

## INCORPORATING SERVICES MARKETING INTO THE MARKETING CURRICULUM

Dennis Guseman, Brenda Moscové, Robert Fletcher, and Kenneth Shakoori  
School of Business and Public Administration, California State College, Bakersfield

### ABSTRACT

Services are the fastest growing sector of the economy, yet relatively little attention has been given to services marketing in the marketing curriculum. This paper first presents the importance of services and indicates how marketing services differs from marketing goods. Alternative approaches for incorporating services marketing into the curriculum are then presented. The advantages and disadvantages of each alternative, and the major issues involved in implementing each alternative also are addressed.

### INTRODUCTION

Since marketing is a dynamic subject, it constantly challenges marketing educators to alter classroom material in order to remain current. Several trends are occurring within society which have a major impact upon marketing education. Among these trends are the utilization of marketing concepts by nonprofit organizations, the increasing importance of international marketing, and the increasing importance of services within society (Stem 1978). Each of these trends has implications for marketing the marketing curriculum.

Of these three trends, international and nonprofit marketing have received more attention by marketing educators than services marketing. Thus, of the trends impacting marketing programs, the study of services marketing education is lacking. Accordingly, this paper outlines the importance of services to the economy, indicates how services marketing differs from the marketing of goods, and finally indicates how services marketing can be incorporated into the marketing curriculum.

### IMPORTANCE OF SERVICES

The American society has been described as being a services oriented society. Toffler (1980) in his book The Third Wave explains the major changes occurring within the American society and indicates that services will play an important role for the future. Naisbitt (1982) describes America's major business as being the information industry, which is basically services rather than manufacturing oriented.

The movement to a services society has been predicted by economic theory (Foote 1953; Clark 1957). According to these economists, a society progresses from an agrarian to a manufacturing economy, then from a manufacturing to a service economy. Statistics support the fact that this movement indeed is taking place. As recently as

1970 manufactured goods accounted for a larger proportion of the Gross National Product than services. However, by 1980 services surpassed manufactured goods and the gap is widening. Services also account for a growing percent of total employment, representing 48 percent of the work force, and 50 percent for personal consumption expenditures (Statistical Abstract 1982-83).

These numbers illustrate that services are a vital sector within our economy and the role of services is expanding. Because of the trend toward service-oriented business activities, marketing educators must begin now to prepare students to working in the emerging services environment.

### NATURE OF SERVICES MARKETING

In spite of the indication that services play an increasingly important role within the economy, the implications for marketing education are minimal if there are few differences between marketing of goods and services. However, if there are major differences between the marketing of goods and services, then these differences need recognition in the marketing curriculum.

A few researchers have argued there is no fundamental difference between marketing goods and services because the same principles and techniques are applicable and only the implementation differs (Wychem 1975, Enis 1981). However, the majority of researchers believe there are major differences in marketing goods and services (Bateson 1977; Eiglier 1977; Shostack 1977; Beckwith 1981; Booms 1981; Brown 1981; and Lovelock 1981).

The marketing of services is perceived as different from goods because of the differences in their characteristics. The characteristics of services which differentiate them from goods are: (1) intangibility, (2) inseparability of production and consumption, (3) heterogeneity in quality, and (4) inability to inventory services.

These characteristics of services produce situations that require specialized marketing mixes and strategies in comparison to those used for goods (Guseman 1981; Fisk 1981; and Zeithaml 1981). Furthermore, the environmental context in which marketing occurs, particularly the legal and competitive environments, is different from goods (Rathmell 1974). These factors require special attention to develop innovative marketing strategies and marketing mixes for success.

## ALTERNATIVE APPROACHES FOR INCORPORATING SERVICES MARKETING INTO THE CURRICULUM

Services marketing can be incorporated into the marketing curriculum by offering separate course(s) on services marketing, integrating the topic into existing courses, or by exposing students to services marketing through non-curricular mechanisms (see Figure 1). Each alternative has major advantages and disadvantages.

Offering a separate course on services marketing ensures coverage of the material in an organized, thorough manner. A separate course theoretically guarantees coverage of the material by a knowledgeable, enthusiastic instructor. However, the separate course does require an additional allocation of business school resources. Furthermore, not all students will take the specialized course, potentially missing exposure to this material.

Integrating services marketing into other courses within the curriculum ensures that all students will be exposed to this important topic, and does not require any additional faculty resources. However, there is less control over the coverage of the material through integration compared to a separate course because the coverage is not as likely to be formally organized, comprehensive, and fully evaluated. Also there may not be a sufficient amount of time to adequately cover the topic, and professors may lack sufficient knowledge and motivation to satisfactorily cover services marketing.

A third approach to expose students to services marketing is through noncurricular activities, such as utilizing speakers, seminars, executives-in-residence, internships, and marketing clubs. These noncurricular approaches require minimal faculty resources and have the potential of generating student interest and excitement. In some cases, noncurricular activities generate more enthusiasm than course work. The disadvantages of utilizing non-curricular methods are organizing, implementing, controlling, and evaluating the activities. Someone must be made responsible for developing and implementing a plan. Even then, such a plan is likely to reach a limited audience, expose students to a narrow range of topics and situations, and involve some out-of-pocket costs. Also, the results are difficult to measure in terms of effectiveness.

### INCORPORATING SERVICES MARKETING INTO THE CURRICULUM

How services marketing is incorporated into the curriculum depends upon the alternative selected. If it is decided to offer a separate course, then either some other course must be dropped from the curriculum in order to utilize the same resources, or the current courses are retained and faculty resources are increased or more efficiently utilized. To obtain maximum benefit, the faculty selected to teach the services marketing course should have the expertise and interests required for teaching the course.

Another question when opting for the separate course alternative is the number of courses to offer on services marketing. A single comprehensive course can be offered covering all aspects of services marketing or a number of different courses can be provided to cover the subject matter. Again the number of courses that should be offered depends upon available faculty resources, student demand for the courses, and the demand by service marketers for students. In addition to an introductory course, courses could be offered on marketing professional services, consumer services, or industrial services. Courses also can be developed on various aspects of marketing as applied to services, such as product development, promotion, pricing, distribution of services, and an integrating capstone course.

If it is decided to integrate services marketing in to the existing curriculum, then a number of questions need to be answered. The first question is "Which courses should cover services marketing?" Minimally, services marketing should be incorporated into the principles course, consumer behavior, and the capstone course in marketing. Additional courses into which services marketing can be integrated include advertising/communications courses, product development/management courses, salesmanship courses, distribution systems courses, and pricing courses. International marketing and the nonprofit course also need to cover services marketing.

A second question to be answered is "What percent of the courses should be devoted to services marketing?" In actuality, the amount of time devoted to services marketing will depend upon the professor's interest and knowledge on the topic. Ten to thirty percent of a course devoted to services provides a good starting point but this will need to be increased as more material on services marketing is made available and more students are employed in the area of services.

The third question to be answered when integrating services marketing into the curriculum is "What pedagogical methods should be utilized to teach services marketing concepts?" The specific blend of pedagogical methods selected depends upon the level of the course, course objectives, the student's intellectual ability and previous knowledge of services, and the professor's personal preferences. Lectures and class discussions can be utilized to impart the desired knowledge, with these being supplemented with reading lists, cases, class exercises, and projects to develop additional comprehension and ability to apply the material.

The success of integrating services marketing into the curriculum depends directly upon the ability and motivation of the professors teaching these courses. Accordingly, care should be taken in assigning professors to those courses who have both the ability and desire to teach services marketing and measures to evaluate the actual coverage of services marketing need to be devised.

If it is not feasible to incorporate services marketing into the curriculum, then noncurricular methods should be utilized. At least one faculty member within the school needs to be assigned the responsibility of overseeing the development, execution, and control of the noncurricular events. The major decisions concerning a non-curricular program are the types and number of activities to plan, and the target market for these activities. Encouraging students through a marketing club to explore services marketing can be an effective way to achieve some coverage of services marketing with little commitment of resources and, when supplemented by outside speakers and seminars, can provide minimal preparation of students for services marketing.

#### RECOMMENDATIONS FOR INCORPORATING SERVICES MARKETING INTO THE MARKETING CURRICULUM

This paper has illustrated the increasingly important role services have in our economy and how the marketing of services differs from marketing of goods. In order to provide competent graduates for the business community and to adequately prepare students for careers in marketing, it is essential to incorporate services marketing into the marketing curriculum. Students need to be made aware of the opportunities in services marketing. They also need to know how services marketing differs from marketing of goods, and how to develop marketing programs for service related businesses.

Alternative methods of providing exposure to and instruction in services marketing are: a separate course and/or series of courses, integration of services marketing into existing courses, and extracurricular activities. Of course, the extent to which services marketing should be emphasized depends on many factors such as resource allocation, faculty expertise and motivation, and student service area demand. The ideal method of incorporating services marketing would encompass all three alternatives. Courses dedicated solely to services marketing will carry the major responsibility of educating students in services marketing, and should be targeted towards those students with a potential interest of a career in services. However, due to the influence of services in the economy, all marketing students need exposure to services. This can be achieved by integrating service material into other courses in the marketing curriculum. The students' knowledge of services marketing can be expanded and complemented by various noncurricular activities such as outside speakers from service industries, seminars on services marketing, and projects through marketing clubs.

#### LONG-TERM RECOMMENDATIONS FOR INCORPORATING SERVICES INTO THE BUSINESS CURRICULUM

Since the immediate priority is including services marketing instruction, the alternatives presented have involved only the marketing department, its faculty, and students. Working within a single department usually simplifies and speeds up changes in methodology and course

offerings, in contrast to interdepartmental efforts. However, services are not peculiar to the marketing discipline and consideration of the joint development of courses between different departments is a viable long-run consideration. Dedicated courses on service businesses can be developed. In addition to courses on services marketing, courses on services production processes, management of service industries, etc., can be developed. This should lead to interdepartmental offerings on services, such as a course in Marketing of Financial Institutions, utilizing marketing and/or finance faculty, to contribute to the service area of both disciplines. As services increase their importance within the economy, the need for interdepartmental offerings will grow.

Specific industries can be emphasized as the need arises. For example, at the present time, deregulation and competitive environments in the financial services industry point to a need for more comprehensive instruction and marketing orientation for that industry.

America is a service oriented society but has been overlooked by business educators. Service marketing is a major topic that must be included in all marketing programs and eventually integrated into the entire business curriculum.

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FIGURE 1

Alternatives for Incorporating Services Marketing into the Marketing Curriculum

Alternative	Separate Course	Integrated into Other Courses	Noncurricular Activities
Advantages	*Thorough coverage *Specialized attention	*Expose all students to material *No additional resources *Less control	*Minimal faculty resources required *High student interest *Planning and organizing activities difficult
Disadvantages	*Resources required *Not all students will take course	*Time constraints to cover material *Inadequate expertise and/or motivation to teach	*Limited exposure to material
Major Issues	*Whether to eliminate existing courses or add additional courses *Faculty to teach services course *Which courses and number of courses to offer	*Which courses to integrate services into *Amount of coverage to devote to services *Pedagogical methods to utilize *Training professors on services marketing	*Assigning responsibility to develop and oversee program *Types of activities to provide *Number and timing of activities to offer *Target audience of program