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| Multiple Choice |

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| 1. The \_\_\_\_ reflects the view that the intangible aspects of products are becoming the key features that differentiate the products in the marketplace.   |  |  |  | | --- | --- | --- | |  | a. | services marketing | |  | b. | servuction model | |  | c. | service imperative | |  | d. | benefit concept | |  | e. | industrial management model |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 2. Which of the following businesses would be characterized as a pure service?   |  |  |  | | --- | --- | --- | |  | a. | insurance | |  | b. | farming | |  | c. | mining | |  | d. | engineering | |  | e. | There is no such thing as a pure service. |  |  |  | | --- | --- | | *ANSWER:* | e | |

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| 3. General Motors, the manufacturing giant's, largest supplier is:   |  |  |  | | --- | --- | --- | |  | a. | Blue Cross-Blue Shield Insurance | |  | b. | GMAC Financing | |  | c. | a parts supplier | |  | d. | a legal firm | |  | e. | a trucking company |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 4. Which of the following sets of terms best describes a service?   |  |  |  | | --- | --- | --- | |  | a. | objects, devices, and performances | |  | b. | effort, objects, and deeds | |  | c. | things, devices, and performances | |  | d. | objects, devices, and things | |  | e. | deeds, effort, and performances |  |  |  | | --- | --- | | *ANSWER:* | e | |

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| 5. On the scale of market entities, with tangible-dominant to the extreme left and intangible-dominant to the extreme right, investment management services would appear:   |  |  |  | | --- | --- | --- | |  | a. | to the extreme left. | |  | b. | mid-left. | |  | c. | in the middle. | |  | d. | mid-right. | |  | e. | to the extreme right. |  |  |  | | --- | --- | | *ANSWER:* | d | |

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| 6. The continuum that ranges from tangible-dominant to intangible-dominant is referred to as the:   |  |  |  | | --- | --- | --- | |  | a. | services triangle. | |  | b. | servuction model. | |  | c. | scale of market entities. | |  | d. | service-profit chain. | |  | e. | Q continuum. |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 7. Businesses such as fast food restaurants would fall where along the scale of market entities?   |  |  |  | | --- | --- | --- | |  | a. | on the extreme end of the intangible-dominant side | |  | b. | on the extreme end of the intangible-dominant side | |  | c. | in the middle of the continuum | |  | d. | left of the middle towards the tangible-dominant side | |  | e. | right of the middle towards the intangible-dominant side |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 8. Which of the following fields would be least likely to be described as intangible-dominant?   |  |  |  | | --- | --- | --- | |  | a. | manufacturing | |  | b. | education | |  | c. | insurance | |  | d. | banking | |  | e. | engineering |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 9. Which of the following is an example of intangible-dominant?   |  |  |  | | --- | --- | --- | |  | a. | a steakhouse | |  | b. | car rental agency | |  | c. | a funeral | |  | d. | a magazine subscription | |  | e. | math tutoring |  |  |  | | --- | --- | | *ANSWER:* | e | |

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| 10. Which of the following statements is NOT true?   |  |  |  | | --- | --- | --- | |  | a. | Consumers evaluate goods and services differently. | |  | b. | Firms that define their businesses too narrowly by overlooking the service aspects have developed service marketing myopia. | |  | c. | Goods are intangible-dominant. | |  | d. | Consumers evaluate services based on the experiential aspects provided. | |  | e. | The term **product** refers to both goods and services. |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 11. The economic value of transforming goods into services is illustrated by paying:   |  |  |  | | --- | --- | --- | |  | a. | $7 for a cup of coffee in a five-star restaurant. | |  | b. | $3 for a pound of coffee beans at the market. | |  | c. | $6 to have your car washed. | |  | d. | $7 to have your dog walked. | |  | e. | $120 for a health checkup. |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 12. The \_\_\_\_ involves a pictorial representation of the relationship between the tangible and intangible elements of a firm's operation.   |  |  |  | | --- | --- | --- | |  | a. | molecular model | |  | b. | servuction model | |  | c. | benefit concept | |  | d. | industrial management model | |  | e. | market-focused model |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 13. Which of the following could NOT be included in the airline molecular model?   |  |  |  | | --- | --- | --- | |  | a. | long-term parking | |  | b. | financing arrangements | |  | c. | rental car availability | |  | d. | gate attendants | |  | e. | baggage handlers |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 14. The encapsulation of the benefits of a product in the consumer's mind is called the:   |  |  |  | | --- | --- | --- | |  | a. | servuction model. | |  | b. | benefit concept. | |  | c. | service triangle. | |  | d. | service-profit chain. | |  | e. | scale of market entities. |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 15. According to the servuction model, factors that influence the customer's service experience include all of the following *except*:   |  |  |  | | --- | --- | --- | |  | a. | price. | |  | b. | contact personnel/service providers. | |  | c. | other customers. | |  | d. | servicescape. | |  | e. | organization and systems. |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 16. Which of the following components of the servuction model is invisible to consumers?   |  |  |  | | --- | --- | --- | |  | a. | servicescape | |  | b. | organization and systems | |  | c. | other customers | |  | d. | contact personnel | |  | e. | service providers |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 17. A customer who notices dirty silverware and a dirty floor in his/her favorite restaurant and loses his/her appetite has been influenced by which of the following components of the servuction model?   |  |  |  | | --- | --- | --- | |  | a. | servicescape | |  | b. | organization and systems | |  | c. | other customers | |  | d. | contact personnel | |  | e. | service providers |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 18. Servicescape consists of which of the following features?   |  |  |  | | --- | --- | --- | |  | a. | personal artifacts | |  | b. | inanimate objects | |  | c. | signs | |  | d. | ambient conditions | |  | e. | all of these |  |  |  | | --- | --- | | *ANSWER:* | e | |

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| 19. The component of the servuction model over which most service firms have the least control is:   |  |  |  | | --- | --- | --- | |  | a. | servicescape. | |  | b. | organization and systems. | |  | c. | other customers. | |  | d. | contact personnel. | |  | e. | service providers. |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 20. If an office did not schedule as many people as were needed during a busy period, which of the following components of the servuction model has negatively influenced the customer's experience?   |  |  |  | | --- | --- | --- | |  | a. | servicescape | |  | b. | organization and systems | |  | c. | other customers | |  | d. | contact personnel | |  | e. | service providers |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 21. A customer attempted to pay his bill with his American Express credit card; however, the service firm did not accept American Express. Which of the following components of the servuction model negatively influenced the customer's experience?   |  |  |  | | --- | --- | --- | |  | a. | servicescape | |  | b. | organization and systems | |  | c. | other customers | |  | d. | contact personnel | |  | e. | service providers |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 22. Traditionally, economies throughout the world tend to transition from:   |  |  |  | | --- | --- | --- | |  | a. | a service economy to an agricultural economy to an industrial economy. | |  | b. | a service economy to an industrial economy to an agricultural economy. | |  | c. | an agricultural economy to an industrial economy to a service economy. | |  | d. | an agricultural economy to a service economy to an industrial economy. | |  | e. | an industrial economy to an agricultural economy to a service economy. |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 23. Ranking from highest to lowest, the countries with the largest service sector employment by percentage of GDP are:   |  |  |  | | --- | --- | --- | |  | a. | United Kingdom, United States, Japan | |  | b. | Andorra, Hong Kong, Bahamas | |  | c. | United States, United Kingdom, Japan | |  | d. | United States, United Kingdom, Hong Kong | |  | e. | Japan, Bahamas, United States |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 24. With regards to sector employment in the United States, all of the following statements are true *except*:   |  |  |  | | --- | --- | --- | |  | a. | Between 1900 and 2013, the proportion of the workforce engaged in agriculture declined from 42% to just 20%. | |  | b. | As of 2013, 80% of all jobs are service jobs. | |  | c. | Between 2002 and 2012, 96% of all new jobs were service jobs. | |  | d. | In the year 1900, 30% of the U.S. labor force was employed in the service sector. | |  | e. | By the mid-1990's service employment had risen to 81.1 million. |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 25. What is the approximate percentage of the United States' gross domestic product generated by the service sector?   |  |  |  | | --- | --- | --- | |  | a. | 87% | |  | b. | 79% | |  | c. | 67% | |  | d. | 57% | |  | e. | 47% |  |  |  | | --- | --- | | *ANSWER:* | b | |

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| 26. Which was the first economy in the modern world to transition from an agricultural economy to an industrial economy to a service economy?   |  |  |  | | --- | --- | --- | |  | a. | Hong Kong | |  | b. | United Stated of America | |  | c. | United Kingdom | |  | d. | Bahamas | |  | e. | Japan |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| 27. What are e-services?   |  |  |  | | --- | --- | --- | |  | a. | an application of science to solve problems or conduct transactions | |  | b. | customer service activities via the Net | |  | c. | technologically based services that help customers help themselves | |  | d. | an electronic service available via the Net that completes tasks | |  | e. | all of these |  |  |  | | --- | --- | | *ANSWER:* | e | |

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| 28. Which of the following service industries have NOT employed self-service technologies?   |  |  |  | | --- | --- | --- | |  | a. | banks | |  | b. | insurance companies | |  | c. | hotels | |  | d. | movie rental chains | |  | e. | manufacturing operations |  |  |  | | --- | --- | | *ANSWER:* | e | |

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| 29. Most people tend to associate this term with being "green" and protecting the environment.   |  |  |  | | --- | --- | --- | |  | a. | sustainability | |  | b. | tangibility | |  | c. | intangibility | |  | d. | social responsibility | |  | e. | all of these |  |  |  | | --- | --- | | *ANSWER:* | a | |

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| 30. Which of the following areas is NOT a sustainable business practice that companies hope to pursue as a source of competitive advantage?   |  |  |  | | --- | --- | --- | |  | a. | eco-efficiency | |  | b. | environmental cost leadership | |  | c. | e-service | |  | d. | beyond compliance leadership | |  | e. | eco-branding strategies |  |  |  | | --- | --- | | *ANSWER:* | c | |

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| Subjective Short Answer |

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| 31. What is a service?   |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | *ANSWER:* | |  |  | | --- | --- | | **∙** | The distinction between goods and services is not always perfectly clear. | | **∙** | In general, services can be defined as deeds, efforts, or performances. | | **∙** | The scale of market entities helps to distinguish goods from services based on their tangibility and often highlights areas that are often overlooked that may be used as sources of competitive advantage. | | |

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| 32. What are the seven categories of complaints that customers say irritate them most about service providers?   |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | *ANSWER:* | |  |  | | --- | --- | | **∙** | Apathy: What comedian George Carlin refers to as DILLIGAD - Do I look like I give a damn? | | **∙** | Brush-off: Attempts to get rid of the customer by dismissing the customer completely...the "I want you to go away" syndrome | | **∙** | Coldness: Indifferent service providers who could not care less what the customer really wants | | **∙** | Condescension: The "you are the client/patient, so you must be stupid" approach | | **∙** | Robotism: When the customers are treated simply as inputs into a system that must be processed | | **∙** | Rulebook: Providers who live by the rules of the organization even when those rules do not make good sense | | **∙** | Runaround: Passing the customer off to another provider, who will simply pass them off to yet another provider. | | |

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| 33. Discuss the components of the servuction model. What does the model attempt to explain?   |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | *ANSWER:* | |  |  | | --- | --- | | **∙** | The components of the servuction model include: other customers, contact personnel/service providers, servicescape, and organization and systems (the rules, regulations, schedules and all other behind the scenes activities that influence the customer's service experience). | | **∙** | The first three components are visible to the consumer, the invisible organization and systems are not. | | **∙** | The servicescape refers to the use of physical evidence to design service environments. | | **∙** | The service providers are the employees who perform the core service, and the contact personnel are other employees who briefly interact with the customer. | | **∙** | The other customers are those who share the primary customer's service experience, and they can enhance or detract from that experience. | | **∙** | The model attempts to explain that the four components of the servuction model combine to create the experience for the consumer, and it is the experience that creates the bundle of benefits that the consumer receives. | | **∙** | The most profound implication of the servuction model is that it demonstrates that consumers are an integral part of the service process. | | |

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| 34. Why has the study if services marketing become increasingly important in recent years?   |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | *ANSWER:* | The study of services marketing has become increasingly important due to the:   |  |  | | --- | --- | | **∙** | tremendous growth in the global service workforce. | | **∙** | increasing service sector contributions to the world economy in terms of contributions to GDP. | | **∙** | emergence of technologically based e-services. | | **∙** | need to develop sustainable services marketing business practices. |   ​  ​ | |

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| 35. Discuss the growth of the global service economy.   |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | *ANSWER:* | |  |  | | --- | --- | | **∙** | New technology has led to considerable changes in the nature of many services and in the development of new services. | | **∙** | Higher disposable incomes have led to a proliferation of personal services, particularly in the entertainment sector. | | **∙** | All developed economies now have large service sectors. | | |

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| 36. Describe the four areas of improvement in which a company can achieve sustainability.   |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | *ANSWER:* | |  |  | | --- | --- | | **∙** | Eco-efficiency focuses on the concept of the "double dividend." Companies that attempt to reduce wastes and inefficiencies within the system see positive results both financially and environmentally. | | **∙** | Environmental cost leadership involves developing a radical innovation that will allow the company to be more environmentally friendly while maintaining cost competitiveness. | | **∙** | Beyond compliance leadership involves companies wanting to increase their sustainability efforts, but also wanting these efforts to be acknowledged by the public. These companies often spend money on environmental certifications, such as LEEDS building certifications. The first-movers in an industry in this case have the greatest advantage. Those who take the first initiative are seen as innovative, while the rest of the companies within the industry are forced to follow suit. | | **∙** | Eco-branding strategies focus on the use of marketing differentiation based on the environmental attributes (e.g., organic, vegan, or fair-trade status) of products. There are three basic prerequisites that often exist for firms to successfully execute this approach: consumers must be willing to pay for the costs of ecological differentiation; reliable information about product's environmental performance must be readily available to the consumer; and the differentiation must be difficult to imitate by competitors. | | |