



## EXAMINER'S REPORT

AUGUST 2007

### SERVICES MARKETING MANAGEMENT

#### General Comments

I wish to emphasise the point made in earlier reports on the essential text. The number of students who had NO knowledge of the fundamentals of the text continues to be disappointing. Services Marketing by Zeithaml et al is the essential text. This is what is examined. External reading is welcome as a supplement but is not sufficient on its own. Students depending on the study manual or other notes will not do well in this subject. The text is assigned for a reason and so as examiner I expect that students have a good knowledge of the central issues in the text and also that they can demonstrate an understanding of these issues through examples. I am not satisfied that all candidates have even read the text.

#### Question 1

This was a very straightforward question requiring only that students discuss the differences between product and services marketing. This is the most basic question that can possibly be asked and so a good standard answer was expected. Students at the final stage of the Graduateship should be well capable of constructing an essay style answer on such a elementary subject. Generally answers were good but tended to lack a focus and as a result rambled around the subject rather than following a logical construct.

#### Question 2

This question required candidates to discuss how service failures occur and how recovery from such failures can actually have a positive impact on building loyalty. A good answer would have pointed out the lack of a service recovery strategy in many firms and the negative impact of a poor recovery following a bad service experience. This would have led candidates to a discussion on the 'recovery paradox'. Students are encouraged to use examples from their personal experience and generally such examples were well used. I would be worried about the standard of hairdressers in Ireland if the number of examples are an indication of service standards!

#### Question 3

Students at this level in their marketing studies should have a good understanding of marketing research. The question was phrased in a typical business setting and so candidates were expected to discuss the approaches that could be used and then having gone through a decision making process selected the approaches best suited to their needs. The initial discussion should have been on the criteria for an effective services research programme as in chapter 6 of the text. The pros and cons of different approaches are discussed. Students could have selected any approach once it was discussed and justified based on the criteria they had outlined. Candidates choose quantitative or qualitative methods or a combination. I was surprised that the question

was not more popular given it was an area of marketing familiar to all candidates through their other studies and it was a general question rather than a very specific question on a particular topic.

#### **Question 4**

The area of service culture is covered in the chapter dealing with the employees' roles in service delivery. Candidates should have discussed the importance of leadership, values, developing a service culture. The text includes some good examples on companies with strong service cultures. A good answer here would have developed the issue into a discussion on the services marketing triangle as this would have developed the internal and external customer point and the management strategy. An alternative would have been the service profit chain. Either was accepted.

#### **Question 5**

This question required students to discuss the distribution channels applicable to services. Chapter 14 in the text is devoted entirely to this topic. This was not a popular question. This was a general question requiring a discussion on areas such as service distribution, direct or company owned channels, franchising, agents or brokers, and electronic channels. A good answer would have discussed the common issues involving intermediaries, e.g. channel conflict, quality control, empowerment, etc. A number of students spent a considerable time discussing the characteristics of services. While this was an introduction to the answer the question did ask candidates to describe the specific ways in which the distribution of services differed from the distribution of products. Again a study of the text will highlight electronic channels, franchises, and agents as some specific differences. As a result those students who studied the text received high marks.

#### **Question 6**

The final question asked candidate to discuss why services marketing communication is more complex and to outline the approaches to ISMC proposed by the authors. The four ways to integrate marketing communications in services organizations are;

1. Manage service promises
2. Manage customer expectations
3. Improve customer education
4. Manage internal marketing communications

The required answer needed to discuss these four points, no more and no less. I have consistently highlighted that there will be a question from this chapter and that I expect students to be able to relate the question to the text.

I will repeat a quote from earlier years reports "Every year there is a question taken from the chapter on integrated marketing communications and every year I comment in the report on the inadequacy of the answers. This year was no different. Too many students use the shotgun approach when attempting this question and hope that something will gain them marks, but not knowing exactly what that 'something' is. Since candidates should realise that this is a regular examination topic I expect the chapter to be well studied and also that students will be able to support their answer with relevant examples." There will be a question from this chapter again next year and so I expect students to prepare thoroughly for this question.