OBAIS Seminar Series:

Surprise! How Unexpected Delight Influences Sequence Effects in Service Bundles

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Abstract: Service design literature has considered how specific design elements such as color, lighting, scripting, and staging influence customer's perception, which in turn, drive future repurchase or recommendation behavior. Similar to how a choreographer or a composer is interested in how a future audience will respond to parts of a performance, a service designer carefully considers how their customers might perceive different service segments. One such design element considered is the temporal placement of events or service segments. Past research has shown that when customers are asked to evaluate the entire service bundle, certain characteristics of sequence of activities are more heavily weighted (e.g. highest or peak points; the end state, and the general trend). Customer evaluations are also influenced by the expectations prior to the service experience. Customers typically provide a positive evaluation if the actual experience exceeds expectations. At the same time, research has shown that anticipation of a future positive event also heightens the real-time perception of the event. In summary, the theories of exceeding-expectations and high-anticipation seem to contradict one another.

In this paper, we experimentally compare these two competing service design strategies in the context of time-elapsing, multi-segment services. Specifically, we ask whether the promotion of a peak segment should be withheld in order to elicit surprise by exceeding expectations, or if the promotion of the peak segment should be promoted in order to elicit anticipation. In addition, we explore the impact of peak sequencing across these two conditions, namely a surprise versus an anticipation design strategy. We created and validated an online experiment that allows us to draw causal claims about the interaction between the temporal placement and pre-conceived expectations of peak segments.

Biography: Rohit Verma is a professor of service operations management at the School of Hotel Administration (SHA), where he has served in several positions such as executive director of the Cornell Center for Hospitality Research (CHR). Prior to joining the Cornell faculty, he was the George Eccles Professor of Management, David Eccles School of Business (DESB) at the University of Utah. He has also taught MBA and executive development classes at several universities (see https://www.hotelschool.cornell.edu/app/facultydb/instructors/rv54). Verma has published over 50 articles in prestigious journals including California Management Review, Cornell Hospitality Quarterly, Decision Sciences, Journal of Operations Management, Journal of Product Innovation Management, Journal of Service Research, MIT Sloan Management Review, Production and Operations Management (POM). His is the co-author of Operations and Supply Chain Management for the 21st Century textbook and co-editor of Cornell School of Hotel Administration on Hospitality: Cutting Edge Thinking and Practice, a professional reference book that includes works of several of his colleagues at Cornell. He currently serves on the editorial review boards of Production and Operations Management, Cornell Hospitality Quarterly, and Journal of Service Research and has co-edited special issues of several journals. Verma has received several research and teaching awards including CHR’s “Industry Relevance Award” and SHA’s “Masters Core Class Teaching Award” at Cornell; "Skinner Award For Early Career Research Accomplishments" from the POM Society; "Spirit of Inquiry Award," and "Teaching Innovation Award" from DePaul University; and "Professional Service Award" from DESB University of Utah.

¹ For information about the OBAIS Seminar series, contact Uday Rao, uday.rao@uc.edu, 513 556 7138
² Joint work with Michael Dixon, Naval Postgraduate School, Liana Victorino, University of Victoria, and Robert Kwortnik, Cornell University.