

Scheme and Solution

1(a) Define service.


## Definition of service

**Berry define** Service as act, deeds & performance. Service is a form of Product but not tangible.

**AMA define** service as activities, benefits or satisfaction that are offered for sale, or provided in connection with the sale of goods.

Examples of service:

- Telecommunication service (Industrial Se
- Education Service (professional Service)
- Banking Service (Industrial Service)
- Consultancy Service (Industrial Service)
- Health care
- Financial service

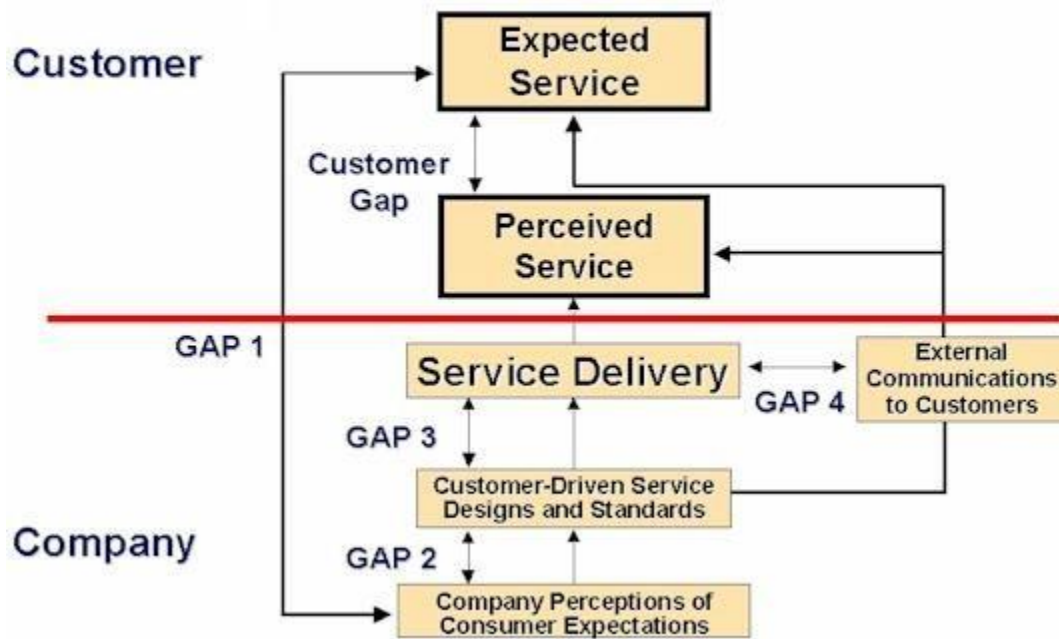


1 (b) Differentiate goods and services

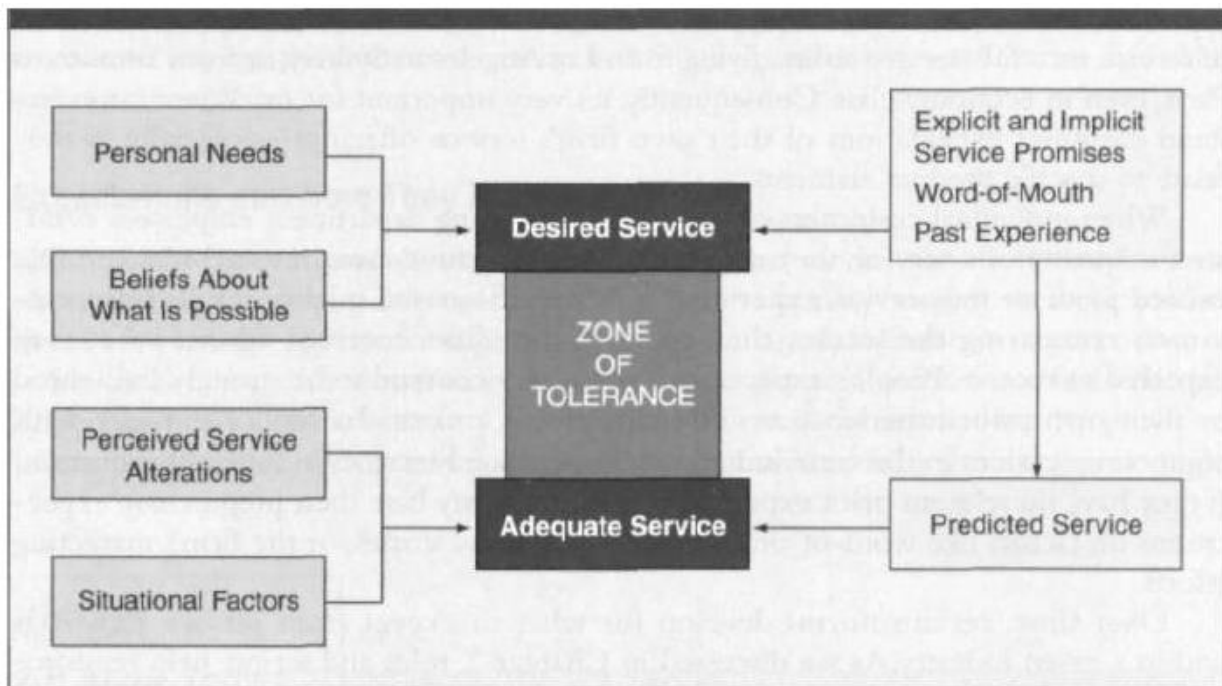
<b>Functional Characteristics</b>	<b>Physical Goods</b>	<b>Services</b>
Unit definition	Precise	General
Ability to measure	Objective	Subjective
Key process	Manufacturing	Delivery (buyer-seller interactions)
Distribution	Separate from manufacturer	Same as production
Personal selling	Tangible	Intangible
Flexibility of provider	Limited	Broad
Time intervals of producer	Months to year	Same day

(Source: Gronroos, 1990:28)

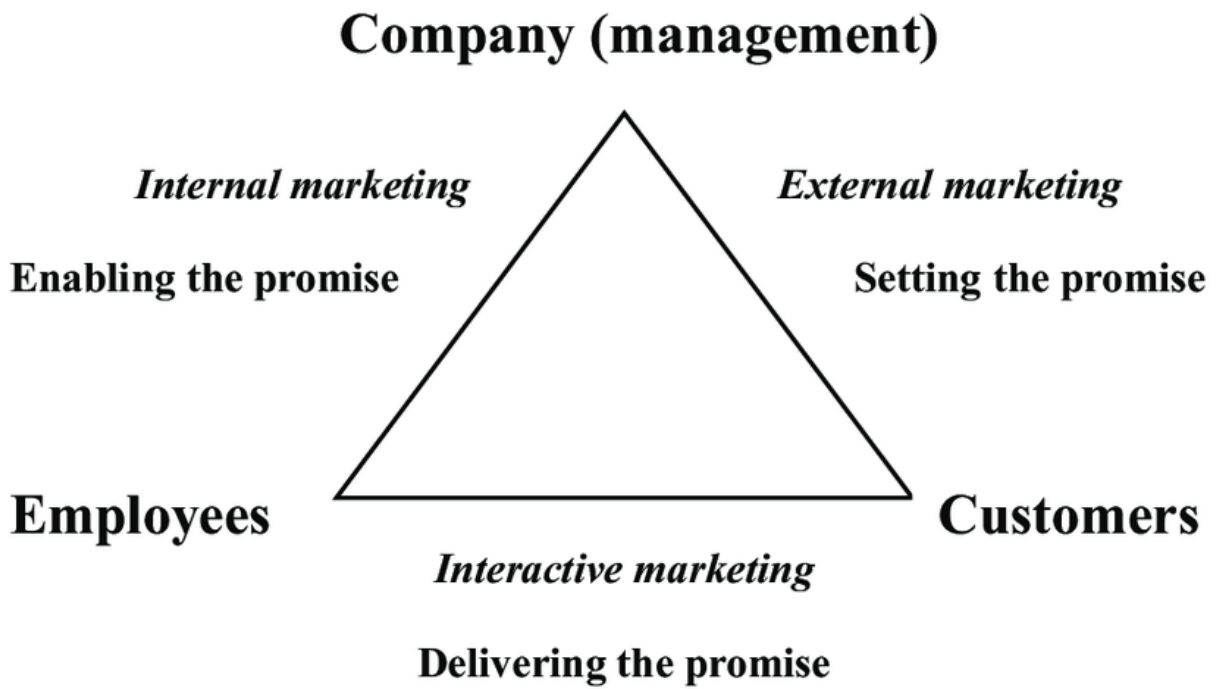
1 (c) Explain GAP model with neat structural diagram.



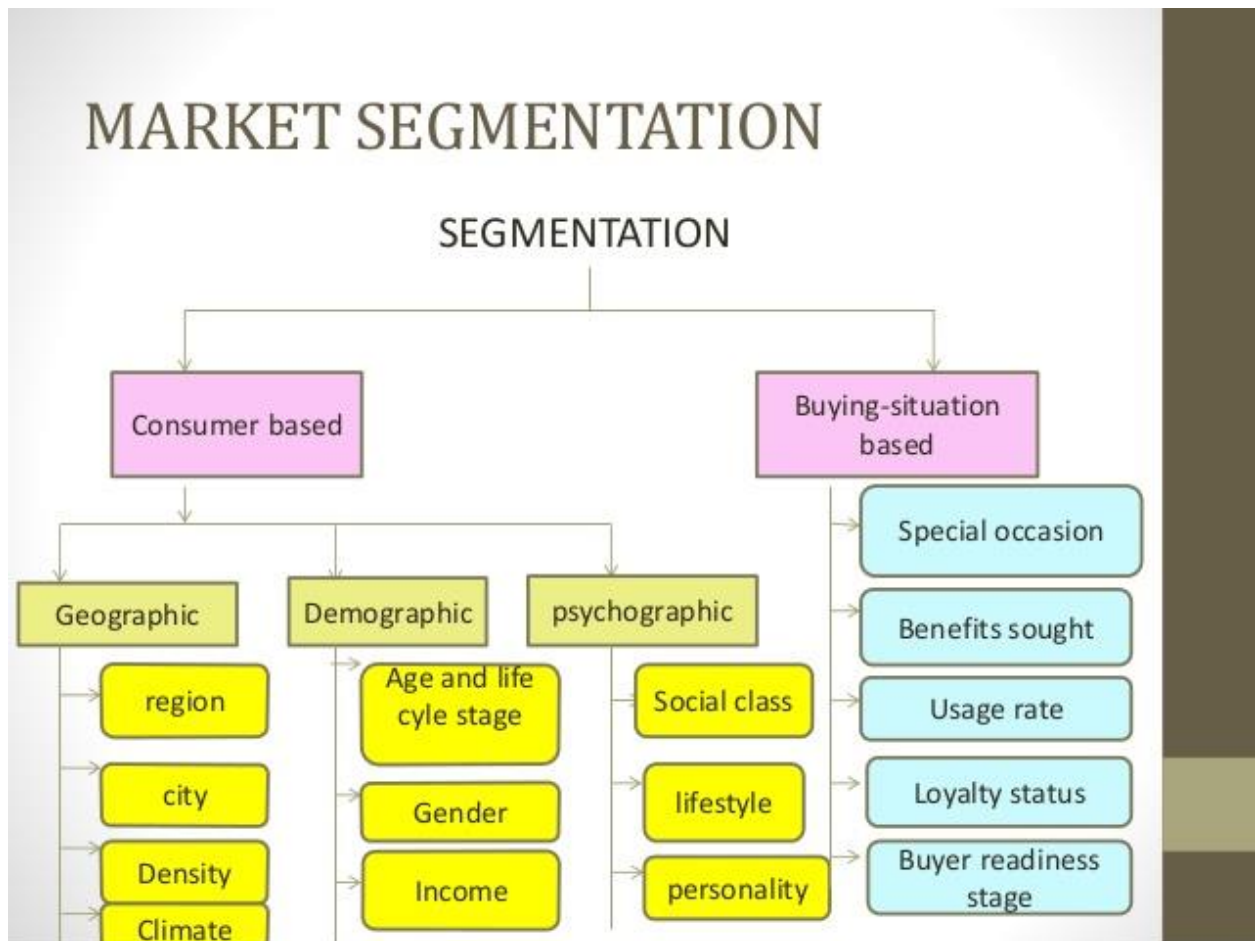
2 (a) Define zone of Tolerance.



2 (b) Explain service marketing triangle.



2 (c) Discuss the market segmentation strategies.



3 (a) Differentiate Hard and Soft standards.



## Types of Customer – Defined Service



### **HARD STANDARDS AND MEASURES**

Things that can be counted, timed, or observed through audits (time, numbers of events)

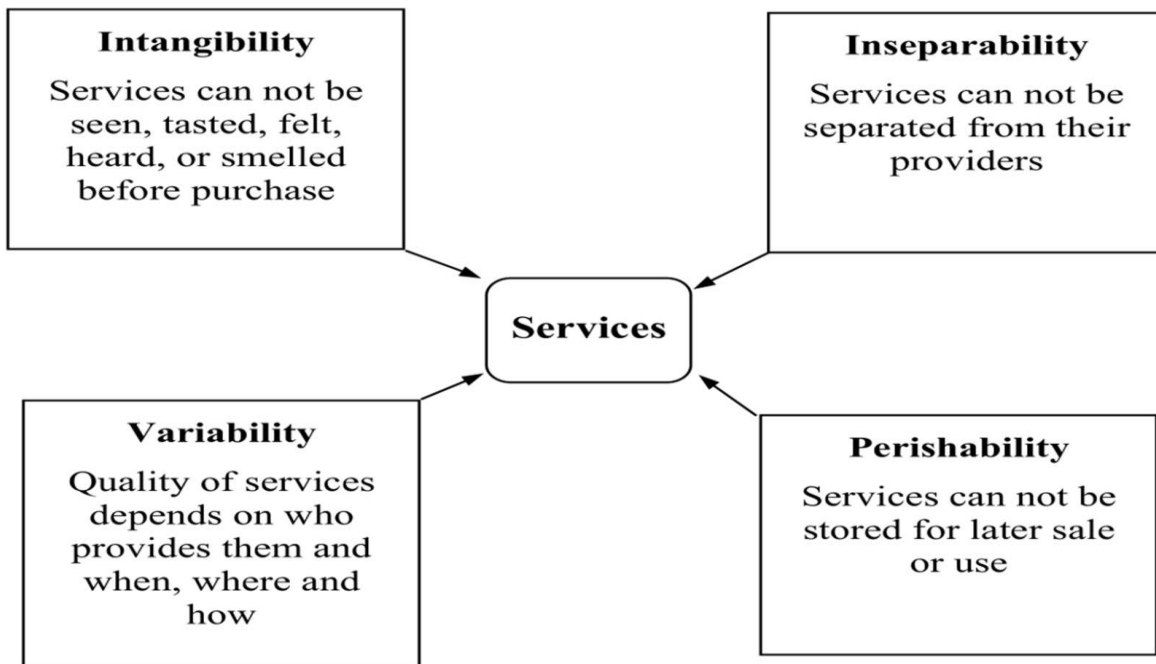


### **SOFT STANDARDS AND MEASURES**

Opinion-based measures that cannot be observed and must be collected by talking to customers (perceptions, beliefs)

3 (b) What are the four common types of constraints facing services.

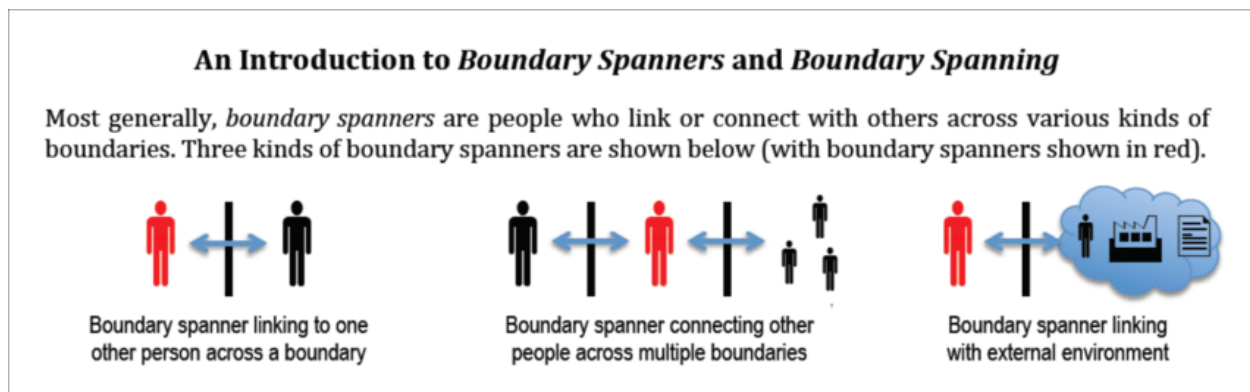
# Service Characteristics



3 (c) Explain consumer decision making process.



4 (a) What are Boundary spanners



4 (b) Describe the key intermediaries of services.

## Services Intermediaries

- franchisees
  - e.g., Jiffy Lube, H&R Block, McDonald's
- agents and brokers
  - e.g., travel agents, independent insurance agents
- electronic channels
  - e.g., ATMs, university video courses, TaxCut software

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4 (c) Explain the strategies for closing GAP 3.

## Closing GAP 3: ENSURE THAT SERVICE PERFORMANCE MEETS STANDARDS

1. **Attract** the best employees
2. **Select** the right employees
3. **Develop** and support employees
  - train employees
  - provide appropriate technology & equipment
  - encourage and build teamwork
  - empower employees



5 (a) Define yield management

## What is Yield Management ?

- The process of allocating the right type of capacity to the right kind of customer at the right price and at the right time so as to maximize revenue or yield.

5 (b) What are the five dimensions of service quality.

Dimension	Definition
Tangibles	Appearance of physical facilities, equipment, personnel and written materials
Reliability	Ability to perform the promised service dependably and accurately
Responsiveness	Willingness to help customers and provide prompt service
Assurance	Employees' knowledge and courtesy and their ability to inspire trust and confidence
Empathy	Caring, easy access, good /communication, customer understanding and individualized attention given to cutomers

**Source:** Adapted from Zeithaml et al. (1990)

5 (c) Explain service marketing mix.



6 (a) Who is an Emotional labor.

## EMOTIONAL LABOR

- Emotional labor or emotion work is a requirement of a job that employees display required emotions toward customers or others. Example professions that require emotional labor are: nurses, doctors, waiting staff, and television actors.



6 (b) What are the three levels of Retention strategies.





6 (c) Explain the approaches of pricing in services.

## Approaches to Pricing Services

- **Cost-based**
  - a company determines expenses from raw materials and labour, adds amounts or percentages for overhead and profit, and thereby arrives at the price
- **Competition-based**
  - Focuses on prices charged by other firms in the same industry
- **Demand-based**
  - Involves setting prices consistent with customer perceptions of value

7(a) Define service scape.

### **What is a servicescape?**


**"The immediate physical and social environment surrounding a service experience, transaction or event... It plays a critical role in shaping customer expectations, differentiating service firms, facilitating customer and employee goals, and influencing the nature of customer experiences."**

**– Bitner 1999**

7 (b) What are the approaches for understanding service scope effects.

## Approaches for understanding Servicescape effects

- Environment surveys
- Direct observation
- Experiments
- Photographic blueprint



7 (c) Discuss the elements of physical evidence.

### Elements of Physical Evidence

Servicescape	Other tangibles
Facility exterior	Business cards
Exterior design	Stationery
Signage	Billing statements
Parking	Reports
Landscape	Employee dress
Surrounding environment	Uniforms
	Brochures
	Internet/Web pages
Facility interior	
Interior design	
Equipment	
Signage	
Layout	
Air quality/temperature	

# FIVE DIMENSIONS OF SERVICE QUALITY



