

## Article No.2

# FRONT-OFFICE MANAGERS' PERCEPTION ON CONSUMER-ORIENTED SERVICE EXPERIENCES

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**Abstract:** The paper aims to assess the front-office managers' perception about the consumer-oriented service experiences. The empirical study has been conducted by taking a sample of 90 employees from three diverse service categories i.e. (Health Clinics and Hospitals), Retail (Convenience Stores), and Wellness (Beauty Salons and Gym/Fitness Centers). An exploratory factor analysis (EFA) in SPSS18.0 has been performed to draw the various service experience elements. Factor analysis extracted eight factors; feedback management, people, reliability, assortments and surprises, ease, sensorial, lifestyle, and communications. These factors provide valuable insights into front-office managers' perception about service experiences in health, retail, and wellness services. In particular, feedback of front-office managers' of health, retail, and wellness firms provides a strong measure to understand the consumers' perception about various service experiences. Based on the results, management of service firms should value front-office managers' opinions about service experiences in the formulation of strategies to provide the right service experiences.

**Keywords:** Service Experiences, Front-Office Managers, Perception, Health, Wellness, Retail, Exploratory Factor Analysis

## 1. Introduction

Service encounters are central to promote dyadic interactions between consumers and employees (Surprenant & Solomon 1987). To deliver the desired consumer experiences, front-office employees play a key role at various service encounters (Verma, 2012). Employees are the internal consumers of firm (Kotler et al. 2011), and their opinion about the service elements can help a firm to create and deliver desired consumer experiences. Understanding the employees' perception about the service experience attributes provides an insight about consumer needs and expectations. The focus of this research is to understand the front-office managers' perception about the consumer-oriented service experiences. Therefore, this study attempts to contribute the emerging studies on employees' perception regarding service experience attributes.

Broadly, this article is composed of four sections. In the following section, existing literature on role of front-office employees in service performance has been discussed. The next section presents objectives and methodology of the study. Then in third section,

results of Exploratory Factor Analysis (EFA) are presented. Finally, in the last section discussion, managerial implications, limitations and potential further researches are outlined.

## **2. Conceptual Framework**

### **Front-Office Employees and Service Experiences**

Service encounters connect consumers and front-office employees (Surprenant & Solomon 1987). The front-office employees play a significant role in providing desired service experiences. Front-office employees' ability, willingness, and competence to solve consumer's problems have positive impact on consumer satisfaction (Bitner, Booms, & Tetreault, 1990). But the changing environment, especially the prevailing mismatch of expected and actual service offerings are cautioning many firms to understand consumers' needs and expectations in a new way (Osarenkhoe & Bennani, 2007). Firms are suggested to adopt various tactical strategies related to manage their interactions with valuable customers at various touch points (Osarenkhoe & Bennani, 2007; Dhananjayan, 2007). Firms' acquisition (such as advertising, sale promotion, merchandising, and referral schemes and many more) and retention efforts (such as loyalty schemes, club memberships, sale promotions, and value-added offerings) need to be used appropriately to deliver desired service outputs (Buttle, 2004).

Front-office managers' feedback is significant for service organizations to understand the consumers' perception about service quality (Anderson et al. 2008). Because services are essentially characterized by intangibility and inseparability (Kotler et al. 2011); therefore, service employees (front-office) play a central role to provide desired service outputs (Verma, 2012). Consumers are increasingly concerned about various service quality standards in choice of the service firms (Cronin et al. 2000).

Consumers have changed in their approach to respond towards firm's offerings. Previously the functional aspect was more vital to lock the customers whereas now it has been changed into emotional component. The management of emotional component depends upon the successful implementation of consumer experience management (Berry & Carbone, 2007). With the increase of contact points at sales, marketing, and service processes management of consumer experiences seems essential for a firm (Murthi, 2005). It is important for firm to operationalize their acquisition, retention, and experiences efforts as per consumer perspective. However it is also significant to consider the front-office employees' opinions to deliver consumer-oriented service experiences.

## **3. Research Methodology**

### *3.1 Objectives of the Study*

The objective of the study is to understand the front-office managers' perception regarding service attributes to deliver the consumer-oriented service experiences.

### *3.2 Measures*

To measure the front-office managers' opinions about consumer-oriented service experiences, twenty items of CRM practices (acquisition, retention, and experience efforts) have been drafted in the questionnaire. The statements have been drafted to reflect the orientation to service performance parameters. All the measurement items have been finalized by extensive literature review, expert opinions, and pilot study, and measured on 7-point scale by 1-strongly disagree to 7-strongly agree. The measurement items have been drafted in reference to previous studies Blattberg et al. (2001); Buttle (2004); Oztaysi et al. (2011); Lewis (2004); Kaplan & Nortan (1992); Kotler et al. (2011); Smith & Chang, (2010); Schmitt (1999); Fornerino et al. (2006); Gentile et al. (2007); Nam et al. (2011). The used measurement items have been labeled as Service Quality, Improvement in Service Quality, Consumer Involvement, Skilled and Expertized Services, Wide-Variety, Price Comparisons, Brand Image, Promotional Offers, Advertisements as a Source of Entrainment, Courteous Behaviour of Employee, Recognition, Employee Promptness and Responsiveness, Sensorial Elements, Positive Surprises, Emails/SMSs, Relaxation, Complaint Management Processes, Positivity Towards Feedback Activities, Ability to Implement as per Consumers' Responses, and Lifestyle Experience.

### *3.3 Data Collection and Sampling*

Three service types; Health (Health Clinics and Hospitals), Retail (Convenience Stores), and Wellness (Beauty Salons and Gym/Fitness Centers) across the five major cities (Amritsar, Ludhiana, Jalandhar, Patiala, and Chandigarh) in the northern region of India have been chosen to collect the sample of front-office managers: A sample of 30 front-office managers in each service type has been approached by convenience sampling. In total, data has been collected from 90 front-office managers' of three service types; Health (Health Clinics and Hospitals), Retail (Convenience Stores), and Wellness (Beauty Salons and Gym/Fitness Centers).

## **4. Results**

An EFA in SPSS18.0 has been conducted by principal components analysis with Varimax Rotation with Kaiser Normalization. The sample of three service types (Health, Retail, and Wellness) has been united to execute the EFA. The four assumptions of Field (2000); KMO of Sample Adequacy and Barlett Test (above 0.5), minimum Eigen Value of each factor should be one, factor loading of each item should be above 0.4, and Varimax Rotation have been fulfilled to execute the EFA. Based on the Eigen Value greater than one, eight-factor model has been extracted to explain the service experience elements. The EFA results can be seen in table 1 and table 2.

Table 1 display the eight factors (Components) and the extent to which variance can be explained by each factor. Table 2 presents the consolidated view of eight-factor model with proposed statements.

**Table 1 Total Variance Explained**

Component	Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %
1	1.978	9.888	9.888
2	1.933	9.663	19.551
3	1.900	9.498	29.050
4	1.613	8.065	37.115
5	1.570	7.849	44.963
6	1.495	7.476	52.440
7	1.391	6.957	59.397
8	1.226	6.128	65.524

Extraction Method: Principal Component Analysis.

Note: Source: Table1 has been extracted from SPSS18.0 output.

**Table 2 Exploratory Factor Analysis (EFA) Results for the Services Experience Elements**

Item Code	Item Description	Statements or Items	Item Loadings	Variance (%)
		<b><i>F1-Feedback Management</i></b>		<b>9.888</b>
E18	Positivity Towards Feedback Activities	Consumers always respond positively for the follow up calls or chats that a firm does to know consumers' opinion about their past experiences.	0.821	
E19*	Ability to Implement as per Consumers' Responses	Sometimes we find ourselves uncomfortable to make the changes as consumer expects.	0.734	
		<b><i>F2-People</i></b>		<b>9.663</b>
E3	Consumer Involvement	Consumers often expect and enjoy involvement in designing of services.	0.605	
E4	Skilled and Expertized Services	Skilled and expertise service is highly important for consumers.	0.572	
E6	Price Comparisons	I find that consumers always compare prices with other firms.	-0.784	
E10	Courteous Behaviour of Employees	The courteous and polite behaviour from staff is positively perceived by consumers.	0.655	
		<b><i>F3-Reliability</i></b>		<b>9.498</b>
E7	Brand Image	Consumers usually prefer best-selling brands/firms.	0.754	

E12	Employee Promptness and Responsiveness	The quick and responsible dealings from service staff give more pleasure to consumers.	0.673	
E17	Complaint Management Processes	The handling of consumer complaints directly and immediately benefits a firm to get loyal customers.	0.536	
		<b>F4-Assortments and Surprises</b>		<b>8.065</b>
E5	Wide-Variety	Adding new lines of services/products/brands enriches consumers' experiences.	0.737	
E14	Positive Surprises	Consumers often feel excited to get positive surprises.	0.717	
		<b>F5- Ease</b>		<b>7.849</b>
E11	Recognition	Consumers often feel a sense of belongingness to be recognized as regular visitors.	0.502	
E16	Relaxation	Consumers often feel delighted to get tension free services.	0.775	
		<b>F6- Sensorial</b>		<b>7.476</b>
E8*	Promotional Offers	Consumers really don't care about the offers and special benefits schemes.	-0.696	
E13	Sensorial Elements	The clean, attractive, and convenient environment helps to enrich the consumers' experience.	0.677	
		<b>F7- Lifestyle</b>		<b>6.957</b>
E20	Lifestyle	Consumer often feel attached with a firm if they follow the same principles that consumer believes.	0.842	
		<b>F8- Communications</b>		<b>6.128</b>
E2	Improvement in Service Quality	Consumers always look for improvement in the service quality.	0.533	
E9*	Advertisements as a Source of Entrainment	For consumers, advertisements are just a source of entrainment rather than informational.	-0.611	
E15	Emails/SMSs	Emails and SMSs are good media to attach with a consumer.	0.655	
		<b>Total Variance</b>		<b>65.524</b>
		Sampling adequacy (Kaiser-Meyer-Olkin measure greater than 0.5)	0.543	

Note: Table 2 has been drafted in consideration of table 1.

Factor loadings less than 0.4 have been omitted.

\*Items have been reversely coded.

As shown in (table 2), results of EFA indicate that twenty items measuring front-office managers' opinions about consumer oriented service experience elements have been divided into eight factors. Based on the Eigen Value greater than one, eight-factor model with 65.524 per cent explained variance has been derived. Factor 1 with Eigen Value 1.978 explains 9.888 percent of total variance and comprised two statements; Positivity towards Feedback Activities (E18) and Ability to implement as per Consumers' Responses (E19). Thus, factor 1 has named as *Feedback Management*. Factor 2 has been loaded with four statements that include three positive correlations and one negative correlation. As shown in table 2, Consumer Involvement (E3), Skilled and Expertized Services (E4), and Courteous Behaviour of Employees (E10) have been loaded positively while Price Comparisons (E6) has been loaded negatively. Factor 2 explains 9.663 per cent of variance with an Eigen Value 1.933 and labeled as *People*. The factor 3 has been identified by correlation among three items; Brand Image (E7), Employee Promptness and Responsiveness (E12), and Complaint Management Processes (E17). Factor 3 (with 9.498 per cent variance) appears to relate with credibility of employees and brand, thus it can be labeled as *Reliability*. Factor 4 has been labeled as *Assortments and Surprises* and characterized by two items; Wide Variety (E5) and Positive Surprises (E14). It has been considered by 8.065 per cent of total variance with 1.613 as Eigen Value. Based on consideration of two items; Recognition (E11) and Relaxation (E16), factor 5 has been termed as *Ease*. Factor 5 explains 7.849 per cent of total variance with Eigen Value of 1.570. The next factor 6 has been found explaining 7.476 per cent of total variance. In factor 6, item depicting Sensorial Elements (E13) has been loaded positively while Promotional Offers (E8) has been loaded negatively. The importance of sensorial elements has been considered superior to the promotional offers; therefore it has been labeled as *Sensorial*. Next, factor 7 is solely concerned with lifestyle (E20), so it has been entitled as *Lifestyle*. The Lifestyle component explains 7.476 per cent of total variance. In last, factor 8 has been founded with two positive loading items; Improvements in Service Quality (E2) and Emails/SMSs (E15) and one with negative loading i.e. Advertisements as a Source of Entrainment (E9). Factor 8 explains 6.128 of total variance with Eigen Value 1.226 and labeled as *Communications*.

#### **4. Discussion and Managerial Implications**

The present study provides an eight-factor model for the health, retail, and wellness service providers to assess the service experience elements. Eight-factor model suggests the eight important elements of service experiences.

First, the 'Feedback Management' has been considered as an important element for the desired service experiences. The importance of feedback processes highlights the fact that consumers' like to communicate with service employees. It might be due to the fact that consumers seek service firms as trusting partners, who not only anticipates their important issues, but makes their best efforts to resolve those issues (Barnes, 2003). Therefore, face-to-face, telephone or web portals contacts are the best measures to record consumers' opinions regarding their complaints, claims, needs, and suggestions. Consumers' feedback related to complaints, claims, needs, and suggestions helps in development of new products/services types or improvements in previous service/product related offerings. Moreover, firms can put all their efforts in structure to facilitate the



customer care processes in action. Firms simultaneously pay more attention to resolve their failures to perform by consumer expectations and desired quality standards.

Second, the grouping of three factors such as consumer's involvement, skilled and expertized services, and courteous behaviour of employees highlights the fact that 'People' play important role in service experience. The underlying rationale is the fact that consumers and employees play a decisive role in service transactions, for example in health sector, physicians' decision regarding medical treatment and patient's decision to implement the suggestive medical treatments is vital to take the desired service outputs. Therefore, the hiring of knowledgeable, expertized and well-mannered employees in health, retail, and wellness firms fulfills utilitarian and hedonic needs to consumers. However, they understand that consumers driven by need of skilled, expertized, and interactive (participative) services are less likely to make price comparisons.

Subsequently, third factor entitled as 'Reliability' encourages the health, retail, and wellness managers' to pay more attention to implement various strategies and measures that helps to build brand's trustworthiness among consumers. Service firms are advised to follow total quality management (TQM) practices for improved efficiencies to build consumer's confidence to maintain long-term relationships (Javalgi & Moberg, 1997). Accordingly, brand reputation will decrease the consumer perceived risk of performance ambiguity (Kirmani & Rao, 2000), then brand trustworthiness will be developed.

Next, 'Assortments and Positive Surprises' have been recognized as a fourth important factor of service experiences. It is due to the fact that availability of wide-variety at one location reduces consumer's anxiety to contact multiple service providers while positive surprises delight consumers by performing in an unexpected way. Firms (Health, Retail, and Wellness) advancements by wide assortments and surprising rewards such as greetings or free gifts to consumers' for special occasions, monetary rewards for behavioural loyal consumers, service preference to loyal consumers' etc. creates desired consumer experiences.

In respect to 'Ease' component (fifth under eight-factor model), it has been argued that consumers expect recognized and relaxed dealings with a service provider. The experiences created by special treatment and problem solving attitude are encouraged to promote across three service firms.

Next, front-office managers consider that consumers don't give much consideration to promotional schemes and offers. However, according to them, sensorial elements such as cleanliness, interiors, music, and fragrance found to be liked by consumers. It is due to the fact that in the presence of sensorial cues consumers feel better, and more pleased to achieve the service outputs. For example, in beauty salons, the presence of multiple sensorial cues such as music, fragrance, clean waiting lounges, magazines are essentials to reduce consumers' boredom and upsurge enjoyable dealings.

Therefore, understanding of various sensorial cues is crucial to deliver positive consumer experiences in health, retail and wellness service markets. Although, it is important to

remember that promotional offers and schemes (such as price discounts, loyalty programmes) can bind the consumers by increasing switching costs (Jones et al. 2000) and create a feeling of pride to be economical (Schneider et al., 1998) but seem inappropriate for long term commitment (Zhang et al. 2000). Thus, efforts to improve non-economic benefits such as joy and connectedness through sensorial elements are encouraged to maintain the desired service experiences.

The seventh factor under the service delivery model is 'Lifestyle'. Health, Retail, and Wellness firms are encouraged to understand their consumer behaviour and lifestyles' in terms of timings, spending interests, preference for products, preference of associate services such as cab for wellness and health consumers, medical stores, pathology for health consumers etc., and choice of technology to be compatible to follow the same values and principals as per the desires of their target consumers.

Lastly, 'Communications' have been identified as an important factor to deliver desired consumer experiences. Consumers in health, retail, and wellness firms are more intended to look for right information through advertisements, emails/SMSs and other promotional tactics. The consumers of select services are becoming mature and thus they prefer to share or listen informational assistance than just entertainment. So meaningful contact to consumers by emails/SMSs, telephonic, web portals, advertisements are being managed to share the service contents. In particular, feedback of front office managers' of health, retail, and wellness firms provides a strong measure to understand the consumers' perception about various service experiences.

## **6. Limitations and directions for future research**

Although the present study makes contributions to the existing service marketing literature, it has several limitations and future opportunities deserve mention. Firstly, the measures used in the study were largely drawn in consideration with literature review and nature of services. So, in the future researches, some additional measures may be added or deleted to explore various service experience attributes. Secondly, the study findings are confined to one culture (India) only. More representative samples with in same country and other counties are needed in future research. Third, the results may not necessary be generalized to other service sectors and product categories. There is an obvious need for comparison of similar studies within different service types and product categories.

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