

MKT 531  
SERVICES MARKETING  
SPRING 2008

**Dr. Sharon Beatty**  
171 Alston; Phone: 348-6184  
Office Hours 2:00 – 3:15 Wednesdays or by appointment  
E-mail: [SBeatty@cba.ua.edu](mailto:SBeatty@cba.ua.edu)  
[www.cba.ua.edu/~sbeatty](http://www.cba.ua.edu/~sbeatty)

**Texts and Packet:**

1. Customers for Life, 2<sup>nd</sup> ed., Sewell
2. Services Marketing, 6<sup>th</sup> ed., Lovelock and Wirtz, Pearson/Prentice Hall
3. Readings will be available through the library's online reserve system

**Course Objectives**

1. To provide understanding of the “service element” in marketing
2. To study and analyze the customer service provided by organizations through means of a service audit
3. To assess firm strategies related to successful retention and loyalty of customers
4. To learn about relationship marketing and service failure/recovery issues in the service sector

**Class Approach**

Please come to class prepared to talk/discuss for each class you attend –If you are unable to fulfill this requirement please see me for alternative arrangements. You will be asked to discuss materials you've read, often there will be assignments to bring in and often you will be asked to get into teams to work through issues--so missing class and missing these activities will affect your class participation grade.

Please keep up with current happenings in the field through the internet and other mediums. You are encouraged to bring in and talk about relevant articles, especially related to successful or unsuccessful firms and strategies in the service industry. **Extra credit on your participation** will result from especially useful discoveries and discussion.

It will be up to you to decide how much you get out of this class—I'm not going to police whether you've read all the materials. If you want your money's worth in the class—I suggest you read the materials. They are a valuable resource to you.

**Assignments and Grading**

- |                          |     |
|--------------------------|-----|
| 1. Participation         | 22% |
| 2. Two exams – 21% each  | 42% |
| 3. Service Audit Project | 36% |

**Missed classes:** Please avoid missing classes – remember we only meet once a week! Missing ½ a class is the same as missing the whole class in my book and is especially rude if not discussed with me. If you need to miss a class, please advise me ahead of time if possible. Missing excessive classes will affect your participation grade and your final grade. If you miss a class, I recommend that you write an outline of the chapters and articles covered that class period.

**Honesty is expected:** This involves not plagiarizing, i.e., not using another's work or words without giving them credit. It also involves working with another when it is an individual project. If you engage in dishonest practices you will suffer the consequences.

**Peer evaluations:** It is important that you fully participate in team projects, especially the service audit. If team members are not working out, you have the right to fire a team member and inform me immediately of this. The team member will then work independently. At the end of the service audit, team members will be asked to evaluate team member performance and lack of adequate participation can strongly impact on final grades (up to 1 grade point.)

<b>531 Schedule</b>	
Jan. 9	<b>Introduction</b>
16	<b>Service Audit project Discussion</b> MR text – Chapter 5 – Qualitative (1) MR text – Chapter 7 – Observation (2) <u>HBR</u> : Localization—the Revolution in Consumer Markets (3)
23	<b><u>Customers for Life</u></b>
30	<b>Chapters 1 and 2</b> <b>Introduction and CB/Issues</b> <u>HBR</u> : Harnessing the Science of Persuasion (4) Cialdini, <u>Influence</u> , Chapter 3(5)
Feb. 6	<b>Chapters 3 (p. 68-89) and 4 (p. 98-112):</b> <b>Developing/Distributing</b> <u>Sloan</u> : How do Customers judge E-tailer Quality? (6a) <u>HBR</u> : Understanding Customer Experience (6b)
13	<b>Chapter 5:</b> <b>Pricing + p. 220-224 in text (Fees, Fees, Fees!)</b> <u>HBR</u> : Home Depot's Blueprint for Culture Change (7) <u>HBR</u> : Companies and Customers Who Hate them (8) <u>JSR</u> : The Four Service Marketing Myths (9)
<b>20</b>	<b>EXAM 1 – take home</b>

27	<b>Chapters 7 and 8 (p. 245-257): Distributing/Positioning</b> <u>HBR</u> : Clueing in Customers (10)
Mar. 5	<b>Chapters 9 and 10: Balancing Demand/Crafting</b> <u>Sloan</u> : Growing Negative Services (11) <u>HBR</u> : Your Loyalty Program is Betraying You (12)
12	<b>Chapters 11 and 12 (p. 356-372): Managing People/ Relationships</b> <u>JR</u> : Customer-Sales Associate Relationships (13) <u>HBR</u> : We Googled You (14)
26	<b>Chapters 12 (p. 373-385) and 13: Relationships, Complaining &amp; Service Recovery</b> <u>Sloan</u> : How to Prevent Customers from Failing (15) <u>Sloan</u> : Should Business Care about Obesity? (16)
April 2	<b>Chapters 14 (p. 416-425) and 15: Service Quality/Leadership</b> <u>HBR</u> : Lead for Loyalty (17) <u>HBR</u> : 4 Principles of Enduring Success(18)
9	<b>EXAM 2 – take home</b>
16	<b>Personal Development Issues</b> <u>HBR</u> : Managing Oneself (19) <u>HBR</u> : Manage Your Energy, Not Your Time (20) <u>HBR</u> : Realizing What You're Made Of (21) <b>&amp; Work on Service Audit presentations</b>
23, 30	<b>Service Audit Presentations</b>

**Exams are take home and will have similar format/approach  
—only you will use a different company for each**

### **Exam 1**

Select a company that is a major successful service provider, retailer or internet firm of your choice. You need to pick one that will have adequate secondary information available on it. No more than three people per firm—work independently and get approval of your choice. Here are some potential choices to consider:

Southwest Airlines

Walmart  
Starbucks  
Best Buy  
Enterprise Car Rental  
Home Depot  
Amazon.com  
Dell  
Google  
Federated Insurance  
Darden Restaurants  
USAA Insurance

Max: 5 pages double spaced.

Describe company—its history, strategies, customers  
Use as many concepts as possible from text and readings and use them well—to analyze what company is doing and what else it should do. Clearly underline and show ideas you are using and where they came from.

Turn in via email by 5pm. The 3 – 5 best papers will be assigned to the class to read for the following week and these students will be asked to do very short presentation of these papers in class. I will notify you of this by Thursday of that week.

There are two examples from last year on course reserve: Chick Fil A and Target. These two companies are not eligible for selection this year.

## 531 Projects

### Service Audit Project (teams of 3-4)

**Proposal due: Jan. 30th** (company selected and contacted, research objectives enumerated, approach planned (what do you plan to do), research objectives enumerated, timeline; 1 – 2 pages long)

**Progress reports due: Feb. 27th and Mar 26th** (2-3 pages, how you are doing on timeline, what has been done and what hasn't been done and when you plan to do it by—i.e. update timeline on what you have done and haven't done, also briefly address what you are learning)

**These elements are not graded but are used to give you feedback and insure that you are on target. However, not doing them or doing a poor job on them will affect your final grade on the project.**

**Final paper due the Friday after your class presentation date (which will be either April 23<sup>rd</sup> or 30<sup>th</sup>). The presentation will be 20% of your grade on this assignment.**

Find a service organization that preferably has local operations and local customers. The objective will be to fully evaluate this organization—mostly at the local level. For example, you might evaluate Olive Garden. (If data is somewhat light or if desired, you might select two organizations and compare these, e.g. Olive Garden vs. Ruby Tuesday.)

Management needs to agree to your doing the assessment. Their cooperation and enthusiasm is critical to this project—if you can't get it, go to a different company. I have an example of a proposal that you can look at.

There are a number of assessments that you could attempt—be sure to first get any necessary/available **secondary information from the company or elsewhere**, both on the company and on the industry and competition. There may even be information out there on how to conduct service audits that might be helpful. Then you want to identify the groups you wish to evaluate—e.g., **management, employees, and customers**. And think clearly about how to obtain appropriate data from all three.

Research approaches might include some combination **of focus groups/individual in-depth interviews of all parties, mystery shopping, observation study or diaries of service provided over time, short surveys of parties involved, diaries of service provided over time, or other techniques that you think will address the questions**. If forms or guides or questionnaires are created be sure to include these in your appendix along with tables of findings. There will be a packet of previously-used interview guides and mystery shopping forms available to you online. It, also includes a step-by-step procedure.

Use the material from the class on research methods and quality service provision to evaluate how well your chosen company is doing on service. In the paper—use references to note where you are drawing this information from unless it is from your head. Your paper should fully elaborate on research methods used and findings as well as providing suggestions for areas of improvement to management.

You should plan on giving a copy of your paper to management and thus I will expect to see a letter to management on the front page of your report (right before your executive summary), with a note to me, perhaps on a sticky note that this report has been delivered or sent to the company. You also need to get a short note from your client as to the usefulness of your report to them.

Your class presentation should be designed as a presentation to management. Your report should include a copy of your presentation slides. The body of this paper is likely to be 25 or more pages long. You need to ask your client to come

to your class presentation; alternatively if they can't make it you will need to present at another time to them (as well as presenting to the class on the assigned date) and you will need documentation of that presentation.

**There may be other extra credit opportunities in this class as well.**

**Note: Late papers on any project will not be accepted or will be graded down considerably; always communicate with me early on any potential late paper problems.**