

THE HONG KONG UNIVERSITY OF SCIENCE AND TECHNOLOGY  
DEPARTMENT OF MARKETING

***MARK3470 Services Marketing LI***  
*Spring 2019*

Lecture Time: Tuesday Thursday 15:00-16:20  
Tutorial Time: Monday 19:00-19:50

**INSTRUCTOR**

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**INSTRUCTION AND COURSE OBJECTIVES**

Services' marketing is a course that has grown out of a specific need to address the role that services play in an economy. It focuses on not only "pure" service industries but also companies that market physical goods. The latter businesses have an element of service built in to help differentiate them from their competitors and therefore can easily fall under the broad rubric of services marketing. Services marketing, like every other marketing course is consumer-centric. However, although a focus on the customer underpins the marketing of both physical goods and services, it's critical to understand the limitations of traditional marketing techniques when it comes to developing the most effective tools and techniques for marketing services.

Services marketing will therefore focus on a) identifying differences in marketing a physical product versus a service b) providing normative models that can be used to analyze where things go wrong in a service encounter and c) providing tools to understand how to deliver brand value when marketing services. The course is divided into two modules built around the GAPS model of services marketing. The first module is customer focused and discusses gaps between consumer service expectations and what they actually perceive as having received. The second module focuses more on company competencies and identifies various gaps that could exist in service delivery. This module has four sub-modules labeled:

- a) The listening gap
- b) The design and standard gap
- c) The performance gap
- d) The communication gap

We have certain learning outcomes that we hope students will be able to achieve. You are expected:

- a) To understand the distinction between marketing of goods versus services and be able to assess what makes services marketing different from marketing of products and goods.
- b) To be able to apply the GAPS model to identify and analyze problems with that occur in the real world in a variety of different service industries
- c) To be able to collect the appropriate data and analyze it in order to support your conclusions about gaps in service design and delivery.
- d) To conduct an independent service audit on a current service organization to analyze and recommend how the service organization can do better.

### EXPECTATION FROM THE STUDENTS

I expect students to take responsibility for their own learning and progress. I consider an instructor as a resource. What you do with it depends largely on your own initiative. For example, an instructor can give you a small fact (e.g., HK is a service sector). What students do with this simple fact varies a lot. Some students will just accept that fact and move on (the lowest level of learning) while others will wonder (what type of services?) and still others will not only determine what types of services there are but how they are likely to grow in the future and what are the challenges each sector will face. To me the extent to which you push course materials and do independent research reflects how much responsibility you take for your own learning. The more you push the boundaries of knowledge, the more you show that you are at an institution of higher learning.

### COURSE SCHEDULE

Classes consist of part lecture and part discussion. A typical class will consist of a lecture plus a mini assignment/case discussion.

I will take attendance in each class. It is *very important* that you attend each class because I do not use a textbook and much of the learning is through class discussion of cases. Further, the classes unfold like a narrative/story. Missing a class makes you miss out on key components of the narrative.

Students are expected to participate actively in class discussions. If you have interviews and other commitments, please inform me *in advance* so that I mark you down as an “excused absence”. When you do that, please provide legitimate proof for the absence (e.g., medical proof, supporting documents for job interviews). When your absence is approved, a confirmation email will be sent to you. If you do have to miss a class, please make sure that you catch up with the course material that was covered in your absence.

The tutorial sessions may be used to provide additional assistance for the course. You will be notified in advance if you need to attend the tutorials.

### COURSE MATERIALS

*Course materials:* No text book is used in this class. However, we will be using several business cases. These cases are available for download at Canvas.

*Lecture slides/notes:* These will be posted on the Canvas website for the course prior to the scheduled discussion of the topic. Please download and bring a copy of these materials to class, it will be easier to follow the lectures if you have these.

### AFTER CLASS MEETINGS

Concerns, clarifications about the course materials, and any form of feedback are welcome. It is strongly suggested that any difficulties and/or problems with the course be discussed promptly with me. Please do not wait until the end of the semester to have these issues resolved. If you wish to see me after class, please fix up an appointment either in class or through email.

### COURSEWORK AND ASSESSMENT

Assessment of learning outcomes will be through 2 quizzes, 2 self-assessment individual assignments, performance in the group project and other forms of class participation. The weight assigned to each of these components is provided:

<i>Coursework</i>	<i>Points (%)</i>	<i>Individual/Team</i>
Quiz 1*	30	Individual
Quiz 2*	30	Individual
Project -presentation (10%) -write up (20%)	30	Group
In-class performance (assignments, class participation and attendance)	8	Individual/Group
Research participation	2	Individual
<b>TOTAL</b>	<b>100</b>	

\*Best quiz performance will be weighted more so that the better quiz is worth 60% and the other is worth 40% (a 3:2 ratio)

#### **QUIZ (60%)**

Two quizzes will be administered. Each quiz will have a combination of multiple choice, short-answer questions on material covered in class (cases included). I also give an essay question based on a mini case. To save time, I give students the case before the exam and allow them to discuss it. The question that is based on the case is given during the exam. You should bring a pen (blue or black ink only) and a calculator.

The tentative schedule for the quizzes is:

Quiz 1: Mar 11 (Mon) LTB, 7:15 pm – 8:45 pm

Quiz 2: Apr 16 (Tues) LTJ, 7:15 pm - 8:45 pm

Results from the best quiz will be weighted more in determining your final grade. This gives you the opportunity to make-up in case you do badly in one quiz. Thus, your initial score on both quizzes will be out

of 100 points. Then, your better quiz will be weighted more in computing your final grade. The better quiz will be worth 60% and the other one will be worth 40% of the total exam grade.

### ***GROUP PROJECT (30%)***

In the first few weeks of class, I expect you to form teams of 4 members each. Depending on the class size there might be one or two teams with odd numbered teams.

*Please submit the team list with full names, student ID, UST emails, and contact numbers to the TA by **Feb 21**. After this, all activities are to be done in a team. This includes in-class assignments.*

After team formation, you will be asked to pick a company that offers some sort of service. We will do this by drawing lots. *The deadline for deciding which service provider will be picked is **Feb 28**.*

Next, you will be asked to conduct a service audit to identify gaps in service delivery keeping in mind class materials that are being discussed. Market research will be required. Details about the project will be posted on Canvas. You will make a presentation at the end of the semester to the class reporting on your findings.

### ***CLASS PERFORMANCE (8%)***

Learning in this class is directly related to how much you familiarize yourself with course material and share your ideas with others. Class participation is assessed through in-class assignments, contributions to class discussion and attendance.

*In-class assignments:* During some classes, we will devote 30 minutes to small assignments, discussions and mini-cases/exercises. You will be permitted to discuss the assignments with your team members or with me. At the end of the class you may also be required to present your ideas to the rest of the class. This method allows me to determine how much of the lecture you have understood and if there are any areas where my explanation has not been sufficient. I typically look over the assignments and identify problem areas and use a simple “credit/no credit” categorization.

*Participation:* You should come prepared for class by reading the assigned material. This is particularly important on days when we have case discussions because cases can only be analyzed with the active participation of the class. If you are not prepared for a particular class, please notify me at the beginning and I will not call on you to answer questions or initiate discussion. Note that by doing so, you are foregoing your participation credit for that session and will have to earn class participation grades by volunteering for and actively participating in other sessions.

A guideline outlining how class participation will be evaluated is provided below:

I use a 3-point scale. I start off by giving everyone an average score for participation (2). Based on how well they do, some people move up to 3 because of regular and significant contributions while some might move down to 1 if they miss classes and do not participate. So, this simple 3-point scale can be used as a guideline to see how you are doing.

*Attendance:* Consistent on-time class attendance is necessary but not sufficient to earn a full class-participation grade. Attendance is taken in class and the points are then added on to those allocated for participation using the 3-point scale described above. If you have an excused absence (that is, you come and tell me about it – you will get partial credit for that class.) *Note: It is the quality of your overall contribution*

*that is important and mere attendance does not constitute participation. Similarly, opening your mouth once does not necessarily mean that you will be noticed and your performance rewarded☺!*

### **RESEARCH PARTICIPATION (2%)**

HKUST is a research institution and students are encouraged to learn and participate in research activities. The department has devised two ways of doing this. You can either participate in research experiments that are posted online. Details will be passed out about how you can create an account and sign up for these. Or, you can complete two research assignments. These are administered centrally by the department and will be posted later on in the semester. The research assignments usually involve reading a research article and applying the findings to marketing.

### **GROUP WORK**

The issue of working with your peers/group members is an important one. We might have a situation where a group member is unwilling or unable to put in the amount of work that is expected of them and conflicts arise as a result of this. This inconveniences the entire group. A peer evaluation form that will be posted on Canvas should be submitted at the end of the semester along with the project report. The score you receive will be taken into account in computing your project score. Finally, please note that membership in a group is not a right but a privilege. If you do not pull your own weight and are absolutely irresponsible, then you could lose the privilege of belonging to a group and will have to do the work on your own. Please bring such problems to my attention as soon as possible if you wish to have them addressed by me. However, before you do so, please make an honest effort to contact the person you are having trouble with and have a discussion about this.

You will be asked to provide evaluations to other members in your team. An online platform “iPeer” will be used for peer evaluation. Details will be announced in Canvas later.

### **GRADING STANDARDS**

Final letter grades will be awarded based on your total score out of 100 possible points. I follow the university guidelines to ensure that there is no grade inflation. Although these guidelines recommend what % of grades in a class should be an A, a B or a C, I take these guidelines as advice. If students work really hard and meet my absolute standards of what constitutes an A or a B, I do deviate from these guidelines by a bit. In general, if you are scoring in the 90s, you are clearly deserving of an A (A+, A or A-). If you are scoring in the 80s you are clearly deserving of a B (B+, B or B-). Therefore, keep this in mind in case you need more concrete grade feedback and do not miss any opportunity to score points by participating, completing your individual assignment and research participation credit. These can make a big difference since they are collectively worth 20%.

*Reevaluation of exams:* In case you are not satisfied with your scores on a particular segment of the evaluation (an examination, an assignment or the group write-up), you need to submit a written request to be re-evaluated within a week of receiving your scores. Please attach a typed sheet of paper to your assignment or quiz explaining why you feel you deserve more points. Explanations should be precise and specific and should pertain to the content of the assignment or exam only. Thus explanations like “I worked really hard and deserve more points” or “My answer on this question is better than XYZ’s” will not be acceptable. Please note that a re-evaluation request for a particular segment of the course will entail a complete

reevaluation of the entire exam or assignment. Thus, your score may go up, stay the same or move down depending on the new evaluation. I will return your reevaluation requests with the necessary changes within two weeks of receiving your requests.

### **IMPORTANT THINGS TO NOTE**

Please do the assigned readings before coming to class. This is particularly important for case discussions. You will get NOTHING out of this course if you do not read the cases and prepare for them. In order for all of us to benefit from case discussion, it is important that you read the case and come prepared for discussion. Check the webpage regularly. Since there is no text book, attending lectures will make a difference in your performance.

Please be punctual. Classes will start on time and information concerning exams, assignments will usually be given at the beginning. So, in order to make sure that you know what is going on, you need to be on time.

If you have not understood something that was discussed in class, please do not send me questions over email. Such emails are usually vague about the point of confusion and I cannot type out the entire lecture again. So, fix up a meeting and I will gladly (very gladly!) explain things again. Use email only for fixing up appointments and other such administrative issues.

During exams, students are expected to behave with integrity. Do not cheat. Any activity that looks suspicious during an exam will result in a failing grade. Plagiarism and cheating are taken very seriously. Plagiarism involves copying something verbatim from a previously published source (e.g., a book, article or the web) without citing it. Cheating involves giving or receiving help on an assignment or quiz that is supposed to be your own. If the proctors or teaching assistants catch you acting in a suspicious manner, they will take away your exam paper and the onus will be on you to prove that you were not cheating – not on them. I am sure you will not give me reason to complain but please be aware of the University rules regarding this.

If there are concerns about course-related issues, bring them to my attention as soon as possible. Do not wait till the end of the quarter to bring up problems.

Many classes will involve a lot of group work. Try to get along with people. Do your share of the work and resolve misunderstandings/disagreements amicably. It is important that your learning environment be a supportive and friendly one. So, work hard – and have a bit of fun as well.

I understand that many of you will have job interviews etc. Although I wish you the best in your job search efforts, I hope you can schedule your interviews around class times so you do not miss class. If you cannot avoid it, please let me know and make arrangements to catch up on material that is covered by talking to your group mates, TAs and me.

**I HOPE YOU HAVE AN ENJOYABLE SEMESTER!**

**TENTATIVE SCHEDULE AND IMPORTANT DATES\*\***

<b>Dates</b>	<b>Topic</b>	<b>Readings/Assignments</b>
<b><i>Introduction to Services Marketing</i></b>		
Jan 31	Course introduction	
Feb 5, 7	LUNAR NEW YEAR'S DAY HOLIDAY	
Feb 12	What is Services Marketing? How are services different?	Mini assignment
<b><i>Module 1: Consumer Gaps</i></b>		
Feb 14, 19, 21	The Gaps Model of Service Quality	Mini assignment
Feb 26	Consumer Gap – Consumer Expectations and Perceptions - I	Mini assignment
Feb 28, Mar 5	Consumer Gap – Consumer Expectations and Perceptions – II	Case 1 – Starbucks: Delivering Customer Service (Harvard case)
Mar 7	Consumer Gap – Consumer Expectations and Perceptions – III	Case 2 – Singapore Airlines: Customer Service Innovation (Harvard case)
Mar 11	Quiz for Module 1	NO CLASS - MEET IN THE EVENING FOR QUIZ 1
<b><i>Module 2: Provider Gaps</i></b>		
Mar 14, 19	Gap 1 – expected service vs. company's perception of consumer expectations <ul style="list-style-type: none"> <li>- research closes gap</li> <li>- customer retention strategies</li> <li>- service recovery</li> </ul>	Mini assignments
Mar 21, 26	Gap 2 – Acting on consumer expectations of service <ul style="list-style-type: none"> <li>- designing innovative services</li> <li>- setting service standards and communicating cues</li> </ul>	Mini assignment; Case 3 – The Body Shop International (Harvard case)
Mar 28, Apr 2	Gap 3 – the service performance gap – actual problems with service delivery <ul style="list-style-type: none"> <li>- role of employees</li> <li>- role of consumers (zip car)</li> </ul>	Case 4 – Zip car: Influencing Consumer Behavior (Harvard case)

	<ul style="list-style-type: none"> <li>- service delivery through intermediaries</li> <li>- synchronizing demand and capacity</li> </ul>	
Apr 4, 9	Gap 4 – communication gap caused by difference between service <ul style="list-style-type: none"> <li>- delivery and providers external communications</li> <li>- integrated marketing communications</li> <li>- pricing of services</li> </ul>	Case 5– Cunard Line Ltd. (Harvard case)
Apr 11	Guest lecture	
Apr 16	Quiz for Module 2	NO CLASS - MEET IN THE EVENING FOR QUIZ 2
Apr 18, 23	MID TERM BREAK	
Apr 25, 30, May 2, 7	Presentations	Dates for presentation will be by random drawing of lots. Final Project Report is due on May 7
May 9	Course debrief and tips for getting jobs/internships	

\*\* This is a tentative schedule. The dates for discussion of topics might change. If it does, a revised schedule will be posted on Canvas. Please make sure you check the course webpage regularly.

# Schematic Representation of Course Components

