

**HANKEN
SWEDISH SCHOOL OF ECONOMICS
FINLAND**

**SERVICE MANAGEMENT AND MARKETING
2001**

Code: 2348

Credits: Successful completion of the course, including classroom sessions, classroom assignments, project paper (essay) and written examination earns the student 5 credit units (7.5 ECTS).

Instructor: Professor Christian Grönroos
Department secretary: Carita Ekenstén-Möller

Goal: To study marketing and market-oriented management in firms and organisations facing **service competition**, i.e., in competitive situations where services are critical to success (**service management**). So-called service firms, of course, face such situations, but also manufacturers of goods on business-to-business as well as consumer markets will probably more and more often find a services perspective a key means of creating a competitive advantage.

Level: Advanced studies

Requirements: For students of Svenska Handelshögskolan the course Proseminarium is required. For others **sufficient** knowledge of marketing to take part in **advanced-level marketing studies** is required. Students should have obtained basic knowledge of **service marketing**.

Instruction: 24.9-14.12.2001. Appr. 40 hours classroom sessions and guest lectures.

Individual work: Participants are required to read assigned material beforehand, with a view to discussing the content with the instructor and fellow students. During the course every student is requested to in groups of three do a **book chapter presentation** in class and prepare **two** written **key learnings notes** for classroom sessions as well as keeping a **service diary** and preparing a written report based on an analysis of the service diary entries (see separate instructions). In teams of **three** students a **project paper** (essay) on a topic related to the service management and marketing field has to be prepared during the course (see separate instruction).

To pass the course students need to read assigned material for every classroom session, prepare the key learning notes and do the service diary assignment, and **actively** 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 the classroom discussions students need to have a copy of the course literature **that is discussed in class** (Grönroos, *Service Management and Marketing. A Customer Relationship Management Approach*, 2000, and Readings material). In order to pass the course **students will have to actively and regularly attend classroom sessions and guest lectures**. If for some reason a student cannot attend, please *beforehand* inform either the instructor or department secretary about this.

In conclusion, the course consists of *five* elements: 1. *Classroom discussions*, 2. *Guest lectures*, 3. *Oral assignments* (book chapter analysis and presentation), 4. *Written assignments* (project paper/essay, service diary analysis and key learnings notes) and 5. *Written examination* (intermediate and final).

Examination and grading: The project paper (essay) and the Service Diary assignment stand for 50%, the Book Chapter Presentation stands for 10% and the written examination stands for the other 40% of the **basic grade**. However, participation in classroom discussions and assignments related to them (mainly key learning notes) influence – either favourable or unfavourable – the **final grade**. This impact on the final grade is substantial. The basic grade will improve either remarkably or to some extent, or in the worst case the basic grade will be reduced.

Course literature

Mandatory for classroom sessions :

GRÖNROOS, C., *Service Management and Marketing. A Customer Relationship Management Approach*. Chichester: John Wiley & Sons, 2000 (NB. Previous edition cannot be used)

READINGS (articles, cases and miscellaneous material for Service Management and Marketing 2001; can be copied at IB for the students' personal use)

Other literature:

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

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

NORMANN, R., *Service Management*, 2nd edition, Wiley, New York, 1991

Please observe that the book by Grönroos as well as the Readings material are discussed in detail in class. The other books are supporting the classroom discussions. The written examination covers the whole literature.

Useful supporting literature:

SWARTZ, T.A. & IACOBUCCI, D., eds., *Handbook of Services Marketing and Management*, Sage Publications, Thousand Oaks, CA, 2000

Book Chapter Presentation

Students in groups of **three** are required to orally present in class an analysis of central concepts and models **and** key learnings of one book chapter (from Grönroos 2000). In their presentation the group 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.

Key Learnings Notes

Students are requested to prepare two **key learnings notes**. A key learnings note is an analysis of one given article in the Readings material. It should include the most important learnings from reading the article. It must not be a description of the contents of the material. The note must not be longer than **one page**, and it should be structured in a systematic manner.

Service Diary Assignment

Every student is requested to keep a “**service diary**” of good and/or bad service experiences (service encounters). Service diary reports are due on Monday 26.11 (one copy to the instructor; please keep another copy in your files). They are discussed in class on Thursday 29.11. See separate instructions.

Project paper (essay)

Students are requested, **in groups of three**, to prepare a project paper (essay). The length of it should probably be appr. 25-30 pages. The topic of the essay should be related to the **service management and marketing field**. The paper does not have to include new empirical data. It can however include case material, expert interviews, personal observations, etc. The paper is due on Tuesday 11.12.2001 (one copy to the instructor; please keep another copy in your files). The suggested scope and outline of the papers are discussed on Monday 5.11 (oral reports only).

Service Management and Marketing 2001 Program

week 39

Monday 24.9 10.30-12.00 308 CG Introduction and signing up for the course

week 40

Monday 1.10 14.30-17.00 201 CG Theme 1: Service competition: The service and customer relationship management perspectives. Discussion of project papers.

Readings assignment:

Grönroos, Chapters 1 and 2

The case of the complaining customer, *Harvard Business Review*, May-June 1990

Bitner: Service relationships: It's all about promises, *Journal of the Academy of Management*, No. 4, 1995

Zemke: If flexibility is key to success, companies have a lot of limbering up to do. *The Service Edge*, January 1994

Thursday 4.10 9.30-12.00 306 Guest Speaker: Dan Rubinstein, Founder and Chairman, Rubinstein Consulting Ltd.

Theme: Service management – achieving excellence in customer care

Reading assignment:

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week 41

Wednesday 10.10 (!) 13.30-16.00 309 CG Theme 2: Understanding and managing service quality

Readings assignment:

Grönroos, Chapters 3, 4 and 5

Brady & Cronin, Jr., Some new thoughts on conceptualizing perceived service quality: A hierarchical approach, *Journal of Marketing*, Vol. 65, July 2001, pp. 34-49

Parasuraman, Berry & Zeithaml, Refinement and reassessment of the SERVQUAL scale, *Journal of Retailing*, Vol. 67, No. 4, 1991, pp. 420-450

Zemke, Quality customer service: A world apart, *The Service Edge*, April 1995

Friday (!) 12.10 10.30-12.00 309 Guest Speaker: Kaj Storbacka, Dr.Econ., Founder and chairman, CRM Group Ltd; Docent, Hanken/CERS

Theme: Combining customer value with shareholder value – why don't investors value profit and loss statements

Readings assignment:

Kim & Mouborgne, Value innovation: The strategic logic of high growth, *Harvard Business Review*, January-February 1997

Prahalad & Ramaswamy, Co-opting customer competence, *Harvard Business Review*, January-February 2000

week 42

Tuesday (!!) 16.10 12.30-14.00 411 **Guest Speaker: Mikael Gidhagen, Reseacher, Uppsala University**

Theme: Understanding insurance services

Readings assignment:

Bejou, David, Christine T. Ennew and Adrian Palmer, "Trust, Ethics and Relationship Satisfaction," *International Journal of Bank Marketing*, Vol. 16, No. 4, 1998, pp. 170-175.

Pleger Bebko, Charlene, "Service Intangibility and its Impact on Consumer Expectations of Service Quality," *Journal of Services Marketing*, Vol. 14, No. 1, 2000, pp. 9-26.

Wednesday (!!) 17.10 13.30-16.00 309 **CG Theme 3: Productivity and profitability in services**

Readings assignment:

Grönroos, Chapters 6 and 9

Reichheld & Sasser, Zero defections: Quality comes to service, *Harvard Business Review*, September-October 1990

Rust, Zahorik & Keiningham, Return on quality (ROQ): Making service quality financially accountable, *Journal of Marketing*, Vol. 59, April 1995, pp. 58-70

Gummesson, Productivity, quality and relationship marketing in service operations, *International Journal of Contemporary Hospitality Management*, Vol. 10, No. 1, 1998, pp. 4-15

Thursday 18.10 9.30-12.00 411 **Guest Speaker: Professor Maria Holmlund, CERS/Hanken**

Theme: Relationship quality in business-to-business markets

Readings assignment:

Hansen & Busch, Understand customer quality requirements. Model and application, *Industrial Marketing Management*, Vol. 28, 1999, pp. 119-130

Holmlund, The D&D model – Dimensions and domains of relationship quality perceptions

Week 43

Monday 22.10 14.30-17.00 306 **CG Theme 4: Marketing / market-oriented management in service competition**

Reading assignment:

Grönroos, Chapters 10 and 13

Lovelock, Functional integration in services. Understanding the links between marketing, operations and human resources. In *Handbook of Services Marketing and Management*, 2000, pp. 421-437

Bitner, Serviscapes: The impact of physical surroundings on customers and employees, *Journal of Marketing*, vol. 56, April 1992, pp. 57-71

Gummesson, Marketing-orientation revisited: the crucial role of the part-time marketers, *European Journal of Marketing*, Vol. 25, No. 2, 1991, pp. 60-75

**Thursday 25.10 9.30-12.00 306 Guest Speaker: Kirsti Lindberg -Repo,
Lic.BA, CERS/Hanken**

Theme: Service Recovery – Why am I disappointed?

Readings assignment:

Michel, Analyzing service failures and recoveries: a process approach, *International Journal of Service Industry Management*, Vol. 12, No. 1, 2001, pp. 20-33

Tax & Brown, Service recovery. Research insights and practices. In *Handbook of Services Marketing and Management*, 2000, pp. 271-285

week 44

**Monday 29.10 14.30-16.00 306 Guest speaker: Dr. Karl-Olof Hammarkvist,
Nordea/Stockholm School of Economics**

Theme: The changing structure of financial markets

Readings assignment:

Boot, Consolidation and strategic position position in banking with implication for Sweden. *Working Paper*, 1999, pp. 1-26

Brennan, Development of the Financial Sector. Presentation for a *Conference on Financial Sector Development in the World of Today*, Sveriges Riksbank, May 1997, Stockholm, pp. 1-41

Thursday 1.11 9.30-12.00 411 Guest Speaker: Dr. Päivi Voima, CERS

Theme: Relationship management in an internal context

Readings assignment:

Lings & Brooks, Implementing and measuring effectiveness in internal marketing, *Journal of Marketing Management*, Vol. 14, 1998, pp. 325-341

Voima, Internal relationship management: broadening the scope of internal marketing. In Lewis & Varey, eds., *Internal marketing: directions for management*, 2000

Week 45

**Monday 5.11 14.30-17.00 306 CG Presentation of Project paper
proposals (oral presentations only)**

Tuesday 6.11 14.15-17.15 (!) 210 Intermediate examination covering

Grönroos 2000, Chapters 1-6, 9-10, 13

Berry & Parasuraman 1991

Thursday 8.11 9.30-12.00 309 **CG** **Theme 5: Principles of service management and the development of service offerings**

Readings assignment:

Grönroos, Chapters 7 and 8

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

Ostrom & Hart, Service guarantees. Research and practice. In *Handbook of Services Marketing and Management*, 2000, Vol. 299-313

Zemke, Bean counters put service on automatic, *The Service Edge*, August 1995

week 46

Monday 12.11 14.30-17.00 306 **CG** **Theme 6: Integrated marketing communication, and image and brand management in services**

Readings assignment:

Grönroos, Chapters 11 and 12

Schultz, The inevitability of integrated communication, *Journal of Business Research*, No. 3, 1996

Mittal, The advertising of services. Meeting the challenges of intangibility, *Journal of Service Research*, Vol. 2, No. 1, 1999, pp. 98-116

Berry, Cultivating service brand equity, *Journal of the Academy of Marketing Science*, Vol. 28, No. 1, 2000, pp. 128-137

Thursday 15.11 9.30-12.00 Aulan **Guest Speaker: Teemu Kokko, Lic.BA, Vice Dean, Haaga Polytechnic**

Theme: Service development in the hospitality industry

Readings assignment:

Kokko, *Future-oriented offering development in the restaurant sector – a case study* (will be distributed in class)

Week 47

Monday 19.11 14.30-17.00 306 **CG** **Theme 7: Managing internal marketing and service culture**

Reading assignment:

Grönroos, Chapters 14, 15 and 16

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

Bowen, Schneider & Kim, Shaping service cultures through strategic human resource management. In *Handbook of Services Marketing and Management*, 2000, pp. 439-454

Thursday 29.11 9.30-12.00 305 **CG** **Service Diary assignment. Discussion of the Service Diary analyses** (Reports due Monday 26.11; one copy to instructor;

keep one copy in your files)

week 50

Project papers (essays) due Tuesday 11.12.2001 (one copy to instructor; keep one copy in your files)

Final exam in December covering
Grönroos, Chapters 7-8, 11-12, 14-16
Berry 1999
Normann 1991

Please attend exam on 15 December 2001. You'll never be as prepared as then.