

King Saud University
College of Business Administration
Marketing Department



Services Marketing
MKT 452
2012-2013- 2d semester

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Nature of the course

Service Marketing & Management is an elective and assumes that the student has taken the Core Marketing classes. It focuses on how the marketing of services is different than the fundamental 4Ps approach to marketing.

Service Marketing course focuses on managing and delivering service excellence. The attraction, retention, and building of strong customer relationships through quality service and services are at the heart of the course content. The basic concepts covered in the course include: the difference between marketing services versus products; the role of the service encounter; the key drivers of service quality; the customer's role in service creation; service design and innovation; going beyond service to create customer experiences; technology's impact on services; managing customer service expectations; and customer service metrics.

The course is equally applicable to organizations whose core product is service (e.g., banks, transportation companies, hotels, hospitals, educational institutions, professional services, telecommunication, etc.) and to organizations that depend on service excellence for competitive advantage (e.g., high technology manufacturers, automotive, industrial products, etc.).

Objective of the Course

The objective of this course is to introduce students to the concepts and techniques of service marketing. The course is designed to cover all-important aspects of marketing of services, increase students understanding of marketing practices and strategies as applied in the service sector. Although all major aspects of services marketing are covered, the course is designed with the needs of marketers of financial services in mind.

Course Objectives

Upon successful completion of this class, course participants will have a working knowledge of the following:

1. To understand the unique challenges involved in marketing services;

2. To identify differences between marketing in service versus manufacturing organizations and to understand how "service" can be a competitive advantage;
3. To identify and analyze the various components of the "services marketing mix" (the 7 P's);
4. To appreciate the role of employees and customers in service delivery, customer satisfaction, and service recovery;
5. To refine workplace skills through active learning activities and other classroom exercises; and
6. To become better services marketer and service consumers.

Class Policies

1. The instructor reserves the right to modify any of the material in the Syllabus and Class Schedule with sufficient notice given to course participants.
2. Come to each class well prepared to be able to discuss the required readings and assigned cases and assignments in detail.
3. Each student is responsible for obtaining all handouts, announcements, and schedule changes.
4. Actively participate in lectures and assignment as much of the learning will come from discussions during class.
5. Important class announcements may be communicated by e-mail. **You** are responsible for checking your e-mail account regularly.
6. Do not come late for class.
7. Switch off your cell phone during class.
8. Do not talk while fellow students are presenting or asking questions.
9. Respect everyone's opinion.
10. There are no provisions for make-up exams or extra credit.

Course Text Book

Services Marketing: People, Technology, Strategy, Seventh Edition by Christopher Lovelock and Jochen Wirtz.

Additional Readings

1. **The Art of Managing Professional Services: Insights from Leaders of the World's Top Firms** by Maureen Broderick (Oct 1, 2012).
2. **Marketing Professional Services** Revised by Philip Kotler, Thomas Hayes and Paul N. Bloom.

Course Evaluation

Individual Assignments & presentation.....	10%
Participation.....	5%
Case Analysis & Case Critique.....	5%
Group assignment & presentation	10%
Two Exams.....	30%
Final Exam.....	40%
Total	100%

Assignments

Objectives for Assignments

An underlying assumption of the services marketing course is that students learn best and retain more when they actively apply and work with the concepts presented in the course materials rather than simply read about them or hear the professor talk about the ideas. The purpose of these assignments is for you to apply concepts and tools learned in class to real situations. In general, each of the assignments will be graded according to the following criteria:

1. Evidence of understanding and ability to apply course concepts
2. Quality (depth, creativity, clarity) of analysis and expression.
3. Writing style, you will not receive extra credit for proper spelling, grammar, punctuation, etc., but will receive a poor evaluation of the assignment if these areas are found to be lacking.
4. The submission due dates.

Individual assignments

The purpose of this assignment is to understand and evaluate the individual skills and level of understanding of the course concepts for each student.

Assignment # 1: Company Complaint Letter Response Analysis

In order to complete this assignment, students will be expected to write a complaint letter to any company from whom the student has, in his/her opinion, received bad or at least less-than-satisfactory service during the first few weeks of the semester. The name and address of the appropriate person to whom to complain should be obtained (this may take some research!) and a formal letter of complaint written. All pertinent information (dates of service, names, account numbers, credit card numbers, etc.) should be included in the letter, as well as a description of the poor experience and, if appropriate, a suggested course of action the company could take to appropriately “recover” in this situation. That is, the resolution being sought from the company should be clear. (*Do not state in the letter that you are doing this as a class assignment.*) The letter should request a response from the organization and provide appropriate contact information for the student, including a mailing address, e-mail address, phone number (if

appropriate), and any other relevant information. To give the company a chance to respond by the end of the semester, the letter should be mailed to the company and a copy turned in to the instructor at the **first three weeks**.

After the firm has had sufficient time to respond to the complaint, students are to write a short **(5-7 pages, double-spaced)** paper that analyzes the firm's response to the situation.

The analysis paper should include all of the following elements:

(1) Introduction

- a. A (brief) description of what led to the complaint.
- b. The resolution being sought (what you *wanted* the firm to do in response to the complaint).
- c. What and how quickly the firm was *expected* to do in response to the complaint?

(2) Firm Response

If the firm did respond, the student should (a) describe what the response was, (b) discuss the adequacy of the firm's response (in your opinion as a consumer), (c) and provide three reasons why you believe they responded in the manner they did. (d) What could the firm have done *better to delight* you?

If the firm did not respond, the student should (a) discuss at least three realistic reasons why you think you did not receive a response (reasons like "the letter may have gotten lost in the mail" are not acceptable), (b) write a letter to yourself (on behalf of the company), on a separate sheet of paper and included as an appendix, that addresses what you believe the firm *should* have done, and (c) discuss why this letter would be an adequate response. (Note: What they *should* have done may not be exactly what you expected or wanted them to do.)

(3) Discussion

A. Discuss the effect that registering the complaint online might have had on influencing the firm's response. (That is, if you did register a complaint online, do you think it made any difference in the response? If you did not register the complaint online, what difference do you think it would have made?)

B. Address how you now feel toward the organization.

C. Conclude the paper with some final thoughts, including a discussion of:

1. Your perspective on the statement "The customer who complains is the firm's friend,"
2. What you learned from this experience, and
3. How you will apply what you learned as you enter the business world.

(4) Appendix

As an Appendix to the paper, students should also include:

A. the *original copy of your letter* to the firm you submitted to the firm (that is, the copy given to the instructor) earlier in the semester,

B. a *copy of the response letter* from the firm and any *other correspondence* (e.g., gift certificate, post card, or e-mail message) if there is any, and

C. a brief description of any other response from the firm related to your letter (response by telephone, E-mail, or any other form). If there is no response, just include your letter and a note that there was no response of any kind.

Students are expected to use (and clearly label) *services marketing concepts* throughout your discussion to demonstrate an understanding of these concepts, as this is the primary purpose of this assignment. Concise, clear writing in both your letter and your paper is expected.

Due Date

Your analysis of the company's response to your complaint, which *should include the copy of the letter originally submitted to the instructor as an Appendix*, is due at the beginning of class on **20/6/1434 – 30/4/2013**.

Assignment # 2: service article

Find **ONE article** on services marketing which is of particular relevance to any service organisation and use it to make brief recommendations about how your chosen service might be improved. Your paper should demonstrate an understanding of the concepts/models and the article chosen (including their potential limitations) and an ability to apply them to your service organisation.

Due date

Your analysis of the article to the selected organization **21/5/1434 - 2/4/2013**

Case Analysis & Case critique

One case analysis & critique with presentation. The cases are found in the text book, the instructor will assign one case to each group in the second lecture. A ten pages report maximum (12 point font, double-spaced) will be submitted in due date. The group in charge must submit their case report to me one week before the presentation.

- The case analysis /critique guidelines will be delivered to the students in the class.

Group assignment: Service Design

This group assignment gives you the opportunity to design a new service or redesign an existing service based on your newly acquired services marketing expertise and put together the marketing plans to launch the new service or make the redesign changes.

There are many things to consider and decisions to make when designing a new service:

1. You should describe which market segment(s) you want to target and how you want your service to be positioned relative to the competition. You should provide justification for why this service idea would be valued by your target and why your service will be able to serve the needs of this group better than competitors (this may require doing primary or

secondary research). Be sure that you **sufficiently investigate competitors that exist**. Please include a SWOT analysis.

2. The key components of your service and all of your tactic decisions (the 7 Ps) should then be based on the above marketing strategy.
3. In your plans, be sure to include a thorough description of the service and how it will work. In order to fully describe the processes involved, you should illustrate the service you have created (or redesigned) by developing a blueprint of your proposed new service. If you are redesigning an existing service, you should also include a blueprint of the original service.
4. You should use appropriate services marketing concepts to describe your service and your proposed marketing strategy.
5. You may not have all of the information that you would like at your disposal, especially if you are doing a technology-oriented or Web-based service. Do the best you can and be sure to explicitly state any assumptions you are making. If there is information that you cannot find but would want to obtain before starting the service such as additional consumer research, competitor information, cost information, technology capabilities, etc., be sure to specify that in your paper.
6. An executive summary that highlights the key aspects of your new service or redesign should also be included. Your paper will be evaluated based on the **quality** of your justification for the decisions you make about your service, your **consistency** in linking marketing strategy and tactic decisions, **the depth of knowledge** about services marketing you demonstrate based on your discussion of course concepts, **the level** of detail provided, **the quality of the writing**, and the **presentation**.

Your report should be typed and be a maximum of 12 pages. You may put the blueprint in an appendix as well as any other related materials that help support the decisions made in the report. There is no limit to the number of pages included in the appendices.

Due Dates:

- An abstract describing the basic idea for your new service is due **16/4/1434 – 26/2/2013**.
- The paper is due on **13/6/1434 – 23/4/2013**.

Exams Due Dates:

- **First Midterm 30/4/1434 – 12/3/2013**
- **Second Midterm 27/6/1434 – 7/5/2013**

All students are required to present their individual and group assignments

Content outline

In the service marketing course there are essential topics that should be covered; these topics are listed in the table below.

Week	Reading	Topic
1	Chapter # 1	New Perspectives on Marketing in the Service Economy
2	Chapter # 2	Consumer Behavior in a Services Context
3	Chapter # 3	Positioning Services in Competitive Markets
4	Chapter # 4	Developing Service Products: Core and Supplementary Elements
5	Chapter # 5	Distributing Services through Physical and Electronic Channels
6	Chapter # 6	Setting Prices and Implementing Revenue Management
7	Chapter # 7	Promoting Services and Educating Customers
8	Chapter # 8	Designing and Managing Service Processes
9	Chapter # 10	Crafting the Service Environment
10	Chapter # 11	Managing people for service advantage
11	Chapter # 12	Managing Relationships and Building Loyalty
12	Chapter # 13	Complaint Handling and Service Recovery
13	Chapter # 14	Improving Service Quality and Productivity
14	Revision	Overall Revision and Discussion

Good Luck