World Gym began operations in 1995 in a large city. The company's objective was to meet the fitness needs of a diverse clientele, from the professional body builder to the overweight person; World Gym's pricing plan was to have a fitness facility that targeted the common person - a fitness facility that was not on the high end or the low end, but in the middle price range. In the beginning it planned to challenge the price of the top-of-the-line facilities. It offered its services in big spacious centre in a high-traffic area, a part of city that was becoming gentrified. There was little competition in the area. The establishment's large space, with natural light coming in, set it apart from competitors.

The company expected its members to come from other clubs and facilities not only in the immediate neighborhood, but all around the city. It saw its trade area as the neighborhoods within an 8-10 minute drive.

The company decided to begin by marketing its product to people who were already working out but wanted something unique. When the company opened its fitness facility, consumers readily accepted it. World Gym membership far exceeded expectations. It now has 3,000 members. As many as 2,000 people come on a given day.

For years World Gym had few serious competitors. In the city, permits are required to open a gym and thus are an obstacle to potential competitors. And the cost of opening a 35,000-square-foot facility is an additional barrier to entry.

Questions

- (i) Was World Gym's pricing plan appropriate in a market where there was a relatively low supply of services?
- (ii) Over time World Gym's membership exceeded expectations. Demand was strong and constant. What impact might this situation have on the company's pricing strategy? On product strategy?
- (iii) Suppose the company learns that two new competitors plan to open fitness facilities within a mile of World Gym. How might the increased supply of services affect World Gym's pricing policy?
