

B6230 – SERVICES MARKETING

Faculty of Business Administration
Memorial University of Newfoundland

COURSE INFORMATION AND SCHEDULE

Fall Semester 2006

9:00 AM Monday/Wednesday, Room B2015

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COURSE MATERIALS:

The textbook for the course is *Services Marketing*, Fourth Edition by Valarie A. Zeithaml, Mary Jo Bitner and Dwayne D Gremler. It is published by McGraw-Hill (2006) and available in the University Bookstore. A number of readings will be assigned during the semester, and will be available through the Internet or in PDF format on the course web site.

OFFICE HOURS:

I will be in my office and available to meet with you principally on Mondays, Tuesdays and Wednesdays throughout the semester. I will also be in my office at other times, but my schedule may be somewhat irregular as I will be travelling on occasion during the semester. I will make myself as accessible as possible. If I am not in my office when you need to see me, please send me an e-mail message. If it is urgent and outside office hours, telephone me at home.

OBJECTIVES OF THE COURSE:

This course in Services Marketing is intended to broaden your view of marketing, to give you an understanding of how marketing is practised in service organizations, and how it will be managed in the future. The course is intended to encourage you to question the conventional view of marketing as it has been studied and applied over the past 50 years or so. The course will examine marketing in industries that deal primarily in services, but also from the perspective of all organizations, in recognition of the fact that service is an integral part of the offerings of every company and organization, regardless of the sector in which it operates.

The course will apply the principles of services marketing to organizations in the private, public and not-for-profit sectors. It will examine marketing in service organizations and the issues that arise from the differences between the marketing of tangible products and the marketing of services. It will also address the need for understanding consumer behaviour as it applies to the purchase of services and to the interaction between customers and service providers. Consequently, a good understanding of consumer behaviour will be helpful in this course.

The course is designed to help you gain a comprehensive understanding of services and how they are marketed. Successful marketing of services and delivery of excellent service are critical elements in the development of customer satisfaction and the long-term success of an organization. In this regard, service quality and its measurement will be discussed, as will the link between service quality and customer satisfaction. Factors that contribute to perceived service quality are the responsibility of virtually all employees of an organization. The provision of superior service is, therefore, the responsibility of other departments of the organization, in partnership with marketing.

COURSE FORMAT:

The course will involve a number of different approaches to achieving its objectives. The course evaluation scheme outlined below reflects the fact that this is a multifaceted course, with several components contributing to the final grade.

Evaluation: The course offers several elements which provide you the opportunity to demonstrate your understanding of the material and your ability to apply the concepts of marketing and related fields in a services context:

Individual service journal assignment to be submitted, Friday, October 13, 2006	20 marks
Quizzes	
Wednesday, October 18, 2006	20
Wednesday, November 15, 2006	20
Team essay/written assignment to be submitted Wednesday, November 29, 2006	30
Class participation and contribution	10

You will find that this course places considerable emphasis on communications skills. Grammar, punctuation and clarity of communication will be taken into consideration in the grading of written assignments. You will also note that a 10% component of the final grade has been specifically assigned for contribution in class. Therefore, attendance and participation are expected.

Classes: The course meets twice weekly, on Monday and Wednesday mornings at 9 o'clock. There will be material assigned for each class. This will consist mainly of chapters from the textbook. Other readings may be assigned from time to time. **You will be expected to have read the assigned material and to be prepared to discuss its contents.** Most classes will involve a combination of lecture and discussion. Some also require preparation of short exercises for discussion in class.

Quizzes: There will be two 60-minute quizzes held in class on Wednesday, October 18, and Wednesday, November 15, 2006. These quizzes are designed to test your knowledge as you progress through the course and to provide you with feedback on how well you are doing at two points in the course. The quizzes will deal with material covered up to and including the class immediately preceding each quiz. Precise details on the material to be covered and on the form of the quiz will be provided well in advance. Each quiz will contribute 20 marks toward the final grade in the course.

Individual Service Journal Assignment: An individual assignment is to be completed during the first six weeks of the course and submitted on Friday, October 13, 2006. It will involve the completion of a services journal and the preparation of a report on your own service experiences. A detailed description of this project is attached to this Course Outline.

Team Essay/Written Assignment: This assignment will involve teams of **two** students and will be carried out over the course of the semester. The purpose of the project is to provide you with an opportunity to understand in detail a particular topic relating to the broad area of Services Marketing. The final report on this project will be no more than 25 pages in length (double-spaced) and is to be submitted in class on Wednesday, November 29, 2006. Additional information on this project is provided at the end of this Course Outline.

COURSE SCHEDULE:

Chapters from the textbook have been labelled “**ZBG**” in the course schedule below. Readings that have been assigned will be available online or through the course web site. **Other readings may be assigned from time to time.**

Wed. Sep. 06 The Nature of Services Marketing
Overview of the course
Discussion of Course Information and Schedule

Introduction to Services
Prepare: ZBG, Chapter 1

Fri. Sep. 08 Understanding the Gaps
Prepare: ZBG, Chapter 2

Mon. Sep. 11 Understanding the Customer
Prepare: ZBG, Chapter 3

James L. Heskett, *et al.*, "Putting the Service-Profit Chain to Work",
Harvard Business Review, vol. 72, no. 2, March-April 1994, pp. 164-174.
(available from course website in PDF format)

Wed. Sep. 13 Great Expectations
Prepare: ZBG, Chapter 4

“Crowned at Last,” *The Economist*, April 2, 2005

<http://search.ebscohost.com/login.aspx?direct=true&db=buh&AN=16607331&site=ehost-live>

Mon. Sep. 18 Perception? or Reality?
Prepare: ZBG, Chapter 5

Thomas O. Jones and W. Earl Sasser, Jr. “Why Satisfied Customers Defect,” *Harvard Business Review*, vol. 73, no. 6, November-December 1995, pp. 88-99 **(available from course website in PDF format)**

- Wed. Sep. 20** **No Class**
- Mon. Sep. 25** Building Relationships
Prepare: James G. Barnes, “Close to the Customer: but is it really a relationship?”
Journal of Marketing Management, vol. 10, 1994, pp. 561-570 **(available from course website in PDF format)**
- Judith A. Cumby and James G. Barnes, “How Customers are Made to Feel: The Role of Affective Reactions in Driving Customer Satisfaction”
from *International Journal of Customer Relationship Management*, vol. 1, no. 1, 1998, pp. 54-63 **(available from course website in PDF format)**
- Wed. Sep. 27** What We Put Them Through
Prepare: David H. Maister, “The Psychology of Waiting Lines”, from *The Service Encounter*, edited by John A. Czepiel, Michael R. Solomon and Carol F. Suprenant. Lexington, MA: Lexington Books, 1985, pp. 113-123 **(available from course website in PDF format)**
- Mon. Oct. 02** Listen to the Customer
Prepare: **ZBG**, Chapter 6
- James G. Barnes, “The Role of Customer Insight in Building Your CRM Strategy”, a CustomerThink White Paper, 2003 **(available from course website in PDF format)**
- Wed. Oct. 04** Building Relationships Through Service
Prepare: **ZBG**, Chapter 7
and Exercise 4, page 208 **(for discussion; select a services company with which you are familiar)**

NOTE: NO CLASS ON MONDAY, OCTOBER 09, THANKSGIVING DAY

- Wed. Oct. 11** Getting Over It
Prepare: **ZBG**, Chapter 8
- Christopher W. Hart, James L. Heskett and W. Earl Sasser, Jr., "The Profitable Art of Service Recovery: How Best to Turn Complaining Customers into Loyal Ones", *Harvard Business Review*, July-August 1990, pp. 148-156 **(available from course website in PDF format)**

INDIVIDUAL ASSIGNMENT TO BE SUBMITTED ON FRIDAY, OCTOBER 13

- Mon. Oct. 16** Designing the Service
Prepare: **ZBG**, Chapter 9
- Wed. Oct. 18** **QUIZ #1**

Mon. Oct. 23 Setting Standards for Service
Prepare: ZBG, Chapter 10
 and Exercise 2, page 313 **(for discussion)**

Wed. Oct. 25 Servicescapes
Prepare: ZBG, Chapter 11
 and Exercise 2, page 342 **(for discussion)**

Mon. Oct. 30 The Role of Employees
Prepare: ZBG, Chapter 12

Marc Beaujean, Johnathan Davidson and Stacey Madge, "The 'moment of truth' in customer service", *The McKinsey Quarterly*, Number 1, 2006
(available from course website in PDF format)

and the following exercise for discussion

Consider a recent positive or negative service experience that you have had, and think about the extent to which a person or persons involved influenced your response to the service provided. What human resources concepts were evident in how you were treated, and what advice would you provide to management as a result of this encounter?

Wed. Nov. 01 The Customer's Influence on Service Delivery
Prepare: ZBG, Chapter 13
 and Exercise 1, page 415 **(for discussion)**

Mon. Nov. 06 Impact of Technology
Prepare: ZBG, Chapter 14

"Man's Best Friend," *The Economist*, April 2, 2005

<http://search.ebscohost.com/login.aspx?direct=true&db=buh&AN=16607333&site=ehost-live>

Wed. Nov. 08 Balancing Demand and Capacity
Prepare: ZBG, Chapter 15
 and Exercise 4, page 478 **(for discussion)**
Replace Wells Fargo Bank with Royal Bank of Canada
(www.royalbank.ca)

NO CLASS MONDAY, NOVEMBER 13, REMEMBRANCE DAY HOLIDAY

Wed. Nov. 15 **QUIZ #2**

Mon. Nov. 20 **Open day for selected topics of interest**
Prepare: James G. Barnes, Brian R. King, and Gordon A. Breen, "The almost customer: a missed opportunity to enhance corporate success," *Managing Service Quality*, vol. 14, no. 2/3, 2004, pp. 134-146. **(available from course website in PDF format)**

Wed. Nov. 22 Communicating About Services
Prepare: **ZBG**, Chapter 16
and Exercise 2, page 509 **(for discussion; select two or three examples only of both effective and ineffective services advertising, chosen from various media)**

Mon. Nov. 27 Price and Value
Prepare: **ZBG**, Chapter 17

Wed. Nov. 29 The Big Picture and the Bottom Line
Prepare: **ZBG**, Chapter 18

WRITTEN ESSAY/ASSIGNMENT TO BE SUBMITTED

BUSINESS 6230 - SERVICES MARKETING
Fall Semester 2006
INDIVIDUAL SERVICE JOURNAL ASSIGNMENT
(value: 20 marks)
to be submitted Friday, October 13, 2006
LENGTH LIMIT - 8 PAGES

This assignment is intended to give you an opportunity to analyze a series of service encounters. From the large number of service encounters that you have each week with various organizations, you are to select **five** encounters that **YOU** personally experience during the first four or five weeks of the course or in the recent past. These should be encounters that are memorable or noteworthy and which reflect either positive or negative service experiences from your point of view. The experiences that you select should be substantive enough to allow you to illustrate the principles inherent in service delivery.

You should make as many copies of the attached Service Encounter Journal form as you need. Complete a form whenever you experience a noteworthy service experience. You are encouraged to collect a variety of incidents, both positive and negative, covering a variety of different service organizations. Try to complete the “journal” entry soon after the service experience, so that the details are fresh in your mind. Once you have collected a sufficient number of memorable service experiences, you should analyse them using the guidelines below. You should collect and record several service experiences and then select five to write up for inclusion in your report.

This assignment will provide you an opportunity to gain a detailed understanding of the provision of customer service as analyzed by you, the customer. Specifically, you should plan to apply at least the principles inherent in the following concepts to be discussed during the first three weeks of the course, as well as the content of the appropriate chapters in the textbook:

- the service-profit chain (Heskett et al)
- the “drivers of customer satisfaction” (Barnes)
- affective dimensions of service (Cumby and Barnes)

Your report should contain at least the following:

- a detailed overview of the service encounters on the journal forms
- observations on the similarities and differences across encounters
- your **analysis** of why these encounters occurred
- identification of the sources of satisfaction/dissatisfaction with service
- identification of how these examples support concepts and principles we have covered in this course to date
- a summary of your reaction and response to the service experiences
- the effect of these service encounters on your future dealings with the firms involved

Attach your completed Service Encounter Journal forms as an appendix to your paper.

B6230 – Service Encounter Journal

Name of the firm/organization: _____

Type of service: _____

Date of encounter: _____ Time of encounter: _____

What circumstances led to this encounter?

Exactly what happened to make this a memorable service experience?

How would you rate your level of satisfaction with this service encounter on a scale from 1 to 10, where 1 is extremely dissatisfied and 10 is extremely satisfied?

1 2 3 4 5 6 7 8 9 10

How did this service encounter make you feel?

Why did you feel this way?

In the case of a negative encounter, what could the firm or employee have done to make you more satisfied with the service encounter both during and after the actual service encounter?

How likely is it that you will go back to this service provider again? (1 is extremely unlikely and 10 is extremely likely)

1 2 3 4 5 6 7 8 9 10

BUSINESS 6230 - SERVICES MARKETING
Fall Semester 2006

WRITTEN ESSAY/ASSIGNMENT

(value: 30 marks)

to be submitted Wednesday, November 29, 2006

LENGTH LIMIT - 25 PAGES (double-spaced)

The written assignment involves teams of **two** students writing an essay on a subject that you have found interesting during the term. You are to examine a subject in depth and undertake an analysis of the content that you have found in the course material and in other reference sources. Essentially, the objective of this assignment is to provide you an opportunity to gain an understanding of the complexities and challenges of applying services marketing principles in certain situations. You should draw on the material covered during the course and other materials that you may locate on the subject you choose to explore. *I am looking for two things specifically:* firstly, your **ANALYSIS** of the topic or situation that you have chosen to explore and your explanation of why the situation exists; and, secondly, your **ABILITY TO APPLY CONCEPTS** from the literature to your analysis. This assignment provides an opportunity for you to explore an interesting subject in depth and to apply creativity to its examination and to analysing it and writing up your conclusions.

The following represent examples of the type of topics that I would consider appropriate for such an assignment:

- how technology is transforming customer service
- what large companies can learn from small firms about service delivery
- can't afford to fail: the special case of high-involvement services
- the role of Human Resources in service quality
- the importance of the element of surprise in customer service
- preventing the "almost-customer" phenomenon
- linking customer service to long-term success for the firm
- "I just want a bank; I don't want a friend"
- service: thousands of little things
- why every organization is a service organization
- service: why some firms just don't get it
- it's more than service, it's an experience
- the virtual service encounter: delivering service quality on the Internet
- the merely satisfied: the curse of customer churn
- just what is it that customers expect?
- service quality: whose responsibility is it anyway?

WHILE THE GRADING OF THIS ASSIGNMENT WILL BE PRIMARILY ON THE BASIS OF ITS CONTENT, MARKS WILL BE DEDUCTED FOR POOR COMMUNICATIONS.
