

Preface

This text is for students and businesspeople who recognize the vital role that services play in the economy and its future. The advanced economies of the world are now dominated by services, and virtually all companies view service as critical to retaining their customers today and in the future. Manufacturing and product-dominant companies that, in the past, have depended on their physical products for their livelihood now recognize that service provides one of their few sustainable competitive advantages.

We wrote this book in recognition of the ever-growing importance of services and the unique challenges faced by service managers.

WHY A SERVICE MARKETING TEXT?

Since the beginning of our academic careers in marketing, we have devoted our research and teaching efforts to topics in service marketing. We strongly believe that service marketing is different from goods marketing in significant ways and that it requires strategies and tactics that traditional marketing texts do not fully reflect. This text is unique in both content and structure, and we hope that you will learn as much from it as we have in writing and revising it now for over 20 years. Over this time period we have incorporated major changes and developments in the field, keeping the book up to date with new knowledge, changes in management practice, and the global economic trend toward services.

Content Overview

The foundation of the text is the recognition that services present special challenges that must be identified and addressed. Issues commonly encountered in service organizations—the inability to inventory, difficulty in synchronizing demand and supply, challenges in controlling the performance quality of human interactions, and customer participation as cocreators of value—need to be articulated and tackled by managers. Many of the strategies include information and approaches that are new to managers across industries. We wrote the text to help students and managers understand and address these special challenges of service marketing.

The development of strong customer relationships through quality service (and services) are at the heart of the book's content. The topics covered are equally applicable to organizations whose core product is service (such as banks, transportation companies, hotels, hospitals, educational institutions, professional services, telecommunication) and to organizations that depend on service excellence for competitive advantage (high-technology manufacturers, automotive and industrial products, information-intensive technology firms, and so on). The topics covered also apply equally to large, well-established companies, and to smaller entrepreneurial ventures. Rarely do we repeat material from marketing principles or marketing strategy texts. Instead, we adjust, when necessary, standard content on topics such as distribution, pricing, and promotion to account for service characteristics.

The book's content focuses on knowledge needed to implement service strategies for competitive advantage across industries. Included are frameworks for

customer-focused management and strategies for increasing customer satisfaction and retention through service. In addition to standard marketing topics (such as pricing), this text introduces students to entirely new topics that include management and measurement of service quality, service recovery, the linking of customer measurement to performance measurement, service blueprinting, current ideas related to “value in use,” and the cocreation of value by customers. Each of these topics represents pivotal content for tomorrow’s businesses as they structure around process rather than task, engage in one-to-one marketing, mass customize their offerings, cocreate value with their customers, and attempt to build strong relationships with their customers. The cross-functional treatment of issues through integration of marketing with disciplines such as operations information systems, and human resources is a constant underlying theme.

New Features

This seventh edition of the text includes the following new features:

1. New or updated chapter openers in all chapters.
2. New research references and examples in every chapter with greater coverage of new business model examples such as Airbnb, Uber, OpenTable, Mint/Intuit, and others.
3. Greater emphasis on technology and how it is transforming service businesses; for example, the book includes examples from application services (“apps”), the “Gig” economy, the sharing economy, and the Internet of Things as a service.
4. Inclusion of current theories and best practices on customer satisfaction, loyalty, and the wallet allocation rule.
5. Increased coverage of the two current logics of marketing: service dominant logic and service logic, both of which focus on customers as creators and cocreators of value and value in use.
6. Focus on digital and social marketing in the communication chapter as well as greater coverage and examples of these topics throughout the book.
7. Increased coverage of Big Data as a source of customer information and data analytics as a service.
8. More discussion and examples of strategic service initiatives and service business models in business-to-business firms, including the trend toward service infusion in goods-dominant companies.
9. New or improved global, technology, and strategic service features in nearly every chapter and updated data in key charts and examples throughout the text.
10. Updated and revised 16 Indian Service Strategy Insights at the end of each chapter.
11. Six Indian book end cases, one new case on “Airbnb India: Growth Pangs?”

Distinguishing Structure and Content Features

The text features a structure completely different from the standard 4P (marketing mix) structure of most marketing texts. The text is organized around the gaps model of service quality, which is described fully in Chapter 2. Beginning with Chapter 3, the text is organized into parts around the gaps model. For example, Chapters 3 and 4 each deal with an aspect of the customer gap—customer expectations and perceptions, respectively—to form the focus for service marketing strategies. The

managerial content in the rest of the chapters is framed by the gaps model using part openers that build the model gap by gap. Each part of the book includes multiple chapters with strategies for understanding and closing these critical gaps. Specific distinguishing content features of the book include:

1. The only services marketing textbook based on the Gaps Model of Service Quality framework, which departs significantly from other marketing and services marketing textbooks.
2. Greater emphasis on the topic of service quality than existing marketing and service marketing texts.
3. Introduction of three service Ps to the traditional marketing mix and increased focus on customer relationships and relationship marketing strategies.
4. Significant focus on customer expectations and perceptions and what they imply for marketers.
5. A feature called “Strategy Insight” in each chapter—a feature that focuses on emerging or existing strategic initiatives involving services.
6. Increased coverage of business-to-business service applications.
7. Coverage of the increasing influence of technology in services, including a current Technology Spotlight in every chapter.
8. A chapter on service recovery that includes a conceptual framework for understanding the topic.
9. A chapter on the financial and economic impact of service quality.
10. A chapter on customer-defined service standards.
11. Cross-functional treatment of issues through integration of marketing with other disciplines such as operations and human resource management.
12. Consumer-based pricing and value pricing strategies.
13. Description of a set of tools that must be added to basic marketing techniques when dealing with services rather than goods.
14. An entire chapter that recognizes human resource challenges and human resource strategies for delivering customer-focused services.
15. A full chapter on service innovation and design with a detailed and complete introduction to service blueprinting—a technique for describing, designing, and positioning services.
16. An entire chapter on customers’ roles in service that recognizes the central role that customers play in creating and cocreating value.
17. A chapter on the role of physical evidence, particularly the physical environment, or “servicescape.”
18. “Global Feature” boxes in each chapter and expanded examples of global services marketing.

Conceptual and Research Foundations

We synthesized research and conceptual material from many talented academics and practitioners to create this text. We rely on the work of researchers and businesspeople from diverse disciplines such as marketing, human resources, operations, information systems, and management. Because the field of services marketing is international in its roots, we also have drawn from work originating around the globe. We have continued this strong conceptual grounding in the seventh

edition by integrating new research into every chapter. The framework of the book is managerially focused, with every chapter presenting company examples and strategies for addressing issues in the chapter.

WHAT COURSES AND STUDENTS CAN USE THE TEXT?

In our years of experience teaching services marketing, we have found that a broad cross section of students is drawn to learning about services marketing. Students with career interests in service industries as well as goods industries with high service components (such as industrial products, high-tech products, and durable products) want and need to understand these topics. Students with an interest or background in software, technology-based businesses, online applications, and “data as a service” are also drawn to the course since each of these new business models is a form of service, demanding understanding of service concepts and tools. Students who wish to become consultants and entrepreneurs want to learn the strategic view of marketing, which involves not just physical goods but also the myriad services that envelop and add value to these goods. Virtually all students—even those who will work for packaged goods firms—will face employers needing to understand the basics of service marketing and management.

Although service marketing courses are usually designated as marketing electives, a large number of enrollees in our classes have been finance students seeking to broaden their knowledge and career opportunities. Business students with human resource, information technology, accounting, and operations majors also enroll, as do nonbusiness students from such diverse disciplines as health administration, recreation and tourism, public and nonprofit administration, law, sports management, and library science.

Students need only a basic marketing course as a prerequisite for a service marketing course and this text. The primary target audience for the text is service marketing classes at the undergraduate (junior or senior elective courses), graduate (both masters and doctoral courses), and executive student levels. Other target audiences are (1) service management classes at both the undergraduate and graduate levels and (2) marketing management classes at the graduate level in which a professor wishes to provide more comprehensive teaching of services than is possible with a standard marketing management text. A subset of chapters would also provide a concise text for use in a quarter-length or mini-semester course. A further reduced set of chapters may be used to supplement undergraduate and graduate basic marketing courses to enhance the treatment of services.

HOW MANY PARTS AND CHAPTERS ARE INCLUDED IN THE BOOK, AND WHAT DO THEY COVER?

The text material includes 16 chapters divided into seven parts. Part 1 includes an introduction in Chapter 1 and an overview of the gaps model in Chapter 2. Part 2 considers the customer gap by examining customer expectations and perceptions. Part 3 focuses on listening to customer requirements, including chapters covering marketing research for services, building customer relationships, and service recovery. Part 4 involves aligning service strategy through design and standards and includes chapters on service innovation and design, customer-defined service standards, and physical evidence and the servicescape. Part 5 concerns the delivery

and performance of service and has chapters on employees' and customers' roles in service delivery, as well as managing demand and capacity. Part 6 focuses on managing services promises and includes chapters on integrated services marketing communications and pricing of services. Finally, Part 7 examines the financial and economic effect of service quality.

WHAT DO WE PROVIDE EDUCATORS WHO TEACH SERVICES MARKETING?

As a team, we have accumulated more than 80 years of experience teaching the subject of services marketing. We set out to create a text that represents the approaches we have found most effective. We incorporated all that we have learned in our many years of teaching services marketing—teaching materials, student exercises, case analyses, research, and PowerPoint slides, which you can find online at connect.mheducation.com, along with a comprehensive instructor's manual and test bank.

THE SUPPLEMENTARY MATERIALS

Instructor's Manual

The *Instructor's Manual* includes sample syllabi, suggestions for in-class exercises and projects, teaching notes for each of the cases included in the text, and answers to end-of-chapter discussion questions and exercises. The *Instructor's Manual* uses the “active learning” educational paradigm, which involves students in constructing their own learning experiences and exposes them to the collegial patterns present in work situations. Active learning offers an educational underpinning for the pivotal workforce skills required in business, among them oral and written communication skills, listening skills, and critical thinking and problem solving.

PowerPoint

We have provided PowerPoint slides online for each chapter and case, including figures and tables from the text that are useful for instructors in class. The full-color PowerPoint slides were created to present a coordinated look for course presentation.

Test Bank

We have also provided test bank files and a computerised test bank, which are available on this text's website. Instructions can easily formulate quizzes and tests from this trusted sources.

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