



**K. K. Wagh Institute of Engineering Education and Research,
Nashik**

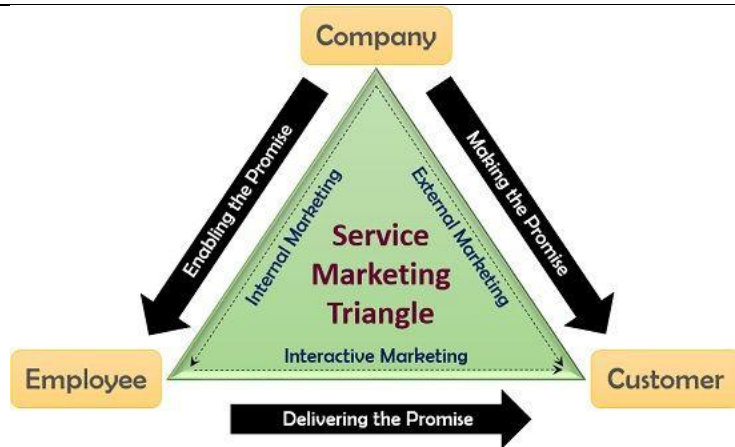
(An Autonomous Institute from A. Y. 2022-23)

Model Answer

End-Sem Examination-I, Winter 2025

Academic Year: 2025-2026	Semester: III
Class: PG-II	Program: MBA
Branch Code: 10	Pattern: 2022
Name of Course: Service Marketing	Course Code: MBA223107

Q. No.	Details	Max. Marks
Q.1	<p>What are the key characteristics of service marketing?(6marks)</p> <p>ANSWER:</p> <p>The 4 I's of service marketing represent key elements in marketing services. These elements help businesses understand and address the unique challenges and characteristics of services, which differ from tangible goods. The 4 I's are:</p> <p>Intangibility: Services are intangible, meaning they cannot be seen, touched, or felt before the purchase decision. This characteristic poses a challenge for marketers as they need to find ways to make the intangible service tangible or to provide tangible cues that signal the quality of the service.</p> <p>Inconsistency: Services are highly variable and can differ from one service encounter to another. This inconsistency may arise due to the involvement of people in service delivery,</p> <p>Inseparability: Services are often produced and consumed simultaneously. The production and consumption of services are inseparable, which means that customers are often present during the service delivery process.</p> <p>Inventory (Perishability): Services are perishable and cannot be stored like physical products. If a service is not used or consumed at the time it is available, the opportunity is lost.</p>	[6]
Q.2	<p>Identify & discuss the elements of service marketing triangle? (6marks)</p> <p>ANSWER:</p> <p>The Service Marketing Triangle is a concept that highlights the interdependence of three key elements in the service industry: the company or service provider, the employees (service personnel), and the customers. It emphasizes the importance of aligning these three components to ensure the delivery of high-quality services. The three vertices of the triangle represent:</p> <ol style="list-style-type: none">1. Company2. Employees3. Customer	[6]



a) Explain the concept of service encounter? Describe the types of service encounter? (8marks)

ANSWER:

Service encounters refer to the interactions between service providers and customers during the delivery of a service. These encounters play a crucial role in shaping the overall customer experience. Service encounters can vary widely in nature, and different classifications exist based on various criteria. Here are some common types of service encounters:

Remote Encounters:

Interaction occurs without face-to-face contact, often facilitated by technology. Examples include online customer support, telephone inquiries, or chat-based interactions.

Face-to-Face Encounters:

Direct, in-person interactions between service providers and customers. Examples include interactions with retail staff, hotel check-ins, or restaurant services.

Phone-based Encounters:

Service interactions that take place over the telephone. This could involve making reservations, seeking assistance, or conducting transactions via a call center.

Q.3

OR

b) Describe how the understanding about the service quality is influenced by physical evidence? (8marks)

ANSWER:

Physical evidence, also known as tangible cues or the servicescape, refers to the physical elements or environment in which a service is delivered. These tangible aspects play a crucial role in influencing customer perception and can significantly impact the overall customer experience. Here are several ways in which physical evidence influences customer perception:

Service Quality Signals:

Physical evidence serves as tangible signals of service quality.

Atmosphere and Ambiance:

The ambiance and atmosphere of a physical environment can greatly impact the customer experience.

Brand Image:

The physical evidence contributes to the overall brand image. Consistent branding across

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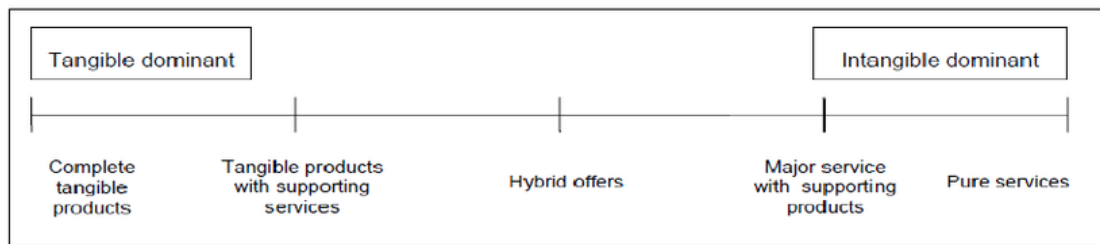
physical elements, such as logos, colors, and design elements, helps reinforce brand identity and recognition, influencing how customers perceive the service.

Credibility and Trust:

A well-designed and aesthetically pleasing physical environment can enhance the credibility and trustworthiness of a service provider.

c) Explain how variation from pure goods to pure service are mapped on Goods-Service Continuum? (8marks)

ANSWER:



The goods–service continuum is a conceptual framework that illustrates the range of offerings in the marketplace, ranging from pure goods to pure services. This continuum helps to highlight that many offerings fall somewhere in between these two extremes and may have characteristics of both goods and services. It's a useful tool for understanding the evolving nature of business offerings and the integration of tangible goods and intangible services.

OR

d) Differentiate between the characteristics of service marketing & goods marketing? (8marks)

ANSWER:

Marketing for services and goods involves distinct strategies and considerations due to the inherent differences between intangible services and tangible goods. Here are some key differences in service marketing and goods marketing:

Physical Goods	Services
A thing	An activity or process
Tangible	Intangible
Homogeneous	Heterogeneous
Production and distribution are separated from consumption.	Production, distribution and consumption are simultaneous process.
Core value produced in factory	Core value produced in buyer-seller interactions.
Customers do not participate in the production process	Customer may participate in the production
Can be kept in stock.	Cannot be kept in stock.
Transfer of ownership.	No transfer of ownership.

Q.4 a) Discuss the perceived risk by the customer in a service? Describe the types of risk perceived? (8marks)

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ANSWER:

Perceived risk in the context of services refers to the customer's subjective assessment of the potential negative outcomes or uncertainties associated with the purchase and consumption of a service. Various factors contribute to the perceived risk in service encounters, and these risks can impact the customer's decision-making process. Here are some common types of perceived risks in services:

Financial Risk:

Concerns about the monetary investment associated with the service. Customers may worry about whether the service will provide value for the cost incurred.

Physical Risk:

Concerns about the potential harm or discomfort to the customer's physical well-being.

Psychological Risk:

Apprehensions about the impact of the service on the customer's mental or emotional well-being.

Performance Risk:

Apprehensions about the service's ability to meet expectations and deliver the promised performance.

OR

b) Explain the search, experience and credence property?

(8marks)

ANSWER:

The terms "search," "experience," and "credence" properties are concepts related to the classification of goods and services based on the ease with which consumers can evaluate their quality.

Search Properties:

Search properties refer to the attributes of a product or service that can be easily evaluated before purchase. These are characteristics that consumers can assess by examining or researching the product directly.

Experience Properties:

Experience properties are attributes of a product or service that can only be evaluated after the product or service is consumed or experienced. Customers can't fully assess these properties until they have used the product or service.

Credence Properties:

Credence properties are attributes that are difficult for consumers to assess even after consumption. Consumers must rely on trust, faith, or expert opinions to evaluate these properties because the knowledge required is beyond their expertise.

c) Analyse the reason due to which GAP1 of service quality arises. State the methods to close the gap? (8marks)

ANSWER:

GAP 1, in the context of service quality, refers to the discrepancy between customer expectations and management perceptions of those expectations. This gap can occur when there is a lack of understanding or alignment between what customers expect and what management believes customers expect. To bridge GAP 1, organizations need to address several key reasons for the gap and implement methods to align customer expectations with management perceptions. Here are some reasons for GAP 1 and methods to bridge the gap:



Reasons for GAP 1:

Lack of Customer Research

Inadequate Communication

Unclear Service Quality Standards

Inadequate Employee Training

Methods to Bridge GAP 1:

Conduct Market Research

Implement Customer Feedback Systems

Enhance Employee Training Programs

OR

d) Hypothesize the concept of Zone of Tolerance? Summarize the aspects that affects the Zone of Tolerance?

(8marks)

ANSWER:

The Zone of Tolerance in service quality refers to the range within which customers are willing to accept variations in service. It is the difference between the desired level of service and the minimum acceptable level of service. Several factors can affect the Zone of Tolerance, influencing customers' perceptions of service quality. Here are key factors that can impact the Zone of Tolerance:

Service Expectations:

Customers' individual expectations play a significant role in determining their Zone of Tolerance.

Critical Incidents:

Specific events or critical incidents during the service encounter can impact the Zone of Tolerance.

Customer Knowledge and Experience:

Customers' knowledge and experience with a particular service can influence their Zone of Tolerance. Experienced and knowledgeable customers may have a narrower tolerance for service variations.

a) Demonstrate the GAP model of service quality? Explain the various GAPS involved?
(8marks)

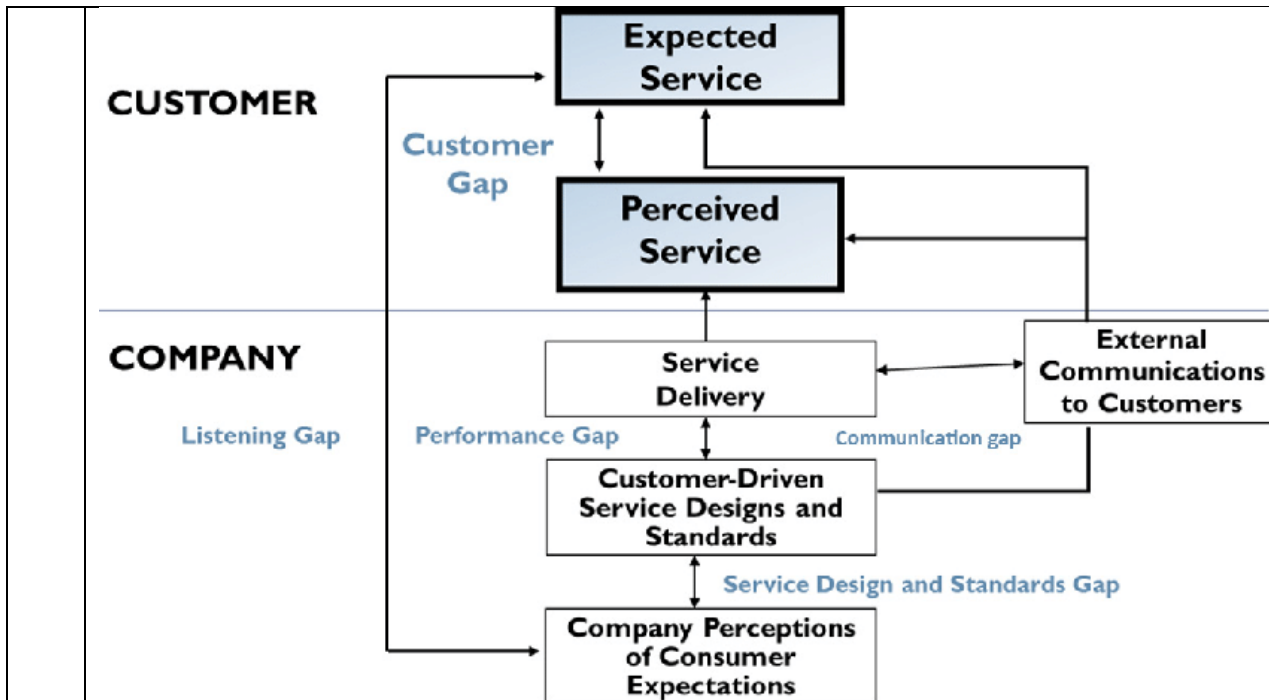
ANSWER:

The model highlights the various stages in the service delivery process where discrepancies can occur. The model consists of five key gaps, each representing a potential area of misalignment in service quality. By identifying and closing these gaps, service providers can improve the alignment between customer expectations and perceptions, ultimately enhancing overall service quality and customer satisfaction.

Here are the five gaps in the GAP model of service quality:

[16]

Q.5



Gap 1: Knowledge Gap (Expected Service vs. Perceived Service)

Gap 2: Policy Gap (Management Perception vs. Service Quality Specification)

Gap 3: Delivery Gap (Service Quality Specification vs. Service Delivery)

Gap 4: Communication Gap (Service Delivery vs. External Communication)

Gap 5: Perception Gap (Expected Service vs. Perceived Service)

OR

b) Summarize the role of relationship marketing in understanding the customer expectations?
(8marks)

ANSWER:

Relationship marketing plays a crucial role in understanding customer expectations by fostering long-term, mutually beneficial connections between businesses and their customers. Here are several ways in which relationship marketing contributes to understanding and meeting customer expectations:

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Continuous Communication:

Relationship marketing involves ongoing and open communication with customers.

Building Trust:

Trust is a cornerstone of relationship marketing.

Customer Feedback and Surveys:

Relationship marketing encourages the use of customer feedback mechanisms, such as surveys, to collect direct input on experiences and expectations.

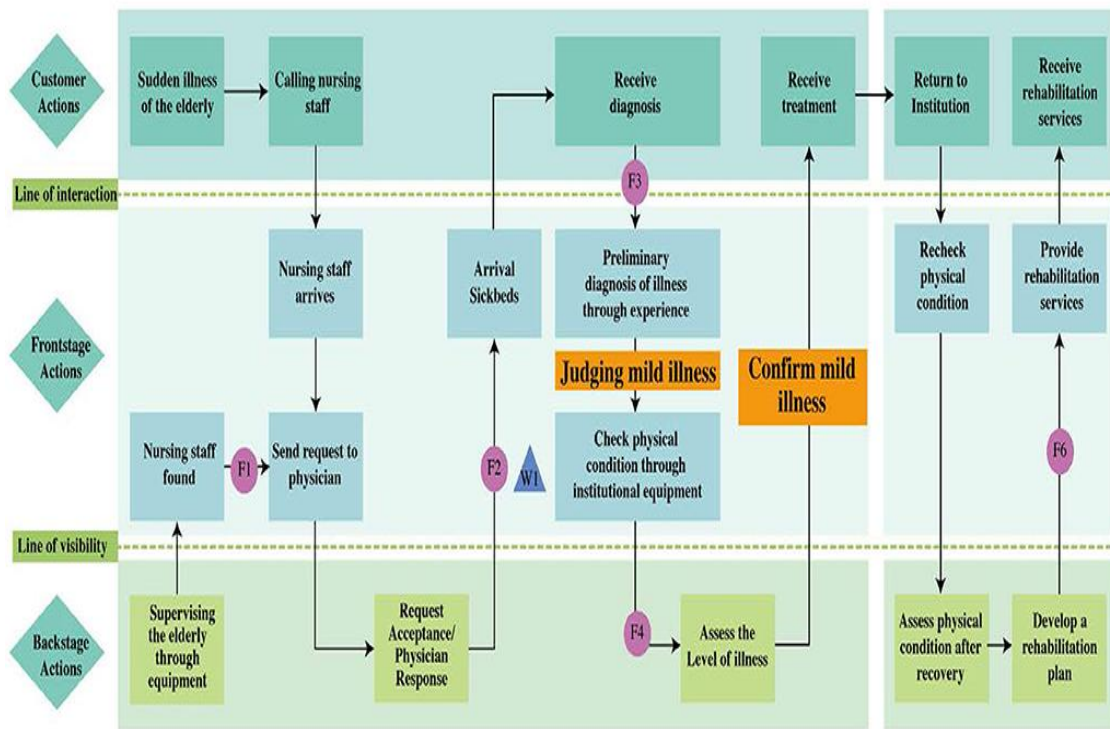


Loyalty Programs:

Loyalty programs are a common tool in relationship marketing. By tracking customer behavior and preferences through loyalty programs, businesses can gain insights into what motivates and satisfies customers.

c) Create blueprint depicting the service elements of hospitality industry?
(8marks)

ANSWER:



OR

d) Design a service map covering the management facilities of hotel industry?
(8marks)

ANSWER:



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