

MKT 405
Services Marketing

Exam 2 Study Questions
Fall 2006

The following questions have appeared on exams for this class in past semesters. As you know, the exam consists entirely of essay questions. You will be expected to write out your answers in clear, complete sentences. Be sure your ideas make sense and are relevant to the question being asked. Also, you need to write so that your handwriting can be *easily read*. The intent of the exam is to provide you with an opportunity to *demonstrate your understanding* of key terms and concepts from the course.

It is likely that three questions will appear on your exam. The exam will be worth 120 points, with each question that you answer worth 30-45 points. You will have 75 minutes to complete the exam. Thus, you will have approximately 20 minutes to answer each question, which would leave you with about 15 minutes to re-read your responses before turning them in.

If you desire to receive a high score on the exam, you will need to integrate reading from the textbook and other assigned readings, in-class discussions, and real world examples in your answers. That is, quality answers will synthesize and integrate material from assigned readings and classroom discussion with concrete (**new**) examples and your own opinions. You may find it helpful to practice writing answers to these questions in order to determine how much you can actually write in about 20 minutes.

In preparing for this exam, you may discuss these questions and your thoughts with fellow students. However, *your* answers to the questions should reflect your own unique opinions, interpretations, and examples.

Here are some guidelines to follow in regards to writing the exam:

- You may use a pencil or pen in writing your answers. However, if you are the type that makes a lot of changes when writing, I would suggest using a pencil that allows you to erase words easily.
- You will be given lined (notebook) paper for your responses, so be sure to **label your answers** appropriately (such as (1a), (1b), etc.).
- Be sure to completely answer each part of each question.
- Your handwriting should be legible; illegible handwriting will be treated as a non-answer.
- Leave at least **two blank lines between each part** of the same question, i.e., between (1b) and (1c).
- Start **new questions** at the beginning of a **new page**.
- Write only on the **front side** of each page.

These guidelines are given to make my assessment of the exam answers as consistent as possible across exams. Now that you have received these guidelines, you should follow them...failure to follow these rules for the exam will result in a reduced score.

Past Exam Questions:

- (1) Assume you have been hired as a services marketing consultant to Astro [REDACTED] business. The owner of Astro would like to tap into your expertise on *service loyalty* and hear your response to the following questions. (a) How would you define service loyalty? Explain. (b) Why are multiple dimensions of service loyalty important for a service business to consider? Explain. (c) What factors tend to influence the development of a customer's loyalty to service firms? Describe at least three factors and provide relevant examples (in *this* context) to illustrate your points. (d) What would be three benefits to Astro of having loyal customers? Explain. (Use the model on this proposed in the textbook and discussed in class as a basis for answering these questions.)

- (2) (a) One concept we have discussed is the *relationship value of a customer*. Explain what this concept means. (b) Why is the "relationship value" concept important? Explain your thinking. (c) Consider *my* relationship value as a patient to a Perrysburg [REDACTED]. Facts that may be relevant: I am 47, married, currently have two young children (ages 12 and 9), have medical coverage (through BGSU), and would like to live in this area until I retire. What is my relationship value as a patient to this [REDACTED] service provider? (Be sure to describe each number you use in your calculations and list all assumptions you are making in doing your calculations. For every number you use, *several* assumptions are probably made.) (d) In addition to increased revenues and word-of-mouth recommendations, in what other ways might a loyal customer make contributions to a service provider?

- (3) (a) Choose any three characteristics of a *good, effective* service guarantee, describe them, and discuss why a good service guarantee has *these* qualities. Use examples (*not discussed in the textbook*) to illustrate your points. (b) What one *other* characteristic, *besides* those discussed in class or presented in the textbook, do you believe could be added to this list? Describe the characteristic, explain your reasoning, and use an example to illustrate your point. (c) Assume you are hired by the Dean of Bowling Green's College of Business Administration as a services marketing consultant. Dr. Gremler has proposed that a service guarantee be used in his Services Marketing classes next Spring at BGSU. Using *at least* all of the criteria described above in parts (a) and (b), as well as any other criteria you like, critique the attached service guarantee. (Be sure to include *both* the strengths and weaknesses of the guarantee in your discussion.) (d) Taking into consideration the issues you raised in part (c), provide a recommendation to the Dean as to whether or not he should allow Dr. Gremler to offer a service guarantee for his Services Marketing classes.

- (4) In our class discussions we have examined *service recovery*. (a) What do we mean by service recovery? (b) Why is it important for a service organization to have good recovery strategies? (c) Suppose you are a customer service manager for [REDACTED] and a customer has sent you a letter detailing his bad experience. (See the attached letter.) Now that you have been made aware of the problem(s) the customer experienced, how would you "recover" from this situation? Explain your actions using concepts from class as a basis for your discussion. (d) How would you justify each of your actions to both [REDACTED] and to *your manager*? Explain (again, using concepts from class).

- (5) The following question is based on the Bugs Burger Bug Killers case that was assigned and included in the reading packet. (a) Who is BBBK's target market? (*Be VERY DETAILED AND VERY SPECIFIC in answering this question.*) (b) What is BBBK's positioning strategy? (c) Using at least three criteria from the textbook and/or discussed in class, is the Bugs Burger Bug Killers guarantee "effective"? (Provide arguments/points to substantiate your opinion.) (d) To what extent is BBBK's service guarantee consistent with [REDACTED]? *Explain.*
- (6) (a) What is a "service blueprint" and why might a firm choose to blueprint its services? (b) Illustrate your understanding of the service blueprinting concept by drawing a blueprint for "Waiters to You" (attached). (*Note: If you wish, you may draw/design your blueprint in advance and bring it to the exam. Of course, this question may or may not be on the exam.*) (c) From your blueprint, describe three potential "failpoints" in this service delivery process. (*These potential failpoints should be included and identified on your blueprint.*) Discuss how the service delivery process could be changed to help alleviate such problems. (d) Discuss how the service blueprint might be used in marketing management, human resources management, and operations management decisions in *this* organization.
- (7) Assume you have been hired as a services marketing consultant by the Bowling Green Panera Bread restaurant. (a) Describe to the owner of the restaurant what is meant by *physical evidence* and (b) why it is so important for *service* organizations. (*Be sure to provide examples of both the servicescape and other forms of physical evidence at Panera in answering these two questions.*) (c) Assume that Panera Bread is not satisfied with its overall performance at this location. Discuss at least three ways the Panera *servicescape* might be changed in order to further differentiate the firm from its competitors and to better facilitate service delivery. (d) What else might Panera do in terms of *other types of physical evidence* (other than the servicescape) to enhance the customer's experience? *Explain.*
- (8) Assume you have been hired as a services marketing consultant by [REDACTED] (see attached article). (a) Describe to the owner of [REDACTED] what is meant by *positioning* and (b) why this concept is so important for *service* organizations. (*Be sure to provide examples to support your discussion.*) (c) How would you suggest the owner position this service, given [REDACTED]'s servicescape and other types of physical evidence? (*Be very detailed and specific in your answer.*) (d) Select *two* of the provider gaps (from the Gaps model) that you believe may be the most difficult for [REDACTED] to close. Describe two potential problems related to each gap (be sure to clearly specify the two gaps) and suggest what marketing strategies could be used to overcome (or reduce) them.

- (9) Throughout the course of the semester we have discussed the *Gaps Model of Service Quality*. (a) Describe what is meant by a *customer gap* and provide a hypothetical example to illustrate your point. (b) Discuss how the customer gap relates to the four *provider gaps*. (c) Think about [REDACTED], the [REDACTED] depicted in the video. Describe a potential situation where a “customer gap” could occur. (Be sure to *clearly* tie the situation to the discussion of the customer gap.) (d) Select *three* of the provider gaps you believe [REDACTED] should be concerned about in the delivery of their service. Provide a general description of *each* of these three gaps and suggest a problem (or issue) related to each gap that is most likely to contribute to a customer gap.
- (10) Assume you are the instructor of a Services Marketing class at a major mid-western university. You are putting together your final exam and would like to construct an essay question, based on the attached *Wall Street Journal* article about a Swiss restaurant, that addresses important *services marketing* issues or concepts from any part of this course. The question should be one of *substance* that can be answered satisfactorily in about 30 minutes of writing. (a) Completely specify all of the parts of your question. (b) After you have listed your question, write up what you consider to be a complete answer, one that you (as the instructor) would award a score of 100%. If your question has multiple parts, be sure to indicate each part of your response so that it is clear which part of the question you are addressing. (*Note: Points will be awarded for creativity and originality in your construction of the question, and for a demonstration of both the completeness and thoroughness of your response of your answer.*)