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Code: 19MBA4002

SET-2

**ADITYA INSTITUTE OF TECHNOLOGY AND MANAGEMENT, TEKKALI
(AUTONOMOUS)**

II MBA IV Semester Regular Examinations, August- 2021

SERVICE MARKETING

Time: 3 Hrs

Max. Marks: 60

**Answer any Five questions
All questions carry EQUAL marks
Question No. 8 is Compulsory**

1. a) What do you mean by Service? Explain Services Marketing Mix with suitable example. **7M**
b) Describe the various Characteristics of services as compared to goods with examples. **5M**
2. a) Discuss the various ways of understanding Consumer Requirements in Services Marketing. **7M**
b) Define Consumer behavior. Discuss the importance of understanding Consumer Behaviour in services, **5M**
3. a) Describe the ways of Creating and Maintaining Valued Relations in Services Marketing. **7M**
b) Explain the Positioning Strategies of Services in the market. **5M**
4. a) Define pricing of Service. Explain the pricing objectives with examples. **7M**
b) Discuss the various steps of setting the Pricing of services. **5M**
5. a) Describe the ways of managing demand and capacity of services with suitable examples. **7M**
b) Explain the means of delivering service through intermediaries and electronic channels **5M**
6. a) Describe the needs and importance of Integrated services marketing communications with examples. **7M**
b) Explain the Marketing communication mix of services with examples. **5M**
7. a) Describe the role of Services sector in Modern Economy. **7M**
b) Define Brand. Discuss the role of Branding in services marketing with suitable examples. **5M**
8. **CASE STUDY:** **12M**

Moonbeam Resorts was founded in 1996 under a time-share agreement. Members had to pay the membership fees (1 week for 99 years) and join Moonbeam resorts as a member. Subsequently, members were entitled to one week stay annually in any of the resorts of Moonbeam in India. Moonbeam Resorts had resorts in places like Munaru, Tirupati, Mysore, Tanjore, Coorg, Yercadu, Ooty, Simla, Goa, Lonavala., Their turnover was Rs.5 crores in 1998 which grew to Rs.75 crores in the year 2009. Moonbeam Resorts tasted success because they kept on growing their business by exploring new places, acquiring places on lease and hire. Their growth was more inorganic than organic. They also encouraged their

existing members to bring in new customers and for this; the members got a few gifts and discounts during their stay in resorts. To be honest, this enticement was not great enough. One could say that Moonbeam Resorts literally took its customers for granted.

Services in Moonbeam though good in the 90's and late 90's had started deteriorating steadily. This was because though their marketing strategy was a combination of relationship marketing as well as transactional marketing, they started adopting cost cutting measures without realizing that such initiatives were actually diluting the level of customer service. Customer perceptions about Moonbeam resorts began to change rapidly. Growth in new customers began to gradually whittle down.

Swimming pools in some of the resorts were not maintained well. Salaries that Moonbeam resorts paid to permanent and temporary staff were low and not as per market conditions. Working hours of staff were excruciatingly long and some of the staff poured out their woes to guests. Guests staying in resorts were fleeced by charging exorbitant rates on almost anything that they wanted to eat. The charges were 5-star rates but the service was simply not value for money. The strategic advantage that Moonbeam always capitalized on was that their resorts were located far from the hub of main township and so those guests who did not have their own vehicles had to depend on the transportation services of the resort. The charges were always 20% more than the prevailing market rate. To add to the woes, there was hardly any sort of communication from the Resort Management to the customers, some of whom had joined membership in 1996. Moonbeam Resorts also charged a maintenance fee during the stay of guests in the resort.

In the earlier days, Moonbeam Resorts had provided a kitchenette service whereby guests could cook a simple meal in the room itself. They could make sandwiches, noodles, cook rice and dal. A pressure cooker and a few utensils were provided. There was also a mini fridge. Soon, Moonbeam replaced the gas with an oven and customers had to bring their own microwave compatible vessels. The mini fridge continued to remain. Many customers of Moonbeam Resorts were forced to eat from the Resort Hotel where a buffet lunch for four cost Rs.2500. Soon some of the resorts used strategies like "Masti Magic" wherein customers could opt for a breakfast cum lunch cum dinner package for Rs.4000 per day. This scheme dissuaded many customers who had come in groups, so these groups started to eat out in local restaurants where quality food was affordable. Moonbeam further tried to reduce expenses by hiring graduates from hotel management institutes and labelled them as trainees. Attrition in Moonbeam resorts was high.

Even in the entertainment programs within the resort, trekking, games – all these were not that great. The department arranging for sightseeing and tours was manned mostly by demotivated staff who had not seen a pay hike in years and the charges for sightseeing were exorbitant too.

The only good thing was that all resorts of Moonbeam were located in natural locales so one could get lot of fresh air to breathe. But those who travelled to their resort once did not wish to travel to the same resort again. But Moonbeam resorts continued to have business from existing customers who had no choice as they had already paid the money (membership fees) in advance. Some of the local resorts in hill stations have recently revamped their pricing strategies to attract customers and this is denting the business of Moonbeam.

Question : 1. Do you think Moonbeam's marketing strategy will sustain in the long run, considering the service quality that they were delivering ? Write reasons in support of your answer.

2. If Moonbeam had commenced its business in 2012 instead of 1996, do you think it would have managed to succeed? Write reasons in support of your answer.