



FACULTY/COLLEGE	College of Business and Economics
SCHOOL	Johannesburg Business School
DEPARTMENT	Business Management
CAMPUS	APB
MODULE NAME	Service Management
MODULE CODE	AC1SERV
SEMESTER	Second
ASSESSMENT	Final Summative Assessment Opportunity (Nov 2019)

ASSESSMENT DATE	15 November 2019	SESSION	08:30 – 10:30
ASSESSOR(S)	Dr N Cunningham		
MODERATOR(S)	Ms N Mashaba		
DURATION	2 hours	TOTAL MARKS	100

NUMBER OF PAGES OF QUESTION PAPER (Including cover page)	4
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INFORMATION/INSTRUCTIONS:

- This is a closed-book assessment.
 - Answer each question in a separate book.
 - 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.
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Read the following about the Gautrain and assume that Gautrain has approached you, a service offering specialist, to assist in further improving their service offering during their expansion.

The Gautrain is a commuter-rail system that spans over 80km and links the City of Johannesburg, Tshwane, Ekurhuleni and OR Tambo airport. It was introduced as a transportation system that assisted with the intense traffic congestion around Gauteng and offer transporters a reliable, viable alternative to road transportation. Since its inception in June 2012, the system has been reliable as an alternative transportation method. In addition to offering a rail system, Gautrain also offers buses that link to strategic locations across Gauteng, which has enhanced their service offering. Recently, the Gautrain announced its expansion plan including an additional 150km railway track and the introduction of 19 more stations – this will expand the Gautrain's offering to Soweto, Lanseria and Mamelodi.

Source: de Villiers, J. (2019). *The Gautrain wants to use levies paid by people across South Africa – such as vehicle registration fees – to fund much of its planned expansion.* Available from:

<https://www.businessinsider.co.za/gautrain-railway-expansion-gautrain-management-agency-jack-van-der-merwe-public-levies-2019-7>

QUESTION 1

[14 MARKS]

In order to start with enhancing the service offering, you know that the services value mix needs to be evaluated. Describe the 7Ps and apply to the Gautrain. (14)

Redraw and complete the following table in your answer book, please take note of the mark allocation.

Relevant 'P' <u>and</u> its explanation (1 mark)	Application of the 'P' to Gautrain (1 mark)
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.
6.	6.
7.	7.

QUESTION 2

[25 MARKS]

As a service-offering specialist, you know that managing customer perceptions and expectations are important components.

- 2.1. There are **five (5)** types of expectations that play a role in what the customer expects from the service organisation. Briefly explain the **five (5)** types of expectations (theory – 5 marks) and provide a practical example relating to Gautrain for each expectation (application – 10 marks). Motivate your examples. (15)
- 2.2. In order to ensure that commuters are satisfied and the highest level of service quality is offered, you know that there are different dimensions that influence service quality. Provide a practical example of how the Gautrain could use each of the **five (5)** service quality dimensions to enhance commuter's perceptions. Motivate each of your examples. (10)

QUESTION 3

[25 MARKS]

A services blueprint is used to illustrate the service delivery process as well as the key role players within that process. The aim of using a services blueprint is to plan what is expected from each role player and how the process plays out from the consumer's perspective.

Gautrain has identified an increase in tourists using the Gautrain to get to OR Tambo airport. Illustrate (draw) a services blueprint for a commuter (tourist) of the Gautrain travelling from Sandton to OR Tambo airport. Assume that the commuter needs to purchase his/her ticket at the station and that they have heavy luggage. Ensure that you include each of the components of the services blueprint. (25)

QUESTION 4

[21 MARKS]

People are an important component in a service offering and because people are at times difficult to manage in a service context, it is important that Gautrain is aware of the best strategies possible to manage people.

- 4.1. There are **three (3)** different sources of conflict in boundary spanning roles, explain the **three (3)** sources of conflict (theory – 3 marks) and provide a practical example for each source relating to Gautrain (examples – 6 marks). Motivate your examples. (9)

- 4.2. Assume that Gautrain has approached you to assist in developing a strategy for delivering service through quality people. You know that in order to do this, Gautrain should employ **four (4)** strategies to assist in delivering service through quality people. Explain these **four (4)** strategies (theory – 4 marks) and provide practical examples for each strategy (examples – 8 marks). Motivate your examples. (12)

QUESTION 5

[15 MARKS]

- 5.1. When managing capacity and demand, there are times when consumers are required to wait in lines. Assume that Gautrain has recently noticed an increase in the amount of consumers waiting in the lines to purchase train tickets and get on the trains at stations across Gauteng. Practically recommend how Gautrain could use **four (4)** strategies to effectively manage waiting lines. No theoretical discussion is required however you are expected to motivate your recommendations. (8)
- 5.2. Assume that a research company has conducted research and realised that commuters find that the Gautrain transportation costs are too high. This is because majority of the commuters consider value as a low price. In light of this, explain to Gautrain management what this value-based pricing strategy means. (2)
- 5.3. Value as a low price offers service firms **five (5)** different pricing strategies. Provide a practical example of how the Gautrain could use each of the pricing strategies: discounting, penetration pricing, odd-even pricing, differential pricing, dynamic pricing. No theoretical discussion is required. (5)

END OF QUESTION PAPER