

HANKEN SCHOOL OF ECONOMICS FINLAND

SERVICE AND RELATIONSHIP MARKETING Autumn 2011

Please observe: This course is given twice during the academic year 2010-2011 (period 1 and 4).

Code: 23039

Credits: Successful completion of the course, including classroom sessions, classroom assignments, guest lectures, individual and group exercises, project assignment and written examination, earns the student 8 credit points.

Instructor: Professor Christian Grönroos
Department amanuensis: Christina Antell

Goal

Learning objective: Students should learn to understand and practise a new, alternative perspective on business, based on customer centricity and a service perspective. – After completing the course students should see new opportunities for managing firms defining themselves as service businesses and contribute to the implementation of this perspective on business, and in particular marketing.

Content objective: To study customer-focused management and marketing issues in firms that face **service competition**, where customer **relationships** form a natural foundation for marketing. Service competition means that service is critical to success, and that adopting a **service logic** is important. So-called service firms, of course, face such situations, but increasingly also manufacturers of goods on business-to-business markets and even on consumer markets, and in the final analysis any firm, will find a service perspective a key means of creating and maintaining a competitive advantage.

The language of instruction is English.

Level: Advanced studies

Requirements: For students of Hanken the course Kandidatavhandling (Bachelor's thesis) is required. Students must have knowledge of marketing corresponding to 24 ECTS. Max. 30 students can be accepted. Students are ranked according to course credits.

Instruction: 30.8. – 13.10. 2011. Appr. 45 hours classroom sessions and guest lectures.

Individual work:

- 1) Students are required to read assigned material beforehand, with a view to discuss the content with the instructor and fellow students.
- 2) During the course every student is requested **in teams of two** to do **book chapter presentations** in class,
- 3) as well as **individually** to keep a **service diary**, where the students perceptions as a consumer of service encounters are registered.
- 4) Using the service diary entries as empirical material students should, **in teams of four**, prepare a **project paper** (essay). The aim of the project paper is from a management point of view to analyse what constitutes a good and bad consumer perception of services, respectively (see separate instruction; Service Diary Assignment).
- 5) In addition, once a week students are required to **individually** write a one-page **Learning process and experience reflection**. These reflection notes are handed in at the first session the week following the one reflected on. At the end of the course a **two-page summary reflection note** should be submitted.

To pass the course students need to read assigned material before every classroom session and do the individual and team service diary assignments as well as the individual reflection note assignment, and **actively** and **successfully** take part in classroom assignments and discussions. The willingness and ability to participate in classroom discussions and interact with the group have a decisive impact on the final grade.

To be able to actively take part in classroom discussions students need to have a copy of the course literature **that is discussed in class** (Grönroos: *Service Management and Marketing. Customer Management in Service Competition*, 3rd edition, 2007 as well as the *Readings* material). In order to pass the course **students are required to actively and regularly attend classroom sessions and guest lectures**. Class attendance is mandatory. More details are given by the instructor. If for some reason a student cannot attend, please *beforehand* inform either the instructor or department secretary.

In conclusion, the course consists of **six** elements: 1. *Classroom discussions*, 2. *Lectures by the instructor and guests*, 3. *Oral assignment* (book chapter analysis and presentation), 4-5. *Written assignments* (individual service diary analysis followed by team project paper (Service Diary Assignment) and Learning process and experience reflection), and 6. *Written examination*.

Examination and grading: The Service Diary Assignment (service diary and project paper) stands for 40%, the Book Chapter Presentation stands for 10%,

and the written examination stands for 50% of the **basic grade**. In addition, participation in classroom discussions and assignments that may be related to them influence the **final grade**.

Examination dates: 18.10.2010, 4.12.2010 and 13.1.2011

Course literature

Mandatory for classroom sessions:

GRÖNROOS, C., *Service Management and Marketing. Customer Management in Service Competition*. 3rd edition. Chichester: John Wiley & Sons, 2007 (NB: the 1990 or 2000 editions cannot be used) (can, for example, be obtained at IB; several copies available)

READINGS (articles, cases and miscellaneous material for Service and Relationship Marketing 2011; available on the course website)

Other literature:

GUMMESSON, E., *Total Relationship Marketing*. 3rd edition. Oxford: Butterworth Heinemann, Oxford, 2008

Please observe that the book by Grönroos and the Readings material are discussed in detail in class. The book by Gummesson is supporting the classroom discussions. The written examination covers **the entire literature**.

Useful supporting literature:

BARON S., ed., *Service Marketing, Vol I –V*, SAGE Library in Marketing, Los Angeles, CA: Sage, 2010

BERRY, L.L., *Discovering the Soul of Service*. New York: The Free Press, 1999

BERRY, L.L. & PARASURAMAN, A., *Marketing Services. Competing Through Quality*. New York: The Free Press, 1991

CHRISTOPHER, M, PAYNE, A & BALLANTYNE, D: *Relationship Marketing. Bringing quality, customer service and marketing together*. Oxford: Butterworth Heinemann, 1991 or later

LUSCH, R.F. & VARGO, S.L., eds., *The Service-Dominant Logic of Marketing*, Armonk, NY:M.E.Sharpe, 2006

NORMANN, R., *Service Management*. 3rd edition. New York: John Wiley & Sons, 2000

SHETH, J.N. & PARVATIYAR, A., eds.; *Handbook of Relationship Marketing*. Thousand Oaks: Sage, 2000

STORBACKA, K & LEHTINEN, J R: *Customer Relationship Management. Creating Competitive Advantage Through Win-Win Relationship Strategies*. Singapore: McGraw-Hill, 2001

SWARTZ, T.E. & IACOBUCCI, D., eds., *Handbook of Services Marketing and Management*. Thousand Oaks, CA: Sage Publications 2000
VAREY, R.J., *Relationship Marketing*. Chichester: John Wiley & Sons, 2002
ZEITHAM, V.A., BITNER, M.J. & GREMLER, D.D., *Services Marketing*. 4th edition. New York: McGraw-Hill 2006

Book Chapter Presentation

Students in teams of **two** are requested to orally in class present an analysis of central concepts and models **and** key learnings of a book chapter (from Grönroos 2007). In their presentation the team members should use audiovisual support. Written reports are not required. Based on the presentations, each chapter will be discussed in class, together with the rest of the readings assignment for each classroom session.

Service Diary Assignment (Project Paper)

Every student is requested to keep an individual **Service Diary** of good and bad service experiences (service encounters). In addition, using their service diary entries as empirical data, students are requested, **in teams of four**, to prepare a project paper (essay). The length of it should probably be appr. 25-30 pages. The aim of the project paper is, from a management point of view, to analyse what constitutes good and bad consumer perception of services, respectively (see separate instruction). The paper is due on Thursday 13.10 (one hard copy and one electronic copy to the instructor; please keep another copy in your files).

Learning Process and Experience Note

See separate instructions.

Examination

In the written exam students are requested to answer three questions. First of all, students are requested to answer two questions out of three asked by the instructor; secondly they are requested to answer one question formulated by themselves.

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Service and Relationship Marketing Autumn 2011

Programme

Week 35

Tuesday 30.8 16.15-17.45 210 CG Introduction and signing up for the course

Week 36

Tuesday 6.9 9.30-12.00 309 CG **Introductory lecture**

Theme: Service logic and principles of service management

Readings assignment:

Grönroos, Chapter 8

Thursday 8.9 12.30-15.00 309 CG Classroom session

Theme 1: Service competition and the service and relationship perspective

Readings assignment:

Grönroos, Chapters 1 and 2

Edvardsson, B., Gustafsson, A. & Roos, I., Service Portraits in Service Research: A Critical Review. *International Journal of Service Industry Management*, 16, 1, 2005, pp. 107-121

Harker, M.J. & Egan, J., The Past, Present and Future of Relationship Marketing. *Journal of Marketing Management*, 22, 1-2, 2006, pp. 215-242

Friday 9.9 9.30-11.00 307 Guest lecture

Evert Gummesson, Professor, Stockholm University

Theme: From Relationship Marketing to Many-to-many Marketing

Readings assignment:

Gummesson, E., Lusch, R.F. & Vargo S.L., Transitioning from service management to service-dominant logic: observations and recommendations. *International Journal of Quality and Service Sciences*, 2, 1, 2010, pp. 8-22

Gummesson, E. & Polese, F., B2B is not an island, *Journal of Business & Industrial Marketing*, 24, 5-6, 2009, pp. 337-350

Week 37

Tuesday 13.9 9.30-12.00 309 CG Classroom discussion

Theme 2: Understanding and managing service and relationship quality

Readings assignment:

Grönroos, Chapters 4 and 5

Brady, Michael K. & J. Joseph Cronin, Jr. (2001): Some Thoughts on Conceptualizing Perceived Service Quality: A Hierarchical Approach. *Journal of Marketing*, 65, July, 34-49

Ojasalo, J., Managing customer expectations in professional services. *Managing Service Quality*, 11, 3, 2001, pp. 200-212

Thursday 15.9 12.30-15.00 309 CG Classroom session

Theme 3: Understanding and managing service offerings

Readings assignment:

Grönroos, Chapters 3 and 7

Berry & Lampo, Teaching an old service new tricks, *Journal of Service Research*, Vol. 2, No. 3, 2000, pp. 265-275

Strandvik, Holmlund & Edvardsson, Customer Needing – conceptualising industrial service from a customer perspective. *Working paper 536*, Hanken School of Economics Finland, 2008

Week 38

Tuesday 20.9 9.30-12.00 309 CG **Lecture 2**

Theme: Profitability and productivity in service

Readings assignment:

Grönroos, Chapters 6 and 9

Bates, Bates & Johnston, Linking service to profit: the business case for service excellence. *International Journal of Service Industry Management*, Vol. 14, No. 2, 2003, pp. 173-183

Parasuraman, A., Service quality and productivity: a synergistic perspective. *Managing Service Quality*, Vol. 12, No. 1, 2002, pp. 6-9

Thursday 22.9 12.30-15.00 309 CG Classroom session

Theme 4: Marketing/market-oriented management in service competition

Readings assignment:

Grönroos, Chapters 10 and 13

Grönroos, C., Relationship Marketing: Challenges for the Organization. *Journal of Business Research*, 46. 3, 1999, pp. 327-335

Bonnemaizon, A., Cova, B. & Louyot, M-C., Relationship marketing in 2015: A Delphi approach. *European Management Approach*, 25, 1, 2006, pp. 50-59

Week 39

Tuesday 27.9 9.30-12.00 309 **Guest lecture**

Teemu Kokko, Ph.D. Vice-President, Haaga-Helia Polytechnic

Theme: Innovation and New service development and demanding customer encounters

Readings assignment: Material will be distributed during the session

Thursday 29.9 12.30-15.00 309 **Guest lecture**

Johanna Gummerus, M.Sc., researcher, CERS/Hanken

Theme: Marketing in social media: visiting the customers' virtual world

Readings assignment:

Jensen Schau, H., Muñoz, Jr., A.M. & Arnould, E., How brand community practices create value. *Journal of Marketing*, 73, September 2009, pp. 30-51

Kaplan, A.M. & Haenlein, M., Users of the world, unite! The challenges and opportunities of social media. *Business Horizons*, 53, 2010, pp. 59-68

Week 40

Tuesday 4.10 9.30-11.00 309 **Guest lecture**

Kaj Storbacka, Professor, Hanken School of Economics, Founder and President, Vectia Ltd.

Theme: From busyness to business: accountability in marketing

Readings assignment:

Srivastava, R K, Shervani, T A and Fahey, L (1999). Marketing, business processes, and shareholder value: an organizationally embedded view of marketing activities and the discipline of marketing. *Journal of Marketing*, vol. 63, nr. special issue, pp. 168-179.

McGovern, G.J. & Court, D. & Quelch, J.A. & Crawford, B. (2004), "Bringing customers into the boardroom", *Harvard Business Review*, 82:11, 70-80.

Wednesday 5.10 9.30-12.00 309 CG Classroom discussion

Theme 5: Integrated marketing communication and image management in service competition

Readings assignment:

Grönroos, Chapters 11 and 12

Ferguson, R.J., Paulin, M. & Bergeron, J., Customer sociability and the total service experience. Antecedents of positive word-of-mouth intentions. *Journal of Service Management*, Vol. 21, No. 1, 2010, pp. 25-44

Finne, Å. & Grönroos, C., Rethinking marketing communications: From integrated marketing communication to relationship communication. *Journal of Marketing Communications*, Vol. 15, Nos. 2-3, 2009, pp. 179-195

Thursday 6.10 12.30-15.00 309 CG **Lecture 3**

Theme: Is marketing after all one big mistake? – Some propositions for customer-centric management

Readings assignment:

Grönroos, C., Marketing as promise management: Regaining customer management for marketing. *Journal of Business & Industrial Marketing*, Vol. 24, No. 5/6, 2009, pp. 351-359

Sheth, J.N. & Uslay, C., Implications of the revised definition of marketing: From exchange to value creation. *Journal of Public Policy & Marketing*, 26, 2, 2007, pp. 302-307

Week 41

Tuesday 11.10 9.30-12.00 309 CG Classroom discussion

Theme 6: Managing internal marketing and service culture

Readings assignment:

Grönroos, Chapters 14 and 15

Mitchell, C., Selling the brand inside, *Harvard Business Review*, 80, 1 (January), 2003, pp. 99 -105

Partlow, How Ritz-Carlton applies "TQM", *The Cornell H.R.A. Quarterly*, August 1993

Wednesday 12.10 9.30-12.00 309 CG Classroom discussion

Theme 7: From manufacturing to service business

Readings assignment:

Grönroos, Chapters 16 and 17

Grönroos, C. & Helle, P., Adopting a service logic in manufacturing: conceptual foundation and metrics for mutual value creation. *Journal of Service Management*, 21, 5, 2010, pp. 564-590

Oliva, R. & Kallenberg, R., Managing the transition from products to services. *International Journal of Service Industry Management*, Vol. 14, No. 2, 2003, pp. 160-17

Thursday 13.10 12.30-15.00 **304** CG **Concluding lecture**

Theme: The underpinning logic of Service and Relationship Marketing – service perspective, customer relationships, value creation, marketing?

Readings assignment:

Grönroos, Chapter 17

Grönroos, C., Service logic revisited: who creates value? And who co-creates? *European Business Review*, 20, 4, 2008

Grönroos, C., Value co-creation in service logic. A critical analysis. *Marketing Theory*, 11, 3, 2011 (forthcoming)

Vargo, S.L. & Lusch, R.F., Service-dominant logic: continuing the evolution, *Journal of the Academy of Marketing Science*, Vol. 36, No. 1, 2008, pp. 1-10