

## Chapter 10 Questions

(1) Define disintermediation and capacity management. Give examples of both.

Disintermediation occurs when the Internet or other technology can be used to “cut-out the middleman.” Capacity management allows firms to adjust their services to match supply with demand.

A few different examples of disintermediation is websites that let you sell your car yourself or buy insurance online.

An example of capacity management is a bowling alley having a weeknight special.

(2) Name the four service characteristics and give an example of a marketing strategy for each.

Intangibility-- employee uniforms, logos, websites

Perishability-- adjusting price to influence demand

Variability--Offer service guarantees

Inseparability-- Train employees about successful service encounters