



<b>FACULTY/COLLEGE</b>	College of Business and Economics
<b>SCHOOL</b>	School of Consumer Intelligence and Information Systems
<b>DEPARTMENT</b>	Marketing Management
<b>CAMPUS(ES)</b>	APK
<b>MODULE NAME</b>	Services Marketing
<b>MODULE CODE</b>	MMA8X06 / MMA8X17
<b>SEMESTER</b>	First
<b>ASSESSMENT OPPORTUNITY, MONTH AND YEAR</b>	Main Exam, June 2019

<b>ASSESSMENT DATE</b>	3 June 2019	<b>SESSION</b>	08:30 – 11:30
<b>ASSESSOR(S)</b>	Prof C De Meyer-Heydenrych		
<b>MODERATOR(S)</b>	Prof E Theron (US - external) Prof M Roberts-Lombard (UJ - internal)		
<b>DURATION</b>	3 hours (180 min)	<b>TOTAL MARKS</b>	100

<b>NUMBER OF PAGES OF QUESTION PAPER (Including cover page)</b>	4
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#### INFORMATION/INSTRUCTIONS:

- This is an open-book assessment.
- Answer all questions in this paper.
- Read the questions carefully and answer only what is required.
- Number your answers clearly and correctly as per the question paper.
- Write neatly and legibly on both sides of the paper in the answer book, starting on the first page.
- Structure your answers by using appropriate headings and sub-headings where possible.
- Apply your answers to the **NetFlorist** case study when asked to do so. All answers require 70% application and 30% theory, unless indicated otherwise.
- The general UJ policies, procedures and rules pertaining to written assessments apply to this assessment.
- Students must hand in this question paper together with their answer booklets.

**Read the following case study on NetFlorist and apply the case to the questions below. Reasonable assumptions may be made.**

**“NETFLORIST RUINED MY VALENTINES DAY”**

**About NetFlorist**

NetFlorist is an online company that supplies flowers, perfumes and gifts that can be personalised to customers. According to their website, the largest floral and gifting service in South Africa (NetFlorist, 2019):

- Partner with globally focused companies (software and service providers) to provide “highest quality gifts, perfumes and jewellery, delivered on time”
- Pride themselves on providing the best service in the world and top florists in South Africa
- Provide a 100% satisfaction guarantee and state that “if you are not happy with the service, a replacement will be sent or a full refund will be made”
- Offer a full order history and online order tracking service
- Set up special occasion reminders
- Offer a variety of payment options
- “100% safe and secure shopping”
- Offer nationwide express, same day or next-day delivery

**What happened on Valentine’s Day 2019**

Many of NetFlorist’s customers were left upset and empty handed when a service delivery failure occurred. Customers expressed their dissatisfaction with the service provider on various social media platforms. On these platforms customers explained their frustration of having their orders either not delivered (even though they were ordered before the delivery deadline set by NetFlorist), or delivered late and in a bad condition. This included having dead flowers and melted chocolates delivered or having incorrect orders delivered. A statement issued by NetFlorist provided the following explanation: “The combination of the rain and multiple robots out [as a result of load shedding in many parts of Johannesburg] was a perfect storm. We have never had this in previous years and it caught us by surprise. Our drivers couldn’t get to our pick-up points in time and then, when they did, couldn’t get the orders out in time. We don’t have final numbers yet, but our delivery success rate was in the low 90s as far as we can tell – this is a disaster for the people we let down.” In order to recover from this failure, Netflorist has stated they would re-deliver orders and deal with customer-specific needs (IOL, 2019; MyBroadband, 2019).

Sources:

IOL. (2010). Netflorist breaks hearts on #ValentinesDay. 15 February 2019. Available from: <https://www.iol.co.za/business-report/companies/netflorist-breaks-hearts-on-valentinesday-19318551>

MyBroadband. (2019). Massive Valentine's Day delivery failure by NetFlorist. 15 February 2019. Available from: <https://mybroadband.co.za/news/it-services/296036-massive-valentines-day-delivery-failure-by-netflorist.html>  
NetFlorist. (2019). About us. Available from: [https://www.netflorist.co.za/About\\_Us.htm](https://www.netflorist.co.za/About_Us.htm)

### QUESTION 1

**[29 MARKS]**

NetFlorist is in constant competition with other up-and-coming online gifting services such as [www.aplacetoshop.co.za](http://www.aplacetoshop.co.za) and [www.giftlady.co.za](http://www.giftlady.co.za). In order to remain competitive, NetFlorist will need to ensure they offer new and innovative services.

- 1.1 Think of a new service that NetFlorist can offer and write down your idea. (2)
- 1.2 Using the service innovation and development process, discuss how NetFlorist can design this new service by discussing each phase of the process. (9)
- 1.3 Provide relevant examples of the new service at each stage of the service innovation and development process. (18)

### QUESTION 2

**[24 MARKS]**

One of the main reasons for the poor service delivery by NetFlorist on Valentine's Day was due to deliveries not taking place on time. This can be attributed to the fact that NetFlorists' strategy to ensure customer-orientated service quality through people was not effective. As a customer service expert, the management of Netflorist have enlisted you to:

- 2.1 Explain the various strategies that they could use to improve customer-oriented service by comparing the four (4) main, and three (3) sub-strategies of each strategy that Netflorist can use to ensure that customer-oriented service quality is delivered through its people (i.e. strategies for delivering service quality through people). (12)
- 2.2 Recommend a strategy for each of the four (4) main strategies discussed in 2.1, that Netflorist can implement to deliver service quality through people. (12)

### QUESTION 3

**[12 MARKS]**

During the Valentine's Day delivery debacle, NetFlorist made use of intermediaries such as couriers and local florists to put together customers' orders.

- 3.1 Critically discuss the four (4) common issues that NetFlorist experienced by making use of intermediaries. (4)
- 3.2 Develop a strategy for each of the issues discussed in question 3.1 as to how Netfforist can ensure this problem does not occur again in the future. (8)

Question 4 continues on the next page

**QUESTION 4****[5 MARKS]**

Since NetFlorist could not match their capacity and demand during Valentine's Day, develop a strategy that they could implement in order to match their demand with capacity. (Note this is a pure application question.)

**QUESTION 5****[9 MARKS]**

Customers that were dissatisfied with the services provided by NetFlorist, clearly indicated they wanted a "fair" outcome. Redraw the following table in your answer book and complete the table regarding the three (3) fairness themes pertaining to service recovery and providing an example of a fair and unfair response for each theme.

<b>Fairness theme title and complete description of the fairness theme</b>	<b>Example of a fair response relating to the NetFlorist case study for each theme</b>	<b>Example of an unfair response relating to the NetFlorist case study for each theme</b>
1) (1 mark)	(1 mark)	(1 mark)
2) (1 mark)	(1 mark)	(1 mark)
3) (1 mark)	(1 mark)	(1 mark)

**QUESTION 6****[16 MARKS]**

Outline the pricing strategies for i) value is everything I want in a service, ii) value is the quality I get for the price I pay, and iii) value is all that I get for all that I give (8 marks). Assess how each of these non-monetary costs will influence the pricing of NetFlorists' products and services during the Valentine's Day promotion (8 marks).

**QUESTION 7****[5 marks]**

Apply the effects of defensive marketing of services on profits on NetFlorist's ability to retain customers. (Note this is a pure application question.)

**TOTAL: 100****END OF PAPER**