



## Faculty of Economics, Thammasat University

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### COURSE OUTLINE

#### EE 382 ECONOMICS OF SERVICE SECTORS

**Semester:** 1/2019 (August – December 2019)

**Instructor** Asst. Prof. Dr. Nessara Sukpanich  
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**Lecture Time:** Tuesday and Thursday: 12:30 - 2.00 p.m.

**Office Hours:** By appointment

**Lecture Venue:** Faculty of Economics, 303

**Prerequisites:** a) EE 210 or b) EE 211 and EE 212 or c) EE 213 and EE 214

#### Course Description:

Organization and components of the services sector in an economy. Importance of the services sector. Applying economic and management aspects to selected service sectors, for example telecommunication and broadcasting, tourism, transportation, health and wellness, wholesale and retail trades. Case studies in the services sector relating to development and inclusive growth.

#### Course Objectives:

Student can apply microeconomics and macroeconomic theories to analyze service sector in various aspects such as development in service sector, contribution of service sector to economy, trade and investment in service sector, measurement in service sector and the analysis of selected service sectors markets, etc.

#### Evaluation:

Group project/group assignments	35%
Individual assignment/participation	15%
Final exam (December 3, 2019, 9.00 a.m. – 12.00 p.m.)	50%

## Recommended Text

Fitzsimmons, J. A., Fitzsimmons M. J. and Bordoloi, S., *Service Management Operations, Strategy, Information Technology*, 8<sup>th</sup> Edition, McGraw-Hill, 2014

Jansson, J. O., *The Economics of Services: Microfoundations, Development and Policy*, 2<sup>nd</sup> Edition, Edward Elgar, 2013

Zhou, Z., *The Development of Service Economy: A General Trend of the Changing Economy in China*: Truth & Wisdom Press and Springer Science+Business Media Singapore, 2016

## Course Policy

- ◆ Use of cellphone or electronic device is not allowed in class unless specify in class or for reasonable purposes
- ◆ Dress properly to class
- ◆ No make-up exam

## Topics:

### 1. Introduction

- 1.1 Overview
- 1.2 Relevant definitions
- 1.3 General characteristics of service
- 1.4 Classification of service and service industry
- 1.5 Measurement of service Economy
- 1.6 Service sector in Thailand

#### Reading

Text: Fitzsimmons, Fitzsimmons and Bordoloi (2014), Ch. 1; Zhou (2016), Ch. 3  
Paper: OECD (2000), Park and Shin (2012), World Trade Organization (1991)

### 2. Economic Impact of Service Sector

- 2.1 Service in National Accounts
- 2.2 Economic impact of service sector: the case study of travel and tourism industry
- 2.3 Service sector and economic growth

#### Reading

Text: Fitzsimmons, Fitzsimmons and Bordoloi (2014), Ch. 1  
Paper: OECD (2000); World Travel & Tourism Council (2015); World Travel & Tourism Council (2017); Park and Shin (2012); United Nations (2008a), United Nations (2008b)

### 3. Development of Service Industry and Service Economy

- 3.1 Service industry evolution mechanism and track characteristics
- 3.2 Basic features of service economy development trend
- 3.3 Factors affecting service sector growth and service economy development

Reading

Text: Fitzsimmons, Fitzsimmons and Bordoloi (2014); Ch. 1, Ch. 3; Zhou (2016); Ch. 3, Ch. 4, Ch. 5, Ch. 6

Paper: OECD (2000); Park and Shin (2012)

#### **4. Service Supply, Demand and Market equilibrium**

4.1 Service costs

4.2 Service supply and demand at system level and market equilibrium

4.3 Demand for service (macro perspective)

Reading

Text: Jansson (2013), Part II, Fitzsimmons, Fitzsimmons and Bordoloi (2014), Ch. 1, Zhou (2016), Ch. 4

Paper: TBA

#### **5. Service Market Analysis (Structure Conduct and Performance)**

Reading

Text: Fitzsimmons, Fitzsimmons and Bordoloi (2014), Ch. 2, Zhou (2016), Ch. 4, any standard textbook in Industrial Organization

Paper: TBA

#### **6. Service Quality and Measurement**

6.1 Dimension of service quality

6.2 Service quality GAP model

6.3 Measuring service quality

6.4 Quality service by design

6.5 Achieving service quality

6.6 Service recovery framework

Reading:

Text: Fitzsimmons, Fitzsimmons and Bordoloi (2014), Ch. 6

#### **7. Service Innovation**

7.1 Service innovation categories

7.2 Service innovation model

7.3 Innovation strategy

Reading:

Paper: Edvardsson and Olsson (1996)

#### **8. International Trade in Service**

Reading

Paper: Goff (2015); OECD (2000); others TBA

## Reference (other than earlier specified recommended text)

- Edvardsson, B. and Olsson, J. (1996). Key concepts for new service development. *The Service Industries Journal*; Apr 1996; 16, 2; ABI/INFORM Global, PP. 140-164.
- Fitzsimmons, J. A., Fitzsimmons M. J. and Bordoloi, S., *Service Management Operations, Strategy, Information Technology*, 8<sup>th</sup> Edition, McGraw-Hill, 2014
- Goff, P.M. (2015). The Trade in Services Agreement Plurilateral Progress or Game-Changing Gamble? *CIGI Papers, No. 53*.
- Jansson, J. O., *The Economics of Services: Microfoundations, Development and Policy*, 2<sup>nd</sup> Edition, Edward Elgar, 2013
- Navarro, T. M. and Roura, D. R. (2010). Growth and Productivity in the Service Sector: The State of the Art. *Working Papers, the Institute of Social and Economic Analysis*.
- OECD (2000). The Service Economy. *Science Technology Industry: Business and Industry Policy Forums*.
- Park, D. and Shin, K. (2012). The Service Sector in Asia: Is it an Engine of Growth. *ADB Economics Working Paper Series, No. 332*.
- World Travel & Tourism Council (2015). How Does Travel & Tourism Compare to Other Sectors, *Benchmark Report*.
- World Travel & Tourism Council (2017). *Travel & Tourism Economic Impact 2017 Thailand*.
- United Nations (2008a). *Tourism Satellite Account: Recommended Methodological Framework 2008*.
- United Nations (2008b). *International Recommendations for Tourism Statistics 2008*.
- Zhou, Z., *The Development of Service Economy: A General Trend of the Changing Economy in China*: Truth & Wisdom Press and Springer Science+Business Media Singapore, 2016

## Note

Content in outline is subjected to change and update