

Contents

<i>Preface</i>	<i>ix</i>	
<i>Acknowledgements</i>	<i>xi</i>	
1	Introducing services	1
1.1	‘What is this thing called service?’	1
1.2	Characteristics of services	3
1.3	The ‘7 Ps’ of services	5
1.4	Customer involvement and uncertainty	6
1.5	Expectations and perceptions of a service	7
1.6	Core and augmented service	9
1.7	The ‘McDonaldization’ of services	10
1.8	The downside of McDonaldization	11
1.9	Technology in services	12
1.10	Call centres	14
1.11	The trouble with service ...	17
	Summary	18
	Appendix 1.1 Technology and the future of services	18
	References	23
2	Organization for service	27
2.1	‘Organization realities’	27
2.2	Structure of organizations	30
2.3	Culture of organizations	34
2.4	Types of organization culture	34
2.5	Organizational climate	36
2.6	Defensive behaviour	36
2.7	Explanation for defensive behaviour	38
2.8	Organizing for service	39
2.9	Empowerment	40
2.10	Criticism of the new service management school of thought	40
2.11	The virtual organization	42
	Summary	42
	References	43
3	Design of the service	47
3.1	The concept of design	47
3.2	Service classification: a design issue	48

3.3	Objects of the service processes	52
3.4	Customer contact	52
3.5	Service blueprint	57
3.6	The 3 logics	61
	Summary	62
	Appendix 3.1 A procedure for blueprinting a service	62
	References	63
4	The service setting	65
4.1	The service setting framework	65
4.2	Types of service setting	67
4.3	The role of the service setting	68
4.4	The service setting and consumer behaviour	69
4.5	Environmental dimensions of the service setting	71
4.6	Three service settings	77
	Summary	82
	References	83
5	Service quality	85
5.1	The quality challenge	85
5.2	Definitions of quality (and implications for service quality)	86
5.3	Standards	89
5.4	Hard and soft standards	90
5.5	The Gaps Model of Service Quality	90
5.6	SERVQUAL (what to measure)	92
5.7	The SERVQUAL Scale	94
5.8	Tools of quality	96
5.9	Quality programmes	104
5.10	Cost of quality	106
	Summary	108
	References	109
6	The service encounter	111
6.1	The essence of an encounter	111
6.2	Service encounter as theatre	112
6.3	Scripts	112
6.4	Emotional labour	116
6.5	The critical incident technique	119
6.6	Dysfunctional customers, deviant employees – an everyday occurrence in the service encounter?	122
	Summary	126
	References	127
7	Managing people	131
7.1	Customer contact staff	131
7.2	Emotional labour	133
7.3	Empowerment	134
7.4	Recruitment	137
7.5	Orientation and socialization	140

7.6	Orientation	141
7.7	Gaining commitment from employees	143
7.8	Staff dissatisfaction	146
7.9	Staff turnover	150
7.10	Internal marketing	152
	Summary	153
	References	153
8	Demand and capacity management	157
8.1	The basic problem: perishability	157
8.2	Service capacity: resources and assets	159
8.3	Service demand	159
8.4	Managing demand and capacity	160
8.5	Aligning demand and capacity: the options	162
8.6	Yield management (also known as revenue management)	164
8.7	Waiting and queuing	169
8.8	Queuing: a behavioural perspective	172
	Summary	175
	References	175
9	Service communications	177
9.1	Integrated marketing communications	177
9.2	The role for communications	180
9.3	Services communication	180
9.4	Key communication variables	182
9.5	Corporate identity	188
9.6	Branding services	192
9.7	Advertising the service	195
	Summary	198
	References	199
10	Performance measurement	201
10.1	Productivity	201
10.2	The productivity framework	204
10.3	Improving productivity	206
10.4	Consumer participation and productivity	208
10.5	White-collar productivity	209
10.6	Service productivity as a relationship between input and output	213
10.7	Customer retention and lifetime value	215
	Summary	221
	Appendix 10.1 Customer retention	222
	Appendix 10.2 The customer volume effect	225
	References	226
11	Relationship marketing	227
11.1	A twenty-first century approach to marketing	227
11.2	What is relationship marketing?	228
11.3	Why follow a relationship marketing approach?	229
11.4	Benefits to the customer	231

11.5	Building a relationship marketing strategy	232
11.6	Relationship marketing strategies	234
	Summary	237
	References	237
12	Monitoring and evaluating the service	239
	12.1 Customer satisfaction evaluation	239
	12.2 Customer complaints	246
	12.3 Service recovery	254
	12.4 Effective complaint-handling procedures	256
	12.5 Guarantees	259
	12.6 Customer defections	262
	Summary	262
	References	263
	<i>Index</i>	265