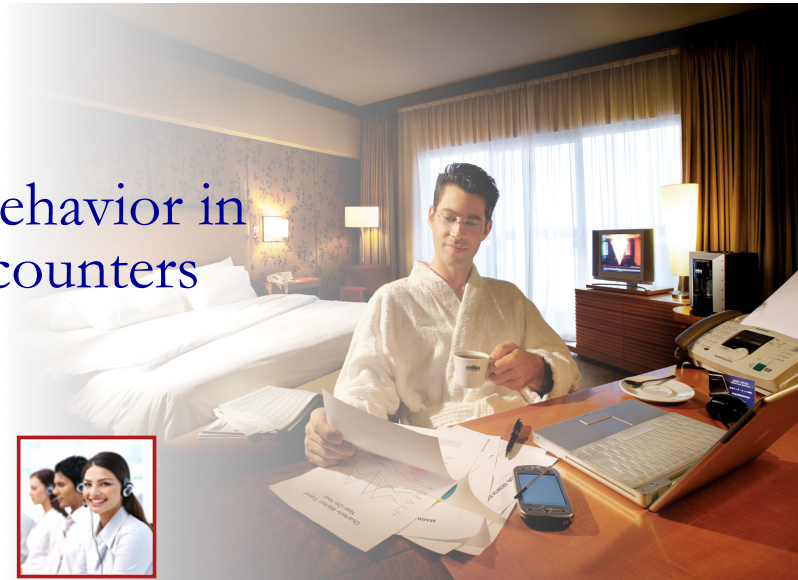
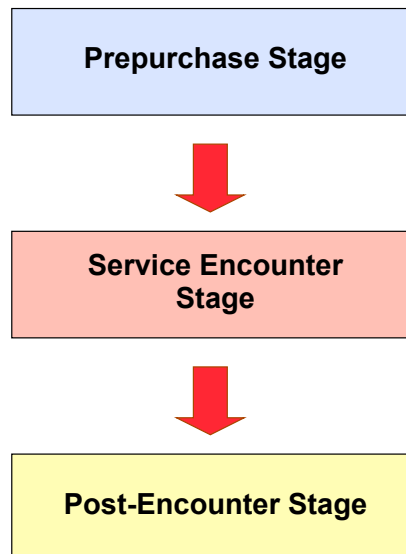


Chapter 2: Customer Behavior in Service Encounters



The Purchase Process for Services



Imagine you just moved to a new town and you are looking for a



A nice club or bar to go out

- How do you decide, which service provider you should choose?
- Which criteria are important for your decision?
- Which things do you try to avoid when you choose the right service provider?

How could the consumer reduce risk? How could the company reduce risk for the consumer?



Consumer:

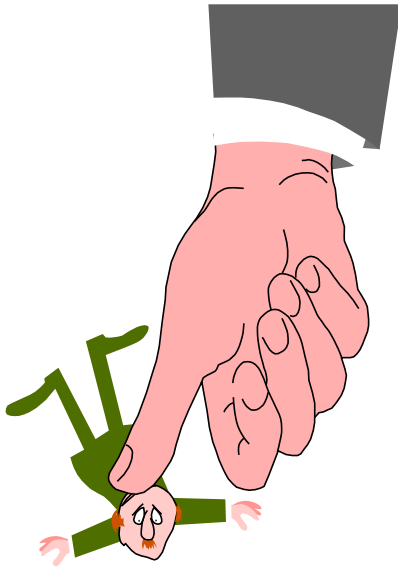
- Research website
- Observe other people, test the place, check out the music on the music.
- Prepare for drive
- Avoid fights

Company:

- Door men management, camera (security), different options of vodka
- Bar tender needs to know his business, Having good promotors
- Good website, Good social media presence

Perceived Risks in Purchasing and Using Services

SERVICES MARKETING



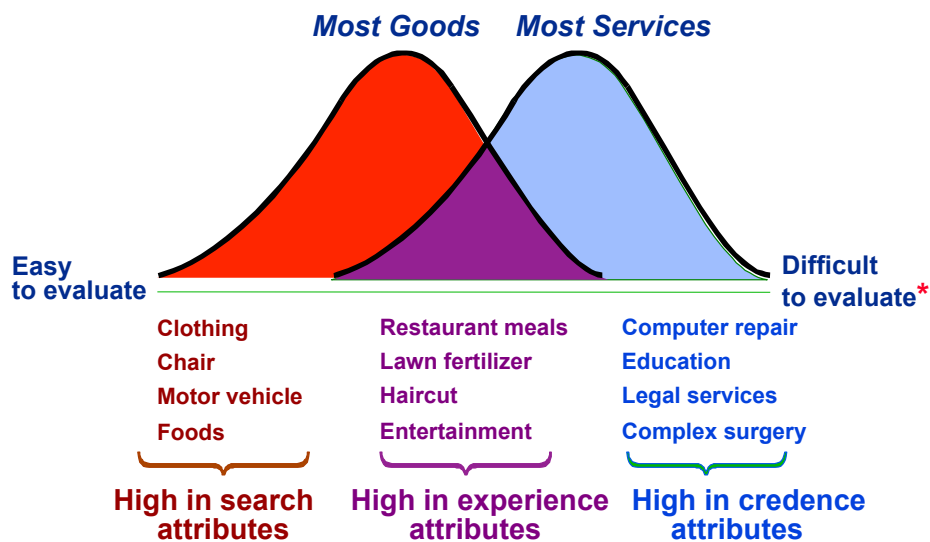
- **Functional**—unsatisfactory performance outcomes
- **Financial**—monetary loss, unexpected extra costs
- **Temporal**—wasted time, delays leading to problems
- **Physical**—personal injury, damage to possessions
- **Psychological**—fears and negative emotions
- **Social**—how others may think and react
- **Sensory**—unwanted impact on any of five senses

Evaluating a Service May Be Difficult

SERVICES MARKETING

- **Search attributes help customers evaluate a product before purchase**
 - Style, color, texture, taste, sound
- **Experience attributes cannot be evaluated before purchase—must “experience” product to know it**
 - Vacations, sporting events, medical procedures
- **Credence attributes are product characteristics that customers find impossible to evaluate confidently even after purchase and consumption**
 - Quality of repair and maintenance work

How Product Attributes Affect Ease of Evaluation



*NOTE: Difficulty of evaluation tends to decrease with broad exposure to a service category and frequency of use of a specific supplier

Source:
Adapted from Zeithaml

How Might Consumers Handle Perceived Risk?



- Variety of methods to reduce risks like
 - Seeking information
 - Relying on good reputation
 - Guarantees and warranties
 - Visiting service facilities
 - Examining tangible cues
 - Compare service offerings
 - Strategic Responses to Managing Perception of Risks

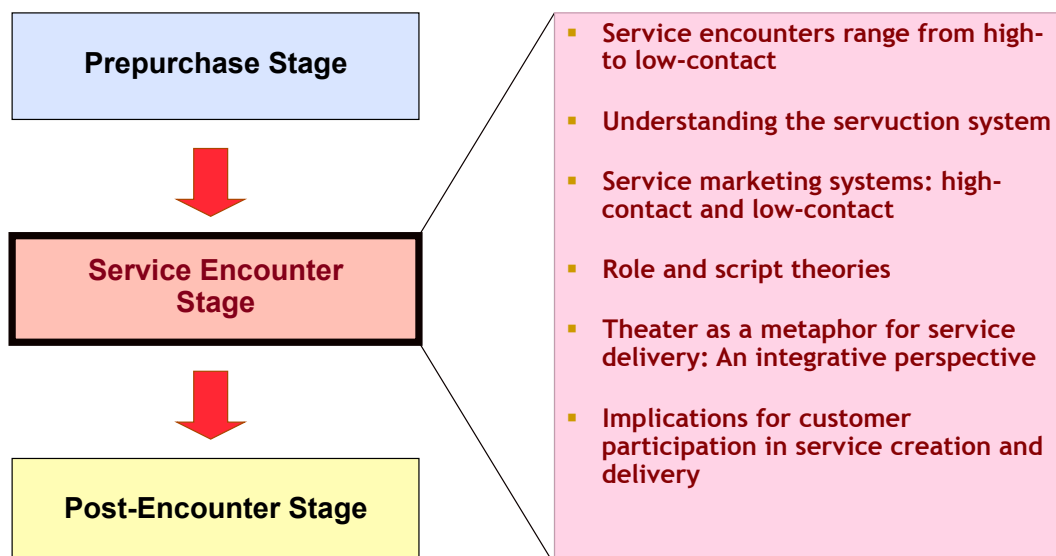
Risk Reduction Strategies by Service Suppliers

SERVICES MARKETING

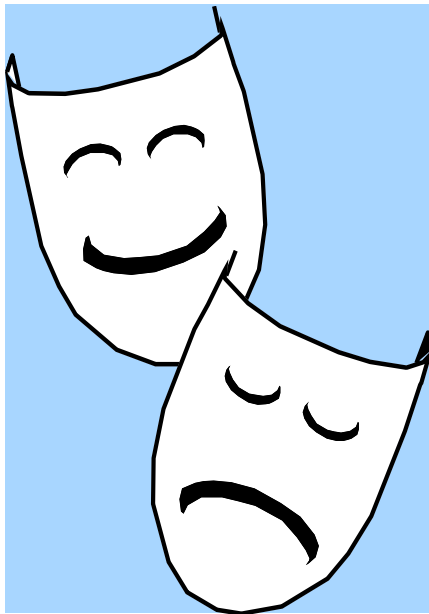
- Offering performance warranties
- Money back guarantees
- Preview of services through brochures, websites, and videos
- Encouraging visits to service facilities
- Instituting visible safety procedures
- Training staff members
- Providing 24/7 customer service
- Delivering automated messages
- Online information about order delivery

Service Encounter Stage: Overview

SERVICES MARKETING



Theater as a Metaphor for Service Delivery



“All the world’s a stage and all the men and women merely players. They have their exits and their entrances and each man in his time plays many parts”

William Shakespeare

As You Like It




Theatrical Metaphor: An Integrative Perspective



- Service dramas unfold on a **“stage”**—settings may change as performance unfolds
- Many service dramas are **tightly scripted**, others **improvised**
- **Front-stage personnel** are like members of a cast
- Like actors, employees have **roles**, may wear special **costumes**, **speak** required lines, **behave** in specific ways
- Support comes from a **backstage** production team
- Customers are the **audience**—depending on type of performance, may be passive or **active participants**

Role, Scripts & Stage(s)

- Roles are a set of behavior patterns learned through experience and communication, to be performed by an individual in a certain social interaction in order to attain maximum effectiveness in goal accomplishment
- Scripts are the roadmaps of services, telling a customer where s/he is going, what steps to take and in what sequence, how to behave, and what to expect in a specific service setting. They are particularly useful for new customers who are unfamiliar with the process of purchasing a service offering.

Patient 	Receptionist 	Dental Hygienist 
1. Phone for appointment	2. Confirm needs and set date	5. Review notes on patient
3. Arrive at dental office	4. Greet patient; verify purpose; direct to waiting room; notify hygienist of arrival	7. Greet patient and lead way to treatment room
6. Sit in waiting room		9. Verify medical and dental history; ask about any issues since previous visit
8. Enter room; sit in dental chair		11. Place protective covers over patient's clothes
10. Respond to hygienist's questions		12. Lower dental chair; put on own protective face mask, gloves, and glasses
		13. Inspect patient's teeth (option to ask questions)
		14. Place suction device in patient's mouth
		15. Use high-speed equipment and hand tools to clean teeth in sequence
		16. Remove suction device; complete cleaning process
		17. Raise chair to sitting position; ask patient to rinse
18. Rinse mouth		19. Remove and dispose of mask and gloves; remove glasses
		20. Complete notes on treatment; return patient file to receptionist
		21. Remove covers from patient
		22. Give patient free toothbrush; offer advice on personal dental care for future
23. Rise from chair		24. Thank patient and say good-bye
25. Leave treatment room	26. Greet patient; confirm treatment received; present bill	
27. Pay bill	28. Give receipt; agree on date for next appointment; document agreed-on date	
29. Take appointment card	30. Thank patient and say good-bye	
31. Leave dental office		

Activity- Scripts



Please develop a script for typical service scene when using
your service company

- What kind of key activity do you need?
- How many and which stages are involved?
- Which person has which role?
- What needs to be covered in the conversation and key activity?

Please prepare a step-by-step script with all details and be ready to play it.

Activity- Scripts



- *How did you know the script for the service?*
- *What can the service provider do to help newcomers learn the script?*
- What possible consequences could there be to yourself, other customers, or the service provider if you deviate from the script?
- Do you see any changes that are needed to the script to improve the service?
- When might you, as the customer, do something that diminishes your experience?

Implications of Customer Participation in Service Delivery

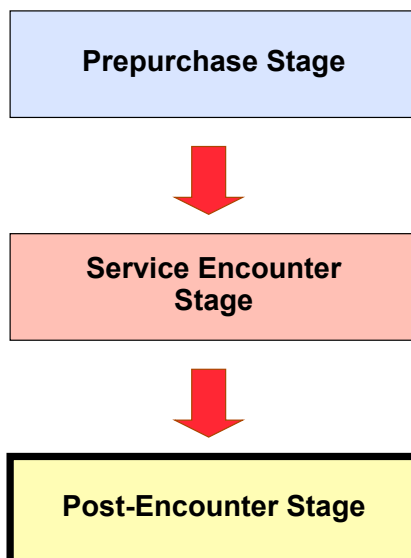


- Greater need for information/training to help customers to perform well, get desired results
- Customers should be given a realistic service preview in advance of service delivery, so they have a clear picture of their expected role

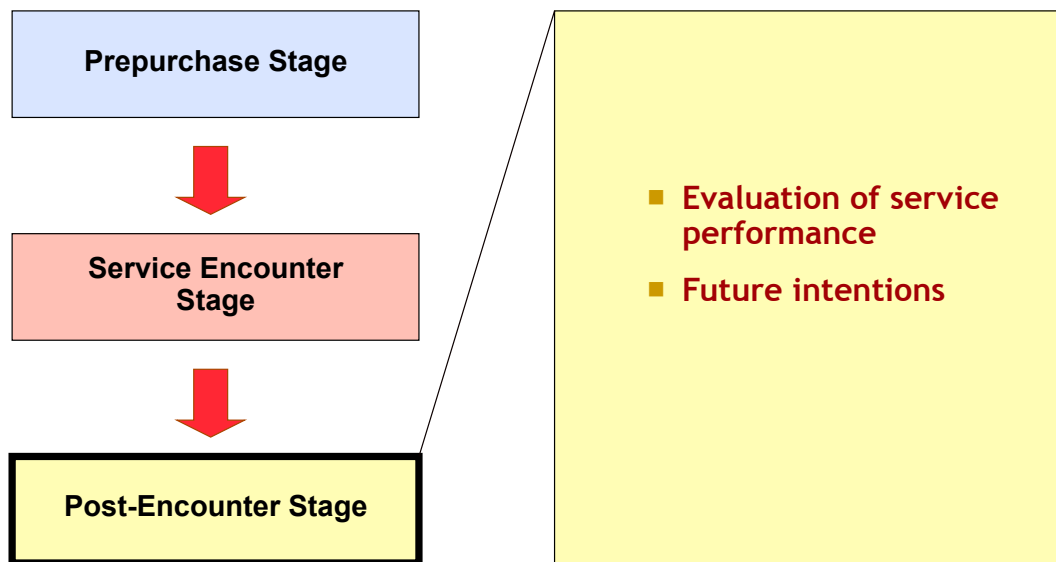


Figure 2.13: Tourists Appreciate Easy-to-Understand Instructions When Traveling

Post-Encounter Stage: Overview



Post-Encounter Stage: Overview



Customer Satisfaction as Result of Expected Service & Perceived Service



The Customer Gap



Service Quality

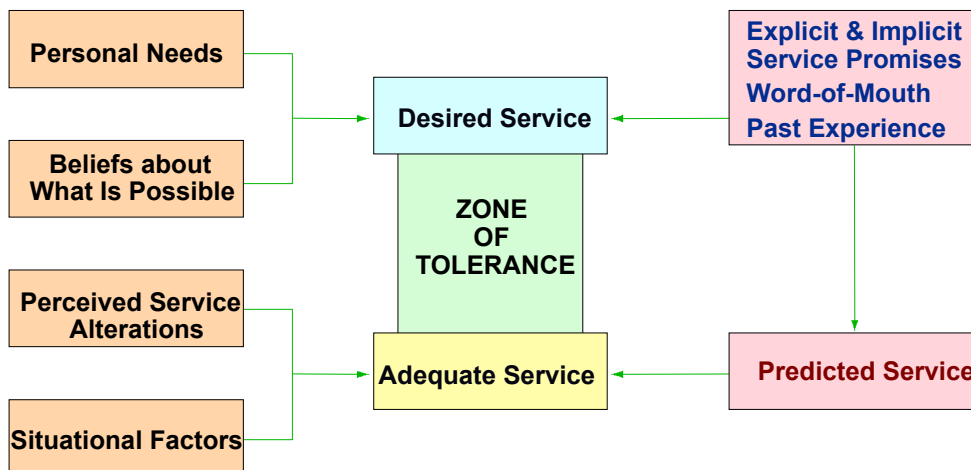
Components of Customer Expectations



- **Desired Service Level:**
 - Wished-for level of service quality that customer believes can and should be delivered
- **Adequate Service Level:**
 - Minimum acceptable level of service
- **Predicted Service Level:**
 - Service level that customer believes firm will actually deliver
- **Zone of Tolerance:**
 - Range within which customers are willing to accept variations in service delivery

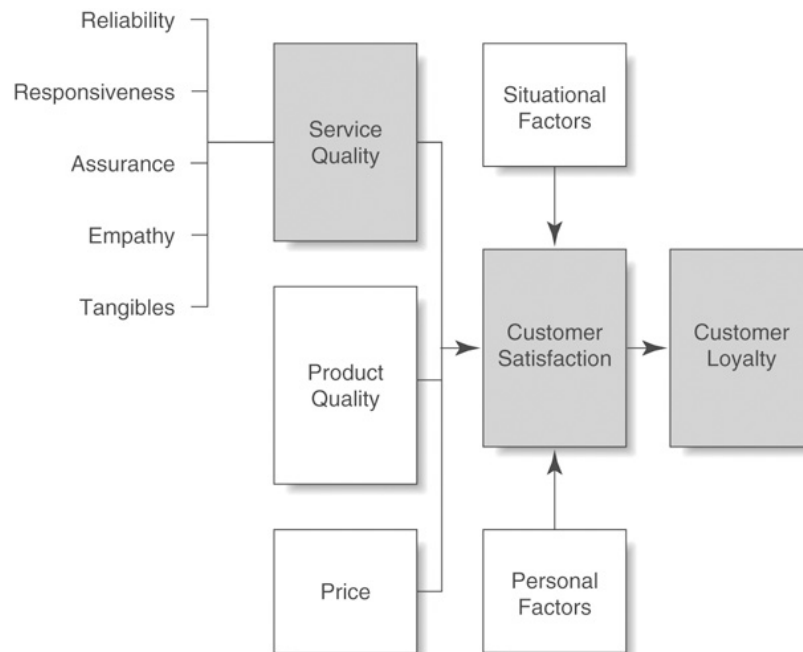


Factors Influencing Customer Expectations of Service (Fig 2.8)



Source: Adapted from Valarie A. Zeithaml, Leonard A. Berry, and A. Parasuraman, "The Nature and Determinants of Customer Expectations of Service," *Journal of the Academy of Marketing Science* 21, no. 1 (1993): pp 1-12.

Customer Perceptions of Quality and Customer Satisfaction



Customer Delight: Going Beyond Satisfaction



- Research shows that delight is a function of three components:
 - Unexpectedly high levels of performance
 - Arousal (e.g., surprise, excitement)
 - Positive affect (e.g., pleasure, joy, or happiness)
- Is it possible for customers to be delighted by very mundane services?
- Strategic links exist between customer satisfaction and corporate performance.
- Getting feedback during service delivery help to boost customer loyalty