



<b>Class Activity:</b>	<b>Marketing I – Topic 3</b>										
<b>Student Name:</b>											<b>28</b>
<b>Student Number:</b>	<b>D</b>	<b>H</b>	<b>M</b>								

Joan is the new manager for a small hotel in Cape Town called Lush. The hotel has not been performing very well in recent years and Joan is determined to turn things around for Lush.

The owner has made it clear that Lush needs to start showing a profit within the next year, so the very first action that Joan took, was to retrench all non-performing staff members, thereafter she doubled the SOP's for the existing staff, to ensure quality service delivery. All decisions are made solely by Joan as she believes that this is the only way for her to ensure that Lush runs smoothly.

1. Elaborate on the four characteristics of services (Intangibility, Inseparability, Variability and Perishability), and give one recommendation on how each characteristic may be managed effectively by the 'Lush' team. (12)
2. Argue whether Joan's strategy to improve profit and performance is wise by applying the 'Service Profit Chain' to your answer. (12)
3. Suggest four (4) ways in which the management team can differentiate the 'Lush' brand from competitors. (4)