

**GRA 6419 SERVICE MARKETING**

**Syllabus and detailed course outline**

**Fall 2011**

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**Litterature:**

Wilson, Alan, Valarie A. Zeithaml, Mary Jo Bitner and Dwayne D. Gremler. (2008), *Services Marketing: Integrating Customer Focus Across the Firm*, 1<sup>st</sup> European edition, London: McGraw Hill.

Coursepack, GRA 6419 Service Marketing, available on It's learning.

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**First lecture, August 29<sup>th</sup> 2011:****INTRODUCTION TO SERVICE MARKETING**

What's so special with service marketing and service organizations?

The service economy it's history and raison d'être.

Classical thinking and current advances.

**Readings:**

Chapter 1 in SM

**Assignment:** none

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**Second lecture, September 5<sup>th</sup> 2011:**

**CUSTOMER FOCUS**

Customer service

Consumer behavior in services

Customer expectations of service

Technology readiness, social media readiness

**Readings:**

Chapter 2 and 3 in SM

Read the first part (until the methods section) of :

Parasurman, A (2000). Technology Readiness Index (TRI): A Multiple-Item Scale to Measure Readiness to Embrace New Technologies. *Journal of Service Research*, 2, 307-320.

**Assignment: Service Watch (individual assignment)**

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**Third lecture, September 12<sup>th</sup> 2011:**

**CUSTOMER PERCEPTION AND EVALUATIONS**

Service quality,

Customer satisfaction

Perceived value

Service convenience

**Readings:**

Chapter 4 in SM

**Articles:**

Johnson, M. D., Gustafsson, A., Andreassen, T. W., Lervik, L. and Cha, J. (2001). The evolution and future of the national customer satisfaction index models. *Journal of Economic Psychology*. (22), 217-245.

Berry, L. L., Seiders, K. and Grewal, D. (2002). Understanding Service Convenience. *Journal of Marketing*. Vol. 66, (July), 1-17.

**Assignment: Case in coursepack: Starbuck Delivering Customer Service**

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**Fourth lecture, September 19<sup>th</sup> 2011:**

**ANALYZING AND UNDERSTANDING SERVICE ORGANIZATION AND IT'S CUSTOMERS**

**The service triangle**

Giving, enabling and delivering the customer promise.

External, internal and interactive marketing in and of service organizations.

Technology and technology readiness

Pros et cons of the model. Area of application.

**The gaps model of service quality**

The customer gap, the internal service provider gaps, influencing customer's perception of service quality.

Pros et cons of the model. Area of application.

**The service-profit-chain**

The relationship between employee satisfaction, customer satisfaction, loyalty and profits.

Pros et cons of the model. Area of application.

**Readings:**

Chapter 5 and 16 in SM

**Articles:**

Bitner, Mary J. (1995). Building Service Relationships: It's All About Promises. Journal of the Academy of Marketing Science. Vol. 23 (4), 246-251.

Heskett, J. L., Jones, T. O., Loveman, G.W., Sasser E. W. Jr. and Schlesinger, L.A. (2008). Putting the service-profit-chain to work. Harvard-Business-Review, July-August., 118-129.

**Assignment: Case 2 in SM: People, Service, and Profit at Jyske Bank.**

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**Fifth lecture, September 26<sup>th</sup> 2011:**

### **LISTENING TO CUSTOMERS THROUGH RESEARCH**

Research process

Methods and procedures: surveys, critical incidents, and mystery shopping.

Areas of application

**GUEST LECTURER: REIDAR SKORPEN FROM SEE YOU**

#### **Readings:**

Chapter 6 in SM

#### **Articles:**

Read the last part (from methods section) of:

Parasurman, A (2000). Technology Readiness Index (TRI): A Multiple-Item Scale to Measure Readiness to Embrace New Technologies. Journal of Service Research, 2, 307-320.

Kehagias, J., Rigopoulou, I., and Vassilikopoulou. (2011). Linked mystery shopping inventory to customer-seller encounters. Journal of Customer Behaviour, vol. 10 (1), 7-34.

**Assignment: None**

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**Sixth lecture, October 3<sup>th</sup> 2011:**

**WORKSHOP: TERMPAPER**

**Readings:**

**Articles:**

Baker, M. J. (2000). Writing a Literature Review. *The Marketing Review*. 1, 219-247.

Hennig-Thurgau, T., Malthouse, E. C., Frieger, C., Gensler, S., Lobschat, L., Ranwaswamy, A. and Skiera, B. (2010). The Impact of New Media on Customer Relationships. *Journal of Service Research*, 311-330.

Buttle, F. (1996). SERVQUAL: Review, critique, research agenda. *European Journal of Marketing*, vol. 30 (1), pp. 8-32.

**Assignment: Find a group, discuss a research topic and prepare a written description of term paper project.**

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**Seventh lecture, October 10<sup>th</sup> 2011:**

**Service development and design**

Customer defined service standards.

Physical evidence and service escapes.

Service innovations

**Readings:**

Chapter 8, 9 and 10 in SM.

**Assignment: Case 7 in SM: Disneyland Resort Paris: Mickey goes to Europe**

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**Eight lecture, October 17<sup>th</sup> 2011:**

**MANAGING SERVICE DELIVERY AND PROMISES**

the role of the;  
employee,  
the customer and  
technology in service delivery.  
co-production

**Readings:**

Chapters 11, 12 and 13 in SM.

**Articles:**

Bendapudi, N. and Leone, R.P. (2003). Psychological Implications of Customer Participation in Co-Production. *Journal of Marketing*. Vol. 67, (1), 14-28.

**Assignment: Case in coursepack: Shouldice Hospital Limited (Abridged).**

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**Ninth lecture, October 24<sup>th</sup> 2011:**

**CUSTOMER LOYALTY AND RELATIONSHIP MANAGEMENT**

Defining the concept, the antecedents and consequences.

Loyalty phases

Communities

How can we create customer engagement?

**Readings:**

Chapter 7 in SM

**Articles:**

Oliver, R. L. Whence Consumer Loyalty? (1999). *Journal of Marketing*. Vol. 63, (special issue), 33-44.

Kane, G.C., Fichman, R. G., Gallagher, J. and Glaser, J. (2009). *Community Relations 2.0*. *Harvard Business Review*, November, 45-50.

vanDoorn, J., Lemon, K. N., Mittal, V., Nass, S., Pick, D., Pirner, P. and Verhoef, P.C. (2010). Customer Engagement Behavior: Theoretical Foundations and Research Directions, *Journal of Service Research*, 253-266.

**Assignment: Interactive case: Building Brand Community on the Harley-Davidson Posse Ride.**

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**Tenth lecture, October 31<sup>st</sup> 2011:**

**SERVICE RECOVERY**

Procedures and guarantees.

What makes unhappy customer happy and loyal?

The service recovery paradox.

Service recovery and customer relationships.

**Readings:**

Chapter 15 in SM.

**Articles:**

Magnini, V. P., Ford, J. B., Markowski, E. P. Honeycutt, E.D. Jr. (2007). The service recovery paradox: justifiable theory or smoldering myth? *Journal of Services Marketing*. 21/3, 213-225.

Mattila, A. S. (2001). The Impact of Relationship Type on Customer Loyalty in a Context of Service Failures. *Journal of Service Research*. Vol. 4, (2), 91-101.

**Assignment: Case in coursepack: United Breaks Guitars**

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**Eleventh lecture, November 7<sup>th</sup> 2011:**

**Financial accountability of service marketing**

Pricing services

Customer equity

Return on quality

**Readings:**

Chapter 17 and 18 in SM.

**Articles:**

Rust, R. T., V. A. Zeithaml, and K. Lemon. "Customer-centered brand management", *Harvard Business Review*, (September), 2004, 110-118.

Rust, R. T., C. Moorman and P. R. Dickson. "Getting return on quality: revenue expansion, cost reduction, or both?" *Journal of Marketing*, vol. 66 (October), 2002, 7-24.

Hoffman, D. L. and Fodor, M."Can You Measure the ROI of Your Social Media Marketing?" *MIT Sloan Management Review*, vol. 52 (1), 41-49.

**Assignment: Case 6 in SM: Call Center Europe**

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**Twelfth lecture, November 14<sup>th</sup> 2011:**

**SUMMARY AND REVIEW OF SERVICE MARKETING**

The Service dominant logic of marketing

Reviewing and critiquing the field of service marketing

Review of service marketing: how did it all start and why?

Do our concepts, theories and models still hold water?

What trends and challenges are we facing/ will we see in near future?

Summary

**Readings:**

Reread chapter 1 in SM.

**Articles:**

Vargo, S. L. and Lusch, R. F. (2004). The Four Service Marketing Myths: Remnants of a Goods-Based, Manufacturing Model. Vol. 6, (4), 324-335.

Woodall, R. D., Colby, C. L. and Parasuraman, A. (2007). "E-volution to Revolution". Marketing Management Magazine. (March/April), 29-34.

**Assignment: Three questions for reflections in Service Marketing (individual assignment).**

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## **Course description (summary)**

### **Introduction**

Knowing the field of service marketing is a prerequisite today for those who want to successfully pursue careers and manage businesses both in the private and public sector. However, knowing how services are different from products and what unique challenges they pose on marketing and managing is necessary, but not sufficient information. The rapid infusion of technology into various industries has created new kinds of services that offer opportunities for service and manufacturing organizations to enhance their relationships with customers. So has social media. Consequently, customers' demands have changed. Customers now expect to interact with service providers in a multitude of ways in different channels posing new challenges on service marketing and managing.

### **Learning outcomes**

In this course students will learn how to deal with these challenges. In order to do so, the course provides in-depth knowledge about the key issues in service marketing, frameworks, strategies and tools to address the challenges of marketing and managing services, whether in a manufacturing or service context. How these concepts apply to social media and how social media will affect service marketing will be a red thread throughout the course. Central to this course is critical thinking and reflection. The course is different from courses in service management in that it has a marketing/psychological approach.

**Course outline** (excerpt, please look in the Student's Handbook for complete course description)

### **Introduction to services**

What's so special with service marketing and service organizations?

The service economy it's history and raison d'être

Customer service

### **Customer focus**

Consumer behavior in services

Technology readiness

Social media readiness

### **Customers evaluation processes**

Customer expectations and perceptions

Service quality

Customer satisfaction

Perceived value

### **Analyzing and understanding service organizations:**

How to apply central models and analytical frameworks to improve performance:

- 1) The gaps model of service quality
- 2) The service triangle
- 3) The service-profit-chain

### **Listening to customers through research**

Research in services marketing: methods, procedures and areas of application

### **Managing service delivery**

The service encounter

The role of the employee, the customer and the technology in service delivery

Customers as co-producers/co-creators of services

## **Service recovery**

The service recovery paradox

What makes unhappy customer happy and loyal?

Service recovery and social media

## **Customer loyalty**

Defining the concept

The antecedents and consequences

Loyalty phases, types

## **Financial accountability of service marketing**

Customer equity

Return on marketing

## **Advanced topics in service marketing**

The service-dominant logic/service science

## **Learning process and workload**

A course of 6 ECTS credits corresponds to a workload of 160-180 hours.

The course will require the students to participate actively as it is based on lectures, discussions, case analyses and presentations. Students need to be well-prepared for each session.

Please note that it is the student's own responsibility to obtain any information provided in class that is not included on the course homepage/It's learning or text book.



## **Examination**

Your final course grade will be based on the following activities and weights:

- Student projects:     20 % class participation and brief assignments, individual  
                              30 % case write-up, group
- Term paper:            30%, group
- Final exam:            20%, individual (3 hours)

In this course class attendance is mandatory. Unexcused absence can result in a lower score. Specific information regarding student evaluation beyond the information given in the course description will be provided in class. This information may be relevant for requirements for term papers or other hand-ins, and/or where class participation can be one of several elements of the overall evaluation.

This is a course with continuous assessment (several exam elements) and one final exam code. Each exam element will be graded using points on a scale (e.g. 0-100). The elements will be weighted together according to the information in the course description in order to calculate the final letter grade for the course. You will find detailed information about the point system and the cut off points with reference to the letter grades on the course site in It's learning.

## **Honor Code**

Academic honesty and trust are important to all of us as individuals, and represent values that are encouraged and promoted by the honor code system. This is a most significant university tradition. Students are responsible for familiarizing themselves with the ideals of the honor code system, to which the faculty are also deeply committed.

Any violation of the honor code will be dealt with in accordance with BI's procedures for cheating. These issues are a serious matter to everyone associated with the programs at BI and are at the heart of the honor code and academic integrity. If you have any questions about your responsibilities under the honor code, please ask.