"THE RIGHT TIME" - SOCIAL TIME PERSPECTIVE FOR DEVELOPING RETAIL BANKING SERVICES ONLINE

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Abstract: The anytime, ubiquitous, and interactive Internet creates customer value, and makes market offerings as services. Service is a logic or a perspective to co-produce and co-create value with the customers. But if the Internet promise is "anytime", what is "the right time" for the customer and the service provider? Time is usually understood as clock time, although it could be understood also from social and other perspectives. In that way even more customer value and better service quality and productivity could be achieved. To explore the idea of looking at time from other than only from resource perspective in service co-production and value co-creation, an illustrative case study is provided within retail banking contexts. For banks the Internet is one of the major marketing channels of their services. We propose that developing the retail banking service concept from service logic and social time perspectives could add marketing effectiveness, and provide a value-adding solution also to the "timing" problem.

1 INTRODUCTION

The aim of this paper is to provide a social time perspective to services marketing on the Internet. Creating customer value is a complex issue because of customers' participation and co-production of value, and their expectations on ubiquitous services and the service providers' pressure of service productivity.

The Internet is not anymore seen as technology but as an environment consisting of people and as a hub for various marketing operations. The ubiquitous Internet with its functional, social, emotional and epistemic dimensions of value have impact on customers' intention to use the medium for shopping purposes (Ming-Sung Cheng, Wang Ying-Chao Lin & Vivek, 2009). The Internet as a marketing channel integrates marketing communication with commercial transactions and service delivery (Rowley, 2004).

When products (goods and services) are marketed via the Internet, they are, in fact, services. Service and value creation in services is a very complicated thing. Gummesson (1991) concludes, that "the marketing specialists of the marketing department are seldom in the right place at the right time with the right customer contacts." Should this be possible at the Internet time?

The Internet adds the availability of services. Customers have an important role in value creation and innovation of services. Customer involvement aims to facilitate the generation and dissemination of market intelligence and the organization-wide responsiveness to it. Interaction is also the essence of customer involvement. (Matthing, Sanden & Edvardsson, 2004) Menor, Tatikonda and Sampson (2002) explore the impact of the Internet on the design and development of services, and suggest that technology is changing the way services are both delivered and designed, and that the role of technology in developing new services is critical requiring further exploration.

What is the" right time" when the Internet allows anytime access to services? There are industries which are time-dependent or which are, in fact; based on time, such as banking. Time is, however, usually understood as clock-time. Anthropologists and sociologists emphasize that the essentially Western chronological construct of time is but one of the wide range of constructs of time (Jenkins,

2002). Particularly the purchase of financial services suffers from a lack of temporal attention and perspective (Gibbs (1998, 997). Furthermore, Turnbull (2004) points out that in organization studies there is a gap in time-related research.

2 RESEARCH QUESTIONS

The financial sector (banking) is one of the business areas that has been most affected by the internet, and, for example, the way in which financial institutions interrelate with their customers (Flavia´n, Guinalı´u & Torres, 2006). Durkin, Jennings, Mulholland & Worthington (2008) also emphasize the increasing role of the Internet in retail banking, because it can "serve to reduce costs and often improve service reliability and increase marketing effectiveness." Still no research has been done on social or other than clock-time perspective in value creation of banking services. We look for an answer to the main research question: How can value be created in marketing retail banking services by understanding time also from other than clock-time perspective?

The research sub-questions are:

1. What is service and how value is created in services according to the recent service marketing research?

2. What kind of time dimensions are suggested besides clock time?

3. How can the time-critical points in retail banking services be identified?

4. How to create time-sensitive service concepts in retail banking taking into account the Internet marketing environment?

The first two research questions will be answered by utilizing service marketing and time theories, and the last two by doing a case study of a service concept in a retail bank.

3 RESEARCH STRATEGY AND METHODOLOGY

An explorative single case study of developing service concepts was done in a Finnish retail bank. Based on the recent service and time theories propositions are made for understanding time in banking service contexts. The case study strategy was chosen to illustrate the service concept and potential critical time-dependent points in real-life retail banking contexts. The case is a typical case of

a banking service concept. The analysis is based on triangulated data. Multiple sources of evidence were used, such as unobtrusive documents (public and internal reports), archival records, direct observation in seminars, participant observation during development projects (notes and research diary), and physical artefacts to corroborate the findings. The authors have closely observed the development of online retail banking with professional interest since 2000. Besides, the first author has worked within banking business since 2001, and currently works at the case bank as Development Manager in projects related to customer service, customer relationship management and "products". Data particularly for this case study has been obtained from the 1st of September to the end of December, 2008. In addition, the first author completed an academic course on relationship marketing offered by Kataja Organization of the universities in Finland. During that course the service research was very thoroughly studied.

The theory of service and the construct of service concept, the social time construct and the timescape framework guided the data collection process, and served as the analytic strategy and the logic to link the data to the research propositions, and to interpret the findings. The units of analysis are the elements of the banking service concept (in particular, the service operation). Analysis of the case study evidence was done according to the study questions. The facts presented come from convergence of multiple sources of the banking case evidence.

4 THE SERVICE CONCEPT AND VALUE CREATION

Grönroos (2006) discusses services and service logic, and the theory of value creation. Based on the Nordic School view, services can be defined as processes that consist of a set of activities which take place in interactions between a customer and people, goods and other physical resources, systems and/or infrastructures representing the service provider and possibly involving other customers, which aim at solving customers' problems. The issue is how value is created through service. Grönroos (2006) in his article provides a fundamental theoretical knowledge base of service logic for marketing. Following his idea of a service logic and the value-in-use notion value creation includes three phases (for services as well as for goods): value facilitation, value co-creation and

value creation. Also Edvardsson, Gustafsson and Roos (2005, 118) conclude in their recent study that 'Service is a perspective on value creation rather than a category of market offerings'. In their analysis, perspective seems to mean a way of thinking, or a 'logic'. Hence, services are value-supporting processes. Thus service logic means that the firm facilitates processes that support customers' value creation. Due to the customers' involvement in these interactive processes, firms and customers are co-producers of the service and co-creators of value.

Instead of including only the use of the marketed product itself, consumption also encompasses all elements, physical objects such as goods, information, people-to-people encounters, encounters with systems and infrastructures and possible interactions with other customers that together have an impact on customers' value creation. If consumption is viewed in this way, there will be both theoretical and empirical challenges ahead in marketing. The more content there is in the customer interface, the more complicated it probably is for the firm to manage the whole value-creating process. Taking a value-in-use perspective, the marketer has to try to carefully design and manage as many elements of the interface as possible.

In the empirical business context of value creation a service concept is needed. Edvardsson and Olsson (1996) have defined service concept as "detailed description of what is to be done for the customer (what needs and wishes are to be satisfied) and how this is achieved". These definitions refer to both the customer and the service provider points of view. Goldstein et al. (2002) exemplifies the service concept as "service in the mind" which is the customer's and the service provider's expectation of what service should be. It is a foundation for developing marketing content ("what") and operational content ("how") of a service. Service concept helps to mediate between customer needs and the organization's strategic intent, and includes the following elements (Clark et al., 2000 and Johnston and Clark, 2001): 1) Service operation: the way in which service is delivered 2) service experience: the customer's direct experience of the service 3) service outcome: the benefits and results of the service for the customer 4) value of the service: the benefits the customer perceives as inherent in the service weighted against the costs of the service. (Figure 1).

The elements of the service concept	the processes of the service concept
Service operation	the process of service operation
Service experience	the process of value co-creation
Service outcome	the process of co-production
Value of the service	the process of value assessment

Figure 1: The elements of the service concept.

Proposition 1. According to the recent service marketing theories service is a logic or perspective, a process and value is created in co-production of services. The definition of service refers to time as the focus is on process and interaction; service is thus "time dependent". The processes consist of actions and things that follow each other and vary in their duration. Interactions that occur between parties can be real-time or delayed. To operationalize service the construct of service concept is needed. Because the customer and the service provider co-create value, time is not only added value for the customer, but the "right timing" is critical for the whole service concept, and the time-critical points in the process should be identified.

5 THEORIES OF TIME

Anthropologists and sociologists emphasize that the essentially Western chronological construct of time is but one of the wide range of constructs of time. Time in general, in philosophy, represents two basic ideas that are "duration" and "succession" (Khatchadourian, 1961). Succession is the concept that one event can be perceived to follow another. Duration is the interval between successive events.

Social time consists of "collective representations" that derive from and reflect the groupings and varied "rhythms" in life. Calenderic systems arise from social differentiation and a widening area of social interaction (Munn, 1992). Turnbull (2004) applies Jenkins' (2002) theory of social time in studies of time management in working life of leaders. Researchers have identified five key aspects of the time concept to study marketing strategies in a global context (Harvey & Novicevic, 2001; Harvey et al., 2008). These aspects are: The nature of time (real or epiphenomenal, experience of time (objective or subjective), clock vs social time, time flow (novel, cyclical, or

punctuated), time structure (discrete, continuous, or epochal time, and temporal referent point (i.e. past, present, or future).

Harvey & Novicevic (2001) developed a construct of timescape based on social time. Timescape is a strategic construct that can be decomposed into seven elements useful in visualization of time. These are time frame, tempo, temporality, synchronization, sequence, pauses, and the ubiquity of time. Timeframe means that people prefer to engage in two or more tasks or events simultaneously. Tempo is the perceived rhythm or rate of time held by an observer. Temporality is the concept of the limited durability of "things". Synchronization is the degree to which events are coordinated relative to a concept of time. Sequence is a structured pattern of events that are tied together through time. Pauses mean the occurrence and duration of time intervals between events. Ubiquity of time is the ever present nature of time and the resulting impact of time on marketing events/strategies. (Harvey et al. 2008)

Proposition 2. Time is a complex phenomenon with many dimensions. Some key aspects of the time concept relate to social time, such as time frame, tempo, temporality, synchronization, sequence, pauses, and the ubiquity of time. The timescape framework based on social time could be useful also as a strategic construct in visualization of time in banking. Understanding "time" from social time perspective could add customer value, as the ubiquitous Internet creates expectations of the availability of services anytime.

6 CASE OF A SERVICE CONCEPT AND TIME

The purpose of this case study is to identify the time-critical points in a retail banking service concept, and to illustrate how time-sensitive service concepts could be created within retail banking, in particular, in the ubiquitous Internet marketing environment.

The bank in focus is a Finnish retail bank. The bank group is comprised of independent member cooperative banks and the group's central institution. The member banks throughout Finland offer full range of banking services and promote the economic welfare of the people and enterprises in their region. The central bank offers technical solutions, builds visions and solutions to support the local bank's business, and acts as a service center for its local

member banks, in particular, in terms of information systems and customer relationship management strategies.

The banking service concept consists of service operation, experience, outcome, and value. The focus is on the service operation with its different elements. From the bank's point of view criteria or perspectives for the criticality of time are self-service, customer service, and the service product itself. These are selected as perspectives because these can be understood as service, how it appears to a customer. They include individual "concepts" themselves but at the same time these are very much dependent on each other.

The service operation of the retail banking service concept developed above is analysed using the construct of timescape. The seven elements of it are time frame, tempo, temporality, synchronization, sequence, pauses, and the ubiquity of time, and they are analyzed from the bank's time-critical perspectives of self-service, customer service, and the service product (Figure 2).

In the banking service operation, **time frame** is critical from self-service, customer service and service product viewpoints. In self-service, customers can at the same time obtain information from many sources or send applications to several service providers. In customer service, a bank teller may have tools that allow him to acquire information from many sources via different devices (e.g. using chat in order to consult colleagues). Similarly, customers are usually provided with two or more services at the same time, such as long-term savings besides home loans.

Tempo refers to rhythm e.g. in the immediate interaction within the customer service. Customers can get bored if service is too slow; on the other hand, if it is too fast, they might get confused. In self-service customers may proceed in their own rhythm. Also, in the service product, tempo is not particularly critical, because there is no immediate interaction going on.

Temporality in the banking service concept is most critical in customer service considering how much is takes customers' and the service provider's time. Temporality might not be so relevant in self-service, rather it could be important in service outcome (i.e. how long customer is committed to a service product).

Synchronization is important in customer service in two ways: first, service needs to be available in synchronization with the customer situation, secondly, asynchronization allows more freedom to find out a solution to a customer's

situation. Both participants need not be present at the same time. This is closely related to self-service, as the customer is allowed to start service on his own and wait for the response from the service provider. In the service product case, consideration is needed in recommending other services at the same time for the customer.

Sequence emphasizes the process nature of service as phases are following each other. Customer service situation can be structured in a way that it is understandable and interesting from the customer point of view and leads to the expected outcome. In self-service sequence is also critical, because the customer has to proceed on his own. If service product consists of modules, sequence could then be relevant.

Pauses are relevant in customer service and self-service. Pauses might be needed for many reasons such as understanding the attributes of the service. Pauses can also be irritating. Pauses need to be planned.

Ubiquity of time is particularly relevant in self-service, because customers prefer banking independent on time and place. However, customer service has a role in supporting customers and responding to different customer situations needed ubiquitously. In service product, ubiquity might be relevant also in other service concept elements than service operation.

Time-critical points in **service operation**	Self-service	Customer service	Product
Time frame "polychronic"	H	H	H
Tempo "rhythm"	M	H	-L
Temporality "durability"	L	H	M
Synchronization "coordination"	L	H	M
Sequence "tied together"	H	H	M
Pauses "between events"	H	H	L
Ubiquity of time "ever present"	H	M	M

H= high importance, M= medium importance, L= low importance

Figure 2: The service operation in the banking service concept and the time-critical points.

Proposition 3. The time-critical points in retail banking service operation have been identified from the bank's point of view. They are self-service, customer service, and the service product itself. The time dimensions of highest importance in the service operation element of the service concept are in self-service and customer service.

Proposition 4. Time-sensitive service concepts in retail banking can be created by analyzing the elements of the service concept and estimating the importance of various time dimensions in each of them. Using the developed timescape all the elements of different service concepts could be analysed, and social time sensitive banking services could be created.

7 DISCUSSION

We have developed propositions for social time sensitive retail banking services. A retail banking service is a process and value is created in co-production with the customers, and that service is "time dependent". To operationalize service the construct of service concept is needed. In co-creation of value, time is not only added value for the customer, but the "right timing" is critical for the whole service concept, and the time-critical points in the process should be identified. Time is a complex phenomenon with many dimensions, but the concept of social time and timescape framework can be applied as a strategic construct of time.

The time-critical points in retail banking service operation have been identified. They are self-service, customer service, and the service product itself. Time-sensitive service concepts in retail banking can be created by analyzing the elements of the service concept and estimating the importance of various time dimensions. In the analysis of the service operation part of the service concept the time-critical points were self-service and customer service. Using the developed timescape all the elements of different service concepts could be analyzed, and social time sensitive banking services could be created. The Internet will perhaps in the future offer tools for banks to provide services in real time, and multiple time perspectives of customers can be taken into account efficiently also from the bank's point of view.

This study contributes to services marketing theory by developing a model for marketing time-critical banking services, and to social time theories by offering a service marketing perspective applied

in the banking business. Managers could use this tool in planning service concepts from a more multifaceted perspective rather than merely focus on clock time. In fact, the time perspective should be embedded in the service process. This requires development of service attributes, the service process and systems support.

Further research is suggested to study time in the other elements of the service concept. These are the service experience, outcome and value. Furthermore, as this case study was based on expected customer value and the bank's point of view, the real expectations of the customers should be empirically studied. By inductive case studies the value-creating process including value facilitation, co-creation and value creation, or value-supporting process could be described and understood. Then a new role for marketers of services as instructors, coaches, advisers on the ubiquitous Internet could be identified and created.

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