

Higher National Unit Specification

General information for centres

Unit title: Services Marketing

Unit code: DV8F 34

Unit purpose: This Unit considers the specific issues that relate to marketing in service contexts. It focuses on the development of services marketing theory to include both profit and not-for-profit contexts.

On completion of the Unit the candidate should be able to:

- 1 Explain the nature and characteristics of services.
- 2 Explain the techniques of services marketing.

Credit points and level: 1 HN Credit at SCQF level 7: (8 SCQF credit points at SCQF level 7*)

**SCQF credit points are used to allocate credit to qualifications in the Scottish Credit and Qualifications Framework (SCQF). Each qualification in the Framework is allocated a number of SCQF credit points at an SCQF level. There are 12 SCQF levels, ranging from Access 1 to Doctorates.*

Recommended prior knowledge and skills: Access to this Unit is at the discretion of the Centre, but it would be beneficial if the candidate had completed the HN Unit: Principles of Marketing (DV8T 34) or equivalent.

Core Skills: There are opportunities to develop the Core Skills of Communication at SCQF level 6 in this Unit, although there is no automatic certificate of Core Skills or Core Skills components.

Context for delivery: If this Unit is delivered as part of a Group Award, it is recommended that it should be taught and assessed within the subject area of the Group Award to which it contributes.

Assessment: It is recommended that this Unit is assessed by a separate assessment for each Outcome.

Assessment for Outcome 1 could be carried out by means of a case study, taken from a consumer, a business-to-business, or a not-for-profit service context. Candidates would provide a written response with a suggested length of 800–1,000 words to questions which allow them the opportunity to apply the characteristics of services marketing, and the concept of the services marketing mix, to the given case study.

General information for centres (cont)

Outcome 2 could be assessed by means of a written report, with a suggested length of 1,500–2,000 words. From a list of service providers issued by the assessor, candidates would choose one, which would then form the basis for demonstration and application of a sampled range of the theoretical concepts listed in the Evidence Requirements. The emphasis would be on the candidate's ability to explain the techniques of services marketing as they relate to a specific organisational context.

Higher National Unit specification: statement of standards

Unit title: Services Marketing

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The sections of the Unit stating the Outcomes, knowledge and/or skills, and Evidence Requirements are mandatory.

Where evidence for Outcomes is assessed on a sample basis, the whole of the content listed in the knowledge and/or skills section must be taught and available for assessment. Candidates should not know in advance the items on which they will be assessed and different items should be sampled on each assessment occasion.

Outcome 1

Explain the nature and characteristics of services

Knowledge and/or skills

- ◆ Generic differences between goods and services
- ◆ Characteristics of services marketing
- ◆ The marketing mix in service organisations

Evidence Requirements

Candidates will need to provide evidence to demonstrate their knowledge and/or skills by showing that they can:

- ◆ identify and describe **five** generic differences between goods and services
- ◆ explain the characteristics of service marketing in relation to:
 - the mix of tangible and intangible elements
 - difficulties of standardisation
 - nature of demand patterns
- ◆ explain the elements of the marketing mix in terms of service delivery
 - product, price, promotion, place, people, process, physical evidence

Assessment guidelines

This Outcome could be assessed by means of a case study, preferably of a well-known service provider and one to which candidates can easily relate. The details of the case study, and the structured questions on it, should encourage the candidate to relate services marketing theory to a specific context, whether that be consumer, business-to-business, or not-for-profit, thereby generating evidence which indicates that the candidate understands the nature and characteristics of services marketing.

Higher National Unit specification: statement of standards (cont)

Unit title: Services Marketing

How the assessment is administered is at the discretion of the centre. One possibility is that the candidate does not have advance knowledge of the case study, and undertakes the assessment in an open-book situation, on a specified date, and within an approximate time period of two hours. During that time, the candidate would provide a written response to the structured questions, the suggestion being that there should be three questions, one relating to each of the knowledge and/or skills areas. An overall length of 800–1,000 words is suggested.

Outcome 2

Explain the techniques of services marketing

Knowledge and/or skills

- ◆ Design and delivery of services
- ◆ Pricing of services
- ◆ Promotion of services
- ◆ Customer service
- ◆ Evaluation of services marketing

Evidence Requirements

Candidates will need to provide evidence to demonstrate their knowledge and/or skills by showing that they can:

- ◆ describe **three** factors in the design and delivery of services which contribute to customer satisfaction
- ◆ identify and explain **two** influences which should be considered in the pricing of services
- ◆ explain how the promotion of services may differ from the promotion of tangible goods
- ◆ explain what is meant by ‘customer service’ and what role it plays in the marketing of services
- ◆ identify and describe **two** methods of evaluating the effectiveness of a services marketing programme

Assessment guidelines

From a list of service providers issued by the assessor, candidates could choose one, which would then form the basis for demonstration and application of the required range of theoretical concepts. The emphasis would be on the candidate’s ability to explain the techniques of services marketing as they relate to a specific organisational context. Presentation of a written report, in the range of 1,500–2,000 words, is suggested, demonstrating the theory and application of each of the knowledge/skills areas. It is suggested that the candidates are given an early opportunity to select an appropriate organisation, allowing for explanation/application of theory at various stages of Unit delivery.

Administrative Information

Unit code:	DV8F 34
Unit title:	Services Marketing
Superclass category:	BA
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Higher National Unit specification: support notes

Unit title: Services Marketing

This part of the Unit specification is offered as guidance. The support notes are not mandatory.

While the exact time allocated to this Unit is at the discretion of the centre, the notional design length is 40 hours.

Guidance on the content and context for this Unit

This Unit is an optional Unit within the Group Award in HNC/D Marketing. It may also form part of other Higher National programmes and may be offered as an optional Unit for other Group Awards.

It is designed to provide candidates with a comprehensive knowledge and understanding of the key issues that apply in the marketing of services. Recognising that the service sector has become a dominant force in developed economies, and that most product purchases involve a combination of goods and service elements, this Unit will have widespread relevance for candidates pursuing a career in marketing management. It is recommended that delivery should follow the completion of an introductory marketing Unit, such as Principles of Marketing (DV8T 34), allowing candidates to build on their knowledge of basic marketing principles.

Guidance on the delivery and assessment of this Unit

It is envisaged that an integrated approach to teaching the Unit will be adopted whereby candidates will appreciate the links that exist between the two Outcomes.

It is recommended that 30% of the course allocation is spent on Outcome 1, with 70% on Outcome 2, to allow candidates to develop a deeper understanding and ability to apply the relevant theoretical concepts.

Throughout the delivery of the Unit, candidates should be encouraged to collect examples of current services marketing practice through access to magazines, news articles and the internet as well as through work experience and as consumers on the receiving end of both good and bad service. We experience service provision on a daily basis. Candidates should be encouraged to 'show and tell', relating personal experience to particular aspects of services marketing theory and practice. The tutor should also source examples of current services marketing practice from magazines, news articles and the internet, using these stimulus materials as a basis for classroom discussion.

The following notes give additional information on each Outcome.

Outcome 1

The Nature and Characteristics of Services

This Outcome will give candidates a sense of the scope and diversity of services marketing contexts, along with the distinctive characteristics that impact on both commercial and not-for-profit services marketing.

Higher National Unit specification: support notes (cont)

Unit title: Services Marketing

Generic Differences between Goods and Services

- ◆ Defining a service, the delivery and purchase of an experience
- ◆ ‘Pure goods’, ‘Pure services’, and everything in-between — the goods and services continuum
- ◆ The consumer as a contributor to the service experience
- ◆ The diversity of service contexts, including consumer services (education, professional services, entertainment etc), business-to-business (contract cleaning and catering, employment agencies, courier services etc), and not-for-profit (housing associations, libraries, tourist information centres etc)
- ◆ Intangibility, inseparability, variability, perishability, ownership

Service Characteristics

Building on the previous section, the emphasis here should be on the distinctive characteristics of services that differentiate them from goods and have implications for marketing strategy.

- ◆ Intangibility, as opposed to a tangible good that can be assessed using the physical senses. Include the degree/extent of intangibility
- ◆ Difficulties of Standardisation, often considered in textbooks under the headings ‘Inseparability’ and ‘Variability’
- ◆ Nature of Demand Patterns, often considered in textbooks under the heading ‘Perishability’, organisational response to demand patterns

The Marketing Mix in Service Organisations

- ◆ As a consequence of the above characteristics, the concept of the extended services mix, with particular emphasis on people, process and physical evidence.

As indicated under the Assessment Guidelines section, assessment for this Outcome could take the form of structured questions based on a case study, allowing candidates to demonstrate their knowledge and understanding of the distinctive characteristics of services marketing as they apply to a specific organisational context. How the assessment is administered is at the discretion of the Centre, but any case study material used should be topical, and the specific context — consumer, business-to-business, not-for-profit — should not be made known to candidates in advance.

Outcome 2

Explain the Techniques of Service Marketing

This Outcome will provide candidates with a deeper insight into key theoretical concepts and frameworks relating to services marketing, and with an opportunity to apply a sampled range of the theory to the current practices of a well-known service provider.

Higher National Unit specification: support notes (cont)

Unit title: Services Marketing

Service Design and Delivery as they contribute to customer satisfaction

- ◆ Modelling the Buying Process for Services: risk and service purchasing decisions, decision-making units, differences between personal and business buying of services, the impact of IT on consumer services buying processes
- ◆ Critical Incidents: service provision as a process with a number of points at which customers have an opportunity to evaluate the service provider, identifying critical incidents, facilitating complaints
- ◆ Servicescapes: the impact of the service environment (use of colour, lighting, floor plan, signposting, queuing conditions etc.) in encouraging entrance, retention and repeat visit

Considerations in Pricing of Services

- ◆ Service costs/service quality/ service profitability — potential trade-off.
- ◆ Customer Expectations: creation of expectations, the increasingly demanding customer, competitive advantage through delivery of customer delight rather than satisfaction, the link between expectations and perceived quality
- ◆ The competitive environment — premium versus low-cost
- ◆ Pricing and customer loyalty

Promoting a Service

- ◆ Developing the Service Brand: making the intangible more tangible, risk reduction, the importance of corporate branding in services
- ◆ The services promotional mix, including advertising, sales promotion, personal selling, public relations, direct marketing and online marketing, but also considering the particular importance of word-of-mouth, and the promotional role of front-line employees

‘Customer Service’ and its role in the marketing of services

- ◆ Perceived quality in the delivery of customer service, linked with customer expectations
- ◆ Competitive advantage through customer service, implications for human resource management
- ◆ Customer delight as opposed to mere satisfaction
- ◆ Implications of improving service levels, computer-mediated encounters as a means of delivering improved customer service
- ◆ Service failure and recovery — handling complaints as part of the service

Evaluation of Services

- ◆ Using quantitative research methods to assist evaluation, uses and limitations of customer satisfaction surveys
- ◆ Using qualitative methods — customer panels, mystery shoppers, analysis of complaints, employee research, intermediary research
- ◆ Benchmarking — setting standards based on studying best practice

Higher National Unit specification: support notes (cont)

Unit title: Services Marketing

Although the above content might appear excessively detailed for a single credit Unit, it is anticipated that the tutor would cover each area at an introductory level only, leaving the candidate to develop their knowledge and understanding of the sampled areas through independent reading and research. To that end, it is recommended that candidates be given an early opportunity to choose the appropriate organisation that will form the basis for their written report. On completion of delivery of each knowledge/skills area, the tutor could allocate class time to the individual selection and development of the required sample from that area, taking the characteristics of the chosen organisation into account. This would allow independent research and application of theory to take place at various stages of delivery.

It is envisaged that the items selected will not be uniform for a class, but instead will be chosen through consultation between the tutor and the individual candidate, taking the particular organisational characteristics and context into account.

Opportunities for developing Core Skills

There are opportunities to develop the Core Skills of Communication at SCQF level 6 in this Unit, although there is no automatic certificate of Core Skills or Core Skills components.

Although Communication skills are not formally assessed, candidates will be expected to produce and present written reports to a professional standard; to express all essential ideas and complex information accurately and coherently; to use a formal structure and recognised format; and to check language, spelling, punctuation and syntax for accuracy. The availability of suitable software packages to support accuracy and professional presentation could be advantageous.

Open learning

This Unit is suitable for open learning with tutor support where open learning packs or the electronic equivalent are made available for candidates. Where candidates are in employment within the service sector, they should be encouraged to study the practices of their employers in meeting Outcome 2, provided that such employers provide adequate scope for a thorough explanation and application of the sampled services marketing techniques. For further information and advice, please refer to the SQA guide: *Assessment and Quality Assurance for Open and Distance Learning* (A1030, February 2001).

Candidates with disabilities and/or additional support needs

The additional support needs of individual candidates should be taken into account when planning learning experiences, selecting assessment instruments or considering alternative Outcomes for Units. For information on these, please refer to the SQA document *Guidance on Alternative Assessment Arrangements for Candidates with Disabilities and/or Additional Support Needs*, which is available on SQA's website: www.sqa.org.uk.

General information for candidates

Unit title: Services Marketing

This Unit is designed to give you an understanding of the specific issues that relate to marketing in a range of service contexts. It focuses on the development of services marketing theory, and on the application of that theory to service providers.

Given the dominant role played by the service sector within our national economy, and the fact that even the purchase of many products includes some element of service delivery, this Unit will have widespread relevance to those of you pursuing a career in marketing management.

In order to complete this Unit successfully you are required to achieve a satisfactory level of performance in two pieces of work, along the lines of:

- ◆ one structured question paper linked to a case study
- ◆ one report that demonstrates your ability to explain the techniques of services marketing in relation to a well-known service provider