



006

UNIVERSITY OF RUHUNA

FACULTY OF MANAGEMENT AND FINANCE

Bachelor of Business Administration Degree Programme

Examination (February/March 2021)

Academic Year 2020/2021

²²⁵¹³
MKT 22153: Services Marketing

Duration : Three hours

The Question Paper contains 08 questions.

Answer Question 01 and Four other Questions

1. Read the case study and answer the following questions.

A privately owned hospital in Colombo, Sri Lanka's largest city, has built a strong reputation in Sri Lanka for its unique specialization in Eye and ENT care, offered at a premium price relative to other options available in the country. Since its establishment in 2007, the hospital has steadily grown to become one of the most reputed treatment centers for Eye & ENT disorders in the country. It achieves excellent medical outcomes and is highly regarded by former patients. The hospital has acquired the latest models of equipment in the market to significantly enhance the quality of diagnostics and treatment, especially its surgery procedures and post-care capabilities. This is a center of excellence dedicated and equipped for all Eye & ENT related investigations, treatment, and surgery. The hospital is backed by a team of experts and nursing staff with specialized training in Eye and ENT. The hospital features a 24-hour general OPD, a laboratory, a pharmacy and ample parking. With the increasing demand which exceeds the productive capacity, the expansion of capacity is needed.

- a. What actions, if any would you take to expand the hospital's capacity and how would you implement such changes?

b. What are the different types of costs that the patient needs to bear in receiving the hospital service? Compare them with the public hospital.

(07 Marks Each: Total 14 Marks)

2. a. What is so distinctive about services marketing that it requires a special approach, set of concepts, and body of knowledge?

b. Why do marketing, operations, and human resources have to be more closely linked in services than in manufacturing? Explain the answer with examples.

(07 Marks Each: Total 14 Marks)

3. a. Clarify the differences among the four broad categories of services, provide examples for each, and explain the service management challenges related to each of the four categories.

b. Explain the three-stage model of service consumption.

(07 Marks Each: Total 14 Marks)

4. a. Discuss the strategic and tactical considerations related to the locational decisions related to service distribution.

b. "Services marketers increasingly use franchising as a strategy of service distribution." Discuss the reasons for using the franchising and factors affecting the success of the franchising.

(07 Marks Each: Total 14 Marks)

5. a. Why is the cost charged by the firm only one, and often not the most important component of the total cost to the consumer?

b. What is revenue management, and how does it work?

(07 Marks Each: Total 14 Marks)

6. a. What are the different types of jaycustomers and how can a service firm deal with the behaviour of such customers?

b. What are the implications of considering customers as partial employees?

(07 Marks Each: Total 14 Marks)

7. a. Why is capacity management particularly significant for service firms?
b. What are the underlying causes of cyclical and random variations of demand for services?

(07 Marks Each: Total 14 Marks)

8. a. Discuss the core purposes of the service environment.
b. Use Russell's Model of Affect to explain how people respond to the service environment.

(07 Marks Each: Total 14 Marks)
