

MACQUARIE
UNIVERSITY



FACULTY OF
BUSINESS AND ECONOMICS

MKTG808
Services Marketing

Semester 2, 2009

DEPARTMENT OF BUSINESS

MACQUARIE UNIVERSITY
FACULTY OF BUSINESS AND ECONOMICS
UNIT OUTLINE

Year and Semester: Semester 2, 2009

Unit convenor: Professor Greg Elliott
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Students in this unit should read this unit outline carefully at the start of semester. It contains important information about the unit. If anything in it is unclear, please consult one of the teaching staff in the unit.

ABOUT THIS UNIT

Unit Description

This course in Services Marketing is intended to broaden your view of marketing and how it is increasingly being practised in business today. It is designed to cause you to question the prevailing conceptualisation of marketing as it has been studied and practised over the past 40 years or so. The course will examine marketing as it applies in industries which deal primarily in services, but also from the perspective of virtually all organisations in recognition of the fact that service is an integral part of the offerings of every organisation. The course builds on the material previously discussed in MKTG813 “Marketing Principles” (or equivalent) which is a pre-requisite subject for this course.

The course will seek to apply the principles of services marketing to organisations in the private, public and not-for-profit sectors. It will also examine the characteristics and the unique problems caused by the differences between the marketing of tangible goods and the marketing of services. It will endeavour also to communicate the need for understanding in detail consumer behaviour as it applies to the purchase of services and to the interaction between customers and service providers.

As with the marketing of all products, a key to success and profitability in marketing services is the building of (ideally) long-term relationships with profitable customers. This has led to the growing recognition and practice of “customer relationship management”, especially in the services sector. This will be an important theme in the course.

Finally, the course will communicate the fact that the successful marketing of services and the successful delivery of service are critical elements in the development of customer satisfaction and the long-term success of an organisation. In this regard, the concept of service quality and its measurement will be discussed, as will the link between service quality and customer satisfaction. The factors that contribute to

perceived service quality lie within the areas of responsibility of virtually all employees of an organisation. The provision of superior service, therefore, becomes the responsibility of other departments of the organisation (most notably operations and human resources) in partnership with marketing.

The course is designed to assist the student in gaining a comprehensive understanding of the nature of services, of how the consumer buys and evaluates service, and of the multi-dimensionality of service. Furthermore, because the breadth of the topic is so wide, an additional dimension of the course will be to explore the range of issues within particular service industries or sectors (for example, financial services, tourism, public sector, professional services, retail services etc.)

Finally, as for all graduate courses, a high level of student participation, independent thought and written expression is expected.

TEACHING STAFF

Professor Greg Elliott (Email: Greg.Elliott@mq.edu.au)

CLASSES

Classes will comprise thirteen three-hour lecture/seminar sessions.

The timetable for classes can be downloaded from:

http://www.businessandconomics.mq.edu.au/faculty_docs/postgraduate/GACC_docs/tt_sem2_2009.pdf

REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

Prescribed text:

Lovelock, C.H., Patterson, P.G. and Walker, R.H. (2007) *Services Marketing: An Asia-Pacific and Australian Perspective*, 4th ed., Pearson Prentice-Hall, Sydney.

UNIT WEB PAGE

Blackboard <http://learn.mq.edu.au>

LEARNING OUTCOMES

Unit Objectives

1. To become more aware of the nature and characteristics of services, knowledgeable about the ways services need to be marketed due to their intangible core, as well as more informed regarding service quality issues and the success factors in services marketing and services delivery.
2. To understand the overlap of marketing with operations management and human resource systems in the design and management of service organisations.
3. To gain insight into the problems faced by service marketing professionals as well and strategies which managers can employ to increase the effectiveness of services marketing.
4. To develop an understanding of services marketing from both conceptual and managerial and viewpoints as well as the differences and commonalities between goods and services through discussion and case analysis of services in a broad range of private, non-profit, and public sector organisations.

The Macquarie experience is designed to lead students to a career in the city and a place in the world. It encourages life-long learning and links teaching to cutting-edge research.

Macquarie seeks to develop generic skills for students, building flexible outcomes for life and for the workplace over a life's career. These skills include:

- *foundation skills of literacy, numeracy and information technology;*
- *self-awareness and interpersonal skills, such as the capacity for self-management, collaboration and leadership;*
- *communication skills for effective presentation and cultural understanding;*
- *critical analysis skills to evaluate, synthesise and judge;*
- *problem-solving skills to apply and adapt knowledge to the real world; and*
- *creative thinking skills to imagine, invent and discover.*

Source: Macquarie University Handbook

TEACHING AND LEARNING STRATEGY

The unit will consist of lectures, which will impart the required theoretical content. There will also be discussion of video cases, case study exercises and small group presentations. Discussion and case exercises will be carried on within the framework of set questions which will require individual preparation and small group presentations. It is your responsibility to study the case studies prior to class in order that you may contribute, participate intelligently and so gain maximum value from the course.

A further important component of the course will be a major group project which will require the collection and analysis of customer service quality data, upon which the groups will prepare and present a report recommending improvements in a firm's marketing mix and customer service delivery.

You are expected to take full responsibility for managing your own learning. Your results for this course will reflect the quality of your efforts to come to grips with the principles involved and your understanding of how they might be applied in real-world situations. As the course involves a significant component of group research and presentations, you will need to contribute fully and constructively to the group work. As mature graduates, it is assumed that you will contribute equally and marks will reflect this.

The teaching format is designed to enable you to develop or hone a wide range of analytical, communication (written and oral) and presentation skills in a "non-life threatening" environment.

You will develop your analytical and critical thinking skills through reading widely, actively participating in classroom and group exercises involving real-world situations and presenting the results of your deliberations in concise written and oral form.

CLASS PARTICIPATION

Classes will be conducted in a highly interactive manner. Students are expected to complete the required text reading and case studies each week and may be individually called upon to offer viewpoints and engage in critical discussion of the case material. Classes will involve lectures, together with the presentation and critical discussion of case studies, and student presentations of the group Service Quality project.

LECTURE SCHEDULE

Session	Date	Topic	Lovelock, Patterson & Walker Chapters
1	10 August	Course Introduction Distinctive Aspects and Developing Frameworks of Services Marketing	1
2	17 August	Services Marketing Video Case Discussion Customer Involvement and Customer Behaviour	2
3	24 August	Customer Satisfaction and Service Quality Managing Customer Service	3 11
4	TBA	Managing People in Service Environments Customer Complaints and Service Recovery Ritz-Carlton Video Case Discussion	4 13
5	31 August	Relationship Marketing Video Case Discussion Case Study Presentations	12
6	7 September	Segmentation and Positioning Case Study Presentations	5
7	14 September	Product Strategy Case Study Presentations	6
8	5 October	Mid-Term Quiz Interim Project Presentations	
9	12 October	Pricing and Costs Service Delivery and Servicescape	8 7
10	19 October	Case Study Presentations Advertising and Promotion	10
11	26 October	NSW Tourism Video Case Discussion Group Project Presentations	
12	2 November	Group Project Presentations (cont.) Course Review	
13	9 November	Final Exam	

RELATIONSHIP BETWEEN ASSESSMENT AND LEARNING OUTCOMES

The assessment system has been designed to help students learn and apply the concepts introduced during the course. The purpose is to assess:

- ◆ the extent to which you understand the concepts, ideas and theories introduced;
- ◆ your ability to apply these concepts to your own experience;
- ◆ your ability to develop and support an argument in terms of the word limit required; and

- ◆ your ability to present information and ideas before an audience, and to be able to support the arguments presented.

Throughout this Unit, students will gain an appreciation for the nature of Services Marketing and the way in which it is studied and practiced today. Students will develop a detailed understanding of the theoretical aspects of marketing service organisations via the examination of key concepts within services marketing theory. Students will additionally obtain a practical understanding of the implementation of service marketing principles through both the presentation and critical analysis of case studies, as well as through the investigation and measurement of the service quality levels of two firms of their choice.

ASSESSMENT ITEMS

The course offers a number of assessment elements which provide the student the opportunity to demonstrate understanding of the material and ability to apply the concepts of marketing and related activities of management in a services context:

• Mid-semester Multiple Choice Quiz	10%
• Individual Case Study	10%
• Group Case Study Presentation	10%
• Service Quality Assignment and Presentation	30%
• Final Examination	<u>40%</u>
	<u>100%</u>

Students are required to attend a minimum of 80% of lectures and tutorials. Failure to attend a minimum of 80%, without permission, can lead to exclusion from the final examination. A weekly attendance roll will be kept for record purposes.

MULTIPLE CHOICE QUIZ

Students are required to complete an individual multiple choice quiz consisting of 30 questions. This quiz will examine students' knowledge of Weeks 1-6 inclusive and will be conducted **during the lecture** on the **5th of October**. Students will be given 40 minutes to complete the test.

INDIVIDUAL CASE STUDY

There will be one individually prepared written case study to be submitted during the term in which students will be required to address a series of assigned questions. Cases will be allocated to each group, with one group presenting its solution (the "presenting group") and a second group "critiquing" the presenting group's answers to the assigned questions (the "discussant group"). The groups will be expected to lead the class in the presentation and discussion of the cases.

The case will thus be presented by the group in class (although it will have been prepared individually). The cases have specific questions to be answered. The cases will **be presented and discussed in class**. (Allow for fifteen minutes presentation.). The written case study analyses will be collected **at the completion of the cases**.

Length should be **no more than 1,000 words**.

Students are expected to at least read every case and be prepared to discuss them in class. However the following schedule applies for the “formal” case presentations and for the individual case analyses.

GROUP CASE STUDY PRESENTATION

Cases will be allocated to each group (see below), with each group presenting its solution using PowerPoint slides according to the “Course Schedule” outlined above in this document. Presenting groups will present for 30 minutes. The groups will be expected to lead the class in the presentation and critical discussion of the cases. This includes involving the class directly in discussion of the case through questions directed at the audience. Presenting groups will be marked in part on their ability to involve and engage actively with the audience. It is expected that all non-presenting class members will engage in critical analysis and debate of the presented case. Involvement in this analysis and debate process will contribute strongly to each students semester participation mark. Students are therefore expected to read every case during the course and be prepared to discuss them in class even if they are not scheduled to present.

Date	Case	Presenting Group	Discussant Group
31 August	Customer Frustration with Optusnet (Lovelock et als, p. 510)	1	2
7 September	Hong Kong Disneyland (to be distributed)	3	4
14 September	Ocean Park (to be distributed)	5	6
19 October	Starbucks (Lovelock et als, 540)	7	8

GROUP PROJECT: SERVICE QUALITY ASSIGNMENT

Each group is to conduct “primary” and “secondary” market research to enable them to present an analysis of the customer service provided within a service marketing context. Groups can choose to study any of the following industries/retail groupings:

- Hotel chains (eg. Sheraton, Hilton, Sebel etc)
- Fast food (eg. McDonalds, Krispy Kreme, KFC etc)
- Supermarket chains (eg. Coles, Woolworths etc)
- Retail Fashion (eg. Myer, David Jones etc)
- Airlines (eg. Qantas, Virgin, Singapore Airlines, Malaysian Airlines, SAS etc)
- Banking (eg. ANZ, Commonwealth, St George etc)
- Telecommunications Services (eg. Telstra, Optus etc)
- Higher education (eg. University of NSW, University of Sydney etc)
- Coffee chains (eg. Gloria Jean’s, Starbucks, Coffee Club etc)
- (Other industries/retail groupings can also be studied with prior approval by the tutor.)

Please note students will be individually marked on the basis of their individual contribution to the Service Quality Assignment. Each student's contribution mark to the assessment will be assessed by a formal group voting procedure conducted in the final tutorial.

The major tasks of the group are:

- 1. To evaluate CRITICALLY the customer service provided by your two chosen competing organisations using a structured SERVQUAL (or similar) instrument and interviews and,**
- 2. From the perspective of the lesser performing firm, to derive marketing and operational strategies based on your critical analysis to improve customer service quality and marketing performance.** (That is, how can the lesser performing firm (profitably) improve its customer service and/or marketing?)

Guidelines for your analysis:

Briefly: Provide background information on the service category itself (eg. Guideline - Describe the category and what it is about, who are the broad competitors in the category, what are the positions of the competitors within it etc)

Briefly: Provide a summary, using “secondary data” (from company records, press reports, web pages etc) of the two chosen companies (eg. Guideline - historical background, market performance to date, strategy for entries and growth etc)

Summarise each firm's competitive position in the market (that is, the service it is providing, how it is trying to provide it, how it is trying to differentiate itself from its competitors, unique offerings?) This will involve collecting “primary” customer service data; together with “observations” of service delivery.

- a. Measure and critically evaluate the service quality offered by your two organisations systematically (using SERVQUAL). A minimum sample size of thirty surveys per organisation is generally required.
- b. (Optionally) interview verbally a small sample customers who are patrons of your two organisations and report on their experiences (eg. Customer's decision making process and choice behaviour within the sector, perceptions of the brand compared to other brands in the sector, their degree of satisfaction and dissatisfaction with the service they have received etc)
- c. Also observe any other aspects of service delivery which potentially impact on the customer's service experience (eg cleanliness, pricing and special offers, store location, etc).

Critically analyse the findings from your SERVQUAL survey and interviews. Comment in detail on your findings for both firms.

From the perspective of the lesser performing organisation, recommend improvements in both service and other marketing mix elements (7 P's). Base these recommendations specifically on the findings from your critical evaluations (ie. SERVQUAL survey, observations and interview findings). Your report should contain guidelines for implementation to demonstrate that these recommendations are achievable, both operationally and financially.

The report should be **no more than 3,000 words** (excluding appendices). Reports should be submitted in hardcopy (double-spaced; 12 pt).

Referencing should be based on the Harvard Author-Date convention

The first group presentations reporting the critically analysed findings from your SERVQUAL survey, observations and interviews will be presented in class in sessions 8 and 9 depending on your group allocation.

Groups should allow 20 minutes for presentations.

Marks will be allocated as follows: Presentation 5%; Final report 25%

Reports are due sharp at the start of the class in week 13.

FINAL EXAMINATION

The final examination will occupy two and a half hours and will be a combination of a short case study and short answers. For the case study, you will be expected to answer specific questions. The exam for this Unit will be held during the last class (**9 November**).

The only exception to not sitting an examination at the designated time is because of documented illness or unavoidable disruption. In these circumstances you may wish to consider applying for Special Consideration. Information about unavoidable disruption and the special consideration process is available at <http://www.reg.mq.edu.au/Forms/APSCon.pdf>

If a Supplementary Examination is granted as a result of the Special Consideration process the examination will be scheduled after the conclusion of the official examination period.

You are advised that it is Macquarie University policy not to set early examinations for individuals or groups of students. All students are expected to ensure that they are available until the end of the teaching semester, that is the final day of the official examination period.

ACADEMIC HONESTY AND PLAGIARISM

Deliberate breaches of academic honesty constitute academic misconduct. These breaches include; plagiarism, fabrication of data, recycling previously submitted material, engaging someone else to complete an assessment on one's behalf and misconduct during supervised assessments. The penalties for academic misconduct may include; a mark of zero on the assessment, a fail grade in the unit of study, additional assessment (including an unseen exam) and / or reference of the matter to the University Registrar. Issues concerning breaches of academic honesty may be dealt with either through the process of determining academic results in a unit of study, or, in the most serious cases, by invocation of misconduct procedures. Students are expected to familiarise themselves with Macquarie University's Plagiarism policy. The University defines plagiarism in its rules: "Plagiarism involves using the work of another person and presenting it as one's own." Plagiarism is a serious breach of the University's rules and carries significant penalties. You must read the University's practices and procedures on plagiarism. These can be found in the *Handbook of Undergraduate Studies* or on the web at: <http://www.student.mq.edu.au/plagiarism/>

The policies and procedures explain what plagiarism is, how to avoid it, the procedures that will be taken in cases of suspected plagiarism, and the penalties if you are found guilty. Penalties may include a deduction of marks, failure in the unit, and/or referral to the University Discipline Committee.

STUDENT SUPPORT SERVICES

Macquarie University provides a range of Academic Student Support Services. Details of these services can be accessed at <http://www.student.mq.edu.au>

Mark Sheet for Individual Papers

Name: _____

Topic: _____

Mark: _____
(Paper + Presentation)

	Excellent				Fail
Extent content relevant to topic					
Quality, accuracy and depth of critical analysis					
Breadth of ideas from literature, cases and/or experience					
Application of ideas & discussion of topic					
Comprehensive answer to the question					
Coherence of argument					
Prose style: sentence structure, grammar, spelling etc.					
Structure & presentation, paragraphing, layout etc					
Referencing – reference list and citing of sources in body of essay					

Appropriate Length **Yes / No**

Submitted on date set

Yes / No

Comments:

Mark Sheet for Group Projects

Names: _____

Names: _____

Names: _____

Topic: _____ **Mark:** _____

(Paper + Presentation.
Does not include Peer Evaluation)

	Excellent				Fail
Extent content relevant to topic					
Quality, accuracy and depth of analysis & interpretation					
Breadth of ideas from literature, cases and/or experience					
Application of ideas & discussion of topic					
Comprehensive coverage of required elements					
Coherence of argument, logical & easy to follow					
Prose style: sentence structure, grammar, spelling etc.					
Structure & presentation, paragraphing, layout etc					
Referencing – reference list and citing of sources in body of report					

Appropriate Length **Yes / No**

Submitted on date set

Yes / No

Comments:

STUDENT EVALUATION OF GROUP MEMBER PARTICIPATION

(Separate form to be completed by each student)

Great teamwork enhances group outcomes. This form has two functions: to provide you with a guide to the behaviours expected of you as a team member AND as a means of evaluating your contribution and that of each other team member on completion of the project. Evaluations may be used by your lecturer to determine the final project mark for each person in your team. On formation of the team, examine the participation criteria carefully. Think about how you will contribute to the group effort and discuss this as a team. Write your own name below ('Self') and that of each other person. On completion of the project use the form to evaluate yourself and the team. Circle the letter that best describes the person's participation for each criterion, then give the form to your lecturer.

Person 1 (self): _____

Person 2: _____

Person 3: _____

Person 4: _____

Person 5: _____

Person 6: _____

Person						Participation criteria
1	2	3	4	5	6	
a	a	a	a	a	a	Planning/organising of project a) Took a leading role & gave time to planning b) Did fair share of planning work c) Did some planning work but less than others d) Did not participate in planning activities
b	b	b	b	b	b	
c	c	c	c	c	c	
d	d	d	d	d	d	
a	a	a	a	a	a	Conceptualisation of the project a) Took a leading role b) Contributed good ideas c) Contributed some ideas but less than others d) Did not contribute to project conceptualisation
b	b	b	b	b	b	
c	c	c	c	c	c	
d	d	d	d	d	d	
a	a	a	a	a	a	Attendance at team meetings a) Organised meetings & facilitated the involvement of team members b) Attended all scheduled meetings c) Missed one or more meetings but informed others in advance d) Missed one or more meetings but did not inform others in advance e) Poor attendance
b	b	b	b	b	b	
c	c	c	c	c	c	
d	d	d	d	d	d	
e	e	e	e	e	e	
a	a	a	a	a	a	Meeting team deadlines a) Always worked to deadlines b) Missed one or two deadlines but negotiated changes with others c) Missed one or two deadlines without discussion with others causing minor problems for team d) Poor in meeting team deadlines causing major problems for the team
b	b	b	b	b	b	
c	c	c	c	c	c	
d	d	d	d	d	d	
a	a	a	a	a	a	Cooperation, flexibility & resourcefulness a) An excellent team member & facilitator b) A good team member c) Generally worked well as a team member with some lapses d) Difficult and uncooperative
b	b	b	b	b	b	
c	c	c	c	c	c	
d	d	d	d	d	d	
a	a	a	a	a	a	Quality of work submitted to team a) High quality contributions b) Good contributions c) Fair contributions with some lapses in the quality or amount of work submitted d) Submitted work but it was unsuitable for inclusion as part of team output e) Failed to submit work, or work not submitted in time
b	b	b	b	b	b	
c	c	c	c	c	c	
d	d	d	d	d	d	
e	e	e	e	e	e	



Assignment Coversheet Declaration

Student Name

Student number

Assignment Title

Unit

I certify that:

- This assignment is my own work, based on my personal study and/or research
- I have acknowledged all material and sources used in the preparation of this assignment, including any material generated in the course of my employment
- If this assignment was based on collaborative preparatory work, as approved by the teachers of the unit, I have not submitted substantially the same final version of any material as another student
- Neither the assignment, nor substantial parts of it, have been previously submitted for assessment in this or any other institution
- I have not copied in part, or in whole, or otherwise plagiarised the work of other students
- I have read and I understand the criteria used for assessment
- The assignment is within the word and page limits specified in the unit outline
- The use of any material in this assignment does not infringe the intellectual property / copyright of a third party
- I understand that this assignment may undergo electronic detection for plagiarism, and a copy of the assignment may be retained on the database and used to make comparisons with other assignments in future

Signature

Date

This declaration is a summary of the University policy on plagiarism. For the policy in full, please refer to Student Information in the Handbook of Undergraduate Studies or www.student.mq.edu.au/plagiarism/