

POST GRADUATE DIPLOMA OF MANAGEMENT (PGDM)

Marketing of Services (MK613)

Full Credit (3 credits)

Term VI (2015-17)

Session Duration: 90 Minutes per session

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COURSE INTRODUCTION

Indian economy is classified in three sectors — Agriculture and allied, Industry and Services. Services sector is the largest sector of India. Gross Value Added (GVA) at current prices for Services sector is estimated at Rs. 61.18 lakh crore in 2014-15. According to CIA world fact book, the Indian Services sector, ranks 11th worldwide and has a contribution of USD 1185.79 billion to the GDP. Services form a large and integral part of India's GDP.

This course will empower the student for facing the inherent challenges in marketing of services. The course equips the student with tools and techniques essential for managing service delivery standards for customer satisfaction and growth. It focuses on the unique challenges of attraction, retention, and building of strong customer relationships through quality service. The basic concepts covered in the course include: the difference between marketing services versus products; the role of the service encounter ; the key drivers of service quality; the customer's role in service creation; service design and innovation; going beyond service to create customer experiences; technology's impact on services; managing customer service expectations ; and customer service metrics. It focuses on how the marketing of services is different than the fundamental 4Ps approach to marketing.

COURSE OBJECTIVES:

The specific objectives of the course are:

Learning Outcome	Description
L01 Subject Knowledge	<ul style="list-style-type: none"> To conceptualize principles, practices unique to services marketing and
L02 Concept Application	<ul style="list-style-type: none"> To gain insights into buyer behavior and the decision-making process for services
L03 Strategic Application	<ul style="list-style-type: none"> To generate effective marketing strategies for a service oriented business
L04 Teamwork & Communication	<ul style="list-style-type: none"> To be able to convey services marketing ideas & strategy in communications & work as a team to attain goals
L05 Responsible Business	<ul style="list-style-type: none"> To be able to understand the <i>ethical, environmental, sustainability & socio-cultural dimensions</i> in service marketing
L06 International Perspective	<ul style="list-style-type: none"> To be able to understand and extrapolate the learnings in Marketing in a global context.

COURSE PEDAGOGY:

The teaching methodology will be a combination of classroom lectures which should encourage active student participation, case discussions (by the entire class), and debates discussed by the entire class.

The topic for the debates and related readings are mentioned in the session plan. Learning will further be reinforced by quizzes, assignment questions on cases, and a final examination.

COURSE READINGS

The following books are being referred for the course. However, as this is an elective course, it is expected that the students will make use of other materials which will be prescribed from time to time. Students are advised to read newspapers and business magazines of their choice on a regular basis to augment the classroom learning.

Reference Books:

1. Zeithaml, V. A., Bitner, M. J., Gremler, D. D., & Pandit, A. (2010). *Services Marketing: Integrating Customer Focus across the Firm*. New Delhi: Tata McGraw-Hill.
2. Lovelock, C., Wirtz, J., & Chatterjee, J. (2006). *Services Marketing: People, Technology, Strategy: A South Asian Perspective*. New Delhi: Pearson Education.
3. Bateson, J. E. G., & Hoffman, K. D. (2011). *Services Marketing*. New Delhi: Cenage Learning.

The above books would constitute essential reading for the course. However, the classroom lecture would be augmented by examples and discussions.

Key Cases and Reading List

The following Cases & Readings would be covered during the course

Case / Reading	Case Details
CASE-01	Starbucks: Delivering Customer Service (HBR) https://hbr.org/product/starbucks-delivering-customer-service/504016-PDF-ENG
CASE-02	International Airlines (HBR) https://hbr.org/product/international-airlines/693045-PDF-ENG
CASE-03	Porcini's Pronto: "Great Italian cuisine without the wait!" https://hbr.org/product/porcini-s-pronto-great-italian-cuisine-without-the-wait/4277-PDF-ENG
CASE-04	Shouldice Hospital Ltd. https://hbr.org/product/shouldice-hospital-ltd/683068-PDF-ENG
READ-01	"A Conceptual Model of Service Quality and its implication for Future Research", A Parasuraman; V A Zeithmal; & L L Berry, <i>Journal of Marketing</i> , Vol 49 Fall 1985, pp. 41-50
READ-02	"Service Blueprinting: A Practical Technique for Service Innovation", Mary Jo Bitner; Amy L. Ostrom; Felicia N. Morgan; <i>California Management Review</i> , 50(3) (2008): pp. 66-94
READ-03	"Servicescapes: The Impact of physical surroundings on customers and employees", Mary Jo Bitner, <i>Journal of Marketing</i> , Vol 56, April 1992, pp 57-71
READ-04	The Balanced Scorecard—Measures that Drive Performance Robert S. Kaplan and David P. Norton, <i>Harvard Business Review</i> , Jan-Feb 1992 https://hbr.org/1992/01/the-balanced-scorecard-measures-that-drive-performance-2

COURSE EVALUATION CRITERIA:

The evaluation process for the course would constitute of the following:

Component	Weightage	Duration	Key Objectives Tested
Case Participation	20%	Ongoing	L01 L02 L03 L06
Term Assignment	20%	Detailed below	L01 L02 L03 L04 L06
Mid Trimester Exam	30%	2 Hours	L01 L02 L03 L04 L06
End Trimester Exam	30%	3 Hours	L01 L02 L03 L04 L06

Case Participation:

The four cases would be discussed in the class and the participation of the students gauged during the presentation. Marks would be allotted basis of argumentation skills, convincing skills and analytical skills with respect to the case

Term Assignment (Report)

The students will have to conduct a primary study of an Indian Service Provider Organization keeping in mind the following issues

- Customer expectations and buying behavior
- Strategy including target segments and positioning
- Market offering viz., marketing mix and brand positioning
- Service design, process and blueprint
- Demand and capacity management
- Customer perception and satisfaction
- Customer relationships and loyalty focus
- Learning, conclusions and recommendations

The term assignment should be preferably carried out by visiting any organisation in the city but help of online resources can also be taken. The organisation studied should fall under any one of the following category:

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| • Educational and Training Services | • Banking Insurance and Financial Services |
| • Infrastructure and Public Utility Services | • Professional Services |
| • Telecomm and Call Center Services | • Hotel & Hospitality Services |
| • Health Care and Hospital Services | • Real Estate |
| • Transport and Freight Carrying Services | • Maintenance and Repair Services |
| • Personal Services | • Retailers, Wholesalers, Malls etc. |
| • Entertainment Services | • Auto Service Stations |

It should be further be noted that:

1. The maximum word limit for the assignment will be 3000 words +/- 10% (excluding annexure)
2. The assignment must be an original work and part II should be strictly primary research based
3. Citations should be properly provided using APA style

SESSION PLAN:

The following session plan would be adhered to by the faculty:

Session	Topic to be covered	Learning Objectives	Additional Resources
1.	Introduction to Services What is services? Why Services Marketing? Services and Technology, Characteristics of Services as compared to Goods, Services Marketing Mix	L01 L02	
2.	The GAP Model of Service Quality SERVQUAL The Customer Gap, The Provider Gap, Putting it all together	L01 L02	READ-01
3.	Consumer Behaviour in Service Search, Experience and Credence, Consumer choice, Consumer Experience, Post Experience Evaluation, Differences amongst consumers	L01 L02 L05	
4.	Customer Expectation of Service Types of Services Expectations, Managing Expectations, Factors that influence Customer Expectations,	L01 L02 L05	

	Issues involved in Customer Services Expectations		
5.	Case Discussion – CASE-01	L01 L02 L03 L04 L05 L06	Start - Term Assignment
6.	Customer Perception of Services Customer Perceptions, Customer Satisfaction, Service Encounter, Moment of Truth, Encounter Cascade, Using Research to understand customer expectations	L01 L02 L05	
7.	Building Customer Relationship Relationship Marketing, Relationship Value of Customers, Customer Profitability Segments, Relationship Development Strategies, Relationship Challenges,	L01 L02 L03 L05	
8.	Service Recovery The impact of service Failure and Recovery, How customers respond to service failures, Customers recovery expectations, Switching versus Staying following service recovery, Service Recovery Strategies, Service Guarantee	L01 L02 L03	
9.	Case Discussion – CASE-02	L01 L02 L03 L04 L05 L06	
10.	Service Development and Design Challenges of Service Design, New Service Development, Types of New Services, Stages in New Service Development, Service Blueprinting, Quality functions deployment, High Performance Service Innovations	L01 L02 L03 L06	READ-02
11.	Customer defined Services Standards Factors necessary for appropriate service standards, Types of customer defined services standards, Development of customer defined services standards	L01 L02 L03 L05	
12.	Physical Evidence and Servicescape Physical Evidence, Servicescapes, Types of Servicescapes, Strategic Roles of Servicescape, Framework for understanding Servicescape, Effect on Behaviour, Guidelines for Physical Evidence Strategy	L01 L02 L03 L06	READ-03
13.	Employees Role in Service Delivery Service culture, The critical importance of service employee, boundary spanning role, strategies for	L01 L02	

	delivering service quality through people, Customer Oriented Service Delivery		
14.	Case Discussion – CASE-03	L01 L02 L03 L04 L05 L06	
15.	Customers Role in Service Delivery Importance of Customer in Service Delivery, Customer’s Role, Self Service Technologies, Strategies for enhancing customer participation	L01 L02 L03	
16.	Delivering Services through Intermediaries Service Distribution, COCO, Franchising, Agents and Brokers, Electronic Channels, Common Issues regarding intermediaries	L01 L02 L03 L06	Submission of Term Assignment Report
17.	Demand Management Lack of Inventory, Capacity Constraints, Demand Patterns, Strategies for matching capacity and demand, Waiting Line strategies	L01 L02 L03	
18.	IMC in Service The need for IMC, Key reasons for service communication challenges, Strategies to match Service Promise with Delivery	L01 L02 L03 L05	
19.	Case Discussion – CASE-04	L01 L02 L03 L04 L05 L06	
20.	Pricing of Services Service Prices and customers, Approaches to pricing strategies, Pricing strategies and 4 values,	L01 L02	
21.	Financial and Economic Impact of Service Service and Profitability, Offensive and Defensive Marketing Strategies of Service, Customer Perception of Service Purchase Intention, Customer Retention and Profits, The Balanced Performance Scorecard	L01 L02 L03 L06	READ-04