

UNIVERSITY OF SWAZILAND
 FACULTY OF COMMERCE
 DEPARTMENT OF BUSINESS ADMINISTRATION
 MAIN EXAMINATION PAPER
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TITLE OF PAPER : MARKETING COMMUNICATIONS
 COURSE CODE : BA 320 FULL TIME, BA 526 FULL TIME
 TIME ALLOWED : THREE (3) HOURS

INSTRUCTIONS :

1. TOTAL NUMBER OF QUESTIONS IN THIS PAPER (6)
2. SECTION A IS COMPULSORY
3. ANSWER ANY (3) QUESTIONS IN SECTION B
4. THE MARKS TO BE AWARDED FOR EACH QUESTION ARE 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 USE OF RELEVANT EXAMPLES.

SPECIAL REQUIREMENTS: NONE

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

COMPLAINTS MAKE MEDIATOR'S DAY

CONSUMER OMBUDSMAN SAYS HE HAS HAD SOME SURPRISES BUT MANY HAPPY RESOLUTIONS AFTER THREE MONTHS IN OFFICE

White-Water rafting” That’s how the country’s new Consumer Goods and Services ombudsman has described his first three months in office.

Little surprise when you consider what advocate Neville Melville has been dealing with. In addition to setting up shop and coping with more than 40 complaints a day about defective goods and poor service, he’s been faced with some less than ordinary cases.

These include a R6 million “emotional distress” damages claim from a Pietermaritzburg shopper who bit into a beef samosa instead of the potato one ordered; an angry consumer who found porn on his computer after a warranty repair; and bed stores blaming a sagging mattress on customer obesity.

But it’s all in a day’s work for Melville, founder of the Independent Complaints Directorate in the ‘90s, former banking ombudsman and author of two books on the Consumer Protection Act.

Products and services account for the bulk of complaints, with most related to furniture and appliances, followed by food and then clothing. The ombudsman’s mandate excludes cars, banking, debt, insurance, and government complaints.

Have you resolved most of the complaints so far?

It’s an ongoing process, but yes, most complaints end with the consumer being happy. The National Consumer Commission referred a case load of complaints to the ombudsman’s office. We have already closed 847 out of 957 complaints.

What is your turnaround time averaging?

Our four oldest cases date back to April 2013 and the rest are less than 120 days old.

Have Consumers who complain to you already tried to resolve the problem directly with the retailer or supplier?

Usually the complaint is only taken as far as the store manager, and we escalate the complaints to the centralized complaints managers. Rarely has a complaint been to that level before reaching us. {Lesson to consumers: if you get no joy with the store manager, escalate to a higher level before approaching the ombudsman}.

So retailers and suppliers are missing opportunities to deal with complaints in-house?

The problem is suppliers not getting back to customers who complain, sending them from pillar to post, making promises that are not kept or the person involved no longer works there.

There seems to be a tendency for store managers to be reluctant to give a refund when the goods are defective, instead sending them for repair. There is also undue reliance on the terms of a "guarantee" rather than the provisions of the Consumer Protection Act.

Do you think consumers are more aware of their rights, or is there still a long way to go?

Some certainly are. Others have grasped at the urban legend that you have five days cooling off period on all purchases. The five day cooling off period refers only to direct marketing purchases on credit (where payment is in instalments with credit charges).

These may be cancelled within five business days for any reason. A consumer also has 10 business days to return a delivered item that is not what was ordered and six months to return something that is defective.

How can consumers get the most out of the Consumer Protection Act?

Take the trouble to find out what their important rights are, keep records of till slip (scan, cellphone photo or Photostat), date of when defect arose, when reported, and to whom.

You have said that the act, although a blueprint for good customer service, is contradictory and lacking in clarity in some areas.

Yes, in virtually every case, I have to join the dots. For example, Section 30 says that a supplier must not misleadingly advertise goods as being available at a specified price, but does not cover what to do if there is an obvious error in the price, whereas Section 23 (9) provides that a supplier is not bound by an inadvertent and obvious error in a displayed price if the supplier has taken steps to inform consumers of the correct price.

What about a store brochure that advertises a R7 000 item for R700. Can you insist on paying the lower price, even if it was a mistake?

On a plain reading of Section 30, you can.

So if stores refuse to budge on this, should consumers challenge it through your office?

Yes.

Retailers advertise sale items but often when consumers get to the store, there's no stock. Can consumers challenge this?

Yes. Section 30 requires a supplier to make the goods available at the advertised price or to procure/supply a reasonable quantity of the goods or their equivalent at that price.

Is it difficult for a consumer to get compensation after getting sick from dodgy food?

They need to prove the cause of the problem, for example, was it the prawns that were dodgy or actually the salad, bought else where, which was irrigated with water containing dangerous levels of E. coli? Or could it be they are gluten intolerant (like me) and the true culprit was the bread roll?

Has anything surprised you?

Yes, that there is still a widely held and mistaken belief among retailers that a store's policies and documents override the provisions of the act.

Regarding consumers, I'm surprised that after taking the trouble to lodge a complaint, they change their pay as you go cellphone numbers and don't bother contacting us to find out what

happened to the case. Also, the number consumers who refuse to cooperate with suppliers in trying to resolve their complaints.

And the samosa man's R6 million claim?

He claimed emotional distress and having to travel to India to atone for having bitten into a beef samosa. It is beyond the scope of this office to resolve such a claim; a person seeking civil damages must approach a court.

The Consumer Protection Act does not empower the National Consumer Tribunal or entities such as us to order an award of damages. Instead we facilitate or mediate settlements, successfully in most cases.

--- The Power Report, Megan Power, Sunday Times, September 15 2013.

SECTION A

- Q. 1 What are the recommended steps for Customers attempting to settle their complaints? (5 marks)
- Q. 2 There are common problems faced by Customers when approaching Suppliers with their complaints. Discuss. (5 marks)
- Q. 3 The basics/fundamentals are not followed in most cases by Customers, thus weakening their case. Discuss. (10 marks)
- Q. 4 Neville Melville's office has an average of forty (40) complaints a day. What baffles him the most in this business? (20 marks)

SECTION B

- Q. 1 Discuss with examples the key Integrated Marketing Communications (IMC) features fundamental to success in business. (20 marks)
- Q. 2 Brand equity has very important outcomes for various stakeholders. Discuss with examples. (20 marks)
- Q. 3 Enhancing brand equity is necessarily a continuous process not an event. With examples discuss major ways/methods by which brand equity is enhanced. (20 marks)
- Q. 4 Targeting is a good marketing tool. However various ethical issues arise from targeting. Discuss with examples. (20 marks)
- Q. 5 The Consumer Processing Model (CPM) is about Consumers being rational and systematic .It also argues that Consumers go through processing of information when a making decision. Discuss. (20 marks)