

B6230 – SERVICES MARKETING

Faculty of Business Administration
Memorial University of Newfoundland

COURSE INFORMATION AND SCHEDULE

Fall Semester 2007

9:00 AM Monday/Wednesday, Room B2015

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COURSE MATERIALS:

The textbook for the course is *Services Marketing: Integrating Customer Service Across the Firm*, Canadian Edition by Zeithaml, Bitner, Gremler, Mahaffey and Hiltz. It is published by McGraw-Hill Ryerson (2007) and available in the University Bookstore. A series of readings will be assigned during the semester, and will 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 marketing has changed in recent years. 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 solid understanding of and appreciation for consumer behaviour will be helpful in this course.

B6230 is designed to help you gain a comprehensive understanding of services and how they are marketed in a variety of organizations. The successful marketing of services and the delivery of excellent service are critical elements in the achievement 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. For example, in so far as most types of service delivery involve the employees of firms, it may be argued that the Human Resources department has a very important role to play in the provision of service quality.

COURSE FORMAT:

The course will involve a number of different approaches to achieving its learning 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 that 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, Monday, October 15, 2007		20 marks
Quizzes		
Wednesday, October 17, 2007		20
Friday, November 16, 2007		20
Team project report		
to be submitted Wednesday, November 28, 2007		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 (except we will also meet on Friday, November 16 as the University will follow the Monday schedule on that day). 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 17, and Friday, November 16, 2007. 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 Monday, October 15, 2007. It will involve the completion of a services journal and the preparation of an overview of your own service experiences. A detailed description of this project is attached to this Course Outline.

Team Service Analysis and Strategy Project: This assignment will involve teams of **three** 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 the delivery of service and the approach to service provision of a particular company. 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 28, 2007. Additional information on this project is provided at the end of this Course Outline.

COURSE SCHEDULE:

Chapters from the textbook have been labelled “**ZBGMH**” 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. 05** The Nature of Services Marketing
 Overview of the course
 Discussion of Course Information and Schedule
- Introduction to Services
Prepare: ZBGMH, Chapter 1
- Mon. Sep. 10** Mind the Gaps
Prepare: ZBGMH, Chapter 2
- Wed. Sep. 12** Understanding the Customer
Prepare: ZBGMH, 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)
- Mon. Sep. 17** Great Expectations
Prepare: ZBGMH, Chapter 4
- Wed. Sep. 19** Perception? or Reality?
Prepare: ZBGMH, 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)**
- Mon. Sep. 24** 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)
- Robert Reppa and Evan Hirsh, "The Luxury Touch," *Strategy + Business*, Issue 46, April 3, 2007, pp. 1-6 **(available from course website in PDF format)**

- Wed. Sep. 26** Listen to the Customer
Prepare: ZBGMH, 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)**
- Mon. Oct. 01** Building Relationships Through Service
Prepare: ZBGMH, Chapter 7
 and Exercise 4, page 208 **(for discussion; select a services company with which you are familiar)**
- Wed. Oct. 03** Building Relationships
Prepare: 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)**
- James G. Barnes, "Establishing meaningful customer relationships: why some companies and brands mean more to their customers," *Managing Service Quality*, vol. 13, no. 3, 2003, pp. 178-186. **(available from course website in PDF format)**

NOTE: NO CLASS ON MONDAY, OCTOBER 08, THANKSGIVING DAY

Wed. Oct. 10 No Class

Mon. Oct. 15 Getting Over It: Service Recovery
Prepare: ZBGMH, 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 SERVICE JOURNAL ASSIGNMENT TO BE SUBMITTED IN CLASS ON MONDAY, OCTOBER 15

Wed. Oct. 17 **QUIZ #1**

Mon. Oct. 22 Designing the Service
Prepare: ZBGMH, Chapter 9

Wed. Oct. 24 Setting Standards for Service
Prepare: ZBGMH, Chapter 10
 and Exercise 2, page 268 **(for discussion)**

Mon. Oct. 29 Servicescapes

Prepare: ZBGMH, Chapter 11
and Exercise 2, page 293 **(for discussion)**

Eileen A. Wall and Leonard L. Berry, "The Combined Effects of the Physical Environment and Employee Behavior on Customer Perception of Restaurant Service Quality," *Cornell Hotel and Restaurant Administration Quarterly*, February 2007, pp. 59-69. **(available from course website in PDF format)**

Wed. Oct. 31 The Role of Employees

Prepare: ZBGMH, 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?

Mon. Nov. 05 The Customer's Influence on Service Delivery

Prepare: ZBGMH, Chapter 13
and Exercise 1, page 357 **(for discussion)**

Wed. Nov. 07 Impact of Technology

Prepare: ZBGMH, Chapter 14

Alan Cane, "IT nears its limits on customer satisfaction," *Financial Times* (FT.com), June 13, 2007 **(available from course website in PDF format)**

NO CLASS MONDAY, NOVEMBER 12, REMEMBRANCE DAY HOLIDAY

Wed. Nov. 14 Balancing Demand and Capacity

Prepare: ZBGMH, Chapter 15
and Exercise 4, page 415 **(for discussion)**
Replace Wells Fargo Bank with Royal Bank of Canada
(www.royalbank.ca)

Fri. Nov. 16 **QUIZ #2**

Mon. Nov. 19 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)**

Christopher Meyer and Andre Schwager, "Understanding Customer Experience," *Harvard Business Review*, February 2007, pp. 117-126. **(available from course website in PDF format)**

Wed. Nov. 20 Communicating About Services

Prepare: ZBGMH, Chapter 16 and Exercise 2, page 444 **(for discussion; select two or three examples only of both effective and ineffective services advertising, chosen from various media)**

Mon. Nov. 26 Price and Value

Prepare: ZBGMH, Chapter 17

Wed. Nov. 28 The Big Picture and the Bottom Line

Prepare: ZBGMH, Chapter 18

WRITTEN SERVICE STRATEGY PROJECT REPORTS TO BE SUBMITTED IN CLASS, NOVEMBER 28

BUSINESS 6230 - SERVICES MARKETING
 Fall Semester 2007
INDIVIDUAL SERVICE JOURNAL ASSIGNMENT
 (value: 20 marks)
to be submitted in class on Monday, October 15, 2007
LENGTH LIMIT - 8 PAGES

This assignment gives you an opportunity to analyze a series of service encounters. From the large number of service interactions 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. 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 various 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” form as soon as possible 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 of the most interesting or revealing ones to write up for inclusion in your report. **Do not submit more than five service examples.**

This assignment will allow you 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 four 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 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 five 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 2007

CUSTOMER SERVICE STRATEGY PROJECT
(value: 30 marks)
to be submitted Wednesday, November 28, 2007
LENGTH LIMIT - 25 PAGES (double-spaced)

The project involves teams of **THREE** students who will undertake an analysis of the service delivery of a particular company or organization with which you are familiar. The objectives for the project are to allow you:

- to gain an understanding of how customers approach the purchase of the products or services of the company you have chosen to study;
- to understand the role that customer service and interaction plays in the level of satisfaction of customers of this firm;
- to explore an approach to the rating of the quality of service provided and to provide an assessment of the quality of service delivered; and
- to propose a customer service strategy and plan for this company, complete with recommendations.

You should form your project team as early as possible in the semester and then select a company to study. You should then apply various principles to this firm as we progress through the semester.

I am looking for two things specifically; firstly, your **ANALYSIS** of the company that you have chosen to study and the depth of understanding that you are able to demonstrate of the role of service in its success; and, secondly, your **ABILITY TO APPLY CONCEPTS** from the course to your analysis and recommendations. This project 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 and recommendations.

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