

UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
SUPPLEMENTARY EXAMINATION PAPER JULY 2010

TITLE OF PAPER : SERVICES MARKETING
DEGREE AND YEAR : B. COM. IV FULL TIME AND LEVEL VI IDE
TIME ALLOWED : THREE (3) HOURS
COURSE CODE : BA 424 / IDE-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 (COMPULSORY)

WORLD AIRLINE'S RECOVERY STRATEGY

Source: Hoffman, D. K. & Bateson, J. E. G. (2007), Services Marketing: Concepts, Strategies & Cases, 3rd edition.

The following is World Airline's actual response to a customer's letter of complaint. The first letter was written by the Claims Manager, and the second by the Customer Relations Manager.

September 25, 200x

Dear Mr. And Mrs. Customer:

This letter confirms the settlement agreed upon during our phone conversation just concluded.

Accordingly, we have prepared and enclosed (in duplicate) a General Release for \$2,000.00. Both you and your wife should sign in the presence of a Notary Public, have your signatures notarised, and return the original to this office, keeping the copy for your records. As soon as we receive the notarised Release, we will forward our draft for \$2,000.00.

Again, our sincerest apologies to Mrs. Customer. It will be most helpful for our Customer Relations staff if you included with the Release copies of all available travel documents.

Very truly yours,
Claims Manager.

October 12, 200x.

Dear Mr. Customer:

Let me begin by apologising for this delayed response and all the unfortunate incidents that you described in your letter. Although we try to make our flights as enjoyable as possible, we obviously failed on this occasion.

Our claims manager informs me that you have worked out a potential settlement for the matter regarding the food poisoning. We regret you were not able to enjoy the food service on the other flights on your itinerary because of it. I assure you that such incidents are a rare occurrence and that much time and effort is expended to ensure that our catering is of the finest quality.

Fewer things can be more irritating than faulty baggage handling. Only in an ideal world would we say that baggage will never again be damaged. Still, we are striving to ensure baggage is handled in such a way that if damage should occur, it will be minimised.

Flight disruptions caused by weather conditions can be particularly frustrating since, despite advanced technology, accurate forecasts for resumption of full operations cannot always be obtained as rapidly as one would wish. These disruptions are, of course, beyond the airline's control. Safety is paramount in such situations and we sincerely regret the inconvenience caused.

We make every reasonable effort to lessen the inconvenience to passengers who are affected by schedule changes. Our practice is, in fact, to advise passengers of such changes when we have a local contact for them and time permits. We also try to obtain satisfactory alternative reservations. We are reviewing our schedule change requirements with all personnel concerned and will take whatever corrective measures are necessary to ensure that a similar problem does not arise in the future.

You made it clear in your letter that the interior of our aircraft was not attractive. We know that aircraft appearance is a reflection of our professionalism. We regret that our airplane did not measure up to our standards since we place great emphasis on cabin maintenance and cleanliness. Please be assured that this particular matter is being investigated by the responsible management and corrective action will be taken.

As tangible evidence of our concern over your unpleasant trip, I have enclosed two travel vouchers, which may be exchanged for 2 first-class tickets anywhere that World Airlines flies. Once again, please accept our humble apology. We hope for the opportunity to restore your faith in World Airlines by providing you with completely carefree travel.

Sincerely,
Customer Relations Manager.

QUESTIONS

- a) Discuss the service recovery strategies in relation to World Airline's efforts. **(15 marks)**
- b) Use this recovery strategy to discuss the benefits of building good customer relationships. Discuss the benefits to the service firm as well as benefits to the customer **(20 marks)**
- c) If you were Mr. and Mrs. Customer, would you use the travel vouchers provided by World Airlines? Why and why not? **(5 marks)**

SECTION B ANSWER ANY THREE QUESTIONS FROM THIS SECTION

QUESTION TWO

- a) Discuss the market segmentation process for services. In your discussion, illustrate how the different segmentation variables can be used. **(10 marks)**
- b) "Perishability is one of the most difficult service problems to deal with." Discuss this statement, clearly outlining the marketing problems caused by perishability; and show how a service firm can deal with the problems that arise as a result of perishability. **(10 marks)**

QUESTION THREE

- a) Discuss the different roles that customers play in a service organisation. **(10 marks)**
- b) Using examples, discuss the strategies that service firms use to enhance customer participation. **(10 marks)**

QUESTION FOUR

Assume you work in a service firm (any firm of your choice). How would you go about enhancing the firm's sight, sound, scent, touch and taste appeals? **(20 marks)**

QUESTION FIVE

- a) Discuss the four approaches to directly changing organisational culture. **(10 marks)**
- b) Discuss the key components of a service audit. **(10 marks)**

QUESTION SIX

Using practical examples, discuss the gaps model of service quality. **(20 marks)**