Consumers in Information Technology Enabled Service Encounters: Perceptions and Tradeoffs in Multi-Channel Interactions

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ABSTRACT

This study examines information technology enabled, multi-channel service context from the end-user’s perspective and, more specifically, from the perspective of a consumer, in particular the extent to which the multi-channel interaction experience results in consumer satisfaction and any tradeoffs that consumers make in the evaluation of the context of service. Empirical results from our online survey with mobile consumers indicate that the variables included in the model have a direct impact on consumer satisfaction when considered individually. There are, however, tradeoffs between variables (e.g., problem-handling and record accuracy; scalability and usability of service) when considered simultaneously. This paper contributes to the discussion of development and use of IT enabled services and particularly how users of such should be considered as consumers. Practitioners designing services need to consider not only the technological artifact but also the entire service offering.

Keywords: Consumer, End-User, Information Technology Enabled Service, Mobile, Multi-Channel, Service Encounters, Survey

1. INTRODUCTION

Today our lives are filled with information technology (IT) enabled services. Mobile phones are beginning to provide the services envisioned by industry experts a decade ago; mobile Internet is a reality. Moreover, interactive and IT enabled services (Arthur et al., 2006; Tuunanen et al., 2010) are now part of the everyday life of young consumers. Social networking services, such as Facebook (www.facebook.com), are an essential part of teenagers and young adults’ lives. In a broad sense, IT enabled services can be defined as “systems that enable value co-creation through the development and implementation of information and communication technology enabled processes that integrate system value propositions with customer value drivers” (Tuunanen et al., 2010).

DOI: 10.4018/ijesma.2015040104
IT enabled services go beyond the well-known web-based services. One example is current on-demand television services, like Netflix (www.netflix.com), which merge television and the use of interactive second screen devices to provide new ways of service delivery. These second screen devices are computing devices, such as tablets or smartphones, used to provide an enhanced viewing experience for content on another device, such as a television. IT professionals are struggling to cope with the challenges in this new landscape, particularly the design of interactive services to meet the requirements of consumers of IT enabled services. A consumer is defined by the Concise Oxford English Dictionary as “a person or thing that eats or uses something or a person who buys goods and services for personal use” (Soanes & Stevenson, 2004). Consumers, unlike organizational users, are users of technology whose consumption behavior can be considered to have different rationale, such as hedonic needs (Van der Heijden, 2004).

A less rational and therefore less predictable use of information technology by the consumer suggests that involving consumers in the design process could mitigate such uncertainty. In fact, the notion of value co-creation with the consumer has been proposed in the marketing literature (Vargo & Lusch 2004; Lusch & Vargo, 2006), whereas the information systems literature has debated the role of the end-user in IT enabled service development (Tuunanen et al., 2010), although social participation in the development work has been long heralded in the information systems literature (e.g., Kyng, 1991, 1994). End-user involvement and/or engagement, however, remain topics of controversy in the literature. For instance, some researchers have argued that user involvement does not yield improvements in efficiency for a project (Purvis & Sambamurthy, 1997; Sairinen, 1990). Kujala (2003) conducted some field experiments in user participation and concluded that end-user participation does have benefits, although a careful implementation is needed. Lamb and Kling (2003) have further pressed for a revision of the end-user concept and argued for a new perspective of end-users as social actors within organizations.

The need for a fresh perspective of the end-user as consumer is reinforced by the reality we observe in IT enabled service development. For instance, Netflix is a service developed for the desktop environment, yet many users today prefer to interact with it through their mobile devices, such as tablets, or television sets. This a clear example of an IT enabled service becoming even more appealing when it is distributed via sophisticated interactive enabling channels. The basic value proposition of the service, however, still remains unchanged. The nature of service delivery, however, continuous to evolve to a multi-channel interaction with the user (Patrício et al., 2008; Pieterson et al., 2008; Grönroos 2011). The current literature does not reflect well on this point. There is a dearth of studies on the discovery of requirements of consumers and on consumer engagement in the development process. However, we do not know how the multi-channel nature affects the development of IT enabled services.

This study examines the multi-channel IT enabled services from the consumers’ perspective. First, we review relevant research in end-user driven development, as well as research on multi-channel services in the marketing literature. We then describe the measures that are used in our empirical study. Next, we develop preliminary hypotheses of the influence of multi-channel qualities on consumer satisfaction with IT enabled service in the mobile domain. Subsequently, we test the hypotheses using a regression model and review the results. Finally, we conclude and discuss directions for future research.

2. END-USER DRIVEN DEVELOPMENT AND CONTEXT OF USE

The information systems literature, in a great deal, focuses on the systems developed for organizational end-users. Information systems development approaches have been developed
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