

THE HONG KONG UNIVERSITY OF SCIENCE AND TECHNOLOGY
DEPARTMENT OF MARKETING

MARK3470 Services Marketing (L1)
Spring 2021

Class time: Wednesday and Friday 01:30PM - 02:50PM
(Class mode will be adjusted according to latest university arrangements)

INSTRUCTOR

LU, Huidi (hluah@connect.ust.hk)

Office: LSK 4017

Office hours: By appointment

Teaching Assistant: NONG, Xiaolin (Claudia, mkclaudia@ust.hk)
SHI, Lulu (lshiak@connect.ust.hk)

INTRODUCTION AND COURSE OBJECTIVES

Services marketing is a specialized branch of marketing. It addresses the problems associated with designing and promoting services. Although a focus on the customer underpins the marketing of both physical goods and services, it is critical to understand the limitations of traditional marketing techniques when it comes to developing the most effective tools for marketing services.

The course is divided into two modules based on 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 design and delivery.

There are certain learning outcomes that the instructor hopes students will be able to achieve after finishing the course. You are expected:

- a) To understand the distinction between marketing of physical goods versus services.
- b) To understand the GAPS model and utilize it to explain problems that occur in the real world.
- c) To be able to conduct an independent service audit on a current service organization to identify problems, analyze data, and recommend how the service organization can do better.

CLASS SCHEDULE

A tentative class schedule is outlined as follows. Students will be notified, and revisions will be posted on Canvas if there are any changes.

Dates	Topic	Readings/Assignments
Introduction to Services Marketing		
3 Feb	Course introduction	
5 Feb	How are services different?	
10 Feb	The “7 Ps” of services marketing	Mini assignment
Module 1: Consumer Gaps		
17 Feb	The Gaps Model of Service Quality	
19 Feb	Consumer Gap I – Consumer Behavior	
24 Feb, 26 Feb	Consumer Gap II – Consumer Expectations	Case 1 – Citi Bank: Fintech Innovation
3 Mar, 5 Mar	Consumer Gap III – Consumer Perceptions	Case 2 – Starbucks: Delivering Customer Service
10 Mar	Proposal Presentations	
12 Mar	(Quiz 1)	
Module 2: Provider Gaps		
17 Mar	Guest lecture	
19 Mar, 24 Mar	Gap 1 – Expected service vs. management perception of consumer expectations	
26 Mar, 7 Apr	Gap 2 – Acting on consumer expectations of service	Case 3 – The Body Shop International
9 Apr, 14 Apr	Gap 3 – The service performance gap – actual problems with service delivery	Case 4 – Zip car: Influencing Consumer Behavior
16 Apr, 21 Apr	Gap 4 – Communication gap caused by difference between service	Case 5– Netflix
23 Apr	Guest lecture	
28 Apr	(Quiz 2)	
30 Apr, 5 May, 7 May	Final Presentations	Written report due on May 9

COURSE MATERIALS

Course materials: **There is no required textbook for this class.** However, we will be using several business cases. These cases will be available for download on Canvas.

Lecture slides/notes: Slides will be posted on Canvas prior to the scheduled classes.

Reference books: Students who are especially interested in the topic may find the following books useful for their self-learning:

- a) Lovelock, C. H. and J. Wirtz (2016). *Services Marketing: People, Technology, Strategy, 8th Edition*. New Jersey: Pearson/ Prentice Hall.
- b) Haskel, J., & Westlake, S. (2018). *Capitalism without Capital: The Rise of the Intangible Economy*. Princeton University Press.

COURSEWORK AND ASSESSMENT

Classes consist of both lecture and student discussion. It is very important that you attend each class because much of the learning is through class discussion. Students are expected to participate actively in class discussions. If you do have to miss a class, please make sure that you catch up with the course material that was covered during your absence.

Questions, concerns and any form of feedback are always welcome. Please do not wait until the end of the semester to have your issues resolved. Students are welcome to make an appointment with the instructor either in class or through email.

Given the current situation with the coronavirus, the assessment tools may have to change during the semester. Typically, assessment of learning outcomes will be through two quizzes, the group project, and other forms of class participation. The points assigned to each of these components is provided:

Component	Points	Individual/Group
Quiz 1	15	Individual
Quiz 2	15	Individual
Project <ul style="list-style-type: none"> - proposal presentation - final presentation - written report 	55	Group
In-class performance (attendance, participation in discussion, assignments)	13	Individual
Research participation	2	Individual
TOTAL	100	

QUIZ (30%)

Two **online closed-book** quizzes will be administered. Each quiz will contain multiple choice and short-answer questions on all materials covered in class.

The tentative schedule for the quizzes is:

Quiz 1: 12 March, 01:30PM - 02:50PM

Quiz 2: 28 April, 01:30PM - 02:50PM

GROUP PROJECT (55%)

Students are to be divided into small teams with 4 to 6 people depending on the class size. Each team is required to evaluate the existing performance and make recommendations to a service organization (not necessarily a for-profit company) of their own choice. Detailed guidelines on the group project will be posted on Canvas.

- Proposal Presentation (10 minutes, 5%)

To keep the instructor informed of your progress and provide an opportunity for students to learn from each other, a proposal presentation is required as an interim step. It should provide an overview of the team's research objectives and tentative schedule. The team should suggest how they integrate the GAPS model into their analysis. Each team will have up to 10 minutes for their presentation and answering questions. Data analysis is not required at this stage.

- Final Presentation (30 minutes, 25%)

All teams will present their research results at the end of the semester. Each team will have 30 minutes for their presentation and answering questions. During presentation, students in the audience should participate in the discussion by giving their comments or asking questions about the presentation.

- Written Report (15-20 pages, 25%)

A written report is due at the end of the semester. Your written report should be organized as follows:

- Executive summary
- Introduction: background information; motivation for the study
- Research methods and results
- Analysis and recommendations
- Limitation and conclusion

CLASS PERFORMANCE (13%)

Class participation is assessed through attendance, contributions to class discussion and assignments.

Consistent class attendance is considered a minimum requirement for this class. Students will get zero score on this part if they miss more than three classes without informing the instructor before the classes begin.

Students are encouraged to ask questions or share relevant experience. The instructor will determine each student's involvement in the class by the **number** and **quality** of questions or comments they raise. This also allows the instructor to determine if all key elements are sufficiently covered.

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 or complete research assignments. These are administered centrally by the department and details will be posted in Canvas.

GRADING

Final letter grades will be awarded based on total score. In general, the instructor will follow the university guidelines (<http://qa.ust.hk/aos/distribution.html>) to ensure that there is no grade inflation. A grades (A+, A or A-) are reserved for the top 25% of students, B grades (B+, B or B-) for the next 40%, C for the next 25%, etc.

In case you are not satisfied with your scores on one or more segments 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 note that your score may go up, stay the same or move down depending on the new evaluation. I will return your re-evaluation requests with the necessary changes within two weeks of receiving your requests.

ACADEMIC INTEGRITY

HKUST's regulations on academic integrity and ethics will be strictly enforced. Academic dishonesty includes but is not necessarily limited to plagiarism and cheating on exams. For instance, on assignments identified as group work, it is expected that all members of the group will have contributed, and that only members of the group will have contributed. You are also required to provide appropriate citations when you use ideas or data from others' work. Any violations will directly lead to failing this course. The student's home department will also be notified immediately. For more information, please refer to <https://acadreg.ust.hk/generalreg.html> or <https://ugadmin.ust.hk/integrity/>.