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**UNIVERSITI TUN HUSSEIN ONN MALAYSIA**

**FINAL EXAMINATION  
SEMESTER I  
SESSION 2018/2019**

COURSE NAME : SERVICE MANAGEMENT  
COURSE CODE : BPB 33903  
PROGRAMME CODE : BPA / BPB  
EXAMINATION DATE : DECEMBER 2018 / JANUARY 2019  
DURATION : 2 HOURS 30 MINUTES  
INSTRUCTION : ANSWER ALL QUESTIONS

**TERBUKA**

THIS QUESTION PAPER CONSISTS OF SIX (6) PAGES

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**Q1** Kimberly-Clark (Kluang) Sdn. Bhd. and Giant (Malaysia) Sdn. Bhd. both had the same goal of improving the effectiveness and profitability of their production/distribution system. Kimberly-Clark produces brands such as Kleenex tissues and Pampers baby diapers. Giant supermarket is a market leader in retailing chain across Malaysia. However, when Kimberly-Clark started price promotion on Kleenex to increase market share, Giant stocked-up on Kleenex at the promoted/lower cost by engaging forward buying. Hence, Giant does not need to order Kleenex in the next few months to clear its existing stocks.

(a) The above phenomenon is called a self-induced bullwhip effect.

Explain bullwhip effect.

(3 marks)

(b) Propose improvement measures for managers at Kimberly-Clark and Giant to take in the perspective of:

(i) Pricing

(5 marks)

(ii) Flow of information

(5 marks)

(iii) Demand management

(5 marks)

(c) Justify a supply chain strategy to ensure Giant could always sustain and uphold its business slogan “Your Low Price Leader!”.

(7 marks)

**Q2** Tricon Global Restaurants now owns Kentucky Fried Chicken (KFC). KFC has been going global in a big way with stores located in more than 80 countries, including Japan, Australia, Saudi Arabia and Malaysia. Malaysian KFC is a franchisee to Tricon USA, a franchisor. Tricon plans to open more than 1,000 stores per year, globally. Tricon believes KFC outlets must also adapt menu according to the local tastes and preferences.

(a) Discuss **FIVE (5)** benefits of being KFC Malaysia franchisee.

(10 marks)

(b) Analyze the issues faced by the franchising industry, namely on aspect of:

(i) Franchisee autonomy

(5 marks)



(ii) Franchisee contract (5 marks)

(iii) Conflict resolution (5 marks)

**Q3** (a) Selesa Hotel Johor Bahru is not achieving high occupancy rate, even after a newly installed reservation system that integrated the hotel chain with its new associated hotel partners. Few prospective guests make reservations, however they are not honoring their bookings. A summary of front-desk records during the current peak festive period, when the hotel was fully booked, revealed the records of no-shows, as depicted in **Table Q3**. Average cost for a room is RM125 per night.

**Table Q3: Records of no-shows at Selesa Hotel Johor Bahru**

No-shows $d$	Probability $P(d)$	Reservation Overbooked $x$	Cumulative Probability $P(d < x)$
0	0.06	0	0
1	0.18	1	0.06
2	0.21	2	0.24
3	0.15	3	0.45
4	0.11	4	0.60
5	0.09	5	0.71
6	0.06	6	0.80
7	0.03	7	0.86
8	0.01	8	0.89
9	0.01	9	0.90
10	0.01	10	0.91

(i) Calculate the expected number of no-shows. (3 marks)

(ii) Calculate the value of expected opportunity loss (EOL) per night. (3 marks)

(iii) Outline a good overbooking strategy for preventing hotel sales loss. (4 marks)

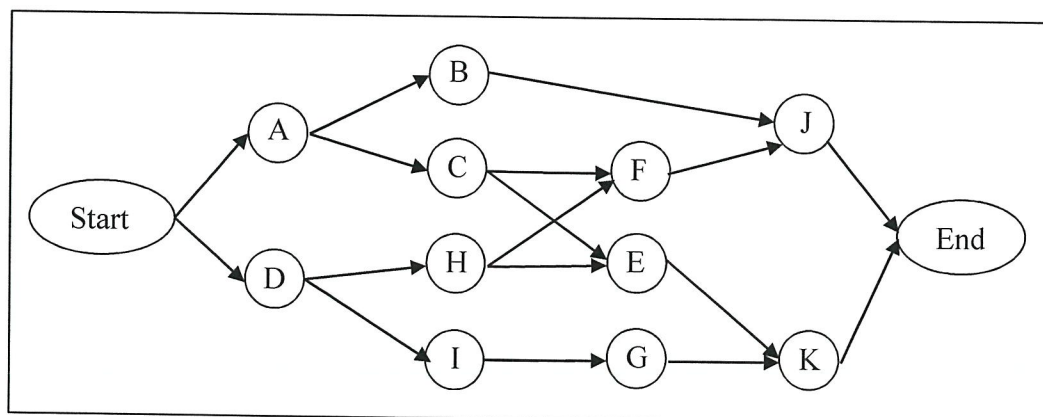


- Q4** (a) Define a queuing system, and give **TWO (2)** examples. (3 marks)
- (b) Describe **TWO (2)** Maister’s Laws of Service. (4 marks)
- (c) Describe **FOUR (4)** strategies for waiting line management with an example for each strategy. (8 marks)

**Q5** Starbucks Batu Pahat plans to change the layout of its retail store to improve service capacity and ambience. As a manager you are tasked with managing the project. **Table Q5** shows the activities required to complete the project, its expected duration and corresponding variance. **Figure Q5** illustrates the network diagram of the activities.

**Table Q5: Activities for Starbucks layout renovation project**

Activity	Expected Duration, weeks	Variance, weeks
A	5	1
B	10	2
C	4	1
D	7	1
E	6	2
F	8	1
G	4	2
H	3	1
I	5	1
J	7	2
K	8	3



**Figure Q5: Network of Starbucks layout renovation project**



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**Table Q5: Standard normal distribution**

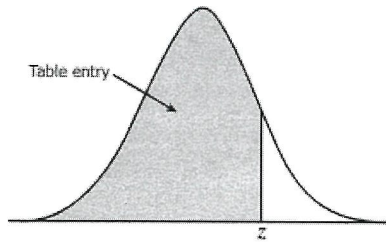


Table entry for  $z$  is the area under the standard normal curve to the left of  $z$ .

$z$	.00	.01	.02	.03	.04	.05	.06	.07	.08	.09
0.0	.5000	.5040	.5080	.5120	.5160	.5199	.5239	.5279	.5319	.5359
0.1	.5398	.5438	.5478	.5517	.5557	.5596	.5636	.5675	.5714	.5753
0.2	.5793	.5832	.5871	.5910	.5948	.5987	.6026	.6064	.6103	.6141
0.3	.6179	.6217	.6255	.6293	.6331	.6368	.6406	.6443	.6480	.6517
0.4	.6554	.6591	.6628	.6664	.6700	.6736	.6772	.6808	.6844	.6879
0.5	.6915	.6950	.6985	.7019	.7054	.7088	.7123	.7157	.7190	.7224
0.6	.7257	.7291	.7324	.7357	.7389	.7422	.7454	.7486	.7517	.7549
0.7	.7580	.7611	.7642	.7673	.7704	.7734	.7764	.7794	.7823	.7852
0.8	.7881	.7910	.7939	.7967	.7995	.8023	.8051	.8078	.8106	.8133
0.9	.8159	.8186	.8212	.8238	.8264	.8289	.8315	.8340	.8365	.8389
1.0	.8413	.8438	.8461	.8485	.8508	.8531	.8554	.8577	.8599	.8621
1.1	.8643	.8665	.8686	.8708	.8729	.8749	.8770	.8790	.8810	.8830
1.2	.8849	.8869	.8888	.8907	.8925	.8944	.8962	.8980	.8997	.9015
1.3	.9032	.9049	.9066	.9082	.9099	.9115	.9131	.9147	.9162	.9177
1.4	.9192	.9207	.9222	.9236	.9251	.9265	.9279	.9292	.9306	.9319
1.5	.9332	.9345	.9357	.9370	.9382	.9394	.9406	.9418	.9429	.9441
1.6	.9452	.9463	.9474	.9484	.9495	.9505	.9515	.9525	.9535	.9545
1.7	.9554	.9564	.9573	.9582	.9591	.9599	.9608	.9616	.9625	.9633
1.8	.9641	.9649	.9656	.9664	.9671	.9678	.9686	.9693	.9699	.9706
1.9	.9713	.9719	.9726	.9732	.9738	.9744	.9750	.9756	.9761	.9767
2.0	.9772	.9778	.9783	.9788	.9793	.9798	.9803	.9808	.9812	.9817
2.1	.9821	.9826	.9830	.9834	.9838	.9842	.9846	.9850	.9854	.9857
2.2	.9861	.9864	.9868	.9871	.9875	.9878	.9881	.9884	.9887	.9890
2.3	.9893	.9896	.9898	.9901	.9904	.9906	.9909	.9911	.9913	.9916
2.4	.9918	.9920	.9922	.9925	.9927	.9929	.9931	.9932	.9934	.9936
2.5	.9938	.9940	.9941	.9943	.9945	.9946	.9948	.9949	.9951	.9952
2.6	.9953	.9955	.9956	.9957	.9959	.9960	.9961	.9962	.9963	.9964
2.7	.9965	.9966	.9967	.9968	.9969	.9970	.9971	.9972	.9973	.9974
2.8	.9974	.9975	.9976	.9977	.9977	.9978	.9979	.9979	.9980	.9981
2.9	.9981	.9982	.9982	.9983	.9984	.9984	.9985	.9985	.9986	.9986
3.0	.9987	.9987	.9987	.9988	.9988	.9989	.9989	.9989	.9990	.9990
3.1	.9990	.9991	.9991	.9991	.9992	.9992	.9992	.9992	.9993	.9993
3.2	.9993	.9993	.9994	.9994	.9994	.9994	.9994	.9995	.9995	.9995
3.3	.9995	.9995	.9995	.9996	.9996	.9996	.9996	.9996	.9996	.9997
3.4	.9997	.9997	.9997	.9997	.9997	.9997	.9997	.9997	.9997	.9998

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