

Services Marketing

Bachelor level
10 ECTS credits
Term 1

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Term 1: a 10 ECTS course is 3 weeks of teaching from 4-22 July and 1 week exam preparation for the students. The online exam is 29 July 2011. Teaching hours: 54 over 3 weeks (10 ECTS course)

Background

Much of world economy today is dominated by services. The distinctive nature of the services sector comes from their very intangibility, which impacts their conception, design, communication, delivery, and purchase and consumption. Other characteristics of services like heterogeneity, perishability and simultaneity also increase the complexities of management and require greater integration of the traditionally distinct organizational functions of marketing, human resources and operations. These problems encountered in service businesses need to be articulated and tackled by managers.

Course Objectives

To study and learn from best practices in designing, launching and marketing of services in diverse industries such as airlines, hospitality, Retail, automotive, financial management consulting, IT, travel & tourism, utilities and higher education etc. The course aims to provide insights to:

- i. Concepts related to management and marketing of services
- ii. Application of concepts of CRM, Customer loyalty and retention, service encounters, service characteristics, value creation, customer involvement, demand and supply management and service recovery .
- iii. Understanding service quality, its measurement and management
- iv. Service design through marketing research and blueprinting for efficient delivery
- v. Internal marketing
- vi. Use of emerging Technologies to enhance services

Pedagogy

The pedagogy for this course will be a mix of classroom lectures; experience sharing, case discussion, assignments and carrying out a comprehensive project work in groups.

Students are advised to come prepared for the class by reading the prescribed materials as well as by updating the cases and analyzing parallels of the foreign cases by obtaining insights through library research, field study and personal observation.

Recommended Text Book

- i. Valarie A Zeithaml, Mary Jo Bitner & Dwayne D.Gremler, "Services Marketing: Integrating Customer focus across the firm", 5th Edition McGraw -Hill. (Abbreviation **VAZ** used everywhere in the document)

Course Outline

Monday Day 1:

Services: An Overview

- Services Characteristics
- Growth and importance of Services in the Economy
- From the manufacturing paradigm to service & solutions Paradigm and consequent implications for management theory & practice

Recommended Readings:

- Shostack, L., "Breaking Free from Product Marketing", Journal of Marketing, April 1997, pp.72-80.
- Henkoff, R. "Service is Everybody's Business," Fortune, June 27, 1994, pp.48-60.
- Quinn,J.B. and Gagon C.E., "Will Services Follow Manufacturing into Decline?" Harvard Business Review, November-December1986, pp.95-103.
- Levitt, T. 'The Industrialization of Services?' The Marketing Imagination, 2e, The Free Press, 1986, pp.50-71.

Tuesday Day 2

Case Discussion Understanding Consumer Behaviour

Pre-Readings

Case: Shouldice Hospital Ltd (Case 8, Pages 700-712 of Text Book)

VAZ Chapter 3

Recommended Readings:

- Fryar, C.R., "What's Different about Services Marketing", The Journal of Services Marketing, Vol 5, No.4, Fall1 991, pp53-58
- Hopper, M.D., "Rattling SABRE_ New Ways to compete on Information", Harvard Business Review, May –June 1990, pp.118-125.

Wednesday Day 3

- Customer Exceptions, Needs and Perceptions
- Service Quality
- Moments of Truth

Pre Readings:

VAZ Chapter 4 & 5

Recommended Readings

Carlzon, J., "Putting the Customer First: The Key to Service Strategy", The McKinsey Quarterly, Summer 1997.
Stafford, M.B. "How Customers Perceive Service Quality", Journal of Retail Banking, pp.29-37.

Thursday Day 4:

Understanding Service Quality & Establishing Service Standards

Developing RATER. SERVQUAL VS SERVPERF

Friday Day 5:

Listening to Customer Requirements

- Understanding Customer Expectations and Perceptions through Marketing Research

Pre Readings:

VAZ Chapter 6

Customers Relationship Management (CRM)

Six Market Domain Approach

- Customer Relationships in the Market Place
- Customer Retention Strategies

Pre Readings:

VAZ Chapter 7

Monday Day 6

Case Study: British Airways : Using Information Systems to better serve the Customers : Harvard business School 9-395-065

Service Recovery

- Service Recovery
- Handling Customer Complaints

Pre Readings:

VAZ Chapter 8

Christopher W. R. Hart, James L. Heskett and W. Earl Sasser Jr., "The Profitable Art of Service Recovery", Harvard Business Review, July-August, 1990, pp. 148-156.

Christopher W. R. Hart, "The Power of Unconditional Service Guarantee", Harvard Business Review, July-August, 1990, pp. 54-62.

Tuesday Day 7

Service Development & Design

1. Stages in New Service Design Strategies
2. Service Blueprinting

Pre Readings:

VAZ Chapter 9 & 10

Recommended Readings

Shostack, G.L., “Designing Services that Deliver”, Harvard Business Review, January –February 1984, pp. 133-139

Kingman Brundae, J., “The ABC’s of Service System Blueprinting”, in Designing a Winning Service Strategy, M.J. Bitner and L.A. Crosby (eds.), American Marketing Association, 1989.

Wednesday Day 8

Customer Defined Service Standards

Process for Developing Customer –Defined Standards

Physical Evidence and ServiceScape

Pre Readings:

VAZ Chapter 11

Experiential Marketing & Sensory Branding

Reading: Book on Sensory Branding by Martin Lindstrom

Thursday Day 9

Employees & Customer’s Role in Service Delivery

- Managing Service Employees
- Motivating Employees

Customer’s Role in Service Delivery

Pre Readings

VAZ Chapter 12

Pre Readings

Rucii, A.J., Kirn , S.P. and Quinn, R.T., “The Employee–Customer–Profit Chain at Sears”, Harvard Business Review, January-February, 1998, pp. 83-97

Additional Readings

Mahesh, V.S., “Effective Human Resource Management: Key to Excellence in Service Organizations”, Vikalpa, Vol. 13, No. 4, October-November 1988, pp. 9-15

Regis Mckenna, “Real Time Marketing”, Harvard Business Review, 73, July-August 1995, pp. 87-98.

Case Analysis: Starbucks: Delivering Customer Service (Case 7, pages 682-699 of VAZ)

Friday Day 10

Delivering Service through Intermediaries and Electronic Channels

Pre Readings:

VAZ Chapter 14

Harnessing Technology to Enhance Value in Services

- Applying Technology to Services
- Marketing Implications of the Internet: services Website
- **Social Media Marketing in Services**

Monday Day 11:

Managing Demand and Capacity

Pre Readings:

VAZ Chapter 15

- Measuring and Managing Capacity
- Strategies for Managing Demand

Recommended Readings

W. Earl. Sasser Jr., "Match Supply and Demand in Service Industries", Harvard Business Review 54, Nov-Dec 1976:133-140

Tuesday Day 12

Integrated Services Marketing Communications

- Customer Education
- Developing Communication Mix

Pre Readings:

VAZ Chapter 16

Recommended Readings

Legg, D., and Baker, J. "Advertising Strategies for Service Firms" from Add Value to Your Services, Carol Surprenant, ed. 1987, pp. 163-168.

Douglas, T., "The Power of Branding" in Lovelock, C., Services Marketing, 3e, Prentice Hall, 1996, pp. 398-401.

Case Analysis: Rapid Rewards at Southwest

Wednesday Day 13

Pricing of Services

- Pricing Strategies: Planning and Implementation

Pre Readings:

VAZ Chapter 17

Global Strategies for Services

- Services in the Global Economy
- Strategies for Trans-national Services

Pre Readings:

Javalgi, Rajshekhar G; White, D Steven, "Strategic Challenges for the Marketing of Services Internationally" International Marketing Review; Volume 19 No. 6; 2002

Samiee, Saeed, "The Internationalization of Services: Trends, Obstacles and Issues", Journal of Services Marketing; Volume 13 No. 4; 1999

Thursday Day 14
Group Project Presentations

Friday Day 15
Group Project Presentations & Review of Course Learning

Service Industry Project Report

Every one should join a group which will investigate one service industry .As we go along, various pieces of the report will be turned in, at the end of the term all the pieces of the report will be put together in one final report. This report serves two purposes:

- It allows you to apply various concepts, introduced during the term
- It allows you to acquire a deeper understanding of one particular service industry (Hopefully, one you are interested in!)

Each report will include the components listed below; these components will be graded as they are submitted. Each of these components, however, is not expected to be in the 'Finished Product', rather these assignments demonstrate that your group has understood the concepts from the class and the readings and has made a reasonable effort to apply them in looking at a particular industry. Groups are expected to revise each section as necessary for inclusion in the final report.

1. Industry Analysis

- What are the current trends in the industry?
- What role does technology play in the industry?
- Who are the major players in the industry?
- Who is the competition? Think broadly.
- Where would you locate this industry on the 'Tangibility Spectrum'?

2. Typical Service Offering

- What are customer expectations of service in the industry service in the industry?
- What bundles of benefits do the customers typically receive?
- What is the typical service performance of the firms in the industry?
- Do all the Five-Service Quality dimensions apply to the firms in this Industry? Which might be the most/least important?
- What is the customer involvement in the service industry?

3. Service Blue Print

- Create an actual blueprint of either-Atypical firm in the industry or a specific firm in the industry
- What are the service encounters/moments of truth in the service?
- What is the value of blueprinting a service?

4. Physical Evidence

- What role does servicescape play in this industry?
- What aspects of this servicescape significantly influence the service delivery process?
- How can servicescape be used as a source of competitive advantage?

5. Industry Section

- In general what are the strength and the weaknesses of this industry?(provide evidence to support and defend your views)
- What opportunity do you see in this industry?
- What do you think the future holds for this industry?
- What advice would you give to a person/company planning to enter this industry?

6. 'Wild Card' Section

- you may create your own special section here
- some ideas might include (but are not limited to) one of the following :
- Pricing (eg. what is the standard pricing procedure in this industry)
- Promotion (eg. what promotion strategies are normally employed)
- Managing supply and demand
- Employee roles in service delivery
- Internal marketing
- In-depth interview of a manager in this industry

Final Report

- The final report should include all of the following:

Cover Page: It should include the report title, the names of your group members, with roll numbers. Each group member will sign his/her name on the cover as a 'sign off' on the report and its contents.

Executive Summary: An Executive Summary of no more than two double spaced pages will follow the cover page, this should highlight what is included in the report.

Table of Contents: Immediately following the executive summary should be a table of contents of your report .you may put the report together in any order you like, provided there is some logical reasoning apparent to the reader for the sequence you have chosen.

Main Body of the Report: Groups are expected to include each of these components discussed earlier in the final report. As noted earlier, groups should revise each section, as necessary for inclusion in the final report.

Conclusion: he report should end with a brief conclusion that ties the entire project together and reveals the major insights gained during the study of your chosen industry.

References: A complete citation of all work /research of others references in your report should be included in a list at the end of the report as references and also indicated in the text of the report.