

DOWNLOAD PDF PRINCIPLES OF SERVICE MARKETING AND MANAGEMENT

Chapter 1 : Lovelock & Wright, Principles of Service Marketing and Management, 2nd Edition | Pearson

Principles of Service Marketing and Management, Second Edition, is designed to complement the materials found in traditional marketing principles texts. It avoids sweeping and often misleading generalizations about services, recognizing explicitly that the differences between specific categories of services (based on the nature of the.

Product Management[edit] Product development means offering new or improved products for the present market. Product Management deals with bringing together all the strings that transform an idea into a product. A Product Manager PdM usually works with a number of teams and co-ordinates with various channels throughout the product development lifecycle. It all begins with an idea of a product. There are usually three channels from where an idea can come from: Product experts envision requirements that might be required in the future or that give the product a competitive edge. Product Roadmap - Product Roadmap is a prioritized list of features that need to be built for a specific product. The priority of features keep on changing and it is the sole responsibility of a PdM to make the decision which features should be taken up for development. Innovation - Innovation cells in firms deal with coming up with new ideas to make their product more exciting and competitive. Once that is done, the lifecycle moves to the development stage. The PdM works very closely with the development and quality assurance teams and ensures that the teams are completely aware of what is to be developed and how users would interact with the product. After development is complete and quality checked, the product is ready to be released. Usually, this release does not go to the customers directly, it goes to the sales teams who, in turn, provide demonstrations to the potential customers. The Product Life Cycle[edit] Understanding the product life cycle is key to understanding how to market a product. Many marketing campaigns are won and lost because of knowledge of the product lifecycle. If understood, the product lifecycle will tell you how to market a product and how much money to spend. The product life cycle is divided into four parts: Introduction phase Maturity phase and Decline phase These parts of the cycle follow the curve you would normally expect, a long slow initial acceptance, a period of rapid growth, a long length of time where the product has fully saturated the market, and its eventual decline in obsolescence. The introduction phase of the product lifecycle is the easiest to market, but the most resource and cost intensive. The target market is the early adopter. The problem in the early adopter is the most difficult consumer to convince. The early adopter seeks status. They crave new products, not because of usefulness, but sexiness. They want to feel this product they are buying into will bring them some amount of prestige among their constituents. The question then is, how do you market to them? Ad and event intensive sales are probably the most useful. Ads should focus less on the feature-benefits and more on the emotional aspect of the product. One company that makes this distinction very clear in their advertisements is Apple Computers. When advertising for their personal computing products, they use the PC vs. These ads are entertaining and grab your attention, but focus mainly on the feature-benefit aspects of a product. The iPhone ads are very low on feature-benefits and high on the coolness factor. Here it is important to stop focusing on the coolness of a product and start focusing on the features and benefits of a product. At this point, the early adopters have shown the world how cool the product is and how cool they are for having one. The rest of your market wants to know why it is they should get one. When a product has generally been accepted, and the market has reached its final penetration, it has reached this point. Your marketing techniques should focus on maintaining customers and customer satisfaction. Your advertisements can focus on what you can do for them while they keep using your product. Decline is the most difficult segment for most companies. Decline requires a lot of soul-searching. If a company continues in the status quo, the product will decline and the company will continue to spend money on it. This is the recipe for disaster. A company has one of two paths it can take. Either, you can rebuild the product, or you must discontinue the product. If the company wishes to revitalize a product, it usually does so in one of two ways. The first is nostalgia marketing. You remind the consumer about the product and that it was always there. The second is to refresh the product. You can create new

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promotional material, new packaging, new advertising or new features. A well-designed marketing plan should inform customers of the end of the products life cycle, and move them onto another of the companies replacement products. New Product Development[edit] Every company must develop new products. A company can add new products through acquisition or development. The acquisition route can take three forms: The company can buy other companies. It can acquire patents from other companies. It can buy a license or franchise from another company. The development route can take two forms: The company can develop new products in its own laboratories; or It can contract with independent researchers or new-product development firms to develop specific new products. Competition is strong and dynamic in most markets. Booz, Allen, and Hamilton have identified six categories of new products: New-to-the-world products New-product lines. New products that allow a company to enter an established market for the first time. Additional to existing product lines: Improvements and revisions to existing products: New products that provide improved performance or greater perceived value and replace existing products. Repositioning existing products that are targeted to new markets or market segmentation. New-product development demands effort, time and talent-and still the risks and costs of failure are high. A new product may fail for many reasons. Most often, companies fail to offer a unique benefit or underestimate the competition. The idea is good but the market size is over-estimated. The product is not well designed. The product is incorrectly positioned in the market, not advertised effectively or over-priced. Development costs are higher than expected. Competitors fight back harder than expected. Several other factors hinder new-product development: Shortage of important ideas in certain areas Fragmented markets Costliness of the development process Capital shortages.

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Chapter 2 : Principles of marketing - Wikiversity

This text explores both concepts and techniques of marketing for a broad range of service categories and industries. The authors show that different categories of services face distinctive marketing problems and encourage students to analyse useful parallels across a range of service industries.

Practice Test Service design is a complex task that requires an understanding of how the core and supplementary services are combined to create a product offering that meets the needs of target customers. For physical objects like new buildings or ships, the design is usually captured on architectural drawings called blueprints because reproductions have traditionally been printed on special paper where all the drawings and annotations appear in blue. These blueprints show what the product should look like and detail the specifications to which it should conform. In contrast to the physical architecture of a building, ship, or piece of equipment, services have a largely intangible structure that makes them all the more difficult to plan and execute. However, it is possible to map service processes by defining the steps required to provide the core and supplementary product elements. To do this, we borrow process-mapping techniques from logistics, industrial engineering, decision theory, and computer systems analysis, each of which uses blueprint-like techniques to describe processes involving flows, sequences, relationships, and dependencies. Blueprinting can be used to document an existing service or design a new service concept. We introduced a simpler version of blueprinting known as flowcharting in Chapter. To develop a blueprint, you need to be able to identify all of the key activities involved in service delivery and production, clarify the sequence, and to specify the linkages between these activities. Service blueprints clarify the interactions between customers and employees and how these are supported by additional activities and systems backstage. As a result, they can facilitate the integration of marketing, operations, and human resource management within a firm. Accounting firms, for instance, often have elaborately documented procedures and standards for how to conduct an audit properly, but may lack clear standards for when and how to host a client meeting or how to answer the telephone when clients call. Knowledge of these fail points enables managers to design procedures to avoid their occurrence or implement effective recovery strategies if necessary. Blueprints can also pinpoint parts of the process where customers commonly have to wait. Standards can then be developed for these activities that include times for completion of a task, maximum wait times in between tasks, and scripts to guide interactions between staff members and customers. Blueprints of existing services can suggest ideas for product improvements. Managers may spot opportunities to reconfigure delivery systems perhaps through use of new technologies, add or delete specific elements, or reposition the service to appeal to other segments. For example, Canadian Pacific Hotels which operates hotels under Fairmont and Delta brand names decided to redesign its hotel services. It had already been successful with conventions, meetings, and group travel but wanted to build greater brand loyalty among business travelers. The company blueprinted the entire "guest experience" from pulling up at the hotel to getting the car keys from the valet. For each encounter, Canadian Pacific defined an expected service level based on customer feedback and created systems to monitor service performance. It also redesigned some aspects of its service processes to provide business guests with more personalized service. In this chapter, we adapt and simplify an approach proposed by Jane Kingman-Brundage. A typical rule of thumb in full-service restaurants is that the cost of purchasing the food ingredients represents about 20 to 30 percent of the price of the meal. The balance can be seen as the "fees" that the customer is willing to pay for supplementary benefits like renting a table and chairs in a pleasant setting, hiring the services of food preparation experts and their kitchen equipment, and having staff to wait on them both inside and outside the dining room. The key components of the blueprint reading from top to bottom are: Definition of standards for each front-stage activity only a few examples are actually specified here. Physical and other evidence for front-stage activities specified for all steps Principal customer actions illustrated by pictures Line of interaction Front-stage actions by customer-contact personnel Line of visibility Backstage actions by

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customer-contact personnel Support processes involving other service personnel Support processes involving information technology Reading from left to right, the blueprint prescribes the sequence of actions over time. To emphasize the involvement of human actors in the service delivery process, our blueprint uses pictures to illustrate each of the 14 principal steps in which our two customers are involved. The process begins with making a reservation and concludes with departure from the restaurant after the meal. Like many high-contact services involving discrete transactions, the restaurant experience can be divided into three "acts," representing activities that take place before the core product is encountered, delivery of the core product in this case, the meal, and subsequent activities while still involved with the service provider. Starting the Service Experience Act I begins with the customer making a reservation an interaction conducted by telephone with an unseen employee. Once the customers arrive at the restaurant, the "stage" or services cape includes both the exterior and interior of the restaurant. From this point on, front-stage actions take place in a very visual environment. Restaurants are often quite theatrical in their use of physical evidence like furnishings, decor, uniforms, lighting, and table settings; they may also employ background music to help create an environment that matches their market positioning. By the time our customers reach their table in the dining room, they have been exposed to several supplementary services, including reservations, valet parking, coatroom, cocktails, and seating. They have also seen a sizeable cast of characters, including five or more contact personnel and many other customers. Standards that are based on a good understanding of guest expectations should be set for each of these service activities. Below the line of visibility, the blueprint identifies key actions that should take place to ensure that each front-stage step is performed in a manner that meets or exceeds customer expectations. Identifying the Fail Points Running a good restaurant is a complex business and much can go wrong. The most serious fail points, marked by Q. They involve the reservation Could the customer get through by phone? Was a table available at the desired time and date? Was the reservation recorded accurately? Since service delivery takes place over time, there is also the possibility of delays between specific actions that will cause customers to wait. Every step in the process has some potential for failures and delays. David Maister coined the term OTSU "opportunity to screw up" to highlight the importance of thinking about all the things that might go wrong in delivering a particular type of service. Chevy Chase and Steve Martin have entertained movie audiences for years by playing customers tortured by inept, rude, or downright cruel service employees. Setting Service Standards Through both formal research and on-the-job experience, service managers can learn the nature of customer expectations at each step in the process. Service providers should design standards for each step that are sufficiently high to satisfy and even delight customers. These standards may include time parameters for specific activities, the script for a technically correct performance, and prescriptions for appropriate employee style and demeanor. Perceptions of their service experiences tend to be cumulative. If things go badly at the outset, customers may simply walk out. On the other hand, if the first steps go well, their zones of tolerance may increase so that they are more willing to overlook minor mistakes later in the service performance. Research by Marriott Hotels has found that four of the five top factors contributing to customer loyalty come into play during the first 10 minutes of service delivery. While initial impressions are critical, performance standards should not be allowed to fall off toward the end of service delivery. Other research findings point to the importance of a strong finish. They suggest that a service encounter that starts poorly but then increases in quality will be better rated than one that starts well but declines to a poor conclusion Act II: But reviewing the menu and placing the order are actually two separate activities and meal service typically proceeds on a course-by-course basis. Assuming all goes well, the two guests will have an excellent meal, nicely served in a pleasant atmosphere, and perhaps a fine wine to enhance it. The answers to the following questions can help managers identify potential fail points: Is the menu information complete? Will employees provide explanations and advice in a friendly and no condescending manner for guests who have questions about specific menu items or are unsure about which wine to order? After our customers decide on their meals, they place their order with the server, who must then pass on the details to personnel in the kitchen, bar, and billing desk. Mistakes in transmitting information are a frequent

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cause of quality failures in many organizations. Bad handwriting or unclear verbal requests can lead to delivery of the wrong items altogether or of the right items incorrectly prepared. As Act II continues, our customers evaluate not only the quality of food and Drink the most important dimension of all but also how promptly it is served and the style of service. A disinterested, ingratiating, or overly casual server can still spoil a technically correct performance. Concluding the Service Performance The meal may be over, but much activity is still taking place both front stage and backstage as the service process moves to its close. Act III should be short. The action in each of the remaining scenes should move smoothly, quickly, and pleasantly, with no shocking surprises at the end. An accurate, intelligible bill is presented promptly as soon as customers request it. Payment is handled politely and expeditiously with all major credit cards accepted. Guests are thanked for their patronage and invited to come again. Customers visiting the restrooms find them clean and properly supplied. The right coats are promptly retrieved from the coat room. The parking lot attendant thanks them again and bids them a good evening. Can you remember situations in which the experience of a nice meal was completely spoiled by one or more failures in concluding the service delivery? Informal research among participants in dozens of executive programs has found that the most commonly cited source of dissatisfaction with restaurants is an inability to get the bill quickly when customers are ready to leave! This seemingly minor OTSU can sour the overall dining experience even if everything else has gone well. For some suggestions on reducing customer waits, see the box, "In and Out Food Service. However, many possession-processing services like repair or maintenance and information processing services like insurance or accounting involve far less contact with customers since much of the action takes place backstage. Thus it may be viewed even more seriously, because there are fewer subsequent opportunities to create a favorable impression.

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Chapter 3 : Principles of Service Marketing and Management - Free eBooks Download

Aimed at courses in undergraduate Service Marketing and Management, this clear, accessible book presents an integrated approach to the study of services that places marketing issues within a broader general management context.

Service Industries Table of contents I. Customer Behavior in Service Environments. Relationship Marketing and Customer Loyalty. Complaint Handling and Service Recovery. Pricing Strategies for Services. Promotion, Education, and Physical Evidence. Service Positioning and Design. Creating Value through Productivity and Quality. Balancing Demand and Capacity. Managing Customer Waiting Lines and Reservations. Employee Roles in Service Organizations. The Impact of Technology on Services. Organizing for Service Leadership. Based in Massachusetts, he gives seminars and workshops for managers around the world and also teaches an MBA service marketing course at the Yale School of Management. His distinguished academic career has included 11 years on the faculty of the Harvard Business School and two years as a visiting professor at IMD in Switzerland. Author or coauthor of over 60 articles, more than teaching cases, and 26 books, he serves on the editorial review boards of the International Journal of Service Industry Management, Journal of Service Research, and Service Industries Journal. He has also been recognized for excellence in case writing and in won the Business Week European Case Award. Lauren Wright is a professor and former marketing department chair at California State University Chico. In , she was a visiting faculty fellow at the University of Canterbury in Christchurch, New Zealand. Winner of several awards for outstanding undergraduate teaching, Lauren has been recognized as a Master Teacher at CSU Chico and consults with faculty campus-wide on effective teaching techniques. She has published numerous articles on service quality, new service success, business process redesign, and innovative teaching pedagogies and has presented her research findings at many national and international conferences.

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Chapter 4 : Principles of Service Marketing and Management by Christopher Lovelock

Free Download Principles Of Service Marketing And Management Book PDF Keywords Free Download Principles Of Service Marketing And Management Book PDF, read, reading book, free, download, book, ebook, books, ebooks, manual.

Practice Test Competitive intensity and customer expectations are increasing in nearly all service industries. Thus success lies not only in providing existing services well, but also in creating new approaches to service. Because the outcome and process aspects of a service often combine to create the experience and benefits obtained by customers, both aspects must be addressed in new service development. However, there are different degrees of "newness" in new service development. In fact, we can identify seven categories of new services, ranging from major innovations to simple style changes. Major service innovations are new core products for markets that have not been previously defined. They usually include both new service characteristics and radical new processes. Major process innovations consist of using new processes to deliver existing core products in new ways with additional benefits. For example, the University of Phoenix competes with other universities by delivering undergraduate and graduate degree programs in a nontraditional way. It has no permanent campus; instead its courses are offered online or at night in rented facilities. Its students get most of the core benefits of a college degree in half the time and at a much lower price than other universities. Often, these models add new, information-based benefits such as greater customization, the opportunity to visit chat rooms with fellow customers, and suggestions for additional products that complement what has already been purchased. Product line extensions are additions to current product lines by existing firms. The first company in a market to offer such a product may be seen as an innovator, but the others are merely followers who are often acting defensively. These new services may be targeted at existing customers to serve a broader array of needs, designed to attract new customers with different needs, or both. Starbucks, known for its coffee shops, has extended its offerings to include light lunches Figure. Major computer manufacturers like Compaq, Hewlett-Packard, and IBM are going beyond their traditional business definitions to offer integrated "e-solutions" based on consulting and customized service. Telephone companies have introduced numerous value-added services such as caller ID, call waiting, and call forwarding. Cable television providers are starting to offer broadband Internet access. Many banks sell insurance products in the hope of increasing the number of profitable relationships with existing customers. American Express, too, offers a full range of insurance products, including auto, home, and umbrella policies. And at least one insurance company State Farm Insurance as gone into the banking business, relying on its well-established brand name to help draw customers. Process line extensions are less innovative than process innovations. But they do often represent distinctive new ways of delivering existing products, either with the intent of offering more convenience and a different experience for existing customers or of attracting new customers who find the traditional approach unappealing. Most commonly, they involve adding a lower-contact distribution channel to an existing high-contact channel, as when a financial service firm develops telephone-based or Internet-based services or a bricks -and -mortar retailer adds catalog sales or a Web site. Creating self-service options for customers to complement delivery by service employees is another form of process line extension. Supplementary service innovations involve adding new facilitating or enhancing service elements to an existing core service, or significantly improving an existing supplementary service. Low-tech innovations for an existing service can be as simple as adding parking at a retail site or agreeing to accept credit cards for payment. Multiple improvements may have the effect of creating what customers perceive as an altogether new experience, even though it is built around the same core. Theme restaurants like the Rainforest Cafe are examples of enhancing the core with new experiences. The cafes are designed to keep customers entertained with aquariums, live parrots, waterfalls, fiberglass monkeys, talking trees that spout environmentally related information, and regularly timed thunderstorms, complete with lightning. Service improvements are the most common type of

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innovation. They involve modest changes in the performance of current products, including improvements to either the core product or to existing supplementary services. For instance, a movie theater might renovate its interior, adding ergonomically designed seats with built-in cup holders to increase both comfort and convenience for customers during the show or an airline might add power sockets for laptops in its business-class cabins. Style changes represent the simplest type of innovation, typically involving no changes in either processes or performance. However they are often highly visible, create excitement, and may serve to motivate employees. Examples include repainting retail branches and vehicles in new color schemes, outfitting service employees in new uniforms, introducing a new bank check design, or making minor changes in service scripts for employees. As you can see, service innovation can occur at many different levels.

Creating a New Service to Fill an Empty Market Position As we noted earlier, positioning research sometimes reveals new opportunities in the marketplace. When a firm uncovers such an opportunity, the only way to take advantage of it is to develop a new service with the desired characteristics. Service design is not typically a simple task. Most new services involve compromises, because there are usually limits to what most prospective customers are willing to pay. So how can product planners determine what features and price will create the best value for target customers? Marriott had identified a niche in the business travel market between full-service hotels and inexpensive motels. The opportunities were seen as especially attractive in locations where demand was not high enough to justify a large full-service hotel. Having confirmed the presence of a niche where there was unmet market demand, Marriott executives set out to develop a product to fill that gap. As a first step, the company hired marketing research experts to help establish an optimal design concept. Since there are limits to how much service and how many amenities can be offered at any given price, Marriott needed to know how customers would make trade-offs in order to arrive at the most satisfactory compromise in terms of value for money. The intent of the research was to get respondents to trade off different hotel service features to see which ones they valued most. A sample of consumers who were part of the business travel market from four metropolitan areas participated in the study. Researchers used a sophisticated technique known as conjoint analysis that asks survey respondents to make trade-offs between different groupings of attributes. The objective is to determine which mix of attributes at specific prices offers the highest degree of utility. The 50 attributes in the Marriott study were divided into the following seven factors or sets of attributes, each containing a variety of different features based on detailed studies of competing offerings: For instance, the "Rooms" stimulus card displayed nine attributes, each of which had three to five different levels. Thus, amenities ranged from "small bar of soap" to "large soap, shampoo packet, shoeshine mitt" to "large soap, bath gel, shower cap, sewing kit, shampoo, special soap" and then to the highest level, "large soap, bath gel, shower cap, sewing kit, special soap, toothpaste, etc. They were asked to indicate on a five point scale how likely they would be to stay at a hotel with these features, given a specific room price per night. Figure shows one of the 50 cards that were developed for this research. Each respondent received five cards. The research yielded detailed guidelines for the selection of almost features and service elements, representing those attributes that provided customers in the target segment with the highest utility for the prices they were willing to pay. Using these inputs, the design team was able to meet the specified price while retaining the features most desired by the study participants, who represented the desired business traveler market. Marriott was sufficiently encouraged by the findings to build three prototype hotels that were given the brand name, "Courtyard by Marriott. The success of this project subsequently led Marriott to develop additional customer-driven products airfield Inn and Marriott Suites using the same research methodology.

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Description. For undergraduate courses in Service Marketing and Management. This book presents an integrated approach. It includes a strong managerial orientation and strategic focus, uses an organizing framework, has extensive

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research citations, links theory to practice, and includes 9 cases.