
Strategic Services Marketing GF4518

January 23 – March 9, 2012

Instructor: Dr. Shruti Saxena-Iyer
Class Meetings: M/W 11:20 – 12:50pm, SNEL 26
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Course Description

Services are defined as deeds, processes, and performances provided by firms and individuals to create customer experiences. The U.S., as well as much of the world economy, is dominated by services. In the U.S. approximately 75% of the labor force and 70% of the GNP are accounted for by services. In addition, several countries around the world (e.g., China, Germany, Finland, India and others) today recognize the importance of service(s) as an important innovation platform and a means for development. In fact, recent award-winning publications discuss the view that “all businesses are service businesses” and leading academicians and marketers are debating the emergence of “service science” as a field of education.

This course focuses on challenges of managing service brands and delivering quality service to customers across industry sectors in different parts of the world. These include industries that are traditionally considered services (e.g. airlines, hotels, consulting etc.) and also those industries that are traditionally considered manufacturing or goods-based and depend on services for competitive advantage (e.g., high technology manufacturers, automotive, industrial products, etc.).

This course covers a wide variety of topics such as the basic differences between goods and services, the importance of services marketing, services as a strategy, the financial impact of services and the new emerging ‘service science’. The course is structured around the ‘Gaps Model’ a key framework and tool available to manage service brands.

An underlying assumption of this course is that students learn best and retain the most through active participation and lecture in the classroom; and through observation, self-guided study, reading and writing outside the classroom. Hence the course is structured to include a mixture of short lectures, student discussions of material and assignments, case discussions, media presentations, active learning exercises, and guest speakers.

Objectives

- Gain an appreciation for the challenges inherent in marketing and managing services, and in developing/delivering quality service.
- Learn strategies, tools, and approaches for addressing the challenges of services management and marketing.
- Become a more perceptive and effective manager (and consumer) through understanding the complexities of service design, delivery, and communication—all aimed at building sustainable service brands.
- Further develop communication skills and critical thinking through written projects, cases, in-class discussions, and other assignments

Required Cases and Readings

The required articles and assigned cases can be found in your course pack. The articles provide the necessary background for class discussion of the topics and the cases assigned. The discussion questions for the cases are provided at the end of the course syllabus.

Supplemental Readings (not required)

A list of supplemental readings will be provided on the course website. The readings are available in the library, and many are available online. In addition, you will be provided with a book list of services marketing and management books that you may choose to read now or in the future. You are encouraged to be current with the *Wall Street Journal* and other business periodicals where you will find many articles relevant to our course content.

Grading

Your grade will be determined based on your performance on the following assignments. The grading criteria is attached at the end of the syllabus.

	Points	Due Date
Team Project	120 (90+30)	February 29 (written and presentation)
Exam 1	100	(Week 7)
Case Participation (5*4)	20	throughout
In-class Contributions	60	throughout
Total	300 points	

Your final grade will be calculated as follows:

95%-100% (285-300) A+	77%-79.99% (231-239) C+
93%-94.99% (279-284) A	70%-76.99% (210-230) C
90%-92.99% (270-278) A-	60%-69.99% (180-209) D
85%-89.99% (255-269) B+	Below 60% (<180) E
80%-84.99% (240-254) B	

Final Exam

The purpose of the exam is for you to provide evidence of your comprehensive understanding of course concepts and your ability to apply them. The exam will involve a case analysis and/or integrating questions that require critical thinking.

Team Project – Service Blueprint and Brand Analysis

Working in small teams of 4 (or 5 maximum) people, you will choose a real service to analyze. You will be asked to develop a service blueprint for the service (see class session), and to analyze the blueprint and service brand using course concepts. Insights revealed by the blueprint as well as recommendations for service improvement and brand strategy based on your analyses will be included as part of the assignment. A separate handout describing the details of this assignment will be provided.

Case Participation

Case preparation questions for each case are included at the end of the syllabus. You will be given credit for your participation in each case session. Cases will be assessed on a pass/fail basis according to your level of participation—points will be deducted from your grade for non-participation as described below.

To get full credit for each case, you must participate meaningfully in the discussion and turn in your written preparation notes for each case. Written preparation notes will address the case questions provided and will be turned in at the beginning of the case discussion (make a copy for yourself so you will have something to refer to during class). Your notes should be typed. Notes will not be graded but will be assessed on a “√-, √, √+” basis to assure that you are prepared. √+ will translate to 4 points; √ will translate to 3 points and √- will translate to 1-2 points each.

Turning in notes written by someone other than you is considered plagiarism and is unacceptable.

If you are absent or do not turn in your notes during a case discussion, your course grade will be reduced by 4 points for each missing case.

In-Class Contributions

Active student participation in class is essential for your learning and to the success of the class. Therefore, you will be evaluated on your individual overall participation including regular attendance, contributions to class and case discussions, and completion of exercises in class. Your primary attention should be to the quality of your participation, not simply quantity. To make quality comments you must read the assigned articles, prepare for the cases and complete any out-of-class assignments prior to class time. In addition, you will need to attentively follow the discussion in class so that your comments will build from what others have said. Clarity and conciseness will be highly valued. If you wish feedback on your level of participation, you may set up an appointment at any time during the term.

Strategic Services Marketing GF 4518- Tentative Class Schedule

Week	Date	Topic	Case	Readings
Wk 1	1/23	Introduction		Make Teams
		Financial Impact of services		<ol style="list-style-type: none"> Gupta, Sunil and Valarie A. Zeithaml, "Customer Metrics and Their Impact on Financial Performance," <i>Marketing Science</i>, November-December 2006; Reinhartz, Werner and Wolfgang Ulaga, "How to Sell Services More Profitably," <i>Harvard Business Review</i>, 86 (5), 2008.
Wk 2	1/30	Introduction to Gaps Model, Consumer Gap	Jyske Bank (Denmark)	<ol style="list-style-type: none"> Seiders, Kathleen and Leonard L. Berry (1998), "Service Fairness: What It Is and Why It Matters," <i>The Academy of Management Executive</i> (May).
	2/01	Gap 1: Expectations Gap: Consumer Research and Loyalty		<ol style="list-style-type: none"> Rust, Roland, Christine Moorman, and Gaurav Bhalla, "Rethinking Marketing," <i>Harvard Business Review</i>, January-February 2010
Wk 3	2/06	Gap 1: Service Recovery	Jet Blue (USA)	<ol style="list-style-type: none"> Tax, Stephen S. and Stephen W. Brown, "Recovering and Learning from Service Failure," <i>Sloan Management Review</i>, Fall 1998, 75-88
	2/08	Gap 2: Service Design and Blue Printing		<ol style="list-style-type: none"> Stuart, F. Ian, "Designing and Executing Memorable Service Experiences: Lights, Camera, Experiment, Integrate, Action!" <i>Business Horizons</i>, March-April 2006 Bitner, Mary Jo, Amy Ostrom and Felicia Morgan, "Service Blueprinting: A Practical Technique for Service Innovation," <i>California Management Review</i>, Spring 2008
Wk 4	2/13	Gap 2: Servicescapes and Physical Evidence	Giardano (Hong Kong)	<ol style="list-style-type: none"> Berry, Leonard and Neeli Bendapudi, "Clueing in Customers", <i>Harvard Business Review</i>, February 2003; Shostack G. Lynn, "Designing Services that Deliver," <i>Harvard Business Review</i>, January-February 1984, 133-39
	2/15	Gap 3: Employees and Consumer Role		<ol style="list-style-type: none"> Winter 1999; Heskett, James L., Thomas O. Jones, Gary W. Loveman, William E. Sasser and Leonard A. Schlesinger, "Putting the Service Profit Chain to Work," <i>Harvard Business Review</i>, March-April 1994, 164-74; Bowen, David E., "Managing Customers as Human Resources in Services Organizations," <i>Human Resource Management</i>, 25, (3), 1986, 371-83; Tax, Stephen S., Mark Colgate and David E. Bowen, "How to Prevent your Customers from Failing," <i>Spring Sloan Management Review</i>, Spring 2006, 30-38. Prahalad, C.K. and Venkatram Ramaswamy, "Co-opting Customer Competence," <i>Harvard Business Review</i>, January-February 2000, 79-87.

Wk 5	2/20	Gap 3: Role of Technology	The Dabbawala System: On-Time Delivery, Every Time (India)	1. Bitner, Mary Jo, Amy L. Ostrom and Matthew Meuter, "Implementing Successful Self-Service Technologies," <i>Academy of Management Executive</i> , November
	2/22	Gap 4: Integrated Communication and Service Branding		1. Mitchell, Colin, "Selling the Brand Inside," <i>Harvard Business Review</i> , January 2002; 2. Bendapudi and Bendapudi, "Creating the Living Brand," <i>Harvard Business Review</i> , May 2005, 124-134
Wk 6	2/27	Putting it all together; All Business are service business	Caterpillar (Latin America)	1. Bitner, Mary Jo, Stephen Brown, Michael Goul and Susan Urban, "Services Science Journey: Foundations, Progress, Challenges", IBM Services Summit, Oct 5-7, 2006 (4pp). 2. The Service Imperative," <i>Business Horizons</i> , January-February 2008; 3. Sawhney, Mohanbir, Sridhar Balasubramanian and Vish V. Krishnan (2004), "Creating Growth with Services," <i>Sloan Management Review</i>
	2/29	Presentations and Pizza!		Written Project Due; Peer evaluations due
Wk 7		Exam		

CASE DISCUSSION QUESTIONS

(Questions to be prepared in advance of each case discussion; turn in your answers at the beginning of class, keeping a reference copy for yourself to use during the discussion)

Jyske Bank questions—January 30:

- (1) What is Jyske Bank's new positioning or competitive differentiation strategy?
- (2) What changes did the bank make to get to its new position? What effect did these changes have?
- (3) In your opinion can Jyske Bank sustain its growth and success? Would you invest in Jyske Bank?

JetBlue—February 6:

- (1) Before the Ice Storm:
 - What is the "JetBlue Experience" and how is it related to the company's overall business strategy?
- (2) During the Ice Storm:
 - What exactly went wrong? Why? Who, or what, was responsible?
 - Did the airline handle the crisis well—why or why not? What else could JetBlue have done to improve the situation?
- (3) Looking Ahead:
 - What further strategic and/or leadership actions should JetBlue take to ensure the company's future success and their ability to deliver the JetBlue Experience?

Giordano---February 13:

- (1) Describe and evaluate Giordano's current positioning strategy. Should Giordano reposition itself against its competitors in its current and new markets, and should it have different positioning strategies for different geographic markets?
- (2) Can Giordano transfer its key success factors to new markets as it expands both in Asia and in other parts of the world?
- (3) How are the company's service strategies (e.g., people process, physical evidence) linked to its market position? In other words, how does Giordano align its service design and positioning with customer expectations?

The Dabbawala System---February 20:

- (1) Describe the intricate system of delivery of the dabbawalas.
- (2) What were some of the challenges faced by this system and what were their biggest strengths? Can this system be replicated in other industries/countries---if yes, where? If no, why not?
- (3) How can the dabbawalas use some of the "new" technology options available?

Caterpillar in Latin America – February 27:

Using your knowledge of the Gaps model and its associated strategies and tools and the data and analyses presented in the case, describe specifically the challenges faced by Caterpillar and how the gaps model could help the company move forward (analyze every gap and the actions taken to close them). Take advantage of the questions at the end of the case to help shape your thinking relative to specific gaps.