

Services Marketing in Asia: Managing People, Technology and Strategy (Second Edition)

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Christopher Lovelock, Jochen Wirtz, Hean Tat Keh & Xiongwen Lu (2004)

Services Marketing in Asia is a textbook designed for advanced undergraduate degree students or Master of Business Administration students working in an Asian business environment. This is the only textbook on services marketing that has been specifically written with a direct focus on Asian practice, viewed from multiple perspectives. The book is a successful attempt to provide a comprehensive knowledge of the service marketing and management concepts.

The content of the book serves to introduce students to the latest research and developments in the services sector, ranging from customer relationship management, customer asset management, and six sigma quality to revenue (yield) management and customer feedback systems. It substantially covers consumer behaviour issues, service staff management issues, branding, business-to-business services, and technology-based services. The book has a four-part structure. Part one, Understanding Service Products, Consumers, and Markets, contains chapters 1 to 3 (“An Introduction to Service Marketing”, “Consumer Behaviour in Service Encounters”, and “Positioning Services in Competitive Markets”). Part two, Key Elements of Service Marketing, contains chapters 4 to 7 (“Creating the Service Product”, “Designing the Communication Mix for Services”, “Pricing and Revenue Management”, and “Distributing Services”). Part three, Managing the Service Delivery Process, contains chapters 8 to 11 (“Designing and Managing Service Processes”, “Balancing Demand and Capacity”, “Planning the Service Environment”, and “Managing People for Service Advantage”). Part four, Implementing Service Marketing, contains chapters 12 to 15 (“Managing Relationships and Building Loyalty”, “Customer Feedback and Service Recovery”, “Improving Service Quality and Productivity”, and “Organizing for Service Leadership”).

As the authors note, the key features of this book include its strong managerial orientation and strategic focus, use of memorable conceptual frameworks, incorporation of key academic research findings, use of interesting examples to link theory to practice, and inclusion of carefully selected cases to accompany the text chapters.

The book is especially useful at present because of the rapid growth of service sectors in Asian countries. The cases provide a broader coverage of service issues and application areas on firms operating across many Asian cultures (e.g., Banyan Tree, DHL, KFC, McDonald’s and Giordano) as well as organizations operating in specific Asian countries and regions, including China, Hong Kong, Taiwan, India, Malaysia, Myanmar, the Philippines, and Singapore.

Let’s look more closely at a few of the chapters to get a feel for the book. Chapter 2, “Consumer Behaviour in Service Encounters”, analyses how the extent of customer contact in service encounters affects the nature of service encounters, shapes consumer behaviour and can impact strategies for achieving productivity and quality improvements. The authors take a range of service organisations to discuss how the nature of service emphasises customer interaction with equipment used in service creation and delivery or with service personnel. Using illustrations based on the National University of Singapore (NUS) and China Unicom Ltd. (a telecommunication service in China), the authors contrast consumer behaviour in high- and low-contact service situations. Another section in this chapter focuses on customer expectations. Giving the example of Daniel Bethany of American Express that consumers want “memorable experiences, not gadgets”, the authors state that service companies must understand this shift in consumer behaviour and attitude to create opportunities for differentiation. Expectations are likely to vary in relation to differently positioned service providers in the

same industry. While travellers expect no frills service for a short domestic flight on a budget carrier, they would undoubtedly be very dissatisfied with that same level of service on a full service airline flying from Kuala Lumpur to Hong Kong, even in economy class. Taking the case of the Sunway Lagoon in Malaysia, the authors succinctly illustrate that customers may base their prepurchase expectations on factors like news stories, the firm's marketing efforts, word-of-mouth, etc. At several places the chapter presents illuminating insights from various magazines published in Asia.

Chapter 3, "Positioning Services in Competitive Markets", emphasises the need to examine levels of competition in the market for services firms and analyses various issues involved in developing a positioning strategy. Presenting the case of DHL "No one knows Shanghai like we do. Here's your chance to get to know it better too", DHL's positioning strategy in China is based on an in-depth knowledge of Asia and hence DHL's ability to deliver on time, every time, is demonstrated. The authors discuss the topic of segmentation to develop appropriate positioning strategies. The examples of Shin Kong Life Insurance Company promoting the 'specially Designed for Women' insurance policy targeted at young working women of China (p. 81), and the ICICI's example (p. 82) focusing on the rural population of India, explain the need to develop the right service concept for a particular target segment. Further, the

authors discuss that local knowledge is the most important factor for a service firm to succeed in an overseas market. This is illustrated through the example of HSBC (Hong Kong and Shanghai Banking Corporation) (p. 85) showing the different associations among people from three different countries of the meaning of "bread" (Philippines, India and Germany).

Chapter 14, "Improving Service Quality and Productivity", reviews the challenges involved in improving both productivity and quality in service organisations. The implementation of service marketing strategies for improving customer satisfaction should not prove costly and disruptive for the service firm. Chapter 15, "Organizing for Service Leadership", discusses that marketing activities in service organizations extend beyond the responsibilities assigned to a traditional marketing department. The service leadership of INFOSYS Technologies, India's premier software house, clearly shows that the underlying success factors are consistent focus and commitment to stakeholders, clients, employees, and innovation.

In sum, *Services Marketing in Asia* contains adequate information to make a valuable contribution to best-practice services management in Asia.

Neeru Sharma
University of Western Sydney

Those who manage technological change must often serve as both technical developers and implementers. As a rule, one organization develops the technology and then hands it off to users, who are less technically skilled but quite knowledgeable about their own areas of application. This distinction is important because selling starts with a finished product; marketing, with research on user needs and preferences. Marketing executives worry about how to position their product in relation to all competitive products and are concerned with distribution channels and the infrastructure needed to support product use. *Services Marketing in Asia* is a textbook designed for advanced undergraduate degree students or Master of Business Administration students working in an Asian business environment. This is the only textbook on services marketing that has been specifically written with a direct focus on Asian practice, viewed from multiple perspectives. As the authors note, the key features of this book include its strong managerial orientation and strategic focus, use of memorable conceptual frameworks, incorporation of key academic research findings, use of interesting examples to link theory to practice, and inclusion of carefully selected cases to accompany the text chapters. The book is especially useful at present because of the rapid growth of service sectors in Asian countries.