Question Paper Code : 3767

M.B.A.(CBCS) (Semester-IV) Examination, 2018

SERVICES & RELATIONSHIP MKT.

[SC-412]

Time : Three Hours] **[Maximum Marks : 70**

Note : Answer **five** questions in **all**. **Question No. 9** is **compulsory**. In addition answer **one** question from each unit.

UNIT-I

1. How do service characteristics pose challenges to service marketers ? Explain using examples for each. [10]

2. Discuss the Gap model of service quality and explain its importance for service firms. [10]

UNIT-II

3. Explain the three types of service categories and discuss segmentation and positioning methods for each of these. [10]

4. What is the role of channel intermediaries in service distribution ? How do these influence customer preference for a specific brand ? [10]

UNIT-III

5. Write an essay on service pricing. How critical is pricing in case of credence services ? [10]

6. What roles do 'customer experience' and 'value co-creation' play in managing customer loyalty for service firms ? Illustrate using examples. [10]

UNIT-IV

7. Why is employee based brand equity (EBBE) critical to service organizations ? Discuss [10]

8. How can service firms manage customer dissonance through experience design ? Explain using a relevant example. [10]

9. Read the case given below and answer the questions that follow : [3x10 = 30]

Case

Restaurants and hotels offer service products that are perishable in nature (e.g. restaurant seats and

It seems the dynamic pricing strategy adopted by Bob Bob Ricard is different from the ones used by hotels. In addition running a restaurant is different from operating a hotel. It will be interesting to see whether dynamic pricing works well for restaurants in the long-term – and whether other restaurants will follow Bob Bob Ricard's footprint in dynamic pricing.

Questions :

1. Based on above, discuss the concept of dynamic pricing in restaurants and hotels for Indian consumer markets. Give your opinion whether dynamic pricing helps restaurants and hotels increase their revenue ? [10]

2. Discuss how different characteristics will have an impact on pricing strategies for different service types ? [10]

3. Critically analyze hotel and restaurant industry in Lucknow. How is the market changing for these facilities ? Suggest your way forward to grow in such services. [10]

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hotel rooms), where supplies cannot be easily adjusted according to the fluctuating demands, so managers often manipulate price as a means to maximize revenue. When managers deviate a product's selling price from its "regular" price as they respond to fluctuating demands, we may say that these managers adopt a dynamic pricing strategy.

Traditionally, restaurants may charge a lower-than-usual price for selected items in a promotion or during happy hour. They may also charge a higher-than-usual price for selected items in a special occasion or a holiday, such as a 'prix-fixe' menu on Valentine's Day. Recently, a luxury restaurant in London - Bob Bob Ricard - began applying a new fluctuating price model to operations. The restaurant is putting different price tags to the same menu items, depending on the time and the day of a reservation.

The idea is when the restaurant is slower than usual, like lunch time on Mondays, customers will get 25 percent off the regular price. When the restaurant is only a little busy, like dinner time on Tuesdays and Sundays, customers will get 15 percent off the regular price. Customers dining in peak hours, such as Saturday dinner, will be charged for the full price. Currently, the wine menu at the restaurant does not get affected by this new dynamic pricing strategy.

Hotel is also adopt the dynamic pricing strategy in operations. As a commonly-used tactic in revenue management, hotels charge for a higher price when demands go up and a lower price when demands go down. Thus, it is not surprising to see hotels charge a price that is double, triple or even 10 times of the regular room rate in a host city for the Super Bowl during the game week.

More recently, even the operators of short-term residential services, such as Airbnb hosts in the New Orleans area, have been accused of grouping for a substantally higher listing price during Mardi Gras. A four-bedroom apartment located in the French Quarter, for example, asks for $1,800 per night for Feb 13-14, but drops to one-sixth of that peak price, at $299 per night if it is booked for a stay after the Mardi Gras.

Referring back to the case of Bob Bob Ricard, a follow-up NPR report suggests that dynamic pricing works well for the restaurant. Ever since the restaurant,

implemented the new strategy, store traffic during the "normal" quietest times has nearly doubled. While the average check for two guests in the restaurant usually costs about $139 without a discount, consumers coming in during off-peak hours do not seem to spend less. It turned out they ordered more special items when they get the "off-peak-hour" discounts. In the lodging industry, however, the effects of dynamic pricing might not be as straightforward as those in the restaurant industry. According to a Cornell Hospitality Report, hotels with a price-cut strategy for higher occupancy (shifting to a lower price category) experienced a greater loss in RevPAR (revenue per available room) than those shifting to a higher price category. Meanwhile, the authors also suggested hotels should maintain a relatively stable price positioning strategy (not shifting upward or down).

Likewise another empirical study reported in International Journal of Hospitality Management suggested that dynamic price movements might only be able to enhance a hotel's RevPAR performance in the short term. Dynamic pricing, depending on the types of price movements, would have negative impacts on a hotel's RevPAR performance in the long term.