



**COLLEGE OF BUSINESS AND ECONOMICS
SCHOOL OF CONSUMER INTELLIGENCE AND
INFORMATION SYSTEMS**

**DEPARTMENT OF MARKETING MANAGEMENT
SERVICES MARKETING 2B**

November Examination Paper

<u>MODULE</u>	SERVICES MARKETING 2B
<u>CODE</u>	MAR22B2/ MMA22B2/ MMK22B2
<u>DATE</u>	13 NOVEMBER 2018
<u>DURATION</u>	180 minutes
<u>TIME</u>	08:30 – 11:30
<u>TOTAL MARKS</u>	100

<u>LECTURER</u>	DR T MOFOKENG
<u>INTERNAL MODERATOR</u>	PROF C DE MEYER-HEYDENRYNCH
<u>NUMBER OF PAGES</u>	5 (Including cover page)

INSTRUCTIONS TO CANDIDATES:

- Read the **ABSA** case study and answer all the questions that follow.
- Number questions clearly.
- Structure answers by using numbered **headings and sub-headings**.
- **No marks** will be allocated for naming.
- Ensure that all your personal particulars appear on all answer books.
- Question papers must be handed in at the end of the assessment.
- The general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this assessment.

Case study: ABSA Bank's channel policy is to build bridges. It's long-term and it's led by technology, but are there any gaps?

In addition to managing the firm's physical evidence and interaction of customers with the physical banking facilities, ABSA Bank developed the Bank's long-term banking channel strategy. This strategy requires that the bank adopts technologies that can be interfaced and developed to enable the availability of products and services across all channels such as the mobile banking App and Internet banking. This service strategy is continuously sold to, and communicated across the bank, its channels and its customers using the service communication strategy. The belief is that the team of employees is providing superior service quality which increases the revenue and profit. By providing quality services using integrated channels, ABSA reaches its customers and allow customers to reach the bank from various service points and channels, which create a more favourable service experience. ABSA bank provides customers with the opportunity of transactional services that can be done using one of the four channels, including the online, mobile, self-service such as ATM, Point-Of-Sale or kiosk and messaging (SMS, email and fax), which can immediately be reflected across all channels. The volume of transactions of self-service channels exceeds 40 million per month, which requires a reliable and stable platform. In addition, ABSA uses the experience of a dedicated in-house team.

In terms of the mobile banking app - ABSA was an early adopter, launching its mobile banking app in 2000. The online mobile app offers opportunities to access banking services using mobile cellphone at the customer's convenience. This app extended the service offered on the banks Internet channel.

The messaging channel is a value-added service, allowing customers to keep track of their banking activity at any point in time. The 'Notify Me' service, allows customers to receive emails and/or SMS updates on any banking activity, on any account, anywhere in the world' within four seconds of a transaction which offers customers with more security when doing their banking.

ABSA provides cardless ATM services for Cash Send, which is mainly supported by technology software. The Cash Send functionality was introduced in 2008 and allows customers to transfer money instantly through the mobile app or online banking app and aims to enhance customer experiences. This service is also available across the bank's domestic network of around 5800 ATMs.

In relation to pricing of ABSA's services, customers always search for low bank charges or low interest rates on loan applications, be it home loan, study loan, etc. The bank also uses a technology security system which allows the bank to trace their transactions if any dispute arises or if there is a need to manage customer complaints in an effort to develop service recovery management, and build long-term relationship with their customers in an effort to develop loyalty and retain all the potential customers.

Source: Jon Raeside. 2017. ABSA Bank's channel policy is to build bridges. It's long-term and it's led by technology, but are there any gaps.

ANSWER ALL THE FOLLOWING QUESTIONS

DISCUSSION QUESTIONS

[100]

QUESTION 1

(16 marks)

1.1 Discuss the **four (4)** multifaceted roles of servicescape in the Servuction model (4 marks). For each of the roles, provide an example of tangible elements in the servicescape of ABSA (4 marks).

1.2. Discuss the **four (4)** strategies that increase demand to solve the challenges created by the perishability of services (4 marks). Provide an example of how ABSA can implement **each** of these strategies to meet the demand for services (4 marks).

QUESTION 2

(14 marks)

2.1 The first step in the development of service blueprint could involve the i) one-sided blueprint, ii) convergent scripts, iii) divergent scripts, iv) two-sided blueprints, and v) script norms. Explain each of these concepts from a service blueprint perspective (5 marks). Provide an example for each of these concepts in the development of ABSA's blueprint (5 marks).

2.2 Describe the **second** and **third** steps in the development of the service blueprint (2 marks). Provide an example for each of these steps in relations to ABSA (2 marks).

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QUESTION 3**(16 marks)**

3.1 Describe each of the following **five (5)** service-pricing strategies (5 marks). As part of your answer, provide an example for each of these price strategies in the service context of ABSA (5 marks).

- 3.1.1 Benefit driven price (2)
- 3.1.2 Flat rate price (2)
- 3.1.3 Price bundling (2)
- 3.1.4 Mixed bundling price (2)
- 3.1.5 A la carte price (2)

3.2. Discuss **three (3)** media strategies that can be used for targeting users of the firm's services (3 marks). Provide an example of each media strategy targeting users of ABSA bank (3 marks).

QUESTION 4**(12 marks)**

4.1 The stimuli organism response (SOR) model was developed to help explain the effects of the service environment on consumer behaviour. Explain the **three (3)** components of this model (3 marks). Provide an example on how ABSA can manage each component (3 marks).

4.2 Sight appeal involves the process of interpreting stimuli resulting in the perceived visual relationship. Discuss the **three (3)** primary visual stimuli (3 marks). As part of your answer, explain how ABSA use these primary visual stimuli to create quality sight appeal (3 marks).

QUESTION 5**(12 marks)**

5.1 Empowerment falls in continuum of **three (3)** levels from control-oriented to involvement-oriented approaches. Describe each of these three (3) levels (3 marks). Support your answer by explaining how employees of ABSA are involved at each level (3 marks).

5.2 Not all customers are equally proficient in terms of the performance. Explain the differences between i) novice consumers, ii) expert consumers and iii) expect customers (3 marks). Provide an example for each type of consumers and a customer in the ABSA's service environment (3 marks).

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QUESTION 6**(20 marks)**

6.1 Before a firm can close the service gap, it must try to narrow the other four gaps, namely the knowledge, standard, delivery and communication gaps.

6.1.1 Discuss **three (3)** factors that influence the knowledge gap in relation to service operations at ABSA (3 marks).

6.1.2 Discuss **five (5)** factors that influence the standard gap in relation to service operations at ABSA (5 marks).

6.1.3 Discuss **seven (7)** factors that influence the delivery gap in relation to service operations at ABSA (7 marks).

6.1.4 Discuss **two (2)** factors that influence the communication gap to each of these factors in relation to service operations at ABSA (2 marks).

6.2 Core service delivery system failures are failures that relate directly to the fundamental service offering. Provide relevant examples of the following **three (3)** types of service offering in the ABSA service banking operations (3 marks).

6.2.1 Unavailable services (1 mark)

6.2.2 Unreasonably slow services (1 mark)

6.2.3 Other core service failure (1 mark)

QUESTION 7**(10 marks)**

Building relationships with the customers, and developing loyalty and retention are the key strategies in today's leading-edge service firms. Provide an example of any **ten (10)** of the twelve strategies that ABSA can use to develop customer loyalty (10 marks).

TOTAL: 100**THE END – ENJOY THE BREAK ☺**