

Florida State University
Department of Marketing

MAR4841 SERVICES MARKETING

Fall 2009

The Instructor

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Course Overture

“Service marketers are in need of concepts and priorities that are relevant to their experience and needs. Marketing, however, is overwhelmingly product oriented.”
- G. Lynn Shostack, 1977

Course Description

Approximately 80% of the U.S. GDP and 82% of employment are derived from services industries. This service orientation is even more pronounced in Florida where tourism dominates the economy. Nearly all of the new job growth in this country is in services companies and 45% of a typical family’s budget is spent on services. Moreover, it might surprise you that even historically product-dominant firms are now turning into service companies; for example, more than 40% of IBM’s revenues and 75% of GE’s profits are derived from services. Finally, if you believe what they say about the oldest profession, then a service was the first occupation! Why is it then that marketers only started considering service companies distinct entities in the late 1970s? Serious research in service industries didn’t start until the mid-1980s. The result is that both academics and practitioners still have a lot to learn about services phenomena. This course is designed to address this problem.

In this class, you will be exposed to a new way of thinking about marketing. No longer are manufacturing processes, defects per one-thousand, or logistics paramount. Services are different. We will discuss how they are different, why they are different, and what strategies result from these distinctions. We will cover why people are essential to service success, why expectations are important to service consumers, how the physical environment influences service delivery, and how services firms should recover from failure. You will also learn how quality is evaluated in service firms, why value is an essential deliverable, and what role loyalty has on the bottom line. In essence, we will look at marketing through a different lens.

Course Objectives:

- ✓ To appreciate the differences between services and physical goods and to understand how these differences translate into strategic direction.
- ✓ To understand what quality means in service delivery and how perceptions of service quality are developed by customers.
- ✓ To provide you with an understanding of how service customers determine value in a service exchange and how this translates into a satisfied customer base.
- ✓ To learn about the role of physical evidence in service delivery and what constitutes an effective service environment.
- ✓ To provide you with the knowledge necessary to manage the human constituents in service delivery.
- ✓ To appreciate the ramifications of service failure and the benefits of service recovery strategies.
- ✓ To understand the importance of keeping good current customers and finding good future customers.

Course Content

Class will consist of a combination of lectures, case studies, and participative discussions/activities. The recommended text will provide the general framework for material to be covered in class. However, additional material will be presented in class that the student will be required to master. To be successful in this class, students must attend classes, read assigned sections, and participate in class discussions.

Class Atmosphere

Please feel free to ask questions and share experiences in class. This will make learning the material easier for everyone. I ask that you treat our classroom meetings as you would a professional meeting. This means that you are free to make comments and ask questions, but always treat others in the class with respect.

Course Materials

- **Cases:** Are included in the textbook and most can be downloaded for a fee from Harvard Business School Publishing (www.hbsp.com)
- **Textbook:** Services Marketing, 5th Edition by Zeithaml, Bitner, and Gremler

Evaluation Procedure

Grades in this course will be based on the following components:

First Exam	35%	Class Participation	5%
Final Exam	30%	Quizzes	5%
Group Project or Case	25%		

Course Components

The information below provides some preliminary details on the critical course components. As the semester gets underway, more information on each component will be provided to the students.

- **Exams:** There will be two exams in this class. Exam 1 will cover the topics discussed in the first half of the course. Exam 2 topics will focus on the issues discussed since Exam 1, but students are expected to integrate concepts from the entire course. The exams consist of multiple choice questions; however, make-up exams may consist of a mix of short answers and essays.
- **Group Project:** The group project is to be completed by teams of four or five students. Your group will be assigned a service industry, and your job is to identify two service providers within that industry. The first is to be a very successful service firm – one for which you can document quality service and a customer orientation. The other is just the opposite. Your job is to compare and contrast the service strategies employed (or lack thereof) by the two firms, and the customers’ reactions to these strategies. I recommend starting with a description of the industry as a whole (i.e., size, primary players, number of firms, etc.), and then moving to the specific firms. This will require a lot of digging, so I suggest you start early and become familiar with the many databases at your disposal. I will help in this regard, but there’s no substitute for persistence. Note: you will need to support your findings with research (i.e., facts), so statements like “everybody knows the Ritz is known for its service” will get you nowhere. You can obtain this research from external sources (e.g., Consumer Reports, JD Power Ratings, ACSI scores) or you can do some of your own. For instance, you could interview some of the customers and/or employees of your service firms, and then compare and contrast their perceptions of the two firms. Also, since obtaining feedback is a fundamental principle of services marketing, you could also conduct a survey. The majority of the grade will not be on the survey per se, but rather on how well you integrate and present the findings. Your grade will reflect the amount of effort you devote to the project and also how well you present and support your findings. The project presentation will take place at the end of the semester where in you will have 15-20 minutes to summarize your project and findings. Managing the presentations is up to you. Professionalism and ingenuity will be rewarded.
- **Case Presentation:** In lieu of the project, your group can opt to present a case study during one of the class periods. This assignment will require you to meet as a group, summarize the case, highlight the key issues, and develop innovative solutions to the problems discussed in the case. You will also be graded on presentation skills, including the level of interest developed over the better part of a one hour class. To that end, you should gather information above and beyond the case. The key is to present an interesting and thought-provoking assessment of the events described in the case and to *make pertinent connections between the case and the course content*.
- **Class Participation:** This course is designed to be 50% lecture and 50% interactive exercises. You are responsible for the breadth and depth of this interaction. Come to class prepared and willing to share your experiences, trials, and thoughts. Please note: these are NOT “free points,” regardless of whether you generally like to speak up in class and *attendance does not fulfill your participation*

requirement. I expect you to attend class and I'm looking for you to add to the class environment. Points will be rewarded accordingly.

- **Group Project/Case Participation:** Each member of the group project and case analysis teams will be evaluated by the other members at the end of the semester. If it is determined that one or more members is not participating in the case study and/or group project, I reserve the right to lower grades to a level commensurate with participation.
- **Quizzes:** Since you are expected to contribute intelligently to each class meeting, it is imperative that you read all assigned material (especially cases) before each class session. To ensure that you do this, I will administer short quizzes at various points during the semester that will either check attendance or assess your knowledge of the material to be discussed that day. Your average on all quizzes will determine how many points you receive for this portion of your grade.
- **Other stuff:** In the interest of fairness, late assignments will be penalized 5 points per day. If you find yourself behind, I recommend taking the penalty as opposed to submitting an assignment of poor quality. All assignments should be typed, double spaced, and written using proper grammar and punctuation. Careful proof reading is strongly recommended.

Classroom Behavior

I'm easy to get along with as long as you respect the course and your classmates. It's common courtesy to do things like turn off your cell phone for class, not eat crunchy corn chips, and show up on time. These kinds of things aren't asking much of you and they'll be expected when you begin your careers in business. For these reasons, I'll expect them in the classroom.

Academic Honor System

The Florida State University Academic Honor Policy outlines the University's expectations for the integrity of students' academic work, the procedures for resolving alleged violations of those expectations, and the rights and responsibilities of students and faculty members throughout the process. Students are responsible for reading the Academic Honor Policy and for living up to their pledge to "... be honest and truthful and ... [to] strive for personal and institutional integrity at Florida State University" (Florida State University Academic Honor Policy, found at <http://dof.fsu.edu/honorpolicy.htm>).

American Disability Act

It is our desire that all of our students fully participate in the curriculum of the department, but we need your assistance. If you have a disability or a condition that compromises your ability to complete the requirements of this course, you must notify the instructor immediately. All reasonable efforts will be made to accommodate your needs. Further, if you do not understand or accept the terms of this syllabus, you must notify the instructor in writing within one week after receiving this syllabus.

- **ADA Requirements:** Students with disabilities needing academic accommodations must: (1) Register with and provide documentation to the Student Disability Resource Center (SDRC), and (2) Bring a letter from the SDRC indicating this need for academic accommodations in the first week of class.

Course Schedule*

Date	Chapter Covered: Topic	Assignment Due
August 25 th	Introduction to the Course & Us	
August 27 th	Chapter 1: The Service Sector & Service Characteristics	Read Chapter 1
September 1 st	Chapter 1: Classifying Services & The Services Marketing Mix	Develop Groups in Class
September 3 rd	Chapter 4: Expectations and Service Quality	Read Chapter 4
September 8 th	Chapters 2 & 5: A Gaps Approach to Quality Management: SERVQUAL	Read Chapters 2 & 5
September 10 th	CASE STUDY: Caterpillar	Read the CASE!!! (p. 679)
September 15 th	Chapter 12: A New View of Quality: Managing People	Read Chapter 12
*September 17 th	Group Project/Case Research Day	
September 22 nd	Chapter 13: Customers as People / Finding the Right Customers	Read Chapter 13
September 24 th	CASE STUDY: Jyske bank	Read the CASE!!! (p. 569)
September 29 th	Chapter 15: Managing Service Demand and Capacity	Read Chapter 15
October 1 st	Chapter 15: A New View of Quality: Managing the Outcome	Read Chapter 15
October 6 th	Chapter 11: A New View of Quality: The Physical Environment	
October 8 th	Exam 1	Study for the exam
October 13 th	Managing the Service Purchase Process, Pre to Post	
October 15 th	CASE STUDY: Hong Kong Disneyland	Read the CASE!!! (p. 649)
October 20 th	Chapter 5: Managing Customer Satisfaction	Read Chapter 5
October 22 nd	CASE STUDY: Shouldice Hospital	Read the CASE!!! (p. 637)
October 27 th	Chapter 17: Creating and Leveraging Service Value / Service Pricing	Read Chapter 17
*October 29 th	Group Project/Case Research Day	
November 3 rd	CASE STUDY: Virgin Mobile USA	Read the CASE!!! (p. 664)
November 5 th	Chapter 8: Service Failure and Recovery	Read Chapter 8
November 10 th	CASE STUDY: JetBlue: High Flying Airline Melts Down	Read the CASE!!! (p. 609)
November 12 th	Chapter 18: The Consequences of Good Service: Customer Loyalty	Read Chapter 18
November 17 th	Chapter 14: E-Services Marketing	Read Chapter 14
November 19 th	Exam 2	
November 24 th	CASE STUDY: Merrill Lynch	Read the CASE!!! (p. 588)
November 26 th	No class – Happy Thanksgiving	
December 1 st	Group Project Presentations	Attendance will be checked as part of participation points
December 3 rd	Group Project Presentations	Attendance will be checked as part of participation points

*The instructor reserves the right to amend and change this calendar during the semester in order to better accomplish the goals of the course. Students will be notified of any changes made to the syllabus as soon as possible.