

# Beyond self-service: The perks of putting your client to work

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**A growing number of businesses are handing over key tasks to their customers within the service process in a bid to improve costs and satisfaction at the same time.**

Traditional business service models are like theater productions: centered on delivering the performance, with service considerations restricted to such questions as "can we make the seats more comfortable?" However, [IESE's Philip G. Moscoso](#), [Alejandro Lago](#) and Marlene Amorim argue that such service models can be significantly improved.

In "[Putting Your Client to Work: A Good Way to Achieve Great Service at Low Cost?](#)" they argue that service can often be approached more like experimental theater. Everyone is part of the action, as companies and clients both mutually benefit from a more interactive and collaborative service model.

The idea of self-service is obviously by no means new. It has existed in some form for a long time, such as self-service gas stations and hotel breakfast buffets. Companies were traditionally attracted to such models by the promise of lower labor costs. However, with newer, more sophisticated approaches that go beyond traditional self-service, besides cost savings, additional value for customers and the company can also be generated.

## Five benefits of putting your client to work

1. *Cost savings.* Using technology, for example, can be an effective way of saving money on personnel. For instance, a museum may choose to provide audio headsets with self-guided

tours instead of paid tour guides. This is particularly attractive to manage demand peaks.

2. *Personalization*. Some consumers may prefer the opportunity to do it themselves. In the museum example, clients can customize their tour to take in exhibits they are more interested in, avoiding those they are not, and decide the time dedicated to each exhibit.

3. *Quality control*. Customers involved in the service process can give the company excellent real-time feedback and improve service recovery options.

4. *Promotion*. Clients who are directly involved in the activity will have more credibility in recommending the product or service. They will also be better able to filter out those whom they know would not be interested, producing targeted promotion at no cost and therefore significantly reducing the acquisition costs.

5. *Leverage*. Companies are able to use customers to train other clients on how to best use their services - for example, having existing customers interacting with new ones, or using customers as "beta" (new product) testers.

## **Self-service pioneers**

When Ikea first launched, its system represented an important innovation of the retail service process. Ikea requires customers to pick up the item from the warehouse themselves and then assemble it, saving costs on transportation and employment. Even customers who do not particularly enjoy the experience still choose it because of the perceived value for money.

The rise of the Internet and related technologies has led to a surge in the number of companies opting to encourage customer contribution.

On eBay, the customer is responsible for almost every decision in the process. They choose what they would like to sell, what price they sell it for and how they market it. This is what ultimately makes it possible to market items that would be unattractive for traditional retail channels.

Moreover, if eBay customers are unfamiliar with the service, they can read guidebooks written by fellow customers and recommendations from other users.

Finally, rather than policing the site itself, eBay asks users to rank merchants with a feedback system of stars. This not only saves staff costs, but fosters the community spirit that sustains the website.

## Practical considerations

However, before implementing new service models, there are a number of key management decisions to be made.

Managers need to consider such things as: what will be the contribution of customers; what activities they will be asked to undertake; the perception of quality in the service; or the economic efficiency of the model.

*Inputs and resources.* Customers can contribute with these two main things. An input is something the client provides that is vital for the service to be successful. This could be the customer's presence, information or a possession to be transformed, repaired or cleaned. A resource is something the customer contributes but is not transformed by the service process, such as labor or a technological item, such as a car used to gain access to a retail store.

*Activities.* Management should center their attention on the "customer corridor" and analyze how the customer interacts in each stage. The capability and motivation of clients must be considered, as well as the ease with which the quality of their performance can be controlled. As with the Ikea example, if a process is hard to automate, then a self-service may be cost-effective.

*Perceived quality of service.* Every design decision may impact customer perception. Successfully achieving the end goal, maintaining service areas and short waiting times are likely to add to customer satisfaction. By contrast, the costs incurred in the process through financial outlay, inconvenience and uncertainties of the process will negatively impact the perceived quality of service.

*Service efficiency.* Be aware of the costs of the initial investment needed and other efficiency costs. Technological innovations can save money in the long term, but often incur significant set-up costs. When companies expand customer participation, they increase the chances of customer-induced variability in capabilities, motivations and even arrival times, which eventually will have a cost impact.

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