Test Bank for Essentials of Services Marketing 3rd Wirtz

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Chapter 2
Customer Behavior in a Services Context

GENERAL CONTENT

Multiple Choice Questions

1. The three stages in the consumer decision making process are _____, _____, and _____.
   a. pre-awareness stage, pre-purchase, purchase stage
   b. pre-purchase stage, awareness stage, post-purchase stage
   c. service encounter stage, pre-purchase stage, post-purchase stage
   d. pre-purchase stage, awareness stage, purchase stage
   e. pre-purchase stage, service encounter stage, post-purchase stage

(e; Easy)

2. The key concepts in the pre-purchase stage include all the following except _____.
   a. servuction system
   b. evoked set
   c. perceived risk
   d. zone of tolerance
   e. credence attributes

(a; Easy)

3. The pre-purchase stage begins with _____.
   a. perceived risk
   b. formation of expectations
   c. moments of truth
   d. evoked set
   e. need arousal

(e; Moderate)

4. Tangible characteristics that customers can evaluate prior to purchase are termed _____.
   a. search attributes
   b. experience attributes
   c. credence attributes
   d. satisfaction attributes
   e. capital attributes

(a; Moderate)

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5. Characteristics that customers find hard to evaluate even after consumption are termed _____.
   a. search attributes
   b. experience attributes
   c. credence attributes
   d. satisfaction attributes
   e. capital attributes

(c; Moderate)

6. The service encounter stage involves _____.
   a. Moments of truth
   b. Zone of tolerance
   c. Price decisions
   d. trade-offs

(a; Moderate)

7. Services with high levels of contact include
   a. nursing home, airline travel, movie theater
   b. telephone banking, haircut, insurance
   c. four-star hotel, car repair, cable tv
   d. nursing homes, airline travel, four-star hotels

(d; Moderate)

8. Back-stage or invisible process becomes important to customers in which of the following situations.
   a. Kitchen sends wrong order
   b. Flowers are delivered to a different address
   c. Refund is refused
   d. All of the above
   e. Only a & b

(d, Challenging)

9. In the theater metaphor, the elements include all but the following _____.
   a. positions
   b. roles
   c. scripts
   d. service facilities
   e. personnel

(a; Easy)

10. The five broad dimensions of service quality are _____.
   a. tangibles, reliability, responsiveness, satisfaction, empathy
   b. intangibles, reliability, responsiveness, assurance, empathy
   c. tangibles, reliability, responsiveness, assurance, empathy
   d. tangibles, attributes, responsiveness, assurance, empathy

(c; Moderate)

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True/False

11. The evoked set can be derived from past experience or competing firms.
(False; Moderate)

12. Credence attributes are the characteristics that can only be assessed after customers have gone through the service.
(False; Easy)

13. Everything else being equal, when customers are risk-averse, they will choose the service with the lowest risk perception.
(True; Easy)

14. Expectation elements include desired, adequate and predicted service levels.
(True; Moderate)

15. If good service is predicted, the adequate level for that service will be lower.
(False; Moderate)

16. Consumers will desire a particular level of service, but are willing to accept an adequate level of service and the gap between the two levels is called the zone of acceptance.
(False; Easy)

17. A service encounter is a period of time during which you, as a customer, interact with a service provider.
(True; Easy)

18. In high-contact services, it is important to make the experience appealing for customers both in terms of physical environment and their interaction with service personnel.
(True, Moderate)

19. The backstage, or invisible components of the servuction system, are of little interest to customers.
(True, Moderate)

20. SERVQUAL is an instrument to measure customer loyalty.
(False, Easy)

Short Answer

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21. Service consumption can be divided into what three principal stages?

Pre-purchase, service encounter, and post-purchase.
(Easy)

22. Give an example of a pre-purchase risk-reduction strategy.

Seeking information from respected personal sources (relying on a firm that has a good reputation, looking for guarantees and warranties, visiting facilities, asking knowledgeable employees, examining tangible cues, or using the Web to compare offerings).
(Moderate)

23. Give an example of a social risk involved in using a service.

What will my friends think of me if they learned I used this service?
(Easy)

24. What is the service delivery system?

The visible part of service operations system as well as the customer and other customers make up the service delivery system.
(Moderate)

25. How does SERVQUAL measure service quality?

SERVQUAL measures service quality along the five dimensions of tangibles, reliability, responsiveness, assurance, and empathy.
(Easy)

Essay

26. Describe what is meant by adequate service, predicted service, and zone of tolerance.

Adequate service is the minimum level of service a customer will accept without dissatisfaction. Predicted service is the level of service that the customer actually anticipates the firm will provide. The zone of tolerance is the extent of variation of service customers are willing to accept. Adequate service falls at the bottom of the zone of tolerance, whereas predicted service is likely in the middle of the zone of tolerance.
(Moderate)

27. Describe the servuction system for a high-contact service like an upscale restaurant.

The service operations system of a restaurant would consist of the kitchen and cooks at its technical core that would be backstage. The interior and exterior of the facility,

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visible equipment, and wait staff are also part of the service operations system, but are visible to the customer. Other customers would also patronize the restaurant at the same time and might have an impact on customer perceptions. The visible facilities, backstage technical core, staff, and other customers comprise the service delivery system. Together, they make up the servuction system.
(Challenging)

APPLICATION CONTENT

Multiple Choice Questions

28. To develop effective marketing strategies, marketers must understand how people make decisions about buying and using service, what the experience of service delivery and consumption is like for customers, and _____.
    a. how they evaluate competitors
    b. how they evaluate the experience
    c. how often they utilize competitors
    d. how often they complain to the service firm
    e. the length of their relationship with the service firm
(b; Challenging)

29. An example of a service high in credence attribute is _____.
    a. extreme sports
    b. vacation
    c. spa
    d. musical performance
    e. surgery
(e; Moderate)

30. Hotels may organize food tasting to _____.
    a. generate goodwill.
    b. have free trials.
    c. advertise their services.
    d. act as a service guarantee.
    e. make use of evidence management.
(b; Challenging)

31. For customers of credit card companies, which of the following statements are true?
    a. When they make calls to the call center, these are usually the few moments of truth.
    b. There is very little of the theater performance.
    c. They usually experience high-contact with the service personnel.
    d. Only A and B.
    e. All of the above.
(d; Challenging)

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32. Dental customers _____ to avoid delays and ensure effective use of dental professionals' time.
    a. sit quietly in the waiting room
    b. commit positive word-of-mouth
    c. confirm and honor appointments
    d. should get to know hygienists
    e. provide accurate histories

(c; Easy)

True/False

33. For B2B services, trade shows can be a way to create a need and engage customers' interest.

(True; Challenging)

34. Many caterers and Chinese restaurants use free trial to create more search attributes to assist prospective customers.

(True; Easy)

35. Airlines are considered a low-contact service when compared to auto repair.

(False; Moderate)

36. Thoughtful banks place a telephone beside their ATMs so that customers can call a real person.

(True; Easy)

37. A dental hygienist confirming needs and setting appointment dates with patients is part of the service script for teeth cleaning.

(False; Moderate)

Short Answer

38. How many needs can be triggered in the pre-purchase stage?

People's unconscious mind	(dreams, ego need, personal identity etc.)
Physical conditions	(hunger, thirst, pain etc.)
External sources	(firm's advertising, third party websites etc.)

(Moderate)

39. Give an example of a service's search attribute.

Restaurant—restaurant positioning (type of food, location, parking availability).

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(Easy)

40. Give an example of a restaurant's credence attribute.

Kitchen hygiene.
(Moderate)

41. What types of risks might be inherent in making an online textbook purchase?

Financial—extra fees or failure to receive the book.
Physical—book shows up damaged.
Temporal—book does not show up before class starts.
Functional—book does not help the student pass the class.
(Moderate)

42. What type of risk reduction strategy would you suggest a golf course employ to reduce customer fears about rain cancellations?

Provide rain checks that allow consumers to continue play at a later date.
(Moderate)

Essay

43. Describe how the three-stage model of service consumption could explain consumer behavior in a low-contact service like investing.

The three-stage model of service consumption begins with the pre-purchase stage where consumers become aware of a need. Also in this stage is information search, where needs are clarified, possibly through surfing the Web and making phone calls. In the case of an investing service this might involve reading the Web site information for various Web sites like eTrades or Schwab. Evaluating alternatives is also in this stage. In the investment scenario, this might involve more Web site analysis, phone calls and e-mail with account representatives. The second stage is the service encounter stage. Here, service is requested from the supplier, in this case via e-mail or Web site transaction. The final stage is the post-encounter stage. Here the investor determines how well the firm performed over a period of time and makes a determination about future transactions with the firm.
(Challenging)

44. Explain how a firm like Zurich Insurance can reduce customer perceptions of risk.

Zurich Bank can display what the bank can do for its customers in its advertising. They can help the customers understand the benefits and usage of the service and how a customer can enjoy the tangible product. They can also encourage prospective customers to preview the service through brochures, Web sites, and videos.

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(Moderate)

45. How can a restaurant use SERVQUAL to measure its service quality?

    In restaurants, service quality is important for generating transaction-specific satisfaction. To measure tangibles, restaurants need to assess their physical environment in terms of visual appeal; for reliability, they may assess how error-free their service is from order placement to delivery. They can also measure promptness of service and employees' willingness to help customers. Assurance can be measured through questions about customer confidence. Empathy can be measured by including the questions about individual attention provided for customers in SERVQUAL.

(Challenging)

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