



# GL BAJAJ

Institute of Management & Research  
Approved by A.I.C.T.E., Ministry of HRD, Govt. of India

Roll No.....

Plot No. 2, Knowledge Park-III, Greater Noida (U.P.)–201306

## POST GRADUATE DIPLOMA IN MANAGEMENT (2018-20) MID TERM EXAMINATIONS (TERM -V)

Subject Name: **Services Marketing**  
Sub. Code: **PGM-04**

Time: **01.30 hrs**  
Max Marks: **20**

### Note:

1. Writing anything except Roll Number on question paper will be deemed as an act of indulging in unfair means and action shall be taken as per rules.
2. All questions are compulsory in Section A, B & C. Section A carries 1 Case Study of 8 marks. Section B carries 3 questions of 2 marks each and Section C carries 2 questions of 3 marks each.

### SECTION – A

**04+04 = 08 Marks**

#### Q. 1: Case Study: ICICI Credit Card

India has primarily been a debit card market, with more than 824 million such cards in the system, as per RBI figures. Unified Payments Interface (UPI) and mobile wallets have grabbed the attention of policymakers, but the increase in the number of credit cards is not only an indication of growing digital payments but also the expansion of retail borrowers in the ecosystem.

Credit card issuances remain strong at 25% year-on-year (y-o-y) in the three months till June 2019– a trend that have broadly maintained since demonetisation. The three frontline private banks (HDFC Bank, Axis Bank and ICICI Bank) along with SBI Cards and Payments dominate this business with 70% share between them. New player like RBL Bank are emerging strongly on the back of its partnership with Bajaj Finance. Despite strong growth in issuances, Credit card penetration is quite low at 4% as compared to 60% of population using cards. The card business is a highly profitable business today.

Consumers are changing their way to shop and payment. Purchases through consumer finance touched a record of about 75% for televisions, refrigerators and washing machines, while for smartphones it accounted for 55-60% of total transactions, as estimated by retailers. Retail chains such as Croma, Vijay Sales, Sangeetha Mobile, Spice Hotspot, Great Eastern and Kohinoor said the contribution of credit-linked purchases to total sales have grown by 15-25% this festive season. Even apparel and furniture retailers have seen a robust pickup in credit-linked purchases. Puma said credit-linked purchases jumped 80% during the festive season and consumers made 120% higher billing for such transactions compared to those on full upfront payment. Great Eastern retailer director said cashback offers have improved the penetration of consumer finance this festive season.

ICICI Bank Limited (Industrial Credit and Investment Corporation of India) is an Indian multinational banking and financial services company headquartered in Mumbai, Maharashtra. The bank currently has a network of 4867 branches and 14417 ATMs across India and has a presence in 19 countries including India. ICICI Bank is one of the Big Four banks of India. The bank has subsidiaries in the United Kingdom and Canada; branches in United States, Singapore, Bahrain, Hong Kong, Sri Lanka, Qatar, Oman, Dubai International Finance Centre, China and South Africa; and representative offices in United Arab Emirates, Bangladesh, Malaysia and Indonesia. The company's UK subsidiary has also established branches in Belgium and Germany.

Initially, ICICI had very little brand visibility in the credit card segment as compared to other multinational banks like Citibank, HSBC, etc. It was indeed a prey and predator situation and the

foremost challenge was to first survive and then lead. The top five national / multi-national players in Indian market were: Citibank, HSBC Bank Standard Chartered Bank, HDFC bank and State Bank of India.

The bank has built a very broad base of Credit cards users. It has been among the pioneers of launching credit cards to the country and also making them life time free. ICICI bank provides host of benefits on the use of credit cards as it is for the purpose of making people buy on credit and later pay interest on the payments not made. The main benefits are lifestyle benefits, travel benefits, rewards and services and high level of security. The various kinds of cards offered by the bank are Coral, Sapphire and Rubyx credit cards serving the premium segment of consumers. There are many travel and fuel co-branded cards with Make My Trip, Visa, HP Fuel and Jet Airways. Special cards like Ferrari, Manchester and Platinum cards also serve the needs of the consumers. Demonetization and the adoption of UPI platform by national and international players like Google, WhatsApp, Paytm and PhonePe have played a significant role in enabling the rural Indian economy to move towards digital payment in a big way. While a growing number of e-commerce platforms are adopting digital payment methods, consumers still prefer the option of paying by cash. This phenomenon is in part related to the scare regarding cybersecurity in digital transactions. It is to be noted that during 2016-2018, India was the second most cyberattacks affected country.

But the ICICI bank has been facing stiff competition with other private banks that provide much more benefits and features. As per ICICI research on consumer, customers are looking at newer card reward propositions which provide them the flexibility to accumulate reward points and redeem them for travel and entertainment related spends.

In order to maintain the leadership position in the future as well, the bank needs to take certain very critical decisions about customer's acquisition and retention of existing customers with excellent customer services.

Q. 1 (a): Analyse the Services Marketing Mix for a banking firm along with discussing the various USP's that can be utilized for selling credit cards to various segments of the consumers?

Q. (b): Explain the consumer buying process for the credit card in the today's environment with respect to India? How ICICI bank can plan the credit card service selling to prospective customer?

### **SECTION – B**

**02×03 = 06 Marks**

Q. 2: Explain with the two example, the core product a supplementary services?

Q. 3: How are customer expectations formed? Explain the Zone of Tolerance with example

Q. 4: Explain the Five Dimensions of Service Quality (RATER) model with example of any one online education service provide like BYJU's/Simplilearn/NIIT?

### **SECTION – C**

**03×02 = 06 Marks**

Q.5. Give examples of how Internet and telecommunications technologies (e.g. mobile commerce, App) have changed some services you use.

Q. 6. Describe an unsatisfactory service encounter experienced recently with a) a low-contact service provider via email, mail, or phone and b) a high contact, face to face service provider. What are key drivers for dissatisfaction and what could the service provider have done to improve the service?