



JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA  
PGDM / PGDM (M) / PGDM (SM)  
FOURTH TRIMESTER (Batch 2022-24)  
END TERM EXAMINATION, OCTOBER 2023

Course Name	Services Marketing	Course Code	20123
Max. Time	2 Hours	Max. Marks	40 MM

INSTRUCTIONS:

- Please answer all questions and all sub parts.
- Please write in point form where ever possible

**Q1. Read the following caselet carefully and answer the following questions:**

In May 2023, Cathay Pacific Airways, a Hong Kong-based airline, apologized for a third time and dismissed three flight attendants following two apology statements released after a passenger complained that cabin crew kept using discriminatory words against non-English-speaking passengers during a flight. "I am very upset about the inappropriate comments of some Cathay Pacific crew members. The incident is a serious breach of Hong Kong's hospitality, values and ethical standards", said Lam Sai-hung, the HKSAR Secretary for Transport and Logistics. Lam said he has expressed great concern to Cathay Pacific and asked the management to improve service levels immediately.

Netizens said it's not the first time such discrimination had been identified, and they asked Cathay Pacific to thoroughly address the problem. A netizen posted his complain to Cathay Pacific on Chinese social media and e-commerce platform Xiaohongshu (Little Red Book), saying she has heard cabin crew's kept grumbling in English and Cantonese against passengers who are not native speakers of the languages while taking the flight CX987 from Chengdu in Southwest China's Sichuan Province to Hong Kong. The netizen said she guessed the crew was laughing at passengers who tried to use the English words they know to ask for blankets from the flight attendant who can only speak English. Hashtags related to the discrimination, especially the sound recording of the crew's discriminatory words, had received more than 70 million views and comments on China's Twitter-like social media platform Sina Weibo, where more netizens shared similar experience of being discriminated by Cathay Pacific cabin crew.

(Source: <https://www.globaltimes.cn/>)

Scenario: **Imagine** that you have been appointed as Cathay Pacific Airways' CEO and your immediate task is to solve this service failure.

a) Suggest **3** recovery strategies that you will take towards '**fixing the customer**'? Explain each briefly

(3\*2=6 marks)

b) Suggest **3** recovery strategies that you will take towards '**fixing the problem**'? Explain each briefly

(3\*2=6 marks)

**Q2. Scenario: Imagine** you are the manager of a newly opened coffee shop called "Café Elegance." The café is located in a trendy urban area known for its diverse customer base.

including students, professionals, and tourists. Because expectations play such a critical role in customer evaluation of services, marketers need to understand the factors that shape them. You are keen on understanding some of the key influences on customer expectations.

Based on the Café Elegance scenario, identify and explain specific factors that can influence customer expectations – sources of **Desired** and **Adequate** service expectations of service in a coffee shop setting. **(4+4) Marks**

### Q3. How Airlines Match Capacity to Demand

When we think of capacity issues at airlines, it is often in the context of buying enough planes to meet forecast demand. However, the Wall Street Journal (Feb.29, 2012) makes the important point that “many fewer people fly in the winter than during school breaks, major holidays and summer vacations.” In fact, US airlines filled just 77% of their seats last January, compared to 87% in July. For decades, airlines have earned a lot of money in summer and then lost it in winter when they had too many planes, gates, and employees. With fuel prices hitting record highs (fuel is more than 1/3 of operating expenses), “it becomes more and more important not to fly that airplane if there’s no demand,” says Alaska Air’s VP-Revenue Management. Delta has made a goal of providing 20-25% less capacity in winter than in summer—a big oscillation by industry standards. However, seasonal downsizing is tricky. Airlines cannot afford to park their planes in low season, and union contracts do not allow them to impose staff cuts. Alaska Air smoothed out its schedule recently when it added flights to Hawaii from its Seattle hub in winter. Delta loads up on sports charter flights and adds more flights to the Caribbean, Mexico, and Australia in the slow season. US Airways offers overnight flight flights from its Phoenix hub in summer, squeezing more hours a day out of its planes, then discontinues the flights in winter. Ryanair, Europe’s big discount carrier, simply parks 80 of its 280 planes from November to March. It still bears the ownership costs, but doesn’t have to fuel up.”

(Source: <https://heizerrenderom.wordpress.com/2012/03/02/om-in-the-news-how-airlines-match-capacity-to-demand>)

With reference to the above article

a) **Develop** a plan to manage demand during

i) Peak periods **(5 marks)**

and

ii) Slow periods **(5 marks)**

b) **Develop** a plan to manage capacity during

i) Peak periods **(5 marks)**

and

ii) Slow periods **(5 marks)**

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