

Services Marketing and Management—MKTG 459—Winter 2010

Professor Richard Honack

Syllabus—10-22-09(Revised)

Objectives of the Course

The main objectives of this course are to develop an ability to evaluate, implement and lead effective marketing programs in service companies and organizations. Specifically, the course will center on providing students with the knowledge of how marketing plays a key role in the success or failure of these organizations. This course will allow students to learn how to:

- Analyze marketing and leadership problems of service driven companies and how they may or may not differ from product driven companies.
- Develop plans to implement marketing programs in service companies that provide a supreme customer experience and extreme customer loyalty.
- Understand the importance of segment and target research to service companies and how to find customers who value or need the service.
- Negotiate, plan and implement integrated marketing programs.
- Develop and plan meaningful customer centric programs.
- Develop leadership skills while doing a marketing audit study and report.

Class Attendance

The first class of this course is mandatory and attendance at the other nine sessions also is expected. Unexcused absences will impact the individual student's grade. Please inform me if you intend to miss class for any reason so your absence is noted.

Group Project--The Marketing Audit

Students will be organized into teams of five or six members by me, Professor Honack. Each team will select a service company or organization, contact its management and make arrangements to conduct a marketing audit, write a client report and make recommendations to that organization. I will appoint a leader, who will liaison with company management and with me. Leaders may switch at the mid-term, as could happen in real life task force work. All students, however, should feel free to contact me at anytime over the 10-week course to discuss their individual class work. Team leaders should contact me at least three times in the 10-week term either in person, by e-mail or phone with a status report of their individual group's progress. I also am available to meet with entire teams, throughout the course, if that is needed or desired.

The selected teams and leaders will be announced in **Class 1**. A description of individual team projects and their companies is due to me at the start of **Class 3**. Each group must submit a one-paragraph statement by that time identifying the company, the objective of the audit, and any special needs that may be associated with the project.

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From that point on, **the groups will have approximately eight weeks to complete the project which will be due at the beginning of Class 10.** All audits must be in hard copy format as electronic copies will not be accepted. We will spend considerable time in the first class discussing the audits and in future classes as needed.

The audit paper should follow the outline in the case packet and discussed in Class. It should average between 30 and 50 pages of text, not counting addenda and exhibits. The paper will be graded as follows: 30 percent for research quality; 30 percent for quality of evaluation and recommendations; 30 percent for writing quality; 10 percent for creativity. The paper will receive one grade. **The Audit and Peer evaluation, combined, will count as 60 percent of the course grade.**

Two paper copies of the project (one original and one copy) will be **due at the beginning of Class 10** along with mandatory peer group evaluations (see below). Unexcused late papers will be dropped one letter grade for each day they are late. **Papers will not be accepted five days after Class 10.** All papers will be returned to the respective team leaders mailboxes by Thursday, Dec. 10th with the paper's grade. Final grades for students will be recorded on Caesar that same day.

Peer Group Evaluations

Along with the final project, each student will be required to fill out a confidential peer evaluation form grading each team member covering three areas:

- Initiative and originality.
- Commitment to the team and project.
- Share of workload.

Evaluations will emailed to students in Week 9 and must be **returned, electronically, no later than the 5 p.m. on the day of Class 10.**

Midterm Take-Home Assignment

There will be an individual take-home midterm assignment distributed in Class 4. **The exam will be due at that start of Class 5.** Late papers will be penalized one-letter grade for each day they are late and will not be accepted five days after Class 5. Individuals not turning in an exam by that time will receive a zero for the mid-term portion of their grade. **The mid-term will count as 25 percent of the course grade.**

Course Grading

To recap, the individual course grades will be determined in the following manner:

- Audit paper and Peer Evaluation: 60 %**
- Midterm case assignment: 25 %**
- Class participation: 15 %**

Special Note about classroom etiquette:

Since Services Marketing and Management is about creative thinking and innovation, this class will be taught in the Socratic method and students may be called on at any time for their respective ideas, opinions and thoughts concerning readings, cases or during class discussions. This is not done to embarrass anyone but to provide a stimulating dialogue as part of the learning process. **It will help everyone in the class if you remember to bring your nameplate to every class** and arrive for class on time. No email, texting, tweeting, et al, or web surfing will be allowed in this class out of respect for your classmates and guest speakers. You will be asked to turn off your laptops and mobile devices before class begins.

If you need to discuss anything concerning the class material or your individual situation in the class, do not hesitate to contact me at work or at home. My email is rhonack@kellogg.northwestern.edu My office number is 847-491-2829; home number 847-358-5526 (until 10 p.m.); My office is Room 453 of Jacobs and my hours are normally M-F, 8 a.m. to 5 p.m. Please make an appointment.

This Syllabus is subject to change and will be updated on a regular basis as guest speakers are confirmed.

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Professor Richard Honack
Class-by-Class Topics, Readings and Assignments
All Speakers are TBD and can change due to unforeseen circumstances.

Recommended Text: *Interactive Services Marketing, Fisk/Grove/John, 2003, Houghton Mifflin, 3rd edition, Copyright 2008.*

Case Packet: There is a mandatory case packet for MKTG 459/Professor Honack.

Class 1 **Mandatory First Class Attendance**
Defining Services Marketing and Management
What is Services Marketing?
The difference from Product Marketing.
Thinking strategically about services.
How to perform a Services Marketing Audit.
Introduction of marketing audit project teams.

Assignments and Recommended Readings for Class 1:

- Read and be prepared to discuss Chapter 1 of *Fisk/Grove/John*.
- Bring your Nameplates—**First Class is Mandatory.**

Class Topics, Assignments and Readings

Class 2 **Part 1: Service Marketing in the Nanosecond Culture – featuring: Case-Growing Big While Staying Small-Starbucks Harvests Int. Growth**

What is your business?
What is your market? What opportunities exist in it?
What customer segments do you serve?
What targets do you want?
Who are your competitors?
How are you positioned to service them?
How is your brand or service perceived?

Assignments and Readings for Class 2:

- Read Chapter 3 of *Fisk/Grove/John* for understanding.
- Read and be prepared to discuss all aspects of *Howard Schultz and the Starbucks Co.* case based on the questions distributed in Class 1.

Class 3 **Part 2: Service Marketing in the Nanosecond Culture – featuring: Case-Growing Big While Staying Small-Starbucks Harvests Int. Growth**

Part 3: The Service Setting –

What is Service Setting?
Who drives Cyberspace service settings —the provider or the customer?
Who ultimately decides if a service is “self” directed?
When is self-service a good idea? When is it a bad idea?
Who does it correctly? Who does it poorly? Why?

Class 4 **Managing customer expectations and experiences – featuring: Fed Ex case and Starbucks: Delivering Customer Service case**

What do customers expect when they walk into Starbucks; McDonald’s; use FedEx, UPS or the Postal services; attend a theatrical or a sporting event; check into a hospital or fly a certain airline?

Assignments and Readings for Class 3:

- Read Chapters 2 and 5 in *Fisk/Grove/John*.
- Read and be prepared to take a stand on the *FedEx* case.
- Read and be prepared to discuss the second *Starbucks* case based on the questions developed in Class 2 from the original case.

•Midterm Assignment will be handed out in class. It is due at the beginning of Class 5.

Class Topics, Assignments and Readings

Class 5 ***Marketing Intangibles and Providing Superior Customer Services.***
Midterm exam due at beginning of class.

Part 1: Discussion of Midterm case.

Part 2: Lecture: How to offer “Supreme” customer services.

Guest Speaker TBA

Assignments and Readings for Class 5:

Discussion and review of the midterm case—prepare to defend your mid-term responses.

Class 6 ***Nonprofit Service Organizations—How are they different—featuring: The Metropolitan Opera case (A)***

Part 1: Lecture and Guest Speaker (TBD)

What is a “Nonprofit” service organization?

Who are the most successful?

What is the range of services?

Where do the nonprofits and for profits overlap?

How do you financially sustain non-profit services?

Who is the customer?

Can nonprofits make use of Internet marketing?

Part 2: Case Discussion: *The Metropolitan Opera*

Assignments and Readings for Class 6:

Prepare the Metropolitan Opera Case (A)

Class 7 ***How to lead employees and find targeted customers –featuring: The Shangri La Hotel and Resorts—Achieving Service Leadership case***

Who drives a service organization? What is the role of employees?

What services do customers value and expect?

What is quality customer service?

How is service quality defined?

Who defines service quality?

Assignments and Readings for Class 4:

• Read and be prepared to discuss the *Shangri La Hotels and Resorts --Achieving Customer Leadership* case based on the questions above.

• Read Chapters 4 and 6 in *Fisk/Grove/John*.

Class Topics, Assignments and Readings

Class 8 ***Developing Growth Strategies for Service Firms – featuring: Hong Kong Disneyland***

How do you grow a service business?
Who is successful in doing it?
Why the need to grow?
How low can the price go?
How many services can you provide?
Is customer loyalty a growth strategy?

Assignments and Readings for Class 8:

Read and be prepared to discuss and debate the *HK Disneyland Case*.

Class 9 ***Demand for Services...Sustained and Seasonal— featuring: The Barnes & Noble versus Amazon.com case***

How do you market B to B for consulting, teaching, investing, etc?
How do you manage “inventory?”
When do you launch new services?
Can you standardize demand?

Part 1: Guest speaker...TBA

Part 2: Lecture and case discussion.

Assignments and Readings for Class 9:

Read and be prepared to discuss Chapter 13 and 14n *Fisk/Grove/John*.
Read and be prepared to discuss the ***Barnes & Noble vs. Amazon.com*** case.

Class 10 ***Developing and Leading with Market Strategies***

Do you know your Macro and Micro Market environments?
Are you leading with proactive or reactive strategies?
Do you “anticipate” or “react” to future opportunities?
Have you prepared for changing generational leadership styles?
Do you have the “traits” of a strategic service leader?

TCE’s and Course Wrap up

Assignments and Readings for Class 10:

**Work on Final Project ...The Marketing Audit!!!
Complete your Peer Review Forms.**

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Reminder: Two paper copies of the project (one original and one copy) will be **due at the beginning of Class 10. Peer review forms will be due electronically at 5 p.m.** Every member of the team must complete a peer review.

Unexcused late papers will be dropped one letter grade for each day they are late.

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