GL BAJAJ
Institute of Management & Research, PGDM Institute
Greater Noida

FIND YOUR SPARK

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POST GRADUATE DIPLOMA IN MANAGEMENT (2023-25)
END TERM EXAMINATION (TERM-IV)

Subject Name: **Service Marketing**	Time: **02.00 hrs**
Sub. Code: **PGM41**	Max Marks: **40**

Note: All questions are compulsory. Section A carries 5 marks: 5 questions of 1 marks each, Section B carries 21 marks having 3 questions (with internal choice question in each) of 7 marks each and Section C carries 14 marks one Case Study having 2 questions of 7 marks each.

SECTION - A		
Attempt all questions. All questions are compulsory. 1×5 = 5 Marks		
Questions	**CO**	**Bloom's Level**
Q. 1: (A). What is Intangibility in Service Marketing. Can Intangible benefits be quantified?	CO1	L1
Q. 1: (B). According to Bitner's Model, how can the color scheme in a service environment influence customer perception? Give one example.		
Q. 1: (C). What is "Service Blueprint" and why is it important in-service design?		
Q. 1: (D). How does after-sale service impact customer retention? Provide examples from the electronics industry.		
Q. 1: (E). How does physical evidence influence student perception and experience in educational institutions?		
SECTION – B		
All questions are compulsory (Each question has an internal choice. Attempt anyone (either A or B) from the internal choice) **7 x 3 = 21 Marks**		
Questions	**CO**	**Bloom's Level**
A popular retail chain is expanding its services online. However, customers are experiencing service delivery problems that are different from what they expect, based on the company's advertisements. Delays, inconsistencies, and poor communication are leading to customer dissatisfaction. **Q. 2: (A).** Apply the **GAP Model** to identify the service gaps in this scenario. Suggest strategies to close these gaps and improve service delivery. *(7 marks)* **OR** **Q. 2: (B).** Rapido, an Indian bike taxi service, faces stiff competition from established players like Ola and Uber. How can Rapido utilize **insights from its customer, competitor, and company analysis** to create a differentiated, customer-driven marketing strategy in the competitive bike taxi market?	CO2	L3, L4
A luxury hotel is planning to integrate a mobile app that allows guests to book services, check in, and access room controls. However, management is concerned about how this might impact the personal touch of their service. **Q. 3: (A). Di**scuss how the **Service Triangle** can guide the hotel in balancing technology and personal service while implementing the app. **(7 marks)** **Or** **Q. 3: (B).** A pharmacy chain promotes a service guaranteeing delivery of	CO3	L4

medications within 19 minutes of placing an order online. They advertise this commitment extensively, emphasizing convenience and quick service. However, customers frequently experience delays, with deliveries often taking over 30 minutes or more, leading to frustration and dissatisfaction.

How can the pharmacy chain close the gap between its 19-minute delivery promise and the actual delivery times? What strategies can ensure customer expectations are consistently met?   **(7 marks)**

Q. 4: (A). How does Starbucks leverage customer feedback and loyalty programs to enhance service distribution and customer retention? Evaluate one of the following aspects in your response:

i) The role of digital platforms in gathering and analyzing customer feedback.

ii) The effectiveness of the Starbucks Rewards program in driving repeat business. *(7 marks)*

Or

Q. 4: (B). In what ways does Arvind Eye Care utilize community outreach and educational programs to enhance service distribution and patient engagement? Evaluate one of the following aspects in your response:

i) The effectiveness of partnerships with local organizations in increasing service accessibility.

ii) The impact of awareness campaigns on patient decision-making and service uptake. *(7 marks)*

CO4 | L5

SECTION - C

Read the case and answer the questions   **7×02 = 14 Marks**

Questions	CO	Bloom's Level
Q. 5: Case Study: Zomato - Leveraging AI for Enhanced Food Delivery Services in India **Introduction** Zomato, founded in 2008 by Deepinder Goyal and Pankaj Chaddah, began as a restaurant discovery platform in India and has since evolved into a global food delivery and restaurant aggregator service. Operating in 24 countries, Zomato has harnessed the power of technology, particularly artificial intelligence (AI), to enhance its service offerings and adapt to the diverse needs of its customer base. This case study explores how Zomato integrated AI into its marketing strategy, thereby transforming the food delivery service in India and improving customer engagement. **Market Analysis** The Indian food delivery market has experienced exponential growth, particularly post-2015, with changing consumer lifestyles, increased smartphone penetration, and a growing middle class. The demand for convenient food delivery services surged, driven by urbanization and busy lifestyles. In this context, Zomato identified an opportunity to differentiate itself through advanced technology and AI, addressing customer pain points and improving overall service quality. **Service Conceptualization** Zomato's core service offering revolves around connecting consumers with a	CO5	L6

variety of restaurants, facilitating food delivery, and providing a platform for customer reviews. Recognizing the need for personalization and efficiency, Zomato implemented AI technologies to enhance its services, ensuring that the customer experience is seamless, efficient, and tailored to individual preferences.

AI-Driven Strategies in Marketing and Operations

1. **Personalized Recommendations**: Zomato utilized AI algorithms to analyze user data, including previous orders, search history, and location, to provide personalized food recommendations. This tailored approach not only increased customer satisfaction but also drove higher engagement rates, encouraging users to explore new cuisines and restaurants.
2. **Chatbots for Customer Support**: Zomato implemented AI-powered chatbots to handle customer inquiries and complaints efficiently. These chatbots were designed to provide instant responses, allowing users to track their orders, resolve issues, and receive personalized assistance without the need for human intervention. This improvement in customer service reduced response times and increased customer satisfaction.
3. **Dynamic Pricing Models**: Leveraging AI analytics, Zomato introduced dynamic pricing strategies based on demand forecasting. By analyzing factors such as time of day, order volume, and customer preferences, Zomato could adjust pricing to optimize sales while ensuring competitiveness. This approach allowed Zomato to offer attractive deals during off-peak hours, attracting more customers and increasing overall order volume.
4. **Delivery Optimization**: Zomato used AI to enhance its logistics and delivery processes. By analyzing real-time traffic data, weather conditions, and order density in various regions, Zomato could optimize delivery routes. This not only reduced delivery times but also improved the overall efficiency of the delivery workforce, ensuring that customers received their food promptly and fresh.
5. **Sentiment Analysis**: Zomato employed AI tools to conduct sentiment analysis on customer reviews and feedback. By processing large volumes of data, Zomato could gauge public sentiment towards specific restaurants, dishes, or promotions. This insight informed marketing strategies and allowed the company to proactively address customer concerns, fostering loyalty and improving service quality.
6. **Engaging Marketing Campaigns**: Through AI-driven data analysis, Zomato identified key consumer trends and preferences, allowing for targeted marketing campaigns. For instance, during the pandemic, Zomato launched campaigns promoting contactless delivery and safety measures, aligning with customer concerns about health and safety. This responsiveness to customer needs bolstered brand loyalty during challenging times.

Challenges and Adaptations
While Zomato's AI-driven approach yielded numerous benefits, the company faced several challenges that required strategic adaptations:

- **Data Privacy Concerns**: With the increasing reliance on data for AI algorithms, Zomato faced scrutiny regarding data privacy. To address this concern, the company implemented robust data protection measures, ensuring compliance with local regulations and fostering customer trust.
- **Quality Control**: As Zomato expanded its operations, maintaining the quality of service across different regions became a challenge. The

company leveraged AI to monitor restaurant performance and customer satisfaction in real time, enabling proactive intervention and support for underperforming partners.

- **Competition**: The food delivery market is highly competitive, with several players vying for market share. Zomato differentiated itself by continuously innovating its AI capabilities and enhancing user experience. The introduction of loyalty programs and rewards for frequent users also helped retain customers in a competitive landscape.

Outcome and Impact

Zomato's integration of AI into its service marketing strategy has significantly impacted its growth trajectory. The company reported over 50 million monthly active users and continued to expand its service offerings beyond food delivery, including grocery delivery and subscription-based meal plans. Zomato's ability to adapt to market changes and leverage technology has positioned it as a leader in the Indian food delivery sector.

The successful implementation of AI has led to enhanced customer experiences, improved operational efficiency, and increased market share. Additionally, Zomato's commitment to using technology responsibly has fostered customer trust and loyalty, critical factors for sustaining growth in a competitive environment.

Conclusion

Zomato's case exemplifies how technology, particularly AI, can be harnessed to develop effective service marketing strategies in emerging economies. By prioritizing customer needs and leveraging advanced analytics, Zomato has not only transformed the food delivery landscape in India but has also set a benchmark for other service-oriented businesses. The company's ability to integrate technology into its core operations and marketing strategies highlights the importance of innovation in driving growth and customer satisfaction.

Questions:

Q. 5: (A) : Evaluate how Zomato's use of AI-driven personalized recommendations and chatbots enhances customer engagement and satisfaction. Discuss the implications of these strategies for service marketing in diverse emerging economies. (7 marks)

Q. 5: (B): Analyze the challenges faced by Zomato in implementing AI solutions for its service delivery. How did the company adapt its strategies to overcome these challenges, and what lessons can be drawn for other businesses looking to integrate technology into their service marketing strategies? (7 marks)

Kindly fill the total marks allocated to each CO's in the table below:

COs	Marks Allocated
CO1	5 Marks
CO2	**7 Marks**
CO3	**7 Marks**
CO4	**7 Marks**
CO5	**14 Marks**

Blooms Taxonomy Levels given below for your ready reference:
L1= Remembering
L2= Understanding
L3= Apply
L4= Analyze
L5= Evaluate
L6= Create