



UNIVERSITY OF RUHUNA
FACULTY OF GRADUATE STUDIES
Master of Business Administration Degree Programme Semester II
Examination (July 2020)
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PDBA/MBA 106: Marketing Management:

Duration: Three hours

The Question Paper contains 07 questions.

Answer only five (05) questions including question number 1

1.

The Ritz-Carlton

Few brands attain such a high standard of customer service as the luxury hotel, Ritz-Carlton. The Ritz-Carlton dates back to the early 20th century and the original Ritz-Carlton Boston, which revolutionized the way U.S. travelers, viewed and experienced customer service and luxury in a hotel. The Ritz-Carlton Boston was the first of its kind to provide guests with a private bath in each guest room, fresh flowers throughout the hotel, and an entire staff dressed in formal white tie, black tie, or morning coat attire.

In 1983, hotelier Horst Schulze and a four-person development team acquired the rights to the Ritz-Carlton name and created the Ritz-Carlton concept as it is known today: a company-wide concentration on both the personal and the functional side of service. The five-star hotel provides impeccable facilities but also takes customer service extremely seriously. Its credo is, "We are Ladies and Gentlemen serving Ladies and Gentlemen." According to the company's Web site, The Ritz-Carlton "pledge(s) to provide the finest personal service and facilities for our guests who will always enjoy a warm, relaxed, yet refined ambience."

The Ritz-Carlton fulfills this promise by providing impeccable training for its employees and executing its three steps of service and 12 service values. The three steps of service state that employees must use a warm and sincere greeting always using the guest's name, anticipate and fulfill each guest's needs, and give a warm good-bye again using the guest's name. Every manager carries a laminated card with the 12 Service Values, which include bullets such as number 3: "I am empowered to create unique, memorable and personal experiences for our guests," and number 10: "I am proud of my professional appearance, language, and behavior." Simon Cooper, the company president, and the chief operating officer explained, "It's all about people. Nobody has an emotional experience with a thing. We're appealing to emotions." The Ritz-Carlton's 38,000 employees at 70 hotels in 24 countries go out of their way to create unique and memorable experiences for their guests.

While The Ritz-Carlton is known for training its employees on exceptional customer service, the hotel also reinforces its mission and values to its employees on a daily basis. Each day, managers gather their employees for a 15-minute “line up.” During this time, managers touch base with their employees, resolve any impending problems, and spend the remaining time reading and discussing what The Ritz-Carlton calls “wow stories.”

The same “wow story” of the day is read to every single employee around the world. These true stories recognize an individual employee for his or her outstanding customer service and also highlight one of the 12 Service Values. For example, one family staying at the Ritz-Carlton, Bali, needed a particular type of egg and milk for their son who suffered from food allergies. Employees could not find the appropriate items in town, but the executive chef at the hotel remembered a store in Singapore that sold them.

He contacted his mother-in-law, who purchased the items and personally flew them over 1,000 miles to Bali for the family. This example showcased Service Value 6: “I own and immediately resolve guests’ problems.” In another instance, a waiter overheard a man telling his wife, who used a wheelchair, that it was too bad he couldn’t get her down to the beach. The waiter told the maintenance crew, and by the next day, they had constructed a wooden walkway down to the beach and pitched a tent at the far end where the couple had dinner.

According to Cooper, the daily wow story is “the best way to communicate what we expect from our ladies and gentlemen around the world. Every story reinforces the actions we are looking for and demonstrates how each and every person in our organization contributes to our service values.” As part of company policy, each employee is entitled to spend up to \$2,000 on a guest to help deliver an anticipated need or desire.

The hotel measures the success of its customer service efforts through Gallup phone interviews, which ask both functional and emotional questions. Functional questions ask “How was the meal? Was your bedroom clean?” while emotional questions uncover a sense of the customer’s well-being. The Ritz-Carlton uses these findings as well as day-to-day experiences to continually enhance and improve the experience for its guests. In less than three decades, The Ritz-Carlton has grown from 4 locations to over 70 and earned two Malcolm Baldrige Quality Awards—the only company ever to win the prestigious award twice.

Questions

- (a). Based on the information given by the case, explain in brief the type of service delivered by the Ritz Carlton Hotel. (05 marks)
- (b). Identify two internal and two external marketing strategies of Ritz Carlton. (05 marks)
- (c). What is Customer Value Proposition? Strictly adhering to the case, discuss the elements included in Ritz Carlton’s Customer Value Proposition. (15 marks)
- (d). Discuss in brief the Core and Five Supplementary elements attached to the Ritz Carlton Hotel. (15 marks)

[Total marks 40]

2. (a). Explain major differences in business market compared to the consumer market. (7 marks)

(b). Assume you have been appointed as the purchasing manager of a well reputed company and the company is currently purchasing several products as inputs from different suppliers. Top management of the company wants to know the level of the importance of each product (inputs) to formulate the appropriate strategies with each supplier. However, they have no clear idea about the product categorization. Advise them on how to identify the level of importance of products based on market complexity and cost to firm using (Kraljic model 1983).

(8 marks)

[Total 15 marks]

3. (a) Explain the communication process by providing a practical example relevant to marketing communication.

(7 marks)

(b) Digital technologies have not only created potent new social networks for marketers but also dramatically altered how culture works. Discuss the validity of this statement by providing relevant examples from marketing communication.

(8 marks)

[Total 15 marks]

4. (a). Define Marketing Information System (MIS) by highlighting its importance.

(7 marks)

(b). Explain the concept of marketing myopia by providing a practical example.

(8 marks)

[Total 15 marks]

5. Although consumers have fairly good knowledge of price ranges, surprisingly few can accurately recall specific prices. When examining prices, consumers often employ reference prices, comparing an observed price to an internal reference price they remember or an external frame of reference such as a posted "regular retail price."

(a). What are the different price-setting methods? Briefly describe each of them.

(07 Marks)

(b). Briefly describe the different types of pricing objectives.

(08 Marks)

[Total Marks 15]

6. The firm's success depends not only on how well each department performs its work but also on how well the various departmental activities are coordinated to conduct core business processes.

(a). Good mission statements are essential to being a success in business. Describe the three major characteristics that good mission statements should have.

(07 Marks)

(b). During the planning process, if there is a gap between future desired sales and projected sales, corporate management will need to develop or acquire new businesses to fill it. Identify and describe the three strategies that can be used to fill the strategic gap.

(08 Marks)

[Total Marks 15]

7. Marketing channels are the set of pathways a product or service follows after production, culminating in purchase and consumption by the end user.

(a). Explain the three distribution strategies based on the number of intermediaries.

(07 Marks)

(b). What is channel power? Explain the various types of channel power.

(08 Marks)

[Total Marks 15]

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