

**SVKM's NMIMS University  
School of Distance Learning**

**Marketing of Services**

**Date: 13.12.2007  
Time: 3.00 to 6.00**

**Marks: 100**

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**Section I Do any six questions (Each question is of six marks)**

1. What are the four characteristics of services.
2. Give three examples of people processing services and three of possession processing services .
3. What is internal marketing and Name the three categories in which internal customers can be segmented.
4. What are the five dimensions of service quality
5. What is knowledge gap and why does it happen.
6. What are the different causes of service failures
7. When segmenting customers on their profitability how a marketer can convert into gold.
8. Give to examples each of the four provider gaps in eureka Forbes
9. What are the different methods to handle the Gap II
10. What are the 7P's of service marketing.

**Section II Do any one question ( 20 marks )**

1. Times Global Bank is a new entrant in an overcrowded and fiercely competitive banking sector in India against the backdrop of falling interest rates and a resultant decline in consumer's propensity to deposit with banks. And also discuss how the bank could differentiate itself from the clutter.
2. A few years ago, Discovery Communications, the parent company of the Discovery Channel, made a decision to create a global TV brand. It now reaches almost 90 million subscribers in ninety countries. The Discovery Channel's programming includes history, nature, science, travel, and technology. In light of the "global village," How can discovery capture Indian viewers . What are the various strategies that the channel can use to market its product in Indian markets?

**Section III (Marks 24)**

**Read the case let carefully and answer the following questions:**

1. What challenges did KFC face in its expansion and how did it overcome them successfully?
2. What are the questions an organization should ask when analyzing International Markets?

KFC, the world's largest fried and rotisserie chicken restaurant chain, offers great-tasting complete meals and snacks in nearly 10,000 restaurants around the world. KFC operates in more than 76 countries – from Shanghai to Sao Paolo; from the sands of Saudi Arabia to the sidewalks of New York. Everyday, nearly seven million meals are served around the world. KFC's menu everywhere includes Original Recipe chicken-made with the same great taste Colonel Harland Sanders created more than a half-century ago. What is KFC's secret to global success? First and perhaps most important is the worldwide acceptance of chicken. In Malaysia, for instance, annual per capita consumption of chicken has doubled during the past decade. According to the president of KFC International, "Chicken is probably the most universally accepted source of protein. There is not a country in the world where you won't find chicken". And unlike other meats, chicken is not forbidden by religions or cultures, except among vegetarians. This acceptance presented an excellent opportunity for KFC, but it did not guarantee success. KFC made some early mistakes in Latin America and Europe. The company learned that opening an American fast-food restaurant abroad is not simple. Cultural differences between countries result in different eating habits. For instance, people eat their main meal of the day at different times throughout the world. Different menus must also be developed for specific cultures while still maintaining the core product-fried chicken.

You can always find original recipe chicken, cole slaw, and fires at every KFC outlet, but restaurants in China feature Chinese tea and French restaurants offer more desserts. Above all, KFC emphasizes consistency. Whether in Shanghai or Kentucky, the product basically tastes the same.

KFC usually enters a new market by opening a single store. The company locates the store in a large urban area on the most visible piece of real estate available. If the project fails, the land can be sold. Usually foreign stores are eat-in restaurants, not the take-out establishments generally found in the United States.

Prices are usually high at first to appeal to an upscale market. International markets offer many opportunities and challenges for KFC. The company is growing outside the United States at nearly five times the rate of domestic growth. While many businesses complain about the inability to compete in Japan, KFC has more than 1,000 restaurants in Japan alone. The secret is quality, such as using fresh chicken rather than frozen. Freezing chicken causes a discoloring of the bone, which bothers the Japanese. Eastern Europe also holds great promise for KFC.

KFC also faces several challenges. In some areas of the world, such as Malaysia and Indonesia, it is illegal to import poultry, a situation that has led to product shortages. Another challenge facing KFC is to adapt to foreign cultures. The company has been most successful in foreign markets when stores are operated by people who understand the culture. The objective is to think like a local, like an American company starting an American business in a foreign country.