

VPM's
DR VN BRIMS, Thane
Programme:MMS (2017-19) (Mktg.)
Third Semester Examination October 2018

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|-----------------------------------|---------------------------|-----------------|------------------|
| Subject | Services Marketing | | |
| Roll No. | | Marks | 60 Marks |
| Total No. of Questions | 7 | Duration | 3 Hours |
| Total No. of printed pages | 3 | Date | 2.11.2018 |

Note: Q1 is compulsory and solve any FOUR from the remaining SIX questions.

Q1)Read the caselet and answer the questions below 20 Marks (Compulsory)

A brand synonymous with private villas, tropical gardensp as, and retail galleries promoting traditional craft,Banyan Tree Hotels & Resorts received its first guest in1994 in Phuket, Thailand. Since then, it had grown into a leading manager and developer of niche and premium resorts, hotels, and spas in Asia–Pacific. Despite having minimal advertising, Banyan Tree achieved global exposure and a high level of brand awareness through the company’s public relations and global marketing programs. Much interest was also generated by the company’s socially responsible business values and practices caring for the social and natural environments. To gain a wider customer base, the company introduced Angsana in 2000, a contemporary brand at a slightly lower price point that also appeals to families.

As the resorts market became increasingly crowded withsimilar competitive offerings, lured by the success of Banyan Tree, the company had to contemplate expand in gits business and preserving its distinct identity. BanyanTree and Angsana resorts were expanding geographically outside of Asia and also into the urban hotel market in major cities throughout the world. With around 30hotels and resorts scheduled to open over the next five years, Banyan Tree faced the challenge of translating and maintaining the success of a niche Asian hospitality brandinto various market segments on a global scale.

COMPANY BACKGROUND

By October 2015, Banyan Tree Holdings Ltd (BTHR)managed and/or had ownership in-interests in 38 resorts and hotels, 67 spas, 79 retail galleries, and three golf courses in 28 countries. Since its establishment in 1994,the company’s flagship brand, Banyan Tree, had won a mindboggling 1,200 international tourism, hospitality,design, and marketing awards, some of which included“2014 Forbes Travel Guide Award”, “Top 10 HotelsIn Mexico” in 2014 by the US News for Banyan TreeMayakoba, “Best Spa Resort in China” in 2014 for Banyan Tree Lijiang from the 7th Annual TTG ChinaTravel Award, “National Geographic Traveler” award for Banyan Tree Yangshuo in 2014, and “Best Spa Operator”at the 25th Annual TTG Travel Awards 2014 (for the 10thconsecutive year), for Banyan Tree Spa.

The first Angsana Spa was opened in 1999 at DusitLaguna, one of several hotels at Laguna Phuket, anintegrated resort development with shared facilitieslocated at Bang Tao Bay in Thailand. The AngsanaSpawas so well received that the company quickly set up five other such spas in various hotels in Thailand. In 2000,BTHR opened its first Angsana Resort & Spa completewith an Angsana Gallery, located less than one kilometre away from Banyan Tree Bintan in Indonesia.In 2003, Banyan Tree launched The Museum Shop by Banyan Tree — a joint partnership with Singapore’s National Heritage Board to showcase Asia’s rich and diverse cultural heritage through unique museum inspired merchandise. Designed to inspire and educate shoppers, The Museum Shop by Banyan Tree made history more accessible and approachable to the layperson. Although it eventually disposed of all museum shops, Banyan Tree had 79 retail outlets, ranging from Banyan Tree Galleries, Heritage Collection by Banyan Tree, Elements by Banyan Tree, and Angsana Galleries by 2015.Banyan Tree Galleries are the retail outlets supporting the hotels, while Banyan Tree Spa Galleries support the spa outlets, selling more spa-focused merchandise such as signature aromatherapy amenities, essential oils, candles, and body care products.

THE ROAD AHEAD

To diversify its geographic spread, Ho had started to venture into locations in South America (the first resort in Mexico opened in 2009), southern Europe, and the Middle East, where he hoped to replicate Banyan Tree's rapid success. However, given the higher costs of doing business in the Americas and Europe, would the same strategy that had brought fame and success to Banyan Tree in Asia be workable in the rest of the world? Ho's ultimate vision was "to string a necklace of Banyan Tree Resorts around the world; not quantity, but a number of jewels that form a chain around the world". By the second half of 2015, Banyan Tree had signed management contracts that would increase the total numbers to 66 hotels and resorts, 117 spas, and 115 galleries across 33 countries by 2019. Of the properties under development, the majority were resorts and/or integrated resorts. While expanding the company's network of hotels and resorts, spas, and retail outlets, Ho had to be mindful of the brands' focus and be careful not to dilute the brands. He also had to consider the strategic fit of the company's portfolio of brands, which comprised Banyan Tree and Angsana, and more recently, a significant property arm that develops and sells villas and service department units that are typically in close proximity of its resorts. As part of this property development, it launched a new brand, Cassia, an exciting and bold new proposition in the service department sector which targets the Asian middle class.

Banyan Tree certainly stood out among its competitors in the resorts industry when it was first launched. Since then, its success had attracted various competitors who offer similar products and services. Thus, it was imperative that Banyan Tree retain its competitive advantage to prevent losing its distinctive position in the market, bringing Banyan Tree to the Americas, Europe, and the Middle East. How could Banyan Tree address those issues?

Questions

- (a) Examine the main factors that contributed to Banyan Tree's success?
- (b) Evaluate Banyan Tree's brand positioning and communications strategies. Can Banyan Tree maintain its unique positioning in an increasingly overcrowded resorts market?
- (c) Discuss whether the brand portfolio of Banyan Tree, Angsana, and Cassia, as well as the product portfolio of beach resorts, services residences, city hotels, spas, galleries, and museum shops fit as a family. What are your recommendations to Banyan Tree for managing these brands and products in future?
- (d) Examine potential problems identified in bringing Banyan Tree to the Americas, Europe, and the Middle East? How could Banyan Tree address those issues?

Attempt Any FOUR from the Remaining SIX Questions

Q2) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Explain Innovation in Services taking the example of the Courier services industry?
- b) Why is the study of Services marketing becoming so important today? Explain with specific reference to the Airlines industry
- c) Explain the Expanded Marketing Mix for a five star hotel

Q3) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Explain the difference between Desired Service and Adequate Service with the example of a laundry service.
- b) Explain the 7 Ps for Services marketing
- c) The Service Performance Gap is related to a firm's Human resource policies. Critically comment.

Q4) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Explain Service failure and why does it happen?
- b) Discuss the recovery expectations of a customer from a Service Provider after a service failure?
- c) Examine the various service guarantees and the types of guarantees given by service organizations? Discuss the examples in Indian Context

Q5) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What are the various Strategies for matching demand and supply in services?
- b) Explain the Services marketing triangle and its importance in Services marketing
- c) Explain the factors that influence Desired Service

Q6) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Draw a Service Blueprint for an overnight stay at a 5 star hotel
- b) Explain the causes behind Service Switching with examples
- c) How does a customer define Value? Relate the Service pricing strategies with the Customer definitions of Value.

Q7) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Explain Search, Experience and Credence properties with the help of relevant examples.
- b) Explain the Relationship Development model. What are the various levels of relationship bonds with customers?
- c) Why do people complain and why do they not complain in case of a service failure? Justify with examples