

# **UNIVERSITY OF SWAZILAND**

## **FACULTY OF COMMERCE**

### **DEPARTMENT OF BUSINESS ADMINISTRATION**

#### **MAIN EXAMINATION PAPER**

**DECEMBER 2016**

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**TITLE OF PAPER : PUBLIC RELATIONS 1**

**COURSE CODE : BA 518/IDE**

**TIME ALLOWED : THREE (3) HOURS**

- INSTRUCTIONS :**
- (1) TOTAL NUMBER OF QUESTIONS IN THIS PAPER IS SIX (6)**
  - (2) THE PAPER CONSISTS OF SECTIONS A AND B.**
  - (3) ANSWER THE QUESTION IN SECTION A WHICH IS COMPULSORY AND ANY THREE (3) QUESTIONS IN SECTION B.**
  - (4) THE MARKS ALLOTTED FOR A QUESTION /PART OF A QUESTION ARE INDICATED AT THE END OF EACH QUESTION / PART OF QUESTION.**
  - (5) WHERE APPLICABLE, ALL WORKINGS / CALCULATIONS MUST BE CLEARLY SHOWN.**

**NOTE: MAXIMUM MARKS WILL BE AWARDED FOR GOOD QUALITY LAYOUT, ACCURACY, AND PRESENTATION OF WORK.**

**THIS PAPER MUST NOT BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR.**

## **SECTION A: COMPULSORY**

### **QUESTION 1 Read the case and answer the questions that follow:**

#### **CASE: TRI-STATE TELEPHONE**

James Brown, Chief Executive of Tri-State Telephone leaned back in his chair and looked at the ceiling. How was he ever going to get out of this mess? At last night's public hearing, 150 angry customers had marched in to protest Tri-States latest rate request. After the rancorous shouting was over and the acrimonious signs put away, the protestors have presented state regulators with some sophisticated economic analyses in support of their case. Additionally, there were a number of emotional appeals from elderly customers who regarded phone services as their lifetime to the outside world.

Tri-State Telephone operated in three states and had sales over \$3 billion. During the last five years, the company had experienced a tremendous amount of change. In 1948, the AT & T divestiture sent shock waves throughout the industry, and Tri-State Telephone had felt the effects, as pricing for long distance telephone service changed dramatically. The Federal Communications Commission (FCC) instituted a change to the effect that customers should have 'access' to long distance companies whether or not they were in the habit of making distance calls.

Consumer groups including the Consumer Federation of America and the Congress of Consumer organizations had joined the protest, increasing their attention on the industry and intervening in regulatory proceedings wherever possible. The FCC was considering deregulating as much of the industry as possible, and Congress was looking over the commissioner's shoulder. Meanwhile, department of justice and Judge Harold Greene (both of whom were responsible for monitoring the AT & T divestiture) continued to argue about what business companies like Tri-State should be engaged in.

In addition technology was changing rapidly. Cellular telephone, primarily used in cars, were now hand held and could be substituted for standard phones. Digital technology was going forward, leading to lower costs and requiring companies like tri-State to invest to keep up with the state of the art. Meanwhile, rate increases negotiated during the inflationary 1970s were keeping earnings higher than regulators would authorize. New "intelligent" terminals and software developments gave rise to the new uses for the phone network (such as using the phone for an alarm system), but as long as customers paid one flat fee, the phone company could not benefit from these new services

Brown's company has recently proposed a new pricing system whereby where by users of local telephone services would simply pay for what they used rather than a monthly flat fee. All of the

senior managers were convinced that the plan was fairer, even though some groups who used the phone with notable frequency (like real estate agents) would pay more. It would give a company an incentive to bring in new services to their customers, and customers would be able to choose which ones to buy. None of them had anticipated complaints from their customers who would save money under the new plan. For instance, Brown's studies showed that the elderly were very light users of local service and could save as much as 20% under the new plan.

After the debacle at the hearing the previous night, Brown was unsure how to proceed. If he backed off the new pricing plan, he would have to find a different way to meet the challenges of the future, may be even different business to augment company income. Alternatively, the company could not stand negative press from a protracted battle, even though Brown thought that the regulators were favorably disposed towards his plan. In fact, brown himself believed the company should help its customers rather than fight them.

**QUESTIONS:**

- (a) Why do you think Tri-State publics are upset? [5marks]
- (b) Who are the publics in this case and which ones are the most important? [10marks]
- (c) What are the global challenges Tri-State is attempting to address in order to remain a profitable entity in this service market? [15marks]
- (d) What should the Chief Executive of Tri-State do to deal with this situation? [10 marks]

[TOTAL MARKS 40]

**SECTION B**

Answer any three (3) questions from this section.

**QUESTION 2**

- (a) Most Public Relations programmes aim at persuading their publics either to change their attitude toward the company and its products or continue doing business with it. What factors would you consider in order to persuade your publics? [10 marks]
- (b) Explain with examples, the following situations discussed under Reactive Marketing Public Relations:-

- i. Scandal [5 marks]
- ii. Product tampering [5 marks]

[TOTAL MARKS 20]

**QUESTION 3**

An allegation that examination question papers were stolen prior to the examination time has created negative publicity for the Swaziland Examinations Council. Advise the members of the council on the process they would follow in preparing the public relations campaign plan on this issue. [20 marks]

**QUESTION 4**

Public opinion affects most businesses and public relations practitioners have to establish and maintain relationship with their various publics. Explain how public relations practitioners can measure all dimensions of public opinion. Support your answer with relevant examples. [20 marks]

**QUESTION 5**

Discuss five management functions of public relations practitioners within an organization. [20 marks]

**QUESTION 6**

As noted, public relations came of age largely as a result of the confluence of certain general factors or trends in our society that have contributed greatly to the increased use of public relations. Discuss with examples. [20 marks]