

Florida State University
Department of Marketing

MAR4840
SERVICES MARKETING

Fall 2007

The Instructor

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Course Overture

“Service marketers are in need of concepts and priorities that are relevant to their experience and needs. Marketing, however, is overwhelmingly product oriented.”
- G. Lynn Shostack, 1977

Course Description

Approximately 80% of the U.S. GNP is derived from services industries. This service orientation is even more pronounced in Florida, as approximately 90% of GSP is the result of services. Nearly all of the new job growth in this country will be in services companies. Moreover, it might surprise you that even historically product-dominant firms are now turning into service companies; for example, more than 40% of IBM’s revenues and over 60% of GE’s profits are derived from services. Finally, if you believe what they say about the oldest profession, then a service was the first occupation! Why is it then that marketers only started considering service companies distinct entities in the late 1970s? Serious research in service industries didn’t start until the mid-1980s. University curricula have only recently caught up to the trend. The result is that both academics and practitioners still have a lot to learn about services phenomena. This course is designed to address this problem.

In this class, you will be exposed to a new way of thinking about marketing. No longer are manufacturing processes, defects per one-thousand, or logistics paramount. Services are different. We will discuss how they are different, why they are different, and what strategies result from these distinctions. We will cover why people are essential to service success, why expectations are important to service consumers, how the physical environment influences service delivery, and how services firms should recover from failure. You will also learn how quality is evaluated in service firms, why value is an essential deliverable, and what role loyalty has on the bottom line. In essence, we will look at marketing through a different lens.

Course Objectives:

- ✓ To appreciate the differences between services and physical goods and to understand how these differences translate into strategic direction.
- ✓ To understand what quality means in service delivery and how perceptions of service quality are developed by customers.
- ✓ To provide you with an understanding of how service customers determine value in a service exchange and how this translates into a satisfied customer base.
- ✓ To learn about the role of physical evidence in service delivery and what constitutes an effective service environment.
- ✓ To provide you with the knowledge necessary to manage the human constituents in service delivery.
- ✓ To appreciate the ramifications of service failure and the benefits of service recovery strategies.
- ✓ To understand the importance of keeping good current customers and finding good future customers.
- ✓ To learn about the current state of e-commerce in service delivery and where it may be going in the future.

Course Content

Class will consist of a combination of lectures, case studies (from the text and from Harvard Business Series) and participative discussions/activities. The recommended text will provide the general framework for material to be covered in class. However, additional material will be presented in class that the student will be required to master. To be successful in this class, students must attend classes, read assigned sections, and participate in class discussions.

Class Atmosphere

Please feel free to ask questions and share experiences in class. This will make learning the material easier for everyone. I ask that you treat our classroom meetings as you would a professional meeting. This means that you are free to make comments and ask questions, but always treat others in the class with respect.

Course Materials

- **Cases:** Assigned Harvard Business Review Cases (can be downloaded for a fee from www.hbr.com)
- **Textbook:** Services Marketing, 4th Edition by Zeithaml, Bitner, and Gremler

Evaluation Procedure

Grades in this course will be based on the following components:

First Exam	30%	Case Presentation	10%
Final Exam	25%	Class Participation	5%
Group Project	20%	Quizzes	5%
Group Project Presentation	5%		

Course Components

The information below provides some preliminary details on the critical course components. As the semester gets underway, more information on each component will be provided to the students.

- **Exams:** There will be two exams in this class. Exam 1 will cover the topics discussed in the first half of the course. Exam 2 topics will focus on the issues discussed since Exam 1, but students are expected to integrate concepts from the entire course. The exams consist of multiple choice questions; however, make-up exams may consist of a mix of short answers and essays.
- **Group Project:** The group project is to be completed by teams of four or five students. Your group will be assigned a service industry, and your job is to identify two service providers within that industry. The first is to be a very successful service firm – one for which you can document quality service and a customer orientation. The other is just the opposite. Your job is to compare and contrast the service strategies employed (or lack thereof) by the two firms, and the customers' reactions to these strategies. I recommend starting with a description of the industry as a whole (i.e., size, primary players, number of firms, etc.), and then moving to the specific firms. This will require a lot of digging, so I suggest you start early and become familiar with the many databases at your disposal. I will help in this regard, but there's no substitute for persistence. Note: you will need to support your findings with research (i.e., facts), so statements like "everybody knows the Ritz is known for its service" will get you nowhere. You can obtain this research from external sources (e.g., Consumer Reports, JD Power Ratings, ACSI scores) or you can do some of your own. For instance, you could interview some of the customers and/or employees of your service firms, and then compare and contrast their perceptions of the two firms. Also, since obtaining feedback is a fundamental principle of services marketing, you could also conduct a survey. The majority of the grade will not be on the survey per se, but rather on how well you integrate and present the findings. Your grade will reflect the amount of effort you devote to the project and also how well you present and support your findings. There will be two oral presentations for this project. The first is a short or "pitch" presentation in the middle of the semester. This is my way of helping you manage time but, more importantly, this is where you'll pitch your idea. Your two service firms will be identified during this presentation, including a brief overview of the rationale for your selections. The second presentation will take place at the end of the semester and is the more formal presentation of your final report. Managing the presentations is up to you. Professionalism and ingenuity will be rewarded.
- **Case Presentation:** In addition to the project, your group will be assigned a case study to present to the class. This assignment will require you to meet as a group, summarize the case, highlight the key issues, and develop innovative solutions to the problems discussed in the case. You will also be graded on presentation skills, including the level of interest developed in class. To that end, feel free to gather information above and beyond the case. The key is to present an interesting and thought-provoking assessment of the events described in the case.

- **Class Participation:** This course is designed to be 50% lecture and 50% interactive exercises. You are responsible for the breadth and depth of this interaction. Come to class prepared and willing to share your experiences, trials, and thoughts. Please note: these are NOT “free points,” regardless of whether you generally like to speak up in class and *attendance does not fulfill your participation requirement*. I expect you to attend class and I’m looking for you to add to the class environment. Points will be rewarded accordingly.
- **Group Participation:** Each member of the group project and case analysis teams will be evaluated by the other members at the end of the semester. If it is determined that one or more members is not participating in the case study and/or group project, I reserve the right to lower grades to a level commensurate with participation.
- **Quizzes:** Since you are expected to contribute intelligently to each class meeting, it is imperative that you read all assigned material (especially cases) before each class session. To ensure that you do this, I will administer short quizzes at various points during the semester that will either check attendance or assess your knowledge of the material to be discussed that day. Your average on all quizzes will determine how many points you receive for this portion of your grade.
- **Other stuff:** In the interest of fairness, late assignments will be penalized 3 points per day. If you find yourself behind, I recommend taking the penalty as opposed to submitting an assignment of poor quality. All assignments should be typed, double spaced, and written using proper grammar and punctuation. Careful proof reading is strongly recommended.

Academic Honor System

The Florida State University Academic Honor Policy outlines the University’s expectations for the integrity of students’ academic work, the procedures for resolving alleged violations of those expectations, and the rights and responsibilities of students and faculty members throughout the process. Students are responsible for reading the Academic Honor Policy and for living up to their pledge to “... be honest and truthful and ... [to] strive for personal and institutional integrity at Florida State University” (Florida State University Academic Honor Policy, found at <http://dof.fsu.edu/honorpolicy.htm>).

American Disability Act

It is our desire that all of our students fully participate in the curriculum of the department, but we need your assistance. If you have a disability or a condition that compromises your ability to complete the requirements of this course, you must notify the instructor immediately. All reasonable efforts will be made to accommodate your needs. Further, if you do not understand or accept the terms of this syllabus, you must notify the instructor in writing within one week after receiving this syllabus.

- **ADA Requirements:** Students with disabilities needing academic accommodations must: (1) Register with and provide documentation to the Student Disability Resource Center (SDRC), and (2) Bring a letter from the SDRC indicating this need for academic accommodations in the first week of class.

Course Schedule*

Date	Chapter Covered: Topic	Assignment Due
August 28th	Introduction to the Course	
August 30th	Chapter 1: The Service Sector & Service Characteristics	Read Chapter 1
September 4th	Chapter 1: Classifying Services & The Services Marketing Mix	Develop Groups in Class
September 6th	CASE STUDY: Virgin Atlantic	Read the CASE!!!
September 11th	Chapter 2, 4, & 5: A Gaps Approach to Quality Management: SERVQUAL	Read Chapters 2, 4, & 5
September 13th	Group project/case research day	Work on your group project and/or case presentation
September 18 th	Chapter 12: A New View of Quality: People	Read Chapter 12
September 20 th	Chapter 7: Customers as People / Finding the Right Customers	Read Chapters 7
September 25 th	Chapter 15: A New View of Quality: Managing the Outcome	Read Chapter 15
September 27 th	Chapter 11: A New View of Quality: The Physical Environment	Read Chapter 11
October 2 nd	CASE STUDY: Jyske bank	Read the CASE!!!
October 4 th	Exam 1	Study for the exam
October 9 th	Managing the Service Purchase Process, Pre to Post	HBS Video
October 11 th	CASE STUDY: The Four Seasons	Read the CASE!!!
October 16 th	Group Topic Presentations & Group Research Overview	
October 18 th	CASE STUDY: Mayo Clinic	Read the CASE!!!
October 23 rd	CASE STUDY: easyCar.com	Read the CASE!!!
October 25 th	Chapter 5: Managing Customer Satisfaction	Read Chapter 5
October 30 th	CASE STUDY: Shouldice Hospital	Read the CASE!!!
November 1 st	Chapter 17: Creating and Leveraging Service Value / Service Pricing	Read Chapter 17
November 6 th	CASE STUDY: Starbucks	Read the CASE!!!
November 8 th	Chapter 8: Service Failure and Recovery	Read Chapter 8
November 13 th	CASE STUDY: Federal Express	Read the CASE!!!
November 15 th	Chapter 18: The Consequences of Good Service: Customer Loyalty	Read Chapter 18
November 20 th	Group Project Research Day	Work on your group project
November 22 nd	No class – Happy Thanksgiving	
November 27 th	CASE STUDY: Northwest Airlines	Read the CASE!!!
November 29 th	Group Project Presentations	Read the CASE!!!
December 4 th	Group Project Presentations	
December 6 th	Group Project Presentations	
December 12 th	Final Exam	Study for the Exam

*The instructor reserves the right to amend and change this calendar during the semester in order to better accomplish the goals of the course. Students will be notified of any changes made to the syllabus as soon as possible.