

UNIVERSITY OF SWAZILAND  
FACULTY OF COMMERCE  
DEPARTMENT OF BUSINESS ADMINISTRATION  
MAIN EXAMINATION PAPER MAY 2007

TITLE OF PAPER : SERVICES MARKETING  
DEGREE AND YEAR : B. COM. IV  
TIME ALLOWED : THREE (3) HOURS  
COURSE CODE : BA 424  
INSTRUCTIONS : 1. TOTAL NUMBER OF QUESTIONS IN THIS PAPER  
(6)  
2. SECTION A IS COMPULSORY. ANSWER ANY  
THREE QUESTIONS FROM SECTION B  
3. THE MARKS TO BE AWARDED FOR EACH  
QUESTION ARE AS INDICATED ALONGSIDE THE  
QUESTION

NOTE: MARKS WILL BE AWARDED FOR GOOD COMMUNICATION IN  
ENGLISH AND FOR ORDERLY AND NEAT PRESENTATION OF  
WORK. FURTHER MARKS WILL BE AWARDED FOR THE USE OF  
RELEVANT EXAMPLES

SPECIAL REQUIREMENTS: NONE

THIS PAPER SHOULD NOT BE OPENED UNTIL PERMISSION TO DO SO HAS  
BEEN GRANTED BY THE INVIGILATOR.

**SECTION A CASE STUDY: NSPCC: MISUNDERSTOOD**

When the National Society for the Prevention of Cruelty to Children (NSPCC) released its year-end annual accounts in December 2000, it promptly received a clip round the ear. The revelation that the charity spent more on fundraising publicity, campaigning and administration than on direct services to children (\$43 million compared with \$32 million) was a sign of complete incompetence, according to Gerald Howarth, Conservative MP for Aldershot. He brusquely vowed to stop backing Full Stop, the high-profile NSPCC campaign launched in March 1999.

According to Quentin Anderson, chief executive of Addison, the corporate marketing arm of WPP Group, such swift dismissal of the NSPCC strategy is unwise and fails to recognise the professional makeover many charities have undertaken in recent years. Charities are now highly organised operations. In line with environmental and social pressure groups, they have adopted a more businesslike approach, which is essential if they are to survive in a crowded sector. When arguing how big the various components of the NSPCC's budget should be, detractors must remember that there is a total of \$75 million to disburse. Charities need highly skilled staff to manage such funds.

The NSPCC's campaign makes sense. The charity has stated that its long-term objectives are to raise social awareness of child cruelty and to raise \$250 million through the 'Full Stop' initiative. If people do not understand what the charity's directors are trying to achieve in the long term, they will judge them on short-term results. With the NSPCC, these include a \$13.5 million overspend for the last financial year. The NSPCC needs to ensure that people understand what it is trying to achieve because it needs their help. It needs to show that it is awake, reacting to change and anticipating it.

Marketing is also ideally suited to the task the charity has set itself. In crude terms, its route to market is not so obvious as those of other charities. For example, it is comparatively easy for 'Meals on Wheels' to identify where its services are needed and to dedicate the majority of its expenditure to staff and the resources they require. By contrast, the NSPCC has defined its audience as the whole population. By communicating clearly with all communities, it hopes, no doubt, to enlist many more foot soldiers than direct action ever would.

And the campaign has got a lot right. To achieve its aim the NSPCC decided to use celebrities to back its central message that to reduce cruelty to children you need to raise awareness of child cruelty and challenge social attitudes. To reach those at risk it has focussed on teenage media. This translates to television, radio, magazines and the Internet. As a result, visitors to its Web site will find messages from Madonna, Naomi Campbell and Ross Kemp. Other male and female icons, such as Allan Shearer and the Spice Girls, have also been highly visible in their support for the 'Full Stop' campaign.

Matching your brand to a superstar is a successful marketing technique and need not be a cause for controversy. Nike pays Tiger Woods handsomely but obviously believes it gets value for money. The NSPCC would be foolish not to exploit celebrities willing to donate their time free of charge. Without the Spice Girls, would Full Stop campaign receive front-page exposure in the magazines teenagers read? Because the charity has advertised its brand effectively, victims are more likely to know they can go direct to the 'kidszone' at its Web site and obtain professional advice.

In short, the NSPCC should not be criticised for spending money and talking about it. The charity understands that dissemination of better information creates confidence in the community. This leads to many benefits, including greater loyalty from donors and a more secure position in the sector. It also avoids the accusation of hoarding funds that has been levelled at many charities.

The negative reaction to the publication of the NSPCC accounts is a sign not that its marketing strategy is failing, but that its communication policy is. A first principle for all good communicators is to evolve messages defining what the organisation does and what its aims are. The NSPCC, it appears, has simply released its annual figures and allowed the public to draw its own conclusions. The annual report, like every communication, should have a specific goal and add value to what has already been done. The NSPCC should have explained the rationale behind its spending on marketing. It should have made clear that a high level of set-up costs in terms of administration and training is inevitably associated with a campaign such as Full Stop.

It should have demonstrated to donors and opinion-formers that it understands its campaign is expensive. But it should also have left them in no doubt that it thinks raising awareness is the only way to lobby for legislative change and - what really counts - to reach more victims of abuse.

### **QUESTIONS**

- a) Use this case to discuss the key reasons for service communication challenges  
**[15 marks]**
- b) What are the main aspects of the service offered by a charity organisation such as the NSPCC? **[5 marks]**
- c) Do you think that the marketing strategy adopted by the NSPCC is going to enable it to educate its target customers? Justify your answer **[10 marks]**
- d) How would the marketing of services offered by the NSPCC differ from that of other service offerings? Suggest ways in which the NSPCC could distinguish its service from that of other charities of your choice **[10 marks]**

**SECTION B      ANSWER ANY THREE QUESTIONS FROM THIS SECTION**

**QUESTION TWO**

- a) Discuss the search, experience and credence qualities in services. In your discussion, provide example of each of these qualities in several services [10 marks]
- b) In your opinion, does the decision-making process for purchasing services differ from goods? Defend your position. [10 marks]

**QUESTION THREE**

- a) What is relationship marketing? Why is it so vital in services marketing? [5 marks]
- b) Discuss the four levels of retention strategies and give examples of each type [15 marks]

**QUESTION FOUR**

Discuss the service quality gaps and show how each of these gaps can be closed in order to improve service quality [20 marks]

**QUESTION FIVE**

- a) Discuss the importance of the three additional Ps in services marketing (People, Process and Physical Evidence) [10 marks]
- b) What are the major design differences between high-customer-contact and low-customer-contact services? [10 marks]

**QUESTION SIX**

- a) Discuss the role played by self-service technologies (SSTs) in the success of services marketing. Use a range of SSTs of your choice in your discussion [10 marks]
- b) Some people argue that people are the most important aspect of services marketing. Discuss the strategies used by organisations to deliver service quality through people [10 marks]