Question Bank – Unit 2 – Services Marketing

1. **What is physical evidence in marketing mix?**

The importance of quality physical layout is important in a range of service providers, including:

> Students going to college or university have far higher expectations about the quality of their accommodation and learning environment than in the past. As a result colleges and universities pay far more attention to creating attractive learning environments, student accommodation, shops, bars and other facilities.

- Air passengers expect attractive and stimulating environments, such as interesting departure lounges, with activities for young children etc.
- Hair dressing salons are expected to provide pleasant waiting areas, with attractive reading materials, access to coffee for customers, etc.
- Physical layout is not only relevant to stores, which we visit, but also to the layout and structure of virtual stores, and websites.

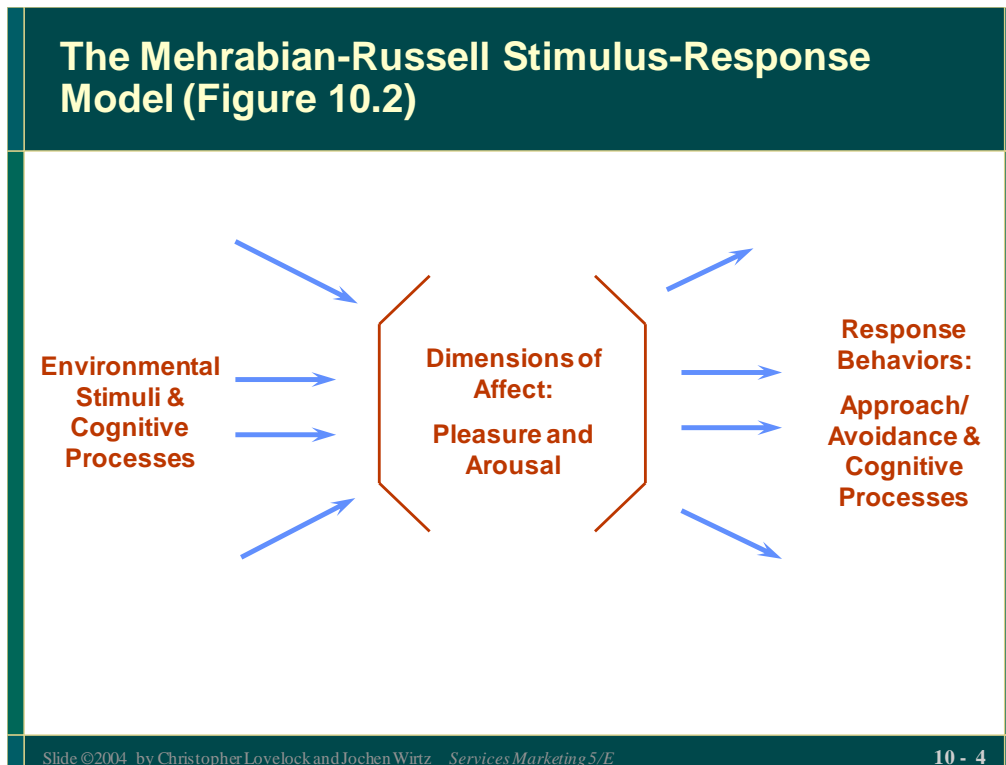2. **Write the purpose of service environment.**

Service environments, also called servicescapes relate to the style and appearance of the physical surroundings and other experiential elements encountered by customers at service delivery sites.

3. **What are the impacts of buyer behavior in service environment?**
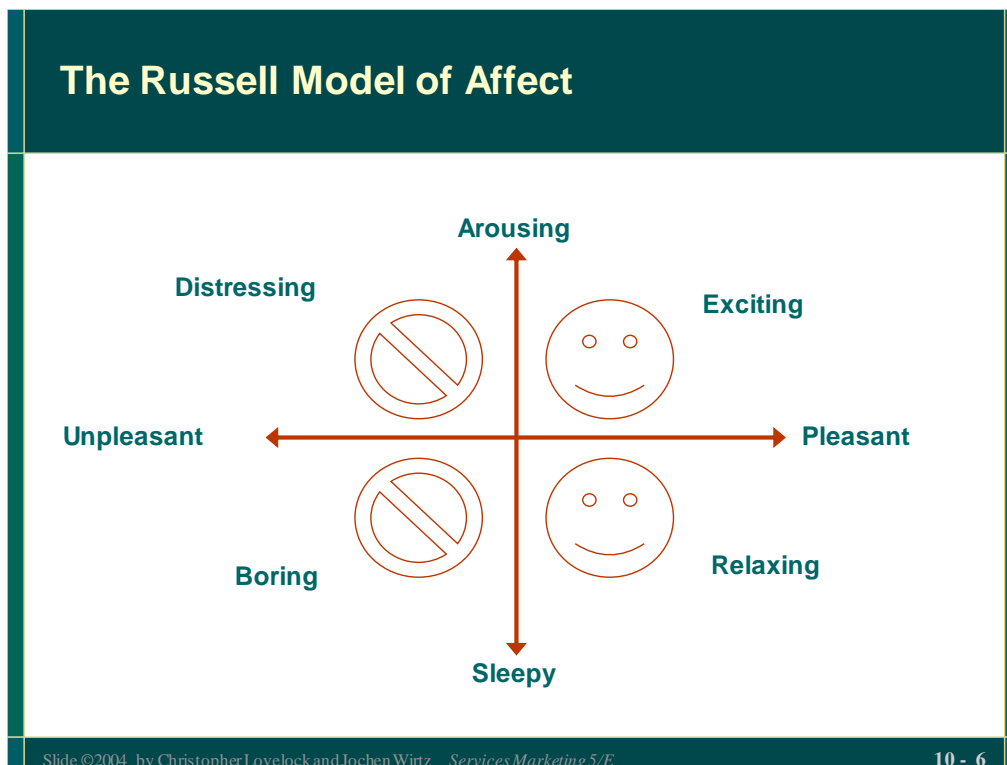
The service environment influences buyer behaviour in 3 ways

- Message-creating Medium: symbolic cues to communicate the distinctive nature and quality of the service experience.

- Attention-creating Medium: to make the servicescape stand out from other competing establishments, and to attract customers from target segments.

4. Effect-creating Medium: colors, textures, sounds, scents and spatial design to enhance the desired service experience, and/or to heighten an appetite for certain goods, services or experiences.
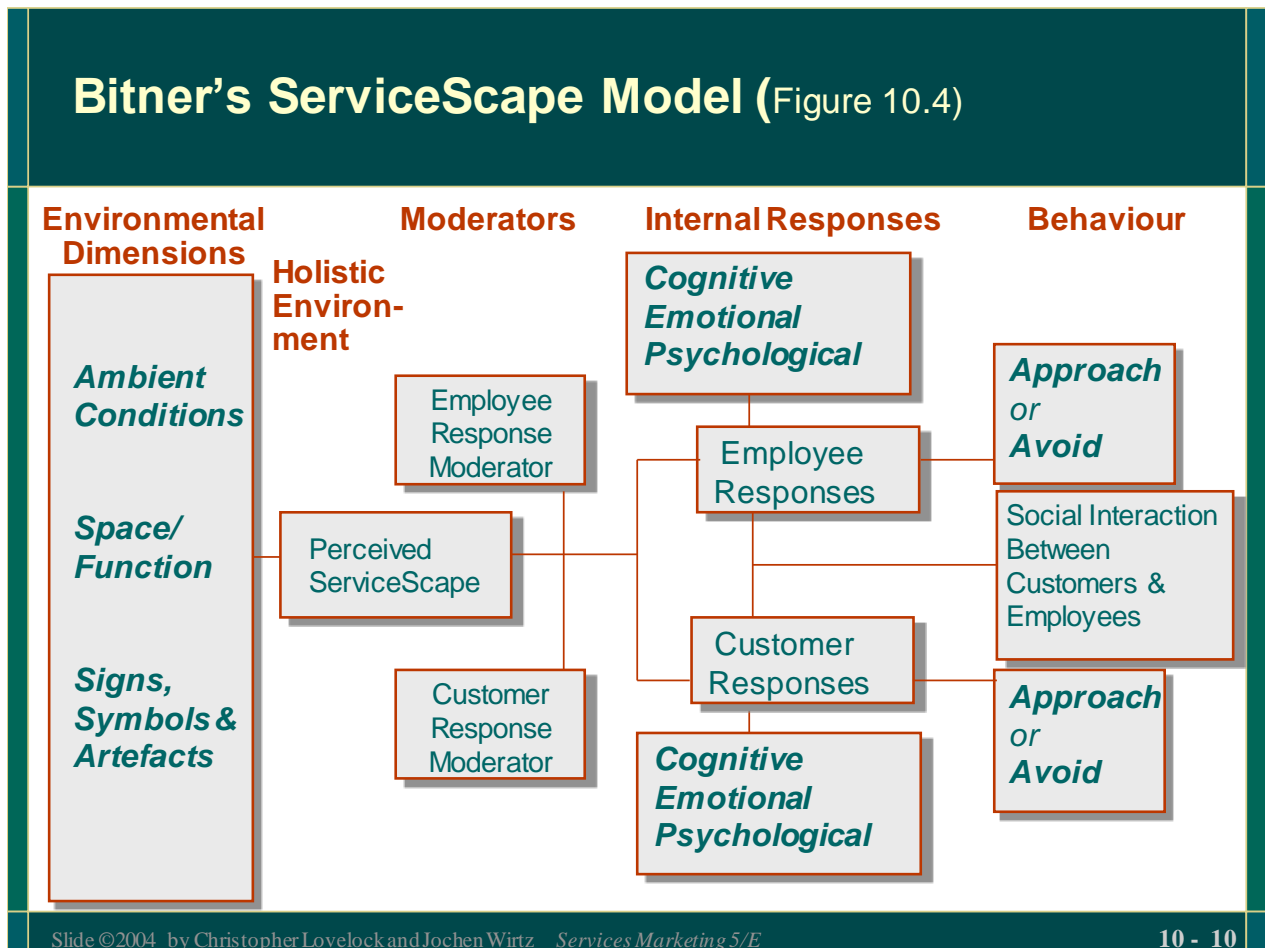
5. Write the Mehrabian-Russell Stimulus-Response Model?

The Mehrabian-Russell Stimulus-Response Model (Figure 10.2)

Environmental Stimuli & Cognitive Processes

Dimensions of Affect:

Pleasure and Arousal

Response Behaviors:

Approach/ Avoidance & Cognitive Processes

6. Write the Russell Model of Affect in service environment.

The Russell Model of Affect

Arousing

Distressing

Exciting

Unpleasant

Pleasant

Boring

Relaxing

Sleepy

7. Write the Bitner's ServiceScape Model.

Bitner's ServiceScape Model (Figure 10.4)

8. List the Dimensions of the Service Environment?

Service environments are complex and have many design elements. The main dimensions in the servicescape model includes:

▪ **Ambient Conditions**

> ➢ Music (e.g, fast tempo and high volume increase arousal levels)
>
> ➢ Scent (strong impact on mood, affect and evaluative responses, purchase intention and in-store behavior)
>
> ➢ Color (e.g, warm colors associated with elated mood states and arousal but also increase anxiety, cool colors reduce arousal but can elicit peacefulness and calm)

▪ **Spatial Layout and Functionality**

> ➢ Layout refers to size and shape of furnishings and the ways it is arranged

> ➢ Functionality is the ability of those items to facilitate performance

- **Signs, Symbols and Artifact**

> ➢ Explicit or implicit signals to communicate the firm's image, help consumers find their way and to convey the rules of behavior

9. List the selection of Environmental Design Elements.

- There is a multitude of research on the perception and impact of environmental stimuli on behaviour, including:

> ➢ People density, crowding

> ➢ Lighting

> ➢ Sound/noise

> ➢ Scents and odours

> ➢ Queues

10. List the tools to Guide in Servicescape Design?

- Keen Observation of Customers' Behavior and Responses to the service environment by management, supervisors, branch managers, and frontline staff

- Feedback and Ideas from Frontline Staff and Customers using a broad array of research tools ranging from suggestion boxes to focus groups and surveys.

- Field Experiments can be used to manipulate specific dimensions in an environment and the effects observed.

- Blueprinting or Service Mapping - extended to include the physical evidence in the environment.

11. What is Processes in marketing mix?

Processes associated with customer service are a number of processes involved in making marketing effective in an organization e.g. processes for handling customer complaints, processes for identifying customer needs and requirements, processes for handling order etc

12. What is Provision of customer service?

Customer service lies at the heart of modern service industries. Customers are likely to be loyal to organisations that serve them well - from the way in which a telephone query is handled, to direct face-to-face interactions. Although the 'have a nice day' approach is a bit corny, it is certainly better than a couldn't care less approach to customer relations. Call centre staff and customer interfacing personnel are the front line troops of any organization and therefore need to be thoroughly familiar with good customer relation's practice.

13. What is marketing mix?

When marketing their products firms need to create a successful mix of:

- The right product

- Sold at the right price

- In the right place

- Using the most suitable promotion.

14. What is right marketing mix?

To create the right marketing mix, businesses have to meet the following conditions:

- The product has to have the right features - for example, it must look good and work well.

- The price must be right. Consumer will need to buy in large numbers to produce a healthy profit.

- The goods must be in the right place at the right time. Making sure that the goods arrive when and where they are wanted is an important operation.

- The target group needs to be made aware of the existence and availability of the product through promotion. Successful promotion helps a firm to spread costs over a larger output.

15. What is Service marketing mix?

Services Marketing Mix refers to the combination of marketing activities an organization engages in to promote and sell intangible services, as opposed to tangible products. In addition to the four Ps of traditional product marketing--product, price, place and promotion--the services

marketing mix includes the three Ps of service marketing--people, process and physical evidence. The Services Marketing Mix is also referred to as the Extended Marketing Mix.

16. What do you understand by product in service marketing mix?

The product in service marketing mix is intangible in nature. Like physical products such as a soap or a detergent, service products cannot be measured. Tourism industry or the education industry can be an excellent example. At the same time service products are heterogeneous, perishable and cannot be owned. The service product thus has to be designed with care. Generally service blue printing is done to define the service product. For example – a restaurant blue print will be prepared before establishing a restaurant business. This service blue print defines exactly how the product (in this case the restaurant) is going to be.

17. What do you understand by place in service marketing mix?

Place in case of services determine where is the service product going to be located. The best place to open up a petrol pump is on the highway or in the city. A place where there is minimum traffic is a wrong location to start a petrol pump. Similarly a software company will be better placed in a business hub with a lot of companies nearby rather than being placed in a town or rural area.

18. What do you understand by promotions in service marketing mix?

Promotions have become a critical factor in the service marketing mix. Services are easy to be duplicated and hence it is generally the brand which sets a service apart from its counterpart. You will find a lot of banks and telecom companies promoting themselves rigorously. Why is that? It is because competition in this service sector is generally high and promotions are necessary to survive. Thus banks, IT companies, and dotcoms place themselves above the rest by advertising or promotions.

19. What do you understand by promotions in service marketing mix?

Pricing in case of services is rather more difficult than in case of products. If you were a restaurant owner, you can price people only for the food you are serving. But then who will pay for the nice ambience you have built up for your customers? Who will pay for the band you have for music? Thus these elements have to be taken into consideration while costing. Generally service pricing involves taking into consideration labor, material cost and overhead costs. By adding a profit mark up you get your final service pricing.

20. What is Mass-marketing?

A strategy that presumes there is one undifferentiated market and that one product will appeal to all consumers in that market.

21. What is Market matching strategy?

Today, mass marketing has largely been replaced by a three-step market matching strategy

- **Segmentation :** Act of dissecting the marketplace into submarkets that require different marketing mixes

- **Targeting :** Process of reviewing market segments and deciding which one(s) to pursue

- **Positioning :** Establishing a differentiating image for a product or service in relation to its competition

22. Define Market segmentation.

The process of dividing a market into distinct subsets (segments) of consumers with common needs or characteristics and selecting one or more to target with a distinct marketing mix.

23. What is Geographic Segmentation?

Division of the market based on the location of the target market. People living in the same area have similar needs and wants that differ from those living in other areas Climate, Population density, Taste, Micromarketing

24. What is Demographic Segmentation?

Partitioning of the market based on factors such as Age, gender , marital status, income, occupation, education , ethnicity

25. Define Positioning.

- Deciding how the firm wants the company and its brands to be perceived and evaluated by target markets

- Differentiating the product from other products of the firm or its competition.

26. What is Perceptual Mapping?

- A spatial picture of how consumers view products or brands within a market

- Allows marketers to determine how their product appears in relation to competitive brands

- Enables them to see gaps in in positioning of all brands in the product class to identify areas in which consumer needs are not being met

27. What is Repositioning?

Marketers may be forced to reposition products due to competition or a changing environment