

## **MBA 2010 Elective: Service Marketing and Management [REVISED]**

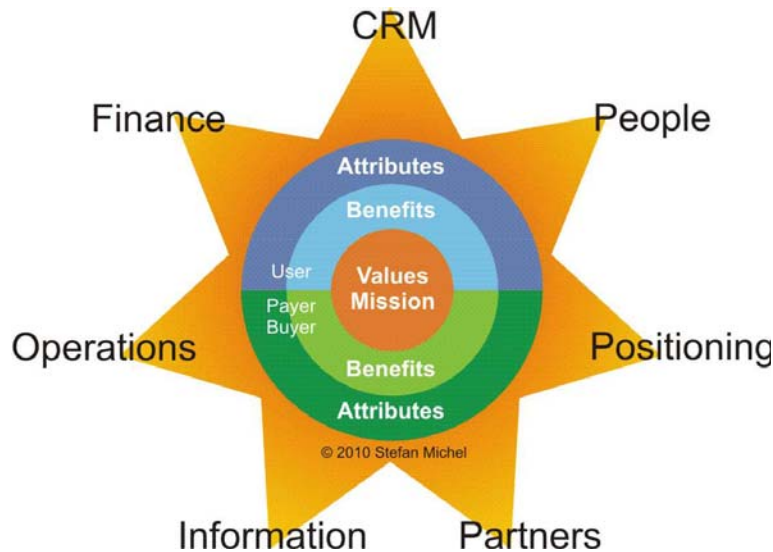
November 15-18, 8.00-12.00

Prof. Stefan Michel

### **Approach**

Regardless of industry, servicing external and internal customers and clients will most likely be a critical success factor. Consequently, this course focuses on marketing and managing any type of service as compared to strictly service firms (e.g. airlines, hotels, restaurants, etc.). The major challenge of servicing customers profitably is to design a service concept that integrates various company resources, which help customers to co-create value.

Together with my clients and former students, I have developed the “service star” framework as a tool to systematically analyze, design, and improve any kind of service. During this course, we will use the “service star” as the guiding framework for practical applications.



The course will be a mix of lectures and discussions, based on relevant articles. In addition, large case studies will be complemented by shorter “caselets” and real-world application exercises. One guest speakers will round up the course. As with all IMD courses, class preparation is essential as managing services is about co-creating value, so when we all contribute, we will have an engaging, relevant, successful elective.

Based on the participant survey, the following topics/industries are given some priority:

- Consulting
- Understanding what customers really want
- Service Pricing

**Dr. Stefan Michel, Professor of Marketing**

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## Guest Speaker



### **Dr. Mark R. Hoenig**

Partner and Board Member at Dr. Egon Zehnder AG, Zürich

MA and PhD, Economics, Business and Public Administration, University of Zürich.

Formerly Operational Auditor, International Consulting and Controlling, Sandoz Ltd.; Scientific Research in Personnel Policy and Multinational Corporations at Betriebswirtschaftliches Institut, University of Zürich.

## Schedule

	Mon 15.11.09	Tue 16.11.09	Wed 17.11.09	Thu 18.11.09
Session title	What do customers want?	Service Pricing	Guest: Dr. Mark Hoenig <b>Case: Egon Zehnder Int. (A)</b>	Innovate Customers, not products
8-10	<b>Caselet: Saying No</b>	<b>Case: Lufthansa Air Cargo</b>	Service Excellence through People	<b>Caselet: Netflix</b> <b>Caselet: Grameen Bank</b>
10-12	Service Star <b>Case: Golden Arch</b>	<b>Pricing Psychology Survey</b>	Applying the Service Star	Summary & Outlook

## Pre Reading

Please read the following cases and prepare the respective questions. "Preparing" means that you are able to present your answer to the class when you are cold-called by the instructor.

**Bishop, Susan (1999), "The Strategic Power of Saying No," *Harvard Business Review* (November-December), 50-58.**

1. What are the three main changes in Bishop's business model between 1992 and 1999?

**Michel, Stefan (2006), "Golden Arch: McDonald's Adventure in the Hotel Industry," *Thunderbird Case Series* (A02-05-0017).**

1. Assess the strengths, weaknesses, opportunities, and threats related to McDonald's entry into the hotel market in Switzerland.
2. Given the numbers in the case, what is the break-even occupancy rate for the Golden Arch hotel (i.e., how many rooms must be sold at the average room rate to cover all costs in % of all available rooms)?
3. Which customer segments should Golden Arch target and why?

**Huchzermeier, A. and R. Hellermann (2002), "Lufthansa Cargo AG: Capacity Reservation and Dynamic Pricing," *WHU Otto Beisheim Graduate School of Management*.**

1. What are the main differences between CPA's and GCA's?

**Bruns, William J. (2007), "Survey Masters LLC," *Harvard Business School* (9-107-061).**

1. Which projects are the most profitable ones?

**Michel, Stefan (2009), "Netflix (Caselet)."**

1. How would you explain Netflix' success?

**Michel, Stefan and Sarah von Blumenthal (2010), "Grameen Bank," *IMD Case Series*, 3-2163.**

1. How would you explain Grameen Bank's success?

**Nanda, Ashish and Kelley Morrell (2004), "Strategic Review at Egon Zehnder International (A)," *Harvard Business School* (9-904-071).**

1. What do you think are some of the key reasons for EZI's success?
2. How would you evaluate EZI's people strategy (e.g., recruitment, promotion, compensation)?
3. What are the critical challenges facing the firm in April 2000? How would you prioritize them?
4. As an EZI executive committee member, how would you respond to Fernandes-Araoz and O'Brian's idea of conducting a strategic review? Would you agree to the proposal? If so, how would you conduct the review? If not, how would you respond to the emerging challenges?

### **Post Reading**

Heskett, James L., Thomas O. Jones, Gary W. Loveman, et al.: Putting the Service-Profit Chain to Work, *Harvard Business Review* 72(1994)March-April, S. 164-174.

Ford, Robert C., Cherrill P. Heaton, and Stephen W. Brown (2001), "Delivering Excellent Services: Lessons from the Best Firms," *California Management Review*, 44 (1), 39-56.

Michel, Stefan, Stephen W. Brown, and Andrew S. Gallan (2008), "How to Innovate Customers, not Products," *California Management Review*, 50 (3), 49-65.

Vargo, Stephen L. and Robert F. Lusch (2008), "From Goods to Service(s): Divergences and Convergences of Logics," *Industrial Marketing Management*, Forthcoming.