

MARK- E0010 Technology-driven Service Strategy: Thematic Package 2 "Service Excellence" 17.01.2023

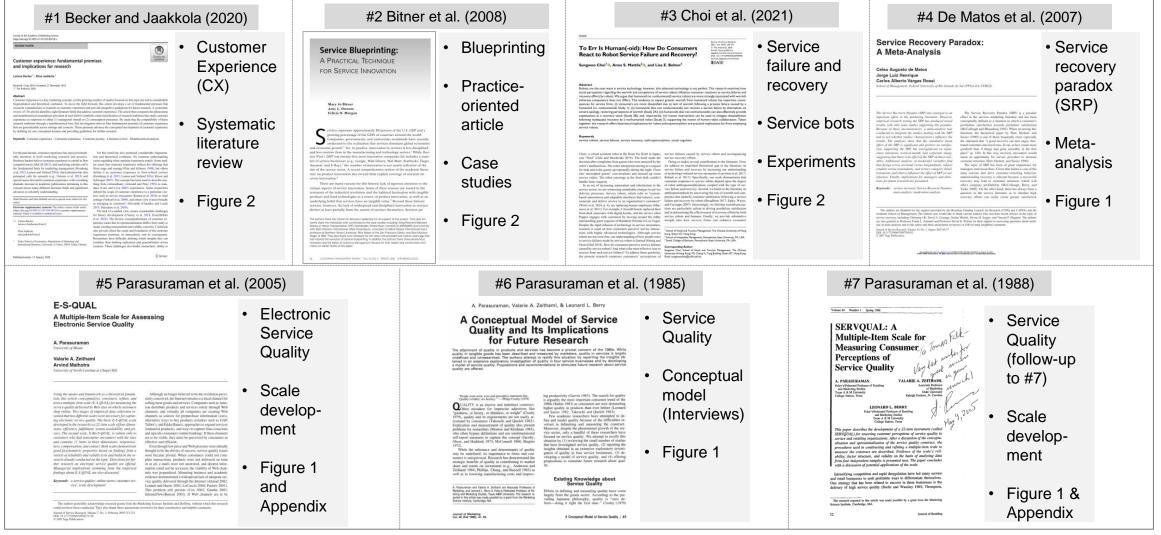
Spring 2023 09.01.2023 - 26.02.2023

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Technology-driven Service Strategy – Contents

"Service is the application of specialized	Introduction to	Managing Service	Service and	Emerging Themes
	Services	Excellence	Technology	in Services
	(Jan. 10, 2023)	(Jan. 17, 2023)	(Jan. 24, 2023)	(Feb. 07, 2023)
competences (skills and knowledge) (1), through deeds, processes, and performances (2) for the benefit of another entity or the entity itself (self- service) (3)."	 Why study services? Defining services Servitization Value co-creation 	 What is service quality? (Electronic) Service quality measurement Identifying "Moments of Truth" Customer Experience Management Service recovery 	 Self-service Technologies Four types of AI in service Omnichannel customer experience (Lemonade Insurance case study) Service robots Service platforms 	 Service ecosystems Sharing economy Transformative service research Service and society

Technology-driven Service Strategy Reading Package #2 "Service Excellence" – Overview





Technology-driven Service Strategy Some Thoughts on Reading Scientific Articles – A Guideline (1/3)

How to read an article in ten minutes

A typical flow of a well written article is:

- 1. Introduction: Why research is important (practical and scientific relevance)?
- 2. Literature Review: Review of what has been done before (desk research definitions).
- 3. Research Background/Plan: Model development and study design ("actual" research).
- **4. Details of the Research:** Data collection, sample characteristics, measurement of key variables, method of analysis etc.
- 5. Data Analysis and Results: Methodological details.
- **6. Discussion:** Relates findings to "conversations" in literature; derives meaningful managerial implications.
- 7. Limitations and Conclusion: Overview on shortcomings and recap of the key points.



Technology-driven Service Strategy Some Thoughts on Reading Scientific Articles – A Guideline (2/3)

How to read an article in ten minutes

Minute 1: Closely look at the title. An author has to come up with a handful of words that tell people what the research is about. Pay attention to the key words in the title (IVs, DVs, mediating and moderating variables).

Read the **abstract** carefully. This is the author's chance to condense an entire argument down into a very small space. Most potential readers scan the titles and abstract to determine whether it's worth their time to read the entire article.

- **Minute 2:** Quickly scan the **first five or six paragraphs**. This is the author's chance to grab your attention and explain why they undertook this research projects in the first place. Often the last paragraph before the first major section of the paper will summarize why they did the research look for key words like "the goal of this research is..." or "the questions this research addresses are..." or "In summary, ...".
- Minutes 3 through 5: Jump to the end of the paper and read the conclusion. This is where the author(s) tries/try to wake up everyone drifted off and tell them what he or she just told them. Typically, the conclusion is an excellent guide to what the author(s) said in the paper.
- Minute 6:Go back to the literature review. If you are familiar with prior research in this field, you may want to spend more time here in order to relate this to what you already know about the topic. Otherwise, it probably makes sense to just glance at the first sentences in each paragraph.



Technology-driven Service Strategy Some Thoughts on Reading Scientific Articles – A Guideline (3/3)

How to read an article in ten minutes

Minutes 7 and 8: Scan the rest of the article up to the last pages. Questions to keep in mind include:

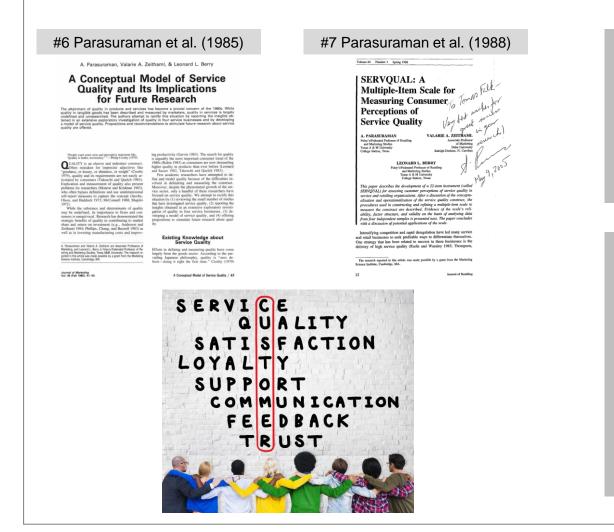
What is the author's argument (from the title and the abstract?) How does it relate to prior work on the topic? What are the hypotheses, if any? What approach is useful? (e.g., theoretical model, lab experiment, observation, interviews) Is there any empirical data (quantitative or qualitative)?

Minute 9: Pay attention to any charts, graphs, tables, and diagrams the author(s) uses/use. Out of the hundreds of possibly thousands of charts, tables, statistics, and diagrams the author(s) probably went through in doing the research, he or she is forced to choose a handful that are most relevant to the argument being made. Pay attention to the ones chosen, their titles, and think about why the author(s) selected them.

Minute 10: Glance again at the title, abstract and conclusion. These three places are where the author(s) are/is forced to succinctly summarize his or her contribution.



Technology-driven Service Strategy – Service Quality



Service quality is...

the customer's judgment of overall excellence of the service provided in relation to the quality that was expected.

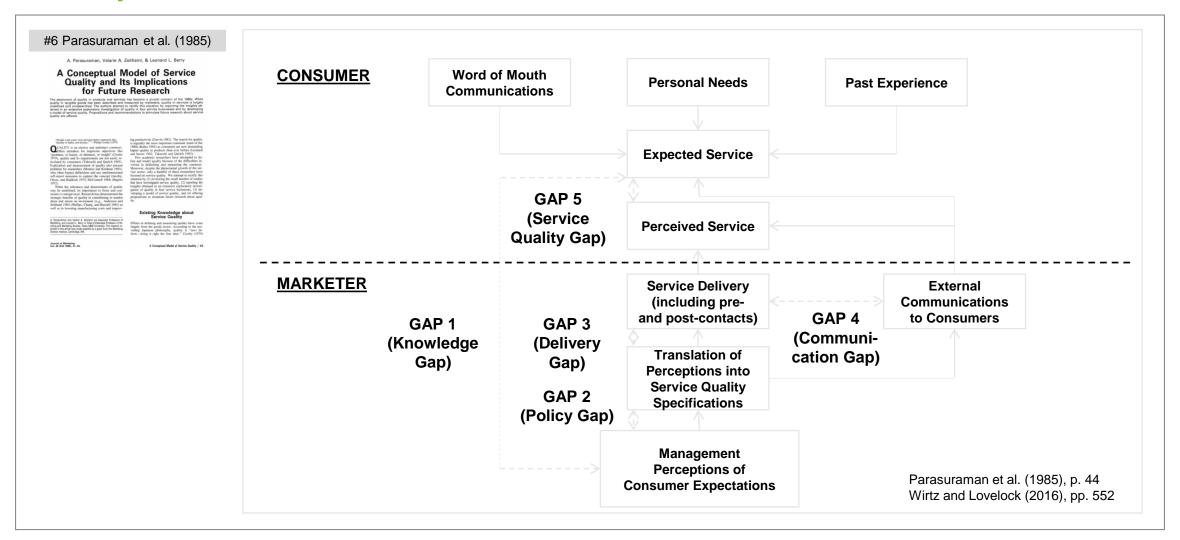
Parasuraman et al. (1985)

Service quality assessments are particularly formed on judgments of:

- physical environment quality (pre-purchase stage, i.e., service promise)
- interaction quality (purchase stage, i.e., service encounter)
- outcome quality (post-purchase stage, i.e., service outcome).

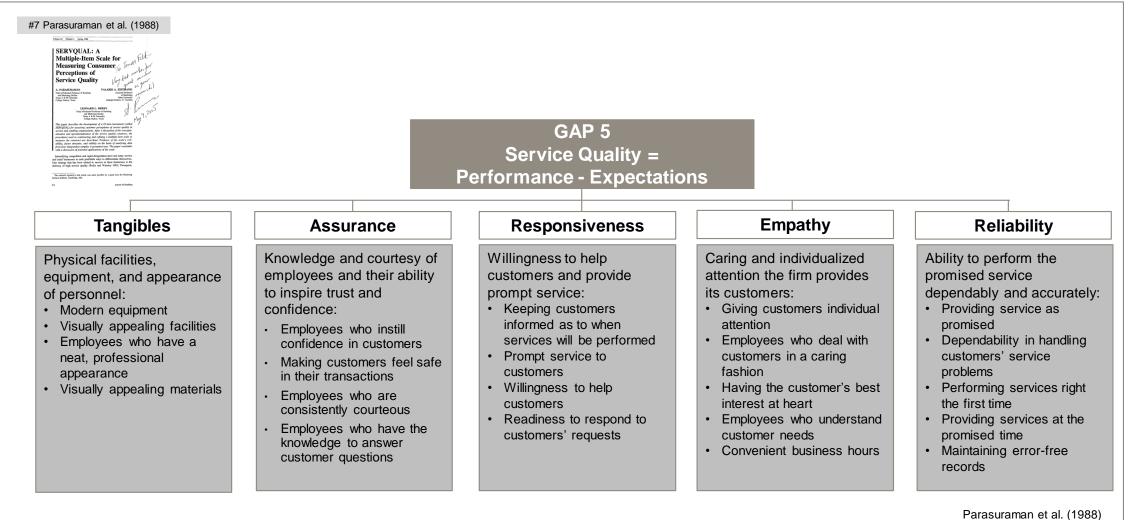
Aalto University School of Business

Technology-driven Service Strategy – Service Quality The Gap-Model





Technology-driven Service Strategy – Service Quality SERVQUAL



Technology-driven Service Strategy – Service Quality SERVQUAL

Applying SERVQUAL						
Dimension "Tangibles" Scale items	1 = strongly disagree	2 = somewhat disagree	3 = neutral	4 = somewhat agree	5 = strongly agree	
Company XY has up-to-date equipment.			x (=3)			
Company XYs physical facilities are visually appealing.				x (=4)		
Company XYs employees are well dressed and appear nice.					x (=5)	
Company XY uses visually appealing materials.					x (=5)	
Index score for "Tangibles"	(3+4+5+5)/4 = 17/4 = 4,25					



Technology-driven Service Strategy – Service Quality SERVQUAL

Applying SERVQUAL						
Dimension-specific index scores	1 = strongly disagree	2 = somewhat disagree	3 = neutral	4 = somewhat agree	5 = strongly agree	
Tangibles			4,25			
Assurance	2,75					
Responsiveness	2,5					
Empathy			2,75			
Reliability			4,25			
Index score for "Service Quality"		(4,25 + 2,75 + 2	,5 + 2,75 + 4,25) /	/ 5 = 16,5 / 5 = 3,3		



Technology-driven Service Strategy – Service Quality Blueprint



Service blueprinting...

is a tool for simultaneously depicting the service process, the points of customer contact, and the evidence of service from the customer's point of view (Bitner et al. 2008).



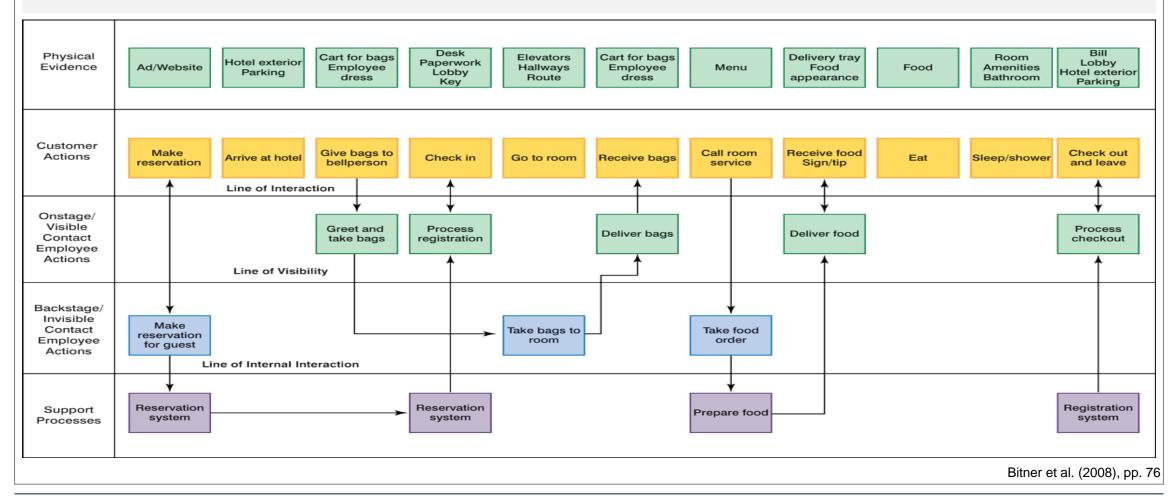
Service blueprinting enables to identify service encounters, which are defined as "... a period of time during which a consumer directly interacts with a service" (Shostack 1985, p. 243).

Typically, the service encounter represents a "moment of truth" because customers' experience of the service encounter is the main driver of his or her service quality judgment (Lövgren 2005).



Technology-driven Service Strategy – Service Quality Blueprint – Example

Blueprint of an Overnight Hotel Stay



Technology-driven Service Strategy SIA as an Example

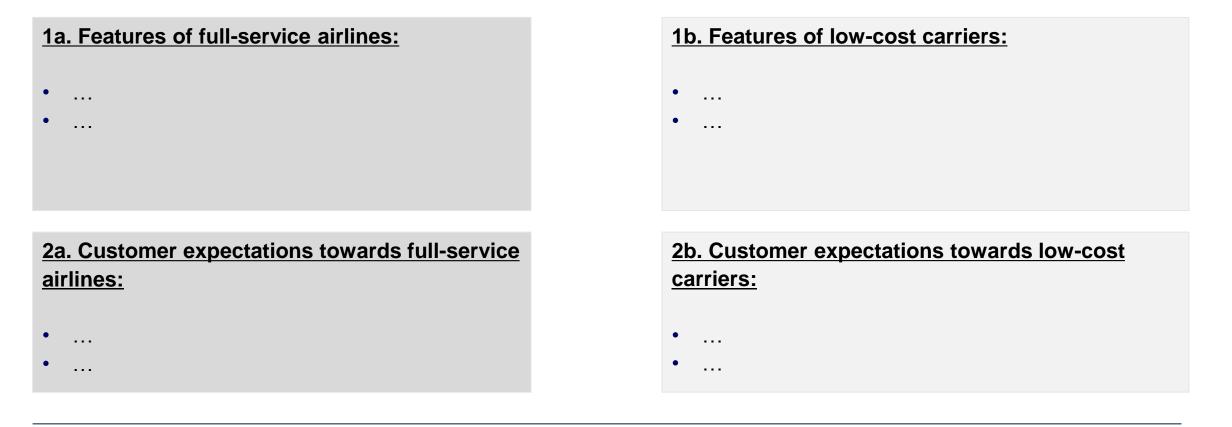
Singap	oore Airlines (SIA) – Timeline and Development	
1972	Singapore Airlines (SIA) emerges from the division of assets of Malaysia-Singapore Airlines (MSA) between Singapore and Malaysia	
1980s	SIA reached key destinations in Japan, Australia, Europe and North America (focus on the "Kangaroo Route")	
1989	SilkAir founded as Tradewinds (commenced operations as SilkAir in 1992)	
2004	Tigerair is launched	isinessinsider.sg/20-best- -6/?r=US&IR=T
2007	SIA is the first carrier to fly the largest passenger liner A380	sg/20 T
2010	Tigerair is publicly listed at the Singapore Stock Exchange	sider. 8&IR=
2011	SIA announces the multi-brand portfolio strategy (under new CEO Goh Choon Phong)	essin: r=US
2011/12	SIA launches the low-cost medium-to-long-haul airline Scoot	usine 7-6/?
2015	SIA launches the first phase of Customer Experience Management (CEM) System	/ww.k x-201
2016	SIA fully takes over its short-haul low-cost subsidiary Tigerair	ps://w kytra
2018	SIA rated best airline in the world (Skytrax); Tigerair merges into Scoot	3); htt 017-s
2019	SIA group: SGD 15.9 billion revenues, SGD 1.06 billion operating income; World's Best Airline Cabin Crew (Skytrax); SIA operates more than 60 cities in over 30 countries	Wikipedia (2018); https://www.bu airlines-world-2017-skytrax-2017
2021	SilkAir will merge into SIA	Vikipe airlines



Technology-driven Service Strategy SIA as an Example

Exercise:

What are the main differences between full-service airlines and low-cost carriers (LCCs) (1a & b) and to what extent do these differences trigger varying customer expectations (2a & b)? Open group discussion.





Technology-driven Service Strategy SIA as an Example

Exercise:

What are the main differences between full-service airlines and low-cost carriers (LCCs) (1a & b) and to what extent do these differences trigger varying customer expectations (2a & b)? Open group discussion.

<u>1a. Features of full-service airlines:</u>

- Higher rates
- On-board service (e.g., included luggage, meals, etc.)
- Flights from/to key airports, typically medium to long distance
- Code sharing (alliances)
- Extensive loyalty programs
- Multi-class cabins
- Various aircraft types
- Higher costs of labor to serve flights (selection and training more rigorous)

2a. Customer expectations towards full-service airlines:

- Functional benefits: reliability, safety, punctuality, convenience, accessibility, value-for-money, etc.
- Hedonic benefits included: empathy, entertainment, catering, status, etc.

1b. Features of low-cost carriers:

- Lower rates
- No on-board service included in price
- No ticket flexibility
- Flights from/to second-tier airports
- Point-to-point flights, typically short to medium distance
- No or limited loyalty programs
- Single aircraft type (e.g., narrow body planes → bulk ordering, lower costs and complexity)
- Minimum staff to serve flights
- Single class cabins (densely packed)

2b. Customer expectations towards low-cost carriers:

- Functional benefits: reliability, safety, punctuality, cost savings
- Hedonic benefits not included in the basic "package": paid additional services (priority boarding, premium seats etc.)



Technology-driven Service Strategy – Electronic Service Quality E-S-QUAL

#5 Parasuraman et al. (2005)

E-S-QUAL	
A Multiple-Item Scale for Assessing Electronic Service Quality	

A. Parasuraman University of Miani

Valarie A. Zeithami Arvind Malhotra University of North Canding of Charlel Bill

Using the source of protocols are informed a point. Since the source of protocols is the source of respective construct, effects, and the source of respective construct of the 2000 LL point and the 2000 LL point and the source of point of the source of	Although a longer there are been transition particular object contexts. How there are the an articular barrier and object the second second second second second and the second s
Keywords: e-service quality: online stores: customer ser- vice: scale development	vice quality delivered through the Internet (Ahmad 2002; Lennon and Hamis 2002; LoClascio 2000; Postore 2001). This problem still persists (Cox. 2002; Gaudia 2003; InternetNew-Bareus 2003). If Web channets are to be

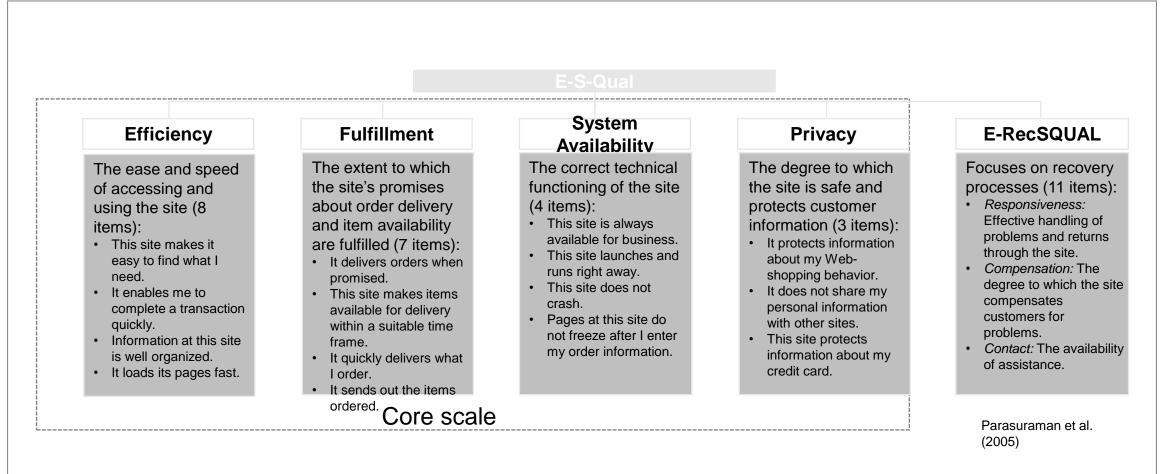
The authors gratefully acknowledge research grants from the Marketing Science Institute and ould not have been conducted. They also thank three anonymous reviewers for their constraint based as served. Sciences 1, New 2, No. 3, Princip 2005;25:250 2007 Supp Philosophia. Electronic service quality... is defined broadly to encompass all phases of a customer's interactions with a Web site: the extent to which a Web site facilitates efficient and effective shopping, purchasing, and delivery.

(Parasuraman et al. 2005, p. 217).





Technology-driven Service Strategy – Electronic Service Quality E-S-QUAL



Technology-driven Service Strategy – Customer Experience Definition

People don't buy products or services, they buy experiences.



"An experience is not an amorphous construct; it is as real an offering as any service, good, or commodity" (Pine and Gilmore 1998, p. 98).

Ongoing Trends:

- Customers interact with firms through a myriad of touchpoints in multiple channels and media
- Omnichannel management is the new normal
- Firms have less control of customer journeys (growing volume of customer-to-customer interactions and social media use)

Resulting Challenge:

"It has become increasingly complex for firms to create, manage, and attempt to control the experience and journey of each customer" (Lemon and Verhoef 2016, p. 69).

Lemon and Verhoef (2016), "Understanding customer experience throughout the customer journey," *Journal of Marketing*, *80* (6), pp.69-96. Brynjolfsson et al. (2013), "*Competing in the age of omnichannel retailing*, Cambridge, MA: MIT..

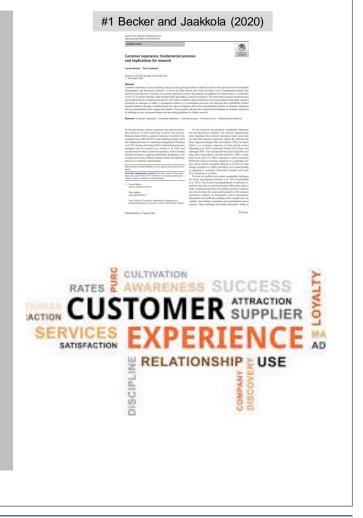


Technology-driven Service Strategy – Customer Experience Definition

Customer experience ...

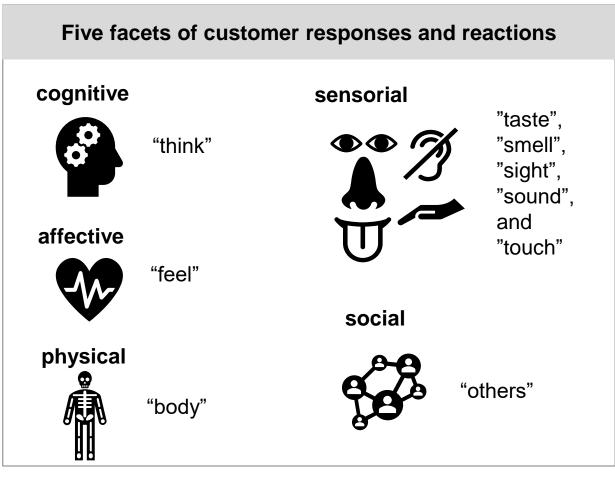
- 1. is holistic in nature and involves customer's spontaneous, non-deliberate cognitive, affective, physical, sensorial and social **responses and reactions**
- 2. to offering-related stimuli along the customer journey
- 3. (...) is created not only by those elements which the company can **control** (i.e., touchpoints controlled by the firm), but also by touchpoints that are **outside of the company's control** (i.e., touchpoints that are not controlled by the firm) (Becker and Jaakkola 2020; Verhoef et al. 2009)

Becker and Jaakkola (2020), "Customer experience: fundamental premises and implications for research;" *Journal of the Academy of Marketing Science*, 48(4). Verhoef et al. (2009), "Customer experience creation: Determinants, dynamics and management strategies," *Journal of Retailing*, 85(1).





Technology-driven Service Strategy – Customer Experience Customer Responses





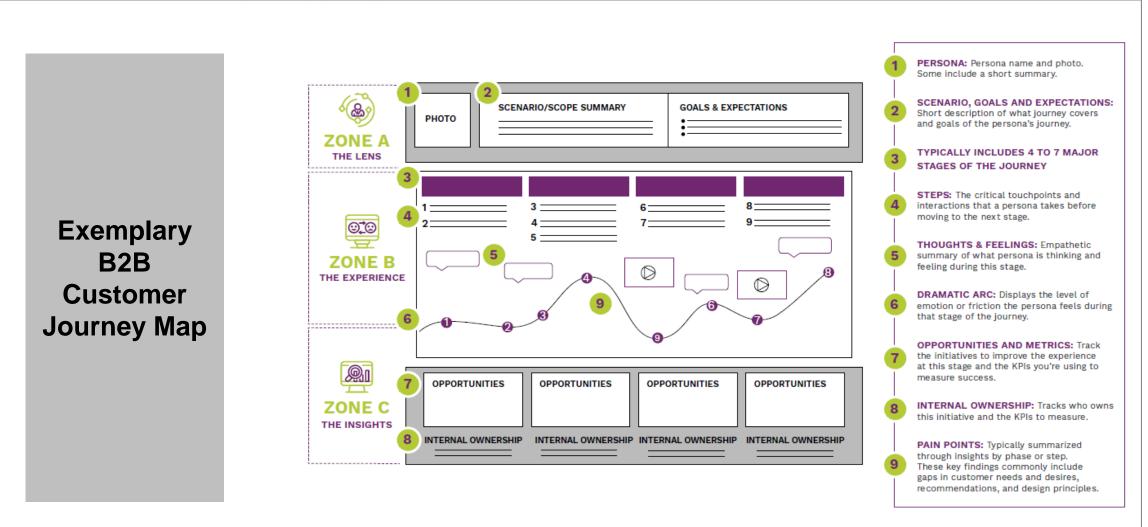
Becker and Jaakkola (2020), "Customer experience: fundamental premises and implications for research;" Journal of the Academy of Marketing Science, 48(4).



Technology-driven Service Strategy – Customer Experience Types of Stimuli

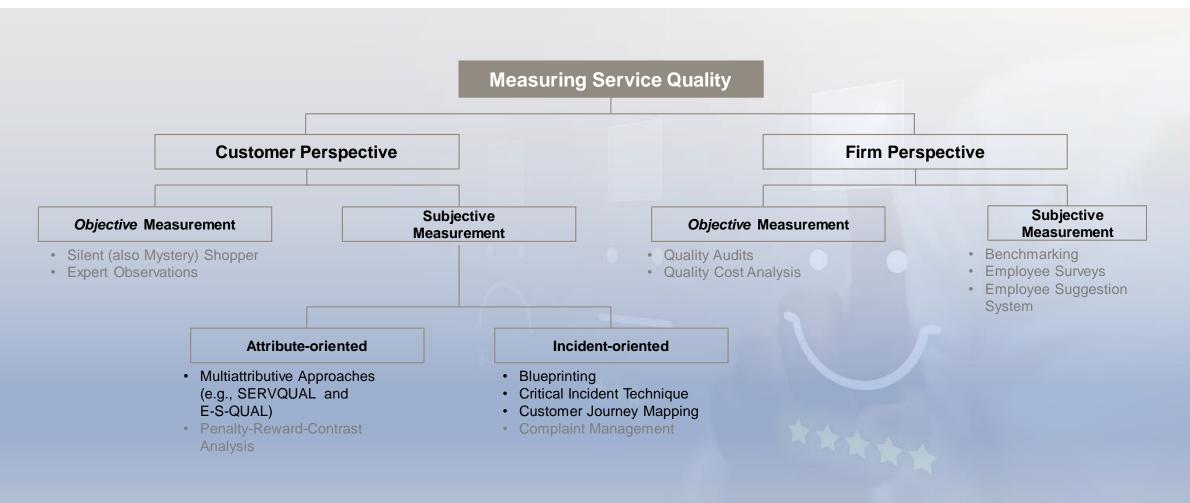
Leve	el of aggregation				_
1	Consumer journey	Webshop Peers, so	Store cial media, other	Call center brands etc.	
And Alland	Customer journey	Webshop	Store	Call center	
	Touchpoints	Webshop	Store	Call center	
	Cues	Brand logo	Packaging	Loyalty points	Purchase
		Before	During	After	stage

Technology-driven Service Strategy – Customer Experience Customer Journey Mapping





Technology-driven Service Strategy – Service Quality Overview

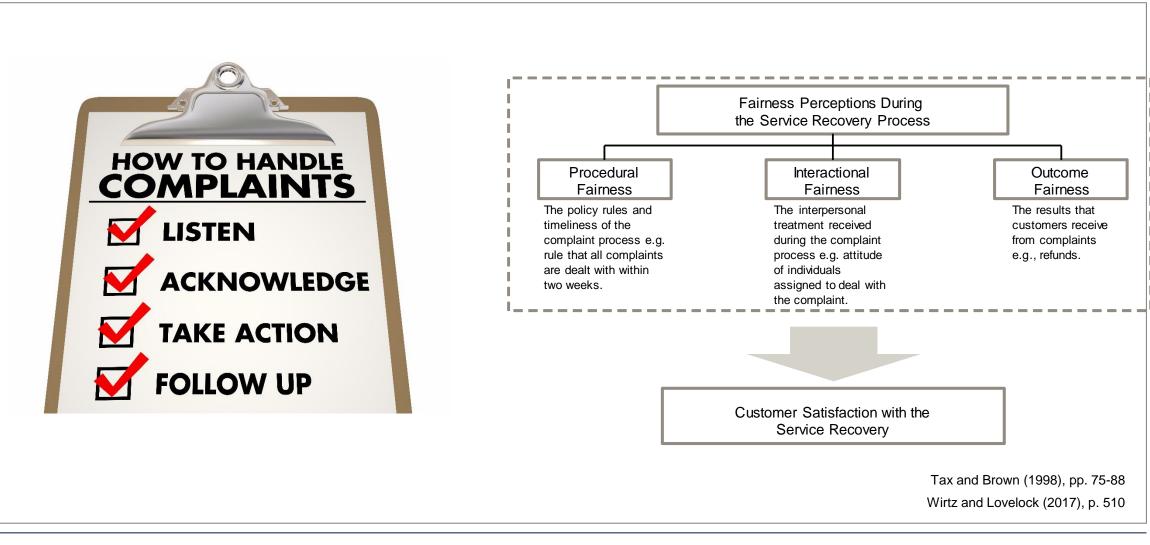


Technology-driven Service Strategy – Service Recovery Definition



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<text><text><text><text><footnote><footnote><text><text><text></text></text></text></footnote></footnote></text></text></text></text>	(2) subsumes company efforts to correct a problem.	Service recovery is defined as the process by which a firm attempts to rectify a service failure (Maxham 2001).
<text><text><section-header><text><text><text><text><text><text></text></text></text></text></text></text></section-header></text></text>	(3) may create a paradoxical situation.	The Service Recovery Paradox (SRP) is defined as a situation in which a customer's postfailure satisfaction exceeds prefailure satisfaction (De Matos et al. 2007).

Technology-driven Service Strategy – Service Quality Service Recovery Strategy – Fairness Theory





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