

Managing Services
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Lecture – 06
Seamless Service

Hello, I am Jayanta Chatterjee and I am interacting with you on Managing Services. We are looking at the service business management issues from various perspectives. In the last session, we were talking about product, service, systems, we looked that how in today's world we are adopting more and more servicing or servitizing of products, where instead of transfer of ownership, we are focusing on solution and we are loose focusing on the ultimate benefit that the customer wants to derive.

And in that, instead of transfer of ownership we use the example of excavation or earth removal, we focused on how much, how many tonnes of earth are to be removed over what span of time in a contractual fashion without the transfer of ownership of the machines, where the machines supplier now, supplies a service for earth removal. And after that contract that service is provided, the machines and other setups can move to another site to provide the same solution.

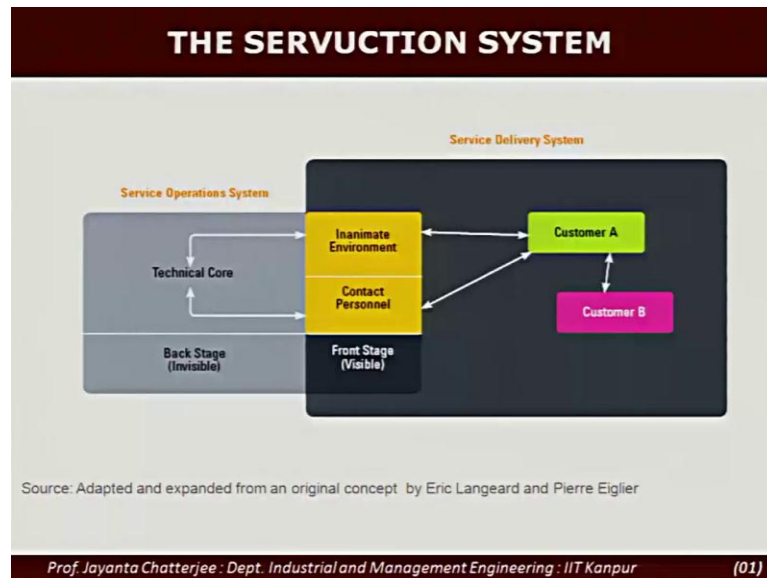
The advantage is that, we do not have at the end of the project; a large number of machines which are of no longer of in use and that became a resting heap of metal. Today, I am going to talk about another systems aspect and this system, some researchers have called servuction system. Particularly to highlight the point, as you can guess servuction is a combination of two words service and production. These researchers through this terminology highlighted the fact; that in service business to succeed, we must look at the business as a system, integrated system.

In a manufacturing business, goods manufacturing it is perhaps possible, even though they are also, the new thinking look certain integrated system. But, still there, it is possible as I discussed earlier once, that like in a business producing chocolate, the plants and machinery or the people, who are producing the chocolate could be quite distinctly away from the people, who would be interacting with the customers to market the chocolate, to build it is brand, to create customer satisfaction in terms of good promotion, good delivery, etcetera.

So, different departments according to the structure of the organization can operate quasi

independently. Ultimately, they all have to convert inputs into an output and deliver it to customer, but yet the different functions can have distinctive presence. But, in service, that perhaps is a difficult proposition on many occasions.

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If you look at the diagram that I am going to use next, you can see here that there is a section, which is on the left hand side and another section, which is on the right hand side, where we are interfacing with the customer. Now, these customer facing departments are often called in this module, the front office, the front stage. In a way, the metaphor is taking from theater, where there is a front stage, where the play is taking place, where the viewer is interacting with what is happening on the front stage.

And that front stage is served by the so called back stage, where the different technical production elements are operating. So, it is easy to understand in a service context. Think of a restaurant, so as you enter the restaurant, there will be people who will check your booking, they will assure you to the table, a steward will come, who will take your order and then, the servers will bring your food to your table according to your order. There will be different interactions with the people, who are serving, people who are taking your order, people who are assuring you to the table and all these activities are the so called front facing or front stage as it is showing here or visible activities.

Now; obviously, the restaurant has at the back, the kitchen, it is accounting office, it is billing system and it is material procurement system. So, anyway it is quite similar to the factory and that back office normally is not visible and customer is usually not bothered,

as long as the front performance goes according to satisfaction or beyond the customer satisfaction. The kitchen gets a tension if there is something that goes wrong, if the food creates some problem, if there is some dissatisfaction of the customer with respect to the nature and the style or the quality of the food delivered, then there is a focus on the kitchen.

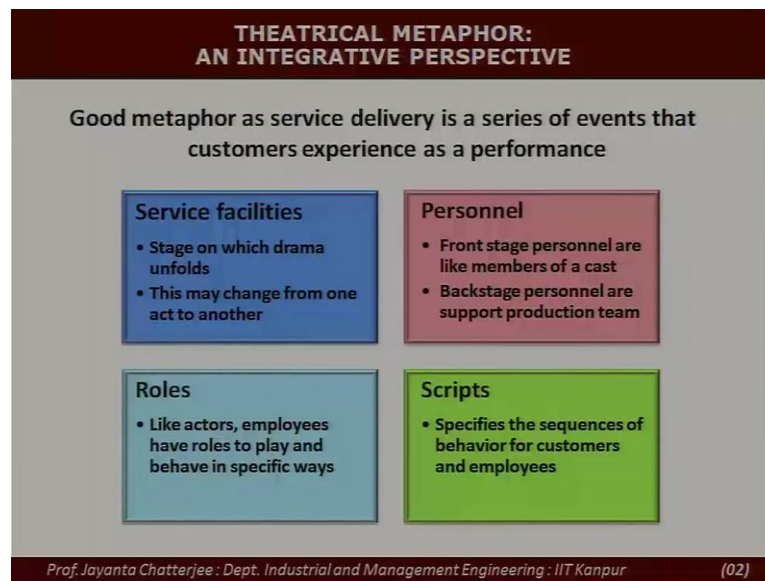
But, important point is, that even though there is this front stage and the back stage, it is in service very important to think of the whole set of activities as one integrated system activity. Because, however efficient the servers may be or the stewards may be, if the food is not well prepared, then not only the kitchen comes into play, not only the chef is then on the mate, the whole system is then creating an advance experience in the customers perception in his or her mind.

So, to serve well on the front stage, that has to be a very good integration with the back stage and they have to be all working quite responsively to meet customers need adequately or preferably beyond his or her expectation. So, some customers may want their food more spicy, some customers may not want it spicy and all these responses and interactions between the front stage and the back stage have to be very tightly coupled in real time.

Like in a manufacturing situation, where there are, there can be stage wise inventories and stage wise passes, what we often call stock and flow, here it is a continuous flow. Right from the entrance of the customer and his final departure, it say flow. Therefore, a jam at any particular point, a mal function at any particular point can affect the whole flow, the whole experience. So, this is the servuction system, highlighting that in service, marketing, production, procurement, quality perceptions and all to be thought of as an integrated system.

So, you can create dissatisfaction if the billing is wrong, you can create dissatisfaction if the food is wrong, you can create dissatisfaction if the server did not behave well, you can have problem if the appointment is not properly honoured, you did not get your table on time and so on and so on.

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Continuing with the service theater metaphor, that there are these facility wise front and back, where the drama unfolds, supported by activities at the back stage. And the personnel are in constant interaction with the customer and in many ways, their ability to involve the customer in that production process of the service often creates a much better and higher level of appreciation from the customer.

So, those restaurants, where the stewards, the servers discuss with you about your possible range of ordering, those health care facilities, where the doctors and nurses interact with the customer as switch their anxieties, explain to them the procedure that are being conducted, can; obviously, succeed better in the market place. Now, you can understand that here we are discussing more and more about services, which are delivered and consumed by human beings within the same time and space frame work.

Now, as consumers we may have different moves, we may have different levels of sense of being feeling healthy or feeling well. The people, who are providing the service they may also have such very anxious in their move, in their level of anxiety, at the back of their mind there can be botherations or worries. So, to create a good standard, delivery of service which is at least in the, beyond the adequate level of service and approaching the desired or excellent level of service, it is necessary that some aspects are standardized regarding this interaction.

So, just as in a play in a theater, there are different characters in different roles, now those characters, those actors and actresses as they perform may have different inner

feelings. May be on a particular day, one actor is not feeling to well physically, but yet for the sake of the play and for the sake of good performance, every one acts according to their role and most importantly, according to the lines, the script given to them.

So, from this we have derived the so called role and script concepts that are deployed in service businesses. So, people have a certain expectation that how the service providers will interact, it will become clearer if I just take an example, which happen to be in last week, after many years I wanted to visit my dentist. So, I called for an appointment, an appointment was given, when I arrived the receptionist greeted me. I waited for my appointed time in the waiting room, where the ambiance was created to, sort of bring down the excite level, which people feel when they visit the dentist.

And then, when the doctor met me, doctor examine, before examination he asked me certain health related questions, what medicines I am currently taking and so on. And then, the process of examination followed a certain set of steps like gargling or examination and then, again spitting and then, again further examination and some cleaning agents were used and some machines were used to provide certain cleaning functions, grinding functions and so on.

And this whole flow as it happen to me will be almost identically repeated for another patient. The greeting from the receptionist will be almost same, the Doctor's questions will be of the same type and the flow of treatment will also be almost similar. So, this is, what we say, that the service providers act according to a define role and follow a certain script. There are minor variations, but more or less it remains the same for the sake of process standardization with a human touch.

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IMPLICATIONS OF CUSTOMER PARTICIPATION IN SERVICE DELIVERY

- **Greater need for information/training**
 - Help customers to perform well, get desired results
- **Customers should be given a *realistic service preview* in advance of service delivery**
 - This allows them to have a clear idea of their expected role and their script in this whole experience
 - Manages expectations and emotions

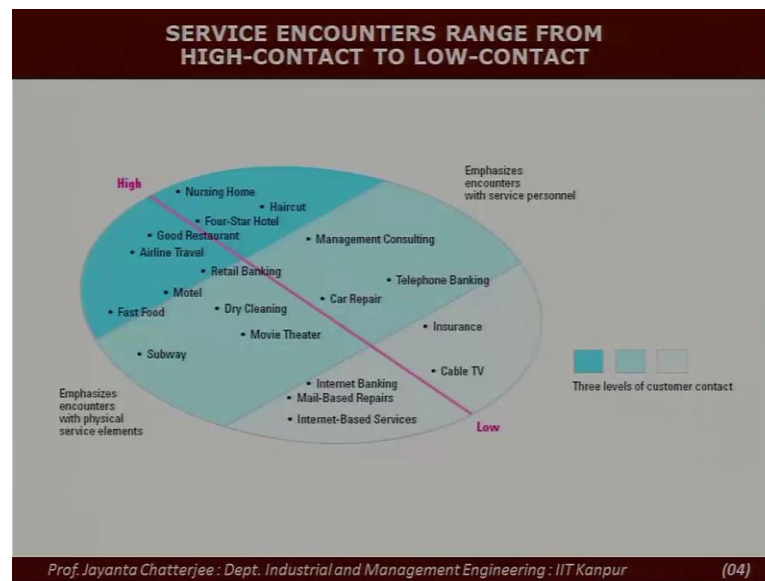
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Now; obviously to be successful in this kind of integral systemic approach, certain things are very necessary. One is that, there can be enforcing circumstances, may be on a particular busy day two servers are sick and absent. The role of the steward and the role of the server may have to be merged, sometimes the people from the back office may come forward and perform the role of the steward, which means that in many of this integrated service and production servuction system, people will have to be, the service people will have to be multi skilled and they have to be well trained.

And on the other hand, good information, right appropriate information will have to be provided to the patient or to the restaurant customer in different services in different circumstances. This knowledge delivery, before the service during the service becomes an important distinctive point for many excellent service providers. Because, ultimately the customer, because of the intangibility of service perceives the quality after the consumption with respect to the expectation created in his are or mind before approaching the service incidents.

So, this difference between the or the gap between the pre consumption expectation and post consumption perception is the foundation of service quality. And therefore for adequate quality perception in customers mind the more appropriate knowledge you share the better you shape customers expectation.

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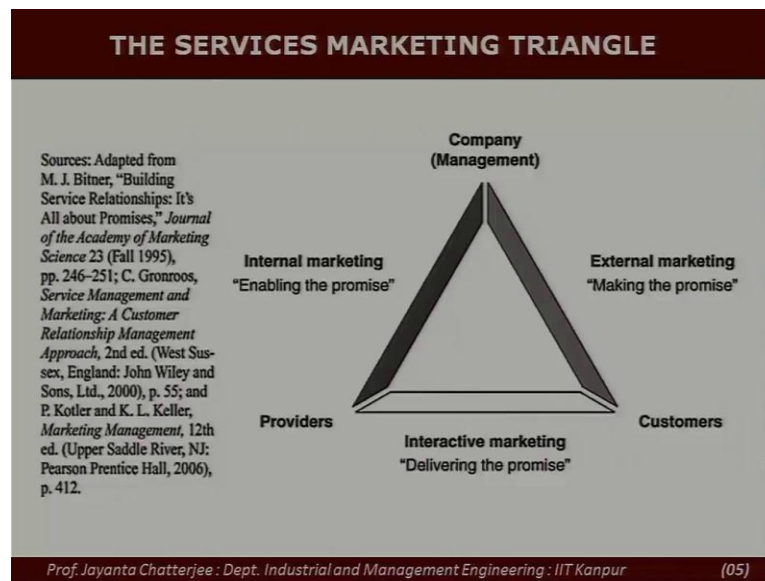


And therefore better you create a chance for post consumption satisfaction I would now like to end a today secession with an assignment, this is a diagram, which a shows to you a whole range of services on the left hand side. We have the high contact services like nursing home are hair cutting saloon or a four star hotel are a good restaurant and known the right hand side we have low contact services, where there is low person to person contact like cable TV are internet banking and other internet base services and so on.

I would like you to choose any one of this high contact services and then, I would like you to write the roles and the scripts, that you have experience when you have participated in any one of this services. And I would like also, that you try to distinguish that, what are the back stage functions, what are the front stage functions and what is the architecture of the servuction system of your choosing service like the nursing home or like the hotel or like a good restaurant.

And I would like this assignment to be posted on the forum and discussions on that in which I would be very glad to participant. Before I move to our next week's topics as a key understanding of this week I would like you to look at this particular famous services marketing triangle.

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As you see at the bottom of the triangle we have on the left the service provider on the right service customer and we have discussed throughout this week that this relationship between the provider and the customer has to be very interactive services in many ways a go produced feeling, where the customer is a co creator. And if this interactive marketing this delivery of the promise or narrowing of the gap between the pre consumption expectation and post consumption perception happen successfully it leads to the company success.

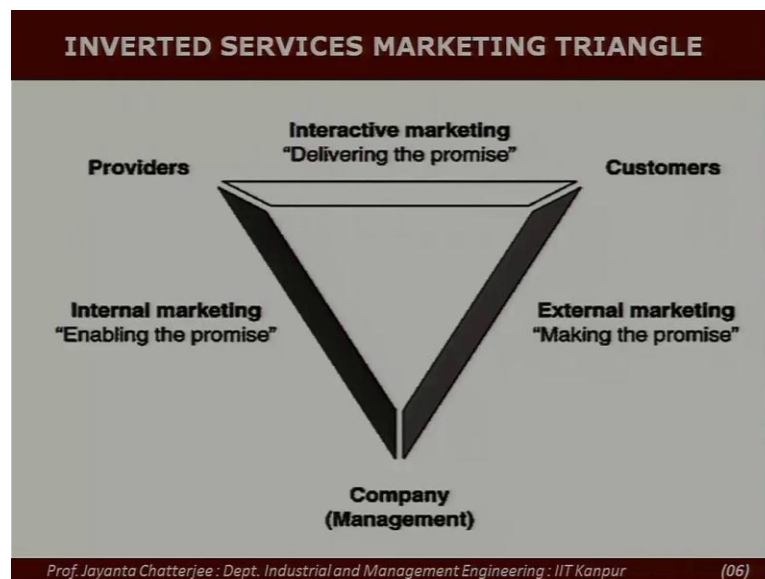
There are two sides of the triangle, where on one side you see internal marketing on the other side using external marketing. So, the external marketing is making the promise are calibrating the customer expectation and on the left hand side it is enabling the promise or all the back stage activities, that creates the capability and competence for the organization to meet or go beyond the promise in the customers mind.

Now, this service a marketing triangle has been referred by many authors in their are various articles and books, which are on the left hand side. It is also well explained in the book that I have go authored and an using in this a course which is a services marketing people technology and strategy I am referring at this moment to the latest edition.

And in this, we have I would like to leave you with a thought, that whether in today's economy with an advent of social technologies with the ((Refer Time: 23:09)) presence of social media and intense activities on various information and communication technology platforms, where customers interact a lot more with each other, customers no

a lot more about the service provider whether a time has come to reverse this triangle.

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And therefore start with the provider customer interaction and opportunity and the platform for co creation and create necessary internal marketing and external marketing process is, that support ably that delivery of the promise. So, it is not that we create are imagine a certain promise unable that promise and then, look at that how well the delivery as be made rather conceive the promise together with the customer and then, create systems to deliver beyond customers expectation go beyond the promise.

Thank you.