OM Forum

Managing Customer Experiences: Perspectives on the Temporal Aspects of Service Encounters

Gabriel R. Bitran
Sloan School of Management, Massachusetts Institute of Technology, Cambridge, Massachusetts 02142, gbitran@mit.edu

Juan-Carlos Ferrer
School of Engineering, Pontificia Universidad Católica de Chile, Santiago, Chile, jferrer@ing.puc.cl

Paulo Rocha e Oliveira
IESE Business School, Universidad De Navarra, 08034, Barcelona, Spain, paulo@iese.edu

A service encounter is an experience that extends over time. Therefore, its effective management must include the control of the timing of the delivery of each of the service’s elements and the enhancement of the customer’s experience between and during the delivery of the various elements. This paper provides a conceptual framework that links the duration of a service encounter to behaviors that have been shown to affect profitability. Analysis of the framework reveals a wide gap between the behavioral assumptions typically made in operations research (OR) and operations management (OM) models and the state of the art in the marketing and psychology literature. The central motivations behind this paper are (1) to help the OR and OM community bridge this gap by bringing to its attention recent findings from the behavioral literature that have implications for the design of queueing systems for service firms and (2) to identify opportunities for further research.

Key words: psychology of waiting; marketing/operations interface; queueing; behavioral operations management; service encounters; service operations management; services marketing

History: Received: July 12, 2005; accepted: November 27, 2006. Published online in Articles in Advance December 11, 2007.

1. Introduction

Customers routinely exchange money and time for goods and services. Yet, in spite of the fact that the vast majority of service encounters are experiences that extend over time, few companies or researchers have analyzed the temporal aspects of service delivery as carefully as they have its monetary aspects. Therefore, knowing how to control the timing of the delivery of each of the service’s elements and enhancing the customers’ experience between and during the delivery of the various elements can give a competitive advantage to firms in the many industries where services are not delivered instantaneously.

Economic theory (e.g., Becker 1965) postulates that there is an opportunity cost for consumers’ time, implying that longer service encounters will be perceived as being more expensive. Consequently, many managers strive to either reduce the duration of the service encounter or attenuate its effect through measures as diverse as increasing the number of check-out lanes in supermarkets, playing hold music to customers on the telephone, serving coffee to customers in a bank line, giving flight vouchers to customers whose flights are delayed, or hanging mirrors in front of an elevator. The rationale behind these actions is that customers can perceive time to be an annoyance that stands between them and the service’s outcome, and managers must take actions to minimize the impact of this annoyance on profitability.

It is a mistake to assume that longer durations have a negative impact on revenue. Accepting the possibility of queues is the only way some service firms can