

Liberating services customers: The 21st century challenge

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CÓMO LIBERAR LOS CLIENTES DEL SERVICIO: EL RETO DEL SIGLO XXI

RESUMEN: Liberar a los clientes de servicios es el reto empresarial del siglo XXI. Muchas organizaciones tienen estructuras organizacionales y procesos que pretenden más ejercer un control sobre los clientes que brindarles un servicio. Este tipo de estructuras y procesos a menudo propician que se preste un servicio deficiente o generen insatisfacción. Los clientes merecen ser "libres" de este tipo de estructuras de servicio y de sus procesos. Los clientes merecen un mejor servicio.

En este artículo se examinan cuatro aspectos que se relacionan con la forma de liberar a los clientes. Primero, exploraremos una perspectiva histórica sobre los clientes y el mercadeo. Segundo, defenderemos la posibilidad de un siglo enfocado en los clientes. Tercero, daremos una mirada a la co-creación con los clientes poniendo un énfasis en los desarrollos tecnológicos. Y cuarto, revisaremos las repercusiones de estos aspectos sobre la perspectiva de los clientes.

PALABRAS CLAVE: marketing de servicios, clientes, liberar, co-creación con los clientes.

POURQUOI LIBÉRER LE SERVICE AUX CLIENTS : LE DÉFI DU VINGT-ET-UNIÈME SIÈCLE

RÉSUMÉ: Le défi entrepreneurial du vingt-et-unième siècle consiste à libérer le service offert aux clients. Beaucoup d'organisations de services présentent des structures organisationnelles et des procédés qui prétendent exercer un contrôle sur les clients plutôt que de leur offrir un service. Ce genre de structures et de procédés entraîne fréquemment la fourniture d'un service déficient et produisent même un effet contraire. Les clients méritent d'être « libres » de ce genre de structures de service et de procédés. Ils méritent un meilleur service. Cet article examine quatre aspects concernant la façon de libérer le service fourni aux clients. Tout d'abord, nous explorons une perspective historique sur les clients et le marché. Ensuite, nous défendons la possibilité d'un siècle consacré au client. Dans une troisième étape, nous jetons un regard sur la création avec les clients, insistant sur les développements technologiques. Finalement, nous révisons les répercussions de ces aspects sur la perspective des clients.

MOTS-CLEFS : marketing de services, clients, libérer, création avec les clients.

POR QUE LIBERAR O SERVIÇO AOS CLIENTES: O DESAFIO DO SÉCULO XXI

RESUMO: Liberar o serviço que se presta aos clientes é o desafio empresarial do século XXI. Muitas organizações de serviços têm estruturas organizacionais e processos que mais pretendem exercer um controle sobre os clientes do que brindar-lhes um serviço. Este tipo de estruturas e processos comumente propiciam que se preste um serviço deficiente e, inclusive, convertam-se em todo o contrário. Os clientes merecem estar livres deste tipo de estruturas de serviço e de seus processos. Os clientes merecem um melhor serviço.

Neste artigo, examinam-se quatro aspectos que se relacionam com a forma de liberar o serviço que se presta aos clientes. Primeiro, exploraremos uma perspectiva histórica sobre os clientes e o *marketing*. Segundo, defenderemos a possibilidade de um século enfocado nos clientes. Terceiro, daremos uma olhada à co-criação com os clientes, enfatizando os desenvolvimentos tecnológicos. E, quarto, revisaremos as repercussões destes aspectos sobre a perspectiva dos clientes.

PALAVRAS CHAVE: *marketing* de serviços, clientes, liberar, co-criação com os clientes

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ABSTRACT: Liberating services customers is the business challenge of the 21st century. Many service organizations have organizational structures and processes that are better designed to control customers than to serve customers. Such structures and processes often result in poor services and sometimes they become disservices. Customers deserve to be liberated from such service structures and processes. Customers deserve better service!

In this article, I examine four topics regarding liberating services customers. First, I explore a historical perspective on customers and on marketing. Second, I advocate enabling the customer century. Third, I explore customer co-creation and even technology-enabled co-creation. Fourth, I look at the implications of the customer perspective.

KEYWORDS: Services marketing, customers, liberation, and customer co-creation.

Historical perspective

The service economy has been with us since the dawn of human history, but it was not respected and it was not monetized. The word "service" comes from the Latin "servus" which means slave, servant, or serf. For most of human history, slaves, servants, or serfs have done service work. Still today, service work is not as well respected as it should be. It is time for a change.

In human civilization there is always the stuff of life, meaning the food, the water, the shelter, and the clothing. But interactions are even more essential to human life because we are social animals. Human interactions are the essence of human civilizations. Without interactions with other human beings, life would not be worth living. Sociologists describe five essential institutions of human society: The family, education, government, economy, and religion. Notice that interactions are essential to family, to education, to government, to economy, and to religion. The family is the most essential service organization in human history. On a biological level that is obvious. Without the propagation of families, we would not be able to create the other institutions. The service economy was started by the family long before money was invented.

The human species has made slow progress. Most of human history is full of bloodshed, mistreatment or neglect. For example, Colombia was once a colony of Spain and the United States was once a colony of Britain. Colonialism was about exploiting the colonies for the benefit of the colonialist. There was a lot of mistreatment. Throughout human history there has been too much bloodshed, too much mistreatment, too much neglect. Progress has happened in human history despite these destructive forces. Progress is a function of creativity and innovation. Creativity and innovation are some of the most precious things in human experience. Innovations offer new

solutions to ancient human problems. I think today's service economy can continue to offer customers more innovation and continue to make life better.

Our species is on a long march to liberty. We are not there yet, but liberty is increasingly within reach. Let me list some of the liberating innovations along the march. There are innovations in family roles. The relationships between men and women have changed. That is a social innovation that was essential to progress. Cultural innovations like tolerance have increased the opportunity for innovation because without tolerance, societies tend to stagnate. Legal innovations like property rights have made it easier for people to benefit from their own labor. Political innovations like the rights of the people have enabled democracies to spread around the world. In democracies, the citizens have rights. Economic innovations like capital formation have made it possible to start and grow businesses. More recently, we have seen liberating technological innovations. The rise of the Internet has made the scale of modern human interaction rather breathtaking. Now, we are reaching a very interesting stage of mobile communications technology with smartphones. All these innovations have increased the opportunity for human beings to live a life of more freedom.

As part of the long march to liberty, we are slowly inverting the power pyramid of history. Most of human history has been based on power hierarchies. The top of the pyramid might be pharaoh, a king, or a CEO, but the structure and the logic has always been the same. Such hierarchical structures are what I call *dominance culture*. At the top of the pyramid is top management. The purpose of middle management is to serve the top management above them. The purpose of frontline management is to serve the middle managers and top managers above them. So, what is the purpose of the customer? Well, we have to use someone's money to keep the pyramid working and it might as well be the customer because they are not that important. The common people are always at the bottom of these dominance pyramids because power is exerted downward and mistreatment is a common thing. Nonetheless, the power relationships between people are slowly changing. All over the world, people deserve better service and increasingly they are asking for better service. The power pyramid is being inverted. We are slowly moving to a world in which the purpose of top management is to serve the needs of the middle managers, frontline managers and the customers above them. And the purpose of middle managers is to support the frontline managers and customers above them. The purpose of the frontline managers is to serve the customer. So the customer becomes the top of the pyramid and the reason for the organization to exist. This switch to

being customer focused is what I call a *service culture*. It is time that we become more generous towards each other. Seeing human interactions change from dominance interactions to service interactions is the change that I want to see in my lifetime.

In the history of human beings, there are only two ways to influence people. We can coerce them, which is a tool of both government and criminals. The government can force us to do things. Criminals can force us to do things. Coercion is a tool of dominance. It is the use of force. Force is so dangerous that governments are given the power to use force to protect us from criminals. So you either have illegal use of force or legal use of force. Force is that dangerous. Persuasion is the other way to influence people. Persuasion is the tool of education and marketing. Persuasion is the tool of service, too. Dominance and coercion are more efficient than persuasion. Persuasion is not efficient but it is very, very effective. When you are persuaded, you truly believe it. You are not doing it because the boss is watching. You are doing it because you want to do it. Persuasion is very, very effective but not very efficient. If we really want long lasting change, we need to focus more on persuading each other instead of forcing each other to do things.

Human progress is the history of choice. The more choices we have, the more progress we have made. In fact, you can look at any culture or country and measure its progress by how many choices are available to the typical person. Supposedly, there are now approximately 7 billion people living on our planet. Nearly 2 billion of those are in poverty with very few choices. As prosperity spreads, more choices are available.

Marketing is fundamentally concerned with offering choices to customers. Customers like choices. Customers usually prefer more choices, especially to no choice. Lots of people never have a choice about being poor or trapped in poverty. If you are trapped in poverty, you typically are unable to choose education or health care. You typically are not even able to find enough food for the day. So, human progress is choice. The choice to be served and to be served by whomever serves you better.

Now, here is a quick 20th century history of marketing to complete this history section. Early in the 20th century, marketing became an active field that was taught in universities and practiced in businesses. In the early days of the field, marketing was mostly about marketing surplus food crops. In one century, marketing went from marketing surplus grains to marketing physical goods, consumer services, industrial services, non-profit services and professional services to a wide range of customers. All across the world, more choices are appearing. Marketing is driving



that explosion of choices. Choice is good, especially versus no choice. Human history has been a history of bloodshed, dominance, and few choices, but we are seeing a lot of progress.

Enabling the customer century

To enable a customer century, properly serving customers needs to become the obsession of businesses, nonprofits, and government. I do not mean just serving the customers. We need to provide better than just ordinary service.

We need to throw out the power pyramid logic altogether. It is time for an even bigger change. The logic I described earlier of turning the power pyramid upside down is not enough. Networks are a better metaphor because networks are models of highly interactive systems. Another key issue for a customer century is the idea of shared power of community. Service itself began as a social support system long before economic activity could be easily measured. Another key shared power idea that emerges

from networks is that families, tribes, villages, and communities are essential building blocks of civilization. They are, in fact, all human networks. Humans have always been networking. According to researchers, that is probably why language was so essential to our progress. That was how we networked. Language was a key innovation because it allowed us to talk to each other, which meant more effective and efficient communication.

Game theory explains many aspects of human behavior. You can analyze all human interactions from the perspective of game theory. All human interactions are helped or hurt by the games people play. Game theorists argue that there are two major kinds of games.

Zero-sum games have winners and losers and create vicious cycles of play. Colonialism was a zero-sum game. The colonial powers were the winners and the colonies were the losers. Zero-sum games create a vicious cycle where you are always trying to beat the next opponent. They are a vicious cycle of dominance. Unfortunately, political systems are often played as zero-sum games. In the United

States, the Republicans and Democrats have been fighting over budget deficits for months. They have been playing a zero-sum game, but both sides have been losing. Zero-zero outcomes are possible with zero-sum games.

Non-zero sum games are a better kind of game than zero-sum games and we need to play them more often in human society. Note that non-zero games are defined by what they are not rather than what they are. I think they should be called collaborative games. A collaborative game is one in which all players of the game benefit. FarmVille on Facebook is a collaborative game. We need more collaborative games where people are helping each other. They create virtuous cycles. Sure, we could argue that games are frivolous. There is a great book written by game designer Jane McGonigal (2011). McGonigal titled her book *Reality is Broken* and argues that the reason people love to play games is because reality is worse than the games. She thinks it is time to change reality. It is time for reality to be better than the games. I would argue that we especially need collaborative games. We do not need to have more of the first person shooter type games. People helping people are what we need. People helping people are what true progress has always been (Wright, 2000). That is what the service economy is. We need more collaborative games if we are going to enable the customer century.

We are seeing more changes as the customer century emerges. Markets are becoming more inclusive and more diverse. Men and women are typically involved in most markets today. That was not always true in the past. A wider range of ages, education, incomes, ethnicities, and nationalities are being served. Lots of variety is quite exciting because it requires better service from service organizations. You cannot do standard service if the customers are not standard. If the customers are different, we should serve them differently. It is a simple sort of logic. Each of us knows we are different; each of us deserves to be treated differently.

The next point I would make for enabling a customer century is that we need more respect and trust. A lack of respect and a lack of trust will damage and destroy customer relationships. If we have a choice, we want to do business with businesses that we trust and that respect us. We want our rights as human beings, our individuality, and our privacy to be respected. Every culture knows what it means to be respected. Respect is important in every human culture. Respect is a critical human concept. Trust is also very important. We should trust customers to do the right thing. I would even argue that while not all customers deserve respect and trust, it is still best to assume they all do. Ask yourself which mistake would you rather make? Would you

rather make the mistake of trusting no one and usually being wrong? Or would you rather make the mistake of trusting everyone and occasionally being wrong? Most people deserve trust. We cannot build virtuous societies if we distrust everyone. Distrust tends to spread more distrust. It creates problems instead of preventing problems.

One of the most essential ideas for enabling a customer century is improving service levels. If you looked at the business world of today, there are three service levels that you might find. Typically, there would be a best level, a good level and a barely adequate level of service. Barely adequate service is not enough. Customers want better service, and I am arguing that customers deserve better service. Here is what I think future service levels should be in the customer century. I think the lowest level of service should be the best. The next level of service should be better service. The very highest level of service should be even better. My point is that the customers deserve the best service we can give them. If we cannot give them the best service, we should not take their money. If we ask them for more money, we should give them better service. But if we take their money at all, I think customers deserve the best service. That is the respectful thing to do. So, we should rethink service levels. I do not expect service levels to change immediately, but I do think that the correct direction of progress is for barely adequate or even merely good service levels to be replaced by best and better service levels.

An especially important issue for enabling the customer century is liberating women. The 20th century saw many innovations and improvements for women, but there is more needed. Women represent approximately half of the human population. They are not the minority. So, we are not talking about treating minorities better. We are talking about treating half of humanity better. Even now, the most advanced economies tend to underserve women. If you went back 100 years, women were treated a lot worse and 200 years before it was even worse. It is definitely time for more improvements in how women are treated. Women are essential to civilization. Women are often described as culture bearers. This means they transmit culture to their children. Birth rates decline as women's education levels increase. Population researchers have found this in country after country. If you want to reduce the population, educate the women. Educating the men has no effect. Countries with lower birth rates invest more resources in fewer children and become more economically prosperous. Women are absolutely essential to this progress. These comments represent only a small fraction of the important roles women play in human society. Women deserve better service. Again, half of our species deserves better service.

To serve customers in the 21st century, I think we need to abandon our previous logic. If you went back to the beginning of the 20th century, you would see what could be called customer appeasement. Still today, you could find some companies that are only trying to appease their customers. The best service companies today are typically talking about customer satisfaction. If we are truly going to serve customers well, then the better service performance goal should be customer delight. Delight is better than satisfaction. Any customer could tell us that. Yes, delight is harder to achieve than satisfaction, which is exactly why it is the correct goal for the customer century.

Customer co-creation

The customer century is not attainable without more efforts to improve customer co-creation, too. In this section, I look at two levels of customer co-creation. The first is human-to-human co-creation and the second is technology-enabled co-creation.

We need new conceptual models for relationships between firms and customers. Customer relationship management (CRM) has become a popular concept, but I would argue that it is also a dangerous concept. Advances in information technology made it possible to collect and use large quantities of information about customers. Not long after CRM was developed, there was a cover story in *Business Week* (Brady, 2000) about how businesses were implementing CRM. The article was titled "Why Service Stinks." Included in the story were banks that had analyzed the profitability of their customers. Based on this, only people with a certain amount of money were going to be able to talk to human tellers. If you had less money than that, you could only use ATMs. They sent letters out to advise their customers and were surprised to receive substantial negative press and to even lose customers. Most of us believe that we deserve the opportunity to talk to human beings. With this example, the banks implemented a CRM system that actually destroyed relationships because customers realized that banks were using their data to mistreat them.

Rather than CRM, we should let customers manage their relationship with service organizations (Shaw and Ivens, 2004). This means that we should get their permission to build a relationship. We have to be very careful about the confidentiality of customer databases. This is something that customers take much more seriously than companies. Companies all over the world have made major mistakes with customer databases. Google, Apple, Dell, Citibank, and many other companies have made major mistakes with customer data. Right now there are companies that are in the business of selling customer data. Customers should

have the right to sell their data, not some company. If it is the customer's information, then the customer should control how that information is used. It should be the customer's right to sell it or refuse to let anyone have it. Sharing control is a key part of customer-managed relationships. If we do it right, sharing control with customers will enable greater co-creation of value because they trust us.

Customers want to be served respectfully. Strong customer relationships lead to customer loyalty. If we build better relationships, we will receive customer loyalty. It is important to distinguish between loyalty and captivity. Captivity is not the same thing as loyalty. Sometimes companies have very high market shares. If you have a high market share, that does not mean you have loyalty. Captivity occurs when customers have no choice. Monopolies have high market share. The Internal Revenue Service in the US has a very high market share. They are the only organization in the US collecting taxes. That is captivity, but it is not loyalty. Loyalty occurs only when customers choose to continue being a customer, despite having other choices. True loyalty is when you have a choice to leave a service organization, but you freely choose to stay. You may have to be persuaded to try a service organization, but if you believe you are being well served, you will keep coming back. The interesting thing about loyalty is that there is no guarantee that customers will always be loyal. A smart competitor will try to provide even better service and try to pull those customers away. The true test of loyalty is when the customer stays because he wants to stay. That is real loyalty. In short, captivity is forced and loyalty is earned.

If we are really going to achieve customer co-creation, we need freedom from stupid rules. After doing service research for decades, I have no patience for stupid rules. Why do service organizations impose such stupid rules on customers? Why are they so inflexible when they really are using the customer's money? I think it is because they do not respect us enough, so they do not treat us well either. Another category of stupid rule is demeaning rules. There is a big store not far from my house. They search everybody's shopping cart. The place to pay and check out is close to the door. How much could you steal in the small area between the cashier's station and the front door? But they have to check to see if every single item in that cart was paid for. That, to me, is a stupid and demeaning rule. But they insist on it because it is their policy. They treat every customer as if he is a criminal. Again, that is disrespect. To me, part of the problem is we are not seeing a balance between the operations perspective and the customer perspective. Many service companies focus more on operational rules than customer needs.

Employees are an essential part of customer co-creation. Ben Schneider (1980) proposed that organizations often end up with two kinds of employees: Service bureaucrats and service enthusiasts. Whenever a customer asks for help, a service bureaucrat thinks hard to find a rule that allows him to say no. Why would the bureaucrat say no? If you say no, your work is done. No one gets served, but it is very efficient. That is a bureaucrat. A bureaucrat does not want to help customers. They want to use the rules to hurt or to slow down the service. A service enthusiast is the opposite. A service enthusiast is trying to say yes and will sometimes avoid a stupid rule to say yes. That is a service enthusiast. They are trying to help people instead of avoiding serving them. If we are going to have service co-creation, we need a lot more service enthusiasts.

Customer co-creation requires sharing profits. Economists tell us that customers maximize utility (McKenzie and Tullock, 1975), which means they pursue what can be called customer profits. A business profit is revenue minus cost equals profit. What is less known and less understood is the idea that the customer makes a profit if they pay less for something than it is worth to them. If the value is less than the price, then the customer was cheated. If the value equals the price, the customer got a bad deal because they are trying to make a profit. Profit strategies for businesses are raising revenues or lowering costs. Profit strategies for customers are finding better values or finding lower prices for the same thing. For example, if I was going to buy a specific Dell computer model, I might go to the store with the lowest price on that Dell computer model. That would be a profit to me. We can make the customers our partners in the process of profit. You are not sharing the same dollar, but you are trying to make sure that both sides of the exchange are happy. It has to be a mutually beneficial relationship. Serving customers better requires increasing the value of service offerings. Too often what we see in businesses is that instead they are trying to reduce the costs. If companies cut costs long enough or deep enough, they end up cutting customers. Raising revenues by delivering better value is a surer path to long-term profits than lower costs. Too many businesses focus too much on costs and not enough on revenue. Marketing is mostly about revenue. You can drive revenue up far more than you can ever drive costs down. There is a zero point to costs. If you do it right, there is no zero point to revenue. It is possible to make the company happy and the customer happy. If you do that, you will get loyalty. If a customer thinks they are getting great value from a company, they are very likely to go back. They are very likely to bring their friends, too. Customers shop for value. They want to maximize value. Companies are shopping for revenue. Those do not have to

be mutually exclusive. It does not have to be about dominance. It should be about sharing profits.

Saving customer time is an essential co-creation solution. There is a saying that "Time is money," but it is false. For most of us, time is much more valuable than money. Bill Gates is one of the richest men ever. Just like you and me, Bill Gates is only getting 24 hours to the day. He has a lot more money than most people, but he does not have a lot more time. None of us can get any more time. Despite my many efforts to find 25 hours in a day, I am still getting 24 hours out of every day and you are too. Time is more valuable than money. Too many service businesses charge excessive time fees! They charge us time by making us wait in a long line. It is a common problem in service. Another excessive time charge is the long waits during steps of the service process. You see this in a lot of service businesses. For example, in the typical hospital, they make the patient wait in one place and then another, and then another and then the last insult, they make you wait to pay. After all, they do not have your money until you pay. If you have to wait to pay, that is really insulting. Saving time for customers is one of the quickest ways to increase value. This is where the operations perspective and the customer perspective could come together. Frequently if you are more efficient, the time you save could actually be time the customer saves, too. By processing people more quickly you might actually be able to have happier customers and still be efficient. There does not have to be a separation between the operations perspective and the customer perspective.

Another idea in terms of customer co-creation is adding value by relieving or enabling. This is a great idea that I adapted from a book by Richard Normann (2001). Normann argues that there are two ways that we can actually try to be effective as a service. A service is only effective if we relieve the customer from mental challenges, emotional anxieties, and/or physical work. So one of the things that any service could do is a better job of relieving burdens from the customer. On the other side of this is enabling, which means enabling the customer to think, feel, or do things he could not do before. This creates opportunities for customers. So, on one side, you are taking away things that the customer does not want. You are relieving those burdens. On the other side, you are enabling opportunities for those customers. Customers will be happy to receive those benefits and the organization could be very profitable from doing it. So we can relieve burdens for customers and we can enable opportunities for them. That is an opportunity for customer co-creation.

Technology-enabled customer co-creation is an essential part of this customer co-creation section. Here, I am talking about information technology and not service technologies such as medical technology or transportation technology. In the 20th century, during the days of radio or early television, there was one way broadcasting. People could listen to the radio or they could watch the television. Later, we got what could be called partially interactive communication where the customer listens to a radio show and the announcer says to "call now" for an opportunity to buy something. Television offered similar "call now" opportunities. This was still not very interactive. We are now in an era of the most exciting, fully interactive communications environment in which the marketer can interact with customers across the full bandwidth of the Internet (Fisk et al., 2008). While these electronic conversations between customers and marketers are very important, there are also new conversations enabled between customers. This new ability for customers to talk to each has led to social networks such as Facebook, Twitter, and MySpace, which have dramatically increased the interactive opportunities for customers to talk to each other.

We are now seeing mass collaboration because the Internet has vastly reduced the barriers to customer collaboration. You have collaborative web sites, collaborative tools and lots of social media usage. We are seeing all kinds of interesting things happening. Customers are talking to each other on all kinds of forums. They are raising their voices in unison. Here is a great example of customers talking to customers. An American musician was traveling on United Airlines. He arrives at his destination, but his guitar is broken. If you are a guitarist, that is not adequate service. United refused to do anything, so he put up a video and created a song that became a hit on YouTube. That is what customers will do to you if you mistreat them. They will go on YouTube. They will go on Facebook. Customer communities are forming. If they love you, it will be a community of people that love the service. If they hate you, it will be even worse. We are seeing employees collaborating, too. We are also seeing citizens collaborating. Look at what happened in Tunisia, Egypt, and Libya. I never thought the Middle East would change this quickly, but the citizens of those countries are talking to each other. They are using the various social media. That is the future of co-creation! With the help of modern technology human beings are talking to each other in ways that were impossible to imagine ten year ago.

Many researchers have created diagrams of the various social networks like Facebook or Twitter. Diagrams of the Internet are even more complicated. They portray millions of connections and resemble a network diagram of the hu-

man brain. There is a great book by Howard Bloom called *The Global Brain* (Bloom, 2000), which captures this idea. In a sense, the Internet is all of our brains on the Internet. There are billions of human beings talking to each other on the Internet. This is something that human beings could not do until just a little more than 10 years ago. In the history of humanity, this is a big, big story. I am convinced that if we are lucky, the Internet will help people focus on new ways to serve each other better instead of looking for new ways of dominating each other.

There are always threats with technology-enabled services, but technology should serve customers, not enslave them. We do not want to go from having British overlords or Spanish overlords to having robot overlords. Technology should serve us, not enslave us. Here are a couple of problem areas that need attention. There are privacy problems. Mobile technology can track where we are and what we are doing. Service algorithms can seek to manipulate our behavior. Companies like Amazon.com use service algorithms to analyze our behavior. They know what we purchased. They track it so they can tell us about other books we might like. There are always dangers with technology, but I think the opportunities outweigh the dangers. The very fact that human beings can communicate across vast distances is huge. Lots of things that were not possible are now possible.

Customer perspective

The customer perspective is the last topic. We should never lose sight of who is in charge. The customer is in charge. When I say customer, I am talking of humans. We are all customers sometimes. We are all serving customers sometimes, too. We should take turns. People serving people are the essence of the service economy.

Alan Kay (2007) argued in a great TED talk: "changing perspective has helped us make more progress in the last 400 years than in the rest of human history." An example of what Kay meant is the perspective shift from seeing the world as flat, to learning that it was actually a sphere. If you think the world is flat, you never travel very far away on a boat. But if the world is not flat, you might sail all the way to South America or North America. Changing perspectives matters. Realizing that the center of the universe was not the Sun and not Earth and that we are part of a vast galaxy in an even vaster universe was very important to human progress. Adopting the customer perspective is also very important to human progress.

We need a unified perspective on serving customers. All of the various fields that are working on services should be

working on a unified perspective. More and more people in many different areas are working on service problems. People in the Service Management area, the Service Engineering area, the Service Sciences, and the Service Arts are all working on service problems. Everyone who is interested in service should be interested in serving customers. The customer is the reason that services exist. That is the change to a customer perspective. That requires a customer focused service organization, rather than one focused on management or the employees.

The pace of change is accelerating in the modern world, but not all change is progress. Progress requires higher aspirations. Progress requires inspiration and innovation. Service innovation is desperately needed in four areas. We need more innovation in education. Education is an essential service and a key part of human progress. We need more innovation in health care. Both education and health care are foundation services for any civilization and they urgently need more innovation. We also need more services for the poor. I mentioned earlier that there are approximately 2 billion people in serious poverty, not just minor poverty. They do not deserve to be in poverty. It is an accident of birth that they are in poverty. There are things that can be done to reduce poverty, which include increasing their access to education and health care. There are people working on services for the bottom of the pyramid but there is more that needs to be done there. We also need work on service sustainability. A lot of people work in sustainability about physical goods. However, the service consumption of 7 billion human beings has great environmental impact, too. We can never have a sustainable planet unless we can minimize the footprint of each and every one of us so that we have room for 8 billion and 9 billion people. All four of these service innovation areas need customer co-creation.

Conclusion

A slow, but mighty wave of change is passing across the planet. Customers of all kinds are finding ways to escape the limitations placed on them by businesses, non-profits, and governments. A more collaborative and interactive era is taking flower with profound implications.

Customers deserve the opportunity to co-create the service they receive. The customer might prefer maximum flexibility

in service provision, while the organization might prefer maximum structure in service provision. A co-creation approach could find mutually beneficial solutions where both the company and the customer profit.

To conclude, let me offer five rules for serving customers in the 21st century. First, we need to be technologically sophisticated. Technology should ideally be kept in the background, not the foreground. Technology should help us maintain communications with customers. Second, we need to design our services for humans. For example, an airline seat should be comfortable for tall people and short people, large people and small people. Third, we need to be more collaborative with the customer. More interaction will improve the ability to deliver the right service. Fourth, we need to be more engaging with the customer. Our services should be interesting enough to customer that they want to spend time in our service system. Fifth, if we are really going to liberate customers, the most important thing we need to do is be more respectful to customers. We need to do a better job of respecting their needs. I think every human being deserves respect. If we can reach the point where the service economy enables people to focus on serving each other—people helping people—customer liberation will have been achieved.

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