

**K. J. SOMAIYA INSTITUTE OF MANAGEMENT STUDIES & RESEARCH**  
**Vidyavihar, Mumbai- 400077**

**Program: PGDM-Comm. (Batch 2017-19)**  
**Subject: Services Marketing**  
**(End Term Examination)**

**Maximum Marks: 50**  
**Jan.'19**  
**Duration: 3 Hours**

**Date: 11<sup>th</sup>**

**Instructions**

1. **Question No. 1 is compulsory**
2. Attempt any **FOUR** from Question no. 2 to Question no. 6
3. State relevant examples wherever applicable

**QUESTION 1 Basis the given case answer the question below: (10 Marks)**

**CASE: Walt Disney makes everyone a Star**

The Walt Disney Company is a diversified international entertainment organization whose operations include filmed entertainment, customer products and theme parks and resorts. It is in the area of theme parks and resorts that the company has acquired a reputation for providing a consistently high level of consumer satisfaction. A major reason for this success lies in the careful analysis of just what visitors to its theme parks expect from their visit and detailed specification of the service standards to be provided. In delivering high-quality services, particular attention is paid to the roles played by the employees of the organization who are responsible for front-line service encounters.

The company's business mission involves making guests happy, and this mission has embedded it in the cultural values shared by all employees. Once employed, all new employees learn about the history of the Disney Company and gain an understanding of the original philosophy of Walt Disney himself and thus the whole corporate culture. One approach used by Walt Disney to achieve its mission is to treat its theme parks as giant entertainment stages in which a series of satisfying encounters takes place. People paying to come into the park are considered not as customers, but as 'guests'. Similarly, employees are considered as 'cast members' in this encounter and wear 'costumes'

appropriate to their task, rather than uniforms.

After being introduced to the basic cultural values of the organization, each ‘cast member’ is given clear, written instructions about their role expectations, where to report, what to wear, and how to handle typical encounters with guests. Role playing prepares cast members for a wide range of guest requests, for example meeting their requests for directions or guidance on the best places to eat.

New employees are assigned a particular role whose titles indicate the strength of the ‘entertainment’ culture:

- Custodial hosts –street cleaners
- Food and beverage hosts – restaurant workers
- Transportation hosts – drivers
- Security hosts – police

Walt Disney’s role scripting is based on careful analysis of what guests particularly value in the actions of cast members and the interactions between cast members and guests are manipulated in such a positive way that the guests’ expectations are exceeded. In order for roles to be performed effectively, Disney provides extensive training, including several days of training for each employee before they come into contact with guests. Regular training sessions and newsletters are used to keep employees informed of new developments. Should training have failed to prepare an employee to cope with a guest’s problem on the spot, they can contact back-up support by telephone in order to satisfy the guest’s request promptly.

In order to ensure that management is aware of the experiences of front-line staff, each member of the management team spends a week each year as a front-line member of the workforce. In addition, each member of management is also expected to bring his or her family for one day to experience the resort as a guest and thus perceive the experience from the guest’s perspective.

Finally, employees themselves are used to monitor the quality of service encounters. Peer review by current cast members is used in the selection of new recruits, the primary criterion for selection being ‘service’, and all employees are expected to complete a questionnaire on their own perceptions of working for the organization. The results are then analyzed and from this, employee satisfaction is measured. The Disney philosophy

is that if employees are satisfied with their encounters, then so ultimately will be the customer.

**Questions:**

- (a) What is meant by a critical incident? How can Walt Disney identify what constitutes a Critical Incident and measure whether the company has achieved customer satisfaction?
- (b) Within the context of Disney world, what is meant by ‘Scripting’? Choose any encounter which is likely to occur within Disney’s theme parks and apply a ‘Blueprinting’ framework to an analysis of the service encounter.

**QUESTION 2**

**(10**

**Marks)**

**Answer the following Any One:**

- (a) Travel agencies are losing business to passengers booking their flights directly on airline websites. Identify some possible focus options open to travel agencies wishing to develop new lines of business that would make up for the loss of airline ticket sales.
- (b) Pricing, is one of the key services marketing elements that not only determines the profitability of a service provider, but also reflects the image of the company. Being a leader in beauty and fitness services market, what pricing strategies can VLCC adopt?

**QUESTION 3**

**(10 Marks)**

**Answer the following Any One:**

- (a) Operational efficiency is one of the most crucial elements for the success of catering organizations. How far do you think this statement holds good? What aspects should a food service company keep in mind to effectively manage its operations?
- (b) What do you understand by ‘Positioning’? What are the positioning alternatives for ad agencies? Explain with the help of suitable examples.

**QUESTION 4**

**(10**

**Marks)**

**Read the case and answer the questions given at the end. Use suitable tools to analyze the case.**

**Variable Recovery Services**

Service quality can vary because people get tired, their workload might become too heavy, they might be stressed, lack sufficient experience, or have a poor attitude due to inadequate recruitment, selection or training.

Companies such as Cisco, Dell and IBM provide IT (information technology) service and maintenance contracts, each of which may contain a range of service packages. These might be ‘the regular package’, which guarantees a response in six to eight hours; a ‘gold service’, which brings response in four to six hours; or a ‘platinum service’, which provides immediate, on-call support.

Car recovery and breakdown organizations such as the Automobile Association of Singapore (AA) and Crossroads (India’s leading car helpline) do not offer different response times, but offer a range of types of services. Typically, these are roadside, recovery, and at home. These help to shape customer expectations about the type of service they can expect to receive.

Whether the services is IT- or car-related, customer concern about perceived service consistency can be addressed by providing positive third-party referrals, word-of-mouth and written testimonials, and case studies of satisfied customers. In some situations, such as accountancy, consulting, and IT services, many organizations provide qualified teams designated to work with the client in an attempt to generate trust and reduce uncertainty.

- (a) Why do organizations such as Cisco, Dell and IBM offer different maintenance contracts?

**QUESTION 5**  
**Marks)**

**(10**

Answer the following **Any One**:

- (a) What special customer services issues does a telecom firm’s management face? How do these issues differ from customer service issues satellite TV service providers’ face?
- (b) A mid-size Indian city wants to address rush-hour problems. Streets are clogged with traffic and public transportation – bus, metro, taxi – are heavily over-crowded. What actions would you suggest the city consider?

**QUESTION 6**  
**Marks)**

**(10**

Write Short Note on **Any Two** of the following:

- (a) Basic Focus Strategies for Service
- (b) Dimensions of service quality
- (c) Zone of tolerance
- (d) ‘The three stage model of service consumption’

**\*\*\*\*\* End of Paper\*\*\*\*\***