

SERVICE MARKETING

1. Which of the following is not a tangible dominant?

- a. Detergents
- b. Automobiles
- c. Investment Management
- d. Soft drinks

Answer: c

2. Select name of the country having maximum percent of GDP attributed to services

- a. United States
- b. China
- c. Germany
- d. India

Answer: a

3. Which of the following is not an element of physical evidence?

- a. Employee dress
- b. Employee Training
- c. Equipment
- d. Facility design

Answer: b

4. Which of the following is not an element of People?

- a. Motivation
- b. Teamwork
- c. Flow of activities
- d. Customer training

Answer: c

5. Standardized and customized flow of activities, simple and complex number of steps and customer involvement by which a service is delivered is called.....

- a. Place Mix
- b. Physical Evidence Mix
- c. Process Mix
- d. People Mix

Answer: c

6.is the environment in which the service is delivered and where the firm and customer interact and any tangible components that facilitate performance or communication of the service.

- a. Physical evidence

- b. Process
- c. Place
- d. People

Answer: a

7. "All human actors who play a part in service delivery and thus influence the buyer's perceptions: namely, the firm's personnel, the customer and other customers in the service environment."

- a. Process
- b. Physical Environment
- c. People
- d. Place

Answer: c

8.is the difference between customer expectations and perceptions.

- a. Customer Delight
- b. Customer Satisfaction
- c. Customer Gap
- d. The supplier Gap

Answer: c

9. Which of the following is difficult to evaluate?

- a. Jewellery
- b. Auto repair
- c. Furniture
- d. Clothing

Answer: b

10. Evaluation of Medical Diagnosis service is mainly depends on

- a. High in experience quality
- b. High in credence quality
- c. High in search quality
- d. Both a and c

Answer: b

11.is defined as the caring, individualized attention that the firm provides its customers.

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

Answer: a

12. Which of the following is not a type of Service encounters?

- a. Remote encounters
- b. Phone encounters
- c. Face to face encounters
- d. Check in Encounters

Answer: d

13.is a tool for simultaneously depicting the service process, the points of customer contact, and the evidence of service from the customer's point of

- a. Front end planning
- b. Service Blueprinting
- c. Service Standardization
- d. Service Culture

Answer: b

14.is the physical surroundings or the physical facility where the service is produced, delivered and consumed.

- a. Service space
- b. Service scape
- c. Service place
- d. Service scope

Answer: b

15. ".....is the culture where an appreciation for good service exists and where giving good service to internal as well as ultimate, external customers is considered a natural way of life and one of the most important norms by everyone."

- a. Service culture
- b. Corporate culture
- c. Service Triangle
- d. Service Quality Dimensions

Answer: a

16. SSTs stands for.....

- a. Stable Service Technologies
- b. Social Service Technologies
- c. Smart Service Technologies
- d. Self Service Technologies

Answer: d

17.are the only service distributors which do not require direct human interactions.

- a. Electronic Channels
- b. SSTs

- c. Direct Service Channels
- d. Speculative channels

Answer: a

18. A triangle of Company, Customers, Employees, Internal Marketing, External Marketing communications and Interactive marketing is known as.....

- a. Marketing Triangle
- b. Service Triangle
- c. Communication Triangle
- d. Marketing & Service triangle

Answer: B

19. Tata Sky is the joint venture of Tata and

- a. Sony
- b. Star
- c. IBN
- d. Zee

Answer: b

20. In the simplest terms, _____ are deeds, processes and performances.

- A. Attributes
- B. Experiences
- C. Services
- D. Benefits

Answer : B

21. The maintenance contract offered by Sears on its Kenmore refrigerators, dishwasher and microwaves is an example of a(n)

_____.

- A. Service
- B. Experience
- C. Attribute
- D. Good

Answer: A

22. Many people when they go on vacation are choosing to leave their dogs in posh pet resorts that offer a variety of activities for the dogs, such as swimming pool frolics, nature walks and hayrides. Dog owners are paying \$17 per night for basic boarding at the pet resorts and up to an additional \$20 for the other activities, which would be collectively classified as:

- A. Goods
- B. Values
- C. Services
- D. Satisficers

Answer: C

23. _____ is a key determinant of whether a product offering should be classified as a product or a service.

- A. Physicality
- B. Audience passivity
- C. Intangibility
- D. Perception

Answer: C

24. Which of the following is an intangible component of a car repair shop?

- A. Replacement parts
- B. Employee uniforms
- C. Barrel for storing recyclable motor oil
- D. The training the mechanic has received

Answer: D

25. Which of the following is an example of a tangible component provided by a hotel?

- A. Wake-up call
- B. Guest rooms
- C. Room service
- D. Express check-out

Answer: B

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 firms marketing efforts toward the existing customer base is called

- A. Excellent customer service
- B. Conquest retention
- C. Customer retention
- D. Courteous retention

ANSWER: C

1. 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

2. 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

3. 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

4. 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

5. Competitor intelligence should be gathered
- A. Once a year.
 - B. Twice a year.
 - C. Continuously
 - D. When competition is more.

ANSWER: C

6. 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

7. 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

8. 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

9. 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

10. 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

11. 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

12. 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

13. 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

14. A volume-oriented positioning strategy is achieved by

- A. Reducing divergence.
- B. Increasing complexity
- C. Reducing complexity.
- D. Increasing divergence

ANSWER: D

15. A buyers 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

16. 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

17. 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

18. 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

19. _____ 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

20. 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

21. 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

22. 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

23. 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

24. 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

25. 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

1. 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

2. 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

3. 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

4. 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

5. 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

6. 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

7. 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

8. 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

9. 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

10. 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

11. 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

12. Tangible clues are more important when services are
- A. Highly perishable.
 - B. Tangible dominant.
 - C. Intangible dominant
 - D. Heterogeneous

ANSWER: C

13. 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

14. Branding of services becomes difficult because they are
- A. Intangible.
 - B. Heterogeneous.
 - C. Perishable.
 - D. Inseparable.

ANSWER: A

15. 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

16. 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

17. _____ is an overall favourable impression or unfavourable impression based on the early stages of the service encounter.

- A. Cognitive dissonance.
- B. Environmental stimulus
- C. Visual pathway.
- D. Halo effect.

ANSWER: D

18. 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

19. A disadvantage of e-marketing is

- A. High cost.
- B. Low reach.
- C. Loss of personal contact
- D. Less satisfaction.

ANSWER: C

20. 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

21. 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

22. 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

23. _____ is the study of the use of physical evidence to create service environments and their influence on the perceptions and behaviours of individuals

- A. Ergonomics
- B. Environmental psychology.
- C. Physics
- D. Physical sociology

ANSWER: B

24. Direct labour 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

25. 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