SCHOOL OF MANAGEMENT AND MARKETING

MARK270
Services Marketing

SUBJECT OUTLINE
Wollongong Campus
Spring 2007

6 Credit Points

LECTURE: FRIDAYS, 08:30 TO 10:30
Building 67; lecture theatre 107

SUBJECT COORDINATOR : Venkat YANAMANDRAM

TELEPHONE : (02) 4221 3754

EMAIL : venkaty@uow.edu.au

OFFICE : 40.105

CONSULTATION TIMES : Thursdays, 9:30 to 11:30
Fridays, 10:30 to 11:30; 14:30 to 15:30
Subject Description

This subject covers the practice of marketing of services. Significantly, this incorporates both conceptual and practical issues not always evident in the existing marketing literature covering the marketing of products. As well, the global growth of the service sector has focused attention on the marketing function for organisations serving this sector. This subject is designed to equip practitioners to function effectively in the expanding world of services marketing.

Subject Objectives

On successful completion of this subject, the student should be able to:

1. Identify the challenges and opportunities in services marketing.
2. Explore means of achieving competitive advantages in services marketing practice.
3. Communicate relevant conceptual material.
4. Emphasise the significance of human factor in service delivery, customer satisfaction and successful services marketing.
5. Indicate relevant connections and interfaces with the emerging discipline of customer relationship management.
6. Position the practice of services marketing in the organisational context (hr, marketing, operations etc.)

Required Texts


Each student will need to purchase or have regular access to this text. The set chapters are required reading. You can purchase this text from the Uni book shop for approximately $110.

Suggested References


It is also recommended that course participants follow up relevant web sites on the Internet (World Wide Web), such as those indicated in the textbook as well as the following:

<table>
<thead>
<tr>
<th>Organization</th>
<th>URL</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Marketing Association Services</td>
<td><a href="http://www.stir.ac.uk/Departments/Management/Marketing/servsig/servsig.htm">http://www.stir.ac.uk/Departments/Management/Marketing/servsig/servsig.htm</a></td>
</tr>
<tr>
<td>Marketing Special Interest Group (SERVSIG)</td>
<td></td>
</tr>
<tr>
<td>Professional Services Marketing Group (PSMG)</td>
<td><a href="http://www.psmg.co.uk/">http://www.psmg.co.uk/</a></td>
</tr>
<tr>
<td>Services Marketing &amp; Management Research Centres</td>
<td><a href="http://www.gremler.net/services/list_of_centers.htm">http://www.gremler.net/services/list_of_centers.htm</a></td>
</tr>
<tr>
<td>Society for Marketing Professional Services (SMPS)</td>
<td><a href="http://www.smtps.org/">http://www.smtps.org/</a></td>
</tr>
<tr>
<td>Harcourt Brace College in Services Marketing</td>
<td><a href="http://www.hbcollege.com/marketing/students/services.htm">http://www.hbcollege.com/marketing/students/services.htm</a></td>
</tr>
</tbody>
</table>

This is not an exhaustive list of references. Students should also use the library catalogue and databases to locate additional resources.
**SECTION A: General Information**

**Lecture Times**

<table>
<thead>
<tr>
<th>Lectures will be held on</th>
<th>Fridays</th>
<th>8:30 to 10:30 AM</th>
<th>Building No. 67, Lecture Theatre 107</th>
</tr>
</thead>
</table>

In order to maximise learning outcomes, it is strongly recommended that students attend lectures from week 1 to week 13. Any material presented in classes and/or uploaded to eLearning space (Vista) site may be included in exams.

**Lecture Program**

<table>
<thead>
<tr>
<th>Actual Date of Lecture/Week</th>
<th>Topics Covered</th>
<th>Chapters</th>
<th>Lecture by</th>
</tr>
</thead>
<tbody>
<tr>
<td>27 July Week 1</td>
<td>Understanding Services</td>
<td>1</td>
<td>Venkat Yanamandram</td>
</tr>
<tr>
<td>3 August Week 2</td>
<td>Customer Behaviour and Service Encounters</td>
<td>2</td>
<td>Phil Scott</td>
</tr>
<tr>
<td>10 August Week 3</td>
<td>Customer Satisfaction and Service Quality Skills-Check Task due this week (on Vista)</td>
<td>3</td>
<td>Phil Scott</td>
</tr>
<tr>
<td>17 August Week 4</td>
<td>Customer Complaints and Service Recovery</td>
<td>13</td>
<td>Venkat Yanamandram</td>
</tr>
<tr>
<td>24 August Week 5</td>
<td>Managing Customer Relationships Assessment-2 due in tutorials this week</td>
<td>12</td>
<td>Phil Scott</td>
</tr>
<tr>
<td>31 August Week 6</td>
<td>Targeting, Positioning and Resulting Service-Product Strategies</td>
<td>5, 6</td>
<td>Phil Scott</td>
</tr>
<tr>
<td>7 September Week 7</td>
<td>Service Delivery, Physical Evidence and Servicescape Strategies</td>
<td>7</td>
<td>Phil Scott</td>
</tr>
<tr>
<td>14 September Week 8</td>
<td>Service Costs &amp; Pricing Strategy</td>
<td>8</td>
<td>Phil Scott</td>
</tr>
<tr>
<td>21 September Week 9</td>
<td>Reading Week – No Lectures</td>
<td>-</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td><strong>Mid-session recess 22 - 30 SEPT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 October Week 10</td>
<td>Managing Demand &amp; Capacity</td>
<td>9</td>
<td>Venkat Yanamandram</td>
</tr>
<tr>
<td>12 October Week 11</td>
<td>Integrated Services Marketing Communications Service Report (Assessment - 4) + Reflective Report (Assessment - 1) due 11 Oct</td>
<td>10</td>
<td>Venkat Yanamandram</td>
</tr>
<tr>
<td>19 October Week 12</td>
<td>Managing the Customer Service Function</td>
<td>11</td>
<td>Matt Skinner</td>
</tr>
<tr>
<td>26 October Week 13</td>
<td>Revision and Exam Techniques</td>
<td></td>
<td>Venkat Yanamandram</td>
</tr>
<tr>
<td></td>
<td><strong>Study week recess 29/10/07 – 02/11/07</strong></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td><strong>Final examinations 03/11/07 – 16/11/07</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** This schedule may be subject to change.
## Tutorial Schedule

<table>
<thead>
<tr>
<th>Wk</th>
<th>Tutorial questions and activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>No formal tutorials. Subject coordinators and tutors will be available for consultation.</td>
</tr>
</tbody>
</table>
| 2  | **Activity-1:** The class will be given a list of products, including those that are “mostly” goods, “mostly” services, and “a combination of both.” Rank the list in terms of the tangible/intangible continuum (starting with “most tangible” at the far left of the continuum and ending with “most intangible” at the far right of the continuum). Your tutor will have other discussion questions.  
**Activity-2:** Find a print ad for a product in one of the major categories on the *Continuum of Evaluation* (i.e., high in search qualities, high in experience qualities, and high in credence qualities). Explain where you think the product falls on the Continuum and why. You should also discuss the ways the ad either capitalizes on the predominant qualities of the product (e.g., search characteristics) or attempts to overcome them in some way. |
| 3  | **Activity-1:** Formation of eight (8) teams. Each team should have only 3 members. Any exceptions should be approved by the tutor. Students will remain in the same team for all team assessments (Assessments 3, 4 and 5).  
Each team member is expected to contribute to every section of the report; however, every member of the team must perform the role of a *Team-Leader* for a particular section of the report. You will find the details of various sections in Appendix-2.  
**Note:** On formation of teams, it is recommend that you maintain a logbook of events (dates of meetings, phone conversations, and emails sent and received, procedures implemented to keep the assessments on track etc.).  
**Activity-2:** Understanding the requirements for Assessments 3, 4 and 5.  
**Activity-3:** One aspect of the decision-making process that is often unique to services is the idea of the consumer thinking of a “service script.” (Service scripts “consist of a set of ordered actions, actors, and objects that, through repeated involvement, define what the customer expects.”). The class will be divided into small groups (3-5 people) and each group will be asked to pick a service and provide a detailed script. A script for hair-salon will probably include something like this:  
- Recognize need for hair cut  
- Make appointment  
- Arrive at salon  
- Enter salon doors  
............. |
### Activity-1: Discuss the influencing factors on both desired service and adequate service expectations for a service at Seaworld or Dreamworld. There are twelve different topics that could be discussed, including:

- enduring service intensifiers
- personal needs
- transitory service intensifiers
- perceived service alternatives
- self-perceived service role
- situational factors
- explicit service promises
- implicit service promises
- word-of-mouth communication
- past experience
- predicted service
- perceived service

### Service Encounter Paper due at the start of tutorial

**Activity-1:** Understanding the requirements for assessments 3, 4 and 5

*Download documents from Vista on how to write executive summary, introduction, conclusion, how to strengthen arguments, reference appropriately and avoid unintentional plagiarism.*

### Presentations on ‘Service Guarantee’

- **Teams 1 and 2**
- **Groups 3, 4 and 5**
- **Groups 6, 7 and 8**

### Reading Week - No Classes

### Mid-Session Recess  22-30 SEPT

### Students to show draft copies of Service Industry and Company Report for feedback from tutors before submitting them the following week.

### Presentations on ‘Managing Supply and Demand’

- **Teams 1, 2 and 3**

### Presentations on ‘Communication Strategies’

- **Teams 4, 5 and 6**

*Reminder for next week:* Make sure you complete ‘Team Member Evaluation’ forms (see Appendix-3) and submit them **next week** at the start of the tutorial. **You MUST** complete an evaluation form for each member of your team (excluding yourself). All team assessments will be deemed as 'not completed' until you submit this evaluation. A low score of 1 or 2 on at least three criteria, given by two members of the team, for a particular Team Member, will result in four (4) marks being deducted for that Team Member from their overall final grade; however, when the low scores are on at least five criteria, the penalty doubles [i.e. a deduction of eight (8) marks].

### Activity-1: Submit completed Team Member Evaluation forms.

### Activity-2: Presentations on ‘Communication Strategies’

- **Teams 7 and 8**

*This schedule may be subject to change.*
<table>
<thead>
<tr>
<th>Tutors</th>
<th>Consultation times and contact email / phone</th>
<th>Room</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mathew Skinner</td>
<td>TBA</td>
<td>TBA</td>
</tr>
<tr>
<td>Melissa Zaccagnini</td>
<td>TBA</td>
<td>TBA</td>
</tr>
</tbody>
</table>
SECTION B: Assessment

<table>
<thead>
<tr>
<th>Assessment 1</th>
<th>INDIVIDUAL ACTIVITY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The business sector, when employing marketing graduates, places greater emphasis on skills such as taking initiatives, being motivated, thinking well and having intellectual independence, being passionately persistent, and on other skills such as researching skills, time-management skills, organisational skills, problem-solving skills, team-working skills, team-leadership experience, oral and written communication skills, interpersonal skills, and decision-making skills.</td>
</tr>
<tr>
<td></td>
<td>The assessment, which are e-portfolio tasks, will help you to collect evidence of your developing skills and learning, and will allow you to effectively apply for jobs in the “real world”.</td>
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<tr>
<td></td>
<td>The first of the e-portfolio tasks (an individual task) requires you to undertake a skills-check by Week-3, on eLearning Space (Vista) site. This task will take no more than 10 minutes.</td>
</tr>
<tr>
<td></td>
<td>The second and the final task (an individual task) requires you to write a reflective paper (no more than a page), addressing how the assessments in this subject allowed you to develop or enhance the skills listed earlier in this section. You must use a reflective-paper-template, which will be uploaded on Vista site during the course of the session. A brief explanation for few of these skills is mentioned below:</td>
</tr>
<tr>
<td></td>
<td>Having Intellectual Independence: Intellectual independence means developing confidence in your ability to think through a situation logically, clearly, creatively and ethically about business (in general) and marketing (in particular), and decide whether you agree or disagree with others’ viewpoints and be able to support your position. In many cases there are no right answers, only well thought out arguments supported by sound evidence.</td>
</tr>
<tr>
<td></td>
<td>Teamwork: As prospective employees, you need to work together to reach decisions by consensus, and to pool the talent of multiple diverse students. Non-team players are easily identifiable as being insular, using politics to pursue to own goals and generally resistant to new ideas.</td>
</tr>
<tr>
<td></td>
<td>Team Leadership: According to Huey (1994): “Post-heroic leaders don’t expect to solve all the problems themselves. They realise no one person can deal with the emerging and colliding tyrannies of speed, quality, customer satisfaction, innovation, diversity, and technology... (they) can break problems into manageable, status-neutral tasks that the group is willing to take on”. To become such leaders, students must learn to articulate tasks clearly, provide encouragement, and support other students to decide what needs to be accomplished.</td>
</tr>
<tr>
<td></td>
<td>Time Management: Time management is really self-management and within a business context this means an ability to prioritise tasks and meet deadlines. Be aware of situations that may steal time from you, such as meetings or telephone calls, and plan ahead.</td>
</tr>
<tr>
<td></td>
<td>Initiative: You need to show initiative as there may be little support. Question what this means in practice as it may mean you will be thrown in at the deep end.</td>
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</tbody>
</table>
### Assessment 1
**Title**: e-Portfolio Activities

**Marking criteria**: The general criteria that will be used to award marks for reflective paper is (i) the extent to which the student is intimately familiar with his/her work and can write about it in detailed, specific ways, and (ii) the extent to which reflection offers useful guidance on making his/her career successful.

**Length**
- Task-1: n/a
- Task-2: The reflective paper should be no more than a page; you must use the template available on eLearning space to write your reflection.

**Weighting**: 5% (for task-1 + task-2). Students who do not complete both the tasks will be deemed as 'incomplete' and therefore will result in final grade being withheld.

**Due date**
- Task-1: by 5 PM, Friday 10 August (Week 3).
- Task-2: by 10 AM, Thursday 11 October (Week 11).

**Category of assignment**: This is a Category 3 Assignment – Individual (see definitions below).

**Where assignment is to be submitted and returned**
- Task-1: Fill-in your responses online on eLearning Space (Vista) site.
- Task-2: Attach your reflective report as an appendix to your team-report (Assessment-4) and submit it at Venkat Yanamandram’s office (40.105)

### Assessment 2
**Title**: Service Encounter Paper

**Marking criteria**: The marking criteria used for evaluating your paper include your ability to relate material from readings and lectures to your paper, your ability to diagnose probable causes of problems and match them with appropriate solutions, depth and substance of your observations, persuasiveness of your observations, and the quality of writing. **Furthermore, it is recommended that you use at least 5 references from varied sources for this paper.**

**Length**: No more than 6 pages; Times New Roman font; 1.5 line-spacing; 2.5 cm margin on all sides

**Weighting**: 10%

**Due date**: Week 5 at the start of the tutorial

**Category of assignment**: This is a Category 3 Assignment – Individual (see definitions below).

**Where assignment is to be submitted and returned**: To be handed in to your respective tutors at the start of the tutorial in Week 5. Assessments will be returned in tutorials in Week 7.
### Assessment 3  
**TEAM ACTIVITY**

This assessment requires you to analyse the effectiveness of a Service Guarantee offered by the company you choose for Service Industry Report (Assessment-4). If the company does not have a Service Guarantee, then develop a guarantee and justify your proposal. You must explain why the Service Guarantee, as a type of service recovery strategy, is a good one, and the benefits to the company of implementing it. Your explanation should address, amongst other questions, what should be guaranteed, how should a guarantee be administered and paid out, and what is appropriate compensation.

This task will be undertaken during tutorials. Teams 1 and 2 will present in Week 6; Teams 3, 4 and 5 will present in Week 7; and Teams 6, 7 and 8 will present in Week 8.

**Guidelines:**
- Each team will be given 15 minutes only to present their case;
- Each team member is required to speak for about 5 minutes;
- Do NOT use PowerPoint;
- You can use OHP (Over Head Projector), Charts and Posters;
- You are NOT required to hand-in written report.
- You must show evidence of PRIMARY AND SECONDARY research for this assessment.

<table>
<thead>
<tr>
<th>Title</th>
<th>Service Guarantee Presentation in Tutorial</th>
</tr>
</thead>
</table>

**Marking criteria**

- **Structure of Talk:** Were you logical, clear? Did you emphasize the main points?
- **Content of Presentation:** Was it relevant, adequate, and interesting? Have you integrated related concepts, in particular, thorough and thoughtful application of the criteria for effective guarantees, from varied sources?
- **Visual Aids:** Have you used the relevant/attractive aids in your presentation? Were they well used?
- **Voice:** Was your voice fluent, clear, and audible? Was it well paced?
- **Dependence on notes**
  - Were you mechanically reading from a paper?
  - How has your speech influenced on audience relationship?
- **Other aspects:**
  - What about group coherence, eye contact, and enthusiasm?

If you are not present when you are scheduled to present your case, you will receive 0/7.5 for this piece of assessment.

<table>
<thead>
<tr>
<th>Length</th>
<th>n/a</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Weighting</th>
<th>7.5%</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Due date</th>
<th>During tutorials in weeks 6, 7 or 8</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Category of assignment</th>
<th>This is a Category 2 Assignment – Group (see definitions below).</th>
</tr>
</thead>
</table>

<p>| Where assignment is to be submitted and returned | There is no written component to this assessment. Tutors will provide feedback in the following tutorial. |</p>
<table>
<thead>
<tr>
<th>Assessment 4</th>
<th><strong>TEAM ASSESSMENT – SEE APPENDIX-2 FOR DETAILS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Title</td>
<td>Service Industry and Company Report</td>
</tr>
<tr>
<td>Marking criteria</td>
<td><strong>Cover Page:</strong> Your final report should have a cover page with the report title, name of the company studied, name of the industry, the full name and student number of all team members, and date of submission.</td>
</tr>
<tr>
<td></td>
<td><strong>Executive Summary:</strong> 1½-pages dot-point summary of the main content of the report, including the basis upon which you are able to collect the information required for this assessment.</td>
</tr>
<tr>
<td></td>
<td><strong>Table of Contents:</strong> Immediately following the executive summary should be a table of contents for your report. You may put the report together in any order you like, provided there is some logical reasoning (apparent to the reader) for the sequence you have chosen.</td>
</tr>
<tr>
<td></td>
<td><strong>Main Body of Report:</strong> Teams are expected to include each of the components listed earlier in the final report. The main body of the report should include an introduction that sets up what is going to be discussed in the later pages.</td>
</tr>
<tr>
<td></td>
<td><strong>Conclusion:</strong> The report should end with a brief conclusion section that ties the entire project together and reveals major insights gained during the research process about your chosen service industry / company.</td>
</tr>
<tr>
<td></td>
<td><strong>References:</strong> You must show evidence of PRIMARY AND SECONDARY research for this assessment. It is recommended that you use at least 20 references from varied sources for this report.</td>
</tr>
<tr>
<td></td>
<td>Note: You can attach additional relevant information in appendix. However, ensure to include statements in the main body under a specific topic such as: “more of this topic is discussed in appendix-A, B, C” etc. There is no limit on the length of your appendices.</td>
</tr>
<tr>
<td>Length</td>
<td>The main body of the report should be no more than 16 to 17 pages; use Times New Roman font; 1.5 line-spacing; 2.5 cm margin on all sides.</td>
</tr>
<tr>
<td>Weighting</td>
<td>25%</td>
</tr>
<tr>
<td>Due date</td>
<td>By 10 AM, Thursday 11 October (Week 11).</td>
</tr>
<tr>
<td>Category of assignment</td>
<td>This is a Category 2 Assignment – Group (see definitions below).</td>
</tr>
<tr>
<td>Where assignment is to be submitted and returned</td>
<td>The team-report + reflective report (Assessment-1) must be submitted at Venkat Yanamandram’s office (40.105) by 10 AM. Reports will be returned during tutorials in Week 13.</td>
</tr>
</tbody>
</table>
**Assessment 5**

**Team Activity**

This task will be undertaken during tutorials, and the task is similar to assessment-3 except for the area investigated.

Teams 1, 2 and 3 will address questions related to *Managing Demand and Supply*, and present them in Week 11; while teams 4 to 8 will address questions on *Communication Strategy*, with teams 4, 5 and 6 scheduled to present in Week 12, and teams 7 and 8 in Week 13.

For teams addressing questions on *Managing Demand and Supply*:

Q. 1. What strategies could be used to match demand and capacity by:
   - shifting demand to meet capacity?
   - flexing capacity to meet demand?

Q. 2. In an unobtrusive way, observe a queue for 20 minutes (this can also include waiting room situations). Spend some time observing the queue and different customers in line. Then take notes describing where you are in relationship to the queue, the service for which people are waiting, and the general mood of the queue. What are people in line doing, and how are others reacting? Do you think customers expected the line? Did it enhance or detract from their service experience? Is a waiting line strategy needed? If yes, what type of approach would you use?

For teams addressing questions on *Communication Strategy*:

Q. 1 Discuss the company’s integrated services marketing communication. Present specific communication strategies for managing promises, managing customer expectations, and educating customers.

**Guidelines:**

- Each team will be given 15 minutes only to present their case;
- Each team member is required to speak for about 5 minutes;
- Do NOT use PowerPoint;
- You can use OHP (Over Head Projector), Charts and Posters;
- You are NOT required to hand-in written report.
- You must show evidence of PRIMARY AND SECONDARY research for this assessment.

**Title**

Service Guarantee Presentation in Tutorial

*(Continued next page…)*
## Marking criteria

<table>
<thead>
<tr>
<th>Structure of Talk:</th>
<th>Were you logical, clear? Did you emphasize the main points?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Content of Presentation:</td>
<td>Was it relevant, adequate, and interesting? Have you integrated related concepts from varied sources?</td>
</tr>
<tr>
<td>Visual Aids:</td>
<td>Have you used the relevant/attractive aids in your presentation?</td>
</tr>
<tr>
<td>Were they well used?</td>
<td></td>
</tr>
<tr>
<td>Voice:</td>
<td>Was your voice fluent, clear, and audible? Was it well paced?</td>
</tr>
<tr>
<td>Dependence on notes</td>
<td>Were you mechanically reading from a paper?</td>
</tr>
<tr>
<td>How has your speech influenced on audience relationship?</td>
<td></td>
</tr>
<tr>
<td>Other aspects:</td>
<td>What about group coherence, eye contact, and enthusiasm?</td>
</tr>
</tbody>
</table>

If you are not present when you are scheduled to present your case, you will receive 0/7.5 for this piece of assessment.

| Length | n/a |
| Weighting | 7.5% |
| Due date | During tutorials in weeks 11, 12 or 13 |
| Category of assignment | This is a Category 2 Assignment – Group (see definitions below). |
| Where assignment is to be submitted and returned | There is no written component to this assessment. Tutors will provide feedback in the next tutorial. For students presenting in Week 13, feedback can be collected from tutors during their consultations hours the following week. |

### Examinations

#### Final Examination

| Weighting | 45% |
| Date | As timetabled during the exam period: **03/11/07 – 16/11/07**; it is the student’s responsibility to source the time and date of the final examination via SOLS (**Student OnLine Services**) when details become available. |
| Time allowed | 3 Hours 15 Minutes |
| Structure of paper | The number of questions, format and topics to study for the final exam will be discussed during the lecture in week 13; however, the exam is likely to consist of multiple-choice and essay questions. |

**NOTE:** The examination format cannot be changed from that stated above without the written consent of all students enrolled in this subject.
APPENDIX-1: Individual Assessment - Service Encounter Paper

Objective

A. To understand and evaluate critical aspects of two distinct service encounters from your own perspective as a customer and as a services marketer.
B. To relate your experiences to the issues that are being raised in the subject, and
C. To identify sources of satisfaction and dissatisfaction with services.

Note:

a. Do NOT submit your assessment in plastic sleeves or plastic covers.

b. Assessment cover sheets must be submitted with any work submitted and can be downloaded from the following website:

Task

Record two service encounters, based on your first-hand experience. Note the following in your paper for each service encounter.

Name of Firm: ______________________ Type of Service (industry): ______________________
Date of Encounter: ________________ Time Encounter Occurred: ________________

In the first part of the paper, write about an organisation that provided you with the worst service of any organisation you encountered. Based on your reading of the textbook and issues discussed in class, describe and analyse the following:

1. Diagnose what went wrong in the encounter. That is, what is the real cause of the problem?
2. What specific circumstances led to this encounter?
3. What were your expectations prior, during and after your service encounter?
4. What did the employee/organisation do to make this such a bad encounter?
5. How did you feel?
6. How likely is it that you will go back to this service firm?
7. What could the employee/firm have done to make you happier with the encounter?
8. Recommend the most important actions management should take to improve service. Be specific in your recommendations (e.g., suggesting that employees “need more training” is not a particularly enlightening or useful recommendation).

In the second part of the paper, write about an organisation that is doing an excellent overall job of services marketing. Using concepts covered in class discussion and the textbook, describe and analyse the following:

1. What is it that this organisation does that makes it successful?
2. Why was the encounter so special?
3. What did the employee/organisation do?
4. What were your expectations?
5. What could the company do to ensure that this kind of encounter is the “rule” rather than the “exception” (if you think it should ensure this)?

Finally, you should conclude your paper, in one or two paragraphs, discussing what you learned from this experience and how you will apply it as you enter the business world.
APPENDIX-2: Team Assessment - Service Industry and Company Report

Objective
To apply the concepts and tools learned in class to a real business and industry of your choosing.

Note:
1. This is a team report. Only 3 members are allowed per team.
2. Do NOT submit your assessment in plastic sleeves or plastic covers.
3. Assessment cover sheets must be submitted with any work submitted and can be downloaded from the following website:

Tasks
Select a company which is in an industry within the Australian domestic services sector (note that this sector includes those companies which provide services as their primary business; an industry is a group of organisations which provide the same sorts of goods or services, e.g. the hotel industry. Ideally, this should be any company with which you are familiar (e.g. your employer, a family business, you are a customer, etc.), or one which you would like to work for, or are otherwise able to collect the information required for this assessment (include in your Executive Summary an indication of how you are able to collect the information required for this assessment). Discuss the key services marketing issues that your selected company has to address in order to remain competitive within its industry. Specifically, after introducing the selected company (by providing a brief overview of its business and customers), your report should cover the following elements.

1. Industry Analysis (around 3 pages) (Team member-1 takes the role of a ‘Team Leader’ when undertaking this part).
   - What are the current trends in the company’s industry?
   - Describe the important target markets for this company’s key service. Describe a typical customer for each important target market using relevant characteristics.
   - Who are the major players in the industry?
   - Who is the competition? (think broadly)
   - Where would you locate this company on the ‘tangibility’ spectrum?

2. Typical Service Offering (around 3 pages) (Team member-1 takes the role of a ‘Team Leader’ when undertaking this part).
   - What are customer expectations of service in this company?
   - What ‘bundle of benefits’ are typically received by customers?
   - Do all of the 5 service quality dimensions apply to this company? Which might be most/least important?
   - What is the customer’s role and involvement (low/medium/high) in the service delivery? How did you learn the customer’s role and involvement in the service delivery? What influence do other customers have on a customer’s service experience?
3. Customer Loyalty (around 5 pages) (Team member-2 takes the role of a 'Team Leader' when undertaking this part).

- How is customer loyalty defined by the industry? by the customer?
- Lifetime Value
  - What is the average “lifetime” of a customer in this company’s industry?
  - Do the customer’s spending patterns change over a lifetime? Why or why not?
  - What would be a relevant time period to use in calculating customer revenue? What is the typical revenue (per loyal customer) over this time period?
  - Are there costs involved in serving the loyal customers? If so, what are these? Should these costs be considered in the lifetime value calculations? Why or why not?
  - What is the likely number of referrals that come directly as a result of the lifetime customer’s recommendations? (Be realistic.)
  - What assumptions are you making in order to do your calculations? List all assumptions that are applicable. (It is very likely you will be making multiple assumptions for each number you use in your calculations.)
  - Use all of the relevant numbers (based on your assumptions) together to calculate the Lifetime Value of a customer in this industry.
  - Based on your calculations and assumptions, what is the lifetime value of a customer to an organisation in this industry?
- What is done to encourage customer loyalty and retention in this company?
- What is currently done to build customer relationships in this company?
- What could be done to build customer relationships in this company?

4. Physical Evidence and Servicescape (around 5 pages) (Team member-3 takes the role of a 'Team Leader' when undertaking this part).

- What is done well in this servicescape?
- What aspects of this servicescape have a positive influence on customer perceptions of the overall service experience? Similarly, what aspects of this servicescape do not necessarily have a positive influence on customer perceptions of the overall service experience?
- Which of the following characteristics (color, lighting, shapes, sound, smell) in each servicescape influences the customer’s experience?
- What other aspects (besides the servicescape) of physical evidence are present?
- How does the company use the servicescape as a differentiator? in their positioning strategy? to appeal to their target segment(s)? to facilitate service delivery?
- How does the company use physical evidence (other than the servicescape) as a differentiator? to enhance the customer’s experience? To facilitate service delivery?
- What suggestions would you make to improve the servicescape and other physical evidence for the company?
APPENDIX-3: Team Member Evaluation for all Three Team Assessments

Name of the team member being evaluated: ________________________________

Name of the person evaluating the team member: ________________________________

How well did the team member:

I. Contribute to a comfortable and tension-free work environment?

1                   2                  3                 4       5
Very poorly  Poorly  Neither well nor poorly  Well  Very well

II. Specify priorities and adjust as necessary?

1                   2                  3                 4       5
Very poorly  Poorly  Neither well nor poorly  Well  Very well

III. Define roles and functions?

1                   2                  3                 4       5
Very poorly  Poorly  Neither well nor poorly  Well  Very well

IV. Examine and clarify assumptions?

1                   2                  3                 4       5
Very poorly  Poorly  Neither well nor poorly  Well  Very well

V. Meet goals on schedule?

1                   2                  3                 4       5
Very poorly  Poorly  Neither well nor poorly  Well  Very well

VI. Try for consensus, but not delay the decision?

1                   2                  3                 4       5
Very poorly  Poorly  Neither well nor poorly  Well  Very well

VII. Compensate for any absent or overworked member?

1                   2                  3                 4       5
Very poorly  Poorly  Neither well nor poorly  Well  Very well

VIII. Provide each other with access to information?

1                   2                  3                 4       5
Very poorly  Poorly  Neither well nor poorly  Well  Very well

IX. Keep communications channels open?

1                   2                  3                 4       5
Very poorly  Poorly  Neither well nor poorly  Well  Very well

X. Display a high level of productivity?

1                   2                  3                 4       5
Very poorly  Poorly  Neither well nor poorly  Well  Very well