Faculty of Commerce and Economics
School of Marketing

MARK5816
SERVICES MARKETING

COURSE OUTLINE
SESSION 1, 2006
1. COURSE STAFF

Course co-ordinator: Professor Paul Patterson

Office: John Goodsell Bldg Room 304
Consultation times: Thursday 2-4pm or by appointment
Telephone: 9385-3385
Email: p.patterson@unsw.edu.au

Tutor: Ms Yu, Yi-Ting

1.1 Communication with Staff
If you need to meet with me outside my consultations hours, call and make an appointment. Alternatively feel free to email me and I will endeavour to get back to you as soon as I am able.

2. INFORMATION ABOUT THE COURSE

2.1 Teaching times and Locations
Lecture: Thursday 6.00 – 9.00 pm
Venue: CLB 6

Tutorials:
4.30pm MB G3
7.30 tba

2.2 Units of Credit
This course is worth 6 OC.

2.3 Relationship of this course to other course offerings
SERVICES (BOTH B2C & B2B) POSSESS A SET OF UNIQUE CHARACTERISTICS THAT REQUIRE A DISTINCTIVE APPROACH TO MARKETING STRATEGY - BOTH IN ITS DEVELOPMENT AND IMPLEMENTATION. THEREFORE WE BUILD UPON AND EXPAND THE MARKETING MANAGEMENT CONCEPTS AND MODELS COVERED IN OTHER MARKETING COURSES AND ADAPT THEM TO THE SERVICES SECTOR. FURTHERMORE, MANY ‘PRODUCT’ COMPANIES PROVIDE CONSIDERABLE VALUE ADDED BY INCLUDING SERVICE COMPONENTS TO THEIR PRODUCT OFFERINGS. HENCE A STUDY OF SERVICE MARKETS COMPLEMENTS THE WIDER ARRAY OF SUBJECTS TAUGHT IN THE MCOM MARKETING SPECIALISATION, AND THE MCOM IN GENERAL

2.4 Approach to learning and teaching
AS WELL AS THE LECTURE AND READING MATERIAL, THIS COURSE WILL DRAW UPON THE EXPERIENCE OF BOTH STUDENTS AND TEACHING STAFF TO PROVIDE PRACTICAL EXAMPLES OF THE MODELS AND CONCEPT. THIS WILL BE ACHIEVED BY ENGAGING STUDENTS IN CLASSROOM DISCUSSION, AND RUNNING SMALL GROUP SEMINARS AND CASE PRESENTATIONS. THE DIVERSE CULTURAL MIX OF STUDENTS WILL BE USED TO PROVIDE PRACTICAL EXAMPLES OF HOW CULTURE IMPACTS ON A RANGE OF CUSTOMER SERVICE ISSUES. ASSIGNMENTS AND CASE PRESENTATIONS WILL BE
3. COURSE AIMS AND OUTCOMES

3.1 Course Aims
Business schools have traditionally focused on the manufacturing sector of the economy, and fast moving consumer goods in particular. In 2005 however, the dominant force in most world economies today (S-E Asia as well as Australia and other developed nations) are service industries.

As consumers, we purchase services every day – be they retail banking, using a supermarket or restaurant, a holiday, medical services, transportation, immigration consultants, travel agents or hairdressing (higher education is also a service!). Professional services (of a B2B or B2C nature) are also prominent – e.g., legal services, financial planning, accountancy, architects, management consultancy, financial services, information technology, market research, and engineering services. Experiential services (tourism, sport, theatre) are also growing. Many product-based organisations (e.g., IBM, Federal Express) also have a strong service component.

A central theme of the course is that services (both commercial B2C & B2B, and not-for-profit) possess a set of unique characteristics that require a distinctive approach to marketing strategy - both in its development and execution. This is not to say that the approach is unique, but rather distinctive. Therefore we build upon and expand the marketing management concepts and models and adapt them to the services sector. We will use marketing to examine how to improve service quality, increase and maintain customer satisfaction levels, generate customer loyalty, and create a healthy service culture within the firm. In services we discuss the 7 Ps of the ‘Services Marketing Mix’ (the traditional 4 Ps plus people, processes, and physical evidence). Since many services have a strong people or employee component (the fifth “p” of the marketing mix), we devote time to examining successful internal marketing and relationship management, in addition to the more traditional customer-focused external marketing.

Further the more general aim is:

- To inform you about the best current thinking on services marketing and management, through contemporary readings, current case analysis, guest speakers, and lectures.
- To sensitise you to services operations, service quality, and other elements of the services which customers and service providers experience.
- To immerse you in the services issues facing a particular service firm, so that you can apply your knowledge & skills in analysis and problem-solving.

Hopefully you will emerge from this course as a more knowledgeable services manager and/or consultant, a more demanding service consumer, and a more considerate and customer-aware service provider. You may even have a very enjoyable time in the process!
3.2 Student Learning Outcomes

At the completion of this course students should be able to:

1. Demonstrate and explain how the characteristics of service products differ from tangible goods, and how this impacts on design and execution of marketing strategies for services.
2. Explain the overlap of marketing with operations management and human resource systems in the successful design and management of service organisations.
3. Describe and discuss a typology of service types and the implications for strategy development.
4. Describe the problems faced by service marketing professionals as well as tools and models managers might employ to increase customer (client) perceptions of satisfaction, service quality and value.
5. Apply the 7 P's of the services marketing mix to develop a positioning strategy for any service organisation.

3.3 Teaching Strategies

This course will be conducted on a discussion and lecture basis, with the occasional guest speaker from industry. Importantly it will draw upon the experience of both students and lecturer, via classroom discussion, to provide relevance via real world examples of concepts and models. Small group seminars will be used so that students have an opportunity to further engage with their peers and to improve their presentation skills by case presentations. Another important element is the discussion within the framework of assigned readings and up-to-date case studies both in Australia and the Asian region. Finally the major project, a service diary, will allow students to draw on their everyday experiences to see how the various services concepts and theories can be applied.

It is your responsibility to study the reading assignments prior to class in order that you may contribute, participate intelligently and thus gain maximum value from the course.

- The lectures will primarily summarise and synthesise the key points in the chapters and readings and to explain and/or elaborate upon the more difficult principles. Furthermore the lectures will be used to provide real world examples and managerial implications of theories, concepts and models.
- The seminars/tutorials will be primarily used for case study presentations of service organisations, practical projects and discussion of assigned readings to reinforce concepts.

4. STUDENT RESPONSIBILITIES AND CONDUCT

4.1 Workload

Refer to the School’s website.

4.2 Attendance
Your regular and punctual attendance at lectures and seminars is expected in this course. University regulations indicate that if students attend less than eighty per cent of scheduled classes they may be refused final assessment.

4.3 General Conduct and Behaviour
You are expected to conduct yourself with consideration and respect for the needs of your fellow students and teaching staff. Conduct which unduly disrupts or interferes with a class, such as ringing or talking on mobile phones, is not acceptable and students may be asked to leave the class. More information on student conduct is available at: www.my.unsw.edu.au

5. LEARNING ASSESSMENT

5.1 Formal Requirements
In order to pass this course, you must:
- perform satisfactorily in all assessment tasks
- achieve a composite mark of at least 50; and
- gain at least 50% of the allocated marks in the final exam.

5.2 Assessment Details

<table>
<thead>
<tr>
<th>Assessment Component</th>
<th>Component Weighting</th>
<th>Date Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final Exam</td>
<td>50%</td>
<td>In formal exam period</td>
</tr>
<tr>
<td>Assignment (Service encounter Diary)</td>
<td>20%</td>
<td>3 May</td>
</tr>
<tr>
<td>Case (group) Presentation</td>
<td>20%</td>
<td>Throughout session</td>
</tr>
<tr>
<td>Participation</td>
<td>10%</td>
<td>Throughout session</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td></td>
</tr>
</tbody>
</table>

These assessments are designed to, collectively, test your:
- understanding of the concepts and theories,
- ability to relate them to real managerial issues and problems,
- ability to examine issues in a cross cultural framework,
- presentation skills

(1) Assignment - Service Encounter Diary (Due 3 May; worth 20%)

You are to document your experiences with an extended service encounter - i.e., describe what happened, and how you felt. This extended service encounter might, for example, be an 8 hour flight from say Jakarta or Bangkok to Sydney; an extended stay in hospital; a series of visits to a bank to get a housing loan, an overnight (or longer) stay in a hotel, or it might be a series of transactions with a business service provider (architect, accountant, consultant). The encounters might be in Australia or in your home country (if an overseas student). Each of
these examples involves multiple 'service encounters'. Refer to the Appendix to this course outline for an example.

The Service Encounter Diary is designed to help you understand customer expectations, and why as consumers we are sometimes satisfied or dissatisfied with the service experience. By recording and analysing your own experiences, particularly in reference to the theories, tools and techniques of services marketing, you should begin to discover what is truly needed to satisfy a customer.

You are required:

1. To document what happened at each service encounter and how you felt. You are also required to give a satisfaction rating, a value for money rating and whether you would recommend this service provider to a close friend or family member (all using 5 point scales). This should not exceed three (3) pages. A sample is shown in Appendix 1.

2. To analyse your overall (dis)satisfaction, quality and value judgements about the service provided in terms of services theory and concepts. Based on this analysis make a series of recommendations for improvement (please use bullet point for and keep it to a maximum half page) or if your experience was a very satisfying one, then indicate what lessons are there for other service organisations. This analysis phase must not exceed five (5) typed pages.

Assignment Format:
Your report should be typed in double spacing, 12 point font and should contain appropriate headings and an appropriately annotated bibliography (4-6 different references).

Note 1: It is your responsibility to keep a written copy of your assignment.

(2) Case Study Presentation. (worth 10%)

You are to make an in-class presentation (as part of a group) of a case study. No writing is required - merely the presentation. You will however be expected to supply me with copies of any handouts/overheads for evaluation. All group members must participate in the presentation process.

Presentation Time: 25 - 30 minutes, with 10 minutes for questions. A copy of the Evaluation Criteria is contained on the following page.

The key criteria for a good PowerPoint presentation are:
- Engage your audience with eye contact and the spoken word. PowerPoint only supports your words.
- Don't over-complicate your slides with too much information.
- Keep it relatively simple.
- Minimise number of slides
- Don’t simply read the PowerPoint.

The Presentation Schedule can be found later in this Course Schedule
EVALUATION CRITERIA for CASE PRESENTATION

1. Identification of Case Issues 1..........................10
   *Case issues accurately and completely identified?
   *Relative importance of issues described?
   *Adequate background information provided?

2. Case Issues Effectively Addressed 1..........................10
   Using Services Concepts/Frameworks
   *Services marketing concepts integrated with case analysis
   *Options for resolving the case issues identified?
   *Rationale provided for choosing an option(s)? or
   *Appropriate external material presented?

3. Presentation 1..........................10
   *Well-organised and presented?
   *Appropriate and effective use of exhibits and visual aids?
   *Convincing and interesting?

4. Audience Involvement 1..........................10
   *Effectively encouraged audience involvement?
   *Presentation tailored to target audience?

5. General Creativity in arriving at a solution 1..........................10

CASE:__________________________________

TEAM:_______________________________________________________________

MARK:_________________________
(3) Participation/Weekly Course Discussion. (worth 10%)

My expectations are that this class is a standing business appointment and your presence is required.

In basic marketing, you learned about the 4 'Ps' of Marketing Management, these being Product, Price, Promotion and Place. There are four equally important 4 'Ps' of student involvement in case and assigned reading discussion. These are:

- **Preparation.** If the student does not read and analyse the case, and then formulate an action plan, the case discussion will mean little.

- **Presence.** If the student is not present, she or he cannot learn and, more importantly, cannot add her or his unique thoughts and insight to the group discussion.

- **Promptness.** Students who enter the classroom late disrupt the discussion and depreciate the decorum of the process.

- **Participation.** Each student's learning is best facilitated by regular participation. More important, the student has the responsibility to share his or her understanding and judgement with the class to advance the group's collective skills and knowledge.

5.3 Assignment Submission Procedure

Assignments are to be handed in to the lecturer in charge in class on the due date.

5.4 Late Submission

See School website

5.6 Assignment Format

*Information about assignment format - this information can be contained within individual course outlines, alternatively the School may wish to develop standard guidelines, which are available on the School website and referred to in course outlines.*

Your report should be typed in double spacing, 12 point font and should contain appropriate headings throughout and an appropriately annotated bibliography (4 - 6 references).

6. Academic Honesty and Plagiarism

*[This section must remain in all course outlines, in unaltered form]*

The University regards plagiarism as a form of academic misconduct, and has very strict rules regarding plagiarism. For full information regarding policies, penalties and information to help you avoid plagiarism see:

www.my.unsw.edu.au/student/atoz/Plagiarism
Plagiarism is the presentation of the thoughts or work of another as one’s own.*  Examples include:

- direct duplication of the thoughts or work of another, including by copying work, or knowingly permitting it to be copied. This includes copying material, ideas or concepts from a book, article, report or other written document (whether published or unpublished), composition, artwork, design, drawing, circuitry, computer program or software, website, Internet, other electronic resource, or another person’s assignment without appropriate acknowledgement;
- paraphrasing another person’s work with very minor changes keeping the meaning, form and/or progression of ideas of the original;
- piecing together sections of the work of others into a new whole;
- presenting an assessment item as independent work when it has been produced in whole or part in collusion with other people, for example, another student or a tutor; and,
- claiming credit for a proportion a work contributed to a group assessment item that is greater than that actually contributed.†

Submitting an assessment item that has already been submitted for academic credit elsewhere may also be considered plagiarism.

The inclusion of the thoughts or work of another with attribution appropriate to the academic discipline does not amount to plagiarism.

Students are reminded of their Rights and Responsibilities in respect of plagiarism, as set out in the University Undergraduate and Postgraduate Handbooks, and are encouraged to seek advice from academic staff whenever necessary to ensure they avoid plagiarism in all its forms.

The Learning Centre website is the central University online resource for staff and student information on plagiarism and academic honesty. It can be located at:

www.lc.unsw.edu.au/plagiarism

The Learning Centre also provides substantial educational written materials, workshops, and tutorials to aid students, for example, in:

- correct referencing practices;
- paraphrasing, summarising, essay writing, and time management;
- appropriate use of, and attribution for, a range of materials including text, images, formulae and concepts.

Individual assistance is available on request from The Learning Centre.

Students are also reminded that careful time management is an important part of study and one of the identified causes of plagiarism is poor time management. Students should allow sufficient time for research, drafting, and the proper referencing of sources in preparing all assessment items.

* Based on that proposed to the University of Newcastle by the St James Ethics Centre. Used with kind permission from the University of Newcastle
† Adapted with kind permission from the University of Melbourne.

7. STUDENT RESOURCES
7.1 Course Resources

Prescribed text availability (in bookshop, UNSW library, MyCourse)


A package of Readings is also required. availability (in bookshop, UNSW library, MyCourse)

Additional Reference Material. (UNSW library)


Journals

- Harvard Business Review
- European Journal of Marketing
- International Journal of Service Industry Management
- Journal of the Academy of Marketing Science
- Journal of Management Consulting
- Journal of Marketing
- Journal of Professional Services Marketing
- Journal of Retailing
- Journal of Service Marketing
- Journal of Services Research
- Services Industry Journal
- Sloan Management Review

- Recommended Internet sites – refer to each chapter in textbook.
7.2 Other Resources, Support and Information

The University and the Faculty provide a wide range of support services for students, including:

- Learning and study support;
- Counselling support;
- Library training and support services;
- Disability support services;

In addition, it is important that all students are familiar with University and Faculty policies and procedures in relation to such issues as:

- Examination procedures and advice concerning illness or misadventure;
- Supplementary Examinations;
- Occupational Health and Safety policies and expectations;

For information and links relating to the above services, please see [note School web pages where this information is presented]

8. Continual Course Improvement

Each year feedback is sought from students and other stakeholders about the courses offered in the School and continual improvements are made based on this feedback. UNSW’s Course and Teaching Evaluation and Improvement (CATEI) Process (http://www.ltu.unsw.edu.au/ref4-5-1_catei_process.cfm) is one of the ways in which student evaluative feedback is gathered. Significant changes to courses and programs within the School are communicated to subsequent cohorts of students.
### 9. COURSE SCHEDULE

#### (A) Lecture Schedule

<table>
<thead>
<tr>
<th>Lecture #, Date</th>
<th>Topic</th>
<th>Readings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Tues, 28 Feb</td>
<td>Introduction to marketing in the services sector</td>
<td></td>
</tr>
<tr>
<td>2. 7 Mar</td>
<td>Distinctive aspects of service products</td>
<td>LPW Ch.1; Grove, Fisk &amp; John Reading #1 in text book.</td>
</tr>
<tr>
<td>3. 14 Mar</td>
<td>Service processes &amp; a typology of service types</td>
<td>Ch.2: Heskett et al, Reading #3, &amp; Haeckel et al. #5 in LPW.</td>
</tr>
<tr>
<td>4. 21 Mar</td>
<td>Consumer behaviour in service settings</td>
<td>Ch.3: Bitner et al (#3)</td>
</tr>
<tr>
<td>5. 28 March</td>
<td>Customer satisfaction &amp; service quality</td>
<td>Ch.4: Brady article #2, &amp; Beck article (#6) in LPW</td>
</tr>
<tr>
<td>6. 4 Apr</td>
<td>Customer satisfaction &amp; service quality</td>
<td>Appendix to Ch.4: Hart &amp; Johnson article (#8)</td>
</tr>
<tr>
<td>7. 11 Apr</td>
<td>Managing customer relationships</td>
<td>Ch 6: Fournier et al (Attachment 1)</td>
</tr>
<tr>
<td></td>
<td><strong>Mid session break</strong></td>
<td></td>
</tr>
<tr>
<td>8. 25 Apr</td>
<td>Target marketing &amp; positioning strategy</td>
<td>Ch.7: Shostack article (#7)</td>
</tr>
<tr>
<td>9. 2 May</td>
<td>Tools for service managers: Product &amp; branding strategy</td>
<td>Ch. 8: Berry article (#11)</td>
</tr>
<tr>
<td></td>
<td><strong>Assignment due</strong></td>
<td></td>
</tr>
<tr>
<td>10. 9 May</td>
<td>The impact of information technology &amp; Service delivery</td>
<td>Ch. 9: Bowen &amp; Lawler (Attachment 2)</td>
</tr>
<tr>
<td>11. 16 May</td>
<td>Consumer complaining behaviour &amp; service recovery</td>
<td>Ch 5</td>
</tr>
<tr>
<td>12. 23 May</td>
<td>Pricing strategy: managing demand</td>
<td>Ch. 10 &amp; 11: Wirtz et al (Attachment 3)</td>
</tr>
<tr>
<td>13. 30 May</td>
<td>Communications strategies &amp; managing the customer service function</td>
<td>Ch. 12, 13: Legg &amp; Baker article (#10)</td>
</tr>
<tr>
<td>14. 6 June</td>
<td>Internationalization of services: course revision</td>
<td>Ch. 14</td>
</tr>
</tbody>
</table>

Note: LPW = Lovelock, Patterson and Walker text (3rd edition)
### (B) Tutorial/Presentation Schedule

<table>
<thead>
<tr>
<th>Week</th>
<th>Presentation Topic</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(28 Feb)</td>
<td>No Tutorial or Presentation</td>
</tr>
<tr>
<td>2</td>
<td>Discussion of readings</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Kiwi Experience</td>
<td></td>
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<tr>
<td></td>
<td>(Case 1 in LPW textbook) Q: 1-4</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Discussion of readings</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>(A) An Incident in the babies room</td>
<td>There will be 2 presentations this week.</td>
</tr>
<tr>
<td></td>
<td>(Case 13 in LPW) Q: 1-6</td>
<td></td>
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<tr>
<td></td>
<td>(B) Debate “Are Services Really Different?”</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Feedback quiz</td>
<td>No Tutorials or Presentation</td>
</tr>
<tr>
<td>7</td>
<td>(A) Bringing a Client Focus to Austrade Bangkok</td>
<td>There will be 2 presentations this week.</td>
</tr>
<tr>
<td></td>
<td>(Case in LPW) Q: What lesson can other international services marketers learn from this case?</td>
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</tr>
<tr>
<td></td>
<td>(B) A cross cultural assignment (see Prof Patterson)</td>
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<tr>
<td></td>
<td>Mid session Break</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Perth Zoo (Case in LPW) Q: 1,2,3,5,6,7</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Discussion of Readings</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>(A) Aussie Pooch Mobile (Case in LPW) Q: 1,2,4,5</td>
<td>There will be 2 presentations this week.</td>
</tr>
<tr>
<td></td>
<td>(B) Stockbroking in Cyberspace (Case in LPW)</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Giordano (Case in LPW) Q: 2-6</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td></td>
<td>No Tutorials or Presentation</td>
</tr>
<tr>
<td>13</td>
<td>Longstay in Thailand (Case in LPW) Q: 1 &amp; 2</td>
<td></td>
</tr>
<tr>
<td>14.</td>
<td>(7 June)</td>
<td>No Tutorials or Presentation</td>
</tr>
</tbody>
</table>