

4241

A

MBA (FT)

**Paper - F - 3208**  
**Marketing of Services**

Time : 3 hours

Maximum Marks : 70

(Write your Roll No. on the top of immediately on receipt of this question paper).  
Part A is compulsory (Marks 28) and any three questions (Marks 14x3) from Part B

**Part- A**

Read the following situation and answer the questions given in the end:

Pulin Kayastha was simply amazed. He had seen all forms of hostility and marketing warfare in the consumer goods industry, but to see similar warfare in the health industry fascinated him. Clearly, he told himself, doctors had found consumers in their patients. At least, that's what the concept note sent by Dr. Ajit Varman, country manager of Recovery Clinics & Hospitals, seemed to indicate. Varman and seven other senior doctors had left Karuna Nursing Home and Hospital to set up Recovery, which, as the note said, ".... Would be entirely devoted and dedicated to customer responsiveness."

Pulin was a management consultant and was recommended to Recovery by the marketing director of Regrow Pharma, a large pharmaceuticals company in Mumbai. In fact, the suggestion to set up Recovery came from a non-resident patient, Dinesh Shah, who was undergoing treatment at Karuna's large specialty hospital in Central India. It was in the course of his interaction with the doctors that Shah sensed their unhappiness with the system. This prompted him to suggest the idea of Recovery. Varman had joined Karuna 10 years ago, assured of a challenging career in a hospital that was promising to be different. But over time, disillusionment set in as Karuna's image and response to the environment diluted its equity.

"Now that we have decided to do this, we do not want to repeat old mistakes," Varman had told Pulin during their first meeting. "Having worked at Karuna, we can see its weaknesses and why it's losing saliency. Ten years ago, when it was established, we believed it was going to add value to our careers; We became a part of it because we were told that we are specialists who would bring exclusivity to the hospital. But soon, the focus shifted to fetching business and revenues. The management started hiring specialists and private practitioners, offering them cabins and consultancy arrangements at Karuna. The strategy was that these doctors would bring in their patients and use the infrastructure so that the hospital would start earning money."

The Karuna management wanted to derive short-term benefits, than gradually build up clientele. But the strategy, it appeared, did not pay off. As Varman said: "Because there were many doctors and the business was not large enough in the first few months. Consequently, competition for business became cut-throat between doctors."

Despite modern amenities, state-of-art systems and numerous doctors, the image of the hospital was that of being too commercial - a fallout of the stigma of being a private hospital. It was common among doctors to slot every hospital under either category - a place where you get neglected to death or a place where you get researched to death. Karuna earned a new label - a place where you got cross-referred to death, for doctors at Karuna slowly took to enhancing each other's' earnings as they sent patients back and forth to doctors and specialists. At the end of his diagnoses, the patient ended up paying a huge amount of money for this treatment.

According to Varman, the high-cost, high-expectation syndrome hit the hospital. The initial promise of exclusivity and quality was lost. Karuna had the best doctors. But after-care was abysmal. With a view to keeping costs low, nurses, house-keeping staff and even the front office staff were hired cheap, training was virtually absent, and no attention was paid to end-user needs. Kayastha could see Recovery trying to be all that Karuna was not and desiring not to be all that Karuna was. If Kayastha thought Varman was hiring him for routine systems design and a patient management manual, he was mistaken. For Varman said : "We want to get Recovery's positioning platform right and work on a sound marketing plan. What we want you to do is to help us build this brand, help ordinary doctors like us understand what brand-building entails and how it is managed in a service industry."

Questions:

- (a) Suggest a positioning strategy for Recovery Clinics and Hospitals.
- (b) Explain why it would be necessary for doctors as well as nursing staff to be marketing oriented.
- (c) Identify and discuss the service quality dimensions which Recovery Clinics and Hospitals can use for measuring its service quality.
- (d) What process they can adopt and standardize quality in their clinic?

### **Part B**

Q.1 Develop a flow chart to depict the delivery process of a service and identify various points of interactions. Rate these points on a satisfaction scale and perform a tentative root cause analyses and make recommendations as to how these can be improved.

Q.2 . L'Oreal company is facing a difficulty in getting the male customers to switch from their existing barber shops or local salons to their 'Looks' salons. Can service consumer behavior model come to their help? What specific suggestions would you make to them so that they are able to achieve their objectives?

Q.3. Assume you are manager of a service firm (make your choice). Explain how you are troubled by the peaks and valley of demand. Explain how you might use demand and capacity oriented strategies to smooth the peaks and valleys.

Q.4. How do three service characteristics of intangibility, variability and perishability apply to hotel business? Explain specific consequences of these and strategies which could be employed to cope with these.

Q. 5. Write short notes on any two the following;

- Difficulty in pricing services
- Service branding
- Recovery managements
- Service culture