

**HARVARD UNIVERSITY
EXTENSION SCHOOL**

**COURSE SYLLABUS [CRN 13059, Sever Hall 206]
MARKETING OF SERVICES (MRKT E-105)**

**DR. PETER MCCLURE
FALL 2008**

WHAT THIS COURSE IS ABOUT

Services are now a major part of the U.S. economy. For example, in 2003 the service sector represented 81 percent of total employment and 81 percent of the gross domestic product of the United States.* Moreover, “Almost all the absolute growth in numbers of jobs and the fastest growth rates in job formation are in service industries.”* Major manufacturing companies such as IBM and GE have transformed themselves. For example in 2000 GE generated ~ 75% of its profits from services. And while the U.S. balance of trade in goods remains in the red, the service sector is generating a large, positive surplus.* Nonetheless, as impressive as services may be in an economic sense, we know from personal experience – as consumers and, for some of us as providers – good service is a very difficult event to bring about, let alone to repeat and repeat over time. Marketing great services is what this course is about.

Focus: While we will draw on examples from a variety of service settings, the emphasis will be on professional services in fields such as Internet-based and out-sourced managerial services, consulting, law, accounting, and high tech equipment, software and manufacturing industries, museums, and in financial, health care, and educational organizations.

WHAT YOU ARE EXPECTED TO TAKE FROM THE COURSE

My interest is for you understand the peculiar complexities of producing, marketing, and evaluating services.

I am anxious that you leave the course understanding:

- how **technology** and **outsourcing** are influencing the design and delivery of services and the challenges and opportunities these phenomena raise for business – and you.
- the parallels between **services** and **theater**
- how to take a snapshot of the physical evidence of a service system using **servicescape** concepts
- how to identify, design, and change service systems using **service blueprints**
- how to operationally define and measure **service quality**

In addition, I expect you to understand clearly the **service quality gap model** around which the course is organized.

This is a model that makes sense, and it is I am convinced you will find to be very useful in your professional career. It focuses on four areas critical to success in the marketing of services:

- * discovering customers expectations and perceptions of services
- * specifying service standards and offerings
- * delivering services
- * communicating with customers

Skill development: You will have ample opportunity to improve your written and oral presentation skills through individual and collaborative assignments.

Course format: Instructor and guest lecturers, classroom discussions of readings and cases, individual and group written and oral presentations of cases, book reports, and field research.

* text, pp. 6-8.

COURSE MATERIALS

Required textbook: Valarie A. Zeithaml, Mary Jo Bitner, and Dwayne D. Gremler, *Services Marketing*, 4rd ed. (Boston, MA: McGraw-Hill/Irwin, 2006). ISBN 0-07-296194-5.

Recommended: A subscription or regular access to *The Wall Street Journal*, *Business Week*, *Forbes*, and/or *Fortune*.

Also recommended: A basic marketing management textbook.

WHAT WILL BE EXPECTED OF YOU (an approximate breakdown)

- (15%) Classroom participation in in-class exercises and discussions of readings, lectures and with guest speakers (individual)
- (15%) Three case discussions, 5% each, with typewritten responses to assigned questions (individual or duet).
- (40%) Two exercises, 20% each, presented in class + short reports (group; individual or duet)
- (20%) Research project (individual or duet)
- (10%) Final examination: a take-home, summary essay (individual)

ADMINISTRATIVE NOTES

Except for emergencies, foreseeable absences or late assignments should be discussed in advance with me; otherwise late papers will not receive full credit. If you must be absent, contact a classmate or me prior to returning in order to be prepared. To be fair with your classmates, make up assignments are expected and should be arranged with me, preferably, in advance. Incomplete grades are granted only for semester-end emergencies.

ACADEMIC HONESTY

The responsibility for learning the rules governing the proper use of sources lies with the individual student, and in registering for a course students agree to abide by the policies printed in the Extension School catalogue, which contains brief descriptions of plagiarism, cheating, and computer network abuse. An excellent description of proper uses of sources is *Writing with Sources*, prepared by Harvard's Expository Writing Program. It is available online at www.fas.harvard.edu/~expos/sources.

YOUR INSTRUCTOR: PETER MCCLURE

Current position: Professor of Marketing Emeritus, Department of Management and Marketing, College of Management, University of Massachusetts Boston

Academic background: D.B.A., Indiana University (major: marketing; minors: applied economics, finance, and statistics); MBA, Indiana University; BS Mechanical Engineering, Purdue University

Teaching interest: Services Marketing, Marketing Management

Research interest: The Integration of Markets and Manufacturing

Publications in: *Journal of Marketing Research*, *Journal of Advertising Research*, *The Journal of Consumer Marketing*, *American Marketing Association*, *Change*

COURSE ORGANIZATION

Class: CRN 13059, Fall term, Wednesdays, 5:30-7:30 p.m. Sever Hall 206

Contacting Dr. McClure: Preferably before or after class or by email [peter.mcclure@umb.edu].

Otherwise: by telephone [401.454.3699] or mail [116 Chestnut Street (unit L), Providence, RI 02903].

SESSION OUTLINE

<u>DATES</u>	<u>TOPICS AND ASSIGNMENTS</u>
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INTRODUCTION TO SERVICES AND TO THE COURSE

- 09/17
- > What this course is about
 - > What you are expected to take from the course
 - > What will be expected of you
 - > Session outline and assignments
 - > Discussion of **first case**, "The Chartered Bank of Canada", (handout), due on 09/24

FOCUS ON THE CONSUMER

- 09/24
- > **First case.** "The Chartered Bank of Canada", due (5%)
 - > **Read:** Chapters 1-6
- 10/01
- > **Read:** Chapters 1-6
 - > Discussion of **first exercise**, due 10/29 and 11/05 and **second exercise**, due 12/03 and 12/10 and **research projects**, due 12/17 and 01/07
 - > Discussion of **second case**, "General Electric Medical Systems", (textbook), due on 10/15

UNDERSTANDING CUSTOMER REQUIREMENTS

- 10/08
- > **Read:** Chapters 6-8
- 10/15
- > **Second case**, "General Electric Medical Systems", (textbook) due (5%)
 - > **Read:** Chapters 6-8

SESSION OUTLINE (continued)

DATES **TOPICS AND ASSIGNMENTS**

10/22 > **TBA**

ALIGNING SERVICE DESIGN AND STANDARDS

10/29 > **First exercise due (20%)**
 > **Read:** Chapters 9-11

11/05 > **First exercise due (carryovers) (20%)**
 > **Read:** Chapters 9-11
 > Discussion of **third case, "Shouldice Hospital Limited (Abridged)"**, (**textbook**) due 11/19

DELIVERING AND PERFORMING SERVICE

11/12 > **Read:** Chapters 12-15

MANAGING SERVICE PROMISES & SERVICE AND THE BOTTOM LINE

11/19 > **Third case, "Shouldice Hospital Limited (Abridged)"**, (**textbook**) due (5%)
 > **Read:** Chapters 16-18

11/26 > **Thanksgiving break - no class**

12/03 > **Second exercise due (20%)**
 > **Read:** Chapters 16-18

12/10 > **Second exercise due (carryovers)**
 > **Read:** Chapters 16-18

SESSION OUTLINE

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FLEXIBLE SCHEDULING SESSIONS

- | | |
|---------------|---|
| 12/17 | > Research projects due (20%) : Presentation of highlights from the research projects. |
| 12/24 & 12/31 | > Winter break - no classes |

RESEARCH PROJECTS (20%)

- | | |
|-------|---|
| 01/07 | > Research projects due (20%) : Presentation of highlights from the research projects (continued).
> Course summary |
| 01/14 | > Final essay due by mail (10%) : A reflective essay on the readings, cases, discussions, guest speakers and research projects |

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**FIRST EXERCISE: UNDERSTANDING CUSTOMER EXPECTATIONS AND PERCEPTIONS
THROUGH MARKETING RESEARCH**

This exercise requires you to work in groups. I recommend groups of 4-5 classmates.

1. Select a service of an organization to which each member of your group can get access to its clients/customers.
2. Select a “type of research”, i.e., a type of research instrument or process. (For ideas, study Chapter 5, especially pp. 123-132, and Chapter 6; start with Table 6-1.) [Note: I will step in as needed to assure that each group selects a different research techniques in order that all of us can learn from the in-class presentations about the relative benefits and disadvantages of each.]
3. Each member of your group should plan to execute approximately five to seven interviews – enough to generate a reasonable data set – and participate in and contribute to your group’s pre- and post-interview discussions.
4. Each group will make a presentation of its findings and ‘teach’ the class relative to the research technique it used. A short written report summarizing the presentation is expected. The presentation and report is to include a:
 - description of what your were researching and the research instrument/technique you used
 - summary (tables/graphs) of your group’s data
 - commentary on your data collecting experiences
 - summary of the benefits and disadvantages of your research instrument

I recognize that only one or two individuals in a group can efficiently pull together everyone’s data and comments and prepare the report. Those individuals should receive proper attribution, and they will receive extra credit. Each group should have other members prepare and make the in-class presentation and report. They, too, will receive extra credit.

Note: This exercise focuses on one of the key concept/skill areas highlighted in the syllabus.

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SECOND EXERCISE: SERVICESCAPES (Stage Setting) AND BLUEPRINTING (Script)

Select two service organizations. These may be small businesses, such as restaurants, professional offices (doctors, lawyers, architects) retail businesses or departments in larger organizations, e.g., in schools or hospitals. It is up to you to select and get permission to carry out this exercise.

This exercise can be done individually, but it might be easier and come up with better results by working with a classmate. If you do work with a partner, both of you must visit the businesses or organizations and prepare the exercise together.

I recommend selecting two of the same general type of services but select two that are different enough that they will permit some interesting “comparisons and contrasts”. For each organization:

Part A: SERVICESCAPES (Stage Settings) [see text Chapter 11]

Turn in: Two very neat “bird’s-eye view” drawings. Augment with photos if reasonably possible.

Part B: BLUEPRINTING (Script) [see text Chapter 9, especially pp. 267-276].

Turn in: Two very neat blueprints, one for each service organization.

Compare and contrast the two service organizations relative to their respective servicescapes and blueprints in four or so double-spaced typewritten pages. Be sure to include the names and locations of the services.

Be prepared to present highlights in class. Transparencies and/or PPTs might be useful.

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RESEARCH PROJECT

The purpose of the Project is to teach/inform/amaze your classmates and me about one or more aspects of the marketing of services. You have two options, and I'm looking for somewhat of a balance between the numbers of reports associated with each option.

1. Option One is, in effect, an extension of the two previous exercises but focusing on a different organization/service. It may be undertaken by an individual or duet. Be prepared to present highlights of your project in class. A well documented report also will be expected.

This option should include:

- * An introduction explaining whether the Project is focusing on:
 - * the creation of a new service, perhaps a new business or organization,
or
 - * the improvement of an existing service business or organization. If the project is focusing on an existing service business or organization, describe the location and your relationship to it, e.g., employee, gained access on your own, through a friend, etc. Duets should be careful to select an organization to which both students can have access.
- * The presentation/report is to contain the following elements:
 - * (reorder as you prefer),
 - * a **servicescape** (physical evidence) and explanation
 - * a **blueprint** (flow chart) and explanation
 - * a discussion, definition, and, if possible, measurement of the quality of the service using at least one of the techniques discussed in the course.
 - * a concise analysis of the proposed or existing organization in terms of **the service quality gap model**
 - * (required) recommendations and rationale for the creation of the new service business or organization or the improvement of an existing organization, especially in terms of process(es), people, and/or physical evidence

No one presentation/report needs to cover each of the above items equally, nor should you feel compelled to be limited only those items noted above, since many additional service-marketing issues are being raised in the course.

Nonetheless, the more you feel that it would be useful/interesting to deviate from these instructions, discuss your ideas with me well before the time for submitting your report or making your presentation.

2. Option Two is a more traditional research project that will focus on a technology and the companies promoting it that are or are showing signs of having a profound effect on the design, marketing, and delivery of a service. This project is to be done individually. It is to be a well researched and documented undertaking drawing on secondary sources for sure, and, where possible, on primary sources which may be available in the Boston metropolitan area. Highlights of your findings will be presented to the class and a well documented report also will be submitted.

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FINAL ESSAY

Looking back, we have worked our way through a rather amazing array of materials, perspectives, and issues involving a variety of organizational settings – all pertaining to services marketing. In addition to readings and lectures, we have had guest speakers, analyzed cases, and discussed the results of exercises and projects.

Now it is time to try to pull the course (somewhat) together. Please try to do so in a way that is meaningful to you – and understandable to me. You may refer to books, notes, each other or whatever. Remember, the objective is to draw together the diverse information to which you were exposed in a way that is meaningful to you. Do not simply re-describe class sessions and assignments.

Your essay should be clearly typewritten, double spaced, and no longer than eight pages. It is due no later than Monday, January 14, 2009. My mailing address is:

Peter McClure
Professor of Marketing Emeritus
University of Massachusetts Boston
% 116 Chestnut Street (Unit L)
Providence, Rhode Island 02903
Peter.mcclure@umb.edu

While it is O.K. to send your essay to me as an email attachment, I do recommend that you mail a paper copy. When students have sent me papers via email, I have had random difficulties opening them.

