SERVICES MARKETING

SERVICES MARKETING

TEXT AND CASES

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and

Kim Harris

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■ Preface

Service Marketing is a relatively new field, with most of the important contributions to the academic literature being written since the mid-1970s. Prior to the 1980s the marketing of *services* was normally treated, if at all, as an 'add-on' chapter in marketing texts which were devoted almost entirely to the marketing of goods. However, by the 1990s, the accumulated body of literature and practical cases on the marketing of services has resulted in the elevation of services marketing to an academic subdiscipline in its own right. The interest in, and enthusiasm for, services marketing is a result, in part, of the changing nature of employment in the Western world and the increasing importance of the service sector. In the UK, for example, over 67 per cent of the working population is employed in the service sector.

In keeping with the development of the subdiscipline of services marketing is the recent rapid increase in the number of services marketing courses or units being offered to a variety of audiences. At our own university, for example, Services Marketing is offered as a final year unit to undergraduate Retail Marketing students, as a unit on the MBA course, as a double unit on the Postgraduate Diploma in Marketing Management and as a unit on postgraduate and post-experience courses for middle to senior managers of various retail companies. At other UK universities, undergraduate courses have been developed specifically in Service, or Service Sector, Management for which services marketing is a core unit running over two or three years.

The pioneering textbooks in Services Marketing reflect both the practical nature of the subject through the use of case studies and the multidisciplinary nature of the theoretical underpinnings to the subject, through the use of selected writings originally published in academic journals or specialist texts. Aimed primarily at US audiences, the writings reflect US cultures and issues, and the cases are mainly on large national or multinational services organisations such as telephone companies, airlines or hotel chains. The more recent UK texts have provided a synthesis of the models and theories of Services Marketing (rather than access to the original writings) but have reduced the emphasis on case studies to, at most, one-page snapshots of certain companies. Our own experiences of delivering services marketing units is that student interaction is essential for learning, and that the case study is a very suitable vehicle for such interaction.

Our principal aim, therefore, in writing this book is to explain the issues, models and theories currently recognised as representing the subdiscipline of services marketing, and support this with a bank of original, substantial case studies written from a UK/European perspective. It should, we believe, fit the needs of both the student (in terms of a clear exposition of what is services marketing) and the lecturer (in terms of case studies which can form the basis of discussions, debates and seminars). The material can be covered in a typical semester of twelve to fifteen weeks. We would normally expect, within such a semester, that ten weeks is spent on the key issues in Chapters 2 to 9. The case studies can be used to complement the material in these chapters or to encourage more general idea generation, or debate (see later).

Most of the case studies in this book are of *small service businesses* such as hairdressers, dentists, car mechanics and funeral directors. This is a deliberate choice on our part. A (principally) small business focus to the cases is used because:

- they provide the opportunity to demonstrate that services marketing principles and frameworks can be applied to a vast range of commonly used services, as well as to the large services organisations which operate in banking, airports, hotels, restaurants and telephone services;
- it enables us to develop more clearly the people focus and social function of services;

and

- the cases are readily understandable and, we would argue, more interesting and likely to capture attention.

Three of the cases, however, are of a different nature and are written to encourage debate on issues or sectors not fully addressed through a small business perspective. Case Study 6 gives a personalised view of 'service' within a UK National Health Service hospital and should stimulate more general debate on elements of service in the not-for-profit sector. Case Study 9 deals with bank management issues. All the banks in the UK are national, or at least regional, and so a small business approach was inappropriate in this sector. Instead, the case draws attention to an opportunity to rethink the services offered by banks. The issues of internal marketing are more complex, interesting and difficult to manage when considered in the context of larger organizations. Case Study 7 looks, therefore, at some of these issues as expressed publicly by the joint managing director of the UK's largest grocery retailer, J. Sainsbury.

After each case, a number of discussion points are suggested. We have found that most of the cases also allow a more holistic summary of a range of services marketing issues. Case Study 8 'Waymark Holidays', for example, can be studied specifically to examine concepts such as empowerment, as suggested at the end of Chapter 6. Alternatively, we have found that the same case study can be used as a means of generating student examples, which clarify the understanding of the service characteristics of intangibility, inseparability, heterogeneity and perishability. An understanding of such characteristics, and of the managerial implications and possible strategies which result from them, can be achieved more readily through an early focus on a specific case study, coupled with an interactive idea generation session.

The book will be suitable for undergraduate and postgraduate/post-experience students studying services marketing either as a separate unit or as part of a general management or marketing course. It can be read by someone with no prior marketing knowledge, but we recommend that such a reader has access to an introductory mainstream marketing text. A list of references for each chapter is located at the end of the book and provides a basis for further reading for those students wishing to specialise in services marketing or in particular themes within the field.

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