

Romanian Economic and Business Review – Vol. 4, No. 1

SELF SERVICE TECHNOLOGIES SPEAK FOR THEMSELVES

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Abstract

The paper analysis the main criteria for successful self service technologies.

Self service technologies are changing the way customers interact with companies. As a result, a lot of firms are developing innovative self service technologies with hope that their customers are satisfied. In order for a self service technology to succeed in making customers happy, companies must learn and know what drives customer satisfaction.

This paper examines what a firm should consider in order to encourage customers to at least try, and eventually adopt, the self service technology offered by a firm into the customer's regular routine. Factors that encourage the customer to try a new self-service technology for the first time and factors impact customer satisfaction and dissatisfaction will be addressed.

Keywords: *self service technologies, customer value, customer satisfaction*

JEL Classification: L80, M20, M31,

1. Introduction

Nowadays, a trip to the bank, supermarket, or airport shows a growing presence of self-service technology. Although these systems will never replace personalized customer service, they are extremely flexible and offer an increasing number of consumers fast and reliable service. High-end and trendy hotels have begun to see a role for self-service in their businesses. A growing number of chain hotels are using the technology as a way to maintain service excellence during peaks in guest traffic.

Constantly, retailers are increasingly trying to innovate options for delivering service to their customers and to make it easier to use and more helpful.

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The infusion of technology is dramatically changing the nature of service which has been traditionally used by retailers. By providing a self service solution that is easy to navigate and quick to produce the most accurate answers, high technology companies ensure costly telephone contact with the call center is reduced and customers quickly find the answers they seek.

Companies try to convince the customers that the use of technology is simple, faster and easier. They achieve this by advertisement and creating awareness as well as demonstration of these technologies.

2. The challenges of 2009

The slowdown in economic activity in developed countries was the major factor in the reduced expansion of global trade in 2007. This trends combined with effects of the financial markets during last year detonated the global economic crisis. The variation in real trade growth among regions remained large, reflecting marked differences in economic activity and relative price developments.

This crisis will have an effect on both merchandise markets and services markets. Last year the global GDP growth was forecast between 2.5 and 3 per cent. This pessimistic outlook was more optimistic then everyone believed. This economic crisis is based primarily on adverse developments in the financial markets, the dramatic downturn in the US property market, the decline in inter-bank lending and the dwindling capitalization of major stock markets¹.

This year money, few like they are, will move away from bricks and mortar stores. Investments will be focused to the online experience. So we'll live in an online virtual world because the real world will be full on frustrating events. And this trend to the web and e-services is just as true in non-profit sectors as it is in retail. In downturns, more people head to higher education, as governments continue their move to e-government practices and everyone looks for ways to reduce costs. Getting the customer to serve themselves rather than involving costly manual processes should be a no brainer. Nevertheless, many business cases in 2009 will focus on self-service - often as a knee jerk reaction, sometimes as part of a longer-term, planned strategy.

People who have more highly qualified jobs and education levels, tend to display a more quantitative time orientation as reflected in the time statement "time is money", which will lead them to attach more importance to the time gain that comes with using self-service technologies.

Shifting data management to the customer also lowers a company's overhead costs by reducing the number of customer service agents needed and allowing

¹ International Trade Statistics 2008, World Trade Organization Report

existing personnel to focus on higher volume activities, such as targeted marketing².

2.1 Self service era

Self-service is a version of electronic support that allows customers to access information and perform routine tasks over the Internet. More and more frequently, businesses are implementing self-service applications to improve their customer service and reduce costs. Browse these buzzwords and brush up on key self-service definitions and terms.

Self-service technologies refer to services that are performed by customers themselves using various types of technological innovations, such as ATMs, the Internet, touch screens, and interactive kiosks. They represent an alternative way of service delivery using innovative technologies for complementing or even replacing personal services³.

We have entered the decade of self service. Customers value the convenience, consistency and self control of automated transactions over a friendly smile. Companies value the increased coverage, low cost of operation and reliability of automating transactions.

It is common practice for individuals to encounter inexperienced sales people, long lines and companies that are closed when you want to do business. As a result, opportunities to conduct transactions online or using self service technologies have become a welcome alternative to most consumers.

2.1.1 Evaluating self service technologies

In order to succeed on the self service technology market, the companies should focus on customer satisfaction, by answering the following questions:

- What do consumers want most from any service experience?
- What percentage of consumers prefer self-service over full-service?
- How much do age and gender affect consumer attitudes toward self-service?
- Do tech savvy consumers really use self-service devices more often?
- What factors lead consumers to choose self-service over full-service?
- What factors lead consumers to choose full-service over self-service?
- What self-service devices do consumers use most and which do they use least?
- Are consumers satisfied with their self-service experiences?

When evaluating self service technologies, companies need to consider all costs related to implementation, not simply development and deployment. Count

²Self-service technologies help companies help themselves, by Cindy Atoji, 04.25.2007

³ Self service technology: top five buzzwords, Amanda Malgeri, nov.2007

on a long term commitment to maintenance and create feedback system that tracks the self service products customers use to resolve their issues.

Companies need to educate continuously the customers about the benefits of using the self service technologies. They also need to provide support and answer all the questions concerned the usage of innovative technologies.

2.2 Advantages and disadvantages of self service technologies for customers

The main advantage of using self service technologies is to be able to conduct a business 24hours/7 days and easy access to global marketplace.

The ability to access and control information raises customer satisfaction, whether it's conducting a banking transaction, checking cellular minutes, ordering an on-demand movie or requesting time off. Self-service empowers people to do things on their own.

It is true that the self service technologies reduce costs, but, in the same time a weak point is that you cannot build such a strong relationship with the customers. In the past, most of the companies had strong relations with the customers but nowadays, because of the new technologies these relations are hardly happening. It is cheaper to keep an existing customer than to win a new one. Satisfied customers are customers that are more loyal and it is easier than ever to spread the word about a poor customer experience.

2.3. Advantages and disadvantages of self service technologies for companies

Reducing costs and improving services are two primary reasons organizations are putting in self-service applications. Self-service solutions are freeing HR staff from low-value activities, thus allowing them more time to focus on high value, strategic activities that foster improvements in human capital management, especially strategic services around staff development and other talent management services⁴.

Self service technologies continue to expand and improve and costs have come down for many. In fact, self service technologies typically show a return on investment within the first year of implementation.

As terms like “full service” and “self service” become synonymous, related technologies wireless internet become commonplace; and tech-savvy consumers increase their demands for convenience the opportunities and growth for self service technology seems limitless.

Employees think that self service technology is vital to advancement of information gathering in a company and it is very efficient in cutting time barriers and helps them to do more things that make an effort to make money.

⁴ Profitability of self-service technology options: Efficiency gains through the implementation of self-service technologies, Thomas Schröder & [Thomas Rudolph](#), 2007

In the same time, employees feel comfortable and find work easier as it used in the past.

In the same time, the amount of technology used nowadays minimize the number of jobs and gets lots of people fired or just without a job, as in the past people used to do everything the technology is doing now for them.

For employees self service technologies could include⁵:

- time card reporting,
- being able to check benefit status,
- enrolling in benefits,
- change payroll deduction,
- manage career path plans,
- enroll in training classes.

Managers can use this technology in the following directions:

- to approve timecards,
- open job requisitions,
- enter employee reviews online

3. Choosing self service technologies

Self service works when there are benefits for both users *and* the business.

Firms are typically seeking to fulfill at least one of three primary business goals when they choose to enter the self service arena.⁶

1) Customer service (technology delivered customer service) -The intent here is to provide the customer service without tying up the company's human resources. If done correctly, it can also save firm money. A few examples of this are: to provide product information to consumers, Internet based package tracking, on-line troubleshooting systems, and phone and Internet banking.

2) Enabling direct transactions - customers order, buy, and exchange resources with the firm without any direct interaction with the firm's employees. These sorts of self service technologies include: on-line shopping, automated kiosks, on-line stocks/ security trading, and on-line travel/ticket services.

3) Educational - enable customers to educate and train themselves. These include: phone based information lines, information web sites, training videos/DVD/CD and satellite TV-based training

The benefits can be clear; yet challenges remain like where to push information and systems to users without getting pushback, and how to make sense of an ever-changing marketplace.

Firms go in this direction because using self service technologies they are cutting costs and in the same time improving production and service quality.

⁵ Self Service Technology allows HR More Time for Strategic Initiatives, Cedar Group, 2002

⁶ Implementing Self-Service Technology To Gain Competitive Advantages, Chang-tseh Hsieh, 2005

Companies that move to self service deliver immediate cost savings in the 18-20 percent range. After the initial investment, most clients see a return on their investment in two years or less. This is a result of improved accuracy in data collection, reduction in time to complete tasks, fewer calls to the HR department and faster turnaround.

While technological hurdles must be passed when implementing new self service technologies, the biggest challenges companies face are often the customer behavior issues. Customer behaviors are ingrained and typically hard to change. The difficulty is that not only must your customers want to change, but also want to take on the responsibility for their own service delivery and satisfaction.⁷

In order to persuade the customers to try self service technologies the companies would create a convenient and supportive environment, with lots of hand holding in the form of first time user help, instructions, FAQ's and online live help. They would be explained the value they can expect to receive by using the self service technologies.

The relationship between the customers and the company is not unlike that between the employees and the company. In the case of self service technologies in particular, customers are co-producers of value, since they are responsible for the service delivery themselves. Taking a fresh look at the customers, and managing them the way you would manage the employees, helps make them better customers by increasing their “readiness” to produce services for themselves.

A research in the field of “who” is using the self service technologies has drawn the following suggestions:

- a positive attitude towards self service technologies determines the customer perception over the easy use, usefulness and reliability of it;
- higher educated customers have a positive attitude towards self service technologies, compared to lower educated customers;
- the perceived newness and the actual usage of self service technologies influences in a higher percentage young people;
- both women and men use the self service technologies, but the perceived usefulness influences more strongly men’s attitude than women’s.

4. Conclusion

Certainly, the expectations of customer service have evolved. It is thought that life is better, but everyone expects more. Service in other industries, such as airlines, banks and utilities, affects what people expect from customer technology.

There has been a slow realization of the importance of customer satisfaction. However, consumer technology companies are beginning to shift away from their

⁷ Choosing Self-Service Technologies: Ready? Set. Go!, W.P.Carey School of Business , 2007

product-centric focus. Given the low level of customer satisfaction, those that invest wisely could see a big return.

Many companies do not realize the importance of improving the technologies provided to the customers by adding new functionalities and offering more benefits.

The development of self service technology is growing rapidly and the companies are reducing cost and improving productivity and service quality as well as better organization workflow inside the company. Thanks to new technologies the work performed by employees become not only easier but faster and more efficient.

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