

Student name: _____

TRUE/FALSE - Write 'T' if the statement is true and 'F' if the statement is false.

Salt, bricks, and paper clips are three examples of tangible dominant products.

true

false

According to the concept of derived services, the value derived from physical goods is really the service provided by the good, not the good itself.

true

false

The development of services marketing concepts has been strongly influenced by professional services like doctors and attorneys.

true

false

Despite the importance of services and the bottom-line profit potential for services, consumers perceive that overall the quality of service they are receiving is declining.

true

false

The response to service marketing difficulties during the Covid-19 pandemic was most negative to the online retailing sector.

true

false

The deregulation of industries has actually lessened the demand for services marketing skills.

true

false

All businesses and organizations that operate on the Internet are essentially providing a service.

true

false

Because a good is tangible, it cannot be inventoried.

true

false

Because a service is intangible, it cannot be inventoried.

true

false

Because the production and consumption of services is simultaneous, the mass production of services is difficult.

true

false

A primary issue that marketers face in relation to service perishability is ensuring service quality over time.

true

false

The seven elements of the expanded marketing mix for services are product, promotion, place, price, process, progress, and people.

true

false

MULTIPLE CHOICE - Choose the one alternative that best completes the statement or answers the question.

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

attributes

experiences

services

goods

benefits

The maintenance contract offered by Generac on its HVAC standby home and business generators is an example of a(n) _____.

service

experience

attribute

good

benefit

The core offerings of hospitals, hotels, and banks are primarily deeds and performances and therefore are _____.

services

experiences

attributes

goods

benefits

Marriott's core value of "take care of your people" really refers to whom services marketers need to also consider for developing a true value focus. This core value reflects the necessity of including

competitors.

suppliers.

customers.

employees.

benefits.

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

Geographic location

Audience passivity

Intangibility

Perception

Abstraction

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

replacement parts

employee uniforms

barrel for storing recyclable motor oil

the training the mechanic has received

customer waiting area

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

reservations through a concierge

guest rooms

room service

express check-out

guaranteed reservations

Which of the following is NOT an example of a service business?

amusement park

hotel

bank

department store

paper mill

Which of the following trends has directly influenced the development of services marketing concepts and strategies?

the decreasing importance of service industries to the U.S. and world economies

the growth in information-based technology

decreased competition in professional services

the fact that manufacturing firms are placing increased emphasis on providing services

None of the choices are correct.

On his way to work today, Terry saw a billboard for a physician's group that specialized in vascular surgery. In his local newspaper there was a full-page ad for a medical clinic that performed similar surgery. Then in his mail, he got a brochure from yet another medical clinic asking him if he wanted to get rid of ugly varicose veins. Which trend that influenced the development of services marketing concepts and strategies is illustrated here?

the increasing importance of service industries to the U.S. and world economies

the increase of government regulation of professional service industries

the growth in database marketing

increased competition in professional services

professional firms are placing increased emphasis on providing services

Which of the following statements about services is true?

A service economy produces services at the expense of other sectors.

Service jobs are low paying and menial.

Service production is labor intensive and low in productivity.

Service is a necessary evil for manufacturing firms.

Marketing and managing services presents issues and challenges not faced in manufacturing and packaged goods companies.

Which of the following statements about services is NOT true?

Service production is labor intensive with low pay and low productivity.

Marketing and managing services present issues and challenges not faced by manufacturing and packaged goods companies.

The commoditization of products in many industries has resulted in price and margin pressures on many physical goods.

Customers are demanding services and solutions, especially in business-to-business markets.

Customer loyalty and satisfaction are driven in large part by service quality and service offerings.

Without good mailing lists, businesses cannot engage in effective direct-marketing advertising. On average 20 percent of the U.S. population moves annually. Return Path is a company that provides changes of addresses to businesses. It takes a business's mailing list, compares it to address changes that it gathers daily in its database and makes any necessary corrections. Return Path is a part of which trend in the services marketing industry?

the increasing importance of service industries to the U.S. and world economies

the decrease of human interaction as a result of widespread use of technology-based services

the growth in the use of technology-based services

increased competition in the direct-mail industry

the fact that direct marketing firms are placing increased emphasis on providing services

Gina and Henry were having breakfast when they decided they wanted to have pizza and watch a movie that night. When she got home from work, Gina turned on her computer, logged on to the Netflix site, and chose the movie Top Gun: Maverick to view via online video streaming. Next she logged on to her favorite pizza restaurant's Web site and ordered a large pepperoni pizza and

a bottle of soda to be delivered at 6:45 p.m. Gina and Henry enjoyed their evening. Which trend that influenced the development of services marketing is illustrated here?

the increasing importance of service industries to the U.S. and world economies

the decrease of human interaction as a result of widespread use of technology-based services

the growth in the use of technology-based services

increased competition in the entertainment industry

the fact that manufacturing firms are placing increased emphasis on providing services

Which of the following statements has been suggested as a plausible explanation for the customer perception that service quality is declining?

increasing use of technology is perceived by many customers as less service because there is no human interaction

companies provide unclear tactics for customers to follow when dealing with service providers

delivering consistent, high-quality service becomes routine

customers have no concept of what conditions produce to quality service

too many talented employees are left mired in front-end jobs that do not challenge them

Which of the following statements about how technology has positively influenced service is true?

Technology provides approaches for delivering existing services in more accessible, convenient, productive ways.

Technology facilitates basic customer service functions.

Technology facilitates transactions by offering a direct vehicle for making purchases.

Technology provides an easy way for customers to learn and do research about products and companies.

All of the choices are correct.

Which of the following statements describes how consumers and employees are responding to technology-based services?

Services can readily calm fears that privacy may be sacrificed if technology is used.

An infusion of technology can lead to an increase in human interaction.

The payback for investments in technology is a certainty.

Employees are often reluctant to integrate technology into their work lives.

All of the choices are correct.

The most distinguishing characteristic of services is

heterogeneity.

perishability.

intangibility.

comparability.

divisibility.

The characteristic of a service that means that it cannot be seen, felt, tasted, or touched is

intangibility

heterogeneity.

divisibility.

perishability.

compatibility.

On a recent visit to The Home Depot store, a sales associate greeted Madison when she entered the store, helped her locate the items she needed to repair her gutters, and suggested how she could prevent gutter problems in the future. The assistance provided by the sales associate illustrates the _____ of services.

intangibility

comparability

divisibility

perishability

compatibility

In India weddings are timed to occur when Venus is in the ascendant and Jupiter is strong. This day is deemed lucky. In 2005, almost 15,000 couples in New Delhi had their wedding on December 25, the day astrologers announced would be the best day for a wedding. The service provided by the astrologers is an excellent illustration of the _____ of services.

intangibility

comparability

divisibility

perishability

compatibility

Which of the following statements describes a marketing implication that results from the intangibility of services?

Services cannot be inventoried.

Services cannot be easily patented.

Services cannot be readily displayed.

The actual costs of a “unit of service” are hard to determine.

All of the choices are correct.

Which of the following statements describes a marketing implication that results from the intangibility of services?

Customers participate in and affect the transaction.

Service quality depends on many uncontrollable factors.

Services can be readily communicated.

There is no sure knowledge that the service delivered matches what was planned and promoted.

Services cannot be inventoried.

The characteristic of a service that refers to differences in employees' performances is

intangibility

heterogeneity.

divisibility.

perishability.

simultaneous production and consumption.

The characteristic of a service that refers to differences in what one client experiences versus the experiences of another client is reflective of the importance of _____ in services marketing.

intangibility

heterogeneity

divisibility

perishability

simultaneous production and consumption

The first time Barry brought his car to Auto Lube to have the oil changed he was very satisfied with the service. The service manager consulted him several times while his car was being serviced, asked him if there were any problems with the car, recommended when additional services should be performed, and answered questions directly and politely. However, when Barry went back to Auto Lube after three months to have his oil changed again, he was not satisfied with the service. The manager spoke to him only when he arrived and when he paid his bill. In addition, the manager was impatient and unfriendly during the interaction. Barry's experience at Auto Lube illustrates the _____ of services.

intangibility

heterogeneity

simultaneous production and consumption

perishability

divisibility

Two roommates both registered for an introduction to business class. At midterm, one roommate found his instructor so boring that he was thinking of changing his major to history. The other

roommate had a charismatic teacher and looked forward to going to class. This heterogeneity of instruction demonstrates

how difficult it is to synchronize supply and demand with service.

that customer service depends on employee actions.

how customers affect each other.

the fact services cannot be readily communicated or displayed.

why services cannot be inventoried.

A tax accountant may provide a different service experience to two different customers on the same day depending on their individual needs and personalities and on whether she is meeting with them when she is fresh in the morning or tired at the end of the day. This is an example of service _____.

versatility

heterogeneity

simultaneous production and consumption

perishability

intangibility

Parents everywhere are very busy and often cannot spend time with their children. In the Netherlands, children who want a bedtime story can call the telephone service and request to listen to one of twenty prerecorded fairy tales. The phone company charges \$7 per story. Because of the prerecording of the stories, this bedtime service reduces the problems typically associated with the _____ characteristic of services.

versatility

heterogeneity

simultaneous production and consumption

perishability

intangibility

Which of the following is a marketing implication that results from the heterogeneity of services?

Services cannot be returned or resold.

Services cannot be patented.

Services cannot be inventoried.

Service delivery and customer satisfaction depend on employee and customer actions.

All of the choices are correct.

Because of the _____ of services, service producers find themselves playing a role as part of the product itself and an essential ingredient in the service experience for the consumer.

comparability

intangibility

heterogeneity

simultaneous production and consumption

perishability

Due to the _____ characteristic of services, customers will frequently interact with each other during the service production process and may affect each other's experiences.

comparability

intangibility

heterogeneity

simultaneous production and consumption

perishability

The Offshore Sailing School in Jersey City, New Jersey, offers a basic sailing course, which takes place in three days over two weekends, for \$495. Students enrolled in the course attend classroom sessions that cover the theory and technology of sailing and receive hands-on sailing instructions in the water that introduces them to all fundamental sailing skills. Student

participation in the Offshore Sailing School's classroom sessions and hands-on sailing instructions illustrates the _____ characteristic of services.

versatility

heterogeneity

simultaneous production and consumption

perishability

intangibility

For their wedding anniversary, Beth and Rick wanted to go skydiving. They enrolled in a skydiving class at the local airport at a cost of \$260. After a 30-minute training course in which everything that was going to happen to them was carefully explained, Beth and Rick were sent up in an airplane with two skydiving experts. Each was placed in a harness arrangement with one of the experts and did what is called a tandem dive. With a tandem dive, Beth and Rick get to enjoy the experience without having to worry about when to open the parachute. The skydiving expert does that for them. This tandem jump illustrates the _____ characteristic of services.

versatility

heterogeneity

simultaneous production and consumption

perishability

intangibility

Which of the following statements describes a marketing implication that results from the simultaneous production and consumption of services?

Services cannot be returned or resold.

Service quality depends on many uncontrollable factors.

Employees affect the service outcome.

Services cannot be readily displayed or communicated.

There is no sure knowledge that the service delivered matches what was planned and promoted.

_____ refers to the fact that services cannot be saved, stored, resold, or returned.

Intangibility

Heterogeneity

Simultaneous production and consumption

Perishability

Incompatibility

In many cultures, weddings are timed to occur on lucky days. In 2011, wedding planners from Las Vegas, Nevada, to Mumbai, India, knew long before the auspicious date of November 11th (11/11/11) that this would be one of their busiest days of the year, if not the century. Because other dates would just not be as lucky for the blushing brides and grooms, and simply would not suffice, the wedding planners had to prepare all year for more weddings on this one date than on any other day throughout the year. This example illustrates the _____ characteristic of services.

versatility

heterogeneity

simultaneous production and consumption

perishability

intangibility

An attorney who charges a client for a missed appointment is taking into account the _____ characteristic of services.

heterogeneity

simultaneous production and consumption

incomparability

perishability

intangibility

Bob Wilson owns and operates Flashdance Skating Rink. Last Monday afternoon, he had rented the rink out for a birthday party that was cancelled at the last minute due to a flu epidemic that had sickened three-fourths of the children who were invited. While Wilson kept the deposit, he did not get the skate rental fees or the snack food money he had anticipated from the rental. Wilson lost money as a result of the _____ characteristic of services.

heterogeneity

simultaneous production and consumption

incomparability

perishability

intangibility

_____ qualities are characteristics of a product consumers may find impossible to evaluate even after purchase and consumption.

Search

Cognitive

Perceptual

Experience

Credence

Which of the following products is LEAST high in experience qualities?

plastic surgery

a prom band

catered banquet

wedding dress

pet grooming

Which of the following products is LEAST high in experience qualities for the customer?

getting a dental crown replacement

an anniversary dinner

a catered birthday party for a child

funeral services for a parent

landscaping service

Which of the following is NOT an element of the traditional marketing mix?

production

place

product

price

promotion

In addition to the elements of the traditional marketing mix, the expanded mix for services includes

positioning, personalization, and process.

people, physical evidence, and process.

personalization, procurement, and people.

profit, production, and psychology.

people, partnerships, and positioning.

The global impact of Covid-19 affected many service providers. Which of the following was LEAST impacted in a negative way?

online retailing

healthcare

tourism

education

hospitality

Which of the following is an example of the people element of an airline company's services marketing mix?

pilots

baggage handlers

customers

flight attendants

All of the choices are correct.

When Alicia and Jordan dined at Formia Ristorante, a contemporary Italian restaurant in New Jersey, they both enjoyed Formia's coy, smart, and embracing atmosphere. Formia creates this atmosphere with a single large dining room that measures 20 by 60 feet and contains 14 roomy tables. Ceiling fans slowly swirl as candlelight dances across the tables that are attentively cared for by servers. Vertical pink and white florid patterns emerge from old wainscoting. Finally, Formia's two-page menu offers guests a range of pasta, chicken, veal, and seafood entrees, in addition to nightly specials that are handwritten and presented on large index cards. Alicia and Jordan experienced the _____ element of Formia Ristorante's services marketing mix.

product

production

process

place

physical evidence

Ruth recently visited a day care center that is convenient to her work. Ruth is thinking of letting the day care workers care for her infant son while she is at work. The first thing Ruth noticed when she walked in the door of the facility was the smell of urine. There was a dead plant in the window. Toys were strewn about the floor and Ruth almost tripped over a tricycle. In this example, Ruth experienced negative aspects of the _____ element of the day care center's services marketing mix.

product

production

process

place

physical evidence

When a person enters a law firm's office, the sight of formal leather furniture, professionally dressed staff, framed diplomas of the attorneys, and an extensive library of bookshelves of legal codes and cases all represent the _____ element of the firm's service marketing mix.

product

production

process

place

physical evidence

Historically, the Japanese have had poor dental care. As part of their beauty regimen, the Japanese do have a habit of lightening and whitening their skin. Teethart has developed "tooth manicure" salons, which allow Japanese to match their teeth coloration to their skin. Each treatment takes place in a small booth, which contains an ergonomically-designed chair, muted lights, and New Age-style music. The walls are painted calming shade of blues and greens. Teethart uses the _____ element of its service to reduce stress associated with dental procedures.

product

production

process

place

physical evidence

Yesterday, Mike went to the dentist for his six-month check-up. Two weeks before he went to the dentist, he called the office to make an appointment. The day before his check-up, the office's receptionist called him to confirm his appointment. When Mike arrived at the office, he checked in with the receptionist and then waited in the waiting room for 15 minutes, reading a magazine, before being greeted by the dental hygienist, who escorted him to an examination room. The dentist entered the room, greeted Mike, examined Mike's teeth, took a set of x-rays and asked the

dental hygienist to clean Mike's teeth. When his teeth were cleaned, the hygienist told Mike he should return in six months for another check-up. Mike experienced the _____ element of the dental office's services marketing mix.

product

personalization

process

place

physical evidence

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

What do deeds, processes, and performances have in common?

What do tax preparation services, law offices, dental practices, and architects have in common?

What is the key determinant of whether a product is a good or a service?

Luke Roche has developed a great new massage therapy that can completely alleviate the pain produced by the typical migraine headache. He wants to patent his massages. What is wrong with this plan?

Weight loss centers provide moral support and weight-loss aids to those who believe they need to diet. The centers often use before and after pictures of their most successful cases to overcome problems associated with which service characteristic?

Jeffrey overheard two women comparing the way the dog groomer clipped their poodles. One claimed the groomer did not cut the hair between her dog's toes as was advertised, but that everything else about the cut was perfect. The other groused that the groomer left the hair on her dog's tail too long, but at least the hair on his feet had been cut. Which characteristic of service were the two women discussing?

Briefly explain why it is difficult to mass produce a service.

What is the primary issue that marketers face in relation to service perishability?

Maria Kingsley is a fortune teller. She is concerned because today two of her clients missed their appointments to have her read their Tarot cards and she had plans for the money she would have earned. With which characteristic of services is Kingsley most concerned?

What do a vacation to Jamaica and a haircut have in common besides the fact that they are both services?

A hotel manager is studying other hotels to see how they achieve and maintain service quality. The manager has spent some time paying attention to the actions, interactions, and appearance of front desk clerks, housekeepers, spa attendants, and restaurant staff. With which element of the services marketing mix is the hotel manager concerned?

Which elements of the services marketing mix are influenced by the techniques used to recruit and train new employees as telemarketers?

Which element of the services marketing mix is influenced by the health inspector's report that is prominently displayed in all restaurants?

An airline is concerned with whether its passengers are satisfied with how their luggage is handled before, during, and after a flight. With which element of the services marketing mix is the airline concerned?

How are customers and employees responding to the proliferation of technology-based services?

List the four characteristics that distinguish services from goods and discuss how each would impact the marketing of a chain of fitness centers that is being started by six former Olympic athletes.

Describe the three new elements of the service marketing mix.

Think of a particular business you know that had to adapt their service offerings due the Covid-19 epidemic. Explain why and how they responded.

Answer Key

Test name: ch1 Services Marketing e8

TRUE

TRUE

TRUE

TRUE

FALSE

FALSE

TRUE

FALSE

TRUE

TRUE

FALSE

FALSE

C

A

A

D

C

D

B

E

D

D

E

A
C
C
A
E
D
C
A
A
A
E
E
B
B
B
B
B
B
D
D
D
C
C
C
D

D

D

D

E

D

D

A

B

A

E

E

E

E

E

C

Short Answer

Those words together define what a service is.

Short Answer

They are all industries classified as part of the service sector.

Short Answer

Its intangibility.

Short Answer

A massage is a service. Services are by definition intangible. Intangibles cannot be easily patented.

Short Answer

Intangibility.

Short Answer

Heterogeneity.

Short Answer

Services are typically produced and consumed at the same time.

Short Answer

The inability to create an inventory when demand for your service is low.

Short Answer

Perishability.

Short Answer

They are both high in experience qualities; their attributes cannot be known until they are purchased and consumed.

Short Answer

People.

Short Answer

People and process.

Short Answer

Physical evidence.

Short Answer

Process.

Short Answer

Technology is providing vehicles for delivering existing services in more accessible, convenient, productive ways. Technology facilitates basic customer service functions such as bill paying and order tracking. Technology also facilitates transactions by offering a direct vehicle for making purchases. Technology also gives customers access to a wealth of information. Through self-service technologies, customers can serve themselves more effectively. On the downside, customers worry about privacy and the confidentiality of their personal information. Customer technology readiness is also an issue with some customers who prefer to be laggards. With technology infusion, there is a loss of human interaction, which may be seen as a negative by both customers and employees.

For employees, technology can provide tremendous support in making them more efficient and effective in delivering services. Customer relationship management and sales support software are broad categories of software that can aid front-line employees in providing better service. Employees can use the information available through technology to customize services and create greater customer satisfaction. Not all employees are eager to integrate technology into their work life either because they don't want to change or they don't see value in the new technology.

Short Answer

Student answers will vary. They need to look at intangibility, heterogeneity, simultaneous production and consumption and perishability issues and relate each to its marketing implications listed in Table 1.2. The following is a possible answer.

Intangibility-If they develop some unique weight-training or aerobic exercise program, they cannot be patent it. Moreover, it could be easily copied by competitors. The service itself is difficult to promote because they can only show the results of using their fitness center. Pricing will also be complex because of the intangibility of service-people have to believe they are getting their money's worth.

Heterogeneity-Employees must be carefully trained and even then inconsistency of service is a possibility, especially if an employee has to work overtime. There are many uncontrollable factors that determine the effectiveness of the fitness center, including the motivation level of the customers. There is no way the athletes can be sure customers are receiving the services exactly as they are being promoted-what if an aerobics instructor is sick.

Simultaneous production and consumption-Patrons who sign up but don't attend miss the benefits of the program as do patrons who talk others into boycotting instructors who require a full commitment. Employees who are not committed to fitness and miss exercise classes also can cause problems.

Perishability-Fluctuating attendance in terms of time of day and day of week will make it difficult to provide the service. If members are not there at the time the class is offered, that class cannot be resold.

Short Answer

People: All the 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.

Physical Evidence: The environment in which the service is delivered and where the firm and customer interact, as well as any tangible components that facilitate performance or communication of the service.

Process: The procedures, mechanisms, and flow of activities by which the service is delivered – the service delivery and operating systems.

Short Answer

Student answers will vary.