

SECTION 3

INSTRUCTION AIDS

*Learning is the best of all wealth;
it is easy to carry, thieves cannot steal it, and tyrants cannot seize it;
neither fire nor water can destroy it;
and far from decreasing, it increases by giving.*
--Naladiyar

The primary purpose of this section is to provide, for each chapter, the list of learning objectives, assorted lecture tips and aids, suggested active learning activities, answers to the discussion questions at the end of each chapter, websites that might be used to supplement class discussion, and a list of appropriate cases for that chapter. How these suggestions are used will depend on your individual teaching style. As you will see from the active learning activities presented later in this section, we are strong advocates for developing a learner-centered course. Thus, we introduce this idea before presenting instructional aids for each chapter.

DEVELOPING A LEARNER-CENTERED COURSE

As the business sector places greater emphasis on such skills as oral and written communication, critical thinking/problem solving skills, and teamwork, university classes will need to become increasingly “learner centered” and collaborative in order to prepare students to function effectively in the contemporary business environment.

This will require additional emphasis on both delivery (i.e., pedagogy) and on the role of the teacher as an active partner in the students’ learning experiences. As Boehm (1992) states, “We are beginning to understand that *how* we teach is central; it is, in fact, the second content of every course” (p. 37). Learning is a fundamentally social process that occurs when individuals work together to create shared understanding and knowledge. According to Johnson, Johnson, and Smith (1991, p. 1-11), “Learning proceeds more fruitfully when relationships are personal as well as professional. Long-term, persistent efforts to achieve come from the heart, not the head, and the heart is reached through relationships with peers and faculty.” Thus we as faculty must be able to create an environment where positive relationships can be formed and the classroom can become a learning community. This charge may sound overwhelming to those who haven’t yet tried a more collaborative approach to education. But it can result in some wonderful classroom experiences as teachers and students experience the excitement of acting as partners in the learning process. A widely publicized study offers seven principles for good practice in higher education (Chickering and Gamson 1987). The following guidelines can help you create a truly learner-centered experience for your students:

1. Encourage student-faculty contact.
2. Encourage cooperation among students.
3. Encourage active learning.
4. Give prompt feedback.
5. Emphasize active learning.
6. Communicate high expectations.
7. Respect diverse talents and ways of learning.

Using Active Learning in Your Class

There are many excellent ideas for active learning activities in the discussion questions and exercises at the end of each chapter in the text. This resource manual also provides additional activities that can serve as a foundation for your active learning experiences. As you design and deliver your course, be both creative and courageous in including active learning exercises. You'll be pleasantly surprised at how fun *and* effective they are!

Basic Active Learning Structures

The following collaborative activities are designed for use with small groups (2-5 students). Most can be adapted easily to meet your specific classroom needs. The descriptions were taken from *The Handbook for the Fourth R III: Relationship Activities for Cooperative and Collegial Learning* by Richard and Elaine Solomon. More detailed descriptions of these exercises can be found in the materials listed later in this section under "Additional Instructional Resources—Teaching and Learning." Two especially helpful resources are *Active Learning: Cooperation in the College Classroom* by Johnson, Johnson, and Smith (1991) and *Cooperative Learning* by Spencer Kagan (1992).

Three Step Interview: Each member of the group chooses or is assigned another group member to be a learning partner. For example, students 1 and 2 are a pair and students 3 and 4 are a pair. During the first step, 1 interviews 2 while 3 interviews 4. (Interviewing involves asking clarifying questions, not sharing one's own information or opinions.) During step two, the members reverse roles so that 2 interviews 1 while 4 interviews 3. In the third step, each member shares his/her learning partner's responses with the group.

Think-Share-Pair: This is a three-step activity. During step one, each person individually and privately thinks about a question posed by the instructor. In step two, two people are paired to exchange and discuss their responses. Step three involves having each person share his/her response, his/her partner's response, a synthesis or something new with another pair or the entire class.

Numbered Heads Together: Students in each group choose or are given a number (e.g., 1, 2, 3 or 4). After the instructor poses several questions and says "Numbered Heads Together," the group members get together and make sure that each member can answer all of the questions. Each group then divides the answers among its members according to numbers. After a predetermined time period, the instructor restates the first question and announces a number (1, 2, 3 or 4). Students with the designated number in each of the groups give their answers to the question. A second number is then called, and the procedure continues until all of the questions are answered.

Roundtable Brainstorming: Each group is given one sheet of paper on which members write different responses to a question posed by the teacher. Each member is asked to record one response to the teacher's question on the sheet of paper and then pass it on to another member. The paper is passed around the group several times so that group members can read others' responses and add new comments. A variation on the brainstorming exercise is to pass around several different sheets of paper simultaneously with different questions for group members to respond to.

Simple Jigsaw: The instructor divides an assignment into as many parts as there are group members. Each member is responsible for learning and teaching his/her part of the assignment to his/her teammates. Pre- and post-exercise quizzes can be given to test students' mastery of the material.

Expert Jigsaw: This is a more complex exercise that includes the following steps. First, a task or a set of materials is divided into several parts or topics. Next each group member is assigned one of the topics to become an “expert” on. Members then meet with the corresponding “experts” from other groups to discuss their topics, analyze and synthesize available data, and plan a strategy for presenting their information to their teammates. Finally, members return to their original groups to teach the other members what they have learned.

Group Consensus: Each group member shares information and listens carefully to what other members share. After all members talk, the group has a discussion to determine what members believe in common and where there are areas of disagreement.

Group Discussion with Talking Chips: Each group member is given a “talking chip” (e.g., a pen or pencil, a square of colored paper, a crayon, etc.). The rule for sharing information in the group discussion is that a member may speak only after placing his/her talking chip in the center of a designated table or desk. Members may not share additional information until the chips of all other members have been turned in. Then all members retrieve their chips. Any member may then speak again after relinquishing his/her chip.

Three Minute Review: At any point during a lecture, the instructor gives each group three minutes to review what has been shared, ask each other clarifying questions, and share answers. At the end of the three minutes, members may ask the class and/or instructor for answers to question that have not been sufficiently answered in the group.

Group Question and Answer: This activity is useful for reviewing class material. A student can pose a question to the class or the instructor only when the members of his/her group don’t know the answer or can’t agree on an answer. A variation on this activity is to require students to ask another group for an answer (if their group does not have one) before asking the class or the teacher.

Send a Problem: The instructor, a student, or a group asks questions, creates case studies/scenarios or poses problems which are sent to various groups for discussion. Each group reads, analyzes and discusses what it has been sent and then writes a response which is either submitted to the teacher or shared with the class.

Word-Webbing: Each group is given a set of related concepts. The group must then create a visual “picture” which depicts and describes the relationships between its assigned concepts.

Team-Webbing: Each group is assigned one fact or concept which is written on a large sheet of paper. Using a pen, pencil or magic marker, each group member simultaneously records a related fact or concept or writes a question on the paper. Each group thus develops a team web of questions and answers that can serve as a foundation for a whole class discussion.

Suggestions for Getting Started

Here are a few basic suggestions to help you integrate collaborative learning into your course successfully and without stress:

- Start with one of the simpler collaborative learning structures. Repeat this same format using different course material several times so that both you and your students can get comfortable with it. (Remember that you are asking students to switch from their more traditional, passive “listening” roles to active involvement in the learning process. It may take them some time to adapt to this change too). Make sure you provide very clear, step-by-step directions and check to see that students understand both the structure and the purpose of the activity.

- You can then choose a second type of activity to introduce to your class. Continue adding active learning exercises gradually throughout the duration of the course. You will probably become quite comfortable with the process by the end of one semester, and you may find yourself spontaneously “mixing and matching” active learning activities to fit your materials or learning objectives.
- Look for opportunities within your regular course structure to use in-class groups. Often, time that you would have spent entirely on lecturing can be used for a combination mini-lecture and group activity or active learning exercise.
- Don’t feel that you need to establish tight control in your class for weeks before starting active learning activities. It will probably work better to start these exercises early in the course so that a class culture of collaboration and active involvement can be established right from the start.
- Remember that active learning is a “messier” process than lecturing. You will have inherently less “control” over the process because you are asking students to get involved in the creation of knowledge rather than just delivering a prepackaged lecture. Try to relax, be flexible and have fun. You’ll be excited by the enthusiasm and learning outcomes as your students get more actively involved in creating their own educational experiences.

ADDITIONAL INSTRUCTIONAL RESOURCES

Teaching and Learning

- Alverno College Faculty (1994). *Student Assessment-As-Learning at Alverno College*. Milwaukee, WI: Alverno College Institute.
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Magnet, Myron (1994). "The New Golden Rule of Business." *Fortune*, February 21: 60-64.

Parker, Glenn M. (1990). *Team Players and Teamwork*. San Francisco, CA: Jossey-Bass.

Shrage, Michael (1990). *Shared Minds: The New Technologies of Collaboration*. New York, NY: Random House.

RECOMMENDED SERVICES BOOKS

General Books on Services and Related Topics

Alexander, James A. and Mark W. Hordes (2003), *S-Business: Reinventing the Services Organization*, New York: SelectBooks, Inc.

Barlow, Janelle and Paul Stewart (2004), *Branded Customer Service*, San Francisco: Barrett-Koehler Publishers.

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Kaplan, Robert S. and David P. Norton (1996), *The Balanced Scorecard*, Boston: Harvard Business School Press.

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Peppers, Don and Martha Rogers (1997), *Enterprise One to One: Tools for Competing in the Interactive Age*, New York: Bantam Doubleday Dell Publishing Group, Inc.

Pfeffer, Jeffrey (1998), *The Human Equation*, Boston: The Harvard Business School Press.

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Rayport, Jeffrey F. and Bernard J. Jaworski (forthcoming), *Best Face Forward*, Boston: Harvard Business School Press.

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¹ This list was compiled by Mary Jo Bitner for use with her MBA “Services Marketing and Management” course at Arizona State University.

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*This is an annual cover story in *Fortune*, published and online in January or February every year. There are typically several accompanying articles in the issue that are highly relevant as well.

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CHAPTER 1: INTRODUCTION TO SERVICES

CHAPTER TOPICS

- What are Services?
- Why Service Marketing?
- Service and Technology
- Characteristics of Services
- Service Marketing Mix
- Staying Focused on the Customer
- Strategy Insight: *Competing Strategically through Service*
- Technology Spotlight: *The Changing Face of Customer Service*
- Global Feature: *The Impact of COVID-19 on Service Industries*

CHAPTER LEARNING OBJECTIVES

1. Explain what services are and identify important trends in services.
2. Explain the need for special service marketing concepts and practices and why the need has developed and is accelerating.
3. Explore the profound impact of technology on service.
4. Outline the basic differences between goods and services and the resulting challenges and opportunities for service businesses.
5. Introduce the expanded marketing mix for services and the philosophy of customer focus as powerful frameworks and themes that are fundamental to the rest of the text.

LECTURE TIPS & AIDS

1. The activity suggested here must be started at least one class period prior to the related in-class discussion (it works best if it is done at the end of the first class meeting or very early in the course). Ask the students to be “detectives” in their courses for the first few class meetings. They should attempt to identify some of the “clues” they are using to assess the quality of each class they have signed up for and be ready to discuss these in class. On the day of the in-class discussion, students can break into small groups to discuss their observations for about 10-15 minutes. They should attempt to separate their “clues” into “tangible” and “intangible” categories. (These may need to be defined briefly if this assignment is made on the first day of class.)

After the groups meet, the instructor can start a discussion with the whole class by putting “Intangible” and “Tangible” headings on the board and asking people to share what their groups put in each list. Students will come up with lots of items for both lists. Their suggestions should lead to an interesting discussion of how the intangible/tangible dimensions interact (e.g., while an instructor’s voice may be tangible because it can be heard, what is inferred from the voice—enthusiasm, sternness, etc.—is more intangible). A fun twist on this exercise is for the instructor to purposely wear very different clothing for the class periods leading up to this discussion (e.g., professional dress vs. casual attire). Students

can then be asked what impressions they have of the instructor and what impact the clothing had on their reactions.

2. To introduce the topic of “goods vs. services,” the instructor divides the class into small groups (3-5 people) and gives each group a list of products, including those that are “mostly” goods, “mostly” services, and “a combination of both.” The sample lists below are from Dawn Iacobucci (1992). “An Empirical Examination of Some Basic Tenets in Services: Goods-Services Continua” In *Advances in Services Marketing and Management*. JAI Press. 1: 23-52.

List 1

Blue Jeans
Car
Dental Examination
Meal at Nice Restaurant
Golf Lessons
Haircut
Hotel Room
Houseplant
Ice Cream Cone
Jewelry
Laundry Detergent
Lean Cuisine Dinner
Running Shoes
TV Repair
Vacation Package

List 2

Business Suit
Casual Clothing
Condo
Couch
Day Care
Dishwasher
Dry Cleaning
Fast Food
Flu Shot
House Cleaner
Life Insurance
Plumbing Repairs
Poster Framing
Socks
Tax Consultant

List 3

Appendix Operation
Car Brake Relining
Dress Shoes
Eyeglasses
Furniture
Greeting Card
Health Club Membership
Legal Representation
Novel
Psychotherapy
Rental Car
Soft Drink
Tailored Clothing
Typing Service
Copying

Each group is to rank its list in terms of goods/services, starting with the product that is the best example of a “good” at the top and ending with the product that is the best example of a “service” at the bottom. Alternatively (or additionally) groups can rank their list in terms of the tangible/intangible continuum (starting with “most tangible” at the far left of the continuum and ending with “most intangible” at the far right of the continuum). This task should take approximately 15 minutes.

A member of each group then writes its rankings on the board. If more than one group has the same list, these groups should record their rankings side-by-side. The following questions can be asked during a whole class discussion to bring closure to the exercise:

- What do the products at the top of the list (or the left of the continuum) have in common?
- What do the products at the bottom (or the right of the continuum) have in common?
- What do the products in the middle have in common?

Students can also be asked about any difficulties that arose in ranking the products. It is likely they will point out that many products have elements of both goods and services (or tangibility and intangibility). This discussion would be a good lead-in to the concept of core and supplementary benefits.

QUESTIONS TO USE WITH CHAPTER OPENING VIGNETTE

Chapter 1: All Businesses are Service Businesses

1. Discuss the meaning of the statement, “all businesses are service businesses.” Can you think of any exceptions? If so, justify your position.
2. What are some ways in which consumer product companies such as Apple and Samsung are also service providers?
3. What other industries are likely to experience the rise of disruptive collaborative service such as those exemplified by Uber and Airbnb? Why?

ACTIVE LEARNING ACTIVITIES

1. After students have received the syllabus for your class (but before it has been discussed), you can have them analyze it for tangible/intangible clues about the service delivery. By working in pairs for about 10 minutes, students should come up with a good list of clues. Then the instructor can initiate a whole class discussion by asking the following questions:

- What things did you notice about the syllabus?
- How does it differ from syllabi you have received in other classes?
- How is it similar?
- What do you think it tells you about this course or the instructor?
- What interests you in the syllabus? What worries you?

This exercise is an excellent way to do two tasks at once. It allows the instructor to reinforce the important information in the syllabus in a way that gets students actively involved, and the discussion can be a nice introduction to some of the basic service marketing concepts in Chapter 1. (Eight different syllabi are provided as examples in Section 2 of this instructor’s manual.)

Student comments about the syllabus might include: “easy to follow layout;” “lots of ways to reach the instructor;” “many different ways to show that you understand the material;” “only two exams!;” “attendance is important” (this can lead to a discussion of creating a “class culture” over the semester which will only happen if people are in class most of the time); or “good performance is rewarded.”

If you are so inclined, you might have students identify the “House Rules” for the course which can then be added to the syllabus. Examples might include:

- Please treat others like you would like to be treated!
- Don’t talk while people are presenting or asking questions.
- Respect everyone’s opinion.
- Come to class prepared and participate in class discussions.
- If you come late to class and a presentation has already begun, please wait outside.
- Don’t pack up your stuff until class is dismissed.
- Leave the classroom as clean (or preferably cleaner) than you found it.

Allowing students to set House Rules helps them take ownership of the class very early in the term.

2. Find an advertisement for a product in one of the major categories on the Continuum of Evaluation (i.e., high in search qualities, high in experience qualities, and high in credence qualities). Write a short paper explaining what qualities the product exemplifies. You should also discuss the ways the ad either capitalizes on the predominant qualities of the product (e.g., search characteristics) or attempts to overcome them in some way. Include the ad (or a copy) with your paper.

DISCUSSION QUESTIONS

1. *What distinguishes service offerings from customer service? Provide specific examples.*

Service offerings are intangible products offered for sale to customers. These can be services sold to business customers (e.g., consulting services, shipping services, maintenance services) or to end consumers (e.g., restaurant services, transportation, health care). Service offerings can be sold by traditional service companies (e.g., Bank of America) as well as manufacturers (e.g., IBM). A company does not need to be a “service company” in the traditional sense to sell services.

Customer service can also be offered by service, IT and manufacturing businesses. It is service provided in support of a company’s core products, whether these core products are services or goods. Customer service includes things like answering questions, billing, handling complaints, taking orders, etc. There is typically no charge for customer service.

It is important to distinguish between these two types of service for several reasons. First, there is a tendency in service marketing and management courses to become overly focused on customer service. Some people even believe that is the entire focus of the field. Needless to say, it is not. Second, it is important for students to realize early on that service marketing and management issues and strategies are relevant for all types of businesses—service, manufacturing, and IT. All businesses are service businesses in some form.

2. *How is technology changing the nature of customer service and service offerings?*

This question focuses on the major section of chapter 1 titled “Service and Technology” and its several sub-sections: Technology-Based Service Offerings; New Ways to Deliver Services; Enabling Both Customers and Employees; Extending the Global Reach of Services; The Internet Is A Service; The Paradoxes and Dark Side of Technology and Service. The instructor could focus in depth on a discussion of one or two of these sub-topics or choose to center the discussion more broadly on the wide range of impacts that technology is having on service. The Technology Spotlight on the “Changing Face of Customer Service” can also be incorporated into the discussion. Since this discussion will no doubt take place right at the beginning of the course, this would be a good time to point out that each chapter of the book has a relevant Technology Spotlight to show how technology is having an impact on the particular focus of each chapter. This important topic is a theme running throughout the text.

3. *What are the basic characteristics of services compared with goods? What are the implications of these characteristics for Airbnb, Southwest Airlines, Salesforce, or the company you work for?*

Discussion of the basic differences between goods and services can be rather abstract without a specific context to focus on. The opening vignette provides examples. For undergraduates, discussing one of these companies or a local consumer service that they are familiar with may provide a more manageable context. Alternatively, students can be broken into small groups to discuss the implications of the differences for a specific assigned service or they can be allowed to pick a service company that one of them has worked for as a context.

The types of questions to be addressed within the specific context could include: What are the challenges in marketing a service like this? Why is it different from marketing a consumer product like beer, shampoo, or a car? Discuss each of the basic differences (intangibility, heterogeneity, simultaneous production and consumption, and perishability) in the context of this particular service. What are the implications? Table 1.1 provides a general list of implications.

4. *One of the underlying frameworks for the text is the expanded marketing mix for services. Discuss why each of the three new mix elements (process, people, and physical evidence) is included. How might each of these communicate with or help to satisfy an organization's customers?*

The instructor should focus on making sure the students have a clear understanding of each of the three new P's. This can be accomplished through general discussion and by asking students for examples of how each of the elements has influenced them as consumers in specific contexts.

Students often think of the people aspect as only including employees; they also need to understand how customers contribute to both their own experiences and to the experiences of other customers.

5. *Think of a service job you have had or currently have. How effective, in your opinion, was or is the organization in managing the elements of the service marketing mix?*

This discussion question can focus on making sure the students have a clear understanding of the three new P's and how they specifically contribute to the service brand's positioning. Having them relate the material to a job they have held gives them a concrete context for understanding the new P's.

To allow all students a chance to share their examples, the instructor can begin with a general discussion of the 7 P's. Then the class can break into small groups to discuss how the new P's apply to their jobs. To keep the groups focused on the relevant discussion, two methods of "accountability" could be used. If the class is small enough, each group could report one of their examples to the larger group. Alternatively, each group could turn in a summary sheet describing their examples.

6. *Again, think of a service job you have had or currently have. How did or does the organization handle relevant challenges listed in Table 1.1?*

Table 1.1 focuses on the differences between goods and services. This question could be used instead of Question 3 to focus a discussion around the unique attributes of services: intangibility, heterogeneity, simultaneous production and consumption, and perishability. A general overview of the differences could be provided, with students bringing in their specific examples to make the abstract differences more concrete.

7. *How can quality service be used in a manufacturing context for competitive advantage? Think of your answer to this question in the context of automobiles, computers, or some other manufactured product you have actually purchased.*

The purpose of this question is to get students to focus on the relevance of service for competitive strategy in all types of businesses. When they can see the importance of service in their personal lives, they begin to see how and why manufacturing firms need to focus on the service components of their offerings. When there are engineers or high-tech people in the class, this can be a particularly good way to motivate them to see the value of service in their industries.

Another way to use this question is as a lead-in to a lecture on current service strategies of such companies as IBM and Ford Motor Company, using current periodicals. A guest speaker from a service-oriented manufacturer is also a good follow-up to this question.

POTENTIAL VIDEO CLIPS TO USE IN ILLUSTRATING CHAPTER 1 CONCEPTS

- “Dumb and Dumber” – At the very beginning of the movie, a chauffeur (Jim Carey) picks up a woman and takes her to the airport, narrowly missing accidents along the way (he seems to fall in love). The woman leaves a briefcase at the airport and the chauffeur runs in to pick up briefcase and hustles to the gate to try to get it back to her (and thus provide “good service”).
- “Father of the Bride” – In this movie, the parents of a bride-to-be have discussions about planning a wedding. In one scene early in the movie, the family is sitting around the dinner table discussing the options for a wedding and reception. Then, the father George Banks (Steve Martin) and mother (Diane Keaton) discuss reasons for hiring a wedding coordinator. The father eventually agrees to join the mother and daughter in meeting with the wedding coordinator (Martin Short). This clip could be used to illustrate the characteristics of service, as well as the three additional Ps of service (people, process, and physical evidence).

POSSIBLE WEBSITES FOR CHAPTER 1

Company	Location
Amazon	www.amazon.com
American Customer Satisfaction Index	www.theacsi.org
Charles Schwab & Company	www.schwab.com
Cisco Systems	www.cisco.com
eBay	www.eBay.com
FedEx Corporation	www.fedex.com
IBM Global Services	www.ibm.com/services
Mayo Clinic	www.mayoclinic.com
Marriott International Inc.	www.marriott-hotels.com
PetSmart	www.petsmart.com
Singapore Airlines	www.singaporeair.com
Southwest Airlines	www.southwest.com
Williams Sonoma	www.williams-sonoma.com
Zane's Cycles	www.zanes.com

APPROPRIATE CASES FOR CHAPTER 1

From previous Zeithaml, Bitner, and Gremler *Services Marketing* texts:

- Zappos.com 2009: Clothing, Customer Service, and Company Culture [included in the sixth edition of this text: Zeithaml, Bitner, and Gremler (2013) *Services Marketing: Integrating Customer Focus Across the Firm*, New York, NY: McGraw-Hill Companies]
- Michelin Fleet Solutions: From Selling Tires to Selling Kilometers [included in the sixth edition of this text: Zeithaml, Bitner, and Gremler (2013) *Services Marketing: Integrating Customer Focus Across the Firm*, New York, NY: McGraw-Hill Companies]
- People, Service, and Profit at Jyske Bank [included in the sixth edition of this text: Zeithaml, Bitner, and Gremler (2013) *Services Marketing: Integrating Customer Focus Across the Firm*, New York, NY: McGraw-Hill Companies]
- [easyCar.com](http://www.easycar.com) [included in the fourth edition of this text: Zeithaml, Bitner, and Gremler (2006) *Services Marketing: Integrating Customer Focus Across the Firm*, New York, NY: McGraw-Hill Companies]
- General Electric Medical Systems [included in the fourth edition of this text: Zeithaml, Bitner, and Gremler (2006) *Services Marketing: Integrating Customer Focus Across the Firm*, New York, NY: McGraw-Hill Companies]
- Starbucks: Delivering Customer Service [included in the fourth edition of this text: Zeithaml, Bitner, and Gremler (2006) *Services Marketing: Integrating Customer Focus Across the Firm*, New York, NY: McGraw-Hill Companies]
- Virgin Atlantic Airways [included in the third edition of this text: Zeithaml and Bitner (2003) *Services Marketing: Integrating Customer Focus Across the Firm*, New York, NY: McGraw-Hill Companies]
- Northwest Airlines and the Detroit Snowstorm [included in the third edition of this text: Zeithaml and Bitner (2003) *Services Marketing: Integrating Customer Focus Across the Firm*, New York, NY: McGraw-Hill Companies]
- Chartered Bank of Canada [included in the first edition of this text: Zeithaml and Bitner (1996) *Services Marketing*, New York, NY: McGraw-Hill Companies]

From other sources:

- Alaska Airlines: For the Same Price, You Just Get More... [Harvard Business School Case, 9-800-004, 2000]
- Efteling: Growing a Miracle on Fairy Tales, by Rik Pieters and Paul Driessen, Tilburg University, Tilburg, The Netherlands, a CD Rom Case, 2000. [Contact: f.g.m.pieters@kub.nl; p.h.driessen@kub.nl.]
- Four Seasons Hotels and Resorts [Harvard Business School Case 9-800-385, 2000]
- PeopleSoft (1996), available through ITSMA [Information Technology Services Marketing association, One Militia Drive, Suite 4, Lexington, MA; (781) 862-8500]

CHAPTER 2: CONCEPTUAL FRAMEWORK OF THE BOOK: THE GAPS MODEL OF SERVICE QUALITY

CHAPTER TOPICS

- The Customer Gap
- The Provider Gaps
- Putting It All Together: Closing the Gaps
- Technology Spotlight: *Technology's Critical Impact on the Gaps Model of Service Quality*
- Global Feature: *How IKEA Explores Customer Needs and Expectations to Begin Closing the Gaps*
- Strategy Insight: *Using the Gaps Model to Assess and Manage an Organization's Service Quality*

CHAPTER LEARNING OBJECTIVES

1. Introduce a framework, called the Gaps Model of Service Quality, which is used to organize this textbook.
2. Demonstrate that the gaps model is a useful framework for understanding service quality in an organization.
3. Demonstrate that the most critical service quality gap to close is the customer gap, the difference between customer expectations and customer perceptions.
4. Show that four gaps that occur in companies, which we call provider gaps, are responsible for the customer gap.
5. Identify the factors responsible for each of the four provider gaps.

LECTURE TIPS & AIDS

1. One way to get the class more actively involved in the discussion of the Gaps model is to get them to discuss the various pieces of the model. There are two ways to split the class for such a discussion, depending on the size of the class. For relatively small classes, one way is to divide the class into five groups and have them discuss each of the five gaps presented in the chapter. For larger classes, the class could be split into 13 groups to cover each of the 13 chapters (Chapters 3 through 15) that are further breakdowns of the Gaps model. An outline of the chapters and topics is provided below.
 - ***The Customer Gap***
 - Chapter 3 – Customer Expectations of Service
 - Chapter 4 – Customer Perceptions of Service
 - ***Provider Gap 1 – Not Knowing What Customers Expect (The Listening Gap)***
 - Chapter 5 – Listening to Customers through Research
 - Chapter 6 – Building Customer Relationships
 - Chapter 7 – Service Recovery

- ***Provider Gap 2 – Not Having the Right Service Quality Designs and Standards (The Service Design and Standards Gap)***
 - Chapter 8 – Service Innovation and Design
 - Chapter 9– Customer-Defined Service Standards
 - Chapter 10 – Physical Evidence and the Servicescape
- ***Provider Gap 3 – Not Delivering to Service Standards (The Service Performance Gap)***
 - Chapter 11 – Employees’ Roles in Service Delivery
 - Chapter 12 – Customers’ Roles in Service Delivery
 - Chapter 13 – Managing Demand and Capacity
- ***Provider Gap 4 – Not Matching Performance to Promises (The Communication Gap)***
 - Chapter 14 – Integrated Service Marketing Communications
 - Chapter 15 – Pricing of Services

Each group would be given three to eight minutes (depending on the number of groups) and asked to discuss the following:

- Provide a review/summary of the topic assigned.
- Provide examples (ideally new ones) to illustrate the concepts/issues from the assigned topic.
- Discuss how the assigned topic relates to the Gaps model.
- Suggest ways (key strategies) that could be used to close a gap in the model.

QUESTIONS TO USE WITH CHAPTER OPENING VIGNETTE

Chapter 2: Service Quality at Trader Joe’s: The Specialty Store with Spirit

1. What are the service expectations of a new customer to Trader Joe’s? Of a returning (loyal) customer? Are there any differences in how these different customers might perceive the service quality at Trader Joe’s? If so, how might Trader Joe’s and its employees deal with this?
2. Discuss some of the specific ways in which Trader Joe’s works to close:
 - a. Provider Gap 1, The Listening Gap
 - b. Provider Gap 2, The Service Design and Standards Gap
 - c. Provider Gap 3, The Service Performance Gap
 - d. Provider Gap 4, The Communication Gap

ACTIVE LEARNING ACTIVITIES

1. Choose an organization to interview and use the Gaps Model of Service Quality as a framework. Ask the manager whether the organization suffers from any of the factors listed in the figures in this chapter. Which factor in each Figure 2.2 through 2.5 does the manager consider the most troublesome? What does the company do to try to address these problems?
2. Visit the website of Amazon, Walt Disney, Marriott, Ritz Carlton, Southwest, or any other well-known high quality service organization. Which of the provider gaps does it appear the company has closed? How can you tell?
3. Interview a nonprofit or public sector organization in your area (it could be some part of your school if it is a state school). Find out if the Gaps Model of Service Quality makes sense in the context of their organizations.

DISCUSSION QUESTIONS

1. *Think about a service you receive. Is there a gap between your expectations and perceptions of that service? What do you expect that you do not receive?*

If students understand the concept of the customer gap—that is, expectations of service not matching actual perceptions of the service received—then there should be no shortage of examples in discussing this question. The focus of the discussion in the student examples should be on what their actual expectations were in each case and how their perceptions of what occurred differed from those expectations. The instructor might consider beginning the discussion with a personal example. Once class discussion of this question begins it may be difficult to bring it to a close, as students are likely to have many gaps to share.

2. *Consider the discussion about IKEA. Think about a service that you receive regularly and imagine you need to examine service expectations in that context. How would you explore customer expectations and how would you change the service and the way it is provided?*

This question is likely to be more challenging than the previous one. While conducting market research is a good start to the discussion, it would be valuable to discuss what kinds of research may be particularly helpful. In the case of IKEA, they conducted a combination of qualitative and quantitative research to understand customers within their home and the needs that their homes meet. This question thus encourages students to consider the broader context of the services and how those influence expectations.

For example, research exploring customer expectations around getting a haircut might ask what customers are doing before and after the haircut to see if this service is expected to be a relaxing experience where the customer expects to feel dramatically different afterward, or just another errand, more akin to grocery shopping with efficiency being a major goal. In the first case, the customer expectations could be better met with a redesign of the servicescape to signal pampering, including a head and neck massage in the haircut experience. On the other hand, if the customer expectations indicate time efficiency, the exactness of the experience should be emphasized, from the booking of the appointment to the timeliness of the actual appointment, and the conversations with employees focused around the details of the haircut.

Explorations around internet service provision might make use of internal customer complaint records. Matching up complaints with service records could provide a baseline for adequate service expectations. Such research may find that complaints increase when internet service outages reach 15 minutes or more, suggesting that the company be proactive about communicating to customers about longer service outages and aim for fixing unexpected outages in under 15 minutes.

3. *If you were the manager of a service organization and wanted to apply the gaps model to improve service, which gap would you start with? Why? In what order would you proceed to close the gaps?*

The most efficient way to use the gaps model is to begin with provider gap 1, determining what customer expectations are. This approach allows the company to concentrate on the factors that will have the greatest impact on improving service quality. Following the gap 1 with gap 2, then gap 3 is the best progression. Gap 2 ideally would result in service design and service standards that are based on gap 1's findings about customer expectations. Then gap 3, the most complicated gap to close, would be informed by what is found in the first two gaps.

4. *Can provider gap 4, the communication gap, be closed prior to closing any of the other three provider gaps? How?*

Gap 4, which deals with lowering customer expectations, can be closed at any time. While the first three gaps are concerned with raising company performance to meet expectations, gap 4 aims to lower customer expectations to meet perceptions. The two approaches to closing the customer gap operate on different principles and therefore can occur independently. Incidentally, closing gap 4 can be more economical than closing the other gaps.

5. *Which of the four provider gaps do you believe is hardest to close? Why?*

Gap 3 is the hardest to close because it requires coordination of all of the human resources issues in a company—training, incentives, communication, hiring, teamwork, and empowerment. Changing any one of these is difficult but changing them all, and getting them coordinated with each other, is extremely challenging. In addition to the employee factors that must be considered in closing gap 3, the customer must be managed to fulfill their role.

POTENTIAL VIDEO CLIPS TO USE IN ILLUSTRATING CHAPTER 2 CONCEPTS

- “Meet the Parents” – Throughout this movie there are several clips where the main character (Ben Stiller) has a series of interactions with an airline, including not allowing him to take his bag on the plane, losing his bag, being placed on hold several times when he called in to check on the status of his bag, waiting several days to deliver his bag, delivering the wrong bag, charging an extreme amount when he wished to change his return date, making him wait for his row to be called at the gate to board the plane (even though no one else was boarding), having a discussion on the plane about stowing his bag, and finally getting thrown off the plane (literally). This clip could be used to discuss several aspects of the Gaps model, and thus could also be used to illustrate points made in several chapters.
- “Best Exotic Marigold Hotel” Customer expectations and perceptions do not match up when a group of retirees travels to India to live at a hotel. At one point, a customer asks to go to the hotel in the brochure and is assured that the hotel in the brochure is the owner’s vision of the hotel where she is currently staying. This could lead into a discussion of how to find customer expectations (e.g., customers expect to have doors for their hotel rooms because the other hotels have doors to the rooms).

POSSIBLE WEBSITES FOR CHAPTER 2

Company	Location
IKEA	www.ikea.com
Island Hotel (Cedar Key, FL)	www.islandhotel-cedarkey.com
Marriott International	www.marriotthotels.com
Ritz-Carlton	www.ritzcarlton.com
United Parcel Service	www.ups.com
The Walt Disney Company	www.disney.com

APPROPRIATE CASES FOR CHAPTER 2

From previous Zeithaml, Bitner, and Gremler *Services Marketing* texts:

- Zappos.com 2009: Clothing, Customer Service, and Company Culture [included in the sixth edition of this text: Zeithaml, Bitner, and Gremler (2013) *Services Marketing: Integrating Customer Focus Across the Firm*, New York, NY: McGraw-Hill Companies]
- Michelin Fleet Solutions: From Selling Tires to Selling Kilometers [included in the sixth edition of this text: Zeithaml, Bitner, and Gremler (2013) *Services Marketing: Integrating Customer Focus Across the Firm*, New York, NY: McGraw-Hill Companies]
- People, Service, and Profit at Jyske Bank [included in the sixth edition of this text: Zeithaml, Bitner, and Gremler (2013) *Services Marketing: Integrating Customer Focus Across the Firm*, New York, NY: McGraw-Hill Companies]
- Using Services Marketing to Develop and Deliver Integrated Solutions at Caterpillar in Latin America [included in the sixth edition of this text: Zeithaml, Bitner, and Gremler (2013) *Services Marketing: Integrating Customer Focus Across the Firm*, New York, NY: McGraw-Hill Companies]
- easyCar.com [included in the fourth edition of this text: Zeithaml, Bitner, and Gremler (2006) *Services Marketing: Integrating Customer Focus Across the Firm*, New York, NY: McGraw-Hill Companies]
- Virgin Atlantic Airways [included in the third edition of this text: Zeithaml and Bitner (2003) *Services Marketing: Integrating Customer Focus Across the Firm*, New York, NY: McGraw-Hill Companies]
- EuroDisney: The First 100 Days [included in the second edition of this text: Zeithaml and Bitner (2000) *Services Marketing: Integrating Customer Focus Across the Firm*, New York, NY: McGraw-Hill Companies]

CHAPTER 3: CUSTOMER EXPECTATIONS OF SERVICE

CHAPTER TOPICS

- Service Expectations
- Factors that Influence Customer Expectations of Service
- Issues Involving Customers' Service Expectations
- Technology Spotlight: *Exploring Customer Expectations of Service Robots*
- Global Feature: *Culture and Customer Expectations*
- Strategy Insight: *How Services Marketers Can Influence Customers' Expectations*

CHAPTER LEARNING OBJECTIVES

1. Recognize that customers hold different types of expectations for service performance.
2. Discuss the sources of customer expectations of service, including those that are controllable and uncontrollable by marketers.
3. Acknowledge that the types and sources of expectations are similar for end consumers and business customers, for pure service and product-related service, for experienced customers and inexperienced customers.
4. Delineate the most important current issues surrounding customer expectations.

LECTURE TIPS & AIDS

1. To illustrate the notion of differing expectations, the instructor might want to provide an example other than those at the beginning of Chapter 3 (related to restaurants). For example, university classes are something with which students in the class should have extensive experience. One avenue of generating class discussion might be to have students talk about differing expectations for various classes. For example, students might compare and contrast expectations for an introductory marketing class versus a bowling class. Or, alternatively, students could compare their expectations for the introductory marketing class with an advanced marketing management class. Another route to go might be to talk about differing expectations students have of various instructors, or differing expectations across size of classes (e.g., 20 students versus 75 students).

Expectations could also be discussed in terms of specific components of a particular class. For example, expectations about turn-around time on projects, papers, or exams could be discussed. Indeed the students could talk about what their desired level of expectations on turn-around time for getting feedback is, what is considered adequate, and what influences their expectations for both desire and adequate levels.

2. An alternative way to discuss the information in this chapter is to have students divide into teams of two to four (depending on the size of the class) and have each team discuss the influencing factors on both desired service and adequate service expectations. There are 11 different topics that could be discussed, including:

- personal needs
- personal service philosophy
- derived service expectations
- perceived service alternatives
- situational factors
- explicit service promises
- implicit service promises
- word-of-mouth communication
- past experience
- predicted service
- perceived service

A particular service could be chosen to illustrate various points. For example, a haircut or a trip to Disney World could be selected as a focus for illustrating how these factors might come into play as influencing customers' expectations. By giving students the opportunity to become experts on one of these twelve topics, they can take an active role in leading the class discussion without being burdened with being responsible for too much information.

3. An interesting question posed in Chapter 3 is *should a service provider simply try to meet customer expectations or exceed them?* Obviously there is no right answer to this question, so an interesting topic for debate would be to have the students in the class discuss this. One easy way to do this would be to divide the class in half and assign each a specific side on this issue. The class would then be given five to ten minutes to prepare an argument supporting their view and a spokesperson would then present the arguments for each side. Their arguments might include examples to illustrate the points each side is trying to make.

QUESTIONS TO USE WITH CHAPTER OPENING VIGNETTE

1. Have you experienced changes in your expectations as a customer due to advances in technology? Have you seen those expectations transfer over to unrelated services?
2. What can service providers do about the Amazon Effect?
3. Can you think of any currently new technologies that might become part of customer expectations in the future?

ACTIVE LEARNING ACTIVITIES

Think of a service encounter that you have had recently.

- What were your expectations going into the encounter?
- What were your *desired* expectations?
- What were your *adequate* expectations?
- What were your *predicted* expectations?

- Was your tolerance zone wide or narrow in this case? Why?
- Where did your expectations come from?

DISCUSSION QUESTIONS

1. *What is the difference between desired service and adequate service? Why would a services marketer need to understand both types of service expectations?*

Desired service expectations are the upper bound on customer expectations—the level of service the customer hopes to receive, a blend of what the customer believes can be and should be. Adequate service is the lower bound on customer expectations—the level of service the customer will accept. A services marketer needs to understand both levels. Adequate service must be understood so that the marketer makes certain that service levels never drop below this level because, by definition, the customer will be very disappointed and will likely defect. Desired service must be understood as the goal the company strives to attain. Going beyond the desired level is probably not a wise investment of company resources.

2. *Consider a recent service purchase that you have made. Which of the factors influencing expectations were the most important in your decision? Why?*

This question is designed to get students to personalize and apply to their own experience with the various factors influencing expectations. The question should generate a lively discussion with students mentioning different influences for different types of purchases. It is likely that word of mouth will be included among most of the important factors, and the instructor may want to point this out.

3. *Why are desired service expectations more stable than adequate service expectations?*

Desired service expectations are ideal and do not change frequently because what one hopes for does not change frequently. On the other hand, adequate service expectations are constantly in flux, most likely rising incrementally as service is improved in a particular company or industry.

4. *How do the technology changes discussed in the Technology Spotlight in this chapter relate to customer expectations?*

This section highlights how technology changes, such as the addition of and increasing role of service robots, come with customer expectations from a variety of sources. Specifically, customer expectations around service robots are a result of customers' expectations of human service providers, of self-service technologies, and of the "ideal" service robot. This highlights the idea that customer expectations can be influenced by consumers' seemingly unrelated service experiences. Managing customer service expectations with service robots requires awareness of technology-related experiences beyond one's immediate industry and how the collective imagination has been impacted by media consumption of what technology might be able to provide. Furthermore, the Technology Spotlight discussed how customer expectations will change with repeated interactions with service robots, desiring the robot to replicate relational qualities (such as increased knowledge of the customer over time).

5. *Describe several instances in which a service company's explicit service promises were inflated and led you to be disappointed with the service outcome.*

Virtually all students can report on disappointments they experienced as a result of inflated promises. Inflated promises about vacations and college courses are two examples that often arise in response to this question. The instructor can ask the students why the company inflated the promises and what the impact would have been of making realistic promises. This usually leads to the answer that promises were inflated to make the sale and that companies felt they needed to inflate promises because their competition did so. Two outcomes are possible without the inflated promises. First, the customer may have chosen not to buy the service without the inflated promise (a negative outcome). On the other hand, the customer may have chosen to buy the service anyway and would likely have been a more satisfied customer upon receiving the service.

6. *Consider a small business preparing to buy a computer system. Which of the influences on customer expectations do you believe will be pivotal? Which factors will have the most influence? Which factors will have the least importance in this decision?*

Because this is a business decision, the factors that may be most important include perceived service alternatives, explicit service promises, and enduring service intensifiers. Business purchase decisions as a category are generally more rational than personal choices and it is likely that company promotional material will be reviewed and that competing brands will be considered. Enduring service intensifiers will be relevant when considering the individuals within the firm who will use the computer system. Word of mouth is also likely to be influential because of the perceived risk inherent in purchasing a computer. The least important influencers in a decision of this type would be transitory service intensifiers and personal needs, although one could argue that personal needs are always an important component of business purchase decisions.

7. *What strategies can you add to the Strategy Insight in this chapter for influencing the factors?*

The purpose of this question is to get students thinking about ways to influence customer expectations of service and to become familiar with the ones presented in the Strategy Insight. Students should be able to come up with additional strategies to address the factors.

8. *Do you believe that any of your service expectations are unrealistic? Which ones? Should a service marketer try to address unrealistic customer expectations?*

This question is designed to initiate a discussion about elevated customer expectations. It is likely that students will be able to identify services where their expectations are high because their personal needs are strong. Whether or not service marketers should try to address unrealistic expectations is a topic that will be debated. Some students will argue that companies should aim high, thereby exceeding the performance of competition. But others will recognize the diminishing returns of achieving ever-higher levels of performance. One way of viewing the debate may be to ask whether the costs of raising performance levels are equal or greater than the expected returns in terms of new sales and long-term customer loyalty.

9. *In your opinion, what service companies have effectively built customer franchises (immutable customer loyalty)?*

Examples include Walt Disney theme parks, Singapore Airlines, Federal Express, Marriott Hotels and Resort Properties, and Nordstrom's.

10. *Intuitively, it would seem that managers would want their customers to have wide tolerance zones for service. But if customers do have these wide zones of tolerance for service, is it more difficult for firms with superior service to earn customer loyalty? Would superior service firms be better off to attempt to narrow customers' tolerance zones to reduce the competitive appeal of mediocre providers?*

The wider customers' zones of tolerance, the more willing they are to accept variations in service—both from the companies they currently patronize and competing companies. Therefore, superior firms might well be better off if they try to narrow customers' tolerance zones by managing customer expectations, educating customers, or otherwise demonstrating to customers the reasons why they should not tolerate lower levels of service.

11. *Should service marketers delight their customers?*

Companies should always try to exceed the adequate service level, but exceeding adequate service will not delight customers. Exceeding desired service will delight customers. But in our view, delighting customers has a definite down side: it results in the escalation of customer expectations the next time the customer seeks service. There are ways that the company can exceed desired service—particularly in dimensions other than reliability—while at the same time alerting customers that the elevated service performance cannot be delivered on a routine basis.

POTENTIAL VIDEO CLIPS TO USE IN ILLUSTRATING CHAPTER 3 CONCEPTS

- “Jerry Seinfeld” television show – In a famous scene from the 1991 season (Episode 10, entitled “The Alternate Side”), Jerry Seinfeld attempts to pick up a car he had reserved, but the car rental company did not reserve a car for him. A woman goes behind glass door to “speak with her supervisor.” It is a great example of what a customer expects when they reserve a car—that is, to have the reserved car available for rental at the requested time. This clip could also be used for service recovery discussions.
- “Just Married” – Young American newlyweds attempt to plug a device with an American plug into an electrical outlet at a French chateau, causing damages to their room and a power outage at the chateau. They expected there would be English signs (not just French signs) telling them what they could and could not do in the hotel. The manager asks them to pay for damages; they refuse.
- “Couples Retreat” (2009). Clip length = 5:45. A couple on the brink of divorce, the Smiths, is giving a slideshow presentation to try and convince their friends to join them on this couples retreat. The group selects the 'Pelican Package' but realizes once they get to the resort, that it's not what they thought it would be. Because there is confusion, the couples' escort explains that the resort will refund their money but not the airfare. Illustrates customer expectations.

POSSIBLE WEBSITES FOR CHAPTER 3

Listed below are websites for companies known to have outstanding service. Students may be asked to evaluate these sites in terms of whether the sites themselves meet their expectations for service, and whether they signal that the companies creating the sites offer services that meet their desired or adequate expectations.

Company	Location
Amazon	www.amazon.com
American Marketing Association	www.ama.org
Paytrust	www.paytrust.com
Pebble Beach Resort	www.pebblebeach.com
Ritz-Carlton	www.ritzcarlton.com

APPROPRIATE CASES FOR CHAPTER 3

From previous Zeithaml, Bitner, and Gremler *Services Marketing* texts:

- Shouldice Hospital Limited (Abridged) [included in the fifth edition of this text: Zeithaml, Bitner, and Gremler (2009) *Services Marketing: Integrating Customer Focus Across the Firm*, New York, NY: McGraw-Hill Companies]
- Hong Kong Disneyland) [included in the fifth edition of this text: Zeithaml, Bitner, and Gremler (2009) *Services Marketing: Integrating Customer Focus Across the Firm*, New York, NY: McGraw-Hill Companies]
- Virgin Mobile USA: Pricing for the Very First Time [included in the fifth edition of this text: Zeithaml, Bitner, and Gremler (2009) *Services Marketing: Integrating Customer Focus Across the Firm*, New York, NY: McGraw-Hill Companies]
- easyCar.com [included in the fourth edition of this text: Zeithaml, Bitner, and Gremler (2006) *Services Marketing: Integrating Customer Focus Across the Firm*, New York, NY: McGraw-Hill Companies]
- The Quality Improvement Customers Didn't Want [included in the fourth edition of this text: Zeithaml, Bitner, and Gremler (2006) *Services Marketing: Integrating Customer Focus Across the Firm*, New York, NY: McGraw-Hill Companies]
- Virgin Atlantic Airways [included in the third edition of this text: Zeithaml and Bitner (2003) *Services Marketing: Integrating Customer Focus Across the Firm*, New York, NY: McGraw-Hill Companies]
- Northwest Airlines and the Detroit Snowstorm [included in the third edition of this text: Zeithaml and Bitner (2003) *Services Marketing: Integrating Customer Focus Across the Firm*, New York, NY: McGraw-Hill Companies]

- EuroDisney: The First 100 Days [included in the second edition of this text: Zeithaml and Bitner (2000) *Services Marketing: Integrating Customer Focus Across the Firm*, New York, NY: McGraw-Hill Companies]
- Chartered Bank of Canada [included in the first edition of this text: Zeithaml and Bitner (1996) *Services Marketing*, New York, NY: McGraw-Hill Companies]
- Cederbrae Volkswagen—Quality of Service [included in the first edition of this text: Zeithaml and Bitner (1996) *Services Marketing*, New York, NY: McGraw-Hill Companies]

From other sources:

- Alaska Airlines: For the Same Price, You Just Get More... [Harvard Business School Case, 9-800-004, 2000]
- Golden Arch Hotel: McDonald's Adventure in the Hotel Industry [American Graduate School of International Management (Thunderbird) Case, A02-05-0017, 2005]