

THE HONG KONG UNIVERSITY OF SCIENCE AND TECHNOLOGY  
DEPARTMENT OF MARKETING

**MARK3470 Services Marketing  
Spring 2019**

*Meeting Times:*

L2: Mons and Weds 12:00 pm – 13:20 pm at LSK 1005;

*Tutorial time*

T2: 6:00 to 6:50pm on Wednesday at LSK 1014

**INSTRUCTOR**

**Professor Shi (Sherry) WANG** ([swangav@connect.ust.hk](mailto:swangav@connect.ust.hk))

*Office* : LSK 4017

*Office hours* : By appointment

**Teaching Assistants\* Ka Yee Kitty HUNG** ([kittyhung@ust.hk](mailto:kittyhung@ust.hk)) and **Haosheng Roger Fan** ([hfanae@connect.ust.hk](mailto:hfanae@connect.ust.hk))

*\* Your TAs will have specific responsibilities and so direct queries about administrative issues to Kitty and assignment and project related questions to Roger. Please indicate clearly your course and section in the email subject (MARK3470 L2).*

**INTRODUCTION 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

As in each course, 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.

#### EXPECTATIONS FROM STUDENTS

I expect students at the University level to take responsibility for their own learning and progress. I consider myself as a resource – a person who provides you with the stimulus. 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, a mini assignment/case discussion.

Attendance should be regular and I do take attendance in each class. This is *extremely important* because much of the learning is through class discussion of cases and the exams will be based on materials covered in class. Further, the class unfolds 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". This will lead to less loss of credit. 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.

## **COURSE MATERIALS**

### Course materials:

Textbook: Lovelock, C. H. and J. Wirtz (2016). Services Marketing: People, Technology, Strategy, 8th edition. Upper Saddle River, New Jersey: Pearson/ Prentice Hall.

The lectures are based largely on the textbook. It would be very helpful for you to read relating materials in the textbook. However, part of the lecture will not be based on the textbook, and the quizzes will base on what is covered during class. We will also be using several business cases. The cases will be uploaded on Canvas. Please download and print them and take them to the class that we are going to discuss. If you require printed copies, please let either TA or me know.

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.

Use of notebooks/iPads/mobile devices in class: I do not permit the use of notebooks/iPads etc. in class unless this is required for a class assignment. Please do not assume that you can take notes on these devices while I am lecturing. This is a policy I have adopted because students often do other work on these machines during class. In addition, the latest research shows that people who take notes on iPads and other electronic devices do less well when it comes to learning and integrating material. Therefore, please make sure you turn off all your mobile devices in class.

## **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 two quizzes, 8 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*	25	Individual
Quiz 2*	25	Individual
Project - Presentation (10%) - Write up (20%)	30	Group
Assignments (mini-assignments and case questions)	12	Individual
In-class performance (class participation and attendance)	6	Individual/Group
Research participation	2	Individual
TOTAL	100	

\*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 (50%)**

Two quizzes will be administered. Each quiz will have a combination of multiple choice, short-answer questions on material covered in class (cases included). You should bring a pencil, a pen (blue or black ink only) and a calculator.

The dates on which the quizzes will be held are

Quiz 1: 11<sup>th</sup> March, 7:15 – 8:45 pm, LTB

Quiz 2: 16<sup>th</sup> April, 7:15 – 8:45 pm, LTJ

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 two weeks of class, I expect you to form teams of 3-5 members each.

Deadline: Submit the team list with names, emails and contact numbers to the TAs by Feb 18<sup>th</sup> 8 pm. After this, all activities are to be done in a team. This includes some in-class discussions.

After team formation, you will be asked to pick a company that offers some sort of service.

The deadline for deciding which service provider to work on is Feb 27<sup>th</sup> 8 pm (submitted on Canvas by group).

To help you keep up with the schedule, and get some feedback in the middle of pursuing your project, a 1-page research plan is required. While there is no formal format for the outline, it should demonstrate that the team has conducted market research of a local service organization

in the chosen industry. The outline should suggest theories adopted in the project i.e. Gaps Theory, and the research methods to be used or have been used (focus group, survey, etc.). Data analysis is not required at this stage.

The deadline for research plan is Mar 18<sup>th</sup> 8 pm (submitted on Canvas by group).

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. The grade an individual gets out of the group project depends on the overall performance as well as peer evaluation. An online platform “iPeer” will be used for peer evaluation. Details will be announced in Canvas later.

### **ASSIGNMENTS (12%)**

There will be 8 assignments throughout the course. The aim of the assignments is to urge you to revisit concepts we covered in class. For classes covering case discussions, the assignments urge you to read the case materials beforehand, which leads to a more qualitative discussion during class. I treat the assignments very seriously, and they will be marked by quality of answers as well as attitude. Independent thinking is what you need for assignments and do not copy from others! Please remember I can tell that. If any copying behavior is detected, all your score from assignments will be removed.

The deadline for each assignment will be announced in class and stated clearly on Canvas.

Please make sure you check Canvas regularly. Each assignment will be posted on Canvas at least a week before its deadline (submitted on Canvas by individual).

### **CLASS PERFORMANCE (6%)**

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 discussion: 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.

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 three point scale described above. If you have an excused absence, you will get partial credit for that class. Excused absence is not allowed unless you provide legitimate proof **in advance** for your absence, like medical proof for sick leave and supporting documents for competitions (please send scanned copy to Kitty). And if your absence is approved (upon receiving your legitimate proof), a confirmation email would be sent. *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!*

**Tutorials:** Students will be notified in advance if there is a tutorial. When there is a tutorial, attendance will be taken similar to the regular classes.

### **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.

### **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**

1. 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.
2. 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.
3. Cell phones, beepers, pagers and all such communication devices are to be turned off before the class begins. I do not allow students to use their laptops and notebooks in class while I am lecturing. Sorry! You could be watching YouTube for all I know.
4. 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.
5. 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.

6. 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.
7. 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.
8. 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!