



APPLIES TO ACADEMIC YEAR 2007/2008

EXC 2506 Service marketing and customer loyalty

Program

Bachelor in Business Administration - (3. year)

Responsible for the course

Line L Olsen

Department

Marketing

Term

According to study plan

ECTS Credits

6

Language of instruction

English

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:

- knowledge of classical and current thinking in service marketing
- an in-depth understanding of what challenges managers face when marketing and managing service firms,
- the implications of these challenges for managers, employees and customers,
- insights and skills on how to handle these challenges successfully in order to create and maintain a loyal and profitable 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., Mary Jo Bitner and Dwayne D. Gremler. 2006. Services marketing: integrating customer focus across the firm. 4 th ed. New York: Irwin/McGraw-Hill

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.
- The competitive environment and trends that may influence service firms' marketing and strategies.

Taking the customer focus:

- Consumer behavior in services, evaluation processes
- Evaluation processes
- Expectations and perception of service quality
- Service quality, customer satisfaction and perceived equity
- Service marketing research, methods for studying consumption of services

The moment of truth and service delivery:

- The employee's role
- The customer's role
- The role of physical evidence

Models for marketing and managing service firms:

The conceptual model for the course: "The gaps model of service quality":

- Focuses on the potential internal service provider gaps reducing customer perceived service quality and strategies and techniques to close the gaps.
- The model's strengths and weaknesses and area of application.

Other central models:

"The service triangle":

- Focuses on giving, enabling and delivering the service promise. The role of external, internal and interactive marketing in service organizations.
- The model's strengths and weaknesses and area of application.

"The service-profit-chain":

- Focuses on the relationship between employee satisfaction, service quality, customer satisfaction, customer loyalty and profitability.
- How the inside of the service organization effects the outside.
- 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.
- Creating a loyal and profitable customer base.

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, task-oriented learning through individual and group projects like for example cases of different formats, video recording, presentations or discussions, is central. Of the 36 course hours, 9 hours are assigned to task-oriented 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. Active participation from the students is required during class in order to achieve effective learning.

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

Evaluation

A 3 hours individual written exam concludes 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.