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**EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF TOURISM
AND HOTEL AND HOSPITALITY MANAGEMENT**

BCHM 331: HOSPITALITY SERVICE MARKETING

STREAMS: BCHM Y3S1

TIME: 2 HOURS

DAY/DATE: WEDNESDAY 11/12/2019

8.30 A.M – 10.30 A.M

MAAGIZO:

Answer question one and any other two

QUESTION ONE

Read the case study below and answer the questions that follow

Customer service –the value of saying sorry

The British Standard Institute (BSI) has reported on a survey it has undertaken that examines customer service. The report suggests that 76% of customer said they had taken their business to a competitor as a result of poor customer service (BBC 18th may 2007). However, the survey also reports that where a business apologies for the customer service failure, consumer is much more likely to remain loyal to the firm. Retaining customer means increased profitability but do firms really recognized the true value of an apology?

Once company that has recognized the importance of maintaining strong customer loyalty is power supplier EDF . The company apologized to customers after some of them lost supplies for up to 30 hours due to technical faults with system. EDF engineers worked intensively to resolve the fault and te company sent out a formal written apology and compensation for the worst affected customers (BBC 3rd April 2007)

Other resent apologies have been made by television providers such as channel 4, after viewers were misled about calls to premium telephone lines to enter competitions. For example, it has

been claimed that callers were told to phone a premium rate number even after contestants had been (BBC 19TH February 2007). Assurance were made by channel 4 and the show's represent that a full investigation would be made. The quizzes featured on programmes can represent an important revenue flow for television and such, maintaining consumer confidence and loyalty is important.

While understanding how to manage a customer service failure once it has occurred is important it is clearly advantageous to have resilient system/process to minimize the risk of a service failure.

- (a) Comment on the meaning and implication of the statement “76% of consumers said they had taken their business to a competitor as a result of poor customer service”. [10 marks]
- (b) Discuss with examples five possible strategies that a firm may use to capture customer feedback. [10 marks]
- (c) Once service failures occur, customer get agitated. With examples advise five possible techniques of dealing with customers who are complaining. [10 marks]

QUESTION TWO

- (i) With the aid of a diagram, discuss the concept of a service encounters. [10 marks]
- (ii) It has been argued that most of the challenges that service providers face are dictated by the very unique nature of the service. Discuss. [10 marks]

QUESTION THREE

- (i) With support to your answer explain any five factors that may affect service pricing decision in Kenya today. [10 marks]
- (ii) Elucidate the major roles played by various market intermediaries in distribution of service in a market. [10 marks]

QUESTION FOUR

- (i) Explain five important categories of information required for the effective demand and capacity in a market. [10 marks]

- (ii) Marketing of services is a complex undertaking unlike a product which is easily tasted, felt and can be demonstrated to a consumer, with local examples discuss at least five service mix that would aid a marketer in service marketing in a modern market. [10 marks]
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