

Service Focus, Encounters

Why focus? Types of Encounters,
Characteristics, Perspectives of
Encounters

Service Focus

- Skinner (1974): 'A factory that focuses on a narrow product mix for a particular market niche will outperform the conventional plant which attempts a broader mission'

This philosophy applies equally well to service industries

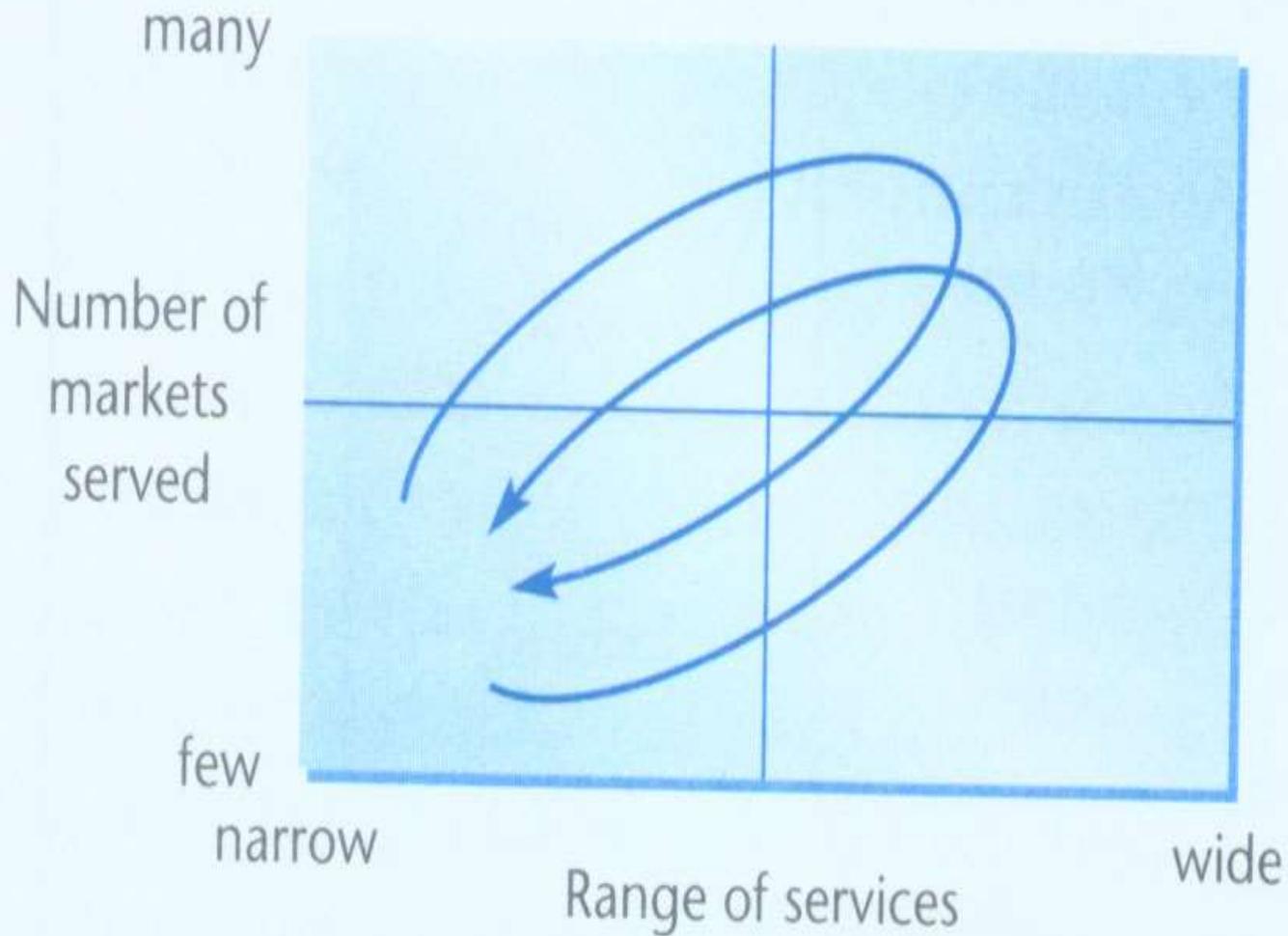
You cannot provide a great service unless your business system is optimized to the needs of a certain segment

The benefits of focus-to organization

- Simplified operation
- Predetermined service
- Dedicated operation
- Dedicated facilities
- Tight process control
- Ease of training
- Lower costs

Fig 2.9

Cycle of proliferation and focus



Four service focuses

1 *Service focused*: limit the services provided,

Ex. Credit card world wide

2 *Market focused*: limit the markets served,

Ex. Rural banks

3 *Service and market focused*: provide a narrow range of services to a niche market,

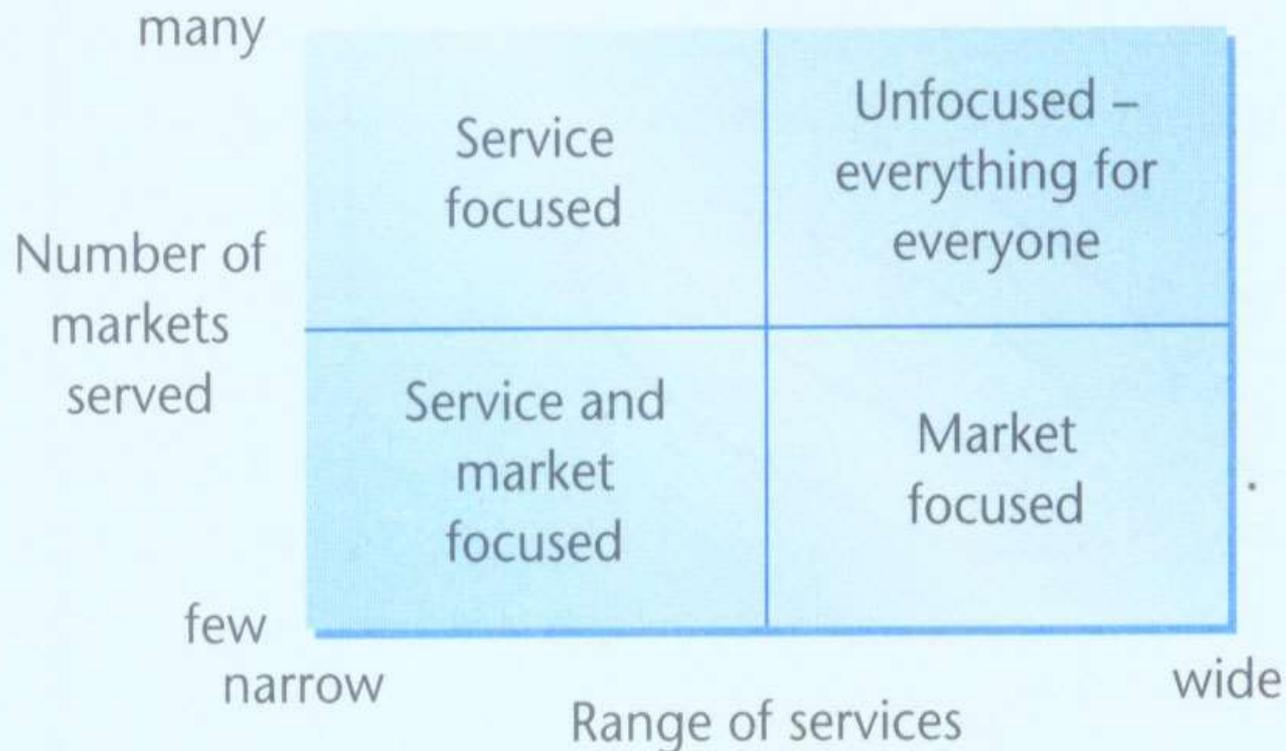
Ex. Credit cards and service for high-wealth individuals

4 *Unfocused*: provide a wide range of services for a wide range of people, that everything for everyone,

Ex. Internet, Disneyland, supermarkets, police services

Fig 2.7

Four service concepts



From Johnston R., 'Achieving Focus in Service Organisations', *Service Industries Journal*, vol. 16, no. 1, 1996, pp 10-20, reprinted with the permission of Frank Cass, Publishers.

Unfocused service operations

How to get benefit of focus

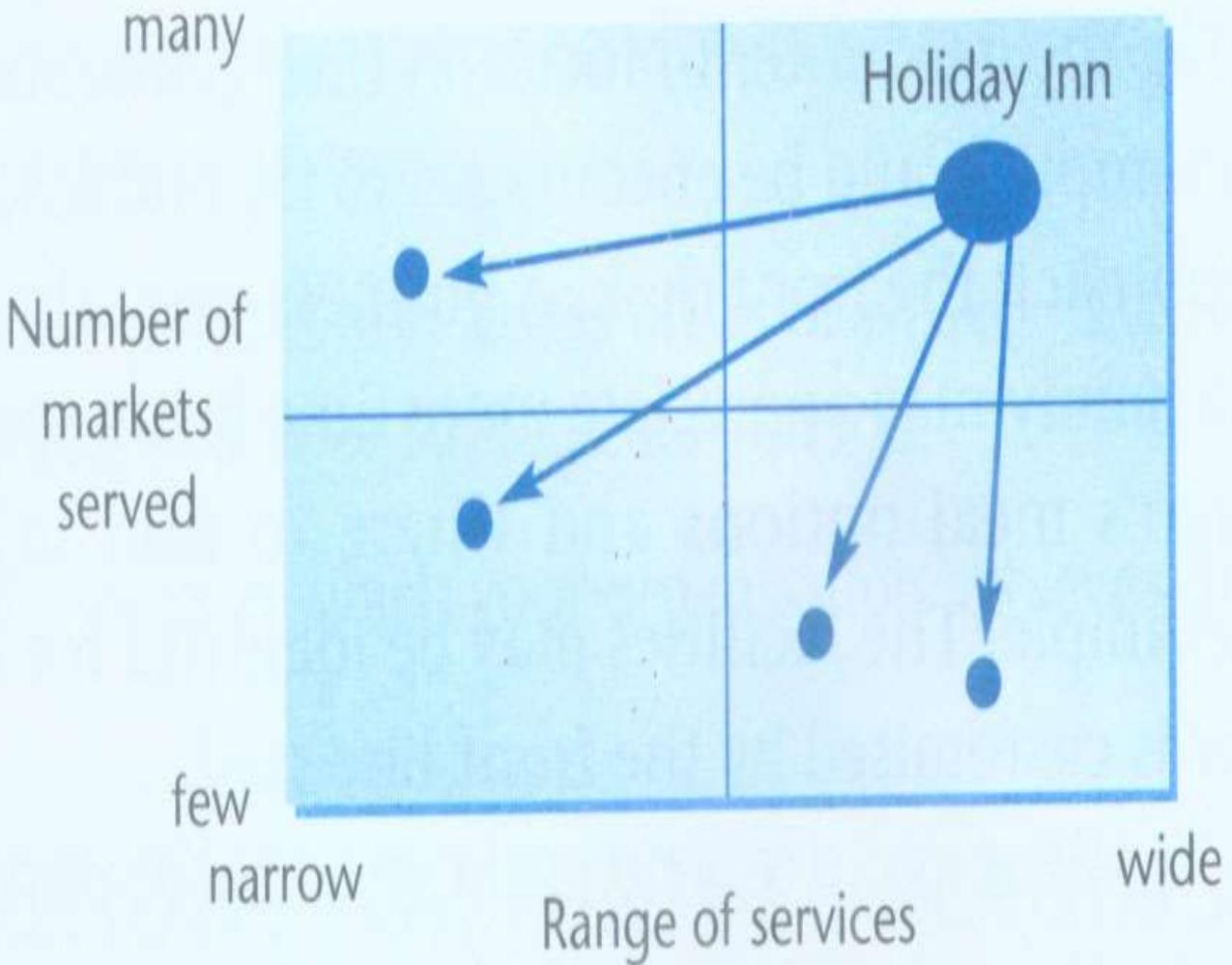
- ***Business focus:*** Split business to deal with different types of customers

Ex. Holiday Inn,

1. Express hotels focus on value for money, offer competitive rates
2. Crowne Plaza Hotels provide upscale lodging to discerning travelers
3. Inter-continental Hotels provide five-star service

Fig 2.10

Business focus – doing everything for everyone



Operational Focus

- ***Operational focus***: Split operations into several parts so that each caters for a set of needs

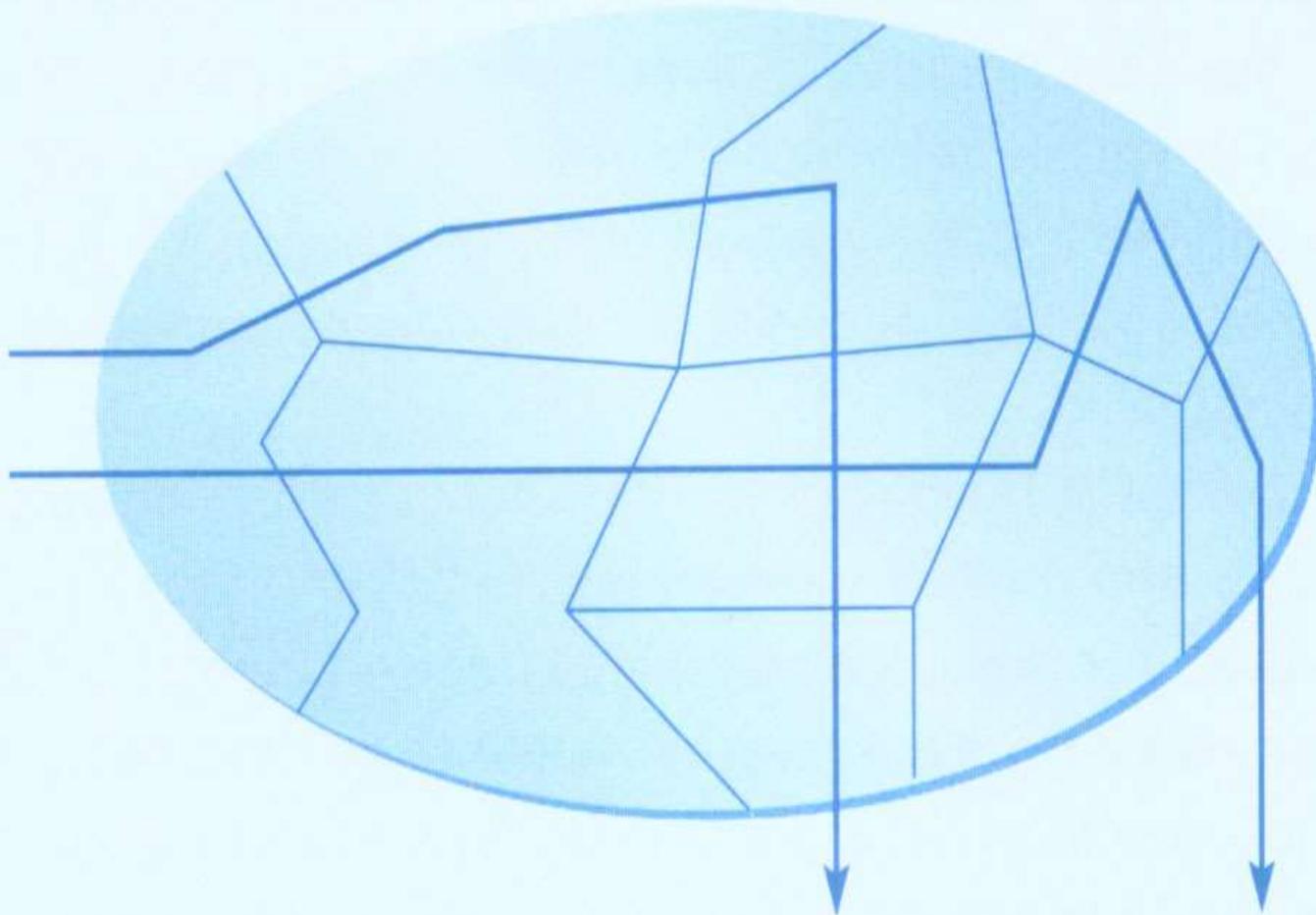
Example: Malls (or Hypermarkets) provide different types of shops, retailers, cinemas, a variety of eating places, thus allowing customers to choose their own service experience

Some hotels escort their premium customers to their rooms

Dedicated lounges or channels are other examples

Fig 2.11

Operational focus – multiple delivery channels



Encounter focused

- ***Encounter focused:*** Through recognizing and dealing with the varying needs of customers by adapting the encounter to focus on their particular needs.

The staff assesses the needs of the customers as they approach and explain/provide information

Encounter gets customized.

Service Encounters

Moment of Truth

Acid test of many service operations is at the point of delivery

Any episode in which the customer comes into contact with any aspect of the organization and gets an impression of the quality of its service

Any point of contact between the customer and service operation

Types of encounters

- ***Remote encounters***: No direct human contact is involved. Ex. Letters, ATM's, Internet based services
- ***Phone encounters***: Common in retail and financial services; call centers, order taking, handling billing queries
- ***Face-to-face encounters***: Most complex and most intense. Some services, as meals in a restaurant, are linked directly to the 'get on with' people serving

Intensity of service encounters

Intensity refers to the extent of some degree of risk or uncertainty as perceived by the customer. There is variability in intensity.

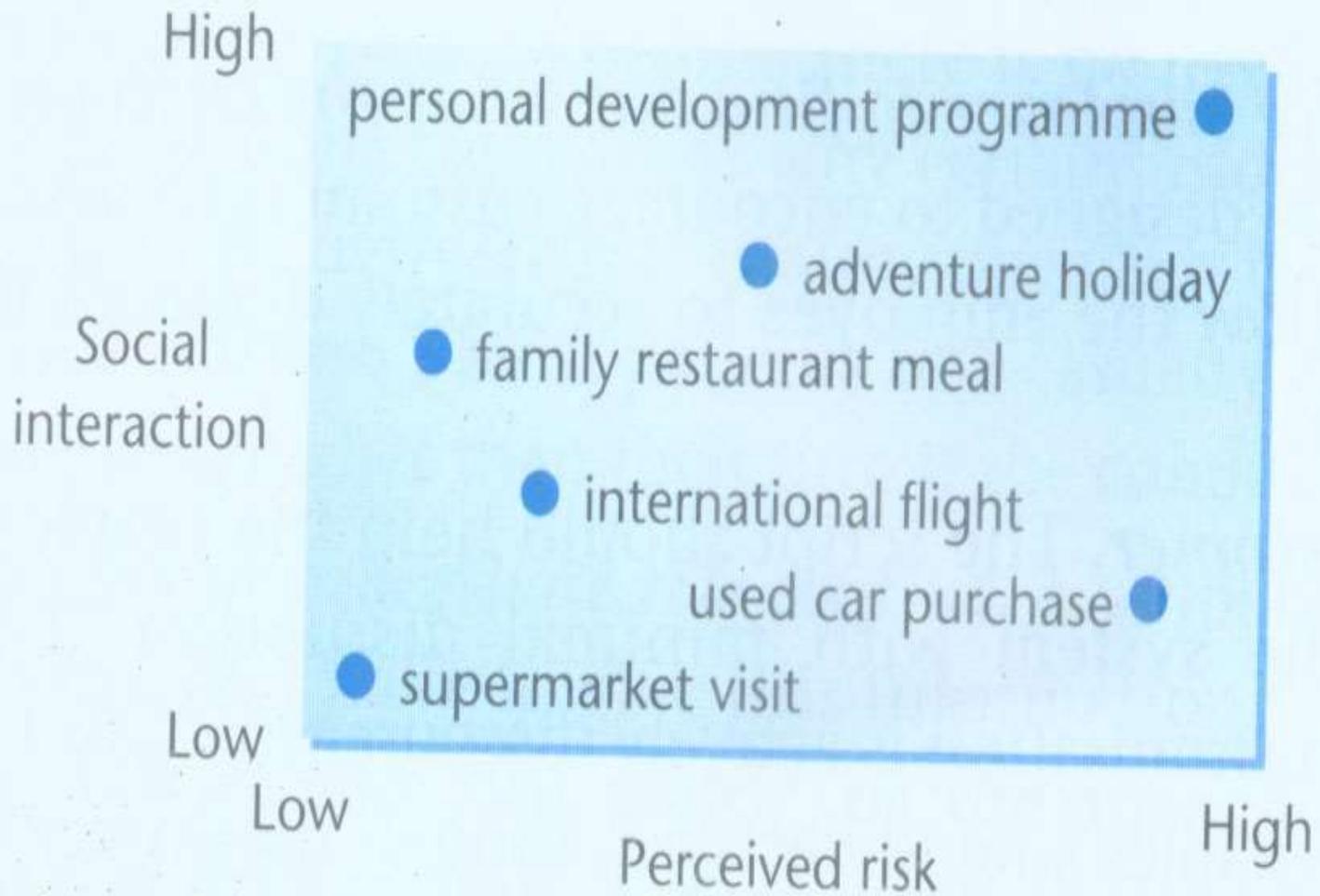
- **Financial risk:** Customer has no knowledge about the reliability of service. Purchase of a second hand car or insurance policies
- **Physical risk:** Example: Flying in an airline; adventure holiday, skiing
- **Psychological risk:** Arises from customer's lack of confidence. No one likes to feel inferior or incompetent. Some 'private' people find any form of a social encounter in a large gathering painful

Social interaction and Customer perceived risk

- Mall: superficial interaction
- Restaurant: limited to service of food
- Flight: passengers and staff
- Holiday plans: more unknown persons
- Used car: lack of knowledge
- Development programmes: fear of exposure before others

Fig 8.2

Customer perceived risk and social interaction



Variables that complicate service encounter

- ***Customer mind-set***: Predisposition to family entertainment can distract any service
- ***Customer mood***: same customer in a different mood can bring business
- ***Personality Clashes***: instant dislikes of service provider

Characteristics of Encounters

- **Service encounters are purposeful:** These have goals
- **Service providers are not altruistic:** It is gainful duty of the service providers
- **Prior acquaintance is not required:** Are strangers and need information
- **Service encounters are limited in scope:** Limited to service needed

Characteristics of Encounters

- **Task related information exchange dominates:** Service depends on the information exchanged-travel, finance
- **Client and service provider roles are well defined:** customer asks for services; a patient answers questions
- **A temporary status differential may occur:** lawyer may deal with a criminal; a doctor treats a poor person

Perspectives of Encounters

- **Social Encounters:** Imply interaction at equal levels and understanding
- **Economic Exchange:** services in exchange of monetary benefits
- **Production process:** Transformation of inputs (sometimes of customers) to outputs
- **Contract:** Both parties operate in a contract; Such as surgery on permission from patient
- **Partial employment:** Customer aids in the process

Four elements of Service Encounter

1. **Customer**
2. **Service Provider**
3. **Delivery System:** Comprises of equipment, supplies, rules, regulations, organizational culture. Core service delivery has to be flawless. Supplementary services add to the support and enhance the core service
4. **Physical Evidence:** Includes physical facilities, building, furniture, tidiness, signage to reach

Fifth Element

Other customers have a role to play when proximity to groups exist- travel, restaurant

- **Select the right customer:**
age limits, dress code, pricing,
- **Establish rules of behaviour:**
no smoking, no diving, no drunkenness
- **Facilitate positive customer -customer relationship:**
shared enjoyment on ships, new year gathering in hotels

Script

- Scripts are just like scripts for a play.
- These outline, in the customers' mind, just what is likely to happen during the provision of a service.
- If there are then differences between the script and what actually happens, dissatisfaction or delight may result.
- Scripts are also used to identify gaps between what the customer expects from a service and how the provider of the service views the encounter

Script for Provider

- Provider of service can also have a script for the service encounter.
- It is likely to be more elaborate than the customer' script, because that particular type of encounter is being repeated over and over again, every day, with many different customers. The provider's script, therefore has to allow for many variants.

Scripts lead to:

- A sense of security for customers and service-providers alike; a familiar script allows customers to relax because they understand the rules by which the encounter will be played out
- It is a technique used in operations to provide consistency and efficiency
- To assess performance and to improve quality by bridging the gaps

Functions of Scripting, Tansik and Smith(2000)

- 1. To assist the service provider to find out what the customer wants or needs:** provider script should encourage customers to specify their needs in an encounter
- 2. To control the customer:-** suggestions to enable a rapid decision– ‘can we suggest-----’
- 3. To establish historical routines that may be relevant to the service encounter:** so that customers move into unconscious routines and get involved in the service delivery process

Functions of Scripting, Tansik and Smith(2000)

4. **To facilitate control of providers:** consistency at multi-server points; as also in cross-selling through sub-scripts
5. **To legitimize organizational actions:** fast food (speed) and gourmet restaurants (relaxed service)
6. **To serve as analogies:** Script learned by an employee in previous employment can be used for developing new script

Functions of Scripting, Tansik and Smith(2000)

- 7. To facilitate organized behaviour:** In surgery, the actions of team members are choreographed and rehearsed beforehand to allow for smooth running. It helps in interchangeability, if a member is absent
- 8. To provide a guide to behaviour:** scripts set expectations as to what will happen in a next encounter. Patients in a clinic will accept an out of turn patient if his condition is life threatening

Functions of Scripting, Tansik and Smith(2000)

9. **To buffer role conflict:** Scripts help to provide unwelcome or unpopular information to customers—as ‘Regulations require us to inform you----’ or ‘I am sorry, the company’s policy is—’
10. **To provide a basis for evaluating behaviour:** Used to evaluate an employee’s behaviour. Relevant in a call center.
11. **To conserve cognitive capacity:** Scripts allow employee to work on a number of activities simultaneously

Problems with Scripting

- 1. *Inflexibility*:** Absence of an expected response from customer can create problems
- 2. *Customer perception of a robot-like behaviour*:** A repeat customer expects what is coming next; no innovatory approach
- 3. *Defensive behaviour*:** against similar complaints from customers