

***INFUSION OF SST's IN SERVICE DELIVERY TO GAIN COMPETITIVE
ADVANTAGE***

ABSTRACT

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Self-service technologies (SSTs) are being increasingly used by Service Providers and are changing the way customers interact with firms to create service outcomes. It is increasingly evident that these technological innovations and advances will continue to be a critical component of customer–firm interactions. These technology based interactions are expected to become a key criterion for long-term business success. Parasuraman (1996) lists the growing importance of self-service as a fundamental shift in the nature of services. With technology growing at such fast pace over few decades, it has become inevitable for the Service organisation to introduce technology in their operations to keep pace with changing times and cut cost, as technology not only provides reach to wider market but also saves cost for the organisation. Effectively managed Self-service technology can help an organization to customize services, improved service experience, shortening service process time and lead to customer delight. At the same time all customers may not be enthused with the idea of technology infused service delivery thereby minimizing employee involvement. This paper aims to highlight major new technologies being introduced in Service Industry and benefits of the same for both Company and Customers. The paper also emphasizes on the need to alter Employee and Customer Behaviour to successfully implement SSTs in Service Delivery. Technology infusion is not just limited to one service sector but it is affecting all firms in the Industry. Technology infusion in service delivery is experienced by customers in their day-to-day life. It is in this context innovating technology to gain advantage becomes key for Service Firms.

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INTRODUCTION

Technology is dramatically altering the way business is conducted and the speed and effect of this business change is only going to continue to occur. One area where this change is being felt is the service encounter. Traditionally these encounters have been interpersonal but they are now frequently becoming person-to-technology through the introduction of self-service technologies. Various studies suggest that SST's in service delivery is accepted only if customers feel it is adding value to the existing process. Through this paper the author tries to understand various Self-service technologies organization can introduce to enhance service delivery and also through various published sources know advantages and disadvantages of the same to both Service provider and Customers.

Lot of articles and research papers lately are focusing on Customer Relationship Management activities of various marketing companies. For a Service firm CRM becomes all the more important, because of its nature itself. Organisations are adopting various CRM activities to have a competitive advantage over their competitors, one of the growing trend to do this is by using Self-service technologies. Use of self-service technologies has advantage on both sides i.e., Companies & Customers. SSTs (also known as TBSS, technology-based self-service, e.g., Dabholkar, 1994) are defined as any use of a technological interface (e.g., pc, laptop, tablet, telephone/smartphone, kiosk, interactive television,

video/DVD, etc.) to produce a service for the consumer without the direct involvement of a service employee

Self service Technology/ies defined:

Self service is the process by which consumers engage in all or a portion of the provision of a service or product. Self service has long existed—think of do-it yourself homeowners doing the work of professional contractors, or self-help books substituting for therapists—but its importance has grown as IT has created many opportunities to leverage technology for large gains in efficiency and convenience.

OBJECTIVES OF THE STUDY

- To study various Self-self technologies used by Service Providers
- To highlight advantages and disadvantages of SST's to both Customers and Companies

SCOPE

This paper only focus on those Self-service technologies such as kiosks, vending machines, it does not include internet or mobile based application services.

LITERATURE REVIEW

How Self-Service Kiosks Are Changing Customer Behavior by [Gretchen Gavett](#) March 11 2015 HBSP article. The Author is of the opinion that Human beings being social animals, more and more interactions would make the service delivery effective rather than just replacing SST's in service encounters. Rather the author feels that beings can do much better than any Apps or Kiosks. Bridging the Service Divide Through Digitally Enabled Service Innovations: Evidence from Indian Healthcare Service Providers, 2015 (Shirish C. Srivastava and G. Shainesh) This research views the prevailing differences in the level of services consumed by different population segments (service divide) as the key issue to be addressed by innovative digital tools in developing countries. The study revealed that information and communication technologies (ICTs) can be leveraged to bridge the service divide and enhance the capabilities of service-disadvantaged segments of society. Evaluation of the e-service quality in service encounters with incidents, 2014 ([Ramón Barrera Barrera](#), [Antonio Navarro García](#), [Manuel Rey Moreno](#)) This Study analyzed whether the perceived quality of electronic services can vary depending on the sociodemographic and web-graphics characteristics of the online consumer (age, gender, level of education, and frequency of Internet use). The major outcome of the study showed that the service recovery has the worst performance. **Customer Satisfaction with Electronic Service Encounters, 2006 (Massad, Heckman, Crowstone)** The study found that the characteristics and behaviors of customer-contact employees play an important role in on-line service encounters and also revealed that customer-contact employees may not be well equipped to deal with on-line customers. Self-Service Technologies: Understanding

Customer Satisfaction with Technology-Based Service Encounters, 2000 (Matthew L. Meuter, Amy L. Ostrom, Robert I. Roundtree, & Mary Jo Bitner) study concludes how should a firm go about developing trust with customers when there is an absence of human contact? How does the lack of human contact affect loyalty, and what are the determinants of service loyalty regarding SSTs? Is it easier for customers to switch, and if so, how can loyalty be built into these situations? Last, the difficulty associated with service recovery should be explored.

TYPES OF SSTs

Currently, most self-service technology uses one of four channels: electronic kiosks, the Internet, mobile devices, and the telephone. Here we will try to focus on few popularly used electronic kiosks in India.

Electronic kiosks

Kiosks provide stand-alone solutions to provide users access to information or a service, such as checking an account balance at an ATM or checking in for a flight at an airport kiosk and so on. ATMs tend to be the most popular of all, this bridges the obstacle of reaching to banks for any kind of transactions during the working hours. ATMs act as an option to meet service provider at any convenient locations referred to as meeting at “arms length”. Taking cue from benefits dispensed by ATMs to the consumers and the banks various others have started their own kiosks be it fast food, drinks, condoms etc. Self managed kiosks assisting airport check-ins add to these.

Self-Boarding Gates at Airport/Metro stations

Self-boarding gates available both at airports and Metro stations make the service encounter smoother and hassle free. By providing more self-service options, airlines will give passengers more control over the departure and arrival process, reduce passenger wait time in lines, and save the airlines money. Same remains true for passengers travelling through metro everyday.

Movie-ticket kiosks

Tickets dispensing kiosks is another way of enhancing efficiency in service delivery thereby reducing long queues just for collecting tickets. Many customers book movie tickets online and this is followed by collecting tickets at the movie hall which in turn increases the burden of employees at the counter, hence such kiosks enables online booked tickets to be dispensed from the kiosk.

Information Kiosks

Information kiosks is now becoming a regular feature especially at the Government Offices, particularly its usage can be seen more at Passport application Offices, Immigration centres etc. These kiosks come in handy while customer care officer or Enquiry officer are over occupied, these self explanatory kiosks make service encounter successful.

Auto Card recharge/purchase token

Another important SST's frequently seen and put to use is self-metro card recharge. On certain days it helps both the organization and the customers to avoid rush

Electronic Voting

Hope everybody remembers the days when ballot papers were used for voting, a big task for all involved right from getting them printed, vote casting and counting. Electronic voting has eased the process of voting and also vote counting.

Milk Vending Kiosks

Many Companies involved in Dairy farming business have started installed milk vending machines at selected localities to reach out to larger sections of the market. Another example of service provider and customers meeting at “arms length”.

ADVANTAGES OF INFUSING SST’s IN SERVICE DELIVERY

Introducing Technology in service delivery offers various benefits to the Service Provider, few are jotted down below:

- SST’s help in speedy delivery of services, Precision and Customisation
- Use of technology reduces cost of service delivery leading to increased profits
- Use of SST’s lead to improved competitiveness and increased market share
- SST’s aim to delight customers with greater accuracy of services thereby leading to customer loyalty.

- As services are conventionally human (employee) driven it lacks consistency of service quality, this inherent character of service can be avoided by usage of SST's
- As Services cannot be inventoried or stored infusion of technology enables efficient delivery Of services sometimes even at the door step of consumers.
- To avail a service either customer has to go to the service provider or viceversa as service is always coproduced, however technology can help service delivered at arm's length.
- With SST's Consumers have the convenience of availing services at their own luxury. This is specifically relevant for working couples with little time to spare
- With the infusion of technology service delivery is made more consistent unlike service delivered by human beings who tend to have mood swings and emotionally varying
- Consumers also benefit from SSTs as they experience 24/7 service availability, cost and time savings, greater perceived control, and for some consumers, a reduction in the anxiety caused by interacting with service representatives (Bitner, 2001;Houliez, 2010; Kim et al., 2014; Lee and Allaway,2002; Meuter et al., 2000; Oghazi et al., 2012).

DISADVANTAGES OF INFUSING SST's IN SERVICE DELIVERY

- Despite the increase in SST usage, however, many consumers are dissatisfied with service technologies. Some customers continue to resist them because they view self-service as unattractive, frustrating, or failing (Haksever et al., 2000; Harris et al., 2006; Johnson, Bardhi and Dunn, 2008; Parasuraman, Zeithaml and Malhotra, 2005; Robertson and Shaw, 2009; Yen, 2005).
- Several reasons for this include a lack of perceived benefits, poorly designed technology (Bitner, Ostrom and Meuter, 2002; Meuter et al., 2000, 2003), preference for human over technological interaction (Dabholkar and Bagozzi, 2002; Walker et al., 2002), concerns about privacy and confidentiality (Bitner, Brown and Meuter, 2000), lack of perceived usefulness and enjoyment (Oghazi et al., 2012), and limited “consumer readiness” regarding SSTs (Meuter et al., 2005).
- SST usage is also hampered by consumers’ technology resistance or anxiety. Some marketing managers perceive SSTs to have a negative impact on the customer-employee interaction, rendering service experiences less meaningful and less enjoyable for consumers (Curran and Meuter, 2007).



- Customers are reluctant to embrace SSTs too readily, noting that technology can eliminate the highly personal touch provided by service personnel, thus weakening social bonds and eroding customer loyalty (Gremler and Gwinner, 2000; Selnes and Hansen 2001). The relational benefits to customers that go beyond the core service, e.g., social and confidence benefits, friendship, special treatment (Bendapudi and Berry, 1997; Gwinner, Gremler and Bitner, 1998; Price and Arnould, 1999), are especially important for gaining long-term loyalty and therefore greater revenue and profits, (e.g., Reichheld, 1993; Reichheld and Teal, 1996). Developing friendships, providing special treatment, and creating customized offerings (one of the most important determinants of service quality, e.g., Fornell et al., 1996) all often require interpersonal interaction, sometimes “down to the individual customer level” (Gwinner et al., 2005, p. 131).
- In business-to-business relationships, major concerns with SSTs have been the loss of client control and client retention (Mulligan and Gordon, 2002), as well as customer service problems and service recovery issues (Pujari, 2004).
- Customers resistance to SST’s may also be due to little exposure and experience of using technology.
- Service Employees may also resist to introducing SST’s as they themselves are not comfortable using technology.
- Some also argue that SST’s in service delivery render employees jobless as traditionally Service Industry is dominated by Human labour.

- Technology may not work good and customers may not feel satisfied if employees are not well aware and well trained.

Conclusion

From the above discussion it can be rightly said that Companies are gaining Competitive advantage in the market by way of using SST's and simply service delivery. However it can be noted that introducing SST's itself would help organizations unless customers find it useful and time saving. If customers find that technology is rather complicating the service delivery and the Service employees are not supportive enough then it may not serve the purpose. At the other hands Companies need to educate the Service employees about their roles with technology and also how to handle the situation in case of technology failure, because major concern for any customer is the recovery process if the technology fails. Not all customers are equally tech savy to utilize this service, therefore knowing your target customer is important before introducing SST's in service encounter.

Nevertheless technology infusion is only going to add to the organizations better performance and delight customers if implemented appropriately.

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