

YALE UNIVERSITY
School of Management

**MGT 853 - SERVICES MARKETING:
STRATEGIES FOR NONPROFITS AND FOR-PROFITS**

Spring 2004

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Course Description and Objectives

The primary objective of this course is to help you to work effectively as managers (or consultants) in service-driven organizations in either nonprofit or for-profit settings. An underlying theme of the course is that management issues in services are often different from those in manufacturing and this has implications for marketing strategy and implementation. Our focus will be from the perspectives of both senior management and customers themselves.

Through cases, readings, projects, class discussions and presentations, we'll address the distinctive characteristics and problems of marketing in both nonprofit and for-profit service organizations, identifying marketing-relevant differences between the two. In the process, you'll learn to recognize the nature of different types of services, to dissect service experiences, to evaluate delivery systems, and to understand the roles played by customers themselves.

During the course, we'll be exploring marketing concepts, frameworks and models designed to facilitate analysis of different types of services and to help in development and implementation of appropriate strategies. The course takes a strategic view of marketing, emphasizing that it is the only function that specifically brings operating revenues into the organization.

We'll take advantage of the fact that many services offer a wonderful real-world laboratory for study and analysis. (By the end of this course, I suspect that you will never again look at a restaurant, museum, or transportation service in quite the same light!) Through participation in a series of individual and group projects, you'll develop a pragmatic, real-world view of current marketing practices and innovations in the service sector, start to think more analytically about your own experiences as a service customer, compare and contrast the context of for-profit and nonprofit organizations, and develop a better understanding of front-line service jobs.

Course Format and Content

This half-semester course is, of necessity, fairly concentrated, with just thirteen 80-minute sessions over a period of seven weeks. The assignment for most sessions includes both a case and a reading. Our cases cover a variety of industries and are drawn from both nonprofit organizations and for-profit companies.

Expectations

My expectation is that you will come to all classes, read all assigned materials, prepare the accompanying study questions thoughtfully, and submit written assignments on or before their due dates. Case discussions can be a very exciting way to learn, but in this form of teaching it takes two (or more) to tango. Our sessions will be livelier and more interesting if everyone is well prepared and willing to participate actively in class discussions. Use of laptops in class can be distracting—I'd prefer that you took notes the old-fashioned way. If you're unable to come to class for any reason, please notify me in advance by email, otherwise I'll have to assume you were unprepared. Fellow members of your small group will expect you to participate usefully in group assignments, so please don't let them down.

Contact Information

I'll be on campus on Mondays and Wednesdays (and sometimes also on Tuesdays). Please contact my secretary, Geri Spadacenta (55 Hillhouse, tel: 2-5957) to make an appointment. I'd also be happy to meet with you individually or in groups for breakfast, lunch, or post-class refreshments to discuss issues of interest to you. The teaching assistant for this course is Uzma Khan, who will be grading your papers, but I will also read everything myself.

Grading

Evaluation will be based on class participation (30%), individual written assignments (60%), and small group projects (10%). The good news is that there will be no final exam. Written projects include (1) blueprinting service delivery—based on a case; (2) preparing a diary and appraisal of your own service experiences; and (3) written analyses of two cases (selected from a subset of those taught in the course). For more information, click the section on "Written Assignments."

Course Materials

1. Most materials are included in the assigned text for the course, **Christopher Lovelock and Jochen Wirtz, *Services Marketing* 5th ed. (Prentice Hall 2004)**. This book, referred to in assignments as "L&W", is available from the Yale Bookstore.
2. Additional materials, including some cases and readings, will be loaded on the WebCT site. All assignments for individual class sessions and details of written projects will also be found on WebCT.
3. A few items will be distributed in a printed course package.

Small Groups

All students will be assigned to one of four small groups. I'll decide the composition of these groups and announce them on March 29, at which time I will also give details of the role that groups are expected to play and specific assignments.

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Prof. Christopher Lovelock

Course Overview and Schedule

Spring 2004

v.003 (rev 4/22)

- Mon, Mar 22** ***Introduction to Services***
 Readings: L&W, Chapter 1: Introduction to Services Marketing
 Drucker: "What Business Can Learn from Nonprofits" (*WebCT-Harvard*)
- Wed. Mar 24** ***Developing and Enhancing a Marketing Orientation***
 Reading: L&W, Chapter 2: Customer Behavior in Service Encounters
 Case: Museum of Fine Arts, Boston (*WebCT*)
- Mon. Mar 29:** ***Where Does the Customer Fit in a Service Operation?***
 Reading: L&W, Chapter 8: Designing and Managing Service Processes
 Case: Sullivan's Auto World Ford (L&W, 486-490)
Written assignment: Service blueprint due
- Wed. Mar 31** ***Positioning a Service in the Marketplace – I***
 Readings: L&W, Chapter 3, Positioning Services in Competitive Markets
 Brown, "How We Built a Strong Company in a Weak Industry"
 (L&W, 88-92)
- Mon. Apr 5:** ***Positioning a Service in the Marketplace - II***
 Readings: Haeckel, Carbone, Berry: "How to Lead the Customer Experience"
 (L&W, 343-347)
 Grove & Fisk, "Service Theater: An Analytical Framework for Services
 Marketing" (L&W, 78-87)
 Case: Commerce Bank (L&W, 492-504)
- Wed. April 7:** ***Marketing Multi-site Services - I: Trade Associations***
 Reading: Berry, "Cultivating Service Brand Equity" (L&W, 207-209)
 Case: Visiting Nurse Associations of America (L&W, 533-545)
Written Assignment: Service diaries due
- Mon. Apr 12** ***Marketing Multi-site Services - II: Franchise Organizations***
 Reading: L&W, Chapter 7, Distributing Services
 Case: Aussie Pooch Mobile (L&W, 520-532)

- Wed. Apr 14:** **Revenue Management**
 Reading: L&W, Chapter 6, Pricing & Revenue Management (pp 164-72 only)
 Case: Coyote Loco (L&W, 552-62)
- Mon. Apr 19:** **Evaluating New Service Initiatives - I**
 Reading: L&W, Chapter 4: Creating the Service Product, (pp 112-23 only)
 Cases: Innovation at Progressive (A): Pay as You Go Insurance (L&W, 607-19)
 Innovation at Progressive (B): Homeowners Insurance (L&W, 620-24)
 Innovation at Progressive (C): Auto Repair (L&W, 625-26)
- Wed. Apr 21:** **Evaluating New Service Initiatives - II***
 Reading: Ford & Fottler "Creating Customer-Focused Health Care Organizations" (P)
 Case: Yale-New Haven Children's Hospital (WebCT)
 * Joint class with Mgt 691, Prof. Michael Apkon, MD
- Mon. Apr 26** **Creating and Maintaining Customer Loyalty**
 Reading: L&W, Chapter 12: Managing Relationships and Building Loyalty
 Case: Massachusetts Audubon Society (L&W, 588-603)
- Wed. Apr 28:** **Transitioning from Start-Up to a Viable Service Business**
 Reading: L&W, Chapter 14, Improving Service Quality and Productivity (pp 405-22)
 Case: TLContact.com (L&W, 627-39)
- Mon. May 3** **Achieving Service Leadership**
 Reading: L&W, Chapter 15: Organizing for Service Leadership
Small group presentations

Key:

L&W – Lovelock & Wirtz, *Services Marketing 5/e*

WebCT – Note that Harvard materials require a special access procedure

P – package of printed materials