

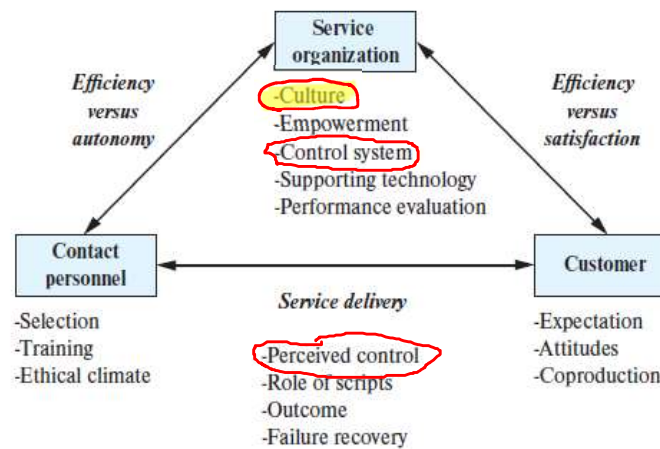
Service Operations Management (SOM)

Managing the service encounter

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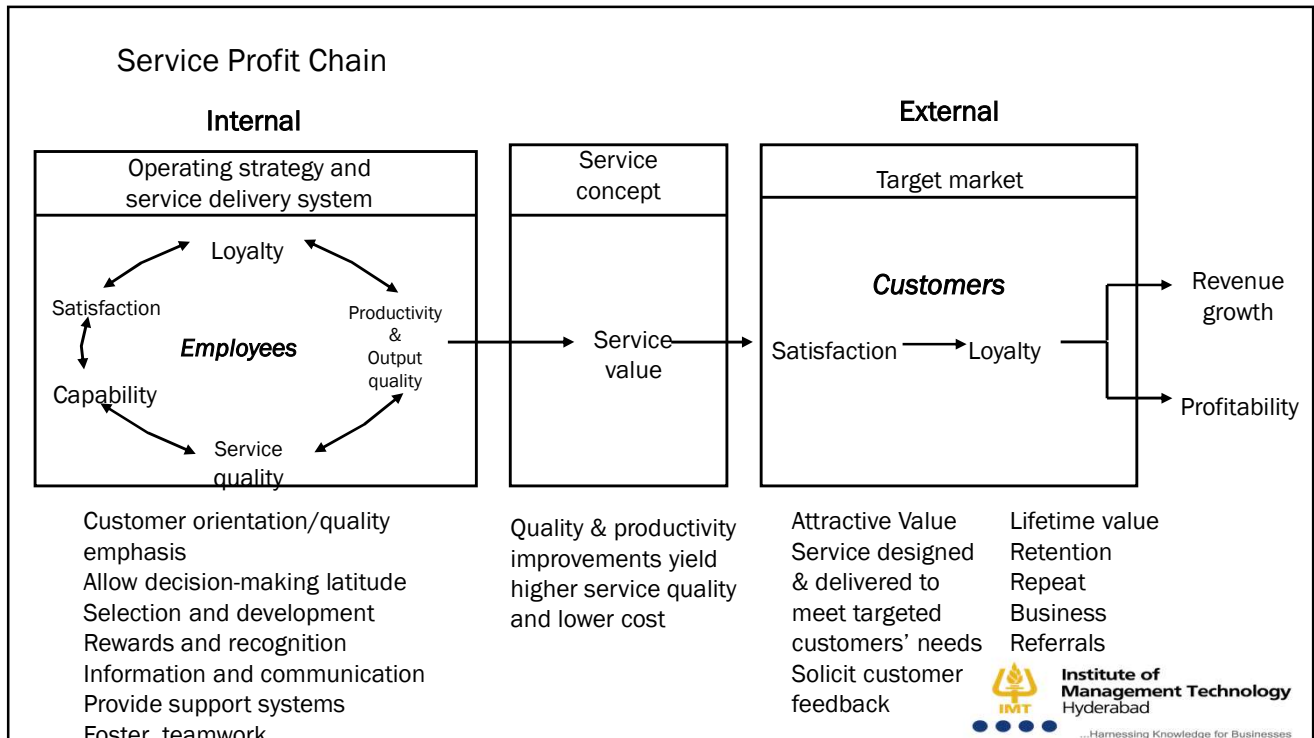
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The Service Encounter Triad

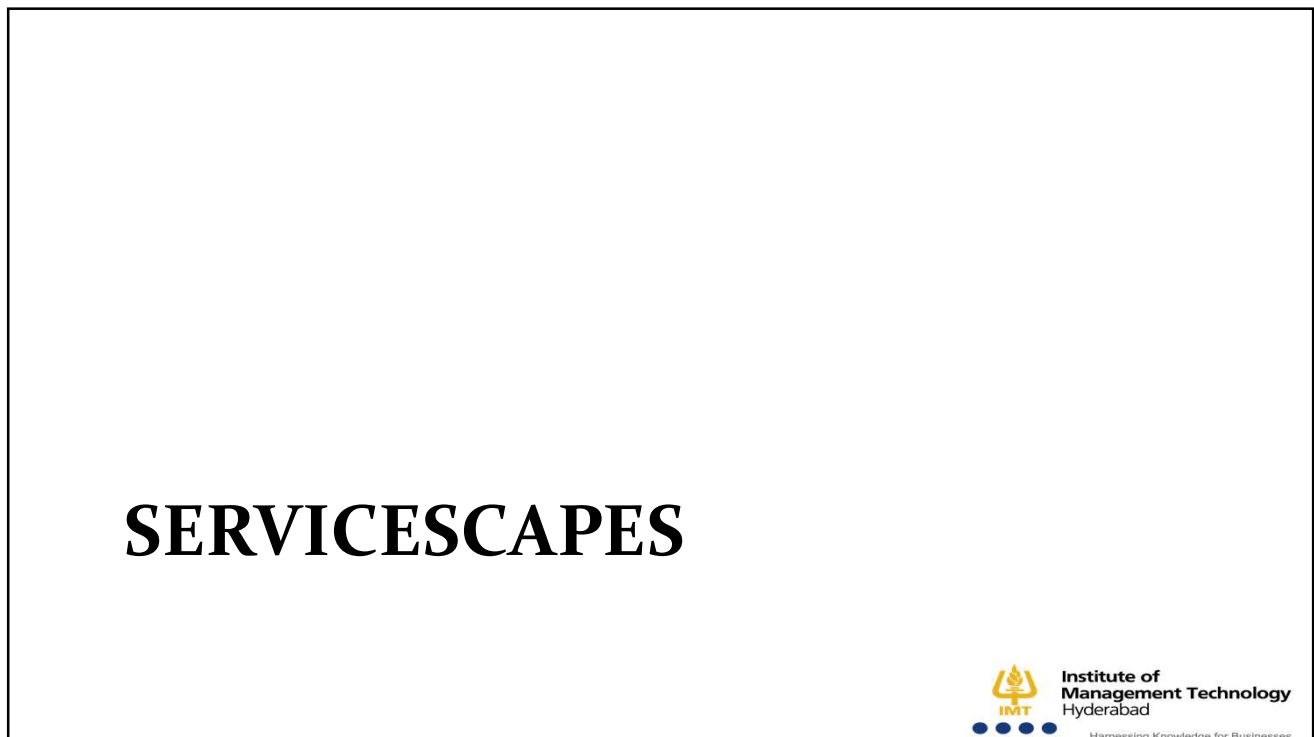


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KITCHEN LAYOUT GUIDE

recap photo obstacle-free.

decor to avoid the boxed-in look.

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What place is this?



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What place is this?



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Physical evidence

- The environment in which the service is delivered and where the firm and the customer interact, and any tangible commodities that facilitate performance or communication of the service.

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Elements of Physical Evidence

Servicescape	Other Tangibles
Facility exterior	Business cards
Exterior design	Stationery
Signage	Billing statements
Parking	Reports
Landscape	Employee dress
Surrounding environment	Uniforms
Facility interior	Brochures
Interior design	Web pages
Equipment	Virtual servicescape
Signage	
Layout	
Air quality/temperature	
Sound/music/scent/lighting	

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Examples of Physical Evidence from the Customer's Point of View

Physical Evidence		
Service	Servicescape	Other Tangibles
Insurance	Not applicable	Policy itself Billing statements Periodic updates Company brochure Letters/cards Claims forms Website
Hospital	Building exterior Parking Signs Waiting areas Admissions office Patient care room Medical equipment Recovery room	Uniforms Reports/stationery Billing statements Website

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Examples of Physical Evidence from the Customer's Point of View

Airline	Airline gate area Airplane exterior Airplane interior (decor, seats, air quality) Check-in kiosks Security screening area Baggage return area	Tickets Food Uniforms Website
Express mail	Free-standing stores Package drop boxes	Packaging Trucks Uniforms Handheld devices Website
Sporting event	Parking Stadium exterior Ticketing area Entrance Seating Restrooms Concession areas Playing field Scoreboard	Tickets Employee uniforms Programs Team mascot Website

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Typology of Service Organizations Based on Form and Use of the Servicescape

Typology of Service Organizations Based on Variations in Form and Use of the Servicescape

Source: From M. J. Bitner, "Servicescapes: The Impact of Physical Surroundings on Customers and Employees," *Journal of Marketing* 56 (April 1992), pp. 57-71. Reprinted with permission of the American Marketing Association.

Servicescape Usage	Complexity of the Servicescape	
	Elaborate	Lean
Self-service (customer only)	Water park eBay	ATM Car wash Simple Internet services Express mail drop box
Interpersonal services (both customer and employee)	Hotel Restaurant Health clinic Hospital Bank Airline School	Dry cleaner Retail cart Hair salon
Remote service (employee only)	Telecommunications Insurance company Utility Many professional services	Telephone mail-order desk Automated voice-messaging services

Whom the servicescape will affect

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How Does Physical Evidence Affect the Customer Experience?

- ▶ Flow of the experience
- ▶ Meaning customers attached to it
- ▶ Satisfaction
- ▶ Emotional connections to company

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Roles of the Servicescape

- Important elements used in positioning a service organization.
- Package: 'wrap' the service and convey what is 'inside'
 - conveys expectations
 - influences perceptions
- Facilitator
 - facilitates the flow of the service delivery process
 - provides information (how am I to act?)
 - facilitates the ordering process (how does this work?)
 - facilitates service delivery

Eg. International traveler find the a poorly designed airport with few signs, poor ventilation, and few places to sit or eat
- **Clue management:** the process of clearly identifying and managing *all* the various clues that customers use to form their impressions and feelings about the company.

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Speedi-Lube Spells Out the Service Offering

WE'RE FAST
Speedi-Lube does a lube and oil change in 10 minutes because that's all it should take. We get right to work and don't take time out to pump gas or change tires.

WE'RE GOOD
Speedi-Lube technicians are trained professionals, and use only the finest Pennzoil products. And we guarantee our work.

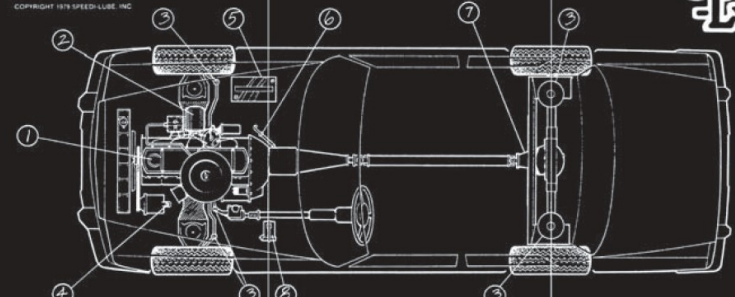
HERE'S WHAT WE DO

- 1 Your oil is drained and replaced with fresh Pennzoil.
- 2 A new quality oil filter is installed.
- 3 The car's chassis is lubricated.
- 4 Power steering fluid is checked and filled to the right level.
- 5 So is the water in your battery.
- 6 After checking the transmission fluid, we add what's needed.
- 7 Your rear-end differential fluid is checked and brought up to the proper level.
- 8 Brake fluid is inspected and, if needed, more is added.

WE SERVICE MOST CARS AND LIGHT TRUCKS
Even if you have a foreign car or big RV, we can take care of you.

NO APPOINTMENT NECESSARY
We're open 7 days a week, 9 to 6. Master Charge and VISA cards accepted.

Speedi-Lube



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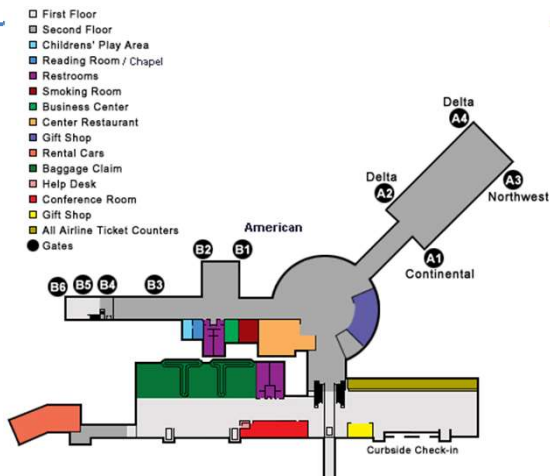
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Package



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Facilitator



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Roles of the Servicescape (continued)

- Socializer: Helps to convey expected roles, behaviors, and relationships
 - facilitates interaction between:
 - customers and employees
 - customers and fellow customers
 - Employees and fellow employees
- Differentiator
 - sets provider apart from competition in the mind of the consumer

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Socializer:



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Differentiator



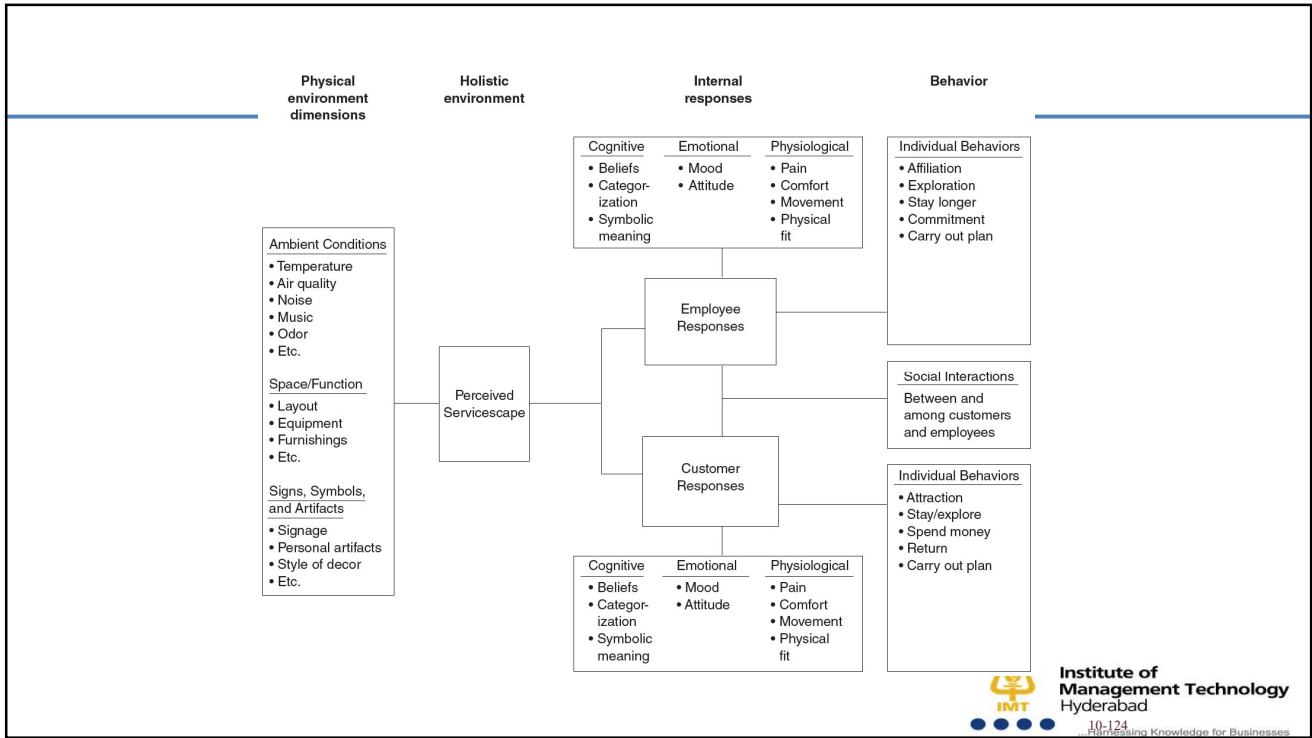
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Understanding Servicescape Effects on Behavior

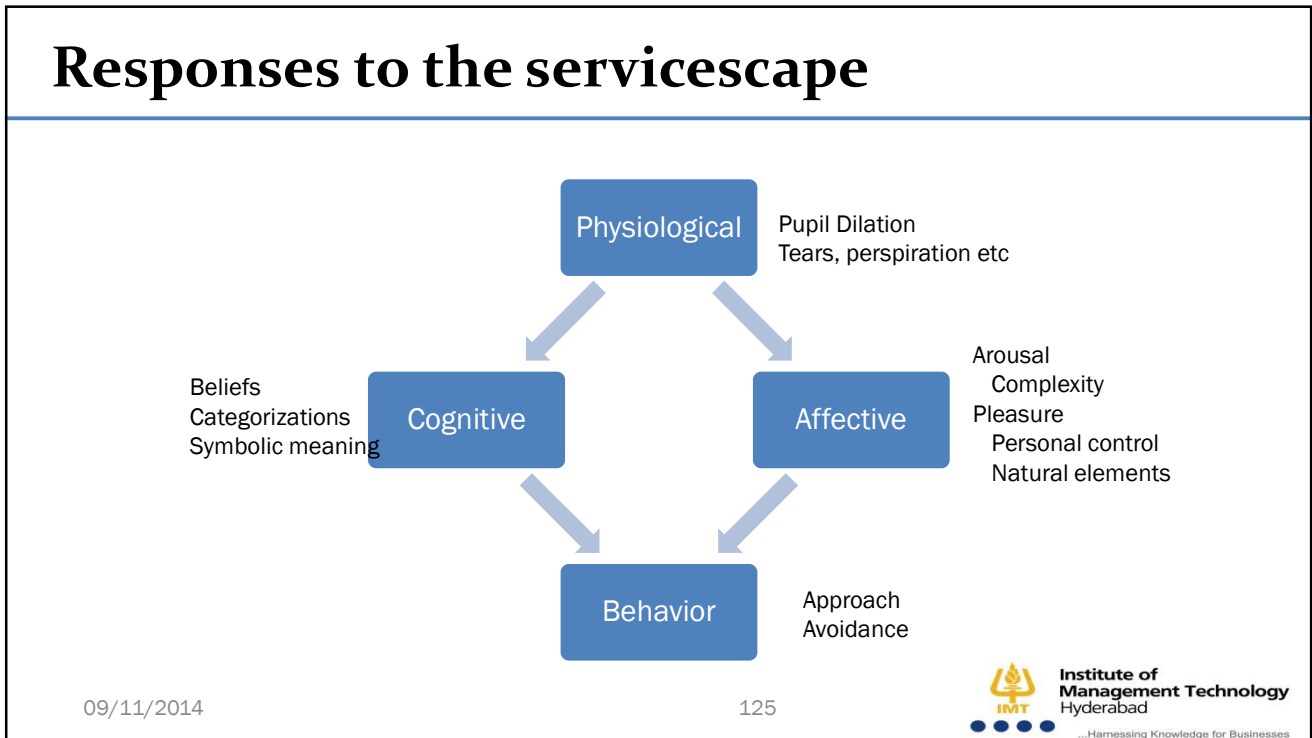
- Stimulus-organism-response theory
 - Stimulus = multidimensional environment
 - Organism = customers and employees
 - Response = behaviors directed at the environment
- Proposition:

Dimensions of the servicescape will affect customers and employees and they will behave and respond in different ways depending on their internal reactions to the servicescape.

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Individual Behaviors in the Servicescape

- Environmental psychologists suggest that people react to places with two general, and opposite forms of behavior:
 - **Approach:** all positive behaviors that might be directed to a place
 - Desire to stay, explore, work, affiliate
 - Shopping enjoyment, spending time and money
 - **Avoidance:** negative behaviors
 - Desire not to stay, etc.

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Social Interactions in the Servicescape

- All social interaction is affected by the physical container in which it occurs
 - Customer-employee
 - Customer-customer
- Scripts (particular progression of events)
- Physical proximity
- Seating arrangements
- Size
- Flexibility

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Variations in Individual Response

- Personality differences
 - Arousal seekers vs. arousal avoiders
Enjoy high levels of stimulation/prefer lower levels of stimulation
 - Environmental screeners
Able to experience a high level of stimuli but not be affected by it
- Purpose for being in the servicescape
 - Business/pleasure
- Temporary mood state
A person after a day at work/ a person after holiday

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Servicescape dimensions and impact

- Ambient conditions
 - Effects on the five senses
 - Perfume at mall entrance
 - Cookies in the mall
 - Oxygen in the casino
 - Music played in the supermarket
 - Familiarity
 - Tempo

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Servicescape dimensions and impact

- Spatial layout and functionality
 - The new supermarkets!
 - Self service restaurants
- Signs, symbols, and artefacts
 - explicit or implicit communication of meaning
 - Important in forming first impressions
 - Visual metaphor of the organization's offering
 - Way-finding labels: Aiga symbols
 - Professor's office

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Guidelines for Physical Evidence Strategy

- Recognize the strategic impact of physical evidence.
- Blueprint the physical evidence of service.
- Clarify strategic roles of the servicescape.
- Assess and identify physical evidence opportunities.
- Update and modernize the evidence.
- Work cross-functionally

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Managerial Implications

- Careful and creative management of servicescape necessary
 - Helps firms achieve both external marketing goals and internal organizational goals
- Servicescape is a visual metaphor for the organization's offering
- Servicescape is the packaging of the service
- It facilitates and nurtures a certain type of interaction
- Helps as a key differentiator



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