

Monmouth University
School of Business Administration
Department of Management and Marketing
Course Outline for Marketing of Services
BK 598A-50, Spring 2002
Tuesdays 6:00 – 8:40 p.m., Bey Hall Room 226

I. PROFESSOR: David P. Paul, III, D.D.S., Ph.D.

Assistant Professor of Marketing and Health Care Management
Coordinator, Graduate Health Care Management Program

OFFICE: Bey Hall Room 156

OFFICE HOURS: Monday, 1:00 – 2:15 p.m.
 Tuesday, 8:30 – 9:45 a.m.
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II. MARKETING AND MANAGEMENT OF SERVICES

PREREQUISITES: Marketing Management (BK 509) or equivalent

COURSE DESCRIPTION:

This course examines the applications of the conceptual framework of marketing and management within the service business context. The course will focus on the characteristics of the service environment as well as important considerations in the service marketing mix.

III. COURSE OBJECTIVES:

The economy of the U.S. (and much of the rest of the world) is dominated by services. Yet, traditionally business school courses have focused on the product sector of the economy. This course is especially designed for those students who may be interested in working in service industries, or in a service capacity in a manufacturing business. The primary theme of this course is that service organizations require a distinctive approach to marketing and management strategy, both in their development and execution. This is

not to imply that the approach is unique, but rather that it is distinctive. More specifically, the objectives of this course include:

1. to gain an appreciation for the distinctive challenges inherent in managing services and developing/delivering quality services;
2. to identify differences between the marketing/management of services and the marketing/management of manufactured goods;
3. to identify and analyze the various components of the "services marketing mix." This includes the traditional four Ps plus the physical environment, processes, and the people involved in service transactions;
4. to understand and discuss key issues concerning the managing and measuring of service quality and customer satisfaction;
5. to appreciate the intertwined role of service personnel and customers with respect to service delivery, service failure, and service recovery issues;
6. to understand how "service aspects" of every type of firm can become a competitive advantage;
7. to develop an appreciation of key issues in service organizations, such as managing supply and demand, relationship management, and the overlap in marketing, operations management, and human resource systems;
8. to become better, more aware, and maybe less naïve service consumers.

IV. REQUIRED TEXT:

Valerie A. Zeithaml and Mary Jo Bitner (2003), Services Marketing: Integrating Customer Focus Across the Firm, Third Edition, New York: Irwin McGraw-Hill.

V. ASSIGNMENTS:

Reading Assignments:

You are expected to read the assigned chapters of the textbook before/as they are covered in class. Reading assigned materials prior to class will allow for more meaningful class discussions/questions.

Additional reading materials will be assigned, and is available at the Monmouth University Library, on reserve.

Writing Assignments:

1. Business Letter to Management:

Each student is required to prepare a business letter about a bad (or at least marginal) service experience. The service encounter need not be one that left you extremely upset; it may be simply that the firm did not supply service that met your expectations. This letter should be directed to an appropriate person in the service organization (you will/may have to do some work to obtain the appropriate person's name and address). Your business letter should describe your experience and propose actions that the organization should take to improve performance. This letter should be at least two typewritten pages in length (single-spaced, one-inch margins, one blank line between each paragraph, 12 point Times Roman font). Your recommendations should include, but not be limited to, concepts and strategies that have been examined in the course. To eliminate bias, students are specifically instructed not to state in the letter that they are doing this as a class project! This letter must be sent (and a copy turned in to the instructor) by the end of class on March 5, 2003.

In the past, results from this letter-writing project have ranged from no reply at all to free gifts such as flowers, movie tickets, etc. You should be prepared to discuss your results in class on April 23, 2003.

2. SERVICES MARKETING PROJECT: Journal Entries (AKA critical incident reports)

Everyone has a number of service encounters each week, from restaurants, bars, banks, airlines, gas stations, and dry cleaners to hair stylists, doctors, libraries, schools, car repair shops, and copy centers, among others. Between March 19, 2003 and April 16, 2003, each student is to keep a journal of at least five service encounters per week.

Your entries should include both for-profit and not-for-profit organizations as well as in-person and telephone encounters. Try to collect a variety of types and incidents, as well as some that you find satisfying and some that are very dissatisfying. You should record factual information (when, where, nature of service encounter), your expectations prior to the service encounter, a description of the service delivery process, your assessment of the quality of the service performance, and your perceptions and feelings about each service experience. You should also note concepts from the course that are pertinent to your service experiences.

It is essential that you make your journal entries on the same day as you experience the service. If you try to do your entries from memory or to do too many at one time, the quality of the entries (as well as your grade!) will suffer. A copy of the journal entry form is located at the end of this syllabus. These journal entries should be comprehensive, detailed and organized.

Typing the journal entries is highly recommended but not mandatory. If you do not type the entries, they should be NEATLY and CLEARLY handwritten on photocopies of this form. You will need a minimum of 30, but no more than 35, journal entries for this assignment.

3. SERVICES MARKETING PROJECT: Analysis of Journal Entries:

Divide your entries into "very satisfying" and "very dissatisfying" piles. Look through each pile and try to identify any common threads that seem to exist for each group. Type a five page paper (double-spaced, one-inch margins, 12 point Times Roman font) analyzing each group and drawing any conclusions you can from your service encounters. In this paper, identify the sources and actions that seem to account for satisfaction or dissatisfaction with services. Be sure to include and discuss relevant course concepts as you analyze and synthesize your service encounters. Focus especially on any managerial implications which might exist. Append this material to the end of your journal.

This report is due in class on April 23 at 6:00 p.m.

Additional Notes on the Services Journal project:

- a. Do not do all restaurants (the limit is 5) or encounters with services at Monmouth University (the limit is 3). You should have a wide variety of service encounters represented in your journal.
 - b. Include at least two "international" service firm encounters. I suggest that you visit an authentic foreign restaurant (e.g. Chinese, Japanese, French, Italian, etc.) for this entry. Note the differences in service and ambiance. Also, note somewhere on your journal entry that this represents your international experience. You may simply write the word "international" at the top of this entry.
 - c. Do not include more than 2 journal entries for the same specific service provider/firm.
 - d. Do not submit your project with clear plastic covers and plastic binders as they are too hard to open and hold while reading. Just staple the project together in the upper left-hand corner and hand it in.
 - e. Organize your final project in the following order: journal entries, followed by analysis of journal entries.
4. There will be one major team project. This project will be a Blueprinting of a local service organization and a series of strategic marketing suggestions for the firm given the results of the Blueprinting. The Blueprinting involves a formalized analysis of the

interface points between the customer and all service personnel within the company. This project must be typed (format as per above instructions) and handed in on the date specified, and the team will make an oral presentation of the project with all team members taking part in the presentation. The Blueprinting process is explained on pages 233-241 of the text, and additional reading materials on the subject will be handed out during the semester.

VI. CLASS SCHEDULE:

Date	Topic	Reading
1/22	Course Syllabus/Expectations/Workload Introduction to Services	Chapter 1
	Brandy, Diane (2000), "Why Service Stinks," <u>Business Week</u> , October 23, 118-128.	
	Prokesch, Steven E. (1995), "Competing on Customer Service: An Interview with British Airways' Sir Colin Marshall," <u>Harvard Business Review</u> , 73 (6), 100-113.	
	Shostack, G. Lynn (1977), "Breaking Free from Product Marketing," <u>Journal of Marketing</u> , 41 (2), 73-80.	
1/29	Consumer Behavior in Services Customer Expectations of Services	Chapter 2 Chapter 3
	Harari, Oren (1997), "Thank Heavens for Customers," <u>Management Review</u> , (March), 25-29.	
2/5	Customer Perceptions of Services Understanding Customer Expectations and Perceptions through Marketing Research	Chapter 4 Chapter 5
2/12	Building Customer Relationships	Chapter 6
	Reichheld, F. F. and W. E. Sasser, Jr. (1990), "Zero Defections: Quality Comes to Services," <u>Harvard Business Review</u> , 68 (5), 105-111.	
	Schlesinger, L. A. and J. L. Heskett (1991), "Service-Driven Service Company," <u>Harvard Business Review</u> , 69 (5), 71-81.	
	Jones, T. O. and W. E. Sasser, Jr. (1995), "Why Satisfied Customers Defect," <u>Harvard Business Review</u> , 73 (6), 88-99.	
2/19	Service Recovery	Chapter 7
	Tax, Stephen S. and Stephen W. Brown (1998), "Recovering and Learning from Service Failure," <u>Sloan Management Review</u> , 40 (1), 75-88.	
	Finkelstein, Dan and Tony Goland (1990), "Case of the Complaining Customer," <u>Harvard Business Review</u> , 68 (3), 9-25.	

- 2/26 Customer-defined Service Standards Chapter 9
 Kingman-Brundage, Jane, "Services Mapping: Back to Basics", Chapter 5 in Glynn and Barnes, Understanding Services Management, pages 119-142.
 Chase, Richard (1978), "Where Does the Customer Fit in a Service Organization?", Harvard Business Review, 56 (6), 137-142.
- 3/5 **Midterm (Chapters 1-7, 9)**
Complaint Letter sent & copy turned in
- 3/12 **SPRING BREAK – NO CLASS**
- 3/19 Review Midterm
 Service Development and Design Chapter 8
 Shostack, G. Lynn (1984), "Designing Services that Deliver," Harvard Business Review, 62 (1), 133-139.
 Mary Jo Bitner, B. H. Booms, and M. S. Tetrault (1990), "The Service Encounter: Diagnosing Favorable and Unfavorable Incidents," Journal of Marketing, 54 (1), 71-84.
- 3/26 Physical Evidence and the Servicescape Chapter 10
 Mary Jo Bitner (1992), "Servicescapes: The Impact of Physical Surroundings on Customers and Employees," Journal of Marketing, 56 (2), 57-71.
- 4/2 Employees' Roles in Service Delivery Chapter 11
 Bowen, David W. and Edward E. Lawler III (1992), "The Empowerment of Service Workers: What, Why, How, and When," Sloan Management Review, 33 (3), 31-39.
 Katzenbach, J. on R. and Jason A. Santamaria (1999), "Firing Up the Front Line," Harvard Business Review, 77 (3), 107-117.
- Customers' Roles in Service Delivery Chapter 12
- 4/9 Delivering Services through Intermediaries and Chapter 13
 Electronic Channels
 Managing Demand and Capacity Chapter 14
- 4/16 Integrated Services Marketing Communications Chapter 15
 Pricing of Services Chapter 16
 Shostack, G. Lynn (1987), "Service Positioning through Structural Change," Journal of Marketing, 51 (1), 34-43.
 Zeithaml, Valarie A., L. L. Berry, and A. Parasuraman (1988), "Communication and Control Processes in the Delivery of Service Delivery," Journal of Marketing, 52 (2), 35-48.

4/23	The Financial and Economic Effects of Services The Integrated Model of Service Quality	Chapter 17 Chapter 18
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***Service Journals & Service Journal Reports due
Complaint Letter follow up***

4/30	Catch up day Review for Final Exam Review expectations for Blueprinting Project
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5/7 ***Final Exam (cumulative)***

5/13/02 ***Blueprinting Project Presentations [7:45 – 9:45 p.m.]***

This schedule is subject to change upon notification by the professor.

Virtually all overheads presented in class will be available to students through the Monmouth University WebCT system. Instructions for accessing these overheads are attached to this syllabus.

VIII. ATTENDANCE AND CLASS MAKE-UP POLICY:

Grades are based on academic performance (participation, contribution, and examination). As substantial material not in the text will be covered in class, student attendance is mandatory and will be recorded for each class. More than two unexcused absences during the course will result in an automatic grade reduction (see Grading, below).

Make-up exams will be administered during the Instructor's office hours, at his convenience, for those who give him prior notification with a well-documented excused absence. There may be a ONE LETTER GRADE PENALTY assessed on ALL make-up exams. Entirely at the discretion of the Instructor, make-up exams may be ORAL in nature.

Effective Summer 1999, Monmouth University Health Services will change its policy regarding medical excuses. A medical excuse note will be issued to the student at the time of the visit if he/she is found unfit for class due to illness or injury. Thereafter, any documentation of a visit to Health Services must be requested in writing by the professor and with the signed permission of the student. In other words, a medical excuse will be issued if the Health Service determines that the student should not be in the classroom. A medical excuse will not be issued to students who were not treated at Health Services on a given day and/or at a given time.

IX. ACADEMIC INTEGRITY POLICY:

“Academic dishonesty subverts the University’s mission and undermines the student’s intellectual growth. Therefore, Monmouth University will not tolerate violations of the code of academic honesty. The penalties for such violations include suspension or dismissal, and are explained more fully in the Student Handbook” (Monmouth University 2001-2003 Graduate Catalog, page 43). Specifically, students are responsible for reading and understanding the following sections in the Monmouth University 2001-2002 Student Handbook: Academic Dishonesty (page 77), and Student Code of Conduct (page 137-155).

X. REGISTRATION POLICY:

Any student who has registered for this course without either (1) completing prerequisites as itemized above, or (2) receiving permission prior to registration from both the departmental chair and School of Business Dean/Associate Dean will be subject to administrative withdrawal, which will/should occur approximately the beginning of the third week of class.

XI. GRADING AND EVALUATION:

Students are evaluated for final grades according to the following system:

Weight	Component
150 points	Midterm Exam
200 points	Final Exam (COMPREHENSIVE)
50 points	Complaint Letter
100 points	Services Journal
150 points	Services Journal analysis
300 points	Blueprinting Project Presentation
<u>50 points</u>	Participation*
1000 possible points	

* For each unexcused absence over 2, 10 points will be subtracted from the student’s total points earned, up to the maximum of 50 points. Students with 2 or fewer unexcused absences will receive bonus points in addition to the 50 points awarded for class attendance according to the following scale:

Number of unexcused absences	bonus points	Participation points
0	20	70
1	10	60
2	0	50
3	-10	40
4	-20	30

etc.

The Instructor no longer maintains a paper gradebook. All student grades are recorded on the WebCT computed site. Students may access their own grades at any time, but may not (of course) view the grades of other students.

Although the Zeithaml and Bitner text is an excellent one, it is not without errors. I have identified 10 to 12 mistakes in the book, ranging from grammatical errors to errors of logic. Students who have taken this course in the past have identified several other mistakes which I missed. Since students are often encouraged to "think critically," there will be bonus points awarded to the first student who identifies each error in the textbook. Suggested errors are to be submitted to the Instructor in a typed format, noting both the error itself and how it might be corrected. Only the first student reporting each error will receive bonus points. The Instructor must agree with both the error and the suggested correction. For each unique error reported, ten bonus points will be added to the student's Participation Grade.

Format of examinations: all examinations will be written in form (except, possibly, make-up exams [see above]), and will consist of discussion questions. For most students, time should not be a problem (i.e., most students will have no difficulty in finishing the exam well within the allotted time).

The following grading scale will be employed:

A = 93% - 100%	C = 73% - 76.9%
A- = 90% - 92.9%	C- = 70% - 72.9%
B+ = 87% - 89.9%	D+ = 67% - 69.9%
B = 83% - 86.9%	D = 63% - 66.9%
B- = 80% - 82.9%	D- = 60% - 62.9%
C+ = 77% - 79.9%	F = below 60%

XII. STATEMENT ON SPECIAL ACCOMIDATIONS:

If there is any student in this class who has special needs because of learning disabilities or other kinds of disabilities, please feel free to come and discuss this with me.

XIII. STUDENT CONDUCT POLICY:

I expect to be (hope to be) on time for every class, and therefore expect students to be on time also. Once in class, students should refrain from leaving until class has been dismissed, unless unusual circumstances should arise. If a student does find it necessary to leave from (and return to) class, this should be done in a manner calculated to be as non-disruptive to the other class members as possible. With respect to dress, students may wear anything you wish to class, provided your apparel meets generally accepted standards of common decency and is not disruptive to the class. In-

class conversations and discussions (once class has started) are to be limited to the subject matter at hand; individuals who can or will not follow this policy will be asked to leave (and will not receive credit for attending class that day).

Because course requirement due dates are assigned well in advance, students are expected to turn in all assignments in a timely manner. Late assignments will be penalized 10% per week or part thereof, where "late" is defined as after the beginning of class on the date(s) listed on this syllabus.

If you need some additional help regarding any aspect of this course, I am more than willing to assist you. However, I cannot help you if you do not ask, so please see me during my office hours or call me if you are encountering any problems. Feel free to set up an appointment if you cannot visit me during my office hours. Also, I highly encourage you to communicate to me by e-mail regarding any questions, problems, or concerns that you may have about this class. Please note that the end of the semester is not the time to start seeking help.

XIV. NOTES TO STUDENTS:

In order to achieve academic success in this course, it is strongly recommended that students read the material and come to class. NO extra credit work will be accepted: final grades depend SOLELY on the grading criteria described in this document.

XV. ACCESSING COURSE MATERIALS ON WebCT

WebCT is a computer-based learning system used at Monmouth University (and literally hundreds of other institutions). It is accessible from the Monmouth University "home page" by executing the following steps:

1. from the MU home page, left click on "Academics" (see far left of toolbar), then left click on "Check out WebCT" (on far right of toolbar), then left click on "WebCT Login".
2. You will be prompted for a "user name" and a "password". BOTH your user name AND password are your 7 digit Monmouth University student number, preceded by a lower case "s". For example, a user name and password might be "s1234567" (without the quotes). After you've entered a user name and password, click on "OK".

It is STRONGLY suggested that every student choosing to use the WebCT system CHANGE his/her password from their student number to some other identifier once the system has been accessed.

