

HANKEN SWEDISH SCHOOL OF ECONOMICS FINLAND

SERVICE AND RELATIONSHIP MARKETING 2007

Please observe: This course is given twice during the academic year 2007-2008 (period 1 and 4).

Code: 23039

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: Malin Wikstedt

Goal: To study customer-focused management and marketing issues in firms that face **service competition**, where customer relationships form a natural foundation for marketing. Service competition means that service is critical to success and that adopting a **service logic** is important. 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.

The language of instruction is English.

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: 4.9.–19.10.2007. 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. Customer Management in Service Competition*, 3rd edition, 2007 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 followed by team project paper (Service Diary Assignment)) 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 the **final grade**. This impact on the final grade may be substantial.

Examination dates: 26.10.2007, 01.12.2007 and 07.06.2008

Course literature

Mandatory for classroom sessions:

GRÖNROOS, C., *Service Management and Marketing. Customer Management in Service Competition*. 3rd edition. Chichester: John Wiley & Sons, 2007 (NB: the 1990 or 2000 editions cannot be used) (can be obtained at IB; several copies available)

READINGS (articles, cases and miscellaneous material for Service and Relationship Marketing 2007; 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

GUMMESSON, E., *Total Relationship Marketing. Marketing Management, Relationship Strategy and CRM Approaches for the Network Economy*. 2nd edition. Oxford: Butterworth Heinemann, Oxford, 2002

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

CHRISTOPHER, M, PAYNE, A & BALLANTYNE, D: *Relationship Marketing. Bringing quality, customer service and marketing together*. Oxford: Butterworth Heinemann, 1991 or later

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

SHETH, J.N. & PARVATIYAR, A., eds.; *Handbook of Relationship Marketing*. Thousand Oaks: Sage, 2000

STORBACKA, K & LEHTINEN, J R: *Customer Relationship Management. Creating Competitive Advantage Through Win-Win Relationship Strategies*. Singapore: McGraw-Hill, 2001

SWARTZ, T.E. & IACOBUCCI, D., eds., *Handbook of Services Marketing and Management*. Thousand Oaks, CA: Sage Publications 2000

VAREY, R.J., *Relationship Marketing*. Chichester: John Wiley & Sons, 2002

ZEITHAM, V.A., BITNER, M.J. & GREMLER, D.D., *Services Marketing*. 4th edition. New York: McGraw-Hill 2006

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 2007). 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 16.10** and will be discussed in class on **Friday 19.10** (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 and Relationship Marketing 2007

Programme

Week 36

Tuesday 4.9 9.30-12.00 411 **CG** Introduction and signing up for the course

Thursday 6.9 12.30-15.00 411 **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 11.9 9.30-12.00 **304 CG** Classroom discussion

Theme 1: Service competition and the service and relationship perspective

Readings assignment:

Grönroos, Chapters 1 and 2

Edvardsson, B., Gustafsson, A. & Roos, I., Service Portraits in Service Research: A Critical Review. *International Journal of Service Industry Management*, 16, 1, 2005, pp. 107-121

Week 38

Tuesday 18.9 9.30-11.00 **501 (Casa Academia)** Guest lecture
Oskar Korkman, Ph.D., Partner, Vectia Ltd.

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

Thursday 20.9 12.30-14.00 309 **CG** Classroom session

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

Ojasalo, J., Managing customer expectations in professional services. *Managing Service Quality*, 11, 3, 2001, pp. 200-212

Friday 21.9 13.00-15.00 305 Guest lecture

V. Kumar, Professor, University of Connecticut

Theme: Managing profitability and loyalty of customer relationships

Readings assignment:

Kumar, V. & Ramani, G. (2007): Interaction Orientation: The New Measure of Marketing. *MSI Reports No. 07-001*, Marketing Science Institute, pp. 3-25

Venkatesan, R. & Kumar, V. (2004): A Customer Value Framework for Customer Selection and Resource Allocation Strategy. *Journal of Marketing*, October

Week 39

Tuesday 25.9 9.30-11.00 **501 (Casa Academia)** Guest lecture

Kaj Storbacka, Professor, Nyenrode Business School, Founder and President, Vectia Ltd.

Theme: Dyadic value creation – why should CEOs be interested in relationship marketing, and why should they you?

Readings assignment:

Mathias, P.F. (2004): The CEO's Agenda on Strategic Customers: How to Make Your Company Customer-Driven. *Velocity*, Q3, pp 9-13

McGovern, G.J., Court, D., Quelch, J.A. & Crawford, B. (2004): Bringing Customers into the Boardroom. *Harvard Business Review*, November, pp. 70-80

Thursday 27.9 **13.00 -15.00** **309** Guest lecture

Teemu Kokko, Ph.D. Associate Dean, Haaga-Helia Polytechnic

Theme: New service development

Readings assignment: Material will be distributed during the session

Week 40

Tuesday 2.10 9.30-12.00 **501 (Casa Academia) CG** Classroom session

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 4.10 **12.00-14.30 304 CG** Classroom session

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

Week 41

Tuesday 9.10 9.30-12.00 **304 CG** Classroom session

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

Readings assignment:

Grönroos, Chapters 10 and 13

Grönroos, C., Relationship Marketing: Challenges for the Organization. *Journal of Business Research*, 46. 3, 1999, pp. 327-335

Grönroos, C., On defining marketing: finding a new roadmap for marketing. *Marketing Theory*, 6, 4, 2006, pp. 395-417

Thursday 11.10 12.30-15.00 **309 CG** Classroom session

Theme 6: Integrated marketing communication and image management in service competition

Readings assignment:

Grönroos, Chapters 11 and 12

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

Week 42

Tuesday 16.10 9.30-12.00 **304 CG** Classroom session

Theme 7: Managing internal marketing and service culture

Readings assignment:

Grönroos, Chapters 14, 15 and 17

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

Thursday 18.10 **12.00-14.30** **305 CG** Classroom session

Theme 8: From manufacturing to service business

Readings assignment:

Grönroos, Chapter 16

Oliva & Kallenberg, Managing the transition from products to services.

International Journal of Service Industry Management, Vol. 14, No. 2, 2003, pp. 160-17

Friday 19.10 10.30-13.00 **Futurum CG** **Presentation of project papers** (Papers due 16.10)

Week 43

Friday 26.10 **Written examination**