



FACULTY/COLLEGE	College of Business and Economics
SCHOOL	School of Tourism and Hospitality
DEPARTMENT	Hospitality
CAMPUS(ES)	ABP
MODULE NAME	Service Leadership
MODULE CODE	SLS01A1
SEMESTER	First
ASSESSMENT OPPORTUNITY, MONTH AND YEAR	Final Summative Assessment Opportunity

ASSESSMENT DATE	23 May 2019	SESSION	8:30-10:30
ASSESSOR(S)	Ms A Deen		
MODERATOR(S)	Mr S Ngcwangu		
DURATION	2 hours (120min)	TOTAL MARKS	100

NUMBER OF PAGES OF QUESTION PAPER (Including cover page)	6 + 11 for article
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INFORMATION/INSTRUCTIONS:

- This is a closed-book assessment.
- Answer all questions
- 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.

QUESTION 1**[15]**

Answer the following questions by choosing the correct alternative from those provided. Write down only the capital letter next to the question number.

- 1.1 A good attitude in the Hospitality and Food & Beverage industry includes:
- A) A good work ethic
 - B) Being able to communicate effectively
 - C) A sense of urgency
 - D) All of the above
- 1.2 Which of the following is **not** a characteristic of effective leaders?
- A) They understand their own strengths and take steps to nurture them
 - B) They have a strong personal value or beliefs systems
 - C) They have emotional stamina and courage
 - D) They are more gifted at speaking than at listening
- 1.3 Which of the following is not a cause of staff dissatisfaction for a food service operation?
- A) Lost business
 - B) Poor service
 - C) Staff turnover
 - D) Lower tips
- 1.4 All customers have the following basic needs **except**:
- A) Service
 - B) Price
 - C) Quality
 - D) Friendliness
- 1.5 Turning a customer into a repeat customer requires the following:
(choose the **most** correct answer)
- A) Communicating with the customer
 - B) Meeting customer needs
 - C) Understanding the customer
 - D) Exceeding customer needs
- 1.6 Internal customers known as:
- A) People who are your best customers
 - B) Tourists
 - C) Management
 - D) Staff
- 1.7 Customer loyalty and satisfaction are becoming more difficult to attain and provide due to the following:
- A) Today's competitive global environment
 - B) The rate of exchange
 - C) The variety of offerings competing for consumer spending power
 - D) All of the above

1.8 The service package is known as:

- A) Memory of the guest experience
- B) The product that the guest buys
- C) The impression created during the moment of truth
- D) Mixture of tangible and intangible products that the guest buys

1.9 The key factors to judge overall quality of service are:

- A) Employee appearance
- B) Deliver service consistently, reliably & accurately
- C) Trust
- D) All of the above

1.10 What percentage of customers are lost due to an attitude of indifference by a member of management staff.

- A) 3%
- B) 5%
- C) 1%
- D) 68%

1.11 An employee who is hard working but inflexible and not empathetic towards customers is:

- A) Not a good employee
- B) An employee who should not work with people
- C) Not a team player
- D) An employee who could be trained to be more flexible and empathetic

1.12 Customers are the people who respond favorably to your marketing appeals. These are some of the P's of the Marketing Mix, **except**:

- A) Product
- B) Promotion
- C) Price
- D) Package

1.13 Customer complaints are opportunities for:

- A) For building customer loyalty
- B) Provide information in drawing up guest questionnaires
- C) Assists in discipline of staff
- D) None of the above

1.14 What percentage of customers are lost due to being dissatisfied with the product or the service.

- A) 3%
- B) 5%
- C) 9%
- D) 14%

1.15 People with high self-esteem exhibit the following, **except**:

- A) They are future oriented
- B) They react to problems as challenges
- C) They accept others as unique, talented individuals
- D) They are managers

QUESTION 2**[25]****CUSTOMER SERVICE**

Read the below article to answer the questions that follow

“Is this why Edgars is in so much trouble?”

Dec 20 2018
Ferial Haffajee

I got my first Edgars card at university, when all I had was a part-time job, with pay that was also part-time. How I loved that card, and how it enabled a fashionista with ambition but no money to also look smart. At the time, there was no bigger treat than going to the flagship Edgars store in Eloff Street, Johannesburg; and to dream big while buying an item now and again. Sydney Press, the retailer who made Edgars a household name – and took its revenue up to a stratospheric R4.2bn, one ecstatic year in the mid-Nineties – knew his customers. We were people with aspirations bigger than our pockets, so Edgars extended credit more easily to the black market than other retailers would. Press banked on working-class mothers like mine, with sterling credit records, to help him grow the Edgars empire. Becoming an Edgars customer was a generational thing.

So I was shocked to read that Edcon, the company that Edgars was corporatized as when it expanded, may be crashing. It has about 21 000 full-time employees, many of whom were panicked when a regular downpour of bad news this year ended in a thunderstorm on Sunday, with the Sunday Times announcing that it was in a tailspin and in need of an emergency rescue. Corporate denials followed, but to all intents and purposes, Edcon is on the way out. The bad business decisions of almost all the CEOs who followed Press, as well as a disastrous buyout (followed by a fire sale) by Bain Capital Private Equity, have meant Edcon is now so indebted that it has had to offer shares to its landlords in return for the rents it cannot pay. With all the heart for the staff, you still can't see how Edgars can survive without customers, no matter how good CEO Grant Pattison's slim-down and recapitalisation strategy may be.

Customers and customer loyalty are what Edgars and its associated stores lack. Here's what happened, in my experience. At some point, I felt like Edgars stores lost me. They became a confused mess of stores within stores as it introduced brands within brands like *La Senza* or *Accessoreyes*. It felt like loyal customers like my mom and I were sacrificed to mad-cap visions of imported executives who didn't really know their market. The shops were staffed with insipid sales-people who were so badly managed, they often packed shelves or merchandised incessantly while completely ignoring their customers. Poorly trained, they did not know how to sell or to up-sell. And so I think we left in droves and never came back.

This happened just as apartheid's barriers came down and Chinese products flooded the market. *Zara* came in; so did *Legit* and *Cotton On* – all stores that own the middle-class market. Mr Price took over where Edgars lost the plot with buyers, marketers and managers who really understood the fortune at the bottom of the pyramid. Over the past two months, Edgars has been spamming me with offers of free this and that, even though I gave up my card years ago. It's clear now that the store needs us back.

But the thing about a loyal customer is that once you're gone, you're gone for good. I've taken my money (way too much of it, sometimes) to Woolworths. What used to be a solid but boring brand (or perhaps I've just grown solid and boring) is, to me, now stocked with great clothes and interesting brands, other than the unfortunate *David Jones* experiment. That Australian brand has dragged down

Woolworths profits for all of 2018, but the introduction and expansion of Woolworths Food have been a revelation and a money-spinner. Whereas Edgars was always changing brands and store layouts for at least the past two decades, when you go to Woolworths, there is a brand consistency anywhere in the country. That matters. They know their customers and use the intelligence on the Woolworths cards to keep creating products with resonance and desirability while maintaining a golden thread of dependability. Edgars lost its golden thread; it is going to take a very special Midas touch to bring it back. The tsunami of globalisation, the kleptocratic decade of former President Jacob Zuma – which put the economy into a tailspin – China and bloody poor management took down the once-iconic Edgars that was such a signature of South Africa's shopping landscape. But more than all that, Edgars' biggest mistake was to lose sight of its most valuable asset: the customer.

- 2.1 According to the article the most valuable asset is "the customer". Discuss the importance of customer service and its relevance and impact on the Food & Beverage Industry. Provide support from the article and substantiate with examples. (10)
- 2.2 With specific reference to article, explain the phrase "business goes where its wanted and stays where its appreciated". Substantiate your answer with appropriate examples. (10)
- 2.3 The article indicates that "shops were staffed with insipid (uninterested) sales-people who were so badly managed, they often packed shelves or merchandised incessantly while completely ignoring their customers". Highlight the importance of hiring for attitude and training for skills? Provide valid reasons for your answer and appropriate examples from the Food Beverage Industry. (5)

QUESTION 3

[35]

DEVELOPING CUSTOMER SERVICE STAFF

- 3.1 Hospitality is about increasing one's social capital". Justify this statement and its impact on customer service. Support with examples for execution of this concept in a hotel or restaurant? (20)
- 3.2 Viewing the comic below, discuss how restaurant staff can execute a service recovery from this incident? (5)



- 3.3 Viewing the comic above, discuss how would you deal with an irate customer initially? (10)

QUESTION 4

[25]

SERVICE QUALITY – *Please refer to the attached article to answer the following questions*

ARTICLE – Hotel Service Recovery and Service Quality: Influences of Corporate Image and Generational Differences in the Relationship between Customer Satisfaction and Loyalty

- 4.1 With specific reference to South Africa today, explain the importance of the article for the hotel industry. Support your argument with a relevant South African examples. (15)
- 4.2 Literature proposes hypotheses to conceptualize the relationship between the constructs. Identify these five (5) hypotheses? (5X2=10)

TOTAL MARKS = 100