



**JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA**  
**PGDM (G/S/M)**  
**FOURTH TRIMESTER (Batch 2016-18)**  
**END TERM EXAMINATIONS, SEPTEMBER 2017**  
**SET – 1**

Course Name	Services Marketing	Course Code	MKT407
Max. Time	2 hours	Max. Marks	40

**INSTRUCTIONS: Answer the following questions.**

- Which elements of the marketing communications mix would you use for each of the following scenarios? Justify your answers: (3.5 + 3.5) **7marks**
  - a newly established hair salon in a shopping mall
  - an established restaurant facing declining sales because of new competitors
- Assume you manage a View Point Resort in Nainital, Uttarakhand a.) Explain the underlying pattern of demand fluctuation likely to occur at your resort and the challenges it would present to you as a manager. Is the pattern of demand predictable or random? (b) Explain and give examples of how you might use both demand-oriented and capacity-oriented strategies to smooth the peaks and valleys of demand during peak and slow periods. **7 marks**
- Please go through this incident: "I was checking out at Wal Mart, with my elderly Mom and small kids in tow. A pair of \$8 shoes I was buying rang up for \$10. I questioned the clerk on the price at which time she said "No they rang up for \$10. "You can go back there and check it yourself". I wasn't about to do that, so I just settled up for the \$10. Got home and pulled the shoes out of the box and guess what. The actual price tag on the shoes said \$8! Next day I went back to customer service and happened to be waited on by the same clerk at which time she said, "That wasn't my fault; it was the cash register. I can't help you". I had to find the store manager to get the issue resolved (*submitted by: Amanda K.*). What service recovery strategies would you suggest here? **7 marks**
- "Google launches Areo, a food delivery & home services app for India**  
Google seems to have silently launched a new food delivery and home services aggregator called Areo for the India market. The app is available as a free download on the Google Play store and is currently operational in Bengaluru and Mumbai. Areo aggregates food dishes and home services across various local service providers, allowing users to order food or schedule appointments with a local beautician, electrician, painter, cleaner and plumber among others."  
(Source: <http://tech.economictimes.indiatimes.com/news/mobile/google-india-launches-areo-a-food-delivery-home-services-app/58159124>)
  - Point out whether this service is high in search, experience or credence qualities. Justify.
  - According to you, which factors would affect the customer's expectations of the service and the Zone of Tolerance? (3.5 + 3.5) **7 marks**

5. Please read the following case carefully and answer the given question:

**Case:**

“Putting customers in the ‘wish mode’ is an innovative approach that proved successful for IKEA, the world’s largest furniture retailer, when it opened its Chicago retail outlet. In this approach, nine groups of a dozen customers each were asked to dream up their idea shopping experience. They were told to pretend that all IKEA stores had been destroyed and new ones had to be designed from scratch. How would the store look? What would the shopping experience be like? Jason Magidson, who helped IKEA create the process, reported that customers responded with statements like the following:

“I never feel disoriented because I always know exactly where I am in relation to every department”,  
“If I am buying one item, all of the other items that go with it are nearby”, ‘Shopping is a pleasant, relaxing experience.’

Even though they were not technical experts, customers were asked to actually draw up a design for a store that would satisfy their needs. What is significant about IKEA’s approach is not just that the company asked customers what they expected but that they subsequently incorporated these expectations into the service design for the store. Designers created a multistory octagonal building with an atrium (the central area in a building lighted from above) in the centre that formed a home base for shoppers, addressing their concern about being able to find items easily. In keeping with another customer expectation, items were grouped together with related products. When shoppers were tired or hungry, they could go to the cafeteria-style restaurant on the upper floor that served Swedish food. IKEA’s customers were so satisfied with the store (85% rated it as “excellent” or “very good”) that they returned more and spent about an hour longer than they did in other IKEA stores.

The company’s supplier network is carefully chosen and managed to ensure quality and consistency. Despite the fact that the company has stores in more than 20 countries, it keeps standards, designs, and approaches very consistent everywhere. Servicescapes – the indoor and outdoor physical environments – are unique and customer focused. IKEA is also well known for its strong employee culture and careful hiring and training. Further, it has an innovative service concept that involves customers in the delivery, assembly and creation of its products. To accomplish this service, the company educates its customers thoroughly with its script-like catalogs.”

Question: Keeping in view the Gaps Model of Service Quality, identify which of the various provider gaps have been reduced by IKEA using their innovative strategies and discuss how it has been done.

**12 marks**