

QUESTION BANK
SUB- SERVICE MARKETING (MARKETING)
SYMMS SEMESTER 3 2020

1. Services marketing become difficult because of
 - a. Intangibility.
 - b. no demand
 - c. More complex market
 - d. Difficult to enter the market

ANSWER: A

2. Which of the following businesses would be characterized as a pure service?
 - a. Insurance
 - b. Farming.
 - c. Mining.
 - d. There is no such thing as a pure service

ANSWER: D

3. Which of the following statements about the pricing of services (compared to the pricing of goods) is false?
 - a. The demand for services tends to be more elastic than the demand for goods
 - b. Cost-oriented pricing is more difficult for services.
 - c. Comparing prices of competitors is more difficult for service consumers
 - d. Consumers are less able to stockpile services by taking advantage of discount prices

ANSWER: B

4. Charging customers different prices for essentially the same service is called
 - a. Price discrimination

- b. Supply and demand.
- c. Complementary
- d. Substitutes.

ANSWER: A

5. Results in the practice of too narrowly defining one's business
- a. Services marketing
 - b. Marketing management
 - c. Marketing myopia
 - d. Customer experience

ANSWER: C

6. A buyer's perception of value is considered a trade-off between
- a. Product value and psychic cost.
 - b. Total customer value and total customer cost
 - c. Image value and energy cost
 - d. Service value and monetary cost.

ANSWER: D

7. Services are characterized by all of the following characteristics except for
- a. Intangibility.
 - b. Homogeneity
 - c. Perishability.
 - d. Inseparability

ANSWER: B

8. Of the four unique service characteristics that distinguish goods from services, the one that is the primary source of the other three characteristics is:
- a. Intangibility
 - b. Inseparability.
 - c. Perishability.
 - d. Heterogeneity.

ANSWER: A

9. Services that occur without interruption, confusion, or hassle to the customer is called
- a. Seamless service
 - b. Service audit.
 - c. Functional service
 - d. Departmental service

ANSWER: A

10. The mental energy spent by customers to acquire service is referred to as _____.
- a. Image costs
 - b. Monetary price.
 - c. Energy costs
 - d. Psychic costs.

ANSWER: C

11. The unique service characteristic that reflects the interconnection between the service firm and its customer is called
- a. Intangibility
 - b. Inseparability
 - c. Homogeneity
 - d. Perishability

ANSWER: B

12. Marketing problems caused by inseparability include all of the following except for
- a. The service provides a physical connection to the service
 - b. The involvement of the customer in the production process
 - c. Service standardization and quality control are difficult to achieve.
 - d. The involvement of other customers in the production process

ANSWER: C

13. Which of the following statements pertain to inseparability is false?
- a. As customer contact increases, the efficiency of the firm decreases.
 - b. Customers can affect the type of service desired
 - c. Customers can affect the length of the service transaction.
 - d. Customers can affect the cycle of demand.

ANSWER: A

14. The centralized mass production of services is difficult due to
- a. Inseparability.
 - b. Intangibility.
 - c. Homogeneity.
 - d. Perishability.

ANSWER: D

15. Solutions used to minimize the marketing problems attributed to heterogeneity include
- a. Standardizing or customizing the service
 - b. Using multi-site locations
 - c. Stressing tangible clues
 - d. Appealing to different market segments with different demand patterns

ANSWER: A

16. The unique service characteristic that deals specifically with the inability to inventory services is
- a. Inseparability
 - b. Intangibility
 - c. Homogeneity
 - d. Perishability

ANSWER: D

17. Which of the following strategies increases the supply of service available to consumers?

- a. The use of creative pricing strategies
- b. The use of reservation systems
- c. Capacity sharing
- d. Developing complementary services

ANSWER: B

18. Customer satisfaction can be defined by comparing

- a. Predicted service and perceived service
- b. Predicted service and desired service
- c. Desired service and perceived service
- d. Adequate service and perceived service

ANSWER: C

19. The demand strategy in which service providers utilize their downtime by marketing to different segments with different demand patterns is associated with which of the following?

- a. The use of creative pricing strategies
- b. The use of reservation systems
- c. Capacity sharing
- d. Developing complementary services

ANSWER: C

20. The _____ dimension is an assessment of the firm's consistency and dependability in service performance

- a. Empathy.
- b. Responsiveness.
- c. Assurance
- d. Reliability.

ANSWER: D

21. Which of the following would not be considered a tangible clue?

- a. The appearance of employees
- b. The appearance of the firm's physical facilities

- c. The smile on an employee's face
- d. The quality of instruction in an educational setting.

ANSWER: D

22. Minimizing the amount of role conflict and role ambiguity experienced by employees will help reduce the size of this gap is known as _____.

- a. Knowledge gap.
- b. Standards gap
- c. Delivery gap.
- d. Communications gap

ANSWER: C

23. Fixing the right price for services offered is difficult because of

.....

- a. perishability.
- b. heterogeneity.
- c. inseparability.
- d. intangibility.

ANSWER: D

24. The world's largest industry in the private sector and highest projected generator of jobs is _____

- a. The hospitality industry
- b. Health services
- c. Professional services.
- d. Business services

ANSWER: D

25. Focusing the firm's marketing efforts toward the existing customer base is called

- a. Excellent customer service
- b. Conquest retention
- c. Customer retention

d. Courteous retention
ANSWER: C

26. The pursuit of new customers, as opposed to the retention of existing ones, is called
- a. Services marketing
 - b. B2B marketing
 - c. Conquest marketing
 - d. Consumer marketing

ANSWER: C

27. The consumer decision process consists of
- a. Stimulus, problem awareness, and purchase stages
 - b. Pre-purchase, consumption, and post-purchase stages
 - c. Problem awareness, evaluation of alternatives, and post-purchase behaviour
 - d. Stimulus, information search, and post-purchase behaviour

ANSWER: B

28. Which of the following statements is not true?
- a. Service purchases are perceived as riskier than goods purchases
 - b. The participation of the consumer in the service process increases the amount of perceived risk.
 - c. The variability in services increases the perceived risk associated with the Purchase
 - d. Consumers of services have less pre-purchase information versus goods

ANSWER: B

29. Service consumers tend to be more brand loyal than goods consumers because
- a. More choices are available
 - b. Brand loyalty lowers the amount of perceived risk

- c. Each service provider provides many brands
- d. Location of the provider is the major driver in the consumer selection process

ANSWER: B

30. Competitor intelligence should be gathered

- a. Once a year.
- b. Twice a year.
- c. Continuously
- d. When competition is more.

ANSWER: C

31. Which of the following is not a benefit of customer satisfaction?

- a. The firm is more insulated from price competition.
- b. The firm provides a positive work environment for its employees
- c. Positive word-of-mouth is generated from satisfied customers
- d. Satisfied customers make purchases more frequently

ANSWER: B

32. The service industry has several emerging trends that organisations need to be aware of. Which of these should organisations keep a lookout for?

- a. New competitors entering the marketplace
- b. Advances in the internet
- c. Heightened customer expectations
- d. Advances in e-commerce.

ANSWER: A

33. The zone of tolerance is defined by the difference between

- a. Expected service and desired service.
- b. Predicted service and desired service
- c. Desired service and adequate service.
- d. Predicted service and perceived service

ANSWER: D

34. Customers ultimately determine the services by.....
- a. The type of competitors.
 - b. The levels of marketing effectiveness and operational efficiency
 - c. The cycle of fluctuations
 - d. The price of the competitors.

ANSWER: B

35. During a service recovery effort, the employee promptly refunded the customers money but threw the money at the customer. As a result, the recovery effort violated the customers _____ justice need
- a. Interactional
 - b. Ethical.
 - c. Social.
 - d. Procedural

ANSWER: C

36. Soft technologies refer to
- a. Flexible rules that can be bent to meet customer needs.
 - b. The personal touches that ultimately lead to customer satisfaction.
 - c. Guidelines that permit employee empowerment
 - d. Hardware that facilitates the production of a standardized

ANSWER: B

37. The _____ is calculated by dividing the activity time by the number of locations at which the activity is performed.
- a. Service cost per meal
 - b. Maximum output per hour
 - c. Process time.
 - d. Activity time.

ANSWER: C

38. Which of the following is not a step in the construction process of a service blueprint?

- a. Obtaining scripts from both customers and employees
- b. Segmenting customers based on the content of the script.
- c. Identify steps in the process where the system can go awry.
- d. Calculating the time frame for the service execution.

ANSWER: C

39. A volume-oriented positioning strategy is achieved by

- a. Reducing divergence.
- b. Increasing complexity
- c. Reducing complexity.
- d. Increasing divergence

ANSWER: D

40. A buyer's perception of value is considered a trade-off between

- a. Product value and psychic cost
- b. Total customer value and total customer cost.
- c. Image value and energy cost
- d. Service value and monetary cost.

ANSWER: D

41. Total customer value consists of all of the following components except

- a. Product value.
- b. Service value.
- c. Image value
- d. Personnel value.

ANSWER: D

42. Total customer cost consists of all of the following components except

- a. Monetary cost
- b. Social cost.
- c. Time cost.
- d. Energy cost.

ANSWER: B

43. Which of the following statements about the pricing of services (compared to the pricing of goods) is false?
- a. The demand for services tends to be more elastic than the demand for goods
 - b. Cost-oriented pricing is more difficult for services
 - c. Comparing prices of competitors is more difficult for service consumers.
 - d. Self-service is a viable competitive alternative.

ANSWER: D

44. _____ is a firm view toward planning its operations according to market needs
- a. Marketing orientation
 - b. Marketing functions.
 - c. Marketing department.
 - d. Marketing forecast.

ANSWER: A

45. Which of the following is not a criterion for effective price discrimination?
- a. The segments should be identifiable, and a mechanism must exist to price them differently.
 - b. Different groups of consumers should have similar responses to price.
 - c. Segments should be large enough to be profitable
 - d. Incremental revenues should exceed incremental costs.

ANSWER: B

46. Service firms often find themselves in a three-cornered fight between
- a. Engineering, production, and accounting
 - b. Marketing, finance, and human resources
 - c. Operations, accounting, and marketing
 - d. Human resources, marketing and operations

ANSWER: D

47. Customer frustration resulting from receiving poor service is most similar to
- a. Image costs.
 - b. Monetary price
 - c. Energy costs.
 - d. Psychic costs.

ANSWER: D

48. Among many services, the demand for medical services tends to be _____.
- a. Inelastic.
 - b. Elastic.
 - c. Substitute demand
 - d. Price cross elastic demand

ANSWER: A

49. Customer competencies can be described as
- a. Consumer expectations pertaining to the service delivery process and the final outcome
 - b. Customer perceptions regarding the quality of the outcome
 - c. Customer abilities that enable them to properly evaluate the servicescape.
 - d. The ability to interact effectively with other

ANSWER: C

50. Costs that are planned and are accrued during the operating period regardless of the level of production and sales are called
- a. Direct variable costs
 - b. Fixed costs.
 - c. Average costs
 - d. Marginal costs.

ANSWER: B

51. The technique that allows consumers to either buy Service A and Service B together or purchase one service separately is called

- a. Long-term bundling
- b. Mixed bundling
- c. Price bundling.
- d. Product bundling

ANSWER: C

52. Which pricing strategies encourage the customer to expand his/her dealings with the service provider?

- a. Relationship pricing
- b. Price bundling.
- c. Benefit-driven pricing.
- d. Efficiency pricing.

ANSWER: A

53. Do studies suggest that price is more likely to be used as a cue to quality under the following conditions?

- a. When alternatives are of bad products
- b. When the company new to the market
- c. When a price is the primary differential information available
- d. When a customer does not have knowledge

ANSWER: C

54. The primary role of a service firm for the customer in the communication mix is to

- a. Confuse customers.
- b. Inform and remind customers
- c. Oppose the competitor's claim
- d. Persuade the dealers.

ANSWER: B

55. The plan for differentiating the firm from its competitors in consumers eyes is referred to as the firms

- a. Communication mix
- b. Positioning strategy.
- c. Publicity.
- d. Target marketing

ANSWER: B

56. Differentiation approaches such as competence, courtesy, reliability, and responsiveness are forms of

- a. Product differentiation
- b. Personnel differentiation
- c. Image differentiation
- d. Service differentiation.

ANSWER: B

57. The appropriate communication content during the introduction stage of the product life cycle would be

- a. Informational.
- b. Informational and persuasive
- c. Persuasive.
- d. Persuasive and reminder.

ANSWER: B

58. Which of the following is not a communication objective during the maturity and decline stages of the product life cycle?

- a. Encourage repeat purchases
- b. Provide ongoing contact with customers
- c. Prepare the way for personal selling efforts
- d. Express gratitude to the existing customer base.

ANSWER: B

59. Which one of the following communication approaches would be appropriate during the growth and maturity stages of the product life cycle?
- a. Informational.
 - b. Informational and persuasive
 - c. Persuasive.
 - d. Persuasive and reminder

ANSWER: D

60. The primary objective of a firm's communication mix during the pre-consumption choice stage is to
- a. sell the product
 - b. Minimize the perceived risk associated with the purchase
 - c. Encourage repeat purchases
 - d. Persuasively convince customers why the firm's brand is superior to the competitors

ANSWER: D

61. The perceived consequences of a consumer's purchase decision are
- a. Financial, social and performance
 - b. Social, ethical and performance.
 - c. Performance, social and ethical.
 - d. Ethical, social and psychological

ANSWER: A

62. Tangible clues are more important when services are
- a. Highly perishable.
 - b. Tangible dominant.
 - c. Intangible dominant
 - d. Heterogeneous

ANSWER: C

63. Which of the following communication objectives becomes the most important during the post-consumption evaluation stage

- a. Informing customers
- b. Managing customer expectations.
- c. Reducing consumer perceived risk
- d. Persuading customers

ANSWER: C

64. Branding of services becomes difficult because they are

- a. Intangible.
- b. Heterogeneous.
- c. Perishable.
- d. Inseparable.

ANSWER: A

65. Word-of-Mouth communication networks are particularly important for service firms because

- a. Service customers tend to rely more on personal than the non-personal source of information
- b. Service firms only offer one brand of service.
- c. Service firms can seldom afford to pay for promotional efforts.
- d. Service customers tend to rely more on non-personal than personal sources of information

ANSWER: A

66. The suggested communication strategy to use when the product is intangible dominant is to

- a. Create an intangible image for the product.
- b. Create awareness for the product
- c. Surround the product with tangible evidence.
- d. Make sure the product is in the evoked set of

ANSWER: C

67. _____ is an overall favorable impression or unfavorable impression based on the early stages of the service encounter.

- a. Cognitive dissonance.
- b. Environmental stimulus
- c. Visual pathway.
- d. Halo effect.

ANSWER: D

68.The advantage that the E-marketing communications carries are.....

- a. Reaching a widely dispersed audience.
- b. Being cost-effective.
- c. Being personalized.
- d. More customer satisfaction.

ANSWER: A

69.A disadvantage of e-marketing is

- a. High cost.
- b. Low reach.
- c. Loss of personal contact
- d. Less satisfaction.

ANSWER: C

70.Which of the following is not a component of service firms' physical evidence?

- a. Parking.
- b. Employee appearance
- c. Billing statements.
- d. In-house process equipment

ANSWER: D

71.One of the advantages of requiring employees to wear uniforms is that it reduces the customers' perception of_____.

- a. Intangibility.
- b. Inseparability.
- c. Heterogeneity.

d. Socialization.
ANSWER: C

72. which of the following is not an advantage of requiring employees to wear uniforms?
- a. Identifies the firm's personnel
 - b. Provides price expectations to customers.
 - c. Implies a coherent group structure
 - d. Provides a physical symbol that embodies the group's ideas and attributes

ANSWER: B

73. _____ is the study of the use of physical evidence to create service environments and their influence on the perceptions and behaviors of individuals
- a. Ergonomics
 - b. Environmental psychology.
 - c. Physics
 - d. Physical sociology

ANSWER: B

74. Direct labor cost and sales commissions cost incurred in services are called as.....
- a. Fixed costs.
 - b. Variable costs.
 - c. Average costs.
 - d. Marginal costs.

ANSWER: B

75. The organization must effectively plan to _____ fear, uncertainty and doubts that might occur in the minds of customers during the course of acquisition.
- a. Minimize
 - b. Maximize

- c. Study
- d. Balance

ANSWER: A