

## **COURSE OUTLINE**

### **MKT3412A - SERVICES MARKETING**



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### **Objectives of the Module**

- To provide an in-depth appreciation and understanding of the unique challenges inherent in managing and delivering service excellence at a profit. Participants will be introduced to and have the opportunity to work with tools and strategies that address these challenges.
- To develop an understanding of the 'state of the art' of service management thinking.
- To promote a customer service-oriented mindset.

### **Method of Assessment**

- Case \* : 20 %
- Critique of Case \* : 10 %
- Group Presentation \* : 20 %
- Individual Assignment & Participation : 20 %
- Test : 30 %

(\* group effort)

### **Main Text**

Christopher H. Lovelock and Jochen Wirtz (2004), *Services Marketing*, 5<sup>th</sup> ed., Upper Saddle River, New Jersey: Prentice Hall.

## **Overview – Assignments**

In this module, you will have to do the following individual and group assignments.

<b>No.</b>	<b>Assignments – Individual</b>
1.	Complaint & compliment letters. Analysis of company response & your reaction to that response.
2.	Response to mobile phone pricing questionnaire
3.	Six service encounter journal entries & their analysis
4.	Response to loyalty program questionnaire
5.	Submission of Course Folder, containing copies of all your individual assignments (see list above)
<b>No.</b>	<b>Assignments – Groups</b>
1.	One group presentation, submit PowerPoint charts and appendix with detailed analysis on the day of the presentation, but no report write-up.
2.	One case analysis with presentation and a 10-page report (12 point font, double-spaced).
3.	One critique of the case analysis done by another group (3 page point form, 12-point font, double-spaced). To present critique after group presents case analysis.

A lot of the individual assignments have to be handed to groups who will analyse those assignments for the class. Therefore the assignments have to be passed to the respective groups on time during the break at the respective classes as outlined in the information provided in this course outline. The groups are not responsible for chasing individual students on their respective deliverables. Rather, on the due date, each group will submit a list of all students who submitted their deliverables on time. Please note that 10 marks will be deducted for late delivery of each item from the total grade for the Individual Assignment Grade.

## **Case Analysis**

The group in charge must submit their case reports to me and the group in charge of doing the critique one week before the presentation of the case as specified in the schedule.

**1. Menton Bank (pg 563 to 571: Lovelock & Wirtz)** (submit report by 18 Feb)

- see questions raised in the case

**2. Banyan Tree: Developing a Powerful Service Brand** (submit report by 25 Feb)

- see questions raised in the case

**3. The Accellion Service Guarantee (pg 604 to 606: Lovelock & Wirtz)** (submit report by 4 Mar)

- Do some literature review to get some understanding of how to design good service guarantees. Use this information to aid your case analysis.

**4. Prego Italian Restaurant: Revenue Management** (submit report by 11 Mar)

- see questions raised in the case

## **Case Critique**

Read through the case analysis done by your fellow classmates and see if they have missed any key issues or have analyzed the situation wrongly. Make recommendations as to how, in your opinion, it should have been done.

## **Group Assignments and Presentation Guidelines**

### **A. Pricing Models for Mobile Phone Services**

Collect the comprehensive pricing plans of MobileOne, SingTel Mobile, and StarHub for their mobile GSM services. Then answer the following:

1. Identify which services are billed and which are offered free, what is the unit/basis for charges, and how much is billed for all services provided by the three mobile operators.
2. Build a usage profile (number of calls, call duration distribution profile, profile of call distribution across the day and days of the week, incoming/outgoing profile, usage of voicemail and other VAS, etc.) for a typical student. Then develop an Excel spreadsheet that computes the total monthly bill for this user segment for all four service operators using their most suitable subscription plan.
3. Build a sensitivity model that shows the total bill difference for this segment across all four service providers on key pricing dimensions, for example:
  - Switching from a per-minute billing to per second billing
  - Switching from charging for all calls, to for incoming calls only,
  - Giving the first 12 seconds for incoming calls free, vs giving up to 12 seconds incoming calls free but charge the full time should the call exceed 12 seconds, to non incoming call seconds are free.
  - Explore pricing changes for VAS pricing plans (e.g., SMS, voice mail, caller ID). Show potential pricing options and show their impact on total charges.
4. Design a questionnaire and conduct a survey on the awareness and sensitivity of your Services Marketing class mates by posting a questionnaire with explicit instructions on IVLE for downloading. Pass me a list of all students who did not submit their questionnaire by the submission deadline specified.
5. Based on your sensitivity analysis and user survey, what changes to Singtel's current pricing strategy would you recommend if the provider were to design a specific pricing plan for students?

## **B. Analysis of Complaint/Compliment Letters and Company Responses**

1. Every student in this class has to write a complaint and compliment letter based on a real service encounter (either their own experiences or those of a family member or friend). Obtain a response from the company, and provide a summary analysis of his/her feelings about the companies' responses. Collect copies of these letters and summary reports from every student at the deadline. Pass me a list of all students who did not submit their deliverables by the submission deadline specified.
2. The group will analyse all Complaint & Compliment letters and the firms' responses, and prepare a presentation on (please feel free to change the questions if you wish):
  - What is it that makes Singaporeans complain and compliment (please focus on a few key issues)? Present concrete examples of complaints and compliments to support your points.
  - How well do Singapore firms handle customer feedback? Analyse and evaluate the types of responses. Which are good, poor? Why? Show us concrete examples.

### **C. Analysis of Service Encounter Journals – Drivers of Satisfaction & Dissatisfaction**

1. Every student in this class has to write a service encounter journal with six journal entries (service encounter entries) and provide a summary analysis of his/her six journal entries. Collect copies of the journals and the 2 to 3 page-analysis from every student at the deadline. Pass me a list of all students who did not submit their questionnaire by the submission deadline specified.
2. Please post a form (in MS Word or Excel) with explicit instructions on IVLE and ask all course participants to use these as templates for the recording of their service encounter journals. This will ease your analysis tremendously! Pass me a list of all students who did not submit their questionnaire by the submission deadline specified.
3. Each journal entry should contain data on:
  - Name of student, Name of service firm, Type of service (e.g., airline, bank)
  - Date & time of encounter
  - Price of service (for relationship-type services, e.g., your mobile phone or banking service, provide your average monthly bill or fees)
  - Describe your encounter briefly, so that someone who was not there would know what happened
  - How would you rate your level of satisfaction with this encounter on a scale of 1 'extremely dissatisfied' to 7 'extremely satisfied'.
  - How would you describe your reaction to this encounter? Include in your description your feelings and emotions at that time (e.g., angry, sad, happy, etc.). Why exactly did you feel that way?
  - How likely is it that you will go back to that service provider/firm? Rate on a scale from 1 'definitely not' to 7 'definitely yes'.
  - Why would you return or not return to that firm? (provide details, especially when there is a big discrepancy between your satisfaction and your repeat patronage intention)
4. The group in charge will focus their analysis on the drivers of satisfaction and dissatisfaction for services in your class. Present concrete examples from journal entries that support your conclusions, and then derive managerial implications from there.
5. The group presents their conclusions. Focus especially on any managerial implications for service providers in Singapore – what do you have to do to satisfy and keep your customers? Please do not produce a complete rerun of the course (service personnel, quality, etc. – this takes too long and is tedious), rather focus on a few key issues that you feel stand out from the many issues covered in the journals.

#### **D. Value Propositions of Loyalty Programs that Work and those that Don't**

1. Design a questionnaire and conduct a survey asking about two loyalty programs. The first is about a membership/loyalty programs your class mates or their families like best and which makes them loyal to that firm. The second is about a loyalty program that is not well perceived, and does not seem to add value to the customer. Use open-ended questions, such as “why are you using this program,” “how loyal are you to that firm,” “what role does the loyalty program play in making you loyal,” “what are the three things you like best about this loyalty/membership program,” “liked least,” “suggested improvements,” etc.
2. Conduct the survey by posting a questionnaire with explicit instructions on IVLE for downloading, and also collect brochures and descriptions of these loyalty programs from your class mates. Pass me a list of all students who did not submit their questionnaire by the submission deadline specified in the Course Time Table.
3. Analyse what features make loyalty/membership programs successful, and what features do not achieve the desired results. Use frameworks such as the Wheel of Loyalty to guide your analysis and presentation.

## Guidelines for Group Presentations

You are strongly advised to follow these guidelines to do well for your presentation. Note that class interest and participation created are a key component of your grade. You have to communicate your messages and involve your audience!

- Make your presentation interesting and involving for the class by:
  - focusing on the key issues and do not spend (much) time on long, detailed, complete and boring checklists; avoid listing all issues you can think of. You can produce an appendix to your presentation to show that you thought of many more issues, but do not bore the class with these.
  - using media wisely to communicate your message (legible transparencies with minimum 18-sized font and not too much text; use company brochures, newspaper and magazine clippings, self-produced video clips, samples, etc.).
  - encouraging class participation via direct questioning, discussion of problems/issues, presentation of controversial statements, etc. Open your presentation with relevant questions to the class.
- The maximum time you have available is 15 minutes, inclusive of presentation time, class discussion and Q&A. Dry run your presentation to time it properly! You should have no more than 1 transparency/slide per 2/3 minutes of presentation time!



## **Guidelines for Individual Assignments**

The following assignments are to be done by each student individually:

### **Complaint & Compliment Letters**

The objective of this assignment is for students to experience real life customer feedback processes and company responses to this feedback.

Every student is asked to write one complaint and compliment letter each based on a **real service encounter** (either own experience or that of a family member or friend) at the beginning of the term. The letters should be written in the name of the person having experienced the service problem (of course they have to agree and sign the letter). The letters should be written in a professional style, clearly and objectively stating what happened (e.g., the taxi was late by 30 minutes), what the personal consequences were of this service failure (e.g., I was late for my Service Marketing class and felt terrible about it), and what you would like the firm to do to recover this service (requests may range from just wanting an explanation of what happened, up to perhaps a refund of the price or even some form of compensation). Copies of these letters have to be handed to a member of the group in charge of this presentation three weeks before the due date as specified in the schedule (i.e. submit all letters and responses from the company to the group in charge **by 18 March**).

Every student is asked to submit the firms' responses and a short analysis of the way the firms handled the customer feedback to a member of the group in charge of this presentation by the due date as specified in the schedule.

### **Service Encounter Journals & Their Analysis**

The purpose of this assignment is to understand and evaluate service encounters from your own perspective as a customer. Also, keeping the journal will sensitise you to the various service issues we will be covering in this module.

Every student in this class has to write a service encounter journal with six journal entries (service encounter entries) and analyse his/her journal entries. The group in charge will post a template for the service encounter recording on IVLE at by week four of the term (i.e., **by 4 Feb**).

One copy of the journals and the 2 to 3 page-analysis from every student has to be handed to a member of the group in charge of this presentation three weeks before the due date specified in the schedule (i.e., **by 18 March**).

We all have a number of service encounters every week, everything from restaurants, banks, airlines, dry cleaners, copy centres, taxi services and libraries to medical services. Each journal entry will correspond to one service encounter you have during

the first few weeks of the term. Collect a variety of types of incidents (i.e., don't do only restaurants), including some that you find very satisfying and some that are very dissatisfying. The best way to complete your journal forms is to fill out each one immediately following a particular encounter, and to try to do one or two per week right from the beginning of the term. If you do your entries from memory or do too many at one time, the quality of the entries will suffer.

Analyse your entries by dividing them into 'satisfying' and 'dissatisfying' piles. Look through each pile and try to identify common threads that seem to exist for each group. Write a short 2 to 3 pages report in which you analyse each group and draw conclusions. Focus especially on any managerial implications which might exist.

### **Mobile Phone Pricing Questionnaire**

Every student is asked to complete a questionnaire on mobile phone pricing. The group in charge will post this questionnaire on IVLE and inform the class when it is ready. Each student would then have to log on and complete the questionnaire **within five days' time**.

### **Loyalty/Membership Program Analysis**

Every student is asked to complete a questionnaire on two loyalty/membership programs, and conduct an analysis of the program. The group in charge will post a questionnaire and guidelines on IVLE and inform the class when it is ready. Each student would then have to log on and complete the questionnaire **within five days' time**.

### **Course Folder containing all Individual Assignments**

In the last lecture, submit a folder containing the documents on your individual assignments as listed below. Write your full name as on your matriculation card onto the cover page of the folder. Please submit the same documents as you had to the groups responsible for the various analyses in the following order:

- Response to mobile phone pricing questionnaire.
- Service Encounter Journals and your analysis.
- Complaint and Compliment Letters, the firms' responses and your analysis.
- Response to loyalty/membership program questionnaire.