3. Servicescape & digital transformation

1. THE SERVICESCAPE

= manmade, physical surroundings/ evidence  
= environment in which service is delivered & in which firm x customer interact

1. All aspects of physical facility + tangible aspects of communication
2. Criteria to evaluate services
3. Requirement for successful services
4. Often used as positioning tool

1. Strategic roles of servicescape

**1. Packaging**

* Outward appearance of service   
  = impact service providor image
* Affects customer expectations

**2. Facilitator**

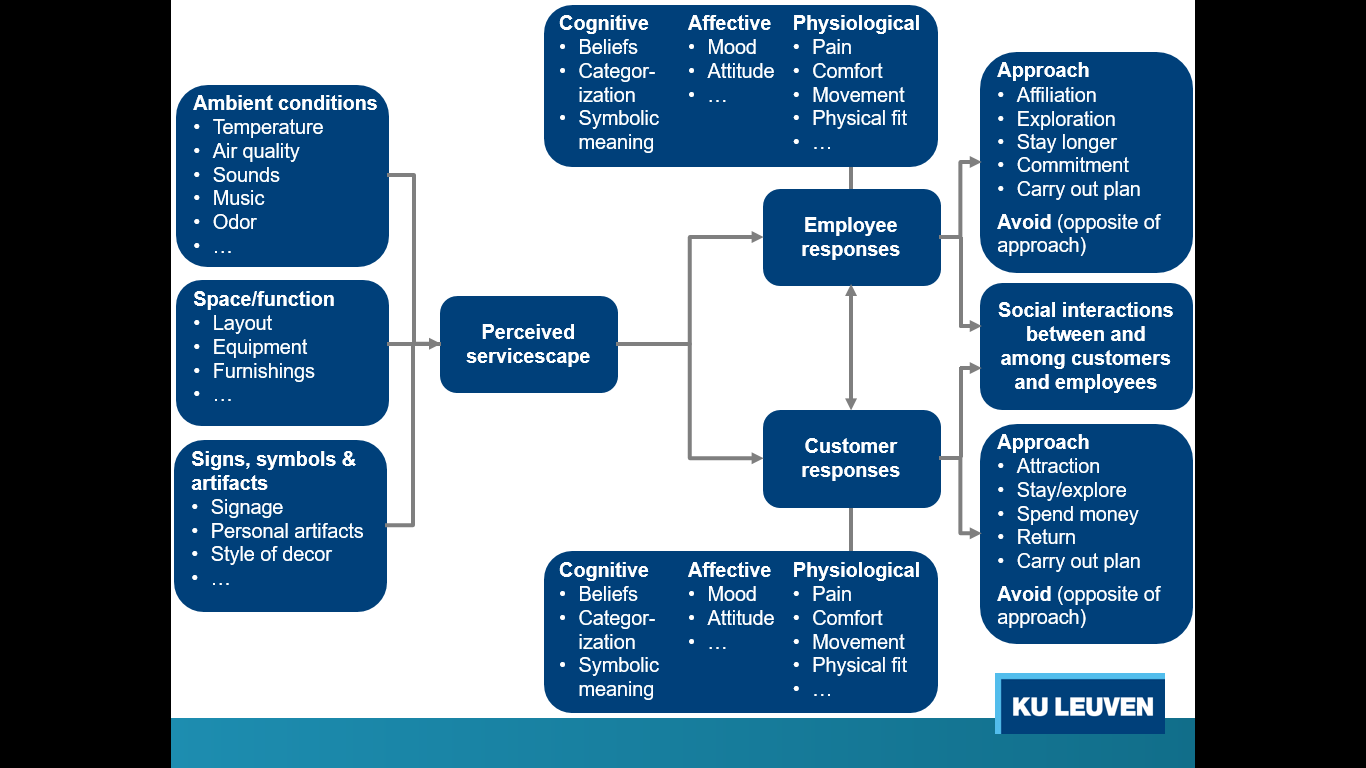
* Improve flow of service experience
* Might frustrate customers & employees if not designed well

**3. Socializer**

* Can help in socializations of employees & customers
  + Convey roles x expectations
  + For customers & employees/ employees only

**4. Differentiator**

* SC can create competitive advantage
* Serves as signal for market segments



2. AMBIENT CONDITIONS

= design elements & details that jointly create desired service environment

1. **Sounds**
   1. Strong effect on customers (even if barely audible)
   2. Fast temp & high volume: increase arousal levels
   3. Adjust pace to match tempo music
2. **Scents**
   1. Ambient smell: pervades an environment
   2. Used to obtain emotional, physiological & behavioral responses
   3. Consistency is key (bakery, store,…)
3. **Lighting & color**
   1. Strong impact on consumers
      1. Red: fast decision making  
         = good for low-involvement/ impulsive buying situations
      2. Cool colors for high-involvement decisions
4. **Size & shape**  
   = Spatial layout
   1. S&S of furnishings, counters etc & how arranged
   2. Create logical arrangement/ floorplan
   3. Functionality is key
5. **Air quality & temperature**

3. SIGNS, SYMBOLS & ARTIFACTS

= communicates image & helps customer find their way

= communicates service script (try to draw meaning from symbols etc)

! Challenge: design to guide customer through service delivery process

🡪 Unclear signals: \* anxiety & uncertainty about how to process/obtain service

🡪 Small details make big difference

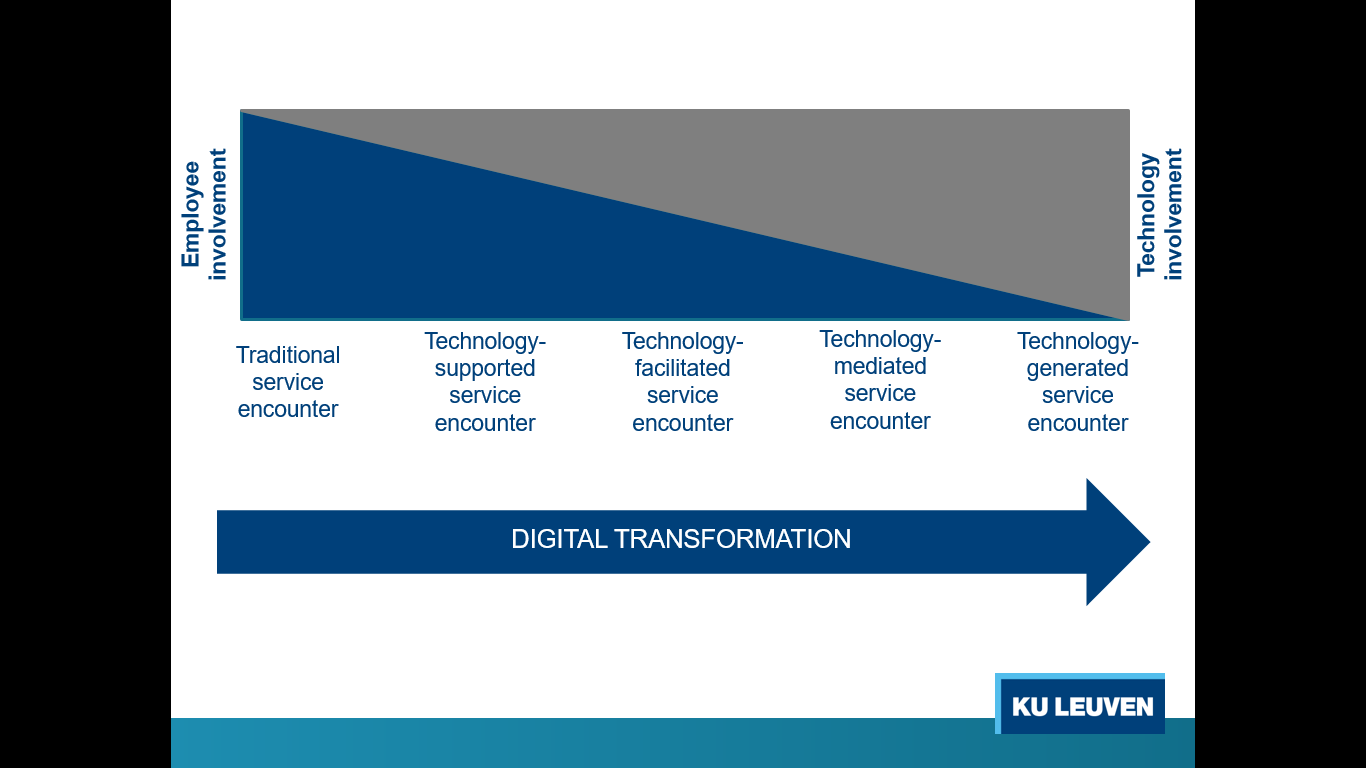
**Hello Kitty + Eva Air**

= success, make flying fun (tickets, lables, pillows, food)  
= not success because liking hello kitty, just because it’s different

🡪 Affinity passenger & firm rises

2. DIGITAL TRANSFORMATION

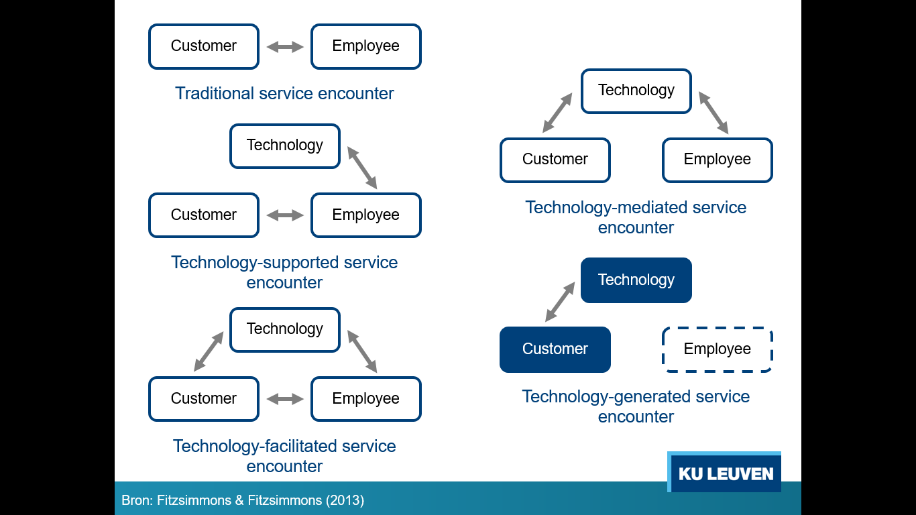
! Technology has huge impact on consumers



**1. Traditional service encounter**

= rare

* Most services standardized/ info easy available
* High labour costs
* Highly personalized, creative services



**2. Technology supported**

e.g. Supercomputer (when you die), supports the researchers

**3. Technology-facilitated services**

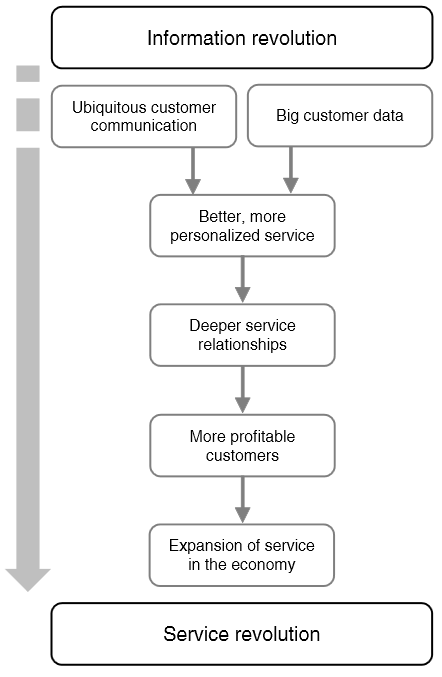
e.g. teacher gets help from ppt

**4. Technology-mediated service encounter**  
= less x less face interaction, more x more via pc   
e.g. online banking, call centers, robot surgery

**5. Technology-generated service encounter**

= employee no longer involved (self-check-in airport)

! Robot taxis, buttlers,…

Is technology causing a service revolution?

= individual progress way better than standardization

\* relationships

! e.g. financial segment: jobs decreasing

Artificial intelligence: smarter & faster than we

e.g. 3D printing avoids manufacturing & transport

Digital transformation is essentially a service revolution

* In line with service-dominant logic
  + Value arises not from technology itself but from services these technologies can deliver (what we can do with it)
* Path traditional service – technology-intensie service
  + In many industries
  + Drastic change in required skills labor force  
    more STEM (science, technology, engineering, mathematics)
* ! Assess whether digital transformation can make your company/industry obsolete