

No. of Printed Pages : 15

MMPM-005

**MANAGEMENT PROGRAMME
(MP)**

Term-End Examination

December, 2024

MMPM-005 : MARKETING OF SERVICES

Time : 3 Hours

Maximum Marks : 100

Weightage : 70%

Note : (i) Answer any **three** questions from
Section A.

(ii) Section B is compulsory.

Section-A

1. What is the difference between products and services ? What are the reasons for growth of service sector in India ? Give a classification of services. 25
2. Explain the marketing mix for services with suitable examples. 25

3. (a) What are the distribution strategies applied in services marketing ? 15
- (b) Assume that you are running a coffee shop. What are the essential elements of 'Physical Evidence' you would incorporate in your coffee shop ? 10
4. Define *five* dimensions of service quality model. Explain them with suitable examples. 25
5. Write short notes on any *two* of the following :
- $12\frac{1}{2} + 12\frac{1}{2}$
- (a) Methods of promotion of services
- (b) Role of customer in service process
- (c) Service positioning
- (d) Challenges in service communication
- (e) Pricing of services

Section—B

6. **Case Study :**

Accellion was a young, high-technology firm with leading-edge technology in the distributed

file storage, management, and delivery market space. Still new to the industry, the firm aimed to become the global backbone for the next generation of Internet-based applications.

Accellion's main value proposition to the world's largest enterprises ("the Global 2000") , as well as to Internet-based providers of premium content, was to allow them to serve their users faster, increase operational efficiencies, and lower total costs. Specifically, Accellion customers could improve the access time for downloading and uploading files by more than 200 percent. This performance improvement was achieved by locating an intelligent storage and file management system at the "edges of the Internet" and thereby delivering content from regions located closer to

the end-user. The typical time-consuming routing through many servers and hubs could be avoided using Accellion's infrastructure.

The need for an Internet infrastructure to deliver high bandwidth content to end-users had never been greater. There was a trend toward multimedia and personalized Web content, all of which could not be delivered efficiently by existing infrastructure, which routed data through the congested network of servers that form the backbone of the Internet. This prompted Accellion to develop and launch a new service : distributed file storage, management, and delivery. Accellion provided an applications platform that resided on independent servers, which were directly connected to the users' Internet Service

Providers (ISPs), thereby avoiding the congested "centers" of the Internet. This decreased access time and allowed Accellion to distribute specialized content and applications more efficiently.

To effectively market Accellion's value proposition, Warren J. Kaplan, Accellion's CEO, and S. Mohan, its Chief Strategist and Founder, felt that in addition to its leading-edge technology, key success factors for Accellion's aggressive growth strategy were excellence in service delivery and high customer satisfaction. They envisioned that customers would prefer to leverage Accellion's technology and partnerships instead of having to manage the details of deploying, maintaining, and upgrading their own storage

infrastructure for distributed Internet applications. To build a customer-driven culture and to communicate service excellence credibly to the market, Accellion aimed to harness the power of service guarantees.

Cost-effective services for improving performance and reliability were becoming critical, as the widespread use of multimedia and other large files increased exponentially. The value proposition was clearly attractive, but how could Accellion convince prospective clients that its technology and service actually could deliver what they promised ?

Mohan felt that a Quality of Service (QoS) Guarantee would be a powerful tool to make its promises credible and, at the same time, push his team to deliver what has been promised.

Mark Ranford, Accellion's Director for Product Management, and Mohan spearheaded the development of the QoS Guarantee. They finally launched the QoS Guarantee (shown in Exhibit 1)

Exhibit-1 : Accellion's Service Guarantee

QUALITY OF SERVICE GUARANTEE

The Accellion Quality of Service Guarantee defines Accellion's assurance and commitment to providing the Customer with value added Service and is incorporated into Accellion's Customer Contract. The definition of terms used herein is the same as those found in the Customer Contract.

1. Performance Guarantee

Accellion guarantees that the performance of the Network in uploading and downloading

content, as a result of using the Accellion Service, will be no less than 200 percent of that which is achieved by a benchmark origin site being accessed from the edges of the Internet. For all purposes herein, performance measurement tests will be conducted by Accellion.

2. Availability Guarantee

Accellion guarantees 100 percent service availability, excluding *force majeure* and scheduled maintenance for customers who have opted for our replication services.

3. Customer Service Guarantee

Should Accellion fail to meet the service levels set out in Sections 1 and 2 above, Accellion will credit the customer's account with one month's service fee for the month affected when the failure(s) occurred, provided the customer gives

written notice to Accellion of such failure within five days from the date such failure occurred. The customer's failure to comply with this requirement will forfeit the customer's right to receive such credit.

Accellion will notify the customer no less than 48 hours (2 days) in advance of scheduled maintenance. If the service becomes unavailable for any other reason, Accellion will promptly notify the customer and take all necessary action to restore the service.

Accellion maintains a 24-hour support center and will provide the customer with a response to any inquiry in relation to the service no more than 2 hours from the time of receipt of such query by customer service.

4. Security and Privacy Policy

Accellion has complete respect for the customer's privacy and that of any customer data stored in Accellion servers. The Accellion service does not require customers to provide any end-user private details for the data stored on the servers. All information provided to Accellion by the customer is stored for the customer's sole benefit. Accellion will not share, disclose, or sell any personally identifiable information to which it may have access and will ensure that the customer's information and data [are] kept secure.

Disclosure of customer's information or data in Accellion's possession shall only be made where such disclosure is necessary for compliance with a Court order, to protect the rights or

property of Accellion and to enforce the terms of use of the service as provided in the contract.

Accellion will ensure that the customer's information and data [are] kept secure and protected from unauthorized access or improper use, which includes taking all reasonable steps to verify the customer's identity before granting access.

**Exhibit-2 : E-mail to all Accellion Staff
Ammounting the Launch of the QoS
Guarantee**

Dear Team,

I am pleased to torward to everyone our industry's leading Quality of Service guarantee (QoS). Please read it over very carefully. You will find it to be very aggressive and it puts the

ownership on everyone in this company to deliver. Customers don't want a Service Level Agreement (SLA); they just want their network up and running all the time. That is why we have created this no questions asked guarantee. This type of guarantee has proven successful in other industries where service is key to success (e.g., Industry Leaders such as Gartner Group, LL Bean, Nordstrom, etc.).

As a member of the Accellion team, you are key to our client's satisfaction.

Thanks in advance for your support in making our clients and ourselves successful. Stating that "it is a revolutionary statement of our commitment to the customer to do whatever it takes to ensure satisfaction." The official

launch of the guarantee was announced to all staff by e-mail (Exhibit 2).

Their QoS Guarantee, however, was just part of Accellion's push for operational excellence. Many factors worked together to keep the company focused on its clients and providing the best possible service, so that the staff could create a large and loyal customer base for their innovative product. Thus, it was very important to raise awareness for Accellion's unique value proposition and convince the early adopters of the advantages.

Accellion's customers reacted positively. One customer stated, "Hey look at this. I haven't seen anything like it. No one offers 100 percent availability. That's tremendous." Another customer exclaimed, "You must really be

confident in your service. This really is risk free now, isn't it ?" Accellion was committed to its guarantee and strongly believed that having the best network and technology partners would enable it to deliver on its promise.

Questions :

- (i) What is the marketing impact of a well-designed service guarantee ? 6
- (ii) Evaluate the design of Accellion's guarantee. How effective will it be in communicating service excellence to potential and current customers ? Would you recommend any changes to its design or implementation ? 7
- (iii) Will the guarantee be successful in creating a culture for service excellence within Accellion ? What else may be needed for achieving such a culture ? 6

(iv) Do you think customers might take advantage of this guarantee and "stage" service failures to invoke the guarantee ? If yes, how could Accellion minimize potential cheating on its guarantee ? 6

x x x x x x x