

# **MKTG/HTM 386**

## **Hospitality Services Marketing**

### **Spring 2001**

#### ***Instructor***

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#### ***Out of Class Communications and Appointments***

I review and respond to e-mail and voicemail several times each day. To schedule an appointment, please contact Wanda Hinkle or Linda Daggy at 568.3254. I am normally available for appointments during a portion of each day.

#### ***Course Rationale***

This course is designed to build on the marketing concepts and principles that you learned in COB 300. The context of this course is the unique nature of marketing hospitality and tourism services. This course is designed around the following assignments, activities and experiences:

- Engaging in a series of team exercises and assignments, both in-class and outside of class. These are designed to enhance your leadership, critical thinking, interpersonal communication, decision-making, analytical thinking, organizational, business communications skills.
- Participating in a critical assessment of a hospitality services marketing management case study and presenting your recommendations.
- Researching and assessing best business practices in service marketing settings.
- Conducting a critical assessment of several case studies and providing constructive assessment, critique and suggestions related to case study recommendations presented by other teams.

#### ***Course Objectives***

This course focuses on the unique challenge of marketing and managing products whose intangible components predominate the sum total of those products' characteristics. (These products are regarded as services, as opposed to physical goods.) Particular emphasis is placed on meeting this challenge within the context of services provided by the hospitality and tourism industries. By the completion of the requirements of the course (via written projects, team-based work, and in-class discussion), students will:

- Recognize the unique challenges inherent in marketing and managing services and in developing/delivering quality service.
- Develop essential knowledge regarding the concept of service quality.
- Understand the complexities of service design, delivery, and communication.

- Apply accepted theories and practices from consumer and organization buyer behavior to services contexts.
- Lay the groundwork for becoming a more perceptive and effective consumer and manager of services.
- Enhance skill areas such as leadership, critical and analytical thinking, interpersonal communication, and decision-making.
- Acquire tools necessary to conduct a situation analysis, develop business plans, and make and justify decisions in a services-related context.
- Research and assess best business practices related to services marketing settings.
- Critically assess hospitality services marketing and management case situations and present recommendations for their solution by the application of the elements of the services marketing mix.

***Text and Course Materials***

Zeithamal, Valarie A. and Mary Jo Bitner, Services Marketing: Integrating Customer Focus Across the Firm, 2<sup>nd</sup> edition, Irwin McGraw-Hill, 2000.

***Method of Evaluation***

Final grades will be determined based on the weighting of the assignments listed below.

***Individual (65%):***

Case analysis, North Pittsburgh Telephone Company .....	15%
Tests (2) .....	15%
Case analysis notes.....	10%
Service watch papers and presentations.....	15%
Service encounter journal and complaint letter.....	10%

***Team (35%):***

Analysis of a case study (written and oral presentation) .....	15%
Critique of another team’s case study (written and oral) .....	10%
In-class and short assignments .....	10%

Two peer evaluations will be used as input for the adjustment of individual grades. This input will come from the peer evaluation form that will be written, discussed and signed by each member of the team. Each team member will complete the acknowledgement section of this form. The team grades for each individual student may be adjusted significantly based on this peer evaluation input. Peer evaluations are due within one week of when a team presents their case analysis

Your grade will be based on your performance in this class just as your salary increases and promotions will be based on your performance at work in the future. I will not and your future supervisors will not evaluate you based on how many hours you work. We are only interested in how you actually perform.

Final individual grades will be based on the following scale, based on the percentage of possible points attained by each student as shown below. The plus/minus grading system will be used in this class.

A/A- = 90-100%  
B+/B/B- = 80-89.99%  
C+/C/C- = 70-79.99%  
D+/D = 60-69.99%  
F = <60%

### **Course Policies**

1. Regular attendance is the responsibility of each student. You are expected to come to class prepared to discuss the assigned material. You will be called upon to do so. Attendance will be taken during each class. You will be permitted two absences without penalty. Each absence in excess of two classes will result in a lowering of the final grade by 1% for each class session that is missed. If a student misses class, it is his/her responsibility to obtain information from other students and to be prepared for the next class session.
2. Team and individual assignments are due as noted in the syllabus, class web site updates, email updates and as announced in class. The potential point value of assignments turned in late will be reduced by 10% for each day the assignment is late. Assignments related to case studies or other assignments that will be discussed in class are due prior to (via email) the start of class or at the start of class. Specific instructions will be provided for each assignment. Assignments of this type will not be accepted after class has started.
3. Nearly all class materials will be distributed via electronic means, email and the course web site. In order to use the downloadable files from the course web site, you must have a copy of the Adobe Acrobat Reader. This free file can be downloaded from [www.adobe.com](http://www.adobe.com).
4. All individual assignments are to be completed solely by the individual student. You are not to consult with anyone, nor review material developed by other students. Team assignments are to be completed solely by the members of the team. You are not permitted to review projects or assignment that have been completed or are being completed by other students. Any outside assistance provided by individuals who are not members of the team will be considered a JMU Honor Code violation.
5. It is expected that you will use Microsoft Office software to generate all written and presentation assignments in this class. Most assignments will be submitted via email, making use of attachments. If an assignment is to be submitted via email, a hard copy will not be accepted.
6. The James Madison University Honor Code shall be in effect in this class. Please refer to the JMU Student Handbook for details. If you have specific questions about possible Honor Code violations, please consult with the instructor.

### **Class Guidelines**

In order to create an environment that will facilitate the exchange of ideas, the following guidelines will be followed in this class:

1. Since I realize that there is no such thing as a "bad" question, I will seek clarification of any material that I do not understand.

2. In a case study environment, there is a difference between opinion and fact. I will not try to impose my opinion on others as facts.
3. It is important that students arrive on time for class. Students are requested not to leave class while it is in session.
4. Rudeness to others will not be permitted. Examples include, but are not limited to:
  - talking while a student, the instructor, or a guest speaker is speaking;
  - reading newspapers, magazines, or other non-class material in class; and
  - studying for other classes in this class.
5. Place all food and drink containers in the appropriate trash and recycle bins. When you leave, be sure that your area of the classroom is cleaner than when you arrived.

## **TEAM AND INDIVIDUAL ASSIGNMENTS**

### ***Case Studies — (a) Team Analysis, Report and Presentation and (b) Individual final case assignment***

As outlined on the syllabus, there are several cases that have been assigned this semester. During the semester, working in teams, you will be expected to conduct a case analysis, submit a written report of your analysis and recommendations, and finally, make a presentation of your analysis and recommendations to the class. At the end of the semester you will be expected to complete a written case analysis. This will be an individual assignment, using the same format as the earlier team assignment.

The process of analyzing and discussing actual cases can be very valuable. By assuming the role of a marketing manager or consultant, you can apply and test the principles, theories, and practices you have studied. Moreover, analyzing marketing cases, then communicating and defending your analysis provides experience in managing the marketing function.

Each of the cases we will examine involves a real firm or nonprofit organization, which, at the time the case study was written, faced some issue of concern to its top marketing managers. Most of them include information about an organization's operations, policies, and systems, liberally sprinkled with opinions, estimates, reports, financial statements, plus other data selected by the case writers. You are expected to use skills and information from other courses in analyzing these cases. For example, use the available quantitative and/or financial information to the fullest extent possible. For example, it is expected that your work resulting in a written case analysis and class presentation will make use of Microsoft Word, Excel and PowerPoint.

Whether you are preparing for a class discussion, presentation, or for a formal written analysis, plan to read the assigned case more than once. Begin with a fast skimming to get acquainted with the organization, its size, age, location, principal products and services, and other major characteristics. Take time to calculate a few critical financial ratios if the appropriate information is available. Comparing such ratios and their trends with industry averages sometimes reveals symptoms that are not mentioned specifically in the case. Two or three additional readings of the case, some reflection, and, perhaps, outside research are likely to be needed to complete a comprehensive analysis.

## **Case Analysis Outline**

Your overall task is to isolate the most critical problem, conduct a thorough analysis and develop recommendations appropriate to deal with the problem. Suggested steps you might follow are:

1. Why is there a problem? What is (are) the critical question(s)? What is the root problem?
2. What are the critical factors? What has to be changed? What gaps in the integrated gaps model (Chapter 18) might exist?
3. Develop a situation analysis to include elements of the hospitality services marketing mix. To fully understand the situation, you should carefully examine the organization's strengths, weaknesses, opportunities and threats (SWOT's).
4. Develop a well thought out recommended course of action, justification for the recommendation, and action plans and timetable to accomplish the desired results. You are expected to explain the steps, the resources that will be employed, and other details of carrying out your recommendations. A sound decision, badly executed, may be worse than a well-implemented mediocre decision. The implementation plan should show that your solution is both possible and practical. Such details as who will be involved, when and where the necessary resources will come from, and how you will handle the downsides risks associated with your recommendations should be anticipated.

## **The Oral Presentation**

Your team's oral presentation should be approximately 20-25 minutes in length and should cover the major sections of the case analysis outlined above. **Your presentation should begin with an overview of the major issues and problems, as well as brief review of your recommendations.** Following this introduction, your team can fully present your analysis and recommendations. It is expected that you will be dressed professionally, and conduct the presentation as if you were making a presentation to a team responsible for making the decision about what the organization should do.

The instructor will evaluate each team's presentation. In addition, each member of the class will complete a presentation evaluation. Feedback from class members will be provided to the team, but the feedback from class members will not be used to determine a presentation grade. A copy of the presentation evaluation form can be found on the class web site. **It is the responsibility of the presenting team to bring a copy of the presentation evaluation form for each student in class on the day that the team is making the presentation.**

## **Team Written Case Analysis and Individual Final Case Analysis**

You will submit a Microsoft Word generated written case analysis that covers the same information as will be presented in class. The maximum length of this case analysis is 6 pages, plus supporting appendices. **The team written analysis is due by 5pm on Tuesday, two days prior to your oral presentation in class on Thursday. This assignment should be submitted as a Microsoft Word attachment to an email. At**

***the time the written analysis is turned in, the Microsoft PowerPoint file of the slideshow you will use in class is also due. These assignments are due two days prior to being presented in class and under no circumstances will they be accepted after the case has been presented in class. The slideshow used during the presentation should be identical to the one that is submitted two days prior to the presentation.***

Your individual final case analysis assignment is identical to the team assignment described above, with two exceptions – there is no in-class presentation and no PowerPoint slideshow is required. You are to submit a 6 page case analysis that is completed solely as an individual.

### ***Case Studies — Individual Case Notes Assignments***

On the days when another team is presenting a case and your team is not responsible for critique, your responsibility will be to have read the case and be prepared to ask probing questions. Following the introductory section in which the team presents the issues and their recommendation, feel free to interrupt the speakers to ask for clarification of a point or to ask why they interpreted specific information in the way that they did. In particular, the role of every member of the class is to ask questions about the recommendations, to assure that it is well conceived and has a high probability of being successful. In short, your role is to **ASK QUESTIONS!**

For each of the cases that your team is NOT presenting or critiquing, you will be expected to submit a two-page Microsoft Word document that is a summary of your case notes. This summary should include:

- Listing of the major marketing issues of concern. What do you believe is the major problem?
- Five to six questions you will pose to the team making the presentation.
- Any other pertinent analysis that you believe is critical to the case.

This is an individual assignment that must be submitted, as a Microsoft Word email attachment not later than 5pm on the day prior to when the case will be presented. This assignment has a maximum length of 2 pages.

### ***Case Studies - Team Critiques***

Based on the weekly class schedule, each team is expected to critique one case presentation by another team. When your team is responsible for the critique, your team will submit a Microsoft Word file as an e-mail attachment that addresses the following:

- Listing of the major marketing issues of concern. What do you believe is the major problem?
- Brief review of the quantitative and/or financial information provided in the case.
- Eight to ten questions you will pose to the team making the presentation.

This is a team assignment that must be submitted as a Microsoft Word email attachment not later than 5pm on the day prior to when the case will be presented. This assignment has a maximum length of 3 pages.

## ***Services Encounter Journal and Complaint Letter***

Focusing on the service encounter, we will be undertaking a project that explores your evaluation of service incidents that are either particularly satisfying or particularly dissatisfying. The data gathering tool we will employ comes from the Critical Incident Technique, commonly referred to as CIT. This technique is well suited to isolating the particular events and related behaviors of contact employees that cause customers (that's you) to distinguish very satisfactory service encounters from very dissatisfactory ones.

### ***Service Encounter Journal***

We all have a number of service encounters each week, including (but not limited to) restaurants, banks, airlines, dry cleaners, doctors, dentists, libraries, tutors, university personnel, travel agencies, theaters, pest control agencies, landlords/lessors, phone companies, automotive mechanics, insurance companies, attorneys, accountants, and copy centers. You are to keep a selective "journal" of your service encounter experiences. The purpose of the journal is to identify sources of customer satisfaction and dissatisfaction with services.

### ***Requirements***

You are asked to complete ten journal entry forms. Each entry will correspond to one service encounter that you have had any time over the past 3-4 months. To be considered usable, an incident is "required to meet the four criteria of (1) involving employee-customer interaction, (2) being very satisfying or dissatisfying from the customer's point of view, (3) being a discrete episode, and (4) having sufficient detail to be visualized by the interviewer" (Bitner, Booms, and Tetreault 1990, p. 73). Apply these criteria to any incident you choose to include in your compilation of ten. Do your best to keep the portion of satisfying to dissatisfying incidents to 50/50. Please use Microsoft Word to set up a file with the questions from the entry form. You can then enter descriptions of the service encounters as you experience them. A blank copy of the form will be provided in class.

Be sure to answer completely the questions on the journal entry form. Your inclusion of the important details of the service encounter will help you in the second part of the project, namely, writing the service encounter paper.

Try to record an assortment of types of encounters from a variety of service industries (e.g., do not do all restaurants). The best way to complete your journal is to fill a form out immediately following a particular incident. Try to write up a couple of service encounters per week, beginning immediately. If you try to do your entries from memory, or do too many at one time, the quality of the entries will suffer. When numbering the incidents in the space provided on the form, designate satisfying encounters as S1, S2, etc. and dissatisfying ones as D1, D2, etc.

### ***Complaint Letter***

Using one of the dissatisfying service encounters from the services encounter journal, this assignment gives you the opportunity to provide feedback to a service firm, as well as help you understand and evaluate the customer service and "recovery" aspects of a specific firm. It begins with the writing of a letter to any company from whom you, in your opinion, have received bad or at least less-than-satisfactory service during the first few weeks of the semester. You do not have to be extremely upset; it may be simply that the firm did not supply service that met your expectations. (Note: This should be an experience that is captured in your service encounter journal.)

### **Requirements**

After your less-than-satisfactory service, you are to obtain the name and address of the appropriate person to whom to complain (this may take some research!) and write a formal letter of complaint. In the letter, you should describe your poor experience and, if appropriate, you may also suggest an action the company could take to appropriately "recover" in this situation. (Do not state in the letter that you are doing this as a class project!)

### **Services Watch Assignment**

This assignment encourages you to seek out (i.e., "watch" for) service-related articles in the popular press. The objective of this exercise is to help students realize that many services marketing practitioners routinely deal with the topics presented in the class. Students are asked to locate a current article that addresses a services marketing issue related to class discussions from the *Wall Street Journal*, *Fortune*, *Newsweek*, *Business Week*, or other publications that are applicable to the course. Students then write a shot paper (maximum of two pages) pertaining to the following issues:

1. A brief summary of the key point(s) of the article.
2. A discussion of the how this article relates to a key concept examined in this course and the implications for services marketing practitioners.
3. The student's personal reaction to the article based upon the marketing perspective gained during the course.

In doing this assignment, you should look beyond the textbook to find "real-life" examples of the concepts discussed in class. Each services watch paper should be related to the chapter that is being discussed in class during the same week. All services watch papers will be due on Thursday, following class discussion of a specific topic on Tuesday. On the days that these papers are due, students called at random will be asked to provide a 3-minute summary of the article and discuss the marketing concept illustrated in the article. In particular, we seeking to identify and learn from the best business practices of service marketing industry leaders. A copy of the article must be stapled to the services watch assignment.

### **Extra Credit**

You can earn extra credit by attending guest speaker presentations that have been announced in class or via e-mail. Following your attendance, submit a two (2) page double-spaced summary of the presentation. Extra credit will be awarded.