

BMA791
Services Marketing

Semester 3, 2008

The lecturers responsible for this unit are:

Dr Rob Hecker (Lecturer-in-Charge)

Room: 307 (Hobart)

Phone: 6226 1774

Email: Rob.Hecker@utas.edu.au

Mr Tommy Wong

Room: 304 (Hobart)

Phone: 6226 2953

Email: Tommy.Wong@utas.edu.au

<http://www.utas.edu.au/mgmt/student.htm>

Introduction to the Unit

More than 70 per cent of the Australian labour force is employed in the service sector. On the balance of probabilities, most of us will work for a service firm at some stage during our careers and many of you are currently working in service industries. Similar trends in employment have been noted in most developed economies. Despite this trend to service-based employment, it is all too common that we hear of poor standards of service.

Why is it that services are so difficult to manage? How important is it that service quality is controlled? What techniques and skills are required to deliver quality service? How can a service firm develop a long-term competitive advantage over its competitors? What is to be gained from building lasting relationships with customers? These are just some of the questions that confront the services marketer or manager.

Until relatively recently the marketing literature offered very little concrete guidance to services marketers. Over the past decade or so a growing awareness of the service sector's economic contribution has prompted research into new ways of managing and marketing the service firm. Increasingly this type of research has concluded that in many respects the service firm is different from its manufacturing counterpart and that new skills, new concepts and different techniques are required for effective services marketing and management.

Services marketing is a specialisation within the discipline of marketing. Although many marketing principles apply equally to services and products, there is widespread consensus among academics and practitioners that the issues that confront services marketers require different strategies. In essence, this unit is an advanced unit in marketing since it builds on basic principles in a service context.

As with all marketing practice, services marketing is concerned with customers' needs and wants. In services, however, customers occupy a more pivotal role since they enter service systems and may be active participants in service production and delivery. During this interactive process customers form impressions about the organisation and make judgements about service quality. Various technologies, and information technology in particular, may affect the development of these impressions. It is the need to manage the customer's role in production and consumption that presents one of the greatest challenges to services marketers.

Enrolment in the unit

Unless there are exceptional circumstances, students should not enrol in BMA Summer School units after the end of the first week of classes, as the School cannot guarantee:

- that any extra assistance will be provided by the teaching team in respect of work covered in the period before enrolment; and
- that penalties will not be applied for the late submission of any piece or pieces of assessment that were due during that period.

Learning Outcomes

On completion of this unit, you should be able to:

- Demonstrate an understanding of the concepts of services marketing vis-à-vis the marketing of goods.
- Demonstrate an understanding of each part of the extended marketing mix and be able to present solutions to particular case study scenarios.
- Demonstrate an understanding of the drivers of growth in the service industry within the Australian economy and how these can be managed within a particular industry.

Generic Graduate Attributes

The University has defined a set of generic graduate attributes (GGAs) that can be expected of all graduates (see <http://www.utas.edu.au/tl/policies/index.htm>). By undertaking this unit you should make progress in attaining the following attributes:

Knowledge

- Students will develop an understanding of the marketing and management activities peculiar to service organisations vis-à-vis the marketing of goods.
- Students will develop an understanding of the use of various technologies, and information technology in particular, in services marketing.
- Students will develop an understanding of what is critical to effective service delivery.
- Students will develop an understanding of the determinants of service quality and customer satisfaction.
- Students will learn to research, analyse, and synthesise information relevant to services marketing.

Communication Skills

- Students will develop oral presentation and group-work skills through the process of developing and delivering a team-based seminar.
- Students will be encouraged to communicate effectively using oral and written mediums and to present well-reasoned arguments in a logical and coherent manner.

Problem-Solving Skills

- Students will learn how to analyse services marketing problems and suggest feasible solutions to them through case analysis.
- Students will learn how to formulate measurable goals for service products and delivery.

Global Perspective

- Students will gain an understanding of the factors leading to the increased internationalisation of services.
- Students will gain an understanding of the growth and importance of the services economy in Australia and globally.

Social Responsibility

- Students will be encouraged to act ethically, with integrity and social responsibility, in the development, delivery and evaluation of services.
- Students will develop an appreciation of the new economy on individuals and organisations.

Texts

Prescribed Text

Lovelock, C. & Wirtz, J. 2007. *Services marketing: People, technology, strategy* (6th ed.). Pearson Education Australia/Prentice-Hall.

School Publications

Students must obtain the following electronic publications which are available from the School of Management website: <http://www.utas.edu.au/mgmt/student.htm>

Writing Assignments: A Guide

School of Management Referencing Style

Recommended Reading

The publications listed below are highly recommended for further reading on the topics covered in the unit.

Books

The following list provides some additional texts that you might find helpful. There may be multiple editions of the same text but only the latest is listed here. Those marked with an “R” are on permanent reserve in the library. We recommend that you consult these, and selected journal articles to which your lecturer will draw your attention.

Highly Recommended

Zeithaml, V., Bitner, M. & Gremler, D. 2006. *Services marketing: Integrating customer focus across the firm* (4th ed.). Boston: McGraw-Hill. **R**

Others

Baron, S., & Harris, K. 2003. *Services marketing: Texts and cases*. Basingstoke UK: Palgrave.

Bateson, J. 1995. *Managing services marketing* (3rd ed.). Fort Worth: Dryden Press. **R**

Bateson, J.E.G. & Hoffman, K.D. 1999. *Managing services marketing: Text and readings*. Fort Worth: Dryden Press.

Gabbott, M. & Hogg, G. 1997. *Contemporary services marketing management: A reader*. London: Dryden. **R**

Glynn, W.J. & Barnes, J.G. (Eds.) 1995. *Understanding services management*. Chichester: Wiley. **R**

Grönroos, C. 2000. *Service management and marketing: A customer relationship management approach* (2nd ed.). Chichester: Wiley. **R**

Hoffman, K.D. & Bateson, J.E.G. 2002. *Essentials of services marketing* (2nd ed.). Orlando, FL: Harcourt.

Kasper, H., van Helsdingen, P., & De Vries, W. 1999. *Services marketing management: An international perspective*. Chichester: Wiley.

Lovelock, C.H., Patterson, P.E. & Walker, R.H. 2004. *Services marketing: An Asia-Pacific perspective* (3rd ed.). Melbourne: Prentice-Hall. **R**

Lovelock, C. & Wright, L. 2002. *Principles of services marketing* (2nd ed.) Upper Saddle River NJ: Prentice Hall.

McColl-Kennedy, J.R. (Ed.). 2003. *Services marketing: A managerial approach*. Milton, QLD: John Wiley & Sons.

Mudie, P. & Cottam, A. 1999. *The management and marketing of services*. Oxford: Butterworth-Heinemann.

Quelch, J.A., Ang, S.H., Leong, S.M. & Tan, C.T. 2000. *Strategic marketing cases for 21st century Asia*. Singapore: Prentice Hall.

Sherry, J.F. 1998. *Servicescapes: The concept of place in contemporary markets*. Chicago: NTC. **R**

Van Looy, B., Gemmel, P., & Van Dierdonck. 2003. *Services marketing: An integrated approach*. Harlow UK: Prentice Hall-Financial Times.

Zeithaml, V. & Bitner, M. 2000. *Services marketing*. Boston: McGraw-Hill. **R**

Journals and Periodicals

Apart from books, you will find it valuable to get into the practice of reading relevant articles from journals and periodicals (including newspapers and magazines).

Journals

European Journal of Marketing

International Journal of Service Industry Management

Journal of the Academy of Marketing Science

Journal of the Market Research Society

Journal of Marketing

Journal of Retailing

Journal of Services Marketing

Journal of Services Research

Marketing Magazine

Service Industries Journal

Sloan Management Review

Periodicals & Newspapers

Business Review Weekly

Australian Financial Review

Harvard Business Review

Financial Times

The Wall Street Journal

Business Week

Fortune

Library Resources

The library offers a variety of electronic and physical resources that may be helpful for completing assignments. The library's subject guide for management can be found at the following address:

<http://www.utas.edu.au/library/info/subj/management.html>

Unit Structure

There will be 10 three-hour sessions between 2.00pm and 5.00pm Monday to Friday across the two weeks commencing 10 December 2007 and 14 January 2008. These workshops are a concentrated version of the conventional lecture/tutorial. It is essential that students complete the required reading and study tasks from the unit outline *before* the workshop. The materials specified in the workshop program represent the minimum required for study for a unit in a master's degree. Students are expected to do much wider research as well as be open to understanding services marketing during their day-to-day activities.

Flexible Learning: WebCT Vista

WebCT software has been incorporated into the delivery of this unit to enhance the learning experience by providing access to up to date course materials and by allowing for online discussion through this web based environment.

To access WebCT Vista from your own computer you will need the appropriate software, and hardware to run that software. See **Learning Online** at <http://www.utas.edu.au/coursesonline/software.htm> for computer software you will need.

Note: Older computers may not have the hardware to run some of the required software applications. Contact your local IT support person or the Service Desk on 1818 if you experience difficulties. The School of Management has prepared a WebCT Information Sheet which includes access guidelines and contact information. It is available to download as a word document from the School of Management website: <http://www.utas.edu.au/mgmt/student.htm>

Privacy Policy and Notice

The School of Management takes the utmost care to protect the privacy and security of your personal information and to ensure its accuracy.

If you have any concerns about your privacy in WebCT please contact the lecturer-in-charge of this unit or view the University of Tasmania WebCT Privacy Policy Statement available from the university website on <http://www.utas.edu.au/coursesonline/privacy/index.html>.

Assessment

In order to pass this unit you must achieve an overall mark of at least 50 per cent of the total available marks. Details of each item of Coursework are provided in the Assignment Topics section.

Method of Assessment	Value	Due Date	Length*
Coursework			
In Class Test 1	20	14 December 2007	45 minutes
In Class Test 2	15	16 January 2008	30 minutes
Case Presentation	20	17/18 January 2008	30 minutes maximum for individuals, 45 minutes for pairs
Major Assignment	45	4 February 2008	3000 words (maximum)
Total Marks	100		

* **Word Limit:** The word count includes such items as headings, in-text references, quotes and executive summaries. It **does not** include the reference list at the end of the assignment.

Examination

There will be no external examination in this unit.

Special Consideration and Student Difficulties

If a student is experiencing difficulties with their studies or assignments, have personal or life planning issues, disability or illness which may affect their course of study, they are advised to raise these with their lecturer or the Postgraduate Academic Adviser in the first instance.

For **postgraduate students**, the Postgraduate Academic Adviser can provide assistance with academic issues arising from your studies and identify appropriate support for general personal issues. The Postgraduate Academic Adviser is located in Room 320b in the Commerce Building in Hobart and can be contacted by phone on 6226 1939.

Should a student require assistance in accessing the Library visit their website for more information at <http://www.utas.edu.au/library/>

Students who have completed their examinations and who feel that they have been disadvantaged due to illness or other circumstances affecting their study, may fill out a form to request that their lecturer takes this into consideration when marking the examination. Forms should be submitted directly to the relevant school, accompanied by appropriate supporting documentation, as soon as possible after the completion of the examination. Granting of special consideration is at the discretion of the lecturer and school. The relevant form can be found at the following website:

http://www.studentcentre.utas.edu.au/examinations_and_results/forms_files/index.htm#eits

Students with a non-English speaking background may be permitted to take a bilingual dictionary into an exam. This dictionary must not be annotated, that is, must have no notes written in it. In order to use a bilingual dictionary students must request permission from the Student Centre.

Submission of Coursework

Lodging Coursework

All Coursework must have the School of Management Assignment Cover Sheet and Title Page attached. Both of these are available as a blank template from the School of Management website:

<http://www.utas.edu.au/mgmt/student.htm>

All assignments must include the tutor's name on the assignment Cover Sheets when they are handed in. If this is not done the assignment will not be accepted and therefore marked.

Please remember that you are responsible for lodging your Coursework on or before the due date. We suggest you keep a copy. Even in the most 'perfect' of systems, items sometimes go astray.

Note that you may also be required to submit an electronic copy of your Coursework. More details of this will be given in Lectures.

Hobart students: Lodge in assignment box at room 316, Commerce & Economics Building.

Launceston students: Lodge in assignment box beside room A170.

Alternatively, you may mail your assignments to the School of Management, University of Tasmania at the postal address of either: Locked Bag 1316, Launceston, Tas. 7250, or Private Bag 16, Hobart, Tas. 7001.

All coursework must be handed in at 2.00 p.m. on the due date.

Late Coursework

Written Work

Extensions will only be granted on medical or compassionate grounds and will not be granted because of work or other commitments. Requests for extensions should be **made in writing** to the lecturer-in-charge prior to the due date. Medical certificates or other evidence must be attached and must contain information which justifies the extension sought.

Late assignments which have not been granted an extension will, at the lecturer's discretion, be penalised by deducting ten per cent of total marks for each full day overdue.

Assignments submitted more than six days late will normally not be accepted by the lecturer-in-charge.

Tests

Students who are unable to sit a test on medical or compassionate grounds (work or other commitments are not considered 'compassionate grounds') may request that they be permitted to submit alternative Coursework.

Please do not expect a special test to be held for you if you choose to go on holidays or undertake other activities on the scheduled date. If you do need to request alternative Coursework, you should do so in writing to the lecturer-in-charge prior to the due date. Medical certificates or other evidence must be attached and must contain information which justifies the request. The telephone number of the doctor should also be included.

Return of Coursework

Coursework will be returned during classes or it can be collected from the lecturer's or tutor's room at nominated times; it will not be available from the School's offices.

Plagiarism

Plagiarism is a form of cheating. It is taking and using someone else's thoughts, writings or inventions and representing them as your own, for example:

- using an author's words without putting them in quotation marks and citing the source;
- using an author's ideas without proper acknowledgment and citation; or
- copying another student's work.

If you have any doubts about how to refer to the work of others in your assignments, please consult your lecturer or tutor for relevant referencing guidelines, and the academic integrity resources on the web at <http://www.utas.edu.au/tl/supporting/academicintegrity/index.html>.

The intentional copying of someone else's work as one's own is a serious offence punishable by penalties that may range from a fine or deduction/cancellation of marks and, in the most serious of cases, to exclusion from a unit, a course or the University. Details of penalties that can be imposed are available in the Ordinance of Student Discipline—Part 3 Academic Misconduct, see <http://www.utas.edu.au/universitycouncil/legislation/ord9.pdf>

The University reserves the right to submit (or to require you to submit) assignments to online plagiarism detection software, and might then retain a copy of the assignment on its database for the purpose of future plagiarism checking.

Occupational health and safety (OH&S)

The University is committed to providing a safe and secure teaching and learning environment. In addition to specific requirements of this unit you should refer to the University's policy at: http://www.admin.utas.edu.au/hr/ohs/pol_proc/ohs.pdf

Workshop Program

Workshops are held from 2.00pm to 5.00pm.

PART 1: UNDERSTANDING SERVICE PRODUCTS, CONSUMERS, AND MARKETS

Workshop 1 – Monday 10 December: Introduction to Services Marketing & Frameworks for Understanding Services

Introduction to Services Marketing

- Read Chapter 1, “New Perspectives on Marketing in the Service Economy” (pp.1-31).
- Read Note on Studying and Learning from Cases.
- Read: Nick Wingfield, “*In a Dizzying World, One Way to Keep Up: Rent Possessions*” (pp. 64-65).
- Review questions 2, 3, 6 and 9 (pp. 29-30) and questions 7 and 8 (pp. 61).

The Service Encounter

- Read Chapter 2, “Consumer Behavior in Service Encounters” (pp. 32-63).
- Prepare Susan Munro case (pp. 492-493).

PART 2: BUILDING THE SERVICE MODEL

Workshop 2 – Tuesday 11 December: Developing the Service Concepts

- Read Chapter 3, “Developing Service Concepts: Core and Supplementary Elements” (pp. 68-97).
- Read Berry et al, “*Creating New Markets Through Service Innovation*” (pp. 478).
- Complete Application Exercise 2 (pp. 96).
- Prepare Aussie Pooch Mobile case (pp. 520-531).

- Preparation for Case Presentation.

Workshop 3 – Wednesday 12 December: Managing Customer Relationships & Developing Loyalty Programs; Distributing Services

- Read Chapter 12, “Managing Relationships and Building Loyalty” (pp. 358-389).
- Read Diane Brady, “*Why Service Stinks*” (pp. 471).
- Prepare Dr Mahalee Goes to London case (pp.495-497).

- Read Chapter 4, “Distributing Services Through Physical and Electronic Channels” (pp. 98-123).
- Read Berry et al, “*Creating New Markets Through Service Innovation*” (pp. 478).

Workshop 4 – Thursday 13 December: Service Pricing & Communications and Branding Services

- Read Chapter 5, “Exploring Business Models: Pricing and Revenue Management” (pp. 124-153).
- Prepare review question 3 and application exercises 3 and 5; bring your work to class (pp. 152).
- Read Kimes and Chase, “*The Strategic Levers of Yield Management*” (pp. 211).

- Read Chapter 6, “Educating Customers and Promoting the Value Proposition” (pp. 154-183).
- Bring to class examples of recent service advertising or promotions that strike you as especially effective or ineffective; include some ads that seek to educate customers, not just persuade them. Be prepared to present and discuss.
- Prepare Jollibee Food Corporation case (pp. 532-539).

Workshop 5 – 14 December: In Class Test & Positioning Services in Competitive Markets

- In class test 1 (45 minutes) covering workshops 1–4.
- Read Chapter 7, “Positioning Services In Competitive Markets” (pp. 184-205).
- Read Roberts “Defensive Marketing: How a strong incumbent can protect its position” (pp. 225).
- Prepare Giordano case (pp. 511-519).

PART 3: MANAGING THE SERVICE DELIVERY PROCESS

Workshop 6 – 14 January: Service Blueprinting & the Customer as Co-Producer

- Read Chapter 8, “Designing and Managing Service Processes” (pp. 232-259).
- Read Heracleous, Wirtz and Johnson, “Kung-fu Service Development at Singapore Airlines” (pp. 342).
- Prepare review questions 6 and 7, application exercises 4 or 5 (pp. 275).
- Prepare Dr Beckett’s Dental Office case (pp.495-497).

Workshop 7 – 15 January: Balancing Demand and Capacity & Crafting the Service Environment

- Read Chapter 9, “Balancing Demand and Capacity” (pp. 260-287).
- Read Gilson and Khandelwal, “Getting More from Call Centers” (pp. 346).
- Prepare review question 6 (pp. 286).
- Prepare application exercises 2 and 3 (pp. 286).
- Read Chapter 10, “Planning the Service Environment” (pp. 288-309).
- Read Haeckel, Carbone, and Berry, “How to Lead the Service Experience” (pp. 352).
- Prepare Accra Beach Hotel case (pp. 540-544).
- Prepare review questions and application exercises 2 and 3 (pp. 308).

Workshop 8 – 16 January: Managing People for Service Advantage

- In class test 2 (30 minutes) covering workshops 5–8.
- Read Chapter 11, “Managing People for Service Advantage” (pp. 310-341).
- Read Gilson and Khandelwal, “Getting More from Call Centers” (pp. 346).
- Prepare Menton Bank case (pp. 569-576).
- Prepare two or more review questions (to be selected) and application exercises 1 and 2 (pp. 339).

PART 4: IMPLEMENTING SERVICES MARKETING

Workshop 9 – 17 February: Complaint Handling and Service Recovery

- Read Chapter 13, “Achieving Service Recovery and Obtaining Customer Feedback” (pp. 390-415).
- Read Reichheld, “The one number you need to grow” (pp. 485).
- Prepare responses to review questions 4 and 5, application exercise 1 (pp. 412).
- Case Presentations.

Workshop 10 – 18 February: Service Quality & Productivity

- Read Chapter 14, “Improving Service Quality and Productivity” (pp. 416-445).
- Read Diane Brady, “Why Service Stinks” (pp. 471).
- Prepare responses to review questions 5, 6 and 7, application exercise 5 (pp. 442).
- Case Presentations.

In Class Tests

Test 1

Due Date: Friday, 14 December 2007

Length: 45 minutes

Value: 20 marks

A series of multiple choice and short answer questions covering workshops 1 to 4 (i.e. chapters 1 to 6 and 12).

Test 2

Due Date: Wednesday, 16 January 2008

Length: 30 minutes

Value: 15 marks

A series of multiple choice and short answer questions covering workshops 5 to 7 (i.e. chapters 7 to 10).

Case Presentation

Due Date: Thursday/Friday, 17/18 January 2008

Length: 30 minutes for individual presentation and discussion, or 45 minutes for pairs.

Value: 20 marks

The Task

Select a service organisation after discussion with your lecturer and then observe, analyse, evaluate and report on their manner of service design and delivery, and offer suggestions as to ways by which the place and manner of service delivery might be improved or enhanced. The service delivery may be a web-based and/or a place-based organisation.

Depending on the class numbers this will be either an individual or pairs assessment. The presentation should be structured to be a learning exercise for the whole class and include material such as handouts that could serve as a learning aid and as review. You should allow at least five minutes of your allotted time for discussions with the class but you may choose to do this during the presentation. The main driver for the presentation is **your observation** of the service delivery process and how well you explain the observed behaviours and attitudes in the servicescape in terms of theory and models. As in the course itself, examples should be used to elucidate the theory-practice link, and you will not score well in the presentation without making this link. Presentations will not score well if they present just a basic synopsis of the appropriate chapters from Lovelock and Wirtz (2007). In the presentation you should cover areas such as the 'moments of truth' - that is, the critical points in the service delivery process that are likely to have a significant bearing on customers' perceptions and sense of satisfaction. Why are these likely to be critical points? How would you go about managing these? How are these attended to in the extended marketing mix? What theories underlie these approaches?

Major Assignment

Due Date: Monday, 4 February 2008, 2:00pm

Length: 3000 words maximum

Value: 45 marks

Using the knowledge and understanding you have developed during the unit, critically analyse and evaluate Wotif.com's approach to services marketing. Evaluate the company's approach to aspects of services marketing that give it a competitive advantage. There is NO one approach to this assignment but students are expected to show their evaluation and critical abilities in terms of linking theory with practice.

The essay is expected to be more academically based than the case presentation, focusing on a review of the extant literature and current work on the marketing and management of services, i.e. it takes a 'big picture' view of services marketing and whether Wotif.com operates within a best practice services marketing approach. It must have a carefully constructed argument to be read by an intelligent reader who has some understanding of the area. The driver for the essay is to demonstrate an understanding of the concepts and models underpinning services marketing as a discipline, using Wotif.com to provide the majority of theory-practice linkage examples.

Workshop Schedule

Semester 3, 2008

Workshop	Date	Topic	Text Chapter	Assignment Due Dates	
1 Monday	10 December 2007	Introduction to Services Marketing Frameworks for Understanding Services	1 2	In class Test 1	
2 Tuesday	11 December 2007	Developing the Service Concepts	3		
3 Wednesday	12 December 2007	Managing Customer Relationships and Developing Loyalty Programs Distributing Services	12 4		
4 Thursday	13 December 2007	Service Pricing Communications and Branding Services	5 6		
5 Friday	14 December 2007	Positioning Services in Competitive Markets CHRISTMAS – NEW YEAR BREAK	7		
6 Monday	14 January 2008	Service Blueprinting and the Customer as Co-Producer	8		
7 Tuesday	15 January 2008	Balancing Demand and Capacity Crafting the Service Environment	9 10		
8 Wednesday	16 January 2008	Managing People for Service Advantage	11		In class Test 2
9 Thursday	17 January 2008	Complaint Handling and Service Recovery	13		Case Presentations 1
10 Friday	18 January 2008	Service Quality and Productivity and Concluding Session	14		Case Presentations 2
				Major Assignment due 4 February 2008	