



FACULTY/COLLEGE	College of Business and Economics
SCHOOL	School of Management
DEPARTMENT	Business Management CEP's
CAMPUS	APB
MODULE NAME	Services Management
MODULE CODE	AC1SERV
SEMESTER	Second
ASSESSMENT	Supplementary Assessment (20 January 2021)

ASSESSMENT DATE	20 January 2021	TIME	08h00 – 23h59
ASSESSOR(S)	Dr N Cunningham		
MODERATOR(S)	Mrs L Botha (Milpark Education)		
DURATION	08h00 – 23h59	TOTAL MARKS	100

NUMBER OF PAGES OF QUESTION PAPER (Including cover page)	6
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INFORMATION/INSTRUCTIONS:

- This is an open-book assessment.
- Read the questions carefully and answer only what is asked.
- **All** questions should be answered using your own words and own examples. **Do not simply copy from the textbook or other sources.**
- You may use your module notes, but may not ask any other person for assistance either personally, through social media or any other form of communication.
- Section A should be completed using the Blackboard platform and Section B completed by typing out the answers in the Word document provided and submitting via the Turn-It-In link on Blackboard. Take note that Turn-It-In assesses each submission for similarity (i.e. plagiarism). If it is found that your work is similar to the textbook, other sources or any of your peers, the Student Ethics and Judicial Services will be informed. This would lead to a disciplinary hearing which may include expulsion.

- You are required to sign and submit the anti-plagiarism declaration.
 - By submitting your assessment, the general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this assessment.
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Caselet: Tsogo to take over Mount Grace, Durban's Edward after Marriott ditches the hotels

After the US hotel giant Marriott announced that it will stop operating three hotels - the Mount Grace in Magaliesburg, the Edward in Durban and the Protea Hotel Hazyview in Mpumalanga - Tsogo Sun said it will take over the hotels. It expects to reopen the hotels within 18 months. Marriott has been operating the hotels on contract, but Tsogo owns the properties via its subsidiary Hospitality Property Fund. "These are three great hotels," says Tsogo Sun Hotels CEO Marcel Von Aulock.

Of the Mount Grace, Von Aulock says Magaliesburg has great tourism potential, as well as strong demand for conferencing, weddings and shorter family getaways with its close proximity to Johannesburg. The Edward has a 111-year history and beautiful facilities, he added.

"Lastly Hazyview is on the key tourist route through Mpumalanga on the doorstep of the Kruger National Park. We have the Sabi River Sun right up the road and are currently redoing the chalets and the golf course at that property. The addition of this hotel in the area will allow us to broaden the offering we have for the local and foreign markets which will return to Kruger when things normalise."

He said Tsogo Sun is working with Marriott to ensure the hotels are secured and maintained while they remain closed. Tsogo, which owns more than 100 hotels in Africa including Montecasino in Johannesburg, says it is currently opening hotels taking a "phased" approach as lockdown restrictions are lifted. It expects all of its hotels – now including the Mount Grace, the Edward hotel in Durban and the Hazyview hotel - to be open within the next 12 to 18 months.

Marriott blamed the impact of Covid-19 for its decision to stop operating the three hotels. Marriott bought Protea Hotels in 2014 and owns dozens of some of the biggest hotels in South Africa, including Crystal Towers and Breakwater Lodge in Cape Town as well as the Parktonian, Balalaika and African Pride Melrose Arch Hotel in Johannesburg.



Source: Business Insider SA (2020). *Tsogo to take over Mount Grace, Durban's Edward after Marriott ditches the hotels*. Available from: <https://www.businessinsider.co.za/marriott-withdraws-from-three-hotels-2020-6>

QUESTION 1

[16 MARKS]

In order to sustain revenue and profitability, service organisations are encouraged to explore the service-profit chain. Assume that you are the manager at the newly acquired Mount Grace Hotel and hypothetically explain how you would ensure that each element of the service-profit chain is managed in order to secure revenue and profitability. Be sure to provide an example for each element and motivate your example. (16)

Mark allocation: 2 marks per element = 16 marks.

QUESTION 2

[6 MARKS]

When customers receive a service, they usually use three basic customer defined service standards which they use to measure the operational standards of a service. Provide a practical example of the **three (3)** customer defined standards within the new hotel. As part of your answer, explain how the hotel should manage these standards. (6)

Mark allocation: 2 marks per standard applied to the hotel = 6 marks

QUESTION 3

[11 MARKS]

- 3.1. Argue the importance of 'moments of truth' within a services setting. Use examples of a hotel to support your answer. (5)

Mark allocation: 5 marks allocated to the discussion = 5 marks

- 3.2. At times, gaps can occur in the service delivery process. Provide a practical example of a standard and delivery gap that could occur within a hotel. As part of your answer, suggest how each gap could be reduced. (6)

Mark allocation: 3 marks allocated to each gap (2 marks allocated to the example and 1 mark allocated to the suggestion in how the gap could be reduced) = 6 marks

QUESTION 4

[9 MARKS]

Assume that Tsogo Sun has approached you to assist in making the Mount Grace hotel appear more family-orientated. In other words, Tsogo Sun would like the Mount Grace to accommodate families instead of couples. Suggest how the **three (3)** physical evidence dimensions could be used to deliver this new family-orientated hotel. Be sure to motivate your suggestions. (9)

Mark allocation: 3 marks per suggestion and motivation of the physical evidence dimension = 9 marks.

QUESTION 5

[9 MARKS]

- 5.1. When receiving or experiencing a service, customers tend to differ according to their level of participation. Provide a practical example of each of the **three (3)** levels of participation for a customer at the Mount Grace hotel. (3)

Mark allocation: 1 mark allocated to each level = 3 marks

- 5.2. There are different roles that consumers are expected to play in the service delivery process. Practically explain how customers could play each of the **three (3)** roles within a hotel environment. Be sure to motivate your example. (6)

Mark allocation: 2 marks allocated to each role = 6 marks

QUESTION 6

[8 MARKS]

Service organisations, like hotels, should attempt to increase their capacity in order to meet the demand. Assume that Tsogo Sun is anticipating a drastic increase in demand for the Mount Grace hotel once the alert levels related to Covid-19 end. Practically explain how Mount Grace could utilise **four (4)** resources in order to increase the hotel's capacity. Be sure to motivate your examples. (8)

Mark allocation: 2 marks per resource = 8 marks

QUESTION 7

[21 MARKS]

At times, service failures can occur which requires that all service organisations have service recovery strategies in place. There are six different service recovery strategies available. You are approached to assist Tsogo Sun in developing service recovery strategies by:

- Creating and explaining a hypothetical service failure that could occur at the hotel (3 marks)
- Practically explaining how you would use each of the service recovery strategies to overcome the service failure. Be sure to motivate your explanation (18 marks)

QUESTION 8

[14 MARKS]

- 8.1. When paying for a service, customers are often expected to pay both monetary and non-monetary costs. Provide practical examples of the **four (4)** non-monetary costs within a hotel. (4)

Mark allocation: 1 marks per example = 4 marks

- 8.2. Assume that Tsogo Sun is concerned that due to the economic environment, customers will only book their holiday at the Mount Grace if they perceive value as a low price. Practically explain how Tsogo Sun could use the **five (5)** strategies for 'value is a low price' to encourage consumers to book their holidays. (10)

Mark allocation: 2 marks per strategy = 10 marks

QUESTION 9

[6 MARKS]

- 9.1. Using your own words, explain why a services blueprint is useful for services organisations. (1)
- 9.2. Think of a service within the hotel environment, practically apply the **five (5)** steps of the services blueprint to that service. (5)

Mark allocation: 1 mark per step = 5 marks

END OF EXAMINATION