

MKT 531  
SERVICES MARKETING  
SPRING 2013

**Dr. Sharon Beatty**  
**171 Alston; Phone: 348-6184**  
**Office Hours 2:00 – 3:15 Wednesdays or by appointment**  
**E-mail: [SBeatty@cba.ua.edu](mailto:SBeatty@cba.ua.edu)**  
**Website: <http://cba.ua.edu/~sbeatty>**

**Texts and Packet:**

1. Customers for Life, 2<sup>nd</sup> ed., Sewell and Brown
2. Services Marketing, 7<sup>th</sup> ed., Lovelock and Wirtz, Pearson/Prentice Hall
3. Readings are available through the library's online course reserve system under my name (HBR articles require you to put the article information in to obtain it.)

**Course Objectives**

1. To provide you with an understanding of the “service element” in marketing
2. To study and analyze the customer service provided by organizations through means of a service audit
3. To assess firm strategies related to successful retention of customers
4. To learn about relationship marketing and service failure/recovery issues in the service sector

**Class Approach**

Please come to class prepared to talk/discuss for each class you attend –If you are unable to fulfill this requirement please see me for alternative arrangements. I expect you to discuss materials for the day—so you need to **read** the material in the book and in online reserve; also, missing class will affect your class participation grade. Please be prepared—you are paying a lot of money for this class—so reading the material helps insure that you are getting your money's worth!!!

I have chosen a company or issue for each week and you should study up on that company or topic and are expected to email one or two article links or video links ahead of time into a gmail account used only for this purpose ([servicemarketing531@gmail.com](mailto:servicemarketing531@gmail.com)). These articles/videos should be relevant to the company's strategy or the issue at hand. You may also submit your personal stories that relate to the company/issue. They should be emailed into this account before 7:00 pm the night before class (i.e., Tuesday nights). (Late emails are not acceptable.) The team for that week (teams start Jan. 30<sup>th</sup>) will compile the articles and who has sent them, turning that information into me promptly, and the team will use the best turn-ins to spur a classroom discussion that day. Extra credit will occur when your article is selected as one the team focuses on for discussion—for all turn-ins you should be prepared to discuss them. The team is graded on how well they get and keep class discussion going (I do not want a presentation), as well as their familiarity/understanding with the company's policies/programs or the issue and strong, thorough coverage of the topic—this exercise will generally take 30 - 40 minutes at the beginning of class. (I will assign teams and you can choose your week.)

For the team presenting, please submit your list of favorite submissions (perhaps 10 – 12 of these) to me by 11 am the day of class. Include each student’s name and the link. Failure to turn these in in time with definitely reduce your grade on the exercise. Further in class that day turn in a sheet showing who has turned in an article or video for the day (I will have a class list set up on the class account for that purpose.)

Please no cell phones on (unless you are expecting an important phone call—then just let me know ahead of time), no emailing/texting, no laptops on, no reading newspapers or studying for tests for other classes in class. I reserve the right to knock points off your grade for violation of these rules.

**Assignments and Grading**

- 1. **Participation** **18%**
  - 2. **Group-led discussion** **5%**
  - 3. **Two exams – 18% each** **36%**
  - 4. **Service Audit Project** **36%**
  - 5. **Preliminary presentation** **5%**
- (Graded on your presentation & feedback to others)**

**Missed classes:** Please avoid missing classes – since we only meet once a week, missing ½ a class (e.g., not returning from the break) is the same as missing the whole class in my book and is rude, if not discussed with me. If you need to miss a class or need to leave early, please advise me ahead of time. Missing excessive classes will affect your participation grade. If you miss a class, you can write an outline of the chapters and articles covered that class period to count towards participation that day.

**Honesty is expected:** This involves not plagiarizing, i.e., not using another’s work or words without giving them credit. It also involves NOT working with another when it is an individual project. If you engage in dishonest practices, you suffer the consequences.

**Peer evaluations:** It is important that you fully participate in the service audit and your group-led discussion team. For the service audit, if team members are not working out, the team can fire a team member (after a warning). The team member will then need to work independently. At several points in the semester, team members will evaluate team member performances and lack of adequate participation can strongly impact an individual’s grade on this project. You can lose up to 25 points on your project grade for not pulling your weight (or even more in extreme cases).

<b>531 Schedule</b>	
Jan. 9	<b>Introduction</b>
16	<b>Service Audit Project Discussion &amp; Zappos</b> MR text – Chapter 5 – Qualitative (1) MR text – Chapter 7 – Observation (2) <u>HBR</u> : Zappos CEO on Going to Extremes for Customers, July-Aug., 2010, 41-45 (3) <u>Fortune</u> : Zappos Knows how to Kick It, Feb. 2, 2009, 55-60 (4)

	<p><u>Fortune</u>: Zappos Silent Founder, 9/3/12, 19-22 (5)</p> <p><i>Issue: Write up and send a great (positive, unexpected, etc.) customer service story you have experienced</i></p>
23	<p><b>Chapters 1 and 2</b>  <b>Introduction and CB/Issues</b>  <u>HBR</u>: Office Depot’s President on Mystery Shopping,” Nov. 2011, 47-50 (6)  <u>Fortune</u>: Leader of the Crimson Tide, 9/24/12, 150-156 (7)</p> <p><i>Company: McDonalds (Why so popular?)</i></p>
30	<p><b><u>Customers for Life</u></b></p> <p><i>Issue: How do retailers (e.g., Walmart, Best Buy, Barnes and Noble) compete against online?</i></p> <p><i>See video (I will send you link):</i>  <a href="http://www.cbsnews.com/8301-505263_162-57537110/how-target-best-buy-price-matching-plans-look-to-curb-web-competition/?tag=mncol;lst;1">http://www.cbsnews.com/8301-505263_162-57537110/how-target-best-buy-price-matching-plans-look-to-curb-web-competition/?tag=mncol;lst;1</a></p>
Feb. 6	<p><b>Chapters 9 and 10:</b>  <b>Balancing Demand/Crafting</b>  <u>HBR</u>: Rethinking Marketing, Jan-Feb. 2010, 94-101 (8)  <u>Fortune</u>: The Greatest Business Decisions of All Time, 10/8/12, 178-182 (9)</p> <p><i>Company: Southwest Airlines (What’s not to love?)</i></p>
13	<p><b>Chapters 11 and 12 (p. 314-331):</b>  <b>Managing People/ Relationships</b>  <u>HBR</u>: Customers Can Rally Your Troops, June 2011, 96-103 (10)  <u>HBR</u>: Learning Charisma, June 2012, 127-130 (11)  <u>HBR</u>: Behond Extreme Consumers, April 2010, p. 30-31 (12)</p> <p><i>Issue: Extreme fan issues (e.g., football fans, American Girl customers, Apple customers)</i></p>
20	<p><b>Exam 1 – take home due by email to me by 2 pm (no class)</b></p>
27	<p><b>Chapters 12 (p. 331-end) and 13:</b>  <b>Relationships, Complaining &amp; Service Recovery</b>  <u>WSJ.com</u>: Making the Most of Customer Complaints, Sept. 22, 2008 (13)</p>

	<p>Scanned article: Airlines Learn to Fly on a Wing and an Apology (14)  <u>HBR</u>: Why “I’m sorry” doesn’t always translate, June 2012, 26 (15)</p> <p><i>Issue: Bad Customers (are they really worth the effort?)</i></p>
6	<p><b>Preliminary presentations on service audit directions</b></p>
13	<p><b>Chapter 14: Service Quality and Feedback</b>  <u>HBR</u>: Why Good Jobs are Good for Retailers, Jan-Feb., 2012, 125-131 (16)  <u>HBR</u>: Clueing in Customers, Feb. 03, 81, 2 ,100-106 (17)</p> <p><i>Issue: Best companies to work for and why</i></p>
Mar. 20	<p><b>Chapters 4 and 6 (p. 135 – 150):  Developing Strategy and Pricing</b>  <u>MIT Sloan</u>: Is Your Company As Customer-Focused as you think?, Spring 2010, p. 63-68 (18)  <u>MIT Sloan</u>: What Matters Most in Internet Retailing, Fall 2012, 27-33 (19)</p> <p><i>Company: Amazon.com (will they beat out Wal-mart as top retailer in the world?)(why do we love them?)</i></p>
27	<p><b>A Late Spring Break</b></p>
April 3	<p><b>Chapters 6 (p. 151-end) and 8  Fees, Designing, and Managing</b>  <u>HBR</u>: Companies Customers Hate, June 2007,85, 6, 78-84 (20)  <u>Fortune</u>: Toyota’s Comeback Kid, 2/27/12, 72-79 (21)</p> <p><i>Issue: Those nasty fees (especially airlines and banks); what can we do?</i></p>
April 10	<p><b>Chapter 15: Being Successful/Leadership/Other Issues</b>  <u>HBR</u>: Tweet me, Friend me, Make me Buy, July-Aug. 2012, 88-93 (22)  <u>HBR</u>: Under Armour’s Founder: On Learning to leverage Celebrity Endorsements, May 2012, 45-48 (23)  <u>HBR</u>: Rethinking School, March 2012, 77-79 (24)</p> <p><i>Issue: Celebrity endorsers—when they work and when they don’t....</i></p>

17, 24	<b>Service Audit Presentations</b> (all papers due 26 <sup>th</sup> )
May 1	<b>EXAM 2 – take home due by 2 pm</b>

**Under library reserve see at the end of the readings the following:**

- Service audit example: McAllisters (reading 25 -27)
- Service form examples: Service with a Heart (reading 28-29)
- Exam 1 – examples (reading 30-31)
- Service audit proposal examples (reading 32-33)

### Exams

**Both exams are take home and will have similar format/approach—only you will use a different company for each and you will cover different class material for each.**

Select a company that is a national or international service company, manufacturer (with heavy service component), retailer or Internet firm of your choice. Highly successful companies may be best but not critical. It is critical that there be adequate secondary sources available on them. No more than three people per firm—**but you work independently**. Also you need to get approval of your choice. I will advise you when you can start signing up. Whatever type of company you do for the first exam, I suggest you stay with that industry for the second exam also—picking an alternative company—e.g., Southwest for 1<sup>st</sup> one and Delta for 2<sup>nd</sup> one; however, this is not a mandatory requirement. Here are some example choices to consider:

Southwest Airlines	Home Depot
Wal-mart	Amazon.com
Starbucks	Dell
Best Buy	Singapore Airlines
Enterprise Car Rental	Macys
Google	Publix
Darden Restaurants	Ritz Carlton
Whole Foods	Best Buy
Disney	Zappos
Build a Bear	McDonalds
Trader Joes	Netflix
Apple	Four Seasons
Barnes and Noble	Facebook
Hyundai	Jet Blue Airlines

Max: 5 pages double-spaced (not counting reference page(s)).

Describe company—its history, strategies, customers

Use as many concepts as possible from text and readings (minimum 4 different sources; the text is only one source—but **the text should be used multiple times** and across multiple chapters) and **use them well**—to analyze what the company is doing and what else it should do. The more sources you use, the more complete you are across the topic, the better the use of the sources, and the more insightful your ideas are all elements that will produce a higher grade—**4 sources from class materials is just the minimum**. This should be done with the readings for the particular part of the class we are on—i.e., first ½ for 1<sup>st</sup> exam and second ½ of readings for 2<sup>nd</sup> exam. I am looking for in-depth application (not surface application) of the ideas from the class materials. **Clearly underline and show ideas you are using and where they came from in regards to class materials.**

Additionally, reference secondary sources on the company—there should be 5 sources minimum—**these are different from class sources—these are about the company generally and should be fully referenced (listed) in the back of the paper. Thus there are class sources and secondary sources—they are different.** (Every time you use them in the body of the paper the source needs to be noted, i.e., sourced/referenced.) Grammar and presentation style count. Be sure to include, cool, interesting insightful recommendations for the company.

You will be graded on how well and how in-depth you use class materials, as well as how well you integrate this with the secondary information you gather, as well as with your insightful, thoughtful interpretations, insights, and points of view.

Turn in via email by 2pm on the date due.

There are several examples from a previous year on course reserve: Chick-Fil-A and Target. These two companies are not eligible for selection this year. However, these examples had lower minimums for class sources and outside sources.

## **531 Projects**

### **Service Audit Project (teams of approximately 4, with a team leader)**

**Teams selected and emailed to me by: Jan. 25<sup>th</sup>**; (if you do not have a team by Jan. 30<sup>th</sup> I will help you find a team in class). **Proposals due: Feb. 4<sup>th</sup> via email** (company contacted and confirmed, research objectives enumerated, approach planned (what do you plan to do), include letter to firm that has been delivered and say so, also for me be sure to enumerate research objectives, plans and timeline; 2-3 pages long) (see examples of service audit proposal on library reserve.)

**Progress report 1 due March 4<sup>th</sup>; presentations of progress on March 6<sup>th</sup> with in-class critique by the class and me.**

Progress report should be about 3 - 4 pages. Discuss how you are doing on timeline, what has been done and what hasn't been done and when you plan to do it by—i.e. update timeline on what you have done and haven't done, also briefly address what you are learning. Provide adequate detail to allow good feedback. Include instruments, if developed, or what you plan to develop, provide preliminary results, if available. Forward progress is important—so always build on your previous work. Not progressing well can affect your progress report grade, as well as poor write-ups/reporting of your progress reports

Presentation should be with power point—turn in copy of slides to me at beginning of presentation. All materials should be handled by email.

**Final paper due the last Friday after class presentations. Professional hard copy (with color pages where applicable) should be turned into my office. The presentation will be 20% of your grade on this assignment. Include slides of your presentation in the back of your paper.**

**There are example papers on the library course reserves.**

Find a service organization that preferably has local operations and local customers. The objective is to evaluate this organization fully—mostly at the local level. For example, you might evaluate Olive Garden. (see list of previous firms used.)

Management needs to agree to your doing the assessment. Their cooperation and enthusiasm is critical to this project—if you can't get it, go to a different company. I have an example of a proposal that you can look at. I will give you a letter of agreement that you and they can sign as you begin the project.

There are a number of assessments that you could attempt—be sure to get any necessary/available **secondary information from the company or elsewhere**, both on the company and on the industry and competition first. Then you want to identify the groups you wish to evaluate—e.g., **management, employees, and customers**. And think clearly about how to obtain appropriate data from all three. It is critical as an early step to interview several of the managers to understand what the companies goals are, to see what their issues and goals are for this project, and to see what they think the problems might be.

Research approaches might include some combination **of focus groups, depth interviews of all parties, mystery shopping, observation study or diaries of service provided over time, short surveys of parties involved, diaries of service provided over time, or other techniques that you think address the questions**. If forms or guides or questionnaires are created be sure to include in your appendix, along with tables of findings. There will be a packet of previously-used interview guides and mystery shopping forms available to you in the online library resource center for this class. It also includes a step-by-step procedure.

Use the material from the class on research methods and the text and readings on what firms need to do to be a strong service provider. Use this information to help you in evaluating how well your chosen company is doing on service. In the paper—use references to note where you are drawing this information from unless it is from your head. Your paper should fully elaborate on research methods used and findings as well as providing suggestions for areas of improvement and recommendations to management.

Plan on giving copy of the paper to management; thus, I expect to see a letter to management on front page of your report (before executive summary), **with a note to me on a sticky note when you turn in paper to me that this report was delivered to the company**. Also, get a short note from your client verifying they received paper and presentation, if they do not come to your class presentation.

Your class presentation should be designed as a presentation to management. Your report should include a copy of your presentation slides. The body is likely to be 25 or more pages long. Ask your client to come to class presentation (last year most clients came to class and it was great!); if they can't make it you will need to present to them at another time (as well as presenting to the class) and you will need documentation of that presentation.

**Note: Late papers on any project will not be accepted or will be graded down considerably; always communicate with me early on any potential late paper problems.**