

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA SEMESTER- IV - EXAMINATION-SUMMER-2024

Subject Code: 4549212

Date: 29/04/2024

Subject Name: Services Marketing

Time: 10:30 AM TO 01:30 PM

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.
4. Use of simple calculators and non-programmable scientific calculators are permitted.

		Marks
Q.1	Briefly explain the below mentioned terms (a) Physical Evidence (b) Zone of Tolerance (c) Core Elements of a Service (d) Yield Management (e) Self Service Technologies (f) Service Blueprinting (g) Service Recovery	14
Q.2	(a) Discuss with a relevant example the stages of Customer Behavior in a Service Encounter 07 (b) Explain the process of segmenting and positioning of Services. What are the characteristics of customer driven services marketing? 07 OR (b) Why is Services Pricing considered to be difficult? Discuss the concept of Revenue Management as a Pricing Strategy in Services Marketing? 07	
Q.3	(a) Discuss the hierarchy of new service categories for New Service Development with the help of an example 07 (b) Evaluate the stages of a Service Process with the help of an example from food and hospitality industry 07 OR (a) Evaluate Franchising as a Service Delivery Mechanism. What are the major advantages and disadvantages of Franchising? 07 (b) As the promoter and founder of a major Event Management firm, discuss the importance and role of Human Resource in effective Service Delivery for your customers. 07	
Q.4	(a) Service Quality is not an accident. It has to be designed into the organizational system. Elaborate the concept of Service Quality and how it can be a source of competitive advantage of service firms with a relevant example. 07 (b) You are the Regional Service Manager of a major Chromatographic Instruments company in Gujarat. Your major customers are in chemical and pharmaceutical industry. Of late there has been increasing number of customer complaints related to your product like delayed installations, delayed delivery, inappropriate behavior of your service employees. Using the principles of effective service recovery, how will you tackle these customer complaints? 07	

OR

- Q.4** **(a)** Explain the Concept of The Flower of Service. Design a Flower of Service for a educational organization of your choice. **07**
- (b)** For a major bank in your area, discuss the application of the Service Quality – Gap model for this service organization. What will be the soft and hard measures of service quality? **07**

Q.5 Read the case below and answer the questions at the end of the case.

E-commerce player Meesho, backed by marquee investors like SoftBank Group and Meta Platforms, will look at an initial public offering (IPO) only in 2025, and till then, its focus will be on generating profits after tax and not just on being Ebitda (earnings before interest, tax, depreciation and amortisation)-positive, top sources in the company revealed. In a clear shift of strategy, the company, which has reduced its cash burn by 85 per cent, is now looking to trim its annual revenue growth target to 40 per cent from the 100-plus per cent earlier. The sources, however, said even this level of growth was far higher than that of most e-commerce companies.

In FY22, Meesho saw its revenues jump 4.5 times year-on-year to Rs 3,232 crore, while its losses rose even more steeply by 7.5 times to Rs 3,247 crore. According to the sources, Meesho has cash in the bank which it is conserving — nearly half of what it had raised in the last round of \$570 million that valued the company at \$4.9 billion. That money is earning interest and there is no requirement for any fresh raise, they said. A Meesho spokesperson declined to comment on the issue. The start-up makes around 10 per cent margins on its transactions, whose average ticket size is Rs 350. It has also started offering to its 1 million merchants a slew of financial services, including short-term credit and insurance on returns of orders, which could add an additional 1-3 percentage points in overall margins, the sources said.

However, it will take some time to scale up and only then the company will consider whether to spin off the financial services as a separate company, they added.

Meesho's strategy is very different from giants like Amazon or Flipkart, which are now moving to Tier-2 and Tier-3 cities where Meesho already reigns. For one, the latter cater to different segments. They have ticket sizes four to five times that of Meesho's so they cater to the premium-end of the market. The products that account for most of their gross merchandise values (GMVs) are also different. For instance, Meesho does not sell mobile phones or electronics.

Rather, its biggest segment is clothing and lifestyle, which accounts for half of its GMV. For larger e-commerce platforms, mobiles account for the bulk of their GMVs. The reason for Meesho not selling mobiles or consumer electronics is that margins are wafer thin. It prefers to focus on segments where the transactions give decent returns.

It has been piloting a project to deliver groceries but this has been rolled out in only two places. Meesho makes revenues from two segments: one is advertising from its merchants who sell on its platform, and the other is revenue share from shipping for which it has a tie-up with companies like Delhivery for the last mile.

Sources in the know said that, typically, merchants spend anything between 5-15 per cent of their revenues on advertising on the platform so that they can push up sales. Meesho also earns 15-20 per cent as commission on the shipping revenue, which its last-mile delivery company earns. The company is also trying to reduce its delivery lag from four days to three. The plan is to reduce the delivery time by one day each year

- (a)** Evaluate the Strategy of Meesho vis a vis giants like Amazon and Flipkart. **07**
How is it different from other services providers?
- (b)** For increasing its market share, what service promotional measures do you propose for the company? **07**

OR

- Q.5**
- (a)** Discuss some of the market segmentation strategies used by the company in the above case for better penetration of the Market. **07**
 - (b)** Find out the potential problem in case the company goes public. How can they be avoided? **07**
