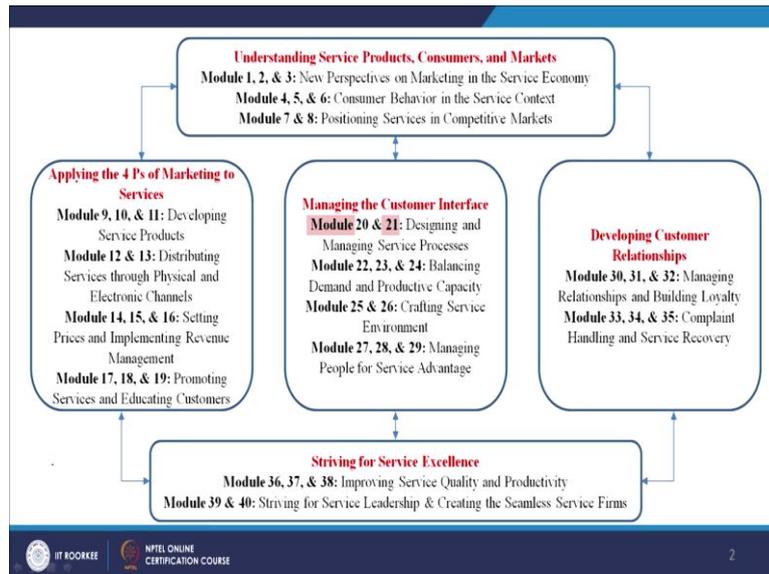


Service Marketing: Integrating People, Technology, Strategy
Professor Zillur Rahman
Department of Management Studies
Indian Institute of Technology, Roorkee
Lecture 21

Designing and Managing Service Processes - Part 2

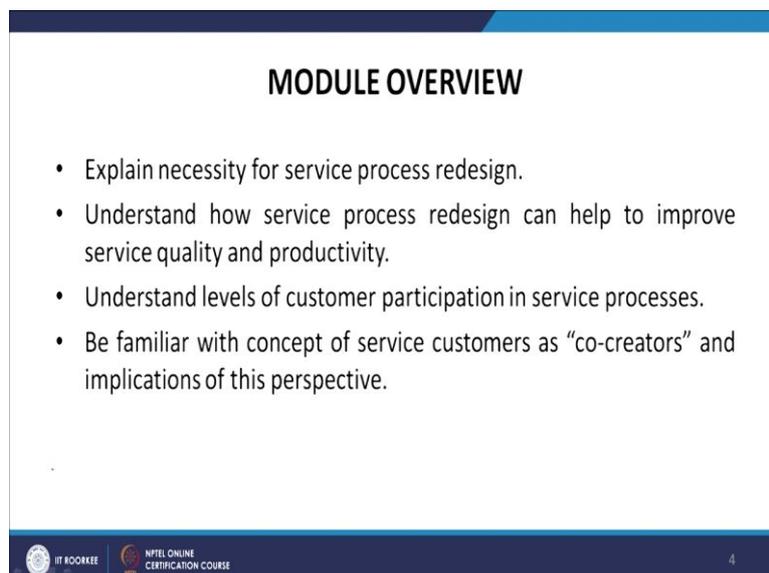
Welcome to the course on services marketing, now we will start the third section of this course that is managing the customer interface.

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Now, in this section we have module 20 to 29 and module 20 and 21, in this two modules we will be talking about designing and managing service processes. We have talked about the module 20 and today we will start discussing module 21.

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So, let us see what are the things that we will be talking about in this module. So, we will explain necessity for service process redesign. Understand how service process redesign can help to improve service quality and productivity. So, the first is the necessity for service process redesign and then, we will try to understand how it will improve service quality and productivity.

Then, we will understand levels of customer participation in service processes and familiarize with the concept of service customers as co-creators and implications of this perspective. So, there are two things that we will talking about, the first is about the service provider and the second is these two relates to the customer.

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MODULE OVERVIEW

- Understand factors that lead customers to accept or reject new self-service technologies (SSTs).
- Know how to manage customers' reluctance to change behaviors in service processes, with respect to the adoption of SSTs.

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Then, we will talk about understanding factors that lead customers to accept or reject new self-service technologies and know how to manage customer's reluctance to change behaviours in service processes, with respect to the adoption of SSTs. So, then we will talk about as I have just pointed out why customers, they accept or reject self-service technologies and then, if the customers are reluctant or they reject the self-service technologies. Then, how companies can change the behaviour in the service processes. So, that the reluctance comes down and customers may start using the new self-service technology.

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SERVICE PROCESS REDESIGN

Need for Service Process Redesign?

- Service processes become outdated overtime
- A natural weakening of internal processes

Figure: Healthcare can be redesigned to better meet customers' needs



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Now, let us start with the service process redesign, so of need for, now keep in mind that in the first place in module 20 we have seen the service process design and over a period of time, there is a need to redesign these processes. So, that is why we are talking about the service process redesign.

Let us look at the need for this service process redesign, the first is service processes, they become outdated overtime and the second reason is a natural weakening of internal processes, it keeps on happening all the time whether in service or in product company. So, there is a need to redesign service processes. So, in this figure which shows that healthcare can be redesigned to meet customer's needs. So, here we are talking about how this doctor is talking to the customer and so on. So, the whole idea is that there is a need to keep on redesigning service processes.

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SERVICE PROCESS REDESIGN

Symptoms that Reflect Need for Process Redesigning:

- A lot of information exchange is needed as the data available is not useful.
- A high ratio of checking or control activities to value-adding activities.
- Increased processing of exceptions.
- Growing number of customer complaints about ineffective procedures.



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Now, symptoms that reflect need for process redesigning. So, when there is a need for service processes redesign. So, what are the symptoms for that, a lot of information exchange. So, the first reason is a lot of information exchange is needed as the data available is not useful. So, the existing data is not useful and therefore, there is a need to gather lots of information, so that is the first symptom of service process redesign.

The second is a high ratio of checking or control activities to value-adding activities. Now, here the ratio of this control activities is becoming greater as compared to the value-adding activities in the processes. So, now you see that the company is spending more resources on control activities or checking activities rather than value-adding activities.

So, that is another symptom that the service process needs a redesign. The third reason is increased processing of exceptions. So, now in the first place the company has designed certain exceptions as we have seen in module 20. They have designed certain exceptions in the process, now the third reason for this process redesign is that the number of exceptions, they are increasing.

And therefore, there is an increased processing of exceptions. So, something along the service delivery processes is going wrong because obviously the customers needs and wants to keep on changing. And the fourth reason is growing number of customer complaints about ineffective procedures, so and one of the most obvious reason for service process redesign is the customer complaints. The procedures are ineffective and you should do something about those processes.

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SERVICE PROCESS REDESIGN - IMPROVING QUALITY AND PRODUCTIVITY

Redesign efforts focus on achieving the following four key objectives:

1. Reduced number of service failures.
2. Reduced cycle time from customer initiation of a service process to its completion.
3. Enhanced productivity.
4. Increased customer satisfaction.



  8

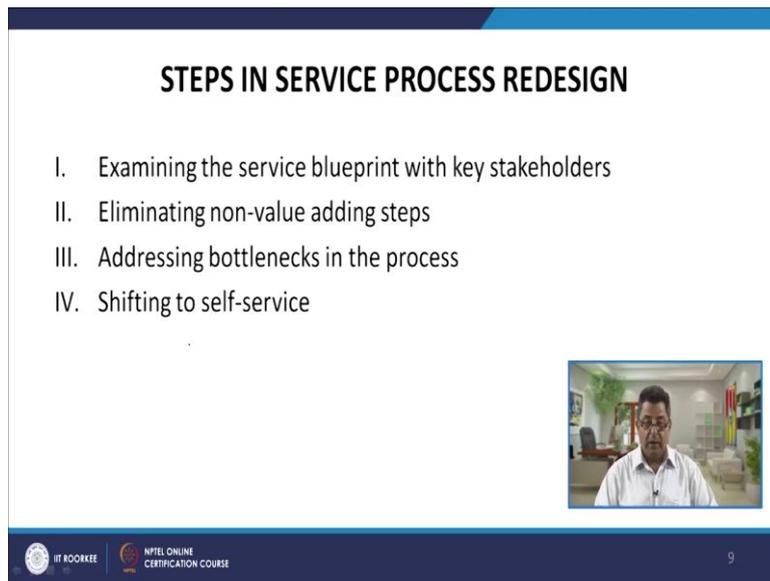
Now, when we are looking at this service process redesign, then let us also talk about how to go about improving quality and productivity. So, the redesign efforts focus on achieving the following four key objectives, so in the last slide we have seen the symptoms for the process redesign.

And then, now we will talk about what are the key objectives for this process redesign. So, the first is reduced number of service failures. So, when the service failures keeps on increasing, so that service failures as we have talked about earlier, is anybody delivery that does not meet customer expectations. So, service failure can be, because customer expectations have gone up or because there is some problem in the processes.

So, the first objective of this service process redesign is the reduced number of service failures. The second objective is reduced cycle time from customer initiation of a service process to its completion. Now, customers they are running shorten time and they want the process to be completed in lesser amount of time. Therefore, there is a need to reduce the cycle time.

The third is increased the productivity and the fourth objective of the service process redesign is increased customer satisfaction. So, these are the four objectives which should be achieved when we want to go in service process redesign.

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STEPS IN SERVICE PROCESS REDESIGN

- I. Examining the service blueprint with key stakeholders
- II. Eliminating non-value adding steps
- III. Addressing bottlenecks in the process
- IV. Shifting to self-service

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Now, how the service process redesign happens? What are the steps in this service process redesigning process? The first is examining the blue print with key stakeholders. So, in module 20 we have seen the flowchart and the blueprints of the service processes. So, the first step here in service process redesign is to examine those service blueprints which will also have the key to stakeholders, looking at it at the same time. Eliminate non-value adding steps, over a period of time as we have mentioned earlier in this module. Some steps, they have become redundant.

So, now there is a need to eliminate those non-value adding steps. The third step in this process of service process redesign is addressing bottlenecks in the process. So, there may be bottlenecks, the waiting period has increased so there is a need to address this bottlenecks and the fourth is shifting to self-service. So, these are the four steps in this processes. In some cases you can involve customers.

For example, in quick service restaurants in McDonald's and so and so forth. People are expected to bring their food and then to stove away the tray. So, then now the fourth objective of this service process redesign is that we shift some of the activities to the customer so that become, shifting to self-service. Customers do the service for themselves.

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I. EXAMINING THE SERVICE BLUEPRINT WITH KEY STAKEHOLDERS

- It will help in identifying problems in a service process and discover ways to improve it.
- Each of the stakeholders in a process (i.e., customers, frontline employees, support staff, and IT teams) should be invited to review the blueprint with the purpose of brainstorming for ideas on how to improve the process.
- This involves identification of missing or unnecessary steps and changes in sequence.



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Let us start with the first objective, examining the service blueprint with key stakeholders. So, you may recall that a blueprint is a flowchart of all these activities and it also has the time and the processes, what are the activities that will be happening in front of the customers? What are the backstage activities that keeps on happening all the time? So, this it will help in identifying problems in a service in a service process and discover ways to improve it.

So, now various stakeholders, the customers, the employees, the front-stage employees, the back-stage employees, so lots of people are looking at this blueprint. So, now this will help in identifying problems and discover how to improve on those processes. The second step is each of the stakeholder in the process, the customer and the frontline employees, the support staff and the IT teams should be invited to review the blueprint with the purpose of brainstorming for ideas on how to improve the process.

So, now there will be lot of ideas when every stakeholder is looking at this process, the customers will come up with some ideas, the front-stage employees or the support staff, they will come up with some ideas on how to improve the process. So, this involves identification of missing or unnecessary steps and changes in sequence.

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- Stakeholders also highlight ways in which developments in information technology, equipment, and new methods offer advantages.
- For e.g.
 - Avis does research each year on what factors car renters care about the most.
 - It breaks down the car rental process into more than 100 incremental steps, including:
 - making reservations, finding the pickup counter, getting to the car, driving it, returning it, paying the bill, and so forth.



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Then, else stakeholders they also highlight ways in which developments in information technology, equipment and new methods offer advantages. For example, Avis is the car rental company, like we have those Uber etc. So, Avis does research every year on what factors car renters care about the most.

So, it breaks down the car rental process into more than 100 incremental steps, so you see that this is a small process, but even this small process is broken down into 100 incremental steps and that includes, making reservations, finding the pickup counter. Getting to the car, driving it, returning it, paying the bill, and other associated activities.

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- Because Avis knows customers' key concerns, it claims it can quickly identify ways to improve their satisfaction while also driving the firm's productivity.
- What travelers most desire is to get their rental car quickly and drive away, so the firm has designed its processes to achieve that goal.



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Because Avis knows customer's key concerns, it claims it can quickly identify ways to improve their satisfaction while also driving the firm's productivity. So, now when this company says that they know the customer's key concerns. And keep in mind that these key concern may be changing over a period of time.

So, because this company knows the customer's key concerns, it can quickly identify ways to improve their satisfaction and at the same time increasing the productivity of the company, so what travellers most desire is to get their rental car quickly and drive away, so the firm has redesigned its processes to achieve that goal. So, this is the concern of the traveller that they should get their car quickly. And this is how the company has redesigned its processes.

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II. ELIMINATING NON-VALUE ADDING STEPS

- Activities at the front-end and backend processes of services can be streamlined with the goal of focusing on the benefit producing part of the service encounter.
- The outcomes of such process redesigns typically include increased productivity and customer satisfaction.
 - For example, a customer wanting to rent a car is not interested in filling out forms, processing payment, or waiting for the returned car to be checked.
- Service redesign tries to eliminate such steps that customers view as non-value adding.

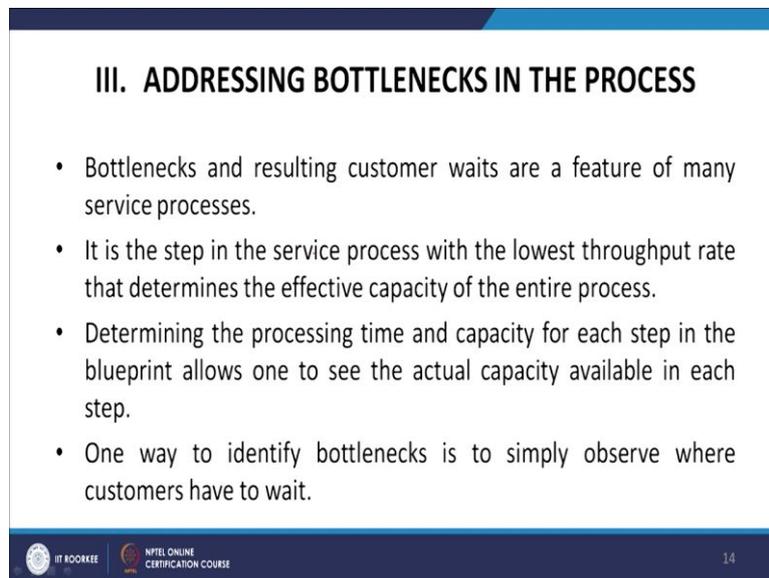
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The second objective is to eliminate non-value adding steps, now let us look at how to go about doing that. So, activities at the front-end and backend processes of services can be streamlined with the goal of focusing on the benefit producing part of the service counter. So, you see that now we are looking at this front-end and the back-end activities.

And to streamline those activities, so that the service encounter is benefit producing. Then, the outcomes of such process redesigns typically include increased productivity and customer satisfaction. For example, a customer wanting to rent a car is not interested in filling out forms, processing payment, or waiting for the returned car to be checked. So, what he is interested is that he should get the car quickly and he can drive away in that car.

So, service redesign tries to eliminate such steps that customers view as non-value adding. So, now these steps are to be looked from the customer's point of view, which steps are value-adding and which steps are not value-adding or what customer's think as waste of time.

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III. ADDRESSING BOTTLENECKS IN THE PROCESS

- Bottlenecks and resulting customer waits are a feature of many service processes.
- It is the step in the service process with the lowest throughput rate that determines the effective capacity of the entire process.
- Determining the processing time and capacity for each step in the blueprint allows one to see the actual capacity available in each step.
- One way to identify bottlenecks is to simply observe where customers have to wait.

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The third thing is addressing the bottlenecks in this process. So, bottlenecks and resulting customer waits are a feature of many service processes. So, as you may recall that in module 20, we have marked, we have seen that they have marked wherever the customers have to wait. So, it is the step in the service process with the lowest throughput rate that determines the effective capacity of the entire process.

So, once there is a bottleneck that will affect the whole of this process. So, that is the biggest problem because, somewhere along the process people, the waiting line keeps on increasing. So, determining the processing time and capacity for each step in the blueprint allows one to see the actual capacity available in each step. One way to identify bottlenecks is to simply observe where customers have to wait. So, where the customers are waiting, that is clearly a bottleneck which need, and that needs to be addressed because that is a waste of time.

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IV. SHIFTING TO SELF-SERVICE

- Significant productivity and sometimes even service quality gains can be achieved by increasing self-service.
- For example, decades ago, FedEx already aimed and succeeded in shifting more and more of its transactions from its call centers to its website, thus reducing the number of employees in its call centers by tens of thousands of people.



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The fourth objective is shifting to self-service, significant productivity and sometimes even service quality gains can be achieved by increasing self-service. So, now with this self-service you can increase productivity because now several activities are done by the customers themselves and that will also sometimes give greater service quality, better service quality.

For example, decades ago, FedEx already aimed and succeeded in shifting more and more of its transactions from its call centres to its website, thus reducing the number of employees in its call centres by tens of thousands of people. Just by shifting many processes from call centre to the website, they were able to save so much by removing tens and thousands of people from the call centres.

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CUSTOMER PARTICIPATION IN SERVICE PROCESSES

- Customer participation refers to the ¹actions and ²resources supplied by customers during service production, including mental, physical, and even emotional inputs.
- ~~Various~~ Levels of customer participation:
 - 1. Low Participation Level** – employees and systems do all the work. E.g. routine cleaning and maintenance, visiting a movie theater, taking a bus etc.



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Now, what does this customer participation in service processes means? So, customer participation refers to the actions and resources supplied by customers during service production, including mental, physical, and even emotional inputs. So, now the customers they are carrying out certain actions and they are also investing some resources and that may include the physical, mental and emotional inputs.

And there can be various levels of customer participation, the first is low participation level, now keep in mind that we are talking about customer participation from two angles. The first is the action and the second is the resources. So, low participation means employees in system do all the work, for example, routine cleaning and maintenance, visiting a movie theatre, taking a bus, etc. So, now here what the customer's they have to go to the bus stand, they have to board the bus and they have to set the rest of the thing are being taken care by the employees.

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2. Moderate Participation Level – customers' inputs are required to assist the firm. E.g. visiting a stylist, filing tax returns etc.



The image shows a man in a dark suit and a woman in a light blue shirt looking at a tablet together. They appear to be in a professional setting, possibly a business meeting or a consultation.

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The second is moderate participation levels, so customer's inputs are required to assist the firm, for example visiting a stylist, filing tax returns etc. So, now customers they go to the stylist, they take a seat there and then, they also have to give inputs about what kind of fare they want. So, that is moderate participation level.

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3. High Participation Level – customers work actively with the provider to co-produce the service.

- E.g. marriage counseling, educational services etc.
- Customer works under professional supervision in health-related services.



The image shows a group of people practicing yoga in a studio. A woman in a blue tank top is in the foreground, performing a yoga pose. Other people are visible in the background, also practicing yoga.

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The third is high participation level, customers work actively with the provider to co-produce the service. For example, marriage counselling, educational services etc, so that the students have to keep on learning what the teacher is telling them. Customer works under professional supervision in health-related services. So, now you see that this is high level of participation.

There is a person who is telling them how to do all these kind of stretching and yoga exercises. They have to do it along with him.

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CUSTOMERS AS SERVICE CO-CREATORS

- Value is created when the customer and service providers interact during production, consumption and delivery of the service.
- Service firms need to look at how customers themselves can contribute effectively to value creation.
- Firms need to educate and train customers.
- Firms should focus on preventing customer failures.

Handwritten notes:
When customer fails to do what he/she is supposed to do.
↓
Value destruction
Company customer

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Now, when customers as service co-creators, customers they also co-create the service. So, value is created when the customer and service providers interact during production, consumption and delivery of the service. So, these are the three stages production, consumption and delivery of the service.

So, value is created when the customer and service providers, they interact. During these three stages, service firms need to look at how customers themselves can contribute effectively to value creation. Firms need to educate and train customers, now the firm, the task of the firm is to educate and train the customers to contribute effectively to this value creation process.

Because, if they are not educated and trained, then they may not be able to contribute effectively to this value creation process and instead of value creation, it may lead to value destruction. So, firm should focus on preventing customer failures. If the customer fails, if he is not able to do what he is supposed to do, then that is what is called as customer failures.

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SELF-SERVICE TECHNOLOGIES (SSTs)

- Ultimate form of involvement in service production – customers undertake an act on their own, using facilities/systems provided by service supplier.
- SSTs allow customers to produce a service without direct employee involvement.



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Now, what are these self-service technologies which are called as SSTs. That is the ultimate form of involvement in service production customers undertake an act on their own, using facilities, systems provided by the service supplier. So, the facilities in systems are provided by service supplier and then, customer they undertake an act, they do something by themselves.

So, SSTs allow customers to produce a service without direct employee involvement. So, the employees are replaced by these facilities and systems and the customers they interact with the technology rather than with the employees.

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- Examples include automated banking terminals, self-checkout terminals at supermarkets, as well as information-based services such as banking, research, even education.

ATMs



*Web checkins
Filling Stations*

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So, example of the self-service technologies they include automated banking terminals or we can say ATMs, self checkout terminals at supermarkets as well as information-based services such as banking research, even education. Then, you can also have those web check-ins, then there are some filling stations, where you go, fill your diesel or petrol tank, then you pay through your credit or debit cards.

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BLUEPRINT OF A SELF-SERVICE INTERNET-DELIVERED BANKING PROCESS

- Companies can divert customers from using more expensive alternatives such as face-to-face contact with employees.

Company / Customer

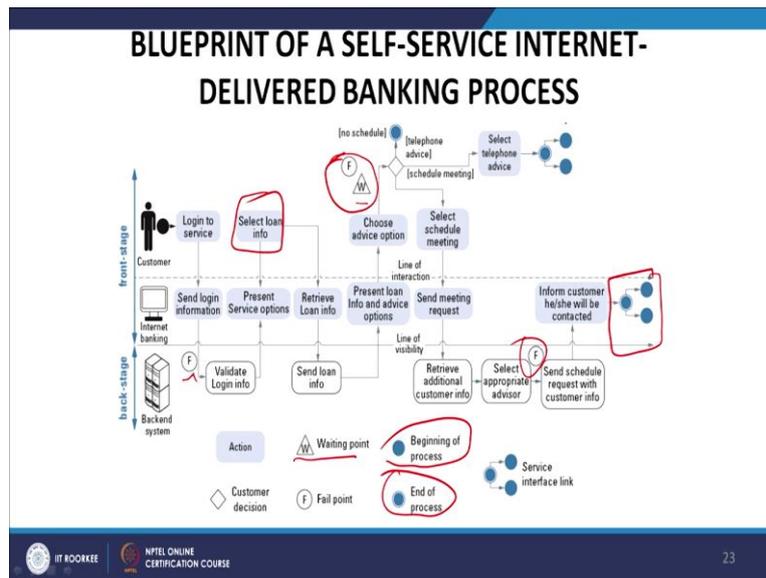


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Now, let us look at the blueprint of a self-service internet-delivered banking process. So, companies can divert customers from using more expensive alternatives such as face-to-face contact with employees. Now, you see that it is always more expensive both for the company and the customers.

This face to face, contact is always more expensive for both the company as well as the customer because customers have to spend time to come to the facility, the company will have that kind of capacity they should also have that parking spaces etc so that the customer can come. So, that is always an expensive proposition.

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So, now what companies do is to divert customers from using this face-to-face contact with the employees and move on to the self-service technologies. So this is the blueprint of a self-service internet delivered banking process. Now, you see that for a plain simple banking process, this is such a big blueprint. So, these two lines, they show these are the front-stage and these are back-stage.

As you may recall the front-stage is what the customer sees and the back-stage is what the customer does not see and these things, these are the customer decisions, F represents the fail points, this is the end of process. This is the beginning of the process, then this W says waiting point. Now, this customer he logs into the service, now that sends login information, then at the backend, these are some internet banking terminals and backend systems.

In the backend, the login, they have to validate the login. Now, this is the fail point, several times it says, it happens login and it says that it is not successful. If it is successful, then it moves back to present service options. So, I suppose most of you or many of you would have done that internet banking. So, you may be aware of several things and then, you select this customer loan information.

Now, you see that the customer is able to see the service options and the loan information. Then, they retrieve the loan information and send the loan information. Now, this where the waiting time happens. This is also a fail point, so now see that this is such an important area. The telephone advice and the schedule meeting, choosing advice options etc. So, this is such an important area that, it is waiting point and it is also a fail point.

And again, this is a fail point, this is again a fail point. So, in all these process there is one waiting point and there are several, three fail points. And then, this service interface link, at the end of the service this is happening, again this is happening here also.

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CUSTOMER BENEFITS AND ADOPTION OF SSTS

Multiple attitudes drive customer intentions to use a specific SST, such as:

- Overall attitudes toward related service technologies,
- Attitudes toward the specific service firm and its employees,
- The overall perceived benefits, convenience, costs, and ease of use customers see in using SST.



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Now, what are the customer benefits and adoption of self service technologies. So, multiple attitudes drive customer intentions to use a specific SST, so what are these multiple attitudes? The first is overall attitudes towards related service technologies. The second is attitudes toward the specific service firm and its employees.

So, it is generic that is towards the related service technologies and it is also towards a specific firm and its employees. And then, the overall perceived benefits, convenience, costs, and ease of use customers see in using SST. So, what do this see, what else is the benefit? How convenient it is whether it is reducing the cost and how easy it is to use this self-service technology.

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CUSTOMER BENEFITS AND ADOPTION OF SSTs

Advantages of using SSTs:

1. Greater convenience, including time saving, faster service, flexibility of timing(e.g., through 24/7 availability), and location(e.g., many ATMs).
 - Customers love SSTs when they bail them out of difficult situations, often because SST machines are conveniently located and accessible 24/7.

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There are several advantages of using this Self Service Technologies. The first is, greater convenience, it includes time saving, faster service, and flexibility of timing through 24, it is available 24 by 7 and location, many ATMs. So, you do not have to go to a branch, there are several ATMs and you can go there and they are available 27 by 7. So, customers love SSTs when they bail them out of difficult situations, often because SST machines are conveniently located and accessible 24 by 7.

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As figure shows, a website is as close as the nearest computer or smartphone, making this option much more accessible than the company's physical sites. If you need cash urgently, wouldn't you be glad that you can obtain cash at one of the many ATMs in town rather than having to hunt for a bank branch?



Figure

A man pays for a transaction with his mobile phone at an Internet kiosk. This makes visiting companies online more convenient than going to the actual site.

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Now, this figure shows, the figure on this right, shows a website is as close as the nearest computer or smartphone, making this option much more accessible than the company's physical sites. So, if you need cash urgently would not you be glad that you can obtain cash at

one of the many ATMs in town rather than having to hunt for a bank branch? So, now here you see that a man pays for a transaction with his mobile phone at an internet kiosk. That makes visiting companies online more convenient than going to the actual site.

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2. Greater control over service delivery, more information, and higher perceived level of customization.

3. Lower prices and fees involved.

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The second is that it leads to greater control over service delivery, more information, and higher perceived level of customization. And then it also leads to lower prices and fees involved.

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CUSTOMER DISADVANTAGES AND BARRIERS IN ADOPTION OF SSTS

- Customers hate SSTS when they fail; e.g.
 - self-service machines are out of service,
 - PIN numbers are rejected,
 - websites are down or
 - tracking numbers do not work
- Get frustrated by poorly designed technologies; e.g.
 - difficulty navigating a website or
 - completing online registrations and forms

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Now, what are the disadvantages and disadvantages they also lead to becoming barriers in the adoption of SSTS. So, customer's hate SST when they fail. For example, self-service machines are out of service, so that is a fail point. PIN numbers are rejected, websites are

down or tracking numbers do not work. So, the customers get frustrated by poorly designed technologies for example, when they have difficulty in negotiating a website or completing online registrations and forms.

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- Get frustrated when they themselves make a mistake; e.g. *Fig*
 - forgetting a password,
 - provide wrong information or
 - simply hitting a wrong buttonCustomers may still blame service provider for not providing a simpler and more user-friendly system.

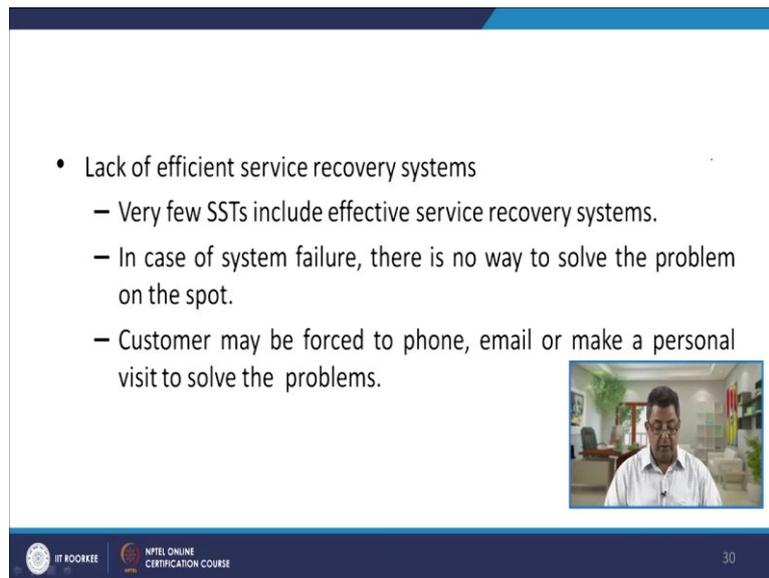


The slide contains a list of reasons for customer frustration: forgetting a password, providing wrong information, or hitting a wrong button. It also notes that customers may still blame the service provider for not providing a simpler and more user-friendly system. To the right of the text is a photograph of a woman sitting at a table with a laptop, looking frustrated with her hand on her forehead. The word 'Fig' is written in red above the photo. At the bottom of the slide, there are logos for IIT Roorkee and NPTEL Online Certification Course, and the number 29.

They get frustrated when they themselves make a mistake because there are chances of making a mistake in SST are higher because there is no one to guide you at the point in time. So, for example, you have forgotten a password all you provide wrong information or simply hit a wrong button, so several times you may hit and delete instead of enter.

So, customers may still blame service providers for not providing a simpler and more user-friendly system. So, this is, look at this figure and how this lady is irritated, because something has gone wrong with this website or whatever she was doing.

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• Lack of efficient service recovery systems

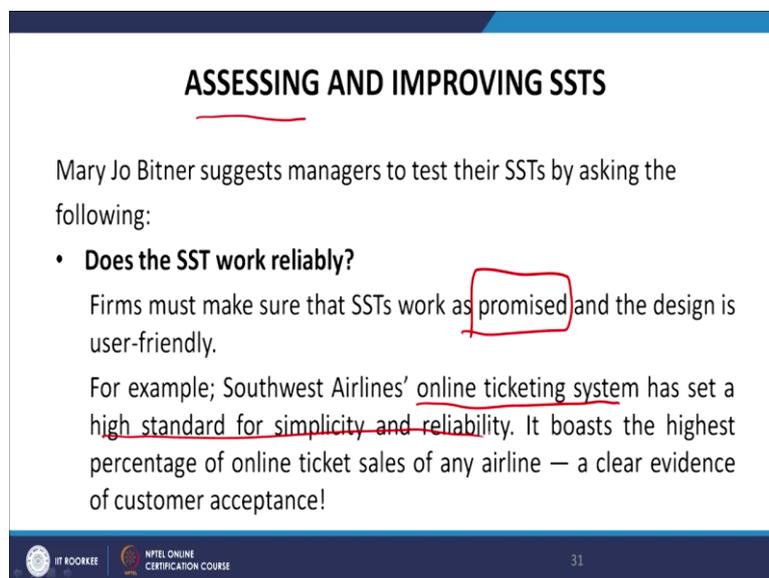
- Very few SSTs include effective service recovery systems.
- In case of system failure, there is no way to solve the problem on the spot.
- Customer may be forced to phone, email or make a personal visit to solve the problems.



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Lack of efficient service recovery systems, so very few SSTs include effective service recovery systems. In case of system failure, there is no way to solve the problem on the spot. If ATM is not working, nobody can do anything about it and it will take time to solve that problem. So, customers may be forced to phone, email or make a personal visit to solve the problem.

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ASSESSING AND IMPROVING SSTs

Mary Jo Bitner suggests managers to test their SSTs by asking the following:

- **Does the SST work reliably?**
Firms must make sure that SSTs work as promised and the design is user-friendly.
For example; Southwest Airlines' online ticketing system has set a high standard for simplicity and reliability. It boasts the highest percentage of online ticket sales of any airline — a clear evidence of customer acceptance!

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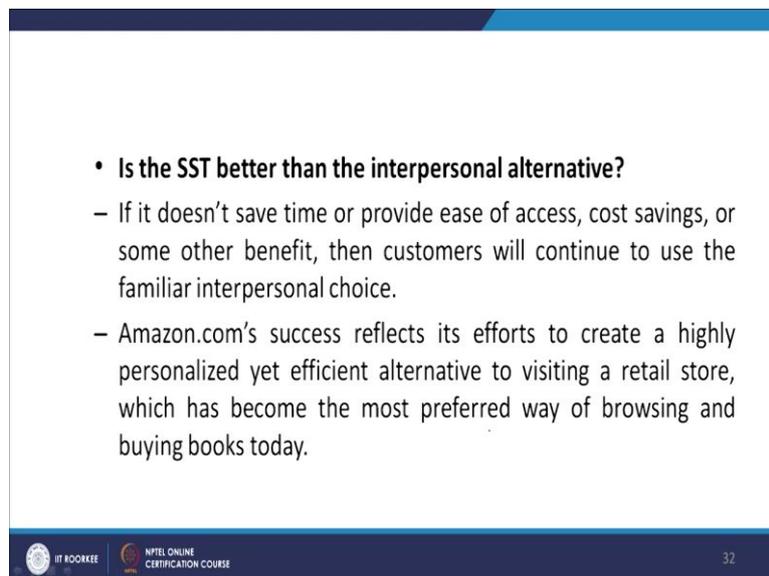
The next important step here is, assessing and improving SSTs. So, the first is that we have to assess how the current, how SSTs are currently doing? Then, find ways to improve those SSTs. So, Mary Jo Bitner, she is a author of a book on service marketing. She is also expert

in this service marketing, suggests managers to test their SSTs by asking the following, the first question that the managers need to ask.

Does the SST work reliably? Firms must make sure that SSTs work as promised and the design is user-friendly. So, in services this is very important, keeping the promises and also the design of that SST should be user-friendly. For example Southwest Airlines online ticketing system has a set a high standard for simplicity and reliability.

It boasts the highest percentage of online ticket sales of any airline, this is a clear evidence of customer acceptance. So, now you see that how successful online ticketing system is, because of the high standard for simplicity and reliability. So, any SST if it has to be successful, it should be fulfilling two criteria, first is simplicity and the second is reliability.

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- **Is the SST better than the interpersonal alternative?**
 - If it doesn't save time or provide ease of access, cost savings, or some other benefit, then customers will continue to use the familiar interpersonal choice.
 - Amazon.com's success reflects its efforts to create a highly personalized yet efficient alternative to visiting a retail store, which has become the most preferred way of browsing and buying books today.

The second question that they need to answer, is the SST better than the interpersonal alternative? So, this interpersonal alternative is always very good but because it involves cost, companies they want to shift those processes to SST. So, the next important question that needs to be answered, is the SST that we are using better than the interpersonal alternatives.

So, if it does not save time or provide ease of access, cost savings, or some other benefit, then customers will continue to use the familiar interpersonal choice. Now, you see that from the customer's point of view, it is always easier to, although it is expensive but it is easier to go to the branch and go the service company site and carry out the activities.

Because, there are people, employees who can help in this process. So, it is important that when the company is shifting all this interface to an SST. They should be sure of whether it

provides ease of access, cost savings and some other benefit. Only, then customers will shift to SST otherwise they will continue with their earlier interpersonal choices.

Amazon dot com success reflects its efforts to create a largely personalised yet efficient alternative to visiting a retail store, which has become the most preferred way of browsing and buying books today.

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- **If the SST fails, are systems in place to recover the same service?**
 - It's critical for firms to provide systems, structures, and recovery technologies that will enable prompt service recovery when things go wrong.

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Now, the third question that need to be answered is, if the SST fails, are systems in place to recover the same service. So, what happens when this SST, it fails. So, it is critical for firms to provide systems, structures and recovery technologies that will enable prompt service recovery when things go wrong.

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Examples:

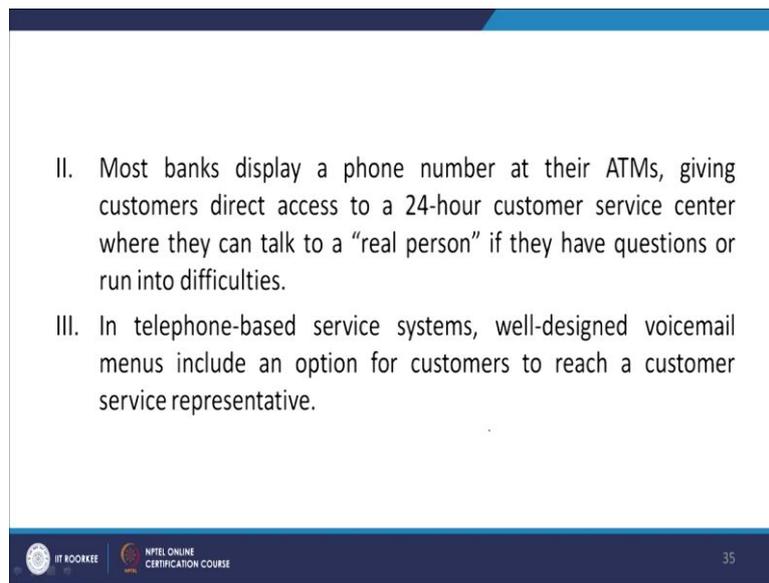
- I. Supermarkets that have installed self-service checkout lanes usually assign one employee to monitor the lanes; this practice combines security with customer assistance.



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For example, in supermarkets that have installed self-service checkout lanes usually assign one employee to monitor the lanes, this practice combines security with customer assistance. So, now there are several lanes, when people when they make their payment. But, then because there are these queues, so they provide one employee who can manage the queues, lanes.

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Most banks display a phone number at their ATMs, giving customers direct access to a 24-hour customer service centre where they can talk to a real person if they have questions or run into difficulties. So, if something is not happening in the ATM, so there is this number whereby people can contact the customer service centre.

And the third is in telephone-based service systems, well designed voicemail menus include an option for customers to reach a customer service representative. So, as you might have seen in various banking, online banking and phone banking, etc. So, they have interactive voice recording system, so they will tell you to welcome to this bank and press 1 for this, press 2 for this and press 9 to talk to our customer service representative.

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MANAGING CUSTOMERS' RELUCTANCE TO CHANGE SERVICE

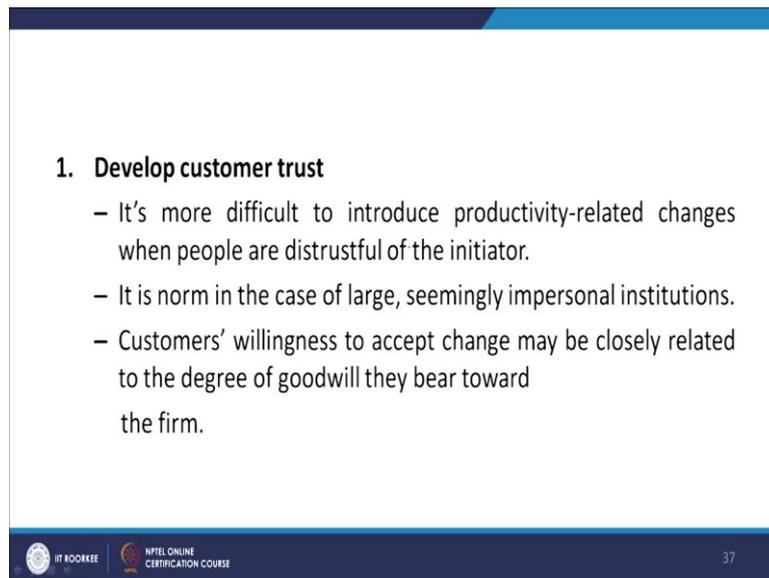
- Increasing the customers' participation level in a service process, or shifting the process entirely to self-service using SSTs, requires the firm to change customer behavior.
- This is often a difficult task as customers resent being forced to use SST.
- Following ways can be used for addressing customer resistance to change, particularly when the innovation is a radical one:

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The next thing that we will talk about in this module is managing customer's reluctance to change service. So, increasing the customer's participation level in a service process, or shifting the process entirely to self-service using SSTs, requires the firm to change customer behaviour. Now, this is often a difficult task as customers resent being forced to use SST. So, now here the company is forcing the customers or wants the customer to change their process.

And that is resented by the customer, so following ways can be used to address customer resistance to change, particularly when the innovation is a radical one, the more radical the innovation is, more reluctant the customer is to shift to this SST. Now, there are several ways whereby this resistance can be reduced.

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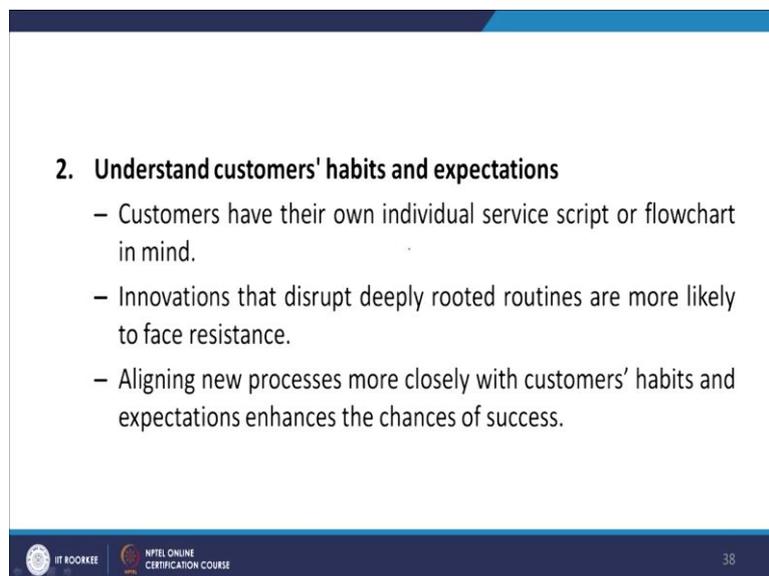
1. **Develop customer trust**

- It's more difficult to introduce productivity-related changes when people are distrustful of the initiator.
- It is norm in the case of large, seemingly impersonal institutions.
- Customers' willingness to accept change may be closely related to the degree of goodwill they bear toward the firm.

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The first is to develop customer trust, it is more difficult to introduce productivity-related changes when people are distrustful of the initiator. It is norm in the case of large, seemingly impersonal institutions and customer's willingness to accept change may be closely related to the degree of goodwill they will bear towards the firm.

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2. **Understand customers' habits and expectations**

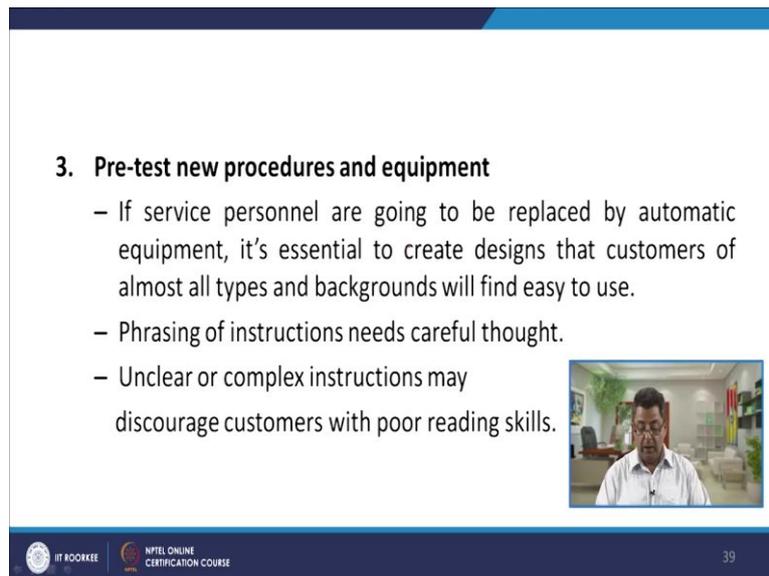
- Customers have their own individual service script or flowchart in mind.
- Innovations that disrupt deeply rooted routines are more likely to face resistance.
- Aligning new processes more closely with customers' habits and expectations enhances the chances of success.

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The second is understand customer's habits and expectations, customers have their own individual service script or flowchart in mind. So, they have also timed it, that I will go and then do this, then walk out and this will take so much time. So, innovations that disrupt deeply rooted routines are more likely to face resistance.

Aligning new processes more closely with customer's habits and expectations enhancing the chances of success. So, aligning new processes more closely with customer's habits and expectations enhances the chances of success. So, that is why when we were looking at service process redesign, the customers were also included in that, so that they can also give their inputs. And the redesign process should not be so that, the customers habits they change drastically, because that will induce a barrier in the customers to use this SST.

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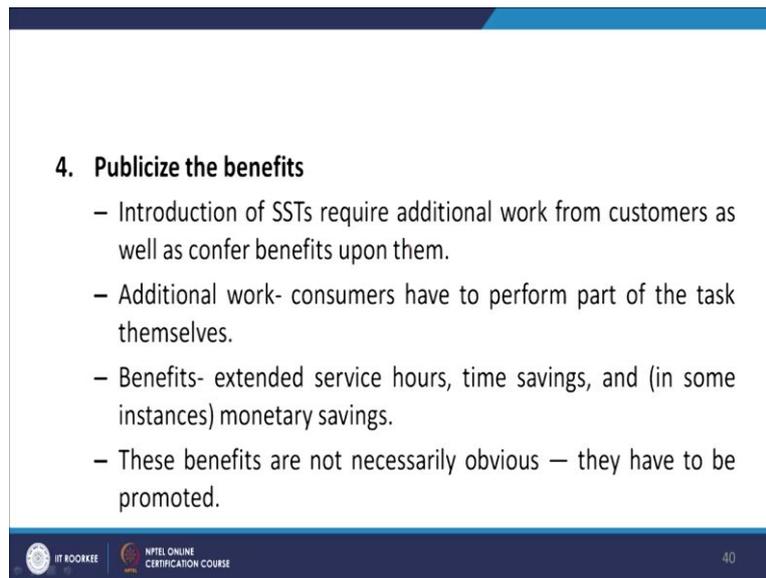
3. Pre-test new procedures and equipment

- If service personnel are going to be replaced by automatic equipment, it's essential to create designs that customers of almost all types and backgrounds will find easy to use.
- Phrasing of instructions needs careful thought.
- Unclear or complex instructions may discourage customers with poor reading skills.

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The third is pre-test new procedures and equipment. If service personnel are going to be replaced by automatic equipment, it's essential to create designs that customers of almost all types and backgrounds will find easy to use. Phrasing of instructions needs careful thought. Unclear or complex instructions may discourage customers with poor reading skills.

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4. Publicize the benefits

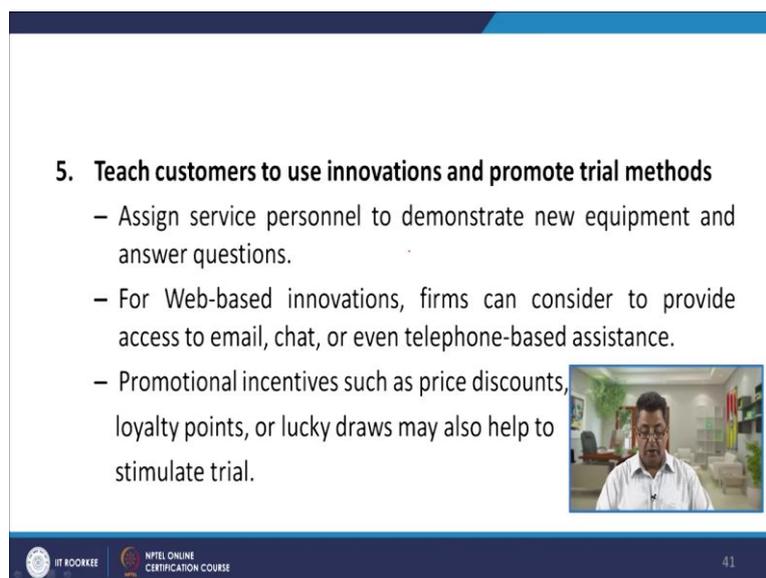
- Introduction of SSTs require additional work from customers as well as confer benefits upon them.
- Additional work- consumers have to perform part of the task themselves.
- Benefits- extended service hours, time savings, and (in some instances) monetary savings.
- These benefits are not necessarily obvious — they have to be promoted.

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Then, there is a need to publicize the benefits, introduction of SSTs require additional work from customers as well as and also it confers benefits upon them. Additional work, customers have to perform part of the task themselves and the benefits that includes extended service hours.

Time savings, and in some instances, monetary savings also. So, these benefits are not necessarily obvious, they have to be promoted, they have to be told to the customers that is they shift to SST, these are the advantages.

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5. Teach customers to use innovations and promote trial methods

- Assign service personnel to demonstrate new equipment and answer questions.
- For Web-based innovations, firms can consider to provide access to email, chat, or even telephone-based assistance.
- Promotional incentives such as price discounts, loyalty points, or lucky draws may also help to stimulate trial.

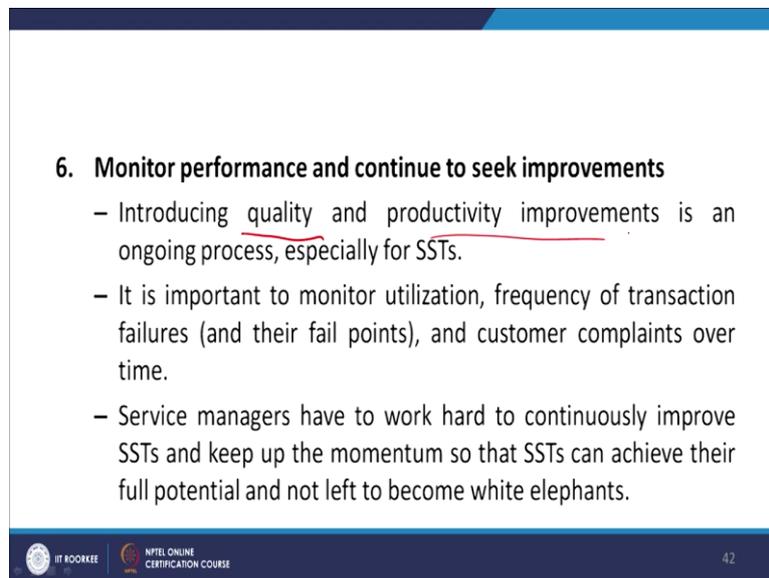


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The fifth is to teach customers to use innovations and promote trial methods. Assign service personnel to demonstrate new equipment and answer the questions. For web-based

innovations, firms may consider to provide access to email, chat, or even telephone-based assistance. Promotional incentives such as price discounts, loyalty points, or lucky draws may also help to stimulate trail.

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6. Monitor performance and continue to seek improvements

- Introducing quality and productivity improvements is an ongoing process, especially for SSTs.
- It is important to monitor utilization, frequency of transaction failures (and their fail points), and customer complaints over time.
- Service managers have to work hard to continuously improve SSTs and keep up the momentum so that SSTs can achieve their full potential and not left to become white elephants.

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The sixth is to monitor performance and continue to seek improvements. Introducing quality and productivity improvements is an ongoing process, especially for SSTs. So, we have to keep on continuing, increasing the quality and productivity. It is important to monitor utilization, frequency of transaction failures and their fail points, and customer complaints over time. Service managers have to work hard to continuously improve SSTs and keep up the momentum so that SSTs can achieve their full potential and not left to become white elephants.

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CONCLUSION

- We started our discussion with the need for service process redesign, symptoms that reflect its need and the objectives achieved by carrying it out.
- Steps involved were elaborated in detail.
- Thereafter we discussed the customer participation in the service processes and different levels of participation.
- Concepts like customer as service co-creators, SSTs, its adoption and associated advantages and disadvantages were emphasised upon.
- Finally, customer's reluctance to change and ways to address it, was also covered.

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In the end and to conclude, so we started this discussion with the need of service process redesign, symptoms that reflect its need and the objectives achieved by carrying it out. Then, we have talked about steps involved were then elaborated, thereafter we discussed the customer participation in the service processes and different levels of participation. Concepts like customer as service co-creators, use of SST, its adoption and associated advantages and disadvantages were also emphasised upon. Finally customers reluctance to change ways to address it, was also covered.

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These are the three books from which the material for this module was taken, thank you.