

The Brave New Service Strategy
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Building good relationships with customers is one of the major concerns for every company. So, companies start to collect data about customers and bring these together in d-bases.

But, do they actually know the customer? Does the customer expects a 'relationship' with all companies that provide them with a service? Or, does the customer just expects excellent service, reliability and a fair price?

One-to-one service relationships are difficult to provide, so companies look for understanding their customer's needs and focus on building links between their organization, their employees and their customers.

In this book the authors will help you to understand the nature of your company's relationship with customers. They make a difference between relationship businesses, where permanent interaction is required and encounter businesses, where you receive the service from whomever is available.

Relationship providers

- o Can only have as many customers as they can service, and in busy times, they must work harder.
- o Are more satisfied with their work and earn more money than encounter providers.

Encounter businesses

- o Require a lot of money to get started and must have good management to succeed. Managers are key-players by designing the service delivery system, by implementing, enforcing and altering the delivery system.
- o Have well designed processes for providing services and customer feedback.

The 3 major elements of a service business in general are : Organization (O), Providers (P) – workers who deal with the customer and provide the service- and Customers (C).

Based on the Service Triangle we can define different encounters, for instance Tight C-O with Loose O-P and Loose C-P. The different encounters are explained and examples of companies and sectors given.

An organization can strengthen Customer – Organization links in the encounter business by :

- o Peer-to-Peer help groups: linking customers with customers
- o On site instruction: train customers
- o Building strong brands: using logos and celebrity spokespersons.

Results of such a strategy are :

- o Encounters become more effective by providing the customer with a set of expectations that are fulfilled.
- o More and useful information about the customer so that you can deliver in a faster and a more convenient way.

- o No promises on things that you can't deliver.

More and more customers have encounters with machines. Automated service offers advantages both to the providers and the customers: uniform service, constant service, service to more people at lower cost and the opportunity to create new service products.

3 basic questions will guide you in your answer on the question 'Should I automate?':

'To what extent can you automate?';
'Should you use the Web site for information only or can you make sales on Internet?'; 'Are you a relationship provider (using web and e-mail) to keep contact?'

So, encounter businesses delivering what customers want are providing what may be called 'enhanced encounters'. Strategy on having people act as if they had a real relationship is not an effective way to get and to keep customers. A better alternative is to build an enhanced encounter by working on inherent strengths of

encounters (convenient hours, low costs, ...)

Enhanced encounters can take one of two forms :

- The customer is familiar with the organization through previous interactions, advertising, reputation.
- The organization keeps data on what was purchased and uses the data to deliver faster, more convenient services and offers rewards to frequent customers.

The 5 enhanced encounters are :

- Trust
- Convenience
- Customized, not personalized
- Uniform but unique
- Quality

Conclusion: the best companies reject 'pseudo-relationships' in favor of enhanced encounters.