

UNIVERSITY OF SWAZILAND
 FACULTY OF COMMERCE
 DEPARTMENT OF BUSINESS ADMINISTRATION
 MAIN EXAMINATION PAPER
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TITLE OF PAPER : SERVICES MARKETING
 COURSE CODE : BA 327 FULL TIME
 TIME ALLOWED : THREE (3) HOURS

INSTRUCTIONS :

1. TOTAL NUMBER OF QUESTIONS IN THIS PAPER (6)
2. SECTION A IS COMPULSORY
3. ANSWER ANY (3) QUESTIONS IN SECTION B
4. THE MARKS TO BE AWARDED FOR EACH QUESTION ARE INDICATED
 ALONGSIDE THE QUESTION

NOTE:

MARKS WILL BE AWARDED FOR GOOD COMMUNICATION IN ENGLISH, AND FOR ORDERLY AND NEAT PRESENTATION OF WORK. FURTHER MARKS WILL BE AWARDED FOR USE OF RELEVANT EXAMPLES.

SPECIAL REQUIREMENTS: NONE

THIS PAPER SHOULD NOT BE OPENED UNTIL PERMISSION TO DO SO HAS BEEN GRANTED BY
 THE INVIGILATOR.

NOT JUST THE KILOS ON YOUR BAGGAGE COUNT

MANY AIRLINES ALLOW ONLY ONE PIECE OF CHECKED LUGGAGE

When it comes to selecting a domestic airline, most of us are guided by price. Its certainly all I look at when making my choice. But its not the only thing passengers should be comparing. Depending on the airline's baggage policy, consumers with heavier luggage could end up paying more than they bargained for.

Just as other conditions vary from airline to airline, so too do rules around check in luggage, with some offering better deals than others. Two readers found this out the hard way recently when opting to fly Kulula with their families. The passengers had to fork out R500 each at the airports for overweight luggage, despite being under the allowable limit. Kulula, like many airlines these days operates on a luggage piece concept as opposed to the more traditional weight concept of previous years.

It does not allow pooled weight between couples or families travelling together. So taking the unused 10 kg of your child's 20kg allowance to add to your own is a no go. You can do it but you will pay a R250 flat excess baggage fee.

Johannesburg sales manager David Reid, and Cape Town mother Rafieka Dale, both forked out for fines recently when flying with their families. Both have demanded a refund, but Kulula is not budging. Said airline spokesman Shaun Pozyn: "As of November 2011, we amended our baggage policy and replaced it with a new one allowing customers one piece of hand baggage weighing 7kg and one piece of checked baggage weighing 20 kg per trip.

"The policy was introduced so that we can align ourselves with general aviation common practice while at the same time helping to mitigate the ever increasing fuel cost" He said the policy had initially been rolled out with a soft launch period of six months, but that strict enforcement was now in place.

Reid has vowed not to use the airline again. "What frustrates me is absolutely no logic has been applied here", he said.

"It appears Kulula will take any opportunity to make extra money at the expense of upsetting passengers." Reid, his wife and son were returning to Johannesburg from George two week ago with two bags between them, when Kulula told him he was 10kg overweight at 50kg.

At 20kg per person, Reid had assumed that the family's total allowance was 60kg. He was then told to pay a fine of R500, being R250 for each overweight bag.

“But we were told that if we repacked one of the bags with 4kg, making it 20kg, we would be fined only R250.

“Also, if we found a third bag, and repacked that, there would be fine at all. Funnily, no shops sell bags at the airport”, he said. “To tell us to transfer a pitiful 4kg to another bag so as to avoid paying is beyond ridiculousness.” Cape Town mother of two Rafieka Dale is equally put out with Kulula.

I have taken more than 100 trips with Kulula in the past and have always enjoyed the freshness, vibrancy and cheerfulness that the airline is associated with, she said. But not anymore.

In June, she, her husband, three year old daughter and 11 month old son travelled to Mauritius on holiday.

The family were booked return on SAA but following a family tragedy commemoration, they did not make their flight back to Cape Town via Johannesburg as planned.

So Dale booked new tickets on Kulula a few days later. But when she tried to check in the same three bags the family had travelled with large bag (31 kg), medium bag (25kg) and small trolley bag (12kg) – she was told to pay a R500 fine.

“We were entitled to check in four bags totaling 80kg and we were actually 12kg under this, said Dale. Infants under 24 months of age on Kulula are entitled to 20kg, plus a collapsible pushchair and car seat.

“We tried to reason with the check in person.... But to no avail, she said.

“So Kulula did not allow me to pool my luggage with my family. They unfairly expected three bags of a suitcase set to all weigh exactly 20kg, since this was the only way that I could have fully utilized my combined family luggage allowance”.

Pozyn said while Kulula appreciated the issue of collective weight in relation to the number of people travelling in a party, the practical application of this was difficult to manage.

“The policies need to be clear and transparent for our customers”, said Pozyn. “We can not regulate a weight policy as well as a piece policy”.

The same applies to domestic sister airline British Airways, operated by Comair, although it allows the single check in bag to weigh 23kg. Infants are entitled to the same adult allocation, plus pushchair and car seat.

Extra allowances and greater weight are provided for business class and frequent flyers. It charges a flat R250 fee for each bag that is overweight.

SAA allows one bag at 23kg per person, and no pooling of weight within the same group.

Its domestic overweight fee is also R250 for economy class passengers, and it allows a maximum of three extra pieces per person (chargeable) over and above their free baggage allowance. Bags heavier than 32 kg are sent as cargo.

Infants, certainly are worst off travelling on SAA : they are allowed just 10kg, plus either a pram or car seat.

Internal discussion about this less than friendly allowance is under way.

Sister airline Mango has the same limited infant deal. But that's where the similarities end. Mango passengers get a 20kg check in allowance but, because the airline still operates on a weight and not piece concept, the allocated weight can be divided between two bags. It does not however, allow family pooling and anything in excess of the 20kg allocation is charged at R30 a kilogram. (R70 on its new Zanzibar route) There is clearly more to consider when choosing an airline than just the ticket cost. Luggage rules, including possible exceptions for the medically unfit or elderly should always be researched before booking.

The Power Report, Megan Power, Sunday Times, September 8 2013

SECTION A

- Q. 1 When it comes to airline travel price is not the only important factor. Discuss. (10 marks)
- Q. 2 What has been the major changes in the airline business ? (10 marks)
- Q. 3 Why have airlines changed their policies/conditions of travel ? (10 marks)
- Q. 4 Why is this change senseless to Customers ? (5 marks)
- Q. 5 What do you think airlines should do to correct the bad feeling Customers have over the airlines ? (5 marks)

SECTION B

- Q. 1 The study of business has over many years been the study of physical products/goods. However in the last decade there has been a remarkable switch to services. Discuss with relevant examples. (20 marks)
- Q. 2 services are unique compared to physical products due to their unique characteristics making them difficult to deal with and improve them. Discuss with examples. (20 marks)
- Q. 3 Customer retention is making huge strides in importance for all businesses, particularly services Companies. Discuss the logic behind this fact quoting relevant examples. (20 marks)
- Q. 4 Positioning, positioning, positioning. Getting this correct from the beginning increases the probability of success. Discuss with relevant examples the principles involved. (20 marks)
- Q. 5 The Consumer is always weighing risks associated with purchasing major service company products. Hence risk management plays a major role in the consumers decision making process. Discuss with relevant example. (20 marks)