EXAMINER'S REPORT

MAY 2003

SERVICES MARKETING MANAGEMENT

Overall Comment

The results this year are better than last year. 86% of candidates passed. In fact one in three candidates achieved a grade of 'A' or 'B'. This in spite of what could be regarded as a major change in the examination regarding Section A.

I would like to make a small number of comments on general matters;

1. A number of students left the Section A question for their last question and ran out of time. This section was worth 40% of the marks and resulted in many of these students receiving a lower grade than they otherwise might have.
2. At professional qualification level it is expected that candidates are capable of discussing theory and applying relevant examples. Unfortunately many candidates who received lower or indeed fail grades seemed incapable of this and instead offered very descriptive examples of their own work experience and environment, whether relevant or not.
3. There was a lack of focus in many answers.
4. As with last year I must comment on the number of students who appear to present for examination without apparently ever reading the text. Students will not achieve high grades on examples alone. The text is assigned and must be studied.

SECTION A

As this is central to the course it would be expected that candidates would have a good knowledge of the model and its application. In general the questions were very well answered. Many students gave an extremely detailed explanation of the gaps involved and possibly found themselves short of time at the end of the examination. Therefore candidates need to be selective in their answers and not feel that everything must be included.

One major criticism I must make on section A relates to examination technique. Almost 8% of candidates did not present a diagram of the model even though the paper explicitly said that this was required and was worth 10%. The average candidate then proceeded to write five pages on the model for 15% of the marks. But then in part (c), also worth 15%, proceeded in some cases to offer a single paragraph.

Question 2

This question is very well dealt with in the text. It was the least popular question, being attempted by 40% of candidates. Generally it was very well answered with some candidates receiving marks in excess of 75%. The answer should have identified appropriate research techniques to use in the given scenario of an international call centre. Some students ignored the scenario completely and offered a generic description of research techniques. So my advice to future candidates is to read the question carefully. By describing a scenario I am examining your understanding of the theory.

Typical techniques required included:
- Critical incident studies
- Mystery caller
- Relationships survey
- Post transaction survey
- Expectations survey

Many candidates offered focus groups and face to face interviews without considering the scenario. Excellent candidates discussed the cultural and language barriers needing to be overcome.

Question 3

Question 3 dealt with a specific area in Servicescapes. 65% of candidates attempted this question. A similar question was posed last summer and similar problems were exhibited. The question was very specific yet candidates went off on complete tangents and felt that they had to impress me by writing everything they know about physical evidence and its role in services marketing. This was not required! As a result one in four who attempted this question received a fail mark. Again the advice must be to focus on the question asked.

- Package – the wrapping of the service, creates an image, evokes a reaction, creates expectations.
- Facilitator – aids performance, impacts on activities, e.g. ventilation, signage, seating.
- Socialiser – convey roles, behaviours, relationships, e.g. quality and layout of furnishing, interaction and avoidance, e.g. areas for privacy
- Differentiator – Design of the physical setting and its use in differentiating the service provider from other providers.

These were the four areas asked. No other issues or elements of the servicescape were required.

Question 4

This question covered a topical area in Marketing and in business generally. I was surprised that only 56% of candidates attempted this question. I was even more surprised at how poorly it was answered. This again, at the risk of repetition, came down to students not reading the question. There were two areas required. The first was the benefits and challenges posed by electronic channels and the second asked for a comparison between a retailer and an airline. Many students decided to answer either one part or the other, but not both.

A good answer discussed the differences between an airline offering a ticketless booking system and a retailer offering a tangible product online. Issues such as logistics, security, standardisation, price comparison, geographic distribution of customers were typically raised.

Question 5
73% of students attempted this question relating to the extent to which the intangibility of a service influences the promotional methods used by a service organisation. 37% failed the question. This is unbelievable that final year marketing students could know so little about the promotional methods appropriate for use in a service organisation. The question required a student to introduce the concept of intangibility and then focus their answer on its impact on promotional methods. This area is well addressed in the text. Answers should have covered areas such as;

- Focusing on tangibles
- Presenting vivid information
- Use of imagery
- Use of employees and / or customers in advertising
- Word of mouth communication
- Promising what is possible.

Again candidates went off on various tangents. Some decided that the question was relating to the difference between product and services marketing. Others decided that the question was on integrated marketing communications.

Question 6
The final question was the most popular question, attempted by 78% of candidates. It was reasonably straight forward, requiring students to discuss the benefits and costs of empowerment and then to consider whether empowerment is always the best approach for effective customer service. The standard of answering was quite good. There was one common shortcoming that related to the understanding of empowerment. Candidates related the term almost exclusively to service recovery and did not see its relevance in service delivery. In part (b) of the question candidates in general did not compare empowerment with other approaches. Instead, most decided that empowerment was the best approach. Candidates receiving high marks would have questioned the approach and offered other opinions.

The topic of empowerment is a major theme in the chapter on employees' roles in service delivery. Good answers offered the benefits and costs from the exhibit entitled Potential Costs and Benefits of Empowerment. They then went on to suggest that empowerment may not be appropriate in all circumstances or for all employees and proceeded to debate the issue.