



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

**DEPARTMENT OF MARKETING MANAGEMENT
SERVICES MARKETING 2B
Supplementary Examination Paper**

<u>MODULE</u>	SERVICE MARKETING 2B
<u>CODE</u>	MAR22B2/ MMA22B2/ MMK22B2
<u>DATE</u>	DECEMBER 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 Describe **four (4)** areas of sustainability from a services marketing perspective (4 marks). Explain using relevant examples for each area how ABSA may adopt sustainability in its services (4 marks).

1.2 The differences between goods and services and their corresponding marketing implications are primarily attributed to four unique characteristics in service marketing. Discuss these **four (4)** unique characteristics of services (4 marks) and give an example of each in relation to ABSA (4 marks).

QUESTION 2

(12 marks)

Discuss the **twelve (12)** major design trade-offs in high-and-low-contact service systems (12 marks).

QUESTION 3**(7 marks)**

3.1 Describe the term price discrimination (1 mark).

3.2 Explain the **six (6)** criteria that ABSA needs to meet in order to have effective price segmentation by providing relevant examples of each. (Note: this is a pure application question – no theory needs to be provided) (6 marks).

QUESTION 4**(11 marks)**

In the product life cycle, the objectives of communication differ from the introductory stage, growth and maturity stage, and maturity and decline stage. Describe **eleven (11)** communication tactics or strategies that ABSA can use at each stage of their product life cycle (11 marks).

QUESTION 5**(12 marks)**

5.1 Describe the **three (3)** components of the stimulus-organism-response (SOR) model (3 marks) and provide an example of each component relevant to ABSA (3 marks).

5.2 Describe **three (3)** emotional states influencing the responses of employees and customers to stimuli (3 marks). As part of your answer, provide an example of each state in relation to ABSA (3 marks).

QUESTION 6**(14 marks)**

An effective reward system, whether intrinsic or extrinsic must pass various tests. Describe these **seven (7)** tests (7 marks) and provide relevant examples of each reward test relevant to ABSA (7 marks).

QUESTION 7**(18 marks)**

7.1 Discuss the **four (4)** different approaches that can be used to accelerating the creation of a firm's own experts (4 marks). As part of your answer, advise the management of ABSA as to how they can use each approach to accelerate the creation of its own experts (4 marks).

7.2 Discuss the **five (5)** SERVQUAL dimensions (5 marks) and provide an example of each dimension relating to ABSA (5 marks).

QUESTION 8**(10 marks)**

8.1 Describe the difference between i) compensatory, ii) restoration and iii) reimbursement service recovery strategies (3 marks). As part of your answer, explain what the customer should receive to offset each failure (3 marks).

8.2 Describe relationship marketing at a micro and macro levels (2 marks). Provide a relevant example for each level of relationship marketing activities that ABSA conducts (2 marks).

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