

**23BAE725 SERVICES MARKETING**  
**Question Bank - Unit 4**  
**2 Mark Questions & Answers, 16 Mark Questions**

**SERVICE DESIGN, DEVELOPMENT AND PROMOTION**

**2 Mark Questions & Answers**

**Part –A**

**1. What is the Service Life Cycle?**

The Service Life Cycle refers to the stages a service goes through from its introduction, growth, maturity, and eventually its decline or discontinuation.

**2. What are the key dimensions of service quality?**

The key dimensions of service quality include reliability, assurance, tangibles, empathy, and responsiveness.

**3. What does SERVQUAL stand for?**

SERVQUAL stands for Service Quality, a tool used to measure the gap between customer expectations and perceptions of service performance.

**4. What is the GAP Model of Service Quality?**

The GAP Model identifies gaps that may exist between customer expectations and perceptions, aiming to improve service delivery and satisfaction.

**5. What is the purpose of complaint handling in service management?**

Complaint handling is aimed at addressing customer dissatisfaction, resolving issues, and improving customer retention.

**6. What is service recovery management?**

Service recovery management involves actions taken by a company to rectify a service failure and restore customer satisfaction.

**7. What is a service guarantee?**

A service guarantee is a promise by a service provider to meet specific performance standards or provide compensation if the service falls short.

**8. What are service delivery channels?**

Service delivery channels refer to the different mediums through which services are provided, such as online platforms, physical locations, or mobile apps.

**9. What is the importance of pricing in services?**

Pricing is crucial in services as it reflects the perceived value, determines demand, and helps in positioning the service in the market.

**10. What is the Service Marketing Triangle?**

The Service Marketing Triangle highlights the relationships between the company, employees, and customers, ensuring that all are aligned to deliver service excellence.

**11. How does the Service Life Cycle impact service marketing?**

The Service Life Cycle impacts marketing strategies, with different approaches required at each stage, such as innovation in the introduction phase or cost-efficiency in maturity.

**12. How does reliability affect service quality?**

Reliability ensures that the service is dependable and consistent, fostering trust and customer satisfaction, which is critical for service quality.

**13. How is service quality measured using SERVQUAL?**

SERVQUAL measures service quality by comparing customer expectations with their perceptions across five dimensions: reliability, responsiveness, assurance, empathy, and tangibles.

**14. Why is the GAP model important for service improvement?**

The GAP model helps identify discrepancies between customer expectations and perceptions, highlighting areas that need improvement to enhance service quality.

**15. Why is effective complaint handling essential for customer loyalty?**

Effective complaint handling can turn dissatisfied customers into loyal ones by addressing their concerns and showing commitment to service improvement.

**16. What are the key elements of service recovery management?**

Key elements include acknowledging the issue, providing a solution, compensating for the failure, and ensuring customer satisfaction to rebuild trust.

**17. What role do service guarantees play in customer trust?**

Service guarantees build customer confidence by assuring them of the company's commitment to quality, reducing perceived risks in service purchase.

**18. How do service delivery channels impact customer experience?**

Service delivery channels provide convenience and accessibility, ensuring customers can access services in their preferred format or location.

**19. How does pricing influence a service's market position?**

Pricing impacts a service's perceived value and competitiveness, influencing customer choice and positioning in the market.

**20. What is the purpose of the Service Marketing Triangle?**

The Service Marketing Triangle ensures alignment between the organization, employees, and customers to deliver a consistent and high-quality service experience.

**21. How would you manage a service that is in the decline phase of the life cycle?**

In the decline phase, focus on cost-cutting, minimizing service offerings, or rebranding to rejuvenate the service or find niche markets.

**22. How would you improve service reliability in a hospitality business?**

Improving service reliability in hospitality involves consistent training, clear standard operating procedures, and regularly monitoring service delivery.

**23. How can the SERVQUAL model be applied to improve customer service in retail?**

In retail, SERVQUAL can be used to measure customer expectations against actual service delivery, identifying areas such as responsiveness and tangibles for improvement.

**24. How can service organizations use the GAP model to improve customer satisfaction?**

Service organizations can close the gaps by aligning customer expectations with service standards, improving employee training, and enhancing communication.

**25. What actions would you take to handle a customer complaint about long wait times in a restaurant?**

Apologize for the delay, offer an immediate solution (e.g., free drink), and take steps to reduce wait times in the future by optimizing the service process.

**26. How can you apply service recovery strategies to regain a dissatisfied customer?**

Offer an apology, provide a compensation or discount, and ensure the issue doesn't reoccur by improving the service process.

**27. How would you implement a service guarantee in a repair service business?**

Implement a guarantee where customers get their money back or free repairs if the service doesn't meet predefined standards within a set timeframe.

**28. How would you use multiple service delivery channels in a bank to enhance customer experience?**

Offer services both online and in-branch, ensuring consistency in service quality across channels and providing flexible access to banking services.

**29. How can a service-based business determine its pricing strategy?**

The pricing strategy can be determined by considering factors like competitor pricing, perceived value, cost structure, and customer willingness to pay.

**30. How would you use the Service Marketing Triangle to improve customer satisfaction in a hotel?**

Align the hotel's promises to customers with employee actions and operational support, ensuring consistent and high-quality service delivery.

**16 Mark Questions**

1. Discuss the stages of the service life cycle in detail. Explain how marketing strategies evolve at each stage and how a service provider should manage customer expectations at each phase.
2. Analyze the five dimensions of service quality: reliability, assurance, tangibles, empathy, and responsiveness. Provide examples of how each dimension impacts customer satisfaction in a specific service industry (e.g., hospitality, banking, or healthcare).
3. Explain the different methods used to measure service quality. Discuss the advantages and limitations of using tools such as SERVQUAL, customer satisfaction surveys, and mystery shopping in measuring service quality.
4. Provide a detailed explanation of the GAP Model of Service Quality. Analyze how each gap (from Gap 1 to Gap 5) affects service delivery and discuss strategies to close these gaps in a real-world service organization.
5. Discuss the SERVQUAL model in detail, explaining its five dimensions. How can businesses use SERVQUAL to improve customer service? Provide examples from any service industry to illustrate your answer.
6. Critically assess the importance of complaint handling in service management. How can effective complaint handling improve customer loyalty and retention? Provide examples of best practices in complaint resolution.
7. Explain the concept of service recovery management. Discuss various strategies that organizations can implement to recover from service failures, and assess how these strategies impact customer satisfaction and loyalty.
8. Discuss the role of service guarantees in enhancing customer trust and satisfaction. Analyze the benefits and risks for service providers when implementing service guarantees, using examples from various industries.

- 9.** Examine the different service delivery channels available to service organizations (e.g., face-to-face, online, mobile, telephone). Evaluate the pros and cons of each channel and explain how businesses can integrate them for a seamless customer experience.
- 10.** Explore the key factors that influence the pricing of services. How do service providers balance cost, value, and customer perceptions in their pricing strategies? Use examples from the hospitality or education sector to support your answer.
- 11.** Discuss various methods of pricing services, such as penetration pricing, skimming, and value-based pricing. Evaluate which method would be most effective for a new service in a highly competitive market.
- 12.** Explain the Service Marketing Triangle and its components: the company, employees, and customers. How does this model help in aligning the service delivery process to improve customer satisfaction?
- 13.** Describe the concept of Integrated Service Marketing Communication (ISMC). Discuss how ISMC helps in delivering consistent service messaging across various communication channels, and explain its impact on customer perceptions.
- 14.** Discuss the strategies that service organizations can use to improve service quality continuously. Include a detailed analysis of customer feedback systems, employee training, and technological advancements in your response.
- 15.** Evaluate the role of managing customer expectations in the service delivery process. How can service organizations set realistic expectations and ensure they are consistently met? Provide examples of successful strategies from any service industry.