



APPLIES TO ACADEMIC YEAR 2005/2006

EXC 2506 Service marketing and customer loyalty

Program

Bachelor of Science in Business (3. year).

Responsible for the course

Kjell Reidar Bygnes

Department

Marketing

Term

According to study plan

ECTS Credits

6

Today, service companies account for approximately 75 % of the gross national product in several developed countries, employing approximately 80 % of the labor force. These numbers are expected to increase in the near future. In a competitive environment dominated by service companies in stagnated markets, knowledge about service marketing in general and loyalty marketing in particular become a vital prerequisite, in order to succeed in both private and public sectors. This means that today's managers need to have indepth knowledge about the unique characteristics of services as compared to products and the challenges these characteristics pose on marketing and management of service companies. Additionally, the rapid technological development introduces new opportunities and challenges for building relationships between service companies and their customers. Thus, knowledge about the role of technology in service and loyalty marketing becomes another extremely important prerequisite for succeeding in both private and public sectors.

Objective

The objectives of this course are to provide the students with:

- an in-depth understanding of what challenges managers face when marketing and managing service firms,
- the implications of these challenges for managers and employees,
- insights and skills on how to meet and handle these challenges successfully in order to create and maintain a loyal customer base.

The educational goal of the course is to provide the students with:

- applicable skills gained through assignments like cases, individual and group projects, presentations and discussions
- increase the likelihood of making the right marketing decisions and choice of marketing tools and techniques through a critical reflection approach.

Prerequisites

Basic skills in marketing.

Compulsory literature

Books:

Zeithaml, Valerie A. and Mary Jo Bitner. 2003. Services marketing. 3rd ed.. Boston, Mass.: Irwin/McGraw-Hill

Other:

Compendium of articles: "Course pack in Service Marketing and Customer Loyalty" by Line Lervik Olsen, distributed over Blackboard

Recommended literature

Books:

Oliver, Richard, L.. 1997. Satisfaction: a behavioral perspective on the consumer. Boston, Mass.: Irwin/McGraw-Hill

Other:

Additional relevant articles will be posted on Blackboard

Course outline

Introduction:

- The origin and evolution of service marketing.
- What is so special about marketing services?
- How is service marketing different from traditional product/goods marketing?
- The core concepts, theories and models of service marketing.
- Classification of services.
- The competitive environment and trends that may influence service firms' marketing and strategies.

Models for marketing and managing service firms:

- The conceptual model for the course: the service triangle.
- The service triangle's main areas: providing the service promise, enabling the service promise and delivering the service promise. Application of technology will be discussed with reference to each of the triangle's main area.
- The model's strengths and weaknesses and area of application.

Other central models:

- "The gap model of service quality":
focus on the potential gaps reducing service quality, strategies and techniques to close the gaps, and the relationship between the internal and the external service environment.
The model's strengths and weaknesses and area of application.
- "The service profit chain":
focus on the relationship between employee satisfaction, service quality, customer satisfaction, customer loyalty and profitability.
The model's strengths and weaknesses and area of application.

Service heroes:

- What are the characteristics of service heroes?
- What are the motivating and demotivating factors for service heroes?
- What are the different roles of the service heroes?

Service recovery

- how to turn dissatisfied customers into satisfied and loyal ones?
- service guarantees.

Customer loyalty in theory and practice:

- Defining the construct.
- Different kinds of customer loyalty, loyalty programs and loyalty marketing
- Antecedents and consequences of customer loyalty.
- Measuring service quality, customer satisfaction and loyalty.
- The national customer satisfaction indices.

Different service delivery systems:

- Customer-service provider relationships: different kinds and phases.
- What are the predictors of customer loyalty given different relationships and phases?

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?

Computer-based tools

Ordinary use of PC, no particular software. Blackboard will be used for publication of lecture slides, exercises and other relevant materials.

Course structure

The course has 36 teaching hours over one semester. In addition to ordinary lectures, taskoriented learning through individual and group projects like cases, video recording, presentations and discussions, etc., is central. Of the 36 course hours, 9 hours are assigned to taskoriented learning. These hours may be carried through as 3 sessions of 3 hours or as minor parts of several lectures, amounting to a total of 9 hours. Every exercise/case session will be followed by a group discussion and summary of main conclusions by the lecturer. When presenting a project, selected students or groups will be asked to play roles, demonstrate and document different service situations also in a plenary session. Again followed by a group discussion and summary of main conclusions by the lecturer. Active participation from the students is required during these presentations and discussions in order to achieve effective learning. It is important for students to come to class and be active during these presentations and discussions as the exam will contain questions referring to these events.

The teaching form will be adjusted to the size of each particular class.

A test exam will be provided during the semester.

Net studies

Det gjennomføres intensivundervisning på samlinger i starten av semesteret og før eksamen. Ved BI Nettstudier benyttes studieguide som supplement til pensumlitteraturen. Studieguiden inneholder tips om studiet, fremdriftsplan og oppgaver. Fagveiledningen gjennomføres via Internett, med fagsider, diskusjonsgrupper og interaktive oppgaver, samt ved frivillige oppgaveinnsendingsprogram.

Evaluation

A 3 hours individual written exam will be given at the end of the course.

Evaluation code(s)

EXC 25061 - written examination counts for 100% of the final grade in EXC 2506 Service marketing and customer loyalty, 6 credits.

Aids at the examination

No aids are permitted.

Makeup exam

At the next ordinary exam.