Managing Services
Prof. Jayanta Chatterjee
Department of Industrial Management and Engineering
Indian Institute of Technology, Kanpur

Lecture – 11
Process and Promotion

Hello, I am Jayanta Chatterjee and we are interacting on the various aspects of Managing Services and the many contemporary issues that now creates complexities, challenges and how we are managing to respond to them in the domain of the service businesses. We are continuing our last topic, which is per understanding of the service process; create knowledge that can be used to manage the service flow in the service touch points, together they constitute the service process.

So, communication, customer Education, promotion are inputs to better understanding of the service process in terms of the service complexities and better promotion, customer education and communication are ways to respond to the challenges post by the intangibility, heterogeneity, inseparability and perishability of service.

(Refer Slide Time: 01:31)

These points we have discussed that to overcome intangibility we use tangible cues, remember those different adds we looked at of courier companies, where their equipment, their people, their uniform, their eagerness, their expertise are all highlighted as tangible cues to overcome the intangibility of the service they are providing. Or the

use of metaphors for examples, or use of statements like you are in good hands, a very popular statement in most health care or education and such complex, credence based services. So, these metaphors in a way it create value propositions, which are universal in nature.

(Refer Slide Time: 02:31)

And go to a swage, the customer create a positive frame of mind, which help getting a better feel of the whole process and at the end feel in a little bit more satisfied, that tangible good feeling which is our aim to generate out of intangible services. This is a nice research construct from Mittal and Baker, this was published in 2002. This shows that how service communication or communication in service business, how we have used here or rather the author said use the word advertising strategies.

But, actually you can easily see that, this will apply to the entire range of communication possibilities, that can help us overcome intangibility. So, for example, the problem of generality of services, we can use system documentation, performance documentation to highlight the physical part of a particular service. So, these will be like your brochure for a health care facility or for an educational facility.

So, you objectively document physical system capacity, document and cite past performance statistics, etcetera. This as you will see any catalog or brochure that you take of a service facility, these will be the features. You will see for the non-searchability as we discussed in the previous session; that means non-searchability means that, many of the concepts that you are trying to communicate or properties of the service are

abstract and therefore, they cannot be again and again felt or touched.

So, you create an alternate mechanism, which you can touch and feel and read and understand is that, you create a whole series of documentation, you give reputation oriented referral documentation, give testimonial of people who have already earlier use the service and felt good. So, that is why, you will see that in the brochures of educational institutes, there will be statements from alumni, there will be statements from people who have recruited students from that institute and so on. These are all different types of testimonial that will reputation or we can record different episodes.

So, all the different times of e-commerce services that are now all around us, when they are promoted on the television, you will see the abstractness of that service or the differentiating of abstractness I would say of the e-services as suppose to physical services are depicted through different episodes. Sometimes with the little bit tough touch of hummer to highlight the convenience that you can order any time; that you will get timely delivery; that you need not have any worry if the pair of shoes does not offer good fit, you can return easily, all these are explained through episodes.

So, many times these ads actually are almost like a TV serial, they go one after the other in a linked manner, trying to communicate both response to abstractness as well as response to complexities that may be involved. Like I were discussing about health care services and often what we call mental impalpability; that means, the inability to understand all the nuances of a very complex service.

So, there instead of getting into all those details or how computed tomography is done, you go in to case history, an episodes of service consumption to create the assurance in customers mind, that this is a good non-invasive way of getting a good understanding of your hearts functioning or your blood system or if the arterial blockage or etcetera.

(Refer Slide Time: 07:29)

So, it is be well understood if we look at some actual cases, like these are images from communications relating to a quite an intangible thing, which is a tourism experience, travel and tourism experience, a big service industry. Really depended totally on delivery of unique series of experiences and to highlight, there will be some documentation like how many days, how many nights, which kind of hotels and so on, program day by day. But, it will be supplemented by powerful images, vivid images, metaphors, rituals to highlight.

(Refer Slide Time: 08:15)

Similarly, for example, this is the growing business of medical tourism, this is become a major service business offered by certain states in India like Kerala. A series of unique

services for well being, for health, for addressing certain chronic diseases and so on, people come from all over the world, the processes involved, the science involved, the procedures, instead of… There may be brochures, there may be catalogs for the descending customer, who may want to know all the details.

But, for most people, we will use images, we will use metaphors, we will use expressions to counter the intangibility or mental impalpability or the abstractness. We will use expressions, physical episodes, where you immediately feel that this will be good, other people have taken part, there is science and heritage involved. So, use metaphors images to create a vivid set of communication that address the problem of those key issues regarding non-searchability, generality, abstractness and this impalpability. There are services where these days as suppose to the services you see for medical tourism or other incredible India type of tourism.

(Refer Slide Time: 10:17)

There are services which are provided by machines, they are as a class known service through Self Service Technology, SST, ATMs, self checking machines at the airport are examples. Here, also for successful performance of the process, the role of communication and promotion is very significant. So, here actually instead of calling it promotion or advertising, we call it customer education.

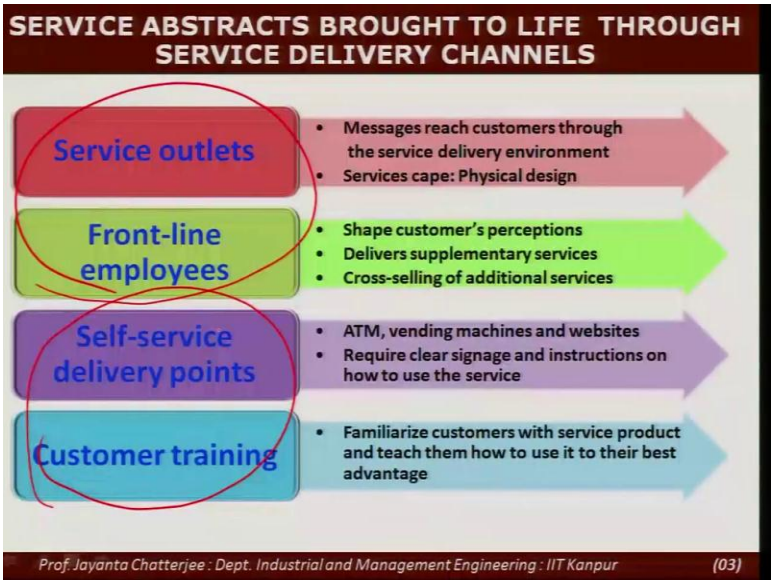
So, obviously in self service, the role of the customer is very critical, because customer becomes in many ways the service provider and he creates or she creates the service in conjunction with the system provided. So, the advantages are obvious, that instead of a

very complicated long wait at the checking counter, you can actually go through the self checking facility and get it done in a few minutes. Or, instead of waiting at a long queue at a bank or instead of traveling five kilometers from your village to the next village for accessing the bank teller, you use an ATM, you use the self checking machine. Advantages are obvious, but the customer is playing the much bigger role in this service performance; this is a good example of service co-creation.

But, for each success, you need promotion, only in this case, we do not call it promotion, we call it customer education, customer training. So, just as for many other types of services, the continuous training and development of service personnel will be an important strategy. In these types of services, educating the customer, training the customer, keeping the customer informed will be an important to input for success.

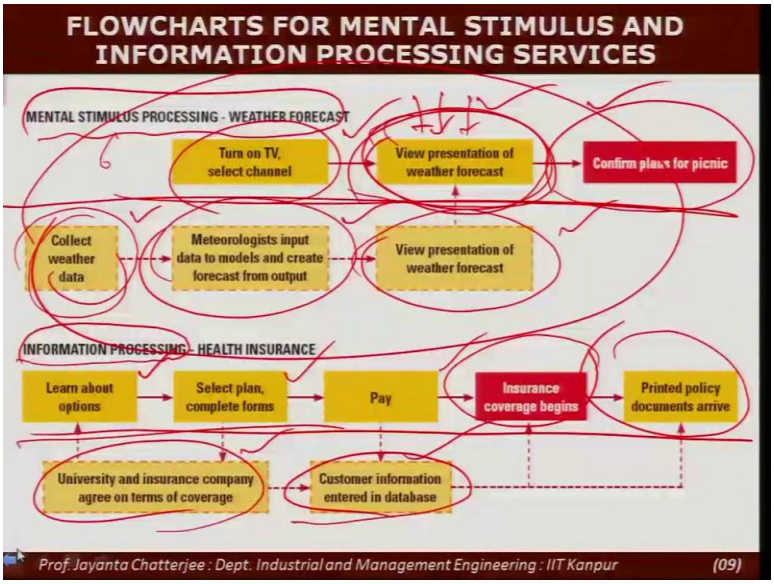
So, in either case as you can see that for successful completion of service process, it is essential to create a successful promotion, customer education, communication, knowledge flow mechanism, for both employees and for customers, which if done correctly will take care of the so called IHIP problems, the intangibility, the heterogeneity, inseparability and imperishability.

(Refer Slide Time: 13:53)



So, we conclude by saying that for one class service outlets and front line employees and for another class the self service delivery points, the customer training both are instances of the fusion necessary between process and promotion. Now, to do it correctly, there are some techniques and some technologies. So, we call it visualization of the process.

(Refer Slide Time: 14:25)



The visualization I talked about it earlier, at that time I called it a flow chart, I will now use some other terminologies in this connection like terminology blue print or process map. They all kind of connote the same approach, which is visualization of the service touch points and the service flow. So, for example, this is an example of mental stimulus processing service.

Some of you have sort of raised a question from a previous session that what is the difference between mental stimulus processing and information processing; I am using this flow chart to clarify that doubt as well. So, mental stimulus processing is for example, weather forecast. So, the flow chart is you turn on the TV, select of weather forecast channel and view the presentations of weather forecast and decide whether we will go and for the picnic tomorrow or not.

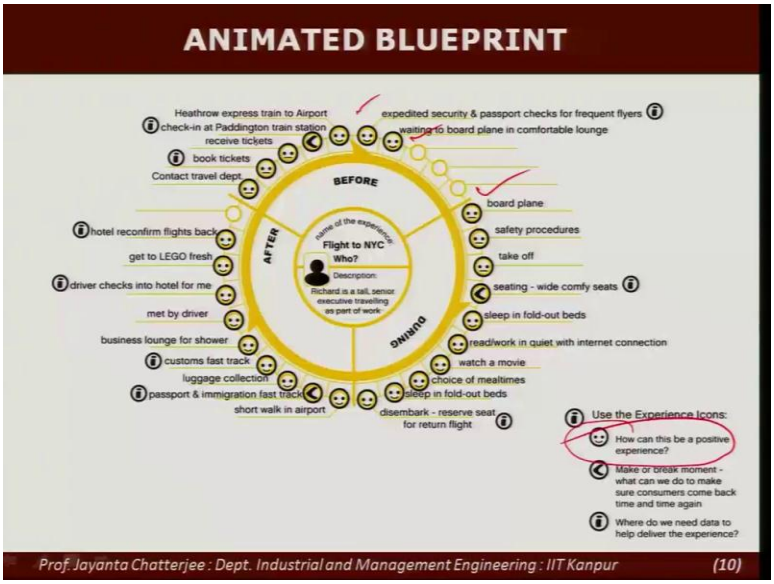
But, if the background to provide this service, so this is the front line, this is the visible part of the service and behind the line, we have collection of weather data, input of the data into various kinds of weather forecast models and creating the presentation material, which is what you see. To understand this process therefore, we have to understand the touch points, we have to understand all the background processes and understand this entire thing as a system to create a good successful service instance.

You will need to communicate to the customer certain technical aspects, so that the customer understands the by that presentation like precipitation rate or the humidity and it is relationship with possibility of rain, etcetera, those things you have to communicate.

Then, this whole thing will become a good service performance, a satisfactory service performance.

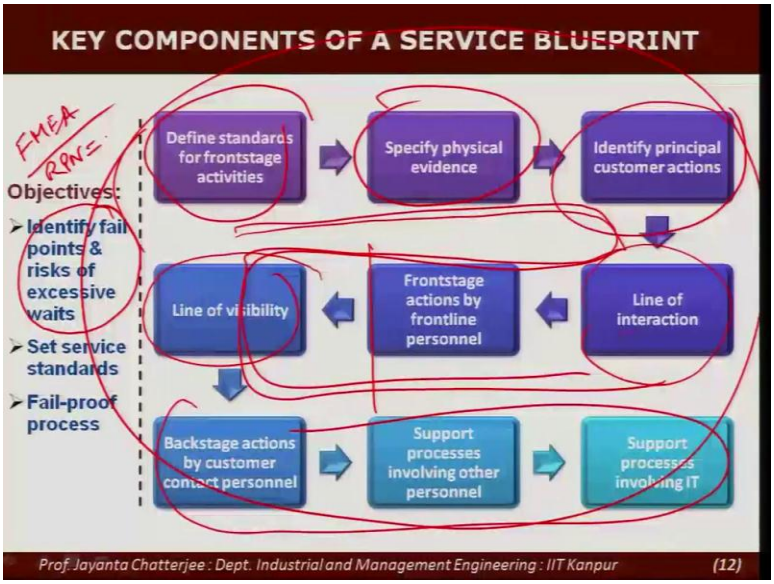
On the other hand, if suppose it is an information processing, health insurance, so the above the line will be you learn about option, select plan, insurance plan, pay and the insurance coverage starts and you get some documents, etcetera. Behind the line background, there will be actions like there will be some agreement maybe with your company or with your university about the terms and conditions. Customer information will be entered into the data base. So, here again there will be some exchange of communication and knowledge.

(Refer Slide Time: 17:14)



And thereby actually the service will be performed well. These instead of using this linear or multi level flow diagrams or what we call process maps or flow charts or service blue print. These days, we also use some animated blue prints, where you can use the so called emoticons to show that, whether the service was the positive experience or whether the service was not so positive and so on. So, there are different ways of depicting these days.

(Refer Slide Time: 17:51)



And it can actually be often animated on your mobile phone or a smart phone and so the key components of a service blue print, which help you to balance the process and the promotion or the communication and the challenges or these, this is actually shows how you can see here, this is the how the whole flow is happening. So, almost like an S in this presentation.

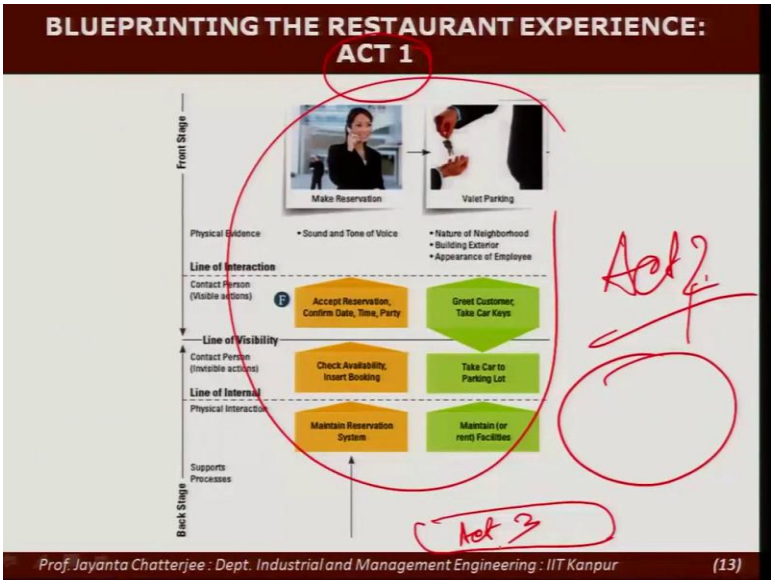
So, define standard for front stage activities, specify physical evidence, identify principle customer actions at the touch points, the line of interaction. And therefore, this is the front stage and then, behind this line of visibility, we have the back stage and the whole thing together is creates the, what we call the service blue print, the service flow chat or the service map.

And this understanding of this map is necessary, because these touch points are understanding of this blocks will tell us that, what are the different IHIP characteristics and what should be our responses to manage those IHIP characteristics. So, the other important point, I think I should mention that it also help us and I will discuss this in a detail section, when I come to service operations is that, it helps us to understand that which other bottle mix points and where failure can happened.

And severity of the failure that can happen and the probability of occurrence, then we can use something what we call the FMEA analysis, the Failure Mode Effect Analysis by and we can represented by a number, which is basically nothing but, a product of the probability of the occurrence and the probability of non-detection and the severity. So,

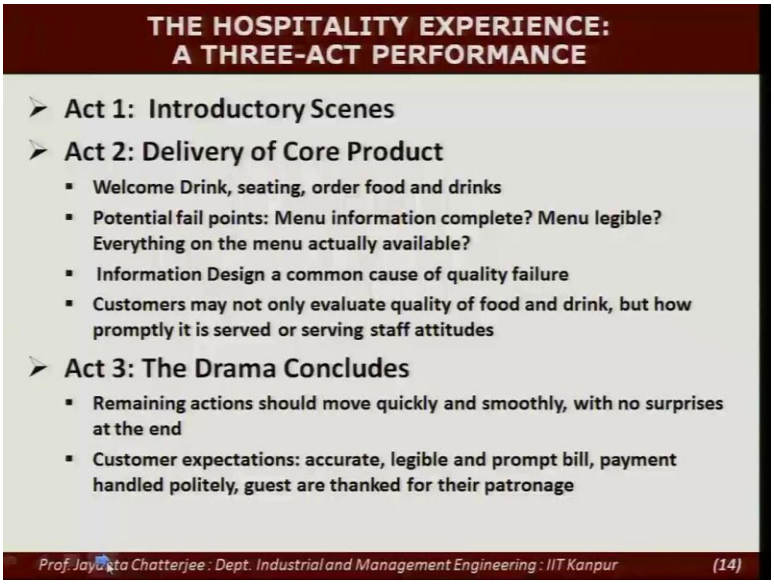
this kind of maps tells us about bottle mix as well as possible failures then that will help us to improve.

(Refer Slide Time: 19:49)



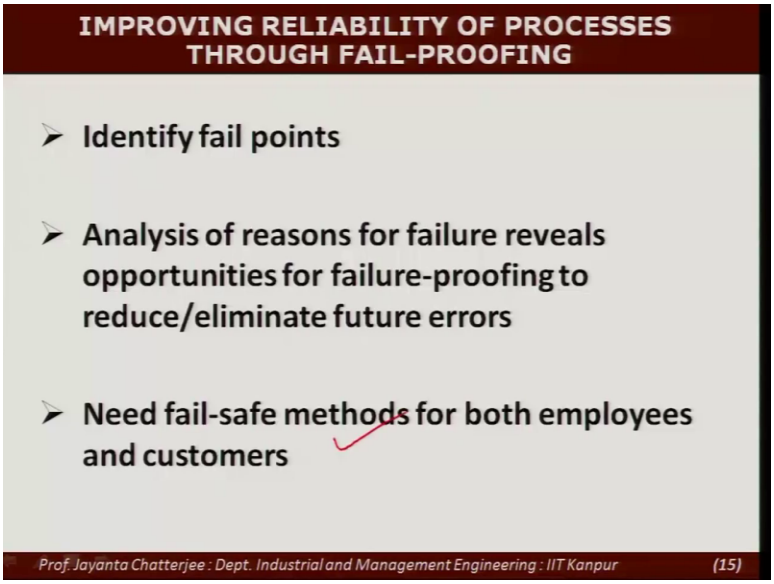
So, blue print can also be represented in some kind of a series of acts like in a restaurant, the first where actually you make the booking and we arrive at the restaurant can be act 1. The act 2 can be where you are in the process of dining and act 3 can be a departure after your bill and everything is done.

(Refer Slide Time: 20:18)



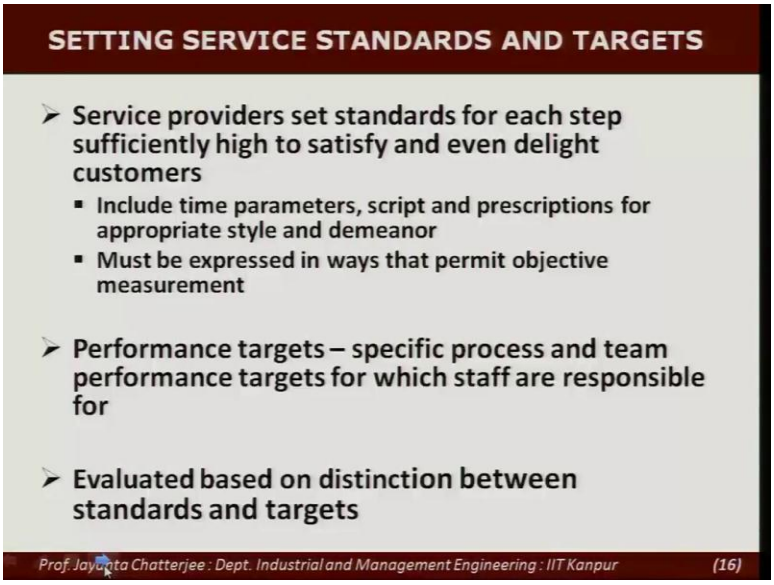
So, it can also we seen therefore as a drama and accordingly we have already discussed that how the different types of role and script theories can be applied.

(Refer Slide Time: 20:28)



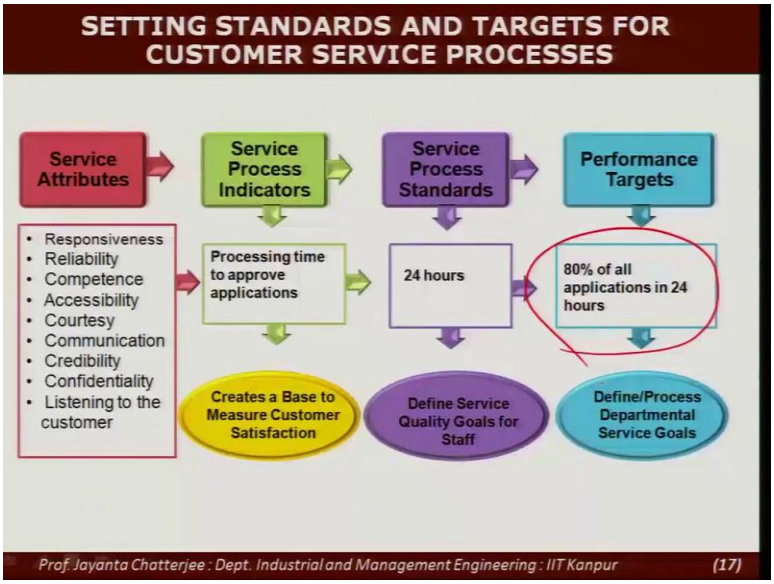
So, identify fail points, we discuss this already, creating of the fail safe facilities.

(Refer Slide Time: 20:35)



And creation of standard and targets; that in how many minutes we want a reservation request, we done with the help of computer or how many minutes it takes on a average to serve a plate of chicken tandoori in a restaurant or how many minutes it takes as to process a bill, after the customer signals. These are all whether it is an restaurant, whether it is in a nursing home after you are at your discharge point. All this process points understands and the targets we have to set up.

(Refer Slide Time: 21:15)



So, 80 percent of all applications in 24 hours will be processed and I mean for a college admission for example. So, we map we create understand the fail points, we understand by a bottle neck points, we set up standard, so that of there is no failure, service failure. So, that is no service bottle neck and we see continues the measure, how we are doing with respect to those standards. So, this is in a way our response mechanisms to the complexities and challenges post by services.

(Refer Slide Time: 22:00)

We will illustrate more and more our ways to achieve is continue our success through in future sessions, when we understand that many of these problems are generated due to the traditional or perennial mismatch between capacity and demand, so how do we

manage that. The intangible nature of service and therefore, how do we establish quality of service, how do we understand paradox between productivity and quality, all these will give us further knowledge about how we can create success, testimony, referral, customer advocacy.

So, that our success is continues, we are able to create a five star service and it is important to understand that service excellence is not episodic, it is a continues systems approach that can only produce it. So, that is why in service business, we have to claim this premed, where from transactional nature of relation with the service consumer, we have to create a deeper relationship.

So, from transaction to relation, but for success, this continue success, we need to go further than the relation, we need to create customer advocacy, customer then becomes your co-marketed. So, the role of the customer as you co-creator of service and as a co-marketer of the service will be some interesting topics that we will take up in the sub-sequence session.

Thank you.