Using Pragmatic Concepts for Exploring Interactivity in Service Encounters

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Abstract

A service encounter is conceived as an interactive process between a service provider and a service receiver. It has however largely been analyzed as a non-interactive phenomenon which leads to a superficial and incomplete understanding of the dynamics of service encounters as an interactive process. The purpose of this paper is to explore whether a pragmatic approach could form a foundation for the conception of service encounters as an interactive phenomenon. The results show that in order to capture the essence of interaction in service encounters from a pragmatic view, researchers should turn to the concept of action. In order to avoid a one-side view (the customer or the company/company representative) of the service encounter, the inter-related actions need to be taken into consideration.

Keywords: Service encounters, pragmatics, interaction, action, conversation analysis

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1 Introduction

Rayport et al. (2005) report that companies are reconfiguring the way they interact with customers. This has been called the “front-office revolution”. Such development calls for research within the field of service encounters. A service encounter can be defined as the time-frame during which a customer directly interacts with a service provider (Surprenant & Solomon, 1987). The interaction is a critical determinant of customer’s satisfaction with the service (Czepiel et al., 1985) and the contact employees can be the source of differentiation and competitive advantage for companies (Pfeffer, 1994). Customers’ interaction with companies through technology is another form of service encounters. Contemporary discourse related to the service encounter pinpoints the necessity to find a balance (Lind & Salomonson, 2008; Salomonson & Lind, 2006) between technology-based encounters and inter-personal encounters. As
Rayport et al. (2005, p. 68) mention: “The strategic question facing companies is how to effectively distribute relationship building roles between humans and machines in a way that capitalizes on the strengths of each.”

There are diverse ways to conceive service encounters, and there are several research approaches provided for finding answers to the challenges of understanding, evaluating, and giving advices to organizations of how to interact with customers. Research about how customers perceive the interaction, the service and the organization (cf. Brown, et al., 1994; Svensson, 2006) or how the interaction can be managed in order to create satisfied customers is quite common. However, service encounters have largely been analyzed as a non-interactive phenomenon and there is a need for research about the dynamics of service encounters as an interactive process (Svensson, 2006).

Most research has also focused on encounters between humans. However the increasing numbers of encounters between customers and organizations through electronic media also increases the need for understanding these interactions as such, as well as in relation to encounters between humans and other digital technologies. Within the IS-field different business models for conceiving interaction between suppliers (i.e. sellers) and customers (i.e. buyers) have been put forward (cf. e.g. Goldkuhl & Lind, 2004; Schmid & Lindemann, 1998). These business models identify patterns of (essential) actions directed to involved parties in order to conceptualize business interaction as consisting of the three phases; the establishment of expectations, the fulfilment of expectations, and the evaluation of fulfilled expectations. Such business interaction sequences are often framed as a business transaction (cf. Goldkuhl & Lind, 2004) covering patterns of initiatives and responses (Linell, 1998) in which several service encounters occur. This means that the direct interaction, here conceived as one or several service encounter(s) captured within the same business transaction, both creates expectations for future interactions and evaluates previous interaction between the customer and the supplier within the same as well as for future business transactions.

Thus, there is a need for a comprehensive conception of the service encounter as an interactive process that incorporates both the human interaction as well as technology-mediated interaction. We also believe that there is a strong connection of how a phenomenon is conceived and the research approach used for derive knowledge about the phenomenon.

The field of pragmatism has a strong potential to contribute to research about service encounters and the understanding of human and technology-mediated interaction. Pragmatism is conceived as, (1) an interest for actions, (2) an interest for actions in their practice context, (3) an acknowledgement of action permeation on knowledge, (4) an interest for practical consequences of knowledge, (5) an interest in what works and what does not work (cf. Goldkuhl, 2004). Pragmatism has also influenced the practice of pragmatics that on a basic level can be described as the way we convey meaning through communication. In pragmatics the study of the relation between the structure of language and its usage in context (cf. Levinson, 1983) is of special concern. The study of how contextual factors interact with linguistic meaning in the interpretation of utterances (Sperber & Wilson, 2005) thus becomes essential. Accordingly, utterances are pieces of evidence about the speaker's meaning and comprehension is achieved by inferring this meaning from evidence provided not only by the utterance but also by the context (Sperber & Wilson, 2005).
The meaning of what is said and done by humans and/or mediated by technology is thus dependent on utterances (or actions mediated by technology) and context. A concern of the context means an interest for actions as well as preconditions and effects of actions. The area of service encounters pays special interest to dyadic interactions between a customer and a service provider (e.g. Suprenant & Solomon, 1987). These interactions are constituted by actions, related to each other, in a certain context.

The research reported in this paper is based on an interest of using of pragmatic concepts for the exploration of interactivity in service encounters. Can a pragmatic approach form a foundation for the conception of service encounters as an interactive phenomenon? This concerns both the conception of the object, i.e. the service encounter, and the development of knowledge regarding the object. For the latter task we will raise some ideas of the role of a practical theory (Cronen, 1995; Cronen, 2001; Craig & Tracy, 1995) for the development of service encounters. The purpose of this paper is to explore whether pragmatic concepts could form a foundation for the conception of service encounters from an interactive perspective. As described above the most essential concept in pragmatics is action. Let us then start looking into the concept of action from a pragmatic viewpoint as the basis for understanding interactivity of service encounters.

2 The concept of action as a pragmatic foundation

"Pragmatism is back. After lying dormant for at least 50 years, during which formal ‘analytical’ philosophers spurned it, it once again making a splash in the philosophical world" (Lawlor, 2006, p. 321).

Pragmatism means an interest for human actions, e.g. what people do (Goldkuhl, 2004). As Blumer (1969, p. 71) claims “the essence of society lies in an ongoing process of action - not in a posited structure of relations. Without action, any structure of relations between people is meaningless. To be understood, a society must be seen and grasped in terms of the action that comprises it”. According to Goldkuhl (2005) there is however no single theory that gives a complete account of action aspects. Different action theories emphasize different aspects of action. It could however be noted that there are some theories that build upon several action theories for certain purposes, such as information systems research as well as communication research. Two examples of those are socio-instrumental-pragmatism (cf. Goldkuhl, 2005; Goldkuhl & Röstlinger, 2003) and activity-based communication analysis (cf. Allwood, 2000). In these knowledge endeavors different properties of actions are put forward, such as that actions are purposeful, social, accountable, interactive, relational, and multi-functional.

Most actions are social (cf. e.g. Mead, 1934; Blumer, 1969; Strauss, 1993). Mead (1934, p. 6) argues that “the behaviour of an individual can be understood only in terms of the whole social group of which he is member, since his individual acts are involved in larger social acts, which go beyond himself and which implicate the other members of the group”. A human being intervenes in the world, by performing actions, in order to create some differences in their environment – to achieve ends (cf. Dewey, 1931; von Wright, 1971). An important distinction is made between the result and the effects of the action (von Wright, 1971).
The action result lies within the range of the actor and the action effects may arise as consequences outside the control of the actor. An action is performed in the present based on a history and aims for the future (Goldkuhl & Röstlinger, 2003). A social action is an action oriented towards other persons (Weber, 1978), and such action can be a communicative act, e.g. someone saying something to another person, or material (Goldkuhl, 2001; Goldkuhl & Röstlinger, 2003). Goldkuhl (2005) states that a social action (performed by an actor) has social grounds ("takes account of the behaviour of others") and social purposes ("thereby oriented in its course"). Thus it is essential to search both for social grounds and social purposes when studying actions.

Social actions are the past of the action. Social actions are thus interactive (Blumer, 1969; Strauss, 1993) where several inter-related actions constitute patterns of actions related to each other by initiatives and responses (Linell, 1998). One action can be both an initiative and a response (Linell, 1998).

Actor relationships between the intervening actor and the recipient are thus established through social actions (Habermas, 1984). An initiative made by the intervening actor needs to be taken into account by the recipient. Social actions imply commitments and expectations or other kinds of relational constructs (Goldkuhl, 2005). Actor relationships should therefore both be seen as grounds and effects of action, where the latter constitute the grounds for subsequent actions.

In organizational settings humans (often supported by artifacts) perform action in the name of the organization (Ahrne, 1994; Taylor, 1993). The concern of theorizing actions has also been acknowledged by actor-network theory (ANT) (cf. Latour, 1991), where technology and people are both seen as actants. According to ANT, our perception and borders of social constructions, such as organizations, are continuously redefined by the interplay between the actants.

A generic model of social action, including both communicative (Austin, 1962; Searle, 1969) and material acts, is presented by Goldkuhl (2001) and Goldkuhl and Röstlinger (2003). E.g. an order from a customer to a supplier is a communicative act. The delivery of goods from the supplier to the customer is a material act. Since these are actions directed from one actor towards another actor they must both be considered as social actions. In this perspective we are mainly interested in communicative dimensions (as the illocutionary force with appurtenant propositional content according to Searle (1969)) of social actions, related to each other, in order to determine action patterns. This means that we delimit ourselves from instrumental and strategic actions according to Habermas (1984).

In this section we have described the concept of action from a pragmatic view. We now turn to the concept of service encounters and map out research in this area in order to determine the need for a pragmatic approach.

### 3 The area of service encounters

A service encounter is conceived as an interactive process between a service provider and a service receiver (Grönroos, 2001). It has been defined as a period of time during which a consumer interacts with a service provider (Bitner, 1990). Service encounters take place between humans (Surprenant et al., 1983) but can also involve interactions between individuals and self-service technology (cf. Bitner et al., 2000; Svensson, 2006). Based on the interactive dimension researchers argue that it is important to consider the perspective of both parties involved (cf. Czepiel, 1990). Studies also
show that the interaction is the core for customers’ when evaluating services (cf. Chandon et al., 1997; Burgers et al., 2000). Research about how customers perceive the interaction, the service and the organization is quite common (cf. Brown et al., 1994; Svensson, 2006). Studies about the perception have often been related to quality dimensions in the service and concepts like customer satisfaction. It is often displayed that there is a difference, a gap, between a customer’s expectation of a service and what the customer then actually experiences. Customers’ perceptions of contact employees’ behaviors during service encounters have also been studied (cf. Bitner, 1990; Bitner et al., 1990). A study based on critical incident technique by Bitner et al. (1990) showed that personnel’s behavior could be divided into three categories: (1) employee response to service delivery failures; (2) employee response to customer needs and requests; and (3) unprompted and unsolicited employee actions. A common feature in studies about customers’ perceptions and evaluation is that they focus on the experience of the interaction instead of the actual interaction. The same goes for studies about service employees’ experiences from encounters with customers and effects for the employees.

There is also research about what happens or should happen before the encounters with customers. The main focus in these studies is how the interaction can be managed in order to create satisfied customers (Brown et al., 1994). Studies related to the management of service encounters have for example dealt with matters like staffing and the skills and characteristics that employees need in order to perform effectively in the service encounters (cf. Bowen & Schneider, 1985; Lewis & Entwistle, 1990). Service encounters have also been studied based on customers’ satisfaction related to physical surroundings, the servicescapes (e.g. Bitner, 1990). Another area is how the service can be adapted to customers’ needs; how a customer orientation can be reached. The employees’ ability to adapt to customers’ needs is seen as especially important since it is a potential source of competitive advantage for the firm and can lead to favourable service quality evaluations by customers (Lewis & Entwistle, 1990). The adaptations in the interaction create opportunities to customize the service (e.g. Gwinner et al., 2005). However these perspectives on how encounters should be managed tend to disregard individual actions of customers and employees. The criteria created, often based on customers’ evaluations and service quality, in order to manage the service is seen as general for all customers. Customers are treated according to the criteria instead of their individual actions in interactions.

The interaction in service encounters has been studied based on a dramaturgical perspective with the use of role theory. A main focus has been the role of customers and employees (cf. Solomon et al., 1985; Grove & Fisk, 1992; Bitner et al., 1997). Solomon et al. (1985) argue that the role metaphor is useful since it presents the participants as social actors. As a social actor you learn the appropriate behaviours expected (scripts) in relation to the specific role and other actors expect you to act accordingly. The service encounter is thereby largely determined by the role expectations. A limitation of this approach is that the actors can be seen as merely roles instead of human beings. In this perspective actions are seen as a result of standardized set of behaviours (Mattsson & den Haring, 1997). There is thus a risk that an analysis based on role theory disregards the dynamics in human interaction.

In summary, most research about service encounters has focused the service receiver’s (the customer’s) perspective, which lead to that it largely has been analyzed as a non-interactive phenomenon (Svensson, 2006). Svensson (2006) even states that
the empirical and theoretical analysis and understanding of the dynamics of service
encounters as an interactive process has been superficial and incomplete.

4 Towards a pragmatic conception of service encounters

The call for research about service encounters that takes interaction seriously can also
be seen as a call for a more pragmatic research approach concerning service encoun-
ters that focus more on the actions performed by the participants, aimed towards oth-
ers, in an interactive manner. As Goldkuhl (2004) mentions, pragmatism means an
interest for actions (cf. also section two above). Through human action the social
world becomes meaningful. The essence of interaction in service encounters can be
captured by adopting a pragmatic view addressing the concept of action. It is the indi-
vidual actions and re-actions of the participants that form the interaction in the service
encounter. As stated, humans also use technology to interact with other humans or
non-humans like companies and organizations in order to achieve something. A social
action is interactive since it is directed to others (Blumer, 1969; Strauss, 1993) and
the inter-related actions constitute patterns of actions related to each other by initia-
tives and responses (Linell, 1998). In order to avoid a one-side view (the customer’s
or the service provider’s) of the service encounter the inter-related actions therefore
need to be taken into consideration.

A service encounter can be seen a social activity. According to Allwood (1980,
1984), social activities are characterized by four parameters (1) Type, purpose, func-
tion: procedures; (2) Roles: competence/obligations/rights; (3) Instruments: ma-
chines/media; and (4) Other physical environment. These parameters are close to
what traditionally are seen as distinguishing features of service encounters: that they
occur for a reason; that the scope of interchange often is quite focused; that the infor-
mation exchange often is task-related; and that the client and service provider roles
are well defined (cf. Czepiel et al., 1985). A customer that interacts with company
representative often does that with a specific purpose. The purpose of the service
encounter is both to establish expectations and to fulfill the customer’s needs through
certain services, which often are grounded in previously established procedures. The
purpose of the service encounter is accomplished by the roles involved in the service
encounter, i.e. the service provider (the company representative) and the receiver of
the service (the customer). The activities in the encounter give rise to the roles with
certain competence/obligations/rights where the competence requirement can be seen
as a precondition of the obligations (Allwood, 2000). The company representative is
for example obliged to serve the customer by answering questions and giving advice
in a proper manner. Different instruments such as computers are often an important
part of activities in service encounters and can also be used to enable interaction in
the first place. The physical environment where the service encounter takes place,
often called servicescape (cf. Bitner, 1992), is another important parameter since it
influences/enables/restricts activities.

We propose an in-depth study of conversations as a pragmatic approach to ana-
lyze the participants’ actions in service encounters. One such approach is conversa-
tion analysis (CA). As Silverman (2001) state CA is an attempt to describe people’s
methods for producing orderly social interaction. It is closely related to ethnometh-
ology which is a naturalistic view with a purpose to understand how social order is
CA embodies “a theory which argues that sequences of actions are a central aspect of the social context of an action, that the meaning of an action is heavily shaped by the sequence of previous actions from which it emerges, and that social context itself is a dynamically created thing that is expressed in and through the sequential organization of interaction” (Heritage, 1998, p. 3). According to Heritage (1998) CA analyses “are thus simultaneously analyses of action, context management and intersubjectivity because all three of these features are simultaneously, but not always consciously, the objects of the participants’ actions” (p. 4). A study of how participants interact in the conversation enables a demonstration of how a mutual understanding is created through a sequential “architecture of intersubjectivity” (Heritage 1984).

Talk is according to the analytical approach of conversation analysis built up by individual turns; the participants take turns in talking. The sequencing of conversation can be understood and analyzed with the concept of adjacency pair. An adjacency pair is two communicative actions, a first and a second, that together represent an exchange of words produced by two speakers, for example question-answer, offer-acceptance/rejection, invitation-acceptance/rejection and complaint-response (e.g. Schegloff & Sacks, 1973). After an utterance, for example a question, an answer is expected. The second part of the adjacency pair does however not necessary have to follow the first part. Other communicative actions can come in between. For example a question can be followed by a clarification by the person who stated the question. With this perspective the context is shaped by the individual utterances. An utterance is both shaped by prior utterances and context-renewing since it creates conditions for the next possible utterance. Allwood (2000) stresses the interactive dimension and states that conversational analysis points “…to the fact that certain conversational phenomena only arise through interaction and can never be found if attention is limited to individual contributions” (p. 4).

As mentioned service encounters are often task related and occur for a reason. The activities between the service provider and the service receiver (people who often do not know each other) are thus often instrumental (e.g. Mattsson & den Haring, 1997) and participants often orient towards the roles as customer or company representative. The explicit purpose and roles that emerge during the encounter mean that the interaction can be seen as institutional. Analysing institutional dialogue involves a focus on how the participants orient to and engage in their institutional roles and identities, and their use of language to pursue institutional goals (Drew & Sorjonen, 1997). Institutional interaction has three distinct characters (Heritage, 1997, p. 163-164):

1. it normally involves the participants in specific goal orientations which are tied to their institution relevant identities: doctor and patient, teacher and pupil and so on.
2. it involves special constrains on what will be treated as allowable contributions to the business at hand.
3. it is associated with inferential frameworks and procedures that are particular to specific institutional contexts.
This creates, for every type of institutional interaction, a unique fingerprint that consists of specific tasks, identities, limitations and relevant procedures that the participants use and orient towards in the interaction with each other. Institutional conversations can however also contain interaction of more social nature, which indicates that there is no sharp demarcation between institutional and social interaction. Human behaviour cannot be explained as a simple response to one context since the context is constantly shaped and reshaped through the interaction (Silverman, 2001; Heritage, 1997).

One observable way the participants orient themselves towards their institutional tasks and the context is their lexical choices in the conversations (Heritage, 1997). This indicates their understanding of the situation (Drew & Sorjonen, 1997). All forms of social interaction also contain certain degrees of asymmetries. The asymmetries in institutional interaction are related to that there in many cases are a direct relation between the institutional role and tasks and the rights and obligations that follow with that. A company representative is expected to provide service to the customers and can, in order to do that, have a repertoire of questions that she uses to pinpoint what the customer want. There can also be asymmetries that are grounded in a difference between an organisational perspective that treats the customer as a “routine case” and the customer that sees the interaction as something personal and unique (Heritage, 1997). The participants’ experience and knowledge about the interaction can also result in asymmetries. The service provider can have procedures for the routine treatment that the customer is not aware of or only have a vague perception about. This can cause misunderstandings or other forms of difficulties in the interaction. Another form of asymmetry can be that the institutional representative avoids making commitments before it has been authorized on a higher level or that the representative, based on her knowledge in the specific area, expresses her authority through an expert statement.

The interaction in a service encounter can also be studied based on different forms of talk that occur. Based on a study of small talk McCarthy (2000) identified four different forms of talk and makes a distinction between transactional and relational (more personal oriented) interaction (see also Gumperz, 1964):

1. Phatic exchanges (greetings, partings)
2. Transactional talk (requests, enquiries, instructions)
3. Transactional-plus-relational talk (non-obligatory task evaluations and other comments)
4. Relational talk (small talk, anecdotes, wider topics of mutual interest)

McCarthy means that it is only in transactional talk that the participants focus on the task at hand, at the actual purpose of the talk. In the other three types of talk the participants are focusing on building up and strengthening the relationship with each other. Greetings and partings that can be seen as minimal level of courtesy occur frequently in service encounters. Transactional-plus-relational talk is according to McCarty talk where it is impossible separate task oriented from non-obligatory personal evaluations and other comments. The fourth type, relational talk, contains no task oriented talk. Instead the focus is on small talk, anecdotes, and wider topics of
mutual interest. Thus, although service encounters basically are aimed at accomplishing something there are also relationship oriented talk. Lamoureux (1985, p. 111) describes it further: “When servers and customers interact in retail settings, they set in motion a large number of competing forces. The needs and wants of the customer can be seen to be balanced with the relative motivations and abilities of the service provider. During service encounters, information about products and/or services is sometimes exchanged and sales may be transacted. Concurrently, interactants manage interpersonal relationships.”

We thus suggest that an analysis of a service encounter should focus on how the interaction looks like and what the participants do in the encounter. This includes how the participants orient to and engage in their institutional roles and identities since that reveals the specific tasks, identities, limitations and relevant procedures used in the interaction. An analysis should include:

1. the structure and sequencing of conversation
2. asymmetries
3. transactional and relational phases

This section has described distinguishing features of service encounters and put forward a number of pragmatic approaches to study institutional interaction in the form of conversations. Next we operationalize the analysis of service encounters.

5 Applying a pragmatic approach in service encounters

Imagine now a service encounter between a waiter and customer in a small hotel restaurant. The customer has never visited the hotel before and is therefore unknown to the personnel. The booking of the room was made through the hotel’s web site and the table in the restaurant table was reserved upon arrival. The customer is now seated at the table and the waiter has approached him to take the order. If one relates to previous research about service encounters this could be studied from the customer’s point of view, for example by looking at how he perceived the service and the waiter’s behaviour in comparison to his expectations. Was he satisfied with the service received? Another approach would be to look at the organization of the service encounter, for example physical surroundings or staffing and the skills of waiters needed in order to perform effectively in the service encounters. Both these approaches however focus on one view of the encounter. The interactive dimension is thereby overlooked. A pragmatic approach, taken the interactive dimension of the service encounter into consideration, seems to be appropriate. The following interaction and dialogue then takes place between the waiter (W) and the customer (C):

1. W: Hello sir. How are you today? My name is Lisa. Hope you enjoy our small town and the lovely weather we are having.
2. C: I’m sorry. I’m in a bit of a hurry. [he looks out of window]
3. W: Okay. Are you ready to order then?
4. C: [makes a loud sigh] Eh... I have not got the menu or wine list yet.
5. W: Oh, I’m sorry! Did you get seated by someone? There’s a sign about that in the entrance. You should have got the menu from that person.
6. C: No, I just took a table that was empty.
7. W: Okay sir. I’ll come back in a just a second.
8. C: Okay.
   [The waiter returns after 5 minutes]
9. C: That took you a while. I hope you are not that slow on serving food.
10. W: Certainly not. We’ll do our very best but we are a bit short on staff today. Sorry again. By the way are you here to watch the game tonight? I noticed that you wore a New York Yankees cap when you came in. I’m a fan of them too and look forward to the game. I think they are going to win this time!
11. C: Yeah I’m here to watch the game [cheerful tone, smiles]. I think it’s going to be a really good fight. Eh… I’ll have the soup of the day for starters. Is there any bread with that?
12. W: The soup yes. And you will get bread. What do you prefer? White?
13. C: No, not white.
14. W: Okay, I’ll see what I can do. If you like you can also get salad over there [points to a table in the corner]. And what do you like for the main course? We have very good-
15. C: Hold on a minute. You mean that I have to get salad on my own? I thought this was something you brought to me. I expected-
16. W: Sorry sir. The menu states soup or salad. You know when you order you can choose between a soup or a salad but some customers prefer to also have salad so we have prepared a table where you can get salad. But since you are in a hurry I’ll get some for you. Is that okay for you?
17. C: Yeah thanks. The menu did not say anything about a complementary salad. And I will then have grilled veal chops and french fries and please make sure that they are well done. I hate it when they are too red.
18. W: Certainly. Thank you. I’ll make sure that you get your order as fast as possible. [starts to leave the table]
19. C: Wait! I have not ordered anything to drink yet.
20. W: Sorry again. What do you prefer to drink?
22. W: Dry, hm… Yes, then I suggest the one at the top [points at the wine list]. That’s from California. Or do you prefer an Italian wine? I have tasted both of our dry sorts and really like them. Our chef is from Italy and he has a special eye for choosing wine. He is from a small town in Abruzzo. When he is there he always-
23. C: I prefer wines from Australia but you don’t seem to have that.
24. W: No, we only have what’s in our wine list [frowns her forehead]. But I really think you will enjoy the wine from California.
25. C: Okay, then I’ll take the wine you suggested. [gives the menu and wine list to the waiter]
26. W: Very well sir. Is there anything more I can get for you?
27. C: No, not at the moment.
28. W: Okay. Thank you. [leaves the table]

This service encounter involves several different episodes that need to be studied in detail in order to develop a deeper understanding of the interaction. As seen the dialogue is a bit problematic and some phases do not run that smooth. The interaction starts with a traditional greeting (phatic exchange, see McCarty, 2000) from the
waiter that can be expected in this form of service encounter. The waiter also adds her name that can be seen as a way to make the interaction more personal. She also starts talking about the town and the weather which with McCarty’s (2000) terms can be classified as small talk that is relational. It is a way to establish a relationship with the customer. The customer does not seem to want to continue the small talk and signals that by saying that he is in a hurry. The waiter picks up that signal and becomes transactional, task oriented by asking if the customer is ready to order. However the customer has not yet got the menu and wine list yet and signals irritation. The words menu and wine list is lexical choices used by the customers that indicates an understanding of what type of service encounter it is and in what order things should be done. The service provider, in this case the waiter (acting on behalf of the restaurant) makes a mistake by not providing the necessary tools (menu and wine list) in order to complete an important part (the ordering) of a restaurant visit. The waiter recognizes her mistake and explains how things work before one gets a table. The customer is not aware of that. This in an example of an asymmetry where the customer was not aware of the service provider’s procedures for the routine treatment of customers. Obviously this causes a misunderstanding which made the initial interaction more difficult. The waiter makes an attempt to rescue the situation by apologizing and making a commitment by saying that she will return immediately. Next the customer’s shows even more irritation (“That took you a while. I hope you are not that slow on serving food.”) when the waiter returns after five minutes. This can be seen as a break of the promise that the waiter made and also an asymmetry regarding the customer’s expectation of service.

In line 10 the waiter makes additional apologies which can be seen as an institutional characteristic of customer-waiter encounters. If a waiter (or a colleague) has made some mistake (or something that makes the customer react negatively) he/she is expected to apologize. She also relates to shortage of staff which can be seen as an attempt to explain why it went wrong. However this can be seen as something that the customer does not need to know. He expects a certain level of service regardless of how things are running “behind the scenes”. At the same time the waiters also attempts to engage in relational small talk about sports which can be seen as a way to save the situation, to get the focus on something else. The waiter has noticed the customer’s baseball cap and starts talking about the game the same night and that she like the same club. This interaction is of more social nature than task related transactional talk that aims at getting what the customer requests. As mentioned by Silverman (2001) and Heritage (1997) human behaviour cannot be explained as a simple response to one context since the context is constantly shaped and reshaped through the interaction. Social interaction is an important part of human interaction. The customer responds positively to the waiters talk about the game and joins her relational talk before turning to the task again, to order food. After discussing bread with the soup the waiter (line 14) explains that the customer can bring salad on his own from a table. She also starts asking what the customer would like for main course. However the customer does not respond with an answer as could be expected from an adjacency pair such as question-answer. Instead he wants an explanation why he has to get salad on his own. The waiter responds with an explanation and again relates “rules”, i.e. implicitly to how they have designed their service. As can be seen in the respond from the customer (line 17) there were no instruction about that in the menu. However he seems pleased with the waiters offer (line 16) to get the salad for him.
The customer then instructs the waiter about the main course. He indicates an understanding about service routines when he tells the waiter how he wants the meat. He signals his expectations about the food. The waiter acknowledges his request and thus makes a commitment. She also relates to the customers previous information about being in a hurry. When she starts leaving the table the customer signals strongly (“Wait!”) that there is something wrong. After apologizing again there is a sequence where the waiter and customer discuss choice of wine. The waiter asks questions in order to pinpoint the type of wine the customer prefers. She also makes suggestions and relates choice of wine to both personal experience and the fact that the chef is from Italy. This can be seen as an example of what McCarty’s (2000) categorizes as transactional-plus-relational talk. She is task related in trying to get what the customer wants but she also makes an attempt to tell an anecdote about the restaurant’s chef. Her response indicates that she does not treat the customer as a routine case but instead tries to offer a more personalized service. A more personalized treatment could lead to that the customer feels more special. The waiter’s different offers can also be seen as part of her role to help the customer to select a wine. However the customer interrupts her by stating that he prefers wines from Australia. The waiter now shows irritation when she relates to the wine list and then says what wine she thinks the customer would enjoy. By this the waiter again indicates the limit of service in this restaurant. The customer accepts the suggestion and the interaction ends with an acknowledgement and an offer of more service from the waiter.

This pragmatic approach of studying interaction in service encounters reveals a number of different phases and how the service provider in these phases relates to what the customer want. It shows different ways to try to save the situation by using more relational talk. The transactional talk is of course great importance and the conversation is driven by different questions and answers. The relational talk in this case however makes the service smoother. The waiter momentarily leaves her role as a waiter when she starts talking about sports, which has no relation to taking an order from a customer. The social interaction influences the relationship between the customer and waiter and ultimately the relationship between the customer and the company. A relationship is built up by the outcome of previous interactions between two parties. If a customer experiences that the personnel in the restaurant has fulfilled previous commitments towards him and lived up to his expectations the relationship will be strengthened. If the waiter says something that the customer seemingly interprets as insulting this could alter a previously good relationship to something bad.

The waiter in the example is active in asking questions about what the customer wants and the customer provides information that not only indicates what he want to eat but also that he is in a hurry, what he prefers and even that he is a fan of a certain baseball club. The conversation also reveals different asymmetries regarding the participants, in this case the customer’s experience and knowledge about the design of the service. This also reveals areas that the company could improve. All details in the spoken part of the interaction could thus potentially be used by a company to increase the understanding of service encounters and how these can be improved further. For example the waiter did not fulfil the commitments made about the menu and wine list. This should be improved. At the same time the waiter showed inventiveness by starting talking about sports and getting the customer a bit happier. Such initiatives could be rewarded.
As seen in the dialogue between the customer and the waiter use both verbal and non-verbal communication as means for interaction. We do acknowledge the importance of non-verbal acts as communicative acts and that they are parts of the sequenced conversation. If the waiter raises his eyebrows or if the customer frowns, this sends out signals that are interpreted by the participants in the encounter. These signals or give-offs (Goffman, 1959) can be intentional or non-intentional. For example a nod with the head can be interpreted as the person is agreeing with what is said and/or that he is actively listening. By studying the actual interaction the observer can grasp and analyze particular sections of the interaction where something potentially is troublesome. Figure 1 illustrates the characteristics in an interactive conception of the service encounter. An encounter is as shown also dependent on experiences from earlier interactions. This can be seen as a reaction against treating and analyzing service encounters as a non-interactive phenomenon.

![Figure 1: The focus on interactive dimensions of service encounters](image)

**6 How service encounters can be improved through an interactive approach**

In service encounters the participants take turns in talking and exchanging various types of initiatives and responses. This is needed in order to reach some kind of understanding about what is going on. Of course every encounter does not lead to a purchase, a satisfied customer or even a common understanding between the parties. A study of the actual interaction can however reveal what went well and what did not. In this way diverse validity claims for service encounters based on the parties’ actions aimed towards each other could be derived. The personnel can have acted in a way, verbally or nonverbally, that offended the customer and lead to the customer leaving the restaurant. They can have provided the service needed or even exceptional service that helps the customer to choose between different options of food and wine and thereby “created” a (very) satisfied customer that returns in the future and even recommends it to friends and relatives. The customer can have acted in a way, verbally or nonverbally, that lead to an understanding or misunderstanding of the customer’s
needs and wants. It could even be so that the personnel are reluctant to have any further interaction with the customer based on experiences from the service encounter. All the things going on in the interaction between customer and personnel can have an impact of the outcome of the service encounter. Even an encounter in a restaurant that seems ordinary and repetitive contains elements needed in order to make an order of food, receive food, and then pay for it. A thorough understanding of the interaction can provide means for improving it further. It seems simple but how should the personnel interact with customers, besides providing desired goods and services, in order to reach a situation of satisfied customers?

We argue that an interactive approach is more appropriate if one wants to capture the dynamics in service encounters, irrespective the type of encounter. Such interactive approach is based upon a pragmatic conception of service encounters. Given such foundation knowledge for the analysis, design, and evaluation of service encounter should need to promote social action as the basic unit of analysis for such purposes. Such epistemological dimensions are covered in the desire to develop practical theories. The basic characteristics of a practical theory have earlier been elaborated by Cronen (1995; 2001) and Craig & Tracy (1995). Cronen (1995, p. 231) describes practical theories in the following way: “They are developed in order to make human life better. They provide ways of joining in social action so as to promote (a) socially useful description, explanation, critique, and change in situated human action; and (b) emergence of new abilities for all parties involved.” Practical theories should help us to see things, aspects, properties and relations which otherwise would be missed (Cronen, 2001). Our desire is to develop a practical theory for the analysis, design, and evaluation of service encounters that put focus on interactive dimensions where different pragmatic constructs helps us in seeing important aspects of the service encounter. This also includes being reflective and thereby poses a question about existing and future service encounters. In our endeavor towards such a practical theory some of these aspects are elaborated below. In figure 2 below we have taken the conversation between a waiter and customer depicted above in section 5 and identified actions with its illocution, direction, and content. To be noticed is that we do let the conversation speak for itself in order to derive patterns of interaction reaching settlement of the expectations between the two parties without being driven by predefined patterns. We rather use pre-defined action categories for understanding essential dimensions, founded in pragmatics, of the service encounter.
In the strive for developing a practical theory, an approach for the analysis, design, and evaluation of service encounters need to include what to pay attention towards (the perspective), procedures, concepts, and notation (cf. e.g. Goldkuhl et al., 1998) arranged as parts of a larger framework dependent on the situation of investigation. In this paper we have put forward some core concepts that are important to pay attention towards in the analysis in order to grasp the interactive character of service encounters. Some examples of these are the action itself, the action as a response to some proceeding action(s), the intent of the action, the propositional content of the action, as well as the effect of performed actions.

Our approach builds upon deriving knowledge about the content of service encounters by an in-depth study of interactions. CA has been used in previous research to study communicative interaction in service encounters (e.g. Salomonson & Åberg, 2009). We do however also strive towards visualising the essentiality of service encounters by establishing more holistic pictures. For this we need notation that could communicate the essentials in service encounters. In LAP-based approaches such as DEMO (Dynamic Essential Modelling of Organizations) (Dietz, 1999) the question of what to conceive as essential has been put forward strongly. The idea of combining CA with LAP-based approaches has been put forward earlier by Goldkuhl (2003). In a similar manner we believe in inductively deriving essentials of the service interaction by utilising CA and thereby avoiding pre-defined patterns of interaction as advocated for in pure LAP-based approaches. CA is an approach that provides the possi-
bility to grasp detailed knowledge about the interaction in service encounters. We consider this as necessary in order to reveal different dimensions potentially not covered by more IS-oriented pragmatist approaches. However we also believe that IS-oriented pragmatist approaches provides a basis for focusing on essentials in the conversation related to service encounters. Such essentialisations are necessary to provide a holistic view of the service encounter (and other social interactions) and also direct focus on the details covered by CA. Figure 3 below illustrates this interplay between a conversation oriented approach and IS oriented approaches.

Another issue that further strengthens the need of an interactive approach in service encounters is the fact that customers more and more often interact with several organizations in order to get the things they want. All these interactions contribute to making the customers satisfied or not. Continuing on the restaurant theme a customer can have booked the dinner as one part of a vacation over the telephone through a booking agency. The customer also wanted a rental car during the stay and made a reservation through a company on the Internet because it was cheaper. When staying at the hotel the customer got entertainment in the restaurant and indulged in some spa-activities that both were provided by companies that had contracts with the hotel. Even if these individual actions and interactions seem separate they all influence the customer’s total experience of the vacation. A single company therefore also needs to understand how customers’ interactions with other companies influence the customers’ total experience. This perspective also seems to be underdeveloped in research about service encounters. Svensson (2006) state that research has seldom considered any third-party view (i.e. multilateral perspectives) involved in service encounters, especially when it comes to chains and networks. Going back to the backbone of different LAP-approaches, the notion of transaction has been put forward as one of the key concepts for “grouping” several inter-related acts to a meaningful whole. As indicated above the ordering of food could be just one service encounter among a number others included in a vacation at a hotel. It therefore becomes important to inter-relate the different service encounters, constituted by the different acts directed to involved

Figure 3: Interplay between CA and IS-approaches

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roles, within the business transaction where the business transaction itself becomes an important part to define the context. To be noted however is that LAP-based approaches build upon the idea of that involved roles are pre-defined. However, as indicated in our description of CA we can see that roles evolve as a result of the service encounter.

Following this reasoning we can also see that several businesses are regarded as a network of organizations (cf. e.g. business networks, imaginary organizations etc.). Considering that a business transaction, or several inter-linked business transactions, engage several business parties might mean that the (end-) customer will have several service encounters with different business parties. Could we in some way use an interactive approach when studying service encounters to ensure quality throughout the realization of the business transaction(s)? An approach for studying inter-linked actions, multi-organizational business interaction, engaging several business parties has been proposed by Haraldson & Lind (2010). It would however be interesting to complement this approach with a more detailed approach to study service encounters as proposed in this paper.

The interactive approach is also important when putting focus on, for diverse purposes, service encounters through some self-service media (as e.g. the Internet). How does a customer act on a hotel’s web site in order to order a room and reserve a table in the restaurant and how does the web site “respond” to these actions? The customer perhaps also discovers that the hotel’s web site contains an artificial agent, an electronic assistant that enables another form of interaction. The customer for example asks the artificial agent (types in): “Do I need to reserve a table in your restaurant January 17?” Depending on the answer the customer can then act in a way that ensures that he gets a meal at the restaurant or elsewhere. Does the artificial agent manage to provide an answer and how does the customer react? How does the customer act if the artificial agent not provides the information? Does the customer continue to search the company’s web site, browse elsewhere or even pick up the telephone? All these individual actions and re-actions (and many more) are important in order to reach an understanding of self-service interaction. For both practice and academia it is also of interest to explore the interplay of different media in providing sufficient and relevant interaction between customers and company. How can a balance between self-service and human-to-human interaction be reached?

In this paper we have explored whether pragmatic concepts could form a foundation for the conception of service encounters from an interactive perspective. Future research could aim to explore interaction in service encounters from an approach called “Activity based Communication Analysis” (Allwood, 2000). This approach points to some conceptual problems with both speech act theory and conversation analysis. Features of an activity based approach include psychological and social levels, i.e., properties of communication “which can be related to the fact that communicators are perceiving, understanding and emotional beings who also can be seen as rational motivated agents occupying various activity roles” (Allwood, 2000, p. 23).

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