

UNIVERSITY OF SWAZILAND

FACULTY OF COMMERCE

DEPARTMENT OF BUSINESS ADMINISTRATION

MAIN EXAMINATION PAPER

MAY, 2009

(FULL TIME / IDE STUDENTS).

TITLE OF PAPER : PUBLIC RELATIONS

COURSE CODE : BA 523 / IDE BA 523

TIME ALLOWED : THREE (3) HOURS

- INSTRUCTIONS :**
- (1) TOTAL NUMBER OF QUESTIONS IN THIS PAPER IS SIX (6)**
 - (2) THE PAPER CONSISTS OF SECTION A AND SECTION B.**
 - (3) ANSWER THE QUESTION IN SECTION A WHICH IS COMPULSORY AND ANY THREE (3) QUESTIONS IN SECTION B.**
 - (4) THE MARKS ALLOTTED FOR A QUESTION /PART OF A QUESTION ARE INDICATED AT THE END OF EACH QUESTION / PART OF QUESTION.**
 - (5) WHERE APPLICABLE, ALL WORKINGS / CALCULATIONS MUST BE CLEARLY SHOWN.**

NOTE: MAXIMUM MARKS WILL BE AWARDED FOR GOOD QUALITY LAYOUT, ACCURACY, AND PRESENTATION OF WORK.

THIS PAPER MUST NOT BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR.

GOOD LUCK !!!

SECTION A: COMPULSORY**QUESTION 1** Read the case and answer the questions that follow:**CASE: TRI-STATE TELEPHONE**

James Brown, Chief Executive of Tri-State Telephone leaned back in his chair and looked at the ceiling. How was he ever going to get out of this mess? At last night's public hearing, 150 angry customers had marched in to protest Tri-State's latest rate request. After the rancorous shouting was over and the acrimonious signs put away, the protestors have presented state regulators with some sophisticated economic analyses in support of their case. Additionally, there were a number of emotional appeals from elderly customers who regarded phone services as their lifeline to the outside world.

Tri-State Telephone operated in three states and had sales over \$3 billion. During the last five years, the company had experienced a tremendous amount of change. In 1948, the AT & T divestiture sent shock waves throughout the industry, and Tri-State Telephone had felt the effects, as pricing for long distance telephone service changed dramatically. The Federal Communications Commission (FCC) instituted a change to the effect that customers should have 'access' to long distance companies whether or not they were in the habit of making distance calls.

Consumer groups including the Consumer Federation of America and the Congress of Consumer organizations had joined the protest, increasing their attention on the industry and intervening in regulatory proceedings wherever possible. The FCC was considering deregulating as much of the industry as possible, and Congress was looking over the commissioner's shoulder. Meanwhile, department of justice and Judge Harold Greene (both of whom were responsible for monitoring the AT & T divestiture) continued to argue about what business companies like Tri-State should be engaged in.

In addition technology was changing rapidly. Cellular telephone, primarily used in cars, were now hand held and could be substituted for standard phones. Digital technology was going forward, leading to lower costs and requiring companies like tri-State to invest to keep up with the state of the

art. Meanwhile, rate increases negotiated during the inflationary 1970s were keeping earnings higher than regulators would authorize. New "intelligent" terminals and software developments gave rise to the new uses for the phone network (such as using the phone for an alarm system), but as long as customers paid one flat fee, the phone company could not benefit from these new services.

Brown's company has recently proposed a new pricing system whereby where by users of local telephone services would simply pay for what they used rather than a monthly flat fee. All of the senior managers were convinced that the plan was fairer, even though some groups who used the phone with notable frequency (like real estate agents) would pay more. It would give a company an incentive to bring in new services to their customers, and customers would be able to choose which ones to buy. None of them had anticipated complaints from their customers who would save money under the new plan. For instance, Brown's studies showed that the elderly were very light users of local service and could save as much as 20% under the new plan.

After the debacle at the hearing the previous night, Brown was unsure how to proceed. If he backed off the new pricing plan, he would have to find a different way to meet the challenges of the future, may be even different business to augment company income. Alternatively, the company could not stand negative press from a protracted battle, even though Brown thought that the regulators were favorably disposed towards his plan. In fact, brown himself believed the company should help its customers rather than fight them.

QUESTIONS:

- (a) Why do you think Tri-State publics are so upset? [5marks]
- (b) Who are the public in this case and which ones are the most important? [10marks]
- (c) What are the global challenges is Tri-State attempting to address in order to remain a profitable entity in this service market? [15marks]

(d) What should the Chief Executive of Tri-State do to deal with this situation? [10marks]

SECTION B:
ANSWER ANY THREE (3) QUESTIONS:

QUESTION 2

Many people believe that publicity is the same as public relations where as it is the most visible part of Public Relations and not the only activity that aids in the way public relations work . Discuss these activities. [20marks]

QUESTION 3

You have received complaints from various customers that an employee in your company was very rude on the phone when they complained about spoiled perishable products purchased from your company. As public relations practitioner, what guidelines would you apply to successfully handle or solve the complaints timeously? [20marks]

QUESTION 4

The Swazi Government intends to stop funding students in the near future, a situation that may disadvantage the country in general and a lot of students from accessing higher level of education. The University of Swaziland in collaboration with the students and other civic groups plan to stage a Public Relations Campaign. In preparation for this important event, please advice on how to plan effectively for this event. [20marks]

QUESTION 5

(a) Discuss the most significant challenges confronting the public relations profession with specific reference to Swaziland. [10 marks]

(b) "I do not need a public relations department in my organization", expressed the Director of Nyoni Yami Ltd. during a meeting with the management of the company. Is the director justified for this stance? Please support your response. [10marks]

QUESTIO 6

Some organizations fail because they ignore that ethics provide the direction for morally acceptable behaviour. Explain why organizations should be ethical in their dealings with the publics. (20 marks)