Total marks for this paper is 100 marks.

There are two parts in this question paper. All questions in Part One are compulsory.

It includes a mini case.

Part Two includes 6 Essay Type Questions. Answer 03 questions from this part.

Instructions to candidates

1. State your Registration Number on the front cover of the answer book and on each and every additional paper attached to it. Your name must not appear anywhere in the answer book or answer scripts.
2. Always start answering a question on a new page.
3. You are reminded that answers should not be written in pencil or red pen except in drawing diagrams.
4. Answer the questions using:
   - Effective arrangement and presentation
   - Clarity of expression
   - Logical and precise arguments
   - Clear diagrams and examples where appropriate
5. Illegible handwriting and language errors will be penalised.
PART ONE

Answer all questions

Question 01: Case Study

“Smile” is a reputed hotel chain in Sri Lanka operating since 1990 offering a full range hotel experience to customers though three branches located in Colombo, Arugam Bay and Hikkaduwa. Though initially they were only in the restaurant sector, the management predicted emerging possibilities in services such as entertainment, experiences, relaxation, spa and therapies which can be perfectly aligned with the hospitality service and decided to expand its businesses by grabbing such impending opportunities in the market, resulting in a star grade hotel chain in Sri Lanka.

Being in the service sector, “Smile” recognized that customers feel difficulties in evaluating their services compared to competing products, and therefore decided to help the customer evaluation process in numerous ways. Further, they witnessed that providing customer convenience is essential for a business like “Smile”, as they require face-to-face customer interactions in their service premises. Therefore, they adopted state-of-the-art technologies to provide customer convenience from the time of reservation until check-out.

However, “Smile” is still confused on some aspects in their business. They are not sure whether they need to focus on customers or service excellence. Further, their prices were higher in comparison to other hotels, which was a reminder on the need to change their pricing strategy to touch the low-end customers. Though “Smile” has a very good demand, they were not spending much on promoting their hotel in both the local or global context, managing their websites and running few online advertisements on their own. As the name suggests Smile’s employees always treat their customers with a nice “Smile” which creates a positive impression on their service. As a first-rate business in the service industry, they always welcome customer insights to determine their next step of the business.

a) Explain why services tend to be harder for customers to evaluate than goods? How can “Smile” assist its customer service evaluation process?  
               (8 Marks)

b) Describe the basic focus strategies and recommend a suitable strategy for “Smile” with justifications.  
               (8 Marks)

c) Explain how the pricing tripod approach is useful to “Smile” in determining their pricing strategy.  
               (8 Marks)
d) “Expressing socially desired emotions during service transactions are essential for service employees, though they do not feel insight.” Justify your answer elaborating on the role of service employees in “Smile” as a source of customer loyalty and competitive advantage.  

(8 Marks)

e) Suggest a suitable communication mix “Smile” can use to approach its target customers, elaborating the importance on 5Ws in structuring the Integrated Marketing Communication (IMC) mix. 

(8 Marks)

(Total 40 Marks)
PART TWO

This part includes SIX (06) Essay Type Questions
Answer THREE (03) questions

Question 02
“Almost all economies have a substantial service sector, and now it is being the strongest growth area for marketing”. Explain this statement with practical implications from the Sri Lankan economy, highlighting the powerful forces that have caused this transformation process.

(Total 20 Marks)

Question 03
“Basically, pleasant environments result in approach, and unpleasant environments result in avoidance”. Elaborate this statement emphasizing the importance of physical evidences to a selected service organization of your choice as an example. Your answer should be supported by an accepted service-cape model.

(Total 20 Marks)

Question 04
To what extent do you consider the marketing mix, which has been traditionally applied to the product sector, appropriate to the service sector? Explain your answer with suitable examples where relevant.

(Total 20 Marks)

Question 05
“Not every core product is surrounded by all supplementary elements. The nature of the product helps to determine which supplementary services must be offered and which might usefully be added to enhance value and ease of doing businesses with the organization”

Explain the possible supplementary elements which can be provided with a service of your choice as an example and briefly explain how the requirement of supplementary services would vary according to the level of contact and the nature of customer involvement.

(Total 20 Marks)

Question 06
“In some services, backstage operations are of little interest to customers and they mostly evaluate on “what” element are experienced during service delivery. Failures in backstage tasks have an impact on customer satisfaction”. Explain the importance of back stage and front stage activities in a restaurant that concentrates on services as a system.

(Total 20 Marks)
Question 07

a) The internet has changed the way how things are done. Today everyone with a smartphone along with an internet connection can be considered as a citizen journalist. Assess how digital development has changed the world by drawing suitable examples.

(10 Marks)

b) Digital marketing is all about achieving three marketing objectives (identifying, anticipating and satisfying customer needs and wants) through digital technologies. Evaluate how digital marketing can play a critical role in achieving those objectives drawing suitable examples.

(10 marks)

(Total 20 Marks)

(Total 60 Marks)

(Total 100 Marks)

-END-