

HANKEN SWEDISH SCHOOL OF ECONOMICS FINLAND

SERVICE MANAGEMENT AND MARKETING 2006

Code: 2348

Credits: Successful completion of the course, including classroom sessions, classroom assignments, guest lectures, individual and group exercises, project assignment and written examination, earns the student 8 credit units (ECTS).

Instructor: Professor Christian Grönroos
Department secretary: Carita Ekenstén-Möller

Goal: To study marketing and market-oriented management in firms and organisations facing **service competition**, i.e., in competitive situations where services and a service perspective are critical to success (**service management**). So-called service firms, of course, face such situations, but increasingly also manufacturers or goods on business-to-business markets as well as on consumer markets will find a service perspective a key means of creating and maintaining a competitive advantage.

Level: Advanced studies

Requirements: For students of Hanken the course Proseminarium is required. Students must have knowledge of marketing corresponding to 24 ECTS. Max. 30 students can be accepted. Students cannot enrol simultaneously in this course and in Marknadsorienterad strategisk ledning.

Instruction: 5.9.–20.10.2006. Appr. 45 hours classroom sessions and guest lectures.

Individual work: Students are required to read assigned material beforehand, with a view to discuss the content with the instructor and fellow students. During the course every student is requested **in teams of two** to do **book chapter presentations** in class as well as **individually** to keep a **service diary**. Using the service diary entries as empirical material students should, **in teams of four**, prepare a **project paper** (essay). The aim of the project paper is to analyse what constitutes a good and bad consumer perception of services, respectively (see separate instruction).

To pass the course students need to read assigned material before every classroom session and do the individual and team service diary assignments and

actively and **successfully** take part in classroom assignments and discussions. The willingness and ability to participate in classroom discussions and interact with the group have a decisive impact on the final grade.

To be able to actively take part in classroom discussions students need to have a copy of the course literature **that is discussed in class** (Grönroos: *Service Management and Marketing. A Customer Relationship Management Approach*, 2000 as well as the *Readings* material). In order to pass the course **students are required to actively and regularly attend classroom sessions and guest lectures**. Class attendance is mandatory. If for some reason a student cannot attend, please *beforehand* inform either the instructor or department secretary.

In conclusion, the course consists of **five** elements: 1. *Classroom discussions*, 2. *Guest lecturers*, 3. *Oral assignment* (book chapter analysis and presentation), 4. *Written assignment* (individual service diary analysis and team project paper and 5. *Written examination*.

Examination and grading: The Service Diary Assignment stands for 40%, the Book Chapter Presentation stands for 10% and the written examination stands for 50% of the **basic grade**. In addition, participation in classroom discussions and assignments that may be related to them influence – in a favourable or unfavourable way – the **final grade**. This impact on the final grade may be substantial.

Examination dates: 28.10.2006, 02.12.2006 and 28.05.2007

Course literature

Mandatory for classroom sessions:

GRÖNROOS, C., *Service Management and Marketing. A Customer Relationship Management Approach*. Chichester: John Wiley & Sons, 2000 (NB: the 1990 edition cannot be used) (can be obtained at IB; several copies available)

READINGS (articles, cases and miscellaneous material for Service Management and Marketing 2006; can be copied at IB for the students' personal use)

Other literature:

BERRY, L.L., *Discovering the Soul of Service*. New York: The Free Press, 1999

Please observe that the book by Grönroos and the Readings material are discussed in detail in class. The other books are supporting the classroom discussions. The written examination covers the entire literature.

Useful supporting literature:

BERRY, L.L. & PARASURAMAN, A., *Marketing Services. Competing Through Quality*. New York: The Free Press, 1991
LUSCH, R.F. & VARGO, S.L., eds., *The Service-Dominant Logic of Marketing*, Armonk, NY:M.E.Sharpe, 2006
NORMANN, R., *Service Management*. 3rd edition. New York: John Wiley & Sons, 2000
SWARTZ, T.E. & IACOBUCCI, D., eds., *Handbook of Services Marketing and Management*. Thousand Oaks, CA: Sage Publications 2000
ZEITHAM, V.A. & BITNER, M.J., *Services Marketing*. New York: McGraw-Hill 1996 or later

Book Chapter Presentation

Students in teams of **two** are requested to orally in class present an analysis of central concepts and models **and** key learnings of a book chapter (from Grönroos 2000). In their presentation the team members should use audiovisual support. Written reports are not required. Based on the presentations each chapter will be discussed in class, together with the rest of the readings assignment for each classroom session.

Service Diary Assignment (Project Paper)

Every student is requested to keep an individual **Service Diary** of good and bad service experiences (service encounters). In addition, using their service diary entries as empirical data, students are requested, **in teams of four**, to prepare a project paper (essay). The length of it should probably be appr. 20-30 pages. The aim of the project paper is to analyse what constitutes good and bad consumer perception of services, respectively (see separate instruction). The paper is due on Tuesday 17.10 and will be discussed in class on Friday 20.10 (one copy to the instructor; please keep another copy in your files).

Examination

In the written exam students are requested to answer three questions. First of all, students are requested to answer two questions out of three asked by the instructor; secondly they are requested to answer one question formulated by themselves.

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Service Management and Marketing 2006

Programme

Week 36

Tuesday 5.9 9.30-12.00 309 CG Introduction and signing up
for the course

Friday 8.9 9.30-12.00 **309 (NEW ROOM)** CG Introductory lecture

Theme: Service logic and principles of service management

Readings assignment:

Grönroos, Chapter 8

Grönroos, C. Adopting a service logic for marketing. *Marketing Theory*, 6, 4, 2006, pp. 317-333

Week 37

Tuesday 12.9 9.30-12.00 309 CG

Theme 1: Service competition and the service and relationship perspective

Readings assignment:

Grönroos, Chapters 1 and 2

Bitner: Service relationships: It's all about promises, *Journal of the Academy of Management*, No. 4, 1995

Ostrom & Hart, Service guarantees. Research and practice. In *Handbook of Services Marketing and Management*, 2000, Vol. 299-313

Thursday 14.9 12.30-14.30 411 Guest lecture

Kristina Heinonen, Ph.D, CERS/Hanken

Theme: Digital services and customer value

Readings assignment:

Heinonen, K., Temporal and spatial e-service value. *Internal Journal of Service Industry Management*, 17, 4, 2006, pp. 380-400

Sultan, F. & Rohm, A., The coming era of "brand in the hand" marketing. *MIT Sloan Management Review*, 47, 1, 2005, pp. 83-90

Friday 15.9 9.30-11.30 501 (Casa Academica) Guest lecture

Christina Dahlblom, Ph.D., TNS-Gallup

Theme: Customer loyalty in a service setting

Readings assignment:

Dick, A.S. & Basu, K., Customer loyalty: Toward an integrated conceptual framework, *Journal of the Academy of Marketing Science*, 22,2, 1994, pp. 99-113

Reinartz & Kumar, The mismanagement of customer loyalty, *Harvard Business Review*, July-September 2002, pp. 86-94

Week 38

Tuesday 19.9 9.30-12.00 309 CG

Theme 2: Understanding and managing service and relationship quality

Readings assignment:

Grönroos, Chapters 4 and 5

Brady, Michael K. & J. Joseph Cronin, Jr. (2001): Some Thoughts on Conceptualizing Perceived Service Quality: A Hierarchical Approach. *Journal of Marketing*, 65, July, 34-49

Parasuraman, Berry & Zeithaml, Refinement and reassessment of the SERVQUAL scale, *Journal of Retailing*, Vol. 67, No. 4, 1991, pp. 420-450

Week 39

Tuesday 26.9 9.30-12.00 309 CG

Theme 3: Productivity and profitability in services

Readings assignment:

Grönroos, Chapters 6 and 9

Bates, Bates & Johnston, Linking service to profit: the business case for service excellence. *International Journal of Service Industry Management*, Vol. 14, No. 2, 2003, pp. 173-183

Thursday 28.9 12.30-15.00 309 Guest lecture:

Professor David Ballantyne, Otago University, New Zealand

Theme: A relationship-mediated approach to internal marketing

Readings assignment:

Ballantyne, Internal relationship marketing: a strategy for knowledge renewal. *International Journal of Bank Marketing*, 18, 6, 2000, pp. 274-286

Friday 29.9 9.30-11.30 501 (Casa Academica) Guest lecture:

Professor Anders Gustafsson, Service Research Centre, Karlstad University

Theme: Service performance development and measurement

Readings assignment:

Johnson, M.D. & al., The evolution and future of national customer satisfaction index models, *Journal of Economic Psychology*, 22, 2001, pp. 217-245

Gustafsson, A. & Johnson, M.D., Determining attribute importance in a service satisfaction model, *Journal of Service Research*, November 2004, pp. 1-17

Week 40

Tuesday 3.10 9.30-12.00 309 Guest lecture:

Teemu Kokko, Ph.D., Associate Dean, Haaga Institute Polytechnic

Theme: New service development

Readings assignment: Material will be distributed during the session

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Thursday 5.10 12.30-15.00 309 Guest lecture:
Oskar Korkman, Ph.D., Partner, Vectia Cororation

Theme: Markets and services as consumption practices

Readings assignment:

Christensen, C.M. & al., Marketing malpractice. The cause and the cure, *Harvard Business Review*, December 2005, pp. 74-83

Shove, E. & Pantzar, M., Consumers, Producers and Practices. Understanding the invention and reinvention of Nordic walking. *Journal of Consumer Culture*, 5, 1, 2005, pp. 43-64

Week 41

Thursday 12.10 12.30-15.00 309 CG

Theme 4: Understanding and managing service offerings

Readings assignment:

Grönroos, Chapters 3 and 7

Berry & Lampo, Teaching an old service new tricks, *Journal of Service Research*, Vol. 2, No. 3, 2000, pp. 265-275

Grönroos, Heinonen, Isoniemi & Lindholm, The NetOffer model: a case example from the virtual marketplace, *Management Decision*, Vol. 38, No. 4, 2000, pp. 243-252

Friday 13.10 9.30-12.00 411 CG

Theme 5: Marketing/market-oriented management in service competition

Readings assignment:

Grönroos, Chapters 10 and 13

Lovelock, Functional integration in services. Understanding the links between marketing, operations and human resources. In *Handbook of Services Marketing and Management*, 2000, pp. 421-437

Bitner, Servicescapes: The impact of physical surroundings on customers and employees, *Journal of Marketing*, vol. 56, April 1992, pp. 57-71

Week 42

Tuesday 17.10 9.30-12.00 309 CG

Theme 6: Integrated marketing communication and image management in services

Readings assignment:

Grönroos, Chapters 11 and 12

Lindberg-Repo & Grönroos, Conceptualising communications strategy from a relational perspective. *Industrial Marketing Management*, Vol. 33, 2004, pp. 229-239

Wirtz & Chew, The effects of incentives, deal proneness, satisfaction and tie strength on word-of-mouth behaviour. *International Journal of Service Industry Management*, Vol. 13, No.2, 2002, pp. 141-162

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Thursday 19.10 12.30-15.00 309 CG

Theme 7: Managing internal marketing and service culture

Readings assignment:

Grönroos, Chapters 14, 15 and 16

Mitchell, C., Selling the brand inside, *Harvard Business Review*, 80, 1 (January), 2003, pp. 99 -105

Partlow, How Ritz-Carlton applies "TQM", *The Cornell H.R.A. Quarterly*, August 1993

Friday 20.10 9.30-12.00 411 CG

Theme: Presentation of project papers (Papers due 17.10)

Week 43

Saturday 28.10 9.00-14.00 Written examination