Strategic Services Marketing
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Lecture - 11

Service Design Thinking and Design-driven Innovation

Hello everyone. In this lesson, let's define what is service design and how to apply these service design thinking principles for innovations in services. As quoted by Lynn Shostack, organizations develop an understanding of how behind the scene processes interact with each other because leaving services to individual talent and managing the pieces rather than the whole make a company more vulnerable and create a service that reacts slowly to market needs and opportunities. This emphasizes why service design is an important concept in services marketing. A business should develop a services blueprint which detailed the processes within a company and how each process interact with other processes. So, what is services design is all about? Services design is a multidisciplinary approach that involves number one, the creation and optimization of services to enhance the overall customer experience, second meet customer needs and thirdly align with the business objectives of the service provider.

If you look at carefully at these points, the emphasis is more on customer experience, customer needs and so on. Service design encompasses the strategic planning, design and implementation of services, considering various touch points and interactions throughout the entire customer journey or service journey. Service design aims to create services that are efficient, user friendly and capable of delivering positive and memorable experiences to our customers. Service design is intricately linked to customer behavior and the nature of the service offering.

Understanding customer behavior is crucial for designing services that not only meet, but exceed customer expectations. So, let us first understand customer behavior in the context of services as an offering and then we will look at the journey mapping in services context before discussing services design. This particular chart or flow process describe the three different stages of customer behavior when a customer encounters a service experience. The first stage here characterize or known as pre purchase stage, the second one is a service

encounter and the third stage is post encounter stage. Service consumption can be divided into these three main stages.

They are the pre purchase, service encounter and post counter stages. This figure or chart shows that each stage consists of several sub steps. The pre purchase stage includes awareness of need, information search, evaluation of alternatives and making a purchase decision. Whereas during the service encounter stage the customer initiates experiences and consumes the service. Whereas in the post encounter stage this includes evaluation of the services performance which determines future intentions such as wanting to buy again from the same service provider or recommending that particular services to our friends.

Let us look at each one of these stages in detail and the related concepts that defines these particular stages. So, the first stage is about pre purchase stage. Here the key concepts involved the pre purchase stage is again subdivided into three sub stages awareness of need, evaluation of alternatives and making the decision that is a purchase decision. Awareness of need is again having other sub components for example, information search, clarifying needs, exploring solutions and so on. The pre purchase stage begins with need awareness or need arousal and continues through information search, evaluation of alternatives to decide whether or not to buy a particular service.

Need awareness when a person or organization decides to buy a used service it is triggered by an underlying need or need arousal. The awareness of a need will lead to information search and evaluation of possible alternatives before making a decision to purchase that particular service. Second trigger can be physical conditions for example, someone's hunger draw him or her to Burger King or it can be also triggered through some external sources for example, social media nowadays or a service firms marketing activities also. Coming to information search once need has been recognized customers are motivated to search for solutions to satisfy that particular need. Several alternatives may come to mind and these form the evoked set.

So, the evoke set can be derived from past experiences or external sources such as social media, online reviews and searches. However, a consumer is unlikely to use all the alternatives in the evoke set for decision making. Only a few of them a few alternatives are seriously considered and these seriously considered alternatives represents consideration set. For instance, once consideration set for a quick lunch included either the sandwich store or the Burger King. Next is a multi-attribute model.

This concept is crucial to understand how people make decisions and choose one from the other alternatives available. Once the consideration set and key attributes are

understood the customer typically makes a purchase decision. In marketing we often use multi attribute models like this to stimulate consumer decision making. So, let's understand this multi attribute model in detail. This model holds that consumers use service attributes that are important to them to evaluate and compare the alternative offerings of firms in their consideration set.

  Each attribute has an importance weight, a higher weight means that that particular attribute is more important for that customer. For example, let's assume that Susan a customer has three alternative dry cleaners in her consideration set. This particular table below shows that the alternatives as well as the attributes she would use to compare them. The table shows that the quality of the dry cleaning is most important factor to her followed by convenience of location and then price. Susan's final decision can either be guided by the very simple linear compensatory rule or by the more complex, but also more realistic conjunctive rule.

  Using the same information Susan can end up choosing different alternatives if she uses different decision rules based on the weights she wants to attach to different kind of options she has. It is therefore, important for firms to understand through careful market research which rule their target customers are going to use. So, how to become a service provider once a service provider knows that this is my customer and this is the option that she is going to explore. Service providers can try to influence the decision making process of their target customers in a number of ways to enhance their chances of being the chosen provider. Firms need to ensure that their service is in the consideration set for a firm cannot be chosen without being considered first right.

  So, this can be done through advertising or ways like viral marketing. Firms can change and correct consumer perceptions. For example, customers may not be aware of the superior performance of the doctors in a clinic in a personalized and special care. In such cases the clinic for that matter can focus its communications on correcting these customer perceptions. Another way firms can also shift importance weights.

  This can be done by communicating messages that increase the weights of attributes that the firm excels in and de-emphasize those that the firm is not very strong at all. Then firms can even introduce new attributes like Hertz did when advertising an environment friendly car. Consumers who are eco conscious would then consider the environment aspect when

deciding which car rental company to use whether to go ahead with Hertz or any other car rental company. Going further it's important to understand what are the different attributes a customers are going to evaluate. Service attributes the multi attribute model assumes that consumers can evaluate all important attributes before purchase.

However, this is often not the case as some attributes are harder to evaluate than others. There are three types of attributes. First here is search attributes. Search attributes are tangible characteristics customers can evaluate before purchase. For example, the search attribute for restaurant include the type of food, location, type of restaurant and price.

These attributes help customers to better understand and evaluate a service and reduce the sense of uncertainty or risk associated with the purchase. Second type of attributes are experience attributes. These are those that cannot be evaluated before purchase. Customers must experience the service before they can assess attributes such as reliability, ease of use and even customer support. For example, you won't know how much you actually like the food, the service provided by your waiter and the atmosphere in a restaurant until you are actually using the service or visiting that particular restaurant.

Then comes Credence attributes. Credence attributes are characteristic that customers find hard to evaluate even after consumption. Here, the customer is forced to believe or trust that certain task have been performed at the promise level of quality. For example, in a restaurant Credence attributes include the hygiene conditions in the kitchen and the quality of the cooking ingredients. For example, do they really use the more expensive olive oil for cooking this particular dish? You can't say.

So, all products can be placed on a continue ranging from easy to evaluate to difficult to evaluate depending on whether they are high in search, experience or Credence attributes. So, as shown in this below diagram, most physical goods are located somewhere toward the left of the continuum because they rank high in search attributes. Whereas, most services are located from the center to the right of the continuum as they tend to be high in experience and Credence attributes. The next important concept here in this pre purchase stage is perceived risk. This deals with the uncertainty a consumer has when buying items.

If you buy physical goods that are unsatisfactory, you can usually return or replace them, but with services this may not be possible. So, there is a perceived risk involved in

services. Perceived risk is usually greater for services that are high in experience and Credence attributes and first time users are unlikely to face greater uncertainty while using these kind of services. Think about how you felt the first time you had to make a decision about a unfamiliar service, especially one with important consequences such as choosing a college or a health insurance. It is likely that you were worried about the possibility of not making the best choice.

The worse the possible consequences and the more likely they are to occur, the higher the perception of risk is. There are different types of risk perceived by consumer. Let's see or understand these different types of risk. First type of perceived risk can be functional risk which is related to unsatisfactory performance outcomes. For example, will the training course give me the skills I needed to get better job or will the dry cleaner be able to remove the stains from their clothes or not.

Second type of perceived risk are financial risk which are dealing with monetary loss or unexpected cost. For example, consumers might have queries like will I lose money if I make the investment recommended by my stock broker or will repairing my car cost more than the original estimate. So, these are some financial risk. Third type of risk can be temporal. For example, wasting time or consequences of delays.

Many times we think that will I have to wait in line for a long time before I can enter the exhibition or museum, will the renovations to our bathroom be completed before our friends come to stay with us or not right. So, these kind of risk are temporal risk. Fourth type of risk are physical ones in terms of having personal injury or even damaging the positions as well.   For example, people might think like you know will there be complications or scars if I go for this cosmetic surgery or will I get a stomach upset if I eat at this particular roadside stall or bakery or something like that. Next type of risk are psychological which are directly related to personal fears and emotions.

How can I be sure that this aircraft will not crash or something like will the doctor's diagnosis upset me. So, these kind of questions usually come when we are thinking about some psychological risk. Next type of risk are social risks like you know how others will think or react on particular thing. For example, what will my friends think of me if they learn that I registered for a dating service or will my business colleagues disapprove of my selection of an unknown law firm. And finally, risk can be in terms of sensory for example, unwanted effects on any of the five senses.

Questions here customer might face like will I get a view of the parking lot rather than the beach from my restaurant table, will I be kept awake by noise from the guest in the room next door or will my room smell of stale cigarette smoke. So, these are something which are directly affecting the five senses of customers and that is why they are labeled as sensory risk. So, perceived risks are going to happen whenever there is a service consumption. Customers use variety of methods to reduce these perceived risk. For example, they try to seek more information from trusted and respected personal sources that is a first way.

Secondly, they can use web or internet to compare service offerings and search for independent reviews, ratings and so on. Thirdly, they can also rely on firm that has a good reputation. Next customer can also look for guarantees and warranties to minimize those perceived risk. Additionally, customers often try to visit service facilities, try to see the aspects of services before purchase and examining the tangible cues such as feel and look of the service setting or awards won by the firm. And finally, customers also ask knowledgeable employees about their competing services sometimes as well.

So, that is what customers do when they face or kind of you know perceive any risk. But what about companies or service providers what they can do? So, ideally service provider should encourage customers to preview services. They can offer some free trials, they can use advertisements to minimize or address those perceived risk by consumers, display credentials and their credibility. Next they can use evidence management to show what they are actually promising to the customers. Then they can also go for real time updates on order status and sharing them with the customer and finally, offering some guarantees that is service guarantees and warranties to the customers.

Next important concept under customer behavior is service expectations. So, this particular diagram shows what are the factors that influence customer expectations from the services. And let's discuss these particular concepts like adequate service, desired service, zone of tolerance and predictive service in detail. So, expectations are formed during the search and decision making process and they are heavily shaped by information search and evaluation of alternatives. If you do not have any previous experience with the service, you may base your pre purchase expectations on online searches and reviews, word of mouth, news stories or a firms own marketing efforts like advertisements.

So, expectations embrace several elements including desired, adequate and predictive service and a zone of tolerance that falls between the desired and adequate service levels. So, what is desired service? This is a wished for level of service, a combination of what customers believe can and should be delivered in the context of their personal needs. Desired service can also be influenced by explicit and implicit promise made by service providers, the word of mouth the customer received and the past experiences. However, most customers are realistic and recognize that a firm cannot always deliver the wished for level of service. Thus, the customers have a threshold level of expectations termed as adequate service and again as well as a predicted service level.

Adequate service is nothing, but the minimum level of service a customer will accept without being dissatisfied. Whereas, predicted service this is the level of service that customers actually expect to receive. Predicted service can also be affected by service provider promises. For example, as shown in the figure word of mouth and past experiences. The predicted service level directly affect how customers define adequate service.

On that occasion if good service is predicted the adequate level will be higher than if poorer service is predicted. Zone of tolerance another concept, it can be difficult for firms to achieve consistent service delivery at all touch points across many service delivery channels and thousands of employees. Even the performance of the same service employee is likely to vary from time to time. The extent to which customers are willing to accept this variation is called the zone of tolerance. A very poor performance causes frustration and dissatisfaction whereas, one that exceeds the zone of tolerance can surprise and delight the customers.

Another way of looking at zone of tolerance is to think of it as a range of service within which customers don't pay explicit attention to service performance. When service falls outside this range customers will react either positively or negatively. Now, let's move on to the next important stage in customer behavior that is about service encounter stage. Here customer can either request service from a chosen supplier or initiate self service and service delivery happen by personal or self service methods and the important concept that we are going to learn here are servuction systems, theater as a metaphor, role and script theories and perceived control theory.

Let us talk about first a service encounters which are nothing, but moment of truth. So,

as quoted by Jan Carlzon the CEO of SAS at one of the interview he quoted last year each of our 10 million customers came into contact with approximately 5 SAS employees. And this contact actually lasted an average of 15 seconds each time. Thus, SAS is created 50 million times a year 50 seconds at a time. These 50 million moments of truth are the moments that ultimately determine whether SAS as an organization will succeed or fail as a company.

They are the moments when we must prove to our customers that SAS is their best alternative. So, now have a look at this particular image that is there. Richard Norman borrowed the moment of truth metaphor from bull fighting to show the importance of contact point with customers. We could say that the perceived quality is realized at the moment of truth when the service provider and the service customer confront each other in the arena. At that moment at that encounter moment they are very much on their own.

It is the skill the motivation and the tools employed by the service firm representatives and the expectations and behavior of the client or customer which together will create the service delivery process. In bull fighting the life of either bull or the metador or possibly both are at stake. The message in a service context is that at the moment of truth the relationship between the customer and the firm is at stake. Next important concept is to understand these particular encounter varies from industry to industry. So, we can have some services which falls into high contact services whereas, other services can be labeled as low contact services as shown in this particular diagram.

So, services involve different levels of contact with the service operation. Some of these encounters can be very brief and may consist of only few steps such as when you are calling a customer care center or using a services app. Whereas at other times this encounter may extend over a longer time frame and involve multiple interactions of varying degrees of complexity. For example, a visit to a theme park may last all day.

So, let's understand high contact services. Using a high contact services means that there is a direct contact between customers and the firm throughout the service delivery process. For example, airlines nursing home services and so on. And then what are low contact services? At the opposite end of the spectrum we have low contact services which involve little if any physical contact between customers and service providers. For example, buying online insurance or banking services for that matter.

Coming to the next concept is servuction system. French researchers Perry Igler and Eric Lenhart were the first to conceptualize the service business as a system that integrated marketing operations and customers. They coined the term servuction system combining the terms services and production. So, service plus production servuction. This servuction term describe the part of the service organizations physical environment that is visible to and experienced by customers. The servuction model as shown in this particular diagram shows all the interactions that make up a typical customer experience in a high contact service.

Customers interact with the service environment, service employees and even other customers who are present during the service encounter. Each type of interaction can create value. For example, a pleasant environment, friendly and competent employees and other customers who are interesting to observe or sometimes it can also destroy value. For example, another customer blocking your view in a movie theater. So, firms have to engineer all the interactions to make sure that their customers get the service experience they came for.

Coming to the next concept that is theater as a metaphor. The theater act as a good metaphor for understanding the creation of service experiences. Wherein we can say that service facilities are nothing, but the stage on which the drama unfolds. Whereas, with respect to personnel service personnel specifically these are the members of a cast playing their roles as actors in a drama and supported by a backstage production team. So, there are two theories that came forward to describe this theater as a metaphor for services.

First is role theory. Both employees and customers act out their parts in the performance according to predetermined roles. Role is a set of behavior patterns learned through experience and communication to be performed by an individual in a certain social interaction in order to attain maximum effectiveness in goal accomplishment. Whereas, a script theory suggests that like a movie script a service script specifies the sequence of behavior that the employees and customers are expected to learn and follow during service delivery. While employees receive formal training, customers learn scripts through experiences, communication with others and design communications and education. So, we can understand that service encounter bears all the hallmarks of a theatrical production.

Let's see how. So, there is a front stage. The setting comprising scenery, props, atmosphere more specifically like a decor, lightning, use of space, seating comfort,

furnishings, equipments and even noise level. Then there are frontline employees. For example, service employees in the role of actors dress accordingly and with the help of script deploy the necessary skills and attributes to impress the audience that is customers. Who is the audience in services? The customers, customers with expectations for and perceptions of the performance. And then there is a process, the manner in which the service is delivered and the actions that shape the customers experience that is nothing, but the performance.

So, let's understand this theater as a metaphor concept using an interesting movie clip. Have a look at this particular clip. Have you decided sir? Ah yes, could I have this please.

The steak {unclear audio}. Ah steak yes. Would you like a dried house wine sir? Ah yes please. No, no, no, no, no, no, no, no, no, I am driving.

No, no, no, no, no, no, no, no. Thank you. Ah yes, sir. So, did you guys understood? What is the front stage? What is the front line and who are the audience in this particular movie clip? In connection to this we should understand that any script will be subject to deviation or violations. Consider a case of restaurant where the following might occur. First is an error. What is an error? For example, the wrongful completion of given event.

Let's say you have been served different soup than what you did order. Then there can be some obstacles. Obstacles are something that removes a precondition for a given event. For example, the waiter can't give you a menu because there aren't any or you can't read the menu as it is in French.

So, that is an obstacle. Then the deviation can be in the form of distraction. Distraction is an event of sufficient importance to intercept script action. For example, the arrival of a long lost friend, a fire in the restaurant or waiter spilling soup over the customer. So, these are nothing, but the distractions that might hamper your experience while consuming those services. And there might be at sometimes free behaviors.

Those activities that may plausibly and commonly intermix with the ongoing script. For example, throwing frisbees in a restaurant. The final concept which can be important to understand at the service encounter stage is perceived control theory. Customers have a need for control during the service encounter. The higher the level of perceived control during a service situation, the higher will be the level of satisfaction.

The perception of control can be behavioral, decisional or cognitive. Behavioral for example, candlelight dinner arrangements made for you. Decisional may be choosing between two tables from a particular restaurant. Whereas cognitive control deals with flight delay due to technical issues. Let's understand these controls in detail. Behavioral controls allows the customer to change the service situation by asking the firm to customize its typical offerings.

For example, asking frontline employees to make special arrangements for a romantic candlelight dinner. Second type of control can be decisional control which means that the customer can choose between two or more standardized options without changing either option. For example, choosing between two tables at a restaurant. And third cognitive control.

Cognitive control is exercise when the customer understands why something is happening. For example, the flight will be delayed because there is a technical problem with the aircraft. And when a customer knows what will going to happen next for example, knowledge of how long the delay will be. This cognitive control sometimes also referred to as predictive control. Now, coming to the last and final stage of customer behavior that is post encounter stage.

Wherein evaluation of surfaces performance happens and future intentions are shaped. First concept here is customer satisfaction. Most customer satisfaction studies are based on the expectancy disconfirmation model of satisfaction as shown in this particular diagram. In this model confirmation or disconfirmation of pre consumption expectations is the essential determinant of satisfaction. During and after consumption consumers experience the service performance and compare it to their expectations.

Satisfaction judgments are then formed on the basis of this comparison. If performance perceptions are worse than they expected it is called negative disconfirmation. For example, let's say the same customer Susan. Susan's expectations were negatively disconfirmed when her cloth was not ready for pickup at a dry cleaner. This might lead her to dissatisfaction and her intention to give another dry cleaner a try next time. If performances is better than expected it is called positive disconfirmation and it is expected that it is simply called as confirmation of expectations.

Then comes important concept of service quality. Then comes the concept of service

quality. High standard of performance that consistently meets or exceeds customers expectations qualifies for a strong or higher service quality. Service quality can be difficult to manage even when failures are tangible in nature. Never the less, it is crucial to improve service quality and keep it at high levels as it is a key driver of important customer behaviors including word of mouth, repurchasing and even loyalty. So, is there any difference between service satisfaction and service quality? Yes, service satisfaction is nothing but one time evaluation of a single consumption experience. Whereas service quality means relatively stable attitudes and beliefs for that particular service provider.

So, as understanding customer behavior is important for service process design and we have already discussed the three stages of customers behavior in encounter with service provider or consuming services. Let's now understand what is service process. From the customers perception services are nothing but experiences. For example, calling a customer contact center or visiting a library. Whereas from the organizations perspective services are processes that have to be designed and managed to create the desired customer experience.

So, what are these processes are? So, processes describe the method and sequence in which service operating systems work and specify how they link together to create the value proposition promise to the customer. So, there are different tools we can use to map those customer journeys. One of the simplest tool is flow charting. A flow chart describe an existing process often in a fairly simple form. Specifically, flow charting is a technique for displaying the nature and sequence of the different steps involved when a customer flows through the service process.

For example, stay at a particular hotel there has to be a simple process to understand how customer will move from this particular journey. So, the first step is parking a car then checking into that hotel right and the maid or the waitress will make up your room before that or at the same time when you are checking in. Then you spend a night in the room in the morning next morning you are having your breakfast at the same time which is supported by breakfast preparation in the kitchen and finally, you just check out from that particular restaurant or hotel. So, that is a simplest process of how accommodation can happen at a resort or hotel, but the flow chart may not give you a detailed analysis of entire journey mapping or touch points.

So, there is a tool called as a blueprinting. It is a more complex form of flow charting and specifies in detail how a service process is constructed. Service blueprints map customers, employees and service system interactions. So, all these three things are mapped.

Blueprints show the full customer journey from service initiation to final delivery of the desired benefit which can include many steps and service employees from different departments.

Most service processes can be divided into three main steps. First pre process stage where preliminaries occur such as making a reservation, parking the car, getting seated and being presented with the menu. Next comes in process stage where the main purpose of the service encounter is accomplished such as enjoying the food and drinks in the restaurant. Then comes post process stage where the activities necessary for the closing of the encounter happen such as getting the checks and paying for the dinner and so on. Now, let's understand how to develop a service blueprint.

Service blueprint has several components or elements. The first is front stage activities. This includes inputs and outputs and the sequence in which the delivery of that output should take place. Next element is physical evidence of front stage activities. This is what the customer can see and use to assess service quality.

Then comes line of visibility. Line of visibility between front stage and backstage activities. What are the backstage activities? The activities that support a particular front stage step. For example, we earlier see making or preparation of breakfast is a backstage activity that support the front activity for example, having a breakfast. Then comes support processes and supplies which includes information systems, objects etc. Then another important element of blueprint or service blueprint is potential fail points.

These are the points at which there is a risk of things going wrong and service quality being diminished. In Japanese they call it as poka yokes. So, poka yokes are the mechanisms used to eliminate errors by effectively making it impossible to make mistakes. Then comes identifying customer weights or queues or waiting lines and finally, service standards and targets that reflects customer expectations. Let us now understand the service blueprint with this particular example of overnight hotel stay. Here, we can say in this image we can observe that there are certain things which are called as visible and invisible and this is where we call as line of visibility right.

So, customers can see all those things which are up above this line and he may not observe or look at those things which are happening at the backstage. Physical evidence here can include hotel exterior, parking and so on right. But the most essential part here is a customer journey right. So, a person arrives at a hotel, then he goes give bags to the bell

person, then he is checks in go to the room receive bags, sleep or take shower, call room service, receive the food inside the room, eat it and finally, check out and leave next day. So, if you are looking at this particular customer journey, you can see that there is a physical evidence across each step.

For example, while arriving at a hotel customer might notice the exteriors, the design, decorations and even while parking the car. Coming to the next step of giving bags to a bell person, he might observe the cart for bags right. Similarly, while checking out from the hotel or particular restaurant, he will observe build desk, lobby, exterior parking and so on. So, these are the physical evidence that complement those service activities or processes. Coming to contact persons which already defined as visible and invisible, under visible things customer can know the process of registration, if he or she can observe the delivery of the bags, delivery of the food and even the process checkout.

But some activities like how the bags have been taken to the room or taking the food order and how it is being prepared, these are the backstage activities which are invisible to the customer. And then finally, there are some certain support processes. For example, the check in is actually kind of you know supported by registration system, whereas registration system again plays a crucial role while checking out. So, these are the support processes to offer seamless experience to a customer.

Another example we can look at in terms of preparing a blueprint is for online appliance shopping. So, here this is the customer journey. A customer visit a website, visit store, browses appliances, discuss features or availability with salesperson, make purchase and then finally, you know he gets informed about the expected time of arrival and finally, the delivery of the appliances happens. And you can also map on the blueprint the time taken for each activities and again the physical evidence that might interact with the customer while going through this particular touch points. Then the dotted line here act as a line of interaction and this is a line of internal interaction as well.

This particular line is something beyond which customers may not see what is happening. So, that is a line of visibility for us. And there are some front stage activities and there are certain backstage activities that are been performed to provide that particular service to a customer. Going forward let us understand how consumer perceptions and emotions plays a crucial role in service process design.

First here is start strong. Services firm should ideally try to provide consistently high

performances at each step. However, in reality many service performances are inconsistent. Never the less it is always important to start and finish strong. The opening scenes of a service drama are particularly important because customers first impressions can affect their evaluations of quality even during and later stages of service delivery. Customer perceptions of their service experiences tend to be cumulative.

If a couple of things go badly at the outset customers may simply walk out. The next role is with respect to building an improving trend. People in general like things to keep moving in a positive direction. Thus a service encounter that is perceived to start at an adequate level, but then builds in a quality is generally rated better than one that starts well, but declines at the later stages. Then comes creating a peak. If you want to improve the perception of your service, a service provider are better of making one step sensational and the other steps merely adequate.

Customers tend to remember the peak. For example, Sea World theme park in Orlando, Florida could spend a lot more money on various attractions, but the thing that counts the signature Shamu the whale show must be done to perfection. Next get bad experiences over with early. Unpleasant news for example, about delays or discomfort and unavoidable long waits should occur early during the service experience. This way customers avoid the dread of pain or aggravation and the negative aspects of their experiences are less likely to dominate the memory of the entire service encounter.

So, get your bad experiences over at early stages. Then comes a fact that segment pleasure and combined pain. This is exactly opposite of what we have in Hindi that is dard batne se kaam hota hai, but here we are going to do it opposite. Since an event is perceived as a longer when it is segmented or broken up into separate steps, service processes should extend the feeling of pleasurable experiences by dividing them. Whereas, they should also combine unpleasant experiences into single event as far as possible and that is what we are trying to say that segment pleasure and combine the pain. And then finally, finish strong. Performance standards should not be allowed to fall off towards the end of service delivery, rather the finish should be very strong.

Think of rock concerns which always conclude with big hits or comedians who save their best jokes for the end. Fireworks close with an amazing array of colors, lightening the sky and a deepening finale. Ending on a high note is as important aspect of every service encounter, even if it is just a cheerful and affirmative have a nice day kind of you know. So, how service design thinking and design driven innovations can happen? So, key to

successful design driven innovation is interpretation. A three step process which utilizes the interpreters ability to understand and influence how people give meaning to the things.

This comprises of three steps or aspects listening, interpreting and addressing. Listening listening deals with assessing knowledge about possible new product meanings or service meanings through interactions with interpreters often located outside of the network. For example, forward looking researchers developing unique visions about how news meanings and might evolve for people. Then comes interpreting an internal process whereby an organization assesses the knowledge it has gained through interaction with interpreters, recombining it with and integrating this knowledge with its own proprietary insights technologies and assets. This allows a company to develop its unique proposal or service design. Then comes addressing by discussing and internalising the organizations novel vision, interpreters change the life context in a way that makes an organizations proposal more meaningful or services more appealing to the customers or per people.

Then comes design driven innovations role in business and service development. So, design driven innovations plays different role for any service provider. First here is user centric focus. Design driven innovations starts with a deep understanding of users needs, behaviors and preferences. By focusing on the end user businesses or service providers can create products or services that resonate with their target audience leading to better customer satisfaction and loyalty.

Next comes creativity and problem solving. It encourages a creative and iterative approach to problem solving. Design driven innovations often involves brainstorming, ideation and prototyping to explore different solutions and find innovative ways to address challenges. Then comes differentiation and competitive advantage. Service providers that prioritize design driven innovations can differentiate themselves from competitors by offering unique aesthetically pleasing and user friendly services.

This differentiation can be a significant factor in gaining a competitive edge in the bucket. Then comes enhanced customer experience. Design driven innovation focuses on creating experiences that go beyond the product or service itself. It considers the entire customer journey ensuring that every interaction with the brand or service provider is seamless, enjoyable and memorable. Then comes cross disciplinary collaboration. It often involves multidisciplinary collaboration bringing together designers, engineers, marketers and other stakeholders to work toward a common goal.

This collaboration fosters a more holistic approach to problem solving as well as innovation. Then comes risk mitigation. By involving users in the design process early on

and iterating through prototypes, service providers can reduce the risk of developing services that don't meet market needs. Then comes adaptability and flexibility. Design driven innovation acknowledges the importance of adapting to changing market trends or needs. It emphasizes staying flexible, continuously gathering feedback and being open to adjusting designs and strategies based on new insights from customers.

Then comes market success and business growth. Successful implementation of design driven innovation strategies can lead to increased market success, increased customer satisfaction and ultimately business growth as well. It can open up new opportunities, attract new customers and strengthen the service providers position in the market. So, what are the design driven innovation strategies are? These are user experience mapping, prototyping and iterative development, co-creation and user involvement and integration of strategies. So, let discuss few concept under each of these four stages.

First is user experience mapping, wherein we are going to have user research, journey mapping and identifying gaps and opportunities. Coming to prototyping and iterative development, we have prototype creation, iterative development and user testing. Then comes co-creation and user involvement which involves collaborative workshops, getting some feedback loops and user centered design systems. And finally, integration of services that deals with user experience, research informs prototyping and co-creation influencing iterative development process. First stage here is user experience mapping.

Under user research a firm can conduct in depth user studies, this involved observing gathering data on user behaviors and preferences. Under journey mapping we already discussed this point that something like what Apple visualize the entire process of using a phone identifying user frustrations such as physical keyboards, complex interfaces and limited functionality. Coming to the next stage that is prototyping and iterative development. Under prototype creation what Apple did is Apple created numerous iterations of the iPhone experimenting with the various designs and functionalities. While coming to user testing and iterative development, Apple conducted extensive usability testing allowing users to interact with the different prototypes and collect feedback.

Then comes co-creation and user involvement. In case of Apple, Apple use various feedback channels. Apple observed user behaviors with existing phones, collected data on preferences and pain points and incorporated these insights into iPhones development. Going further Apple developed their own developer ecosystem. Apple created an open platform for app developers to create apps for the iPhone, indirectly involving a vast community in shaping the iPhones functionalities and capabilities. And then finally,

integration of strategies wherein focus is on user experience research   that informs prototyping.

  Insight from user research guided the design of the Apple's iPhone's user interface which was revolutionary in its simplicity. Apple's focus on a touch based interface stemmed from the understanding user frustrations   with physical keyboards and complex navigation systems. And then finally, co-creation that is influencing iterative development. The App Store and the opportunity for developers to create apps enabled a vast ecosystem to shape the iPhone's capabilities. User generated content and innovation through apps significantly expanded the iPhone's functionality.

  So, what is the design thinking process is made up of? It involves five stages, empathize, define, ideate, prototype and test.   Empathize this phase involves understanding the problem or challenge by empathizing with the people you are designing for. It requires observing, engaging and empathizing with end users to gather insight and develop a deeper understanding of their needs, behaviors and motivations. Then comes define in this stage you analyze the information collected during the empathize phase to define the core problem or challenge. This step involves synthesizing and interpreting the gathered data to create a clearly defined problem statement that guides the design process.

  Then comes the stage of ideation or ideate. During this phase team generate a wide range of creative ideas and solutions. There are no limitations or criticisms at this stage. The goal is to brainstorm as many ideas as possible. Techniques like brainstorming, mind mapping and other creative exercises are commonly used to encourage diverse thinking. Next stage is prototype.

  Here you take the best idea generated during the ideate phase and create rough scaled down versions or representations of the solutions. Prototypes can take various forms from sketches, storyboards or even physical models to more advanced interactive simulations or software mockups. And then comes the final stage of test. The final phase involves testing the prototypes with actual users to gather feedback. This step allows for the evaluation of the solutions against the users needs and helps in identifying any areas that required further improvement.

  The feedback obtained is then used to iterate and refine the solutions leading back to the previous stages if necessary. Let's understand this design thinking process using an example. So, let's understand with an Indian e-commerce company name as EcoBazaar.

So, at the first stage of understanding customer needs what EcoBazaar did? So, by conducting survey EcoBazaar market research and engages in social listening to understand the needs and concerns of Indian consumers regarding the eco friendly products. They find that there is a growing interest in sustainable living, but customers often struggle to find genuine eco friendly products. At the next stage of ideation creativity, the EcoBazaar team organized workshops and collaborates with environmentalists and product designers to generate ideas.

They explore solutions such as a certification system for eco friendly products, educational content about sustainability and a platform feature that showcase the environmental impact of each product. In the next stage under prototyping and testing, so based on the user interactions, feedback and purchase patterns EcoBazaar refines the certification system improves the educational content and optimizes the platform for more user friendly experience. They continuously update product information based on sustainability criteria and expand their educational content. And finally, at the iterative approach phase EcoBazaar develops a section on its website dedicated to certified eco-friendly products.

They incorporated detailed information about the products sustainability, its environmental impact and ways consumers can make a difference. They also pilot an educational block and video series to support this particular function. So, in this video we tried to define what is service design process and before that we also tried to understand the customer behavior in specially with the context of services and then we also looked at design driven innovations and the stepwise approach for it. Thank you.