Managing Services
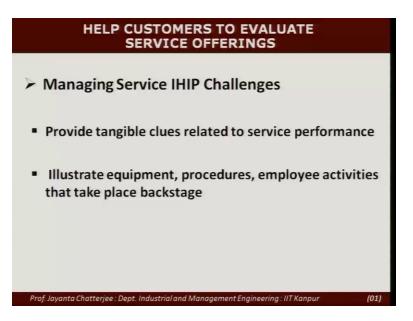**Prof. Jayanta Chatterjee**
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Lecture - 10
Response to IHIP Challenges

Hello, I am Jayanta Chatterjee from IIT, Kanpur and I am discussing with you about Managing Services and the contemporary issues in today's world and the new paradigm of service as a philosophy for all businesses. In the last session, we were discussing about the problems or challenges post by the service business, because of the intangible nature of service, because of the heterogeneity of consumer reaction to the same service instance and the inseparability and perishability issues.
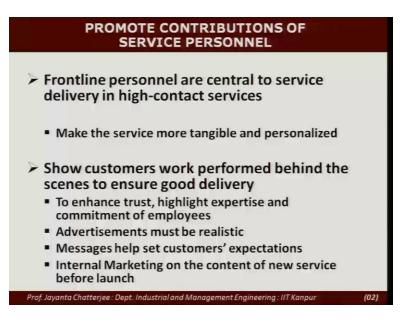
We discussed in the last session, the nature of challenges and the most important goal that we have is to create in some way through a series of touch points and our understanding of the service flow, a lingering good feeling at the end of the experience that will inspire us to talk to others about the goodness of a service. That referral, that advocacy ensures on one hand, repeat business from the same customer, extremely important in service business.

Because, service business is much more competitive than certain other large scale manufacturing businesses, because the entry barrier in the service business is often lower and good things in one service business can be quickly emulated. So, ultimately it is the genuineness of the positive experience of the service consumer which is at the core of managing the challenge of intangibility and heterogeneity, etcetera. So, that we can convert our customers into our business partners, our service co creators.

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So, in this response to the IHIP challenge, the two key points are that we have to provide tangible clues at the touch points, which create a series of perceptions about the service performance. And we continuously highlight in all forms of communication, the equipment, the procedure, the employees and their activities that bring the service to the consumer. By depicting professionalism, adherence to quality, the deep belief in customer's welfare, the more we are able to project these continuously through the touch points and through the service flow, we are able to create that lingering good feeling, that positive perception during the service and after the service.

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So; obviously, as you can see the front line personnel, the touch point personnel, they are

the custodians of the so called moments of truth, where impressions are formed by the consumer about the quality of that service. So, in most high contact services, like education, like consultancy, like a four star, five star hotel, like a nursing home or other health care facilities, the service personnel at the primary ambassadors, message conveyors, impression creators, which tangibles the intangible which is the service experience.

The personalization of the touch point is a deep subject, we discussed briefly in our overview sessions in the first week that service providers are also human beings, they also have different days of sorrows and happiness, they are glad and sad at different points. But, yet we want a positive personnel service approach, even internally they may be in turmoil for which we need special trainings, special attentions, special organization, systems, structures and cultural developments.

In case of services which are not necessarily high contact, but a lot of things are happening behind the scene. Like for example, when you have handed over a packet to the courier company at needs to be delivered to somebody at a critical point of time within 24 hours or 48 hours and so on, that expectation or anticipation is also full of anxiety and uncertainty and so on about that correct delivery at correct time.

It could be a tender document, it could be an application form, it could be a declaration to authorities for certain things, in all these cases it is time critical and during the process, till the service is completed, we do not know is it happening on time, am I going to be with the last date for this application. Because of this assures, uncertainty filled intangible moments, you need to share with the customer, a lot of information, lot of process will stuff that are going on in the back ground. So, that is you know all courier companies they providing you tracking facility.

Some provide this facility much better than others, where you can know almost hour by hour where your package is. Sometimes, there are services were they will provide you proactive messages and all these to make it happen, it is also important to internally to your people, the service personnel, a continuous flow of internal marketing messages.

So, to create trust externally with the consumer, to create good feeling externally with the customer, to create assurance, to create the trust in customer's mind about your reliability as a service provider as a courier company. It is very important that you pay equal attention to the processes that make your people happy, processes that keep your service

personnel up to date, keep your service personnel informed about how you are business is doing and how they are contributing.

So, this need of balancing the triangle which we had discussed in a previous session, on one side external marketing managing the touch points and the service flow and on the other side internal marketing managing the flow of feedback, information, customer reaction continuously to your own people, bridge the gap between the consumer and the service employees to create the partnership which is essential for excellent service.

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This customer involvement in production we will discuss it in much better detail later on, but at this point I would only like to mention in passing that the customer often will eagerly participate in bettering the service, he or she will bring information and resources to make the final performance better. Because, he or she also has equal state that the service goes well, if you enable their participation with knowledge, with information, their eagerness is supported by your response mechanism, then on the whole performance will be better.
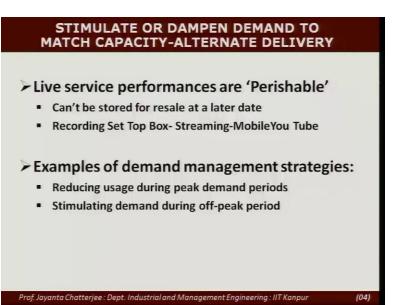
Like for example, these days in many dentist chambers, lot of audio visual information are provided to explain the nature of the surgery, the person is going to go through like maybe Root Canal Treatment or capping of the teeth or some other procedure. In that knowledge exchange, the exited level of the patient will come down and that the patient is calm and the patient is switched, on the whole the procedure will go much better.

And as you can see here therefore, a good knowledge exchange between the service

provider and the service consumer, some of that can be automated, some of them can be self service technology driven can create ultimately a better outcome. And of course, new dimension of services are often created these days. For example, if you compare today's function in a gym or operational procedure in a gym which is a kind of a service and now more and more in demand.

So, instead of thinking of a gym where certain equipment are kept and certain procedures can be performed, if you participate in the customer's need of generating wellness and create information flow to the gym customer about the number of steps taken, the number of calories burned, the number of inches, number of kilograms, number of strokes, you can create an involved customer, a knowledgeable customer, who in all probability will be a more satisfied customer.
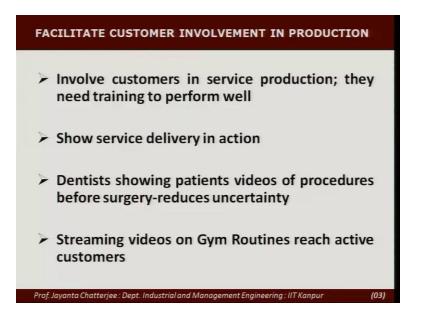
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The understanding of this touch points and flower also important to address the other two challenges of service, which is this inseparability and perishability by creating alternate channels for transmission, a music performance, a music recital or consort which is an good example of a perishable and highly intangibles service by creating a streaming service, a telecast service, broadcast service, running in parallel to the real performance, providing opportunities for recording on the set top box of the TV for streaming of a live consort or your ability to see later on a you tube. These are all different ways of managing the perishability and of course, these are certain similar processes can be used to manage demand overflow.

So, the opportunity that is last by because auditorium is full and the opera cannot be experience now by the people's standing outside often these days you create a giant screen outside the opera house, where people who could not buy a ticket, could not get a ticket, because the auditorium is full can still experience at least some part of the opera outside. And in the process you may be able to create a future customer, the person may come back next weeks for the next performance.

So, these are some little examples of course, we will take this up in more detail later on and how we manage these capacity and demand mismatch, the demand managements system, the capacity management system in service management, we will discuss in that more detail.

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This was just in a passing it is too important that by involving the customer, not only we can manage the intangibility better, not only by informing the customer giving him more knowledge and input, we can create a more informed participant, more informed co producer by creating a flow of communication between your service personnel and the service consumer before during and after the service. You can create happiness in the minds of service providers as was in the minds of services consumers, you can also use those same techniques or same approaches or same service philosophy for managing the other challenges like perishability of the service.

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We will get into a little deeper end of this intangibility problem and these are called abstractness. Abstractness you can really understand there is for example, this phone is an concrete object. So, the weight that I feel will be almost similar to the weight that you will feel if you take this phone, the screen, the color all these will be objective communication to any consumer who takes this up.

But, in service because of it is intangible nature you do not have any way of knowing about the service before that is the non searchability problem and each service being almost unique there is no dimensionalized, physical correspondence and therefore, it becomes somewhat abstract and lastly many services can be quite complex. So, therefore, they create a problem what we call mental impalpability.

So, like very of few you know about CT scan the full name being computed demography. Now, there is a new service available to use the very high speed and ultra-fast computed demography in ways if service to know about your heart and heart areal, blockage conditions and so on for which earlier there was a very much more complicated in ways if surgery, were physical objects touched your internal organ. Now, this services complex, so many people may not be able to understand it in full depth. Therefore, we have to create other responses in our communication as well as in our service presentation to address these deeper problems and we will take it up in the next session.

Thank you.