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# Principles of Service Marketing and Management

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# **Preface**

The study of service businesses first emerged as an academic field during the 1970s. But it took almost 20 years for courses in service marketing and management to reach the status of mainstream course offerings, widely taught in business schools around the world. Many people are surprised that it should have taken so long for service courses to move into the mainstream because service industries, in fact, have dominated the economies of most industrialized nations for more than half a century; even in developing economies, the contribution made by services to both employment and the gross domestic product is growing rapidly. But the fact is that research and teaching in management were historically dominated by a focus on manufacturing industries.

That imbalance is now being corrected. Paralleling growing research efforts in both academia and business is the increased student interest in taking courses that focus on management of service organizations. This makes a lot of sense from a career standpoint because most business school graduates will be working in service industries, and existing managers report that manufacturing-based models of business practice are not always useful to them.

The service sector of the economy can best be characterized by its diversity. No single conceptual model can embrace organizations ranging in size from huge international corporations (in such fields as airlines, banking, insurance, telecommunications, hotel chains, and freight transportation) to locally owned and operated small businesses (such as restaurants, laundries, taxis, optometrists, and many business-to-business services). Thus this book provides a carefully designed toolbox for service managers, teaching students how different frameworks and analytical procedures can best be used to examine the varied challenges faced by managers in different situations. In particular, we stress the importance of understanding the underlying processes of service delivery and the way in which new technologies are affecting them. These processes can be grouped into four categories, each of which has distinctive implications for the role played by customers and, thus, for management practice.

As the title suggests, *Principles of Service Marketing and Management* presents an integrated approach to the study of services that places marketing issues within a

broader general management context. Whatever a manager's specific job may be, he or she has to recognize and acknowledge the close ties that link the marketing, operations, and human resource functions. With that perspective in mind, this book has been designed so that instructors can use it for teaching courses in either services marketing or service management.

The theme of this book is that service organizations differ in many important respects from manufacturing businesses, requiring a distinctive approach to planning and implementing marketing strategy. By this, we don't mean to imply that services marketing is uniquely different from goods marketing. If that were true, it would undercut the whole notion of marketing as a coherent management function. Rather, we stress the importance of understanding service organizations on their own terms and then tailoring marketing goals and strategies accordingly. Within this group we include not-for-profit service organizations, as well as the service divisions of manufacturing firms.

The text has 16 chapters and 12 short to medium-length cases. Discussing cases in a classroom (or analyzing them for written projects) gives students a chance to apply what they have learned to real-world settings and to understand the complexities of service management—including the interactions among marketing, operations, and human resources, which are much more closely intertwined in services than in manufacturing.

The service sector presents many exciting work opportunities. We hope that you will also find it an exciting field to study.

#### Acknowledgments

Over the years, many colleagues in both the academic and business worlds have provided us with valuable insights into the management and marketing of services, through their writings or in conference and seminar discussions. In particular, we want to express our appreciation to John Bateson of Gemini Consulting; Leonard Berry of Texas A&M University; Bernard Booms of the University of Washington; Steven Brown and Mary Jo Bitner of Arizona State University; Pierre Eiglier of Universite d'Aix-Marseille III; Ray Fisk of the University of New Orleans; Liam Glynn of University College, Dublin; Christian Grönroos of the Swedish School of Economics in Finland; Stephen Grove of Clemson University; Eric Langeard, formerly of Universite d'Aix-Marseille III; Jean-Claude Larreché and James Teboul of IN-SEAD; Theodore Levitt, James Heskett, Earl Sasser, and Len Schlesinger of Harvard Business School; "Parsu" Parasuraman of the University of Miami; Paul Patterson of the University of New South Wales; Fred Reichheld of Bain & Co.; Sandra Vandermerwe of Imperial College, London; Rhett Walker of the University of Tasmania; Charles Weinberg of the University of British Columbia; Jochen Wirtz of the National University of Singapore; and Valarie Zeithaml of the University of North Carolina.

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Christopher Lovelock Lauren Wright

### **About the Authors**

Christopher Lovelock, one of the pioneers of service marketing, divides his professional life among writing, teaching, and consulting. Based in New England, he gives seminars and workshops in the United States and around the world. He has also lived and worked in Britain, Canada, France, and Switzerland. His past academic career includes 11 years on the faculty of the Harvard Business School; two years as a visiting professor at the International Institute for Management Development (IMD) in Switzerland, and short-term appointments at Berkeley, Stanford, the Sloan School at MIT, Theseus Institute, and INSEAD. Christopher is author of 60 articles, over 100 teaching cases, and 20 books including Services Marketing 3/e (Prentice Hall, 1996) and Product Plus (McGraw-Hill, 1994). He is a recipient of the Journal of Marketing's Alpha Kappa Psi Award, the American Marketing Association's Award for Career Contributions to the Services Discipline, and many awards for outstanding cases. He holds MA and BCom degrees from the University of Edinburgh, an MBA from Harvard, and a PhD from Stanford.

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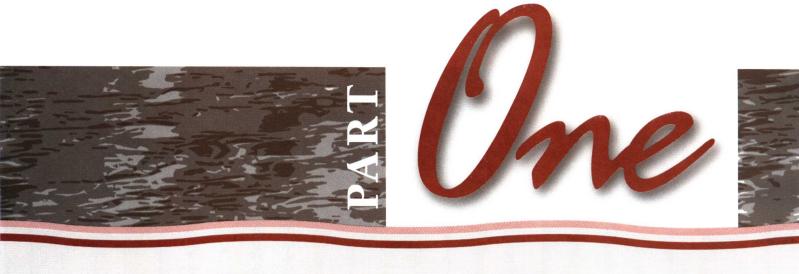
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