Preface

This is a book about service excellence. The perspectives we take are people, technology, and people *and* technology. We identify service (in a variety of forms) as an area of business and management where rapid change is taking place. We believe our chosen perspectives are among the key drivers of change. Social, cultural, and technological developments are influencing the ways in which customers contact, negotiate, and purchase services from their chosen service providers. These same developments are also driving communications between customers relating to the services they buy and are willing to recommend to others (or otherwise). Intermingled, these features of our current-day lives have changed the nature of service provision and service use. Not only are such changes continuing, but in certain dimensions they appear to be accelerating. Always somewhat precarious, balances of power have been shifting for some time. Customers (service users) have become more techno-savvy and thereby may have wider access to information about the services they use. Communities of users employ technology to describe and evaluate service provided as well as to draw up wish lists of services that should be provided. As we discuss throughout our book, communities of users can be co-creators of service offerings. However, in order for such communities to be developed, service providers need to be aware of the mutual benefits as well as establishing processes and mechanisms whereby users become part of their community. For service providing organizations, there are three fundamental issues: awareness of the service from users' perspectives, sensitivity to the contribution that users can make to service development and improvements, and the creative design of engagement processes with service users. Arguably, the latter task is the most important and also the most difficult to achieve. A hallmark of success would be that service users feel that their service provider has that all-elusive "wow" factor. A hallmark of failure would be when end users do not really care to become part of a service provider's community as they are less than satisfied with the service, see other users defecting to rival service providers, and are actively seeking to use services provided by a competitor. Myriad examples of this scenario can be seen in the airline, banking, credit card, fashion, mobile phone, and travel industries. In these highly competitive markets, the service provided by some organizations can politely be described as patchy. Service inconsistency (where the user cannot wholly predict the quality of future service from the ambiance of the current service) is not a sustainable business model for an enterprise. A wide gap between service excellence on one occasion and service mediocrity on a subsequent occasion tends to deflate a user's opinion, which in turn reduces expectations of the service. When service users have reduced expectations,

especially of a service provider's ability to replicate the quality provided on a previous occasion, one or more competitors may seize the opportunity to "poach" the customer with a more attractive service offering. In industries where customer loyalty is fragile, which tends to be most industries, it is a truism to state, "You are only as good as your last service." The rationale here is that a customer tends to remember the last occasion on which he or she received service (be it good, bad, or ugly), and that experience colors future willingness to use the same service provider. Restaurateurs in particular realize that poor service on the most recent occasion on which the customer came to dine is likely to reduce future business from that customer and from his or her friends and acquaintances. There tend to be legitimate business reasons why some enterprises offer a free meal, free room, or free upgrade when a service encounter goes bad. Without the offer of a free next time, the customer would likely never return.

Over the past decades, developments in technology, especially information and communications technology (ICT), have driven changes in business environments. The so-called information age or digital age accelerates the transmission of information across continents with one click of a mouse. But the same infrastructure of transmission can also disseminate opinion, rumor, hearsay, conjecture, and sometimes outright misinformation and falsehoods. Determining what information is real or fabricated brings problems for service users, especially first-time service users, and service providers, especially in the complex environment of communication with potential customers. In our research and as reported in our book, we have focused on how people interact with technology in service provision. In this we consider what have become traditional modes of service interaction as well as modes of interactions that continue to evolve.

It has become a cliché to state that technology is changing our lives. We feel it is a misconception to see this as a feature of our modern age. In fact, technology throughout history changed people's lives. Advancements in heating and lighting (the discovery of fire) and farming began life-changing patterns that have endured for millennia. Inventions that were seen as fads or clunking novelties (the wheel, the cart, the steam engine, the horseless carriage, the typewriter, and the mobile phone, to name but a few) themselves developed into machines that modern societies cannot do without. It is somewhat intriguing to consider that the technologies that support service may be at a very early stage of development. If that is indeed the case, then some aspects of service technology have a long way to go before anything near perfection can be achieved.

Our third perspective on service by people and technology is the moment of truth. A metaphor taken from bullfighting, the moment of truth is the point at which service is offered and delivered. This is where the customer perceives service quality, for better or worse. From this point onward, the customer and the service provider co-engage to produce the service outcomes. In the nature of service (especially service delivered and used

face-to-face) this is unavoidable. Astute service organizations engage with the moment of truth to seek ways of developing their service. Organizations that have known past success may become complacent about service quality and pay less attention to the opinions of customers. Conversely, service organizations that are striving for success may need to try harder (to quote the marketing tagline of Avis). This is especially so in a competitive market where one or two "name" organizations set standards for the industry that smaller, less experienced, or newer organizations attempt to emulate.

Service can be considered from the perspective of supply ("we produce service, we expect customers to want what we produce") or demand ("we produce service according to our perceptions of customer needs and aspire to satisfy these needs"). When an organization bases its business model on service supply rather than service demand, executives and managers may not set a high priority on customer feedback. This is short-term thinking. At the best of times, it is not easy to design, manage, and deliver service and to deliver consistently high levels of service excellence. When technologies mediate in the service process, executives and managers face more challenges in service design and execution. Service is part of everyday social interactions. Service with no apparent human service provider changes a customer's perceptions of the service as well as the framework for service management. In essence, the tasks of managing the service become more difficult. Engagement with service users is less straightforward, and both customer and the service provider see the service encounter differently, that is, from differing perspectives as well as differing perceptions of their roles. Technology outperforms humans, but at least at the present time, humans perform better on a range of emotions. We all are aware from personal experiences that technology-aided services can be time-consuming as well as a strain on our patience. Service "with a human face" can deal with misapprehensions and instances of miscommunications. A human service provider can sense the direction the service is taking (e.g., toward usage or nonusage) and react accordingly. In the presence of a human service provider, a service user can engage emotionally within the service encounter and feel the social nature of the service provision.

We have personally experienced and received reports from others of service in several continents and in cities as far flung and diverse as Amsterdam, Bahrain, Bangkok, Berne, Chicago, Copenhagen, Dubai, Frankfurt, Jeddah, Kuala Lumpur, Las Vegas, Lucerne, Milan, Osaka, Oslo, Paris, Rome, San Francisco, Seattle, Singapore, Stockholm, The Hague, Tokyo, Vancouver, Vienna, and Zurich. In each of these locales we have noted various aspects of service. We are increasingly aware that service excellence is not necessarily confined to carpeted, high-priced, global brands where training budgets are high and employees are recruited with high levels of experience and then receive further training. In such environments, executives are willing to invest generously per capita in their employees. In such environments investments can also be made in recruitment and psychometric testing to

ensure that (at least on paper) the organization is hiring the best and the brightest. However, even with rigorous screening in place, it is not uncommon for service delivery to go awry. And, for some reasons, high-value brands have more than their fair quota of front-line employees who can deliver service with a sneer. When brand value is high, there is much to lose from perceived wide gaps between price premium and value delivered via service. Disappointing levels of service can be a feature of multinational corporations that use glossy print media to promote the values and virtues of their service.

Our personal experience and verbal and written reports from colleagues indicate that excellent service can be found in one-man or one-woman enterprises in the meaner streets of town. Undoubtedly, when survival is on the line, service becomes crucial. In these business environments service providers seem willing and able to "go the extra mile" to gain and retain a customer. This especially applies to business owners (mom-and-pop stores, for example), or family businesses where revenues support an extended family. Clearly, there is not a one-to-one correlation between amount of budget spend and service excellence. We are reminded of an adage from management guru Peter Drucker that what is important is the value that a customer gets out of a service, not what the service provider puts in to it. This seems to us to convey the essence of service.

In various venues and locations where service encounters take place we have been pleasantly surprised. Whether coincidental or not, excellent service has tended to come when least expected: perhaps from gruff-looking taxi drivers at the end of their shift, from busy waiting staff in a crowded restaurant, from cabin crew on a packed long-haul flight, from desk officers in busy police stations, and from harried nursing staff in an A&E ward. Often, we and others have been amazed at the efforts of service providers who go the extra mile: the Qantas flight attendant on a Sydney–Bangkok flight who exchanged her own allotted meal for a passenger when his own selection was not available, the taxi driver in Jeddah who drove around without extra charge to find the right hotel, the receptionist in Singapore who instantly gave a room upgrade when the first room hadn't yet been cleaned. We also recall nonservice people who provided service with no expectation of reward, such as the passerby in late night Osaka who walked his pedal bicycle seven blocks to show the way to the hotel. These instances contrast sharply with service that could have been more polite and less mercenary: the bus company employee at Hong Kong who abruptly said, "Get change!" to a newly arrived passenger, the receptionist at the five-star hotel in Singapore whose manner stood in poor comparison to the bellboy, the hotel GM in Kuala Lumpur who seemed too distracted by arriving guests to deal with the complaint of a current guest.

Thus, we have had more than our share of disappointments. Descriptions of service from reports by our informants suggest that this emotion is not unusual. As we write in one of our chapters, customers seem to be irritated

more by inconsistent service than by consistently poor service. In service, expectations matter. When receiving substandard service, we have engaged service providers in what seasoned members of the diplomatic community call a "full and frank exchange of views." We understand that some of our respondents also take this approach. We also know that the overwhelming majority of our respondents, who seem by no means shy and reserved, often do not complain about poor service. Research indicates that less than 5 percent of disappointed customers complain about service when it is inadequate. The vast majority of disappointed customers leave and don't return. In this context we conjecture that walking away is a form of complaint, albeit one that denies the service provided of valuable feedback. Perhaps that too is another form of registering a complaint.

Over a number of years, and in writing our book, we have enjoyed conversations with a number of colleagues. We have learned much from them and are delighted to be able to thank them here. On subjects connected with public management, we have exchanged our ideas with Anders L. Johansson, sometime director general of the Swedish Board of Labour, and Dr. Somphoch Nophakoon, former deputy secretary general of the Thai Office of the Civil Service Commission (OCSC) in Thailand. In the field of ergonomics we have had interesting talks with John Wood, co-founder of CCD Design & Ergonomics. Our horizons on service and marketing have been broadened by discussions with Dr. Nigel Bairstow, Dr. Nigel Barrett, Professor George Moschis, Professor Paul Patterson, Dr. Randall Shannon, and Dr. Gerard Tocquer. On management issues we have learned from our conversations with David Cramond, Dr. Astrid Kainzbauer, Dr. Roy Kowenberg, Michel Le Quellec, and Dr. Detlef Reis. We thank these colleagues for their willingness to share their ideas and help us develop our own. We accept that where mistakes have been made, they are our own. Jatupol Chawapatnakul greatly helped us with figures and diagrams.

At CRC Press/Taylor & Francis we owe much thanks to the support and unswerving patience of Cindy Carelli, Judith Simon, and Jessica Vakili. Without their encouragement this book would have taken us even longer to complete. While our procrastinations may have stretched their patience, we hope they feel this book is worth the wait.

We have been researching and writing this book for several years. During this time we have tried the patience of our respective wives, Mallika and Duangjai. We thank them both for their continued patience.

Brian Hunt
Bangkok, Thailand

Toni Ivergård
Stockholm, Sweden