SL No of QP 9859
Unique Paper Code: 2923062002

Name of the Course: Bachelor of Management Studies (BMS)

Semester: VII

Name of the Paper: Marketing of Services

Duration: 3 Hours

Maximum Marks: 90 Marks

Instructions for Candidates

i. Write your Roll No. on the top immediately upon receipt of this question paper.
ii. Section A – Attempt any 4 questions out of 5.

iii. Section B – case study is compulsory.

SECTION A (Attempt any 4)

Question 1.

"The 4 Ps are all a marketing manager needs to create a marketing strategy for a service business." Prepare a response that argues against this and support it with examples. (18 marks)

Question 2.

a) Explain the RATER Model of Service Quality. How can businesses use this model to evaluate and improve the dimensions of service performance from the customer's perspective? (9 marks)

b) Elaborate a few ways to overcome the problems of variability in services. (9 marks)

Question 3.

The service sector has become a vital component of India's economic development. Examine the importance of the service sector in India and analyze the major factors contributing to its rapid growth. (18 marks)

Question 4.

a) "Explain the concept of GIG economy and its growth potential in the Indian service market"
b) How would you define services marketing and differentiate it from product Marketing.

(9*2 = 18 marks)

Question 5.

Write a short note on any 3 of the following (6*3 = 18 marks)

a) GAP Model
b) Tangible vs Intangible Services
c) 4 "processing" categories of services
d) Benchmarking in services marketing
e) Major players and services offered in India

SECTION B (Compulsory question)

Question 6.

Jet Airways-a Services Marketing Case Study This case examines the success and problems of Jet Airways in the domestic airline industry from a service perspective. Various aspects of services marketing in the airline industry and some innovations brought about by Jet are also highlighted for analysis.

With revenues of 3000 crore and 6.4 million passengers in 2002-03, and in the tenth year of its operations, Jet Airways has managed remain India's most popular domestic airline. The customer-oriented approach and on-time performance and schedules ensured that Jet continued to be the first choice of air travelers. However, the year 2003 was not a favourable one for the company.

The cash profits were slender, the market share had stagnated, and falling seat utilisation rates had started posing problems. With stiff competition from Sahara in the same services cape and the newly created Air Deccan, will Jet Airways survive the turbulence and remain the leader in the domestic aviation service business? Can its legendary excellence in ground and in-flight service, largely responsible for its 'super brand' status, and a source of competitive advantage for the company, enable it to maintain its leadership position in the aviation industry?

Jet launched its first customer loyalty programme in 1994, which until 1999 had fetched 30,000 customers. With a view to increasing the loyal customer base, Jet redrafted and relaunched the loyalty programme in December 1999, christening it as "Jet Privilege" (JP). JP customers were not required to pay a membership fee unlike the other loyalty programmes in the market. JP did not require passengers to produce boarding cards or other proof of travel. A passenger started earning free JP miles (points) the moment he or she took the first flight and later the concept of retro-credit was also introduced. JP was a 3 tier frequent flyer programme (blue, silver, gold), with different levels of privileges depending on the number of miles and flights the customer accumulated. Typical benefits included access to special louges, tele-check-in, guaranteed reservations, extra baggage allowance, hotel discounts, and others. JP also involved a cooperation with British Airways and KLM/North-west. The miles earned on domestic Indian routes could be redeemed on international flights.

In 2001, Jet Airways introduced an in-flight shopping programme-Jet Mall-offering travelers the advantage of ordering products from a catalogue. The intention was to provide additional services to customers. It was introduced keeping in mind the busy schedules of the business travelers and flexibility for them to shop on-board without wasting any time. The specially designed catalogue featured quality products – both branded and unbranded at attractive prices. The customer had to complete the order form, along with their credit or charge card number and hand over the same to the cabin crew or alternately post the order form later. The products were to be home delivered to them within two to four weeks.

Jet excelled at managing customer expectations. In 2002, customers of Jet Airways received a communication from the airline that requested their cooperation in observing the revised check-in timing and helping the airline in working towards on time flight departures. The communication explained that the need heightened security checks was leading to delays and in an effort to prevent this; the airline had revised is check-in-timings. While sending out this communication, the airline placed in perspective the main reason behind flight delays (most airline passengers simply assume that the airline is at fault) and solicited its passengers' cooperation in ensuring that flights leave on time. The other benefit in such an exercise is that the airline's frontline personnel were more effectively supported when faced with passenger ire at flight delays as well as late check-ins Jet adopted three ways to keep an eye on its performance in areas that were important to customer service (called key result areas or KRAs in JET jargon). The first was feedback from its customer service department whose staff strength. The second was part-time consultants flying undercover and the third was the customer service questionnaire placed on all Jet flights and answered by about 700 of the 17,000 passengers who took Jet's 255 flights daily.

The KRAs where it constantly tried to improve its performance were as follows:

(a) Check-in: The process normally took 40 seconds, but if an error at the counter pushed the time taken to much more than 2 minutes, it exceeded the threshold of customer tolerance, as per international standards. In November 1998, 91 per cent of Jet passengers felt that the airline was able to check them in less than two minutes.

(b) Customer complaints: When customers at some airports complained of long check-in waiting period, Jet used the allotted space to create more counters and reduced waiting time to within international standards. The customer feedback also prompted them to introduce 'through check-in', a service offered by all international airlines.

(c) In-flight meals: Customer feedback on the eye appeal, taste and quality was regularly sought. Finding that more than 50 per cent travelers preferred Indian cuisine, appropriate modification were undertaken.

(d) Boarding experience: wherever possible, effects were made to use aerobridges to reduce boarding time to within 8 minutes.

(e) Cabin crew service: This included friendliness, efficiency and clarity of announcements made.

(f) Baggage arrival: The aim was to release baggage before the first business class passenger was ready to claim it and ensure priority baggage was given due priority in practice.

(g) Overall efficiency of service: This was measured in terms of efficiency (combination of speed and accuracy), friendliness and willingness to help.

On-time performance reports were checked every day. All the 30 airports sent their feedback to Jet's Mumbai head office by the first week of every month. This was collated by the 15th to draw up a customer service performance map for the entire Jet network, after which specific points were studied.

And when something would go wrong, the responsibility would lie with the station head. A written receipt was to be given to the complainant and a reply to be given within 48 hours. It was rectified through counselling, if the error was human, or by identifying and closing loopholes if it was a systems error. The underlying objective of these elaborate measures was to improve customer service.
"

Questions (9*2 = 18 marks)

a) Discuss how Jet Airways managed customer expectations and perceptions of service quality using concepts from the SERVQUAL model.
b) Analyze how these initiatives reflect Jet Airways' approach to service differentiation and relationship marketing. What role did these programmes play in building customer loyalty and competitive advantage?