

Chapter 15

Innovation for E–Services Management

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ABSTRACT

Over the last several years traditional services (face to face) have been transferred over to the electronic environment on the the Web, also known as E-Services. There is very little knowledge to know how and why these services are used by consumers based on their knowledge and experience and motivation, ease of use, and usefulness of e-services, acceptance, and continued usage for e-services. This research explores the theoretical framework for developing e-services acceptance model (E-SAM).

1. INTRODUCTION

The Internet has created significant opportunities for organisations and their customers in terms of communication, acquisition of information, and conducting commercial and non-commercial

e-Services activities (Rust and Lemon 2001). Though such opportunities are considered beneficial, little is understood of their effect on customer or user behaviour or acceptance. The rapidly growing number of new users of e-Services has led to the provision of many new possibilities and systems, implying numerous new considerations

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when developing and designing those systems and services (D'Ambra and Rice 2001).

Studies of traditional services were focused on face-to-face interactions in various settings as a means of improving business efficiency or increasing customer satisfaction (Hoffman and Novak 1996). The development of e-Services adds a further dimension to business-customer interaction. As societies shift increasingly towards computer-mediated communication, it is important to investigate what influences customers' use of an e-Services system.

The interaction with e-Services is based on customer expectations that e-Services will meet their requirements (Zeithaml et al. 2000). A distinguishing feature of e-Services is direct customer interaction with websites compared to that in a traditional setting where customers are unable to directly access the systems providing the service and can select service options only indirectly via the trained operator, whereas in web-enabled e-Services system, customers are empowered to directly influence service choices. The websites form a platform for managing and delivering e-Services (van Riel et al. 2001; Xue et al. 2004).

Organizations engaged in e-businesses like banking, airlines, car rental, management consulting, music, software and educational institutions are increasingly opting for on-line services delivery to meet e-customer demand (Forrest and Mizerski 1996; Chea and Lou 2008; and Chellappan 2008). Today web-based e-services range from the electronic provision of traditional services (services with an "e" in front), such as investing and airline ticketing, intelligent interactivity in post-sales and pre-sales product support to online education course delivery (Ruyter et al 2001).

The developing web-based e-service domain seems limitless and expanding. From simple web-based e-service function to complex "service multiplier effect" (Aberdeen Group 1999) are being developed as the core function of web-based

e-service. Any e-business creates a demand for pre-sales and after-sales service activities (Ruyter et al. 2001). Hewlett Packard, for instance, is rapidly transforming their after-sales service to web-based e-service business unit, providing users the chance to interact in real time.

In recent years, the Internet has been identified as the world's fastest growing marketplace with seemingly limitless opportunities for marketing products and services (Domains 1999). Web-based e-service delivery provides users with the opportunities of a virtual marketplace that are cost efficient, have 24/7 accessibility, lack geographic limitation, are interactive, and enable real time delivery of services.

As innovations in electronic service are rapidly emerging, it is yet unknown how the users are reacting and adjusting to this new web-based e-service function. Nevertheless, customer adoption and continuance are arguably a critical success factor in realizing the potential of web-based e-services and its future direction. From here onwards the terms users (referred in Information Systems literature), users and customers (referred in Services literature) will be used interchangeably and imply to have the same meaning, the theoretical understanding is borrowed from these two disciplines.

2. THEORETICAL PERSPECTIVES FOR THE INNOVATIVE E-SERVICES MODEL

Integrating Service and Information Systems literature in exploring the web-based e-service perspective (see Figure 1) will provide an *innovative* Knowledge of how users evaluate web-based e-services. An innovation is an idea, practice, or object that is perceived as new by an individual or other unit of adoption (Rogers 1983).

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