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**THE OPEN UNIVERSITY OF SRI LANKA**
**COMMONWEALH MASTER OF BUSINESS/PUBLIC ADMINISTRATION DEGREE PROGRAMME**
**FINAL EXAMINATION 2016**
**MARKETING MANAGEMENT-MCP 1608**

**DATE: 09th JULY 2016** **TIME: 9.30 a.m to 12.30 p.m**

**INSTRUCTIONS TO CANDIDATE**

1. **Section A: Answer ONE (1) compulsory question.**
2. **Section B: Answer any TWO (2) out of THREE (3) questions in this section.**

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**SECTION A (Compulsory)**

**Students are required to answer the questions given at the end of the case given below.**

## Your Customer Service is Your Branding: The Ritz-Carlton Case Study

When a company wants to update its branding, it usually looks to traditional branding considerations such as its logo, its use of typography, its color palette, and possibly even whether it needs a new brand mascot (a la KFC replacing Darrell Hammond with Norm MacDonald to play the latest incarnation of Colonel Sanders or Subway replacing Jared with anybody they can find who'll take the job).

But if you want to understand what actually makes up your brand, and therefore what a rebranding would entail, you have to go a lot deeper than looking at your logo and color choice. While I enjoy a good logo rework or spokes actor switcheroo as much as the next fella, the branding that matters to customers isn't something that starts with a logo or a choice of typefaces. Branding goes much deeper, and often evolves from places we don't think of as branding at all.

As the case study for today's article, let's look at the The Ritz-Carlton Hotel Company. There's been buzz this month in the luxury press about The Ritz-Carlton's new rebranding initiative, which, like most such initiatives, focuses on color choice (a new light blue) and logo (an improved redraw of its iconic lion and crown illustration that is more friendly to digital reproduction and resizing). But to get at what makes up a brand like The Ritz-Carlton, which is perhaps the most frequently-cited exemplar of customer service in today's business world, we need to look elsewhere, including at how its style of customer service has evolved over the years, and, speaking more generally, how any company, by updating its customer service style, can keep its brand in touch with what customers–customers of all ages, including the important and very informal Millennial generation of customers–are looking for today.

**Today's customers demand an authentic, unscripted customer service style.**

Even if the level of customer service your company provides is excellent, if the style of your customer service delivery comes off as inauthentic–as scripted, stilted, or of the cookie-cutter variety–you're not going to connect with today's customers. Customers today, of all ages, including the important Millennial generation of customers. are looking for a genuine, authentic customer experience. And they're quick to reject and rail against anything in the service experience that they perceive as insincere, stilted, or inauthentic.To illustrate this point, let me tell you a story that reaches back more than 30 years: The Ritz-Carlton Hotel Company, as a global brand, was created in the early 1980s. Very quickly, Ritz-Carlton became a major force in revolutionizing the hospitality industry by standardizing employment-selection criteria, facilities, and more. Now, as a luxury traveler, you could roam the world and be able to experience a consistent standard of service akin to what you had experienced at the last Ritz-Carlton where you stayed, thousands of miles previous.

At the same time, the leadership of The Ritz-Carlton standardized one more aspect of its operation: the language to be used by its employees. In retrospect, this may have been an overreach, though at the time and for two decades running, it seemed to be working. Here's what I wrote some years back about the origin of the famous Ritz-Carlton brand language:

To help launch their Ritz-Carlton luxury hotel brand [the founding leadership] decided on a set of ideal phrases for use in conversation with customers, then trained employees to use those phrases. The frequent use of certain phrases helped unify their employees around a shared identity and contributed to a distinctive 'Ritz style' that the public could easily recognize: phrases like 'my pleasure,' 'right away,' 'certainly,' and–a personal favorite–'we're fully committed tonight.' (Translation: 'We're booked solid, bub!') The list of words and phrases to be avoided included 'folks,' 'hey,' 'you guys' and 'OK.'

Over time, and as customer tastes changed, these prescribed language choices started to sound insincere–especially when they were parroted by employees in situations where they didn't fit. The Ritz-Carlton's signature phrase, "my pleasure," in particular became a prime candidate for overuse and misuse. While "It was really my pleasure to visit with you during your stay, Mr. Jamison" sounds genuine, "It will be my pleasure to unclog your sink" takes the conversation off the rails. To make it worse, other hospitality businesses began to mimic Ritz-Carlton, thinking that by saying "my pleasure" they were somehow providing Ritz-level service. Soon, even Chik-fil-A was saying "my pleasure" at the drive-through window.

**The Ritz-Carlton responds to customer feedback, updates its customer service style**

So in the mid-2000s, after 20-plus years of success, The Ritz-Carlton Hotel Company started to notice some disturbing feedback on its surveys. Recalls Diana Oreck, VP, Ritz-Carlton Leadership Center: "We were beginning to get some alarming feedback from guests who felt we were coming off as too robotic" due to the rigidity of The Ritz-

Carlton's language choices, scripting and other carefully prescribed aspects of their service encounters.
Ritz-Carlton's VP for global brand marketing, Lisa Holladay, continues the thought: "The good thing about the scripting that we were doing was that it ensured consistency across the board. Unfortunately, what we were finding is that the very consistency itself was coming across as formal and excessively traditional. It was no longer tracking well with a majority of consumers, and especially with our younger guests, who perceived it as inauthentic."

When Ritz-Carlton received this feedback, it acted on it, getting rid of the prescribed language choices and scripted phrases. (More recently, Ritz-Carlton has relaxed its employee dress code and grooming standards as well –even allowing visible tattoos in some cases. These moves are part of the de-cookie-cuttering of the brand, as is Ritz-Carlton's newly-developed commitment to making every property notably different from every other, and consonant with its local community's architectural, furnishings and culinary style. )
**(Source -Micah Solomon-Forbes-SEP 24, 2015)**

1. Explain in relation to the above case study, how customer service affects branding. (20 Marks)
2. Critically evaluate the importance of extended marketing mix for service organization like Ritz-Carlton (15 Marks)
3. "Services are difficult to market than products"? Do you agree with this statement? Explain. (15 Marks)

Total :50 Marks

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## SECTION B

**Students are required to answer any two (2) out of three (3) questions in this section.**

**Question 1**

As a consultant of a newly established bank you have been asked to conduct a marketing research on "retail banking sector in Sri Lanka and preference of Generation Y".

1) Discuss the importance of marketing research for banking sector. (08 Marks)

2) Explain the "marketing research process" you suggest to address the given research problem. (17 Marks)

Total :25 Marks

**Question 2**

"Marketers need to develop an understanding of how consumers actually make their buying decisions"

**a)** Critically analyze the stages in the consumer decision-making process in relation to the buying decision of a branded television. (20 Marks)

**b)** Explain with examples how consumer decision-making varies with the category of products being purchased. (05 marks)

Total :25 Marks

**Question 3**

Briefly explain the concepts below.

1) Customer attitude
2) Holistic Marketing
3) Neuromarketing
4) Needs, Wants and Demand
5) Positioning

Total :25 Marks

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