Personal interaction and services in an online world

INSTITUTE FOR
QUALITY OF LIFE
sodexo

As an in-house 'think-tank', the Sodexo Institute for Quality of Life is inspired by Sodexo's deeply held conviction that improving Quality of Life leads to the progress of individuals and contributes to the performance of organisations. Its role is to gather and develop insight to help Sodexo understand better what are the levers of Quality of Life.

This report is inspired by the Sodexo Institute for Quality of Life Dialogue that took place in London on 29 April 2014 and whose participants were:

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Introduction

The way we find, book, pay for, receive, evaluate and therefore experience services has changed beyond recognition, in particular with the development of online platforms. A democratisation of services is also being driven by technology and ever increasing transparency even though the three main roles we play remain broadly constant, namely:

- as consumers – who are autonomous (assuming education and knowledge);

- as clients – who are compromised and somewhat dependent dealing with a professional with specialist knowledge; and

- as citizens – with rights and duties but whose autonomy is limited by the dominant political organisation.

The ubiquity, processing power, connectedness, ease of access and relatively low cost of online provision continue to impact the way services are marketed and experienced. From HR to company financial processes, academic research to the Massive Online Open Course ('Mooc'), in some ways the offline world has shrunk as we can access people and information with unprecedented ease. By contrast, the online world continues to expand.

However, as altogether new services that depend on digital platforms are launched and others that already exist are enhanced, there remains a constant: the individual served, the object of the service. Within large organisations such as Sodexo there is another, mirror constant: people who serve, the subjects of service.

To gather and develop insight, an Institute Dialogue on 'Personal interaction and services in an online world' asked participants to consider the following:

- the essence of 'service' in an increasingly hybrid marketplace of on and offline services

- technological advances, changing perceptions and experiences of service

- the relative value of on and offline service experiences

- the role of human interaction in service experiences

- trade-offs between on and offline service experiences

This Dialogue took place in Mumbai to benefit from India's remarkable combination of world-class IT and related services plus a philosophical tradition that stretches over thousands of years. Indeed, Sanskrit teachings were quite naturally a feature of this Dialogue from the beginning.

This report reflects experience from business and knowledge from academic disciplines including marketing, semiotics, anthropology and social psychology. It serves as an introduction to a rich exploration of personal interaction and services. If one is willing to look beyond a false online / offline dichotomy, consider the essence of service and the role of notions such as identity, choice and trust, personal interaction and an online world are not necessarily at odds with each other.

Different starting places

A discussion of personal interaction and services in an online world must include an appreciation of different services' genesis and evolution. Those that existed before the digital age may only be enhanced by technology e.g. the taxi and the advent of apps such as 'uber', or online buying. Others are altogether new, e.g. online search. The type of service we are presented with as consumers - technology enhanced or native to the digital world - provides context that informs the way we think about the service in relation to personal interaction.

The essence of service

Services play a role in society; they contribute to symbolic relationships involving people, organisations and cultures. They have an impact on different kinds of relationships e.g. of power, kinship, obligation. The way a service is marketed can be seen as an expression of 'self' i.e. how the provider thinks of itself but also its perception of the target beneficiary. This expression of self helps to make a service more tangible, in the form of a good, and can constitute a competitive advantage that is difficult to replicate. The form of delivery is also an expression of self through different media such as language, tone, brand identity, use of technology etc. A service is a form of two-way communication that is expressive both in the delivery and in the interpretation of delivery by the beneficiary.

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A service can have a strongly symbolic meaning beyond the convenience or amenity attached to it. Part of our self-image, self-esteem and therefore the way we behave is shaped by the services we have access to and the way they are delivered through our purchasing power, membership of a certain group, or privilege: a workplace restaurant or gym are examples. As the form of service delivery changes, there may be impacts on the sense of 'self' created through the delivery. Consider changes that can occur when personal interaction in a service moves online: some elements of tone of voice and civility may be lost but ease of navigation, more personalised information and the aesthetic appeal of a customisable graphic user interface may be gained. Each of these elements may have an impact on a consumer's perception of a service provider's estimation of them and therefore an impact on their own sense of self.

Services are also part of an intellectual time construct. They are generated by our past, have implications for the present and shape the future: how does the introduction or a change of technology alter the continuation or the development of such constructs?

Rituals are an important part of many services and they also change with the form of delivery. Consider differences between using a concièrge services desk attended by a person versus self-service thanks to an online platform. An alternative is to consider the ordering and receipt of a coffee from a barista compared to self-service at a vending machine using a swipe-card. We might also consider the ritual of 'browsing'. In the early days of the internet, browsing or 'internet surfing' included a significant element of uncertainty and an acceptance that the 'journey', infused with surprises and the likelihood of novelty, held some intrinsic value. Today, we do increasingly little 'browsing' online; we have much shorter 'journeys' with less scope for unforeseeable discoveries and appear less willing to accept uncertainty than before. We have become accustomed to the speed and accuracy of cookies and algorithms. What used to include scope for the unexpected and novelty has for many become a highly ritualised recourse to a small number of high performance services. Indeed, the term "cognitive lock-in", a learning related phenomenon, has also been used to describe the situation where repeat visitors to a website visit fewer pages[1]. Whether or not this is welcome depends on the relative weight attached to experience, efficiency and information by the consumer.

[1] Yadav M. and Pavlou P., Marketing in Computer-Mediated Environments: Research Synthesis and New Directions, © 2013 American Marketing Association, forthcoming in Journal of Marketing

Flexible identities

In a hybrid online / offline world, the notion of identity in relation both to the provider and the consumer changes as we move between platforms. Consider the following scenarios:

- a regular consumer is known and addressed by sight and name by a service provider who has developed intimate knowledge of them from previous experience of personal interaction. (This is not the case of a new consumer or single visit consumers and depends on variables such as shift patterns);

- the same consumer may also be identified at a self-service platform by inserting a chipenabled card and immediately linked to preferences and past use information resulting in a highly personalised service on every occasion from registration;

- the consumer may experience a service phone and interact with someone in a different country who has been trained to adopt a well-known, easily understood name in the consumer's own country to facilitate personal interaction (even though both parties know it is an assumed identity).

The three examples of service delivery above point to different aspects of identity in the delivery and receipt of services. Their purpose is not to elicit a preference response but to illustrate the complexity involved, prompt questions and raise trade-offs, for example:

- should delivery be by a person who perhaps cannot quickly know much about the customer's preferences and past use patterns but can engage in welcoming, empathic conversation?

- is the delivery of a particular service an occasion when consumers prefer the ease and anonymity of technology-enabled self-service e.g. simple banking transactions such as cash withdrawals?

- to what extent does Gita's use of the name 'Gayle' impact the way she delivers her service? How does the customer feel about the service knowing that 'Jonathan' does not really exist, but perhaps 'Janaradhan' does?

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Choice matters

Consumers often face an element of choice amongst competing service offers. Genuine 'choice' is based on a number of alternatives that the consumer can reasonably contemplate and evaluate. It is contrasted with 'confusion' leading to an election in the face of myriad options. This confusion may result in a decision based on reversion to a 'safe' option, no decision or one whose value is not understood.

One of the facilitators of choice is personal interaction whereby service provider and consumer develop a common understanding of criteria and options. In this process, touch, feel and experience i.e. 'intimacy', plays a part. This intimacy is not the same thing as 'knowledge' in the same way that 'big data' can answer 'what' questions but struggles to determine 'why'.

Technology-enabled services may not seek or be able to replicate genuine intimacy but may instead support decision-making through alternative means. Examples include ratings - the aggregation and synthesised presentation of other consumers' experiences - or 'learning' from a consumer's previous choices and applying algorithms to create an informed recommendation.

These are not simple trade-offs involving substitutable alternatives. For example, the complexity of the service being chosen is a factor in deciding on the offer platform as higher levels of complexity tend towards greater personal interaction needs - intimacy - owing to the increased affective or subjective element of the decision-making process.

Trust

From the consumer's perspective, regardless of the platform involved, trust under-pins service with sense, dignity and integrity for mutual benefit and peace of mind. In services and personal interaction, trust can be based on a variety of factors such as proximity, authenticity, time or repetition of experience and feedback.

One way to breakdown and consider the different elements that build trust is the equation[2]:

$$\text{Trust} = \frac{\text{reliability} + \text{credibility} + \text{intimacy}}{\text{self-interest of the service provider}}$$

Each element of this equation can include a number of variables, for example 'responsiveness' is a factor of reliability, 'identity' can be a factor of credibility and 'insight' a factor of intimacy. The notion of trust is particularly helpful in that it takes us beyond a binary online versus offline dichotomy. By supporting efforts to understand the relative merits and value of each interaction per se based on the level of trust generated, we look beyond the method of service delivery.

Conclusion

Who serves, the form in which service is delivered and to whom it is given can say a lot about the relationships involved, including the distribution of power or control. Service relationships are also underpinned by notions of identity, choice and trust. A sophisticated understanding of personal interaction and services that goes far beyond methods of delivery is valuable insight if recent thinking is correct and *"the most popular expression of [this] emerging marketplace reality is customer experience", "a post-product, post-service phenomenon that is still evolving and not yet fully formed"*[3].

[2] Maister D., Galford R., Green C. (2000), The Trusted Advisor, Free Press
[3] Maklan, S. and Klaus, Ph. (2011), "Customer Experience: Are We Measuring the Right Things", International Journal of Market Research, Vol. 53, No. 6, pp. 771-92.