

CONSUMER BEHAVIOR IN SERVICE ENCOUNTERS: III

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Customer Decision Making

THE THREE STAGE MODEL OF SERVICE CONSUMPTION

Three stage model

1. Prepurchase stage
2. Service Encounter stage
3. Post encounter stage

The Pre Purchase stage

- Begins with the need arousal- the prospective customers awareness of need and continues through information search and evaluation of alternatives on whether to make a service purchase
- Needs are unconscious and may concern with personal identity and aspirations. Some needs may be overt Eg back pain hunger etc.
- External sources – eg mktg activities may also stimulate awareness of a need. Eg insurance cos using advt to urge people to start about thinking about retirement plans- then visit a website
- When people are aware of needs – more motivated to resolve it- and search for alternatives

The service encounter stage

- Experience of purchasing and consuming a service typically takes form of a series of encounters
- A service encounter is a period of time during which you as a customer interacts directly with service provider
- Eg leisurely meals, taxi rides, one day at amusement park etc

Service Encounters as “Moments of Truth”

- Shows the importance of contact points with the customers
- Eg bull fighting with bull and matador. The moment of truth is the point where matador slays the bull.
- Importance of relationship mktg which states that to prevent the mis encounter to potentially destroy what is already or potential of becoming a long term relationship
- Basic service challenge is defining and managing the moments of truth the customer will encounter in that particular industry

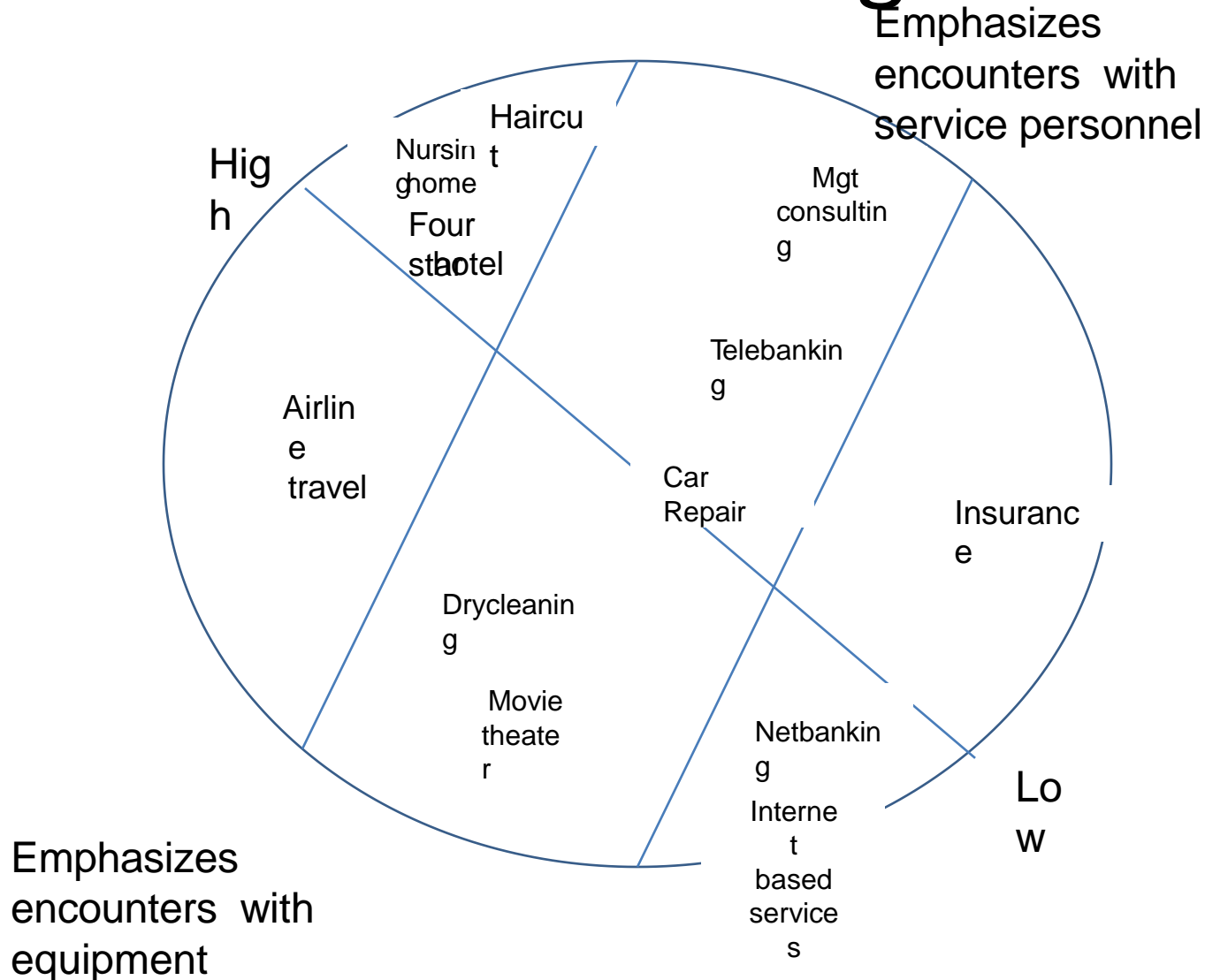
Service Encounters- high contact services

- Using this service entails interactions through service delivery between customers and the organization.
- The customers exposure to service provider takes a physical and tangible nature.
- When customers visit the facility where service is being delivered , they enter a “service” factory. Eg hotel- is a lodging factory, hospital is a health treatment factory.
- These industries focus on processing people – challenge is to make experience appealing one for customers in terms of service environment and their interaction with service personnel
- During course of service delivery customers are exposed to many physical clues abt the org- interior/exterior of building, equipment and furnishings, appearance and behavior of service personnel and even other customers

Low contact services

- Involve little physical contact between customers and providers.
- Instead the contact takes place through physical distribution channels/electronically
- Many high contact services are being converted to low contact services as customers undertake more self service-conduct their insurance/banking transactions by mail, telephone,internet and do purchasing online

Levels of customer contact in service organizations



Service operations

- Where inputs are processed and elements of service product are created
- Visible components of service operations can be divided to those relating to service personnel and to those relating to physical facilities/tangibles/equipment
- Customers evaluate the product on those elements which they actually experience during their encounter and perceived service outcome
- If back office fails to perform the task efficiently, the front office image will suffer. For eg unavailability of any item on menu
- The proportion of overall service visible to customers varies according to level of contact
- High contact services- physical customer- visible component has to be higher
- Low contact services- minimize customer contact with service provider- most of the service element is located remotely and front end- mail and telecon

Service Delivery

- Where final assembly of elements takes place and product is delivered to customers often in presence of other customers
- Includes the visible elements of the service (personnel, buildings, equipment) but also exposure to other customers
- Customers of low contact services – normally never see the factory- will talk to rep. Make judgments on ease of tel access, followed by voice and responsiveness of tel based customer service rep
- If service is delivered electronically such as self service machines, IVR, web etc- firms compensate by adding color, music, drama

Other contact points

- Includes all points of customer contact- advt, billing, and market research
- Communication, participation news stories, word of mouth etc