

Chapter 5.15

Measuring Consumer Attitudes Towards Self-Service Technologies

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INTRODUCTION AND MOTIVATION

In the midst of many trends taking place at this historic moment – such as deregulation of industries, privatization of state-owned enterprises, geographical diversification of powerful companies and massive destruction of small ones – “there are two forces that are shaping today’s economic landscape: information technology and globalization” (Kotler 1999). By “shaping”, we mean that we are learning to harness them, to learn from them and to channel them. They are taking form, and we are trying to contribute in a small way forming them. Today, the marketplace concept has changed. Customers no longer need to move to where products are sold. They are now making the rules from the intimacy of their computers. Jeffrey F. Rayport and John J. Sviokla, in their article “*Managing in the Market Space*” (1994), describe the market-space concept as a “virtual realm where products and services exist as digital information and can be delivered through information based channels”. We need to understand that even as this historic moment challenges our

generation with the task of defining the Information Technology Revolution, we are not merely dealing with just another management theory or strategic proposition. The Information Technology Revolution is an extensive process of “informalization” of markets which constitutes the technological transition from standardized manufacturing to mass individualized relationships.

Marketers know that customer time is very valuable and that they spend a lot of time trying to figure out what their best buying option is. Customer decisions are now made more cautiously, examining more information about product quality, price, and convenience. They feel the need to trust people they buy from and to establish a connection with them. In the near future, and thanks to the e-market, most customers will have a broader array of products and suppliers from all over the world, and increasingly user-friendly and fast electronic formats. “Technological developments in information technology on the one hand, and increasing labor costs on the other, are leading to a period of considerable change in the design of service” (Karmarkar, Uday S. and

Richard Pittbaldo 1995). In terms of customer perspective, what Patricia B. Seybold proposes makes total sense: "Loyal customers have become the most precious commodity. Today the hardest thing for a company to acquire is not investment capital, products, employees, or even a brand, its customer loyalty. Customer relationships are the fundamental source of value in the new customer economy". Of course we are not saying that we must forget about Information Technology and concentrate only on customer relationships, but rather that there is a strong need to adapt and transform the information overflow into strategies that build customer loyalty.

The pace of change is so rapid that the ability to change has now become a competitive advantage

Richard Love of Hewlett Packard

Efficiency and quick adaptation to change appear to be the answers for today's consumer needs. As company characteristics, they create loyalty. Whether we are talking about personal relationships or technological contact, satisfied customers represent more profits, a positive word of mouth, and a successful "caring" image. It is important then to understand the crossing line between the need and acceptance of Self Service Technologies and Personal Encounters. Selnes and Hansen (2001), propose two models to understand these relationships. In the first model (the replacement model) they propose the idea that if people need less personal service and instead they look for self service, they will not create social bonds and as a result, customer loyalty will be lessened. The second model (the hybrid model) proposes the idea that self service removes operational service activities allowing service personnel to concentrate on consultative service activities. This is based on Christopher Lovelock's idea (1983) that there are two kinds

of service interactions, operative and consultative. Operative is for the service employee repetitive in nature and consultative interaction requires a high degree of individual judgment. Operative procedures are well suited for automation whereas consultative activities are not.

Efficiency and quick adaptation also stimulate product adoption. "If a company markets its technology in an appropriate way, this will represent an acceleration of the product adoption process. This, in turn, makes it easier for customers to do business with the company" (Seybold 1999). It is extremely important for companies to maintain product quality and price leadership, but it is more important to inform appropriately about it (using the advantages of self service technologies) and to gain customer confidence (through personal customer contact with company product experts who can assist them and solve their problems). A better understanding of this technological construct will lead to a better definition of market strategies. If we have the ability to understand the rationale governing preferences for self service technologies or for personal service, we can adapt and adopt in order to create customer loyalty. The opportunity to create lasting relationships with customers through consumer education and attention programs will always be there. How can self service and personal service be integrated? That's the question we must re-frame (Selnes and Hansen, 2001).

PROBLEM DEFINITION

The preceding examples lead us to a couple of relatively old but still present problems: what should the balance between expected service and perceived service be? (As illustrated in Fig 1), and what is the size of a tolerance zone? (Zeithaml, Parasuraman, Berry, 1990) (Zeithaml and Bitner, 2000).

Taking these concepts as a background for our problem definition, we can consider that there might be a difference between the perceived

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