

College of Applied Business (CAB)

Sent-up Examination, February 2015

BBA / Seventh Semester / MKM 204: Service Marketing

Candidates are required to give their answers in their own words as far as practicable.

Section 'A'

Time: 20 minutes

Brief answer questions:

[10 × 1=10]

1. What is service marketing?
2. What are business missions?
3. What is relationship marketing?
4. Name any two factors affecting customer expectations of service.
5. Name any two types of service quality gaps.
6. What is assurance?
7. List service communication problems.
8. What is services cape?
9. Name three types of service marketing in Nepal.
10. What is franchising?

Section 'B'

Time: 30 minutes

Short answer questions:

[2 × 5= 10]

11. What is service marketing triangle? Explain its significance & application to service organization.
OR
Describe different levels of relationship applied in service firms.
12. Describe about dimensions of service quality.
OR
Discuss the problems & prospects of service marketing in Nepal.

Section 'C'

Time: 80 minutes

13. Comprehensive answer questions: (Case Study)

[4×5=20]

Citicorp's Use of Global Strategy

Citicorp, a bank holding company and the parent of Citibank, is one of the largest financial companies in the world and has long pursued global market participation. Its predecessor, National city Bank of New York (NCB) was the first nationally Chartered American bank to open a foreign branch office, doing so in Buenos Aires in 1914. Between 1915 and 1918, it gained an entire international Banking network, from London to Singapore, through its purchase of International Banking Corporation. During the 1960s, the bank was driven by market forces in a vigorous strategy of international expansion. Aided by what was then an increasingly overvalued dollar, American multinationals were establishing operations all over the world and Citibank opened numerous new branches in Asia, Latin America, Europe, and the Middle East. By the late 1970s technology was becoming a major cost driver in Citicorp's domestic and global strategies in both corporate and retail markets. Citicorp responded with a variety of global services. A particularly significant innovation for that linked the treasury department of an MNC to the accounts of its divisions, branches, and subsidiaries around the world. This service enabled treasury managers to have an almost instantaneous picture of their corporation's financial position on a global basis, with data from sources worldwide being automatically converted to a single currency at relevant rates. Within the constraints of government exchange controls, it's also became a relatively simple matter to use a computer to move funds around the world electronically.

Responding to the competitive driver of a growing number of major banks with global ambitions, Citicorp developed global marketing approaches, especially a global account management program to provide better quality service to corporate customers. Senior executives recognized that each account held by an MNC or its subsidiaries was, in fact, a building block in a larger entity. The bank's performance on what looked like a small and unimportant account could, in fact, have major repercussions. The more Citicorp learned about the worldwide operations of its international customers, the better it could serve such clients in the future.

Although Citicorp is still primarily a US- based bank, increasingly it operates branches spread around the world, supported by centrally located computers. In retail banking –what Citicorp calls “Citibanking” – the company served 20 million accounts in 1995 through 1200 branches in 41 countries. Citibank targets middle class and upscale customers with a approach that it describes as relationship-based rather than product-driven. The company not only uses the same technology around the world but also the same visual presentation. In both physical design and graphics, its new model retail branches around the world all look alike. Citicorp's strong management culture has helped it to make global competitive moves. The market driver of common customer needs emerging around the world means that Citibank (the so-called individual bank) can transfer the expertise, products, and systems it has created in lead countries to emerging economies worldwide.

Questions:

- a) What are the benefits of Citicorp bank?
- b) What are the reasons for Citicorp to open its branches across the world?
- c) How did Citicorp used technology based service marketing?
- d) If you are a manager of a local bank, how would you compete with Citicorp bank?
Give reasons.