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UNDERSTANDING THE MODELS OF CUSTOMER EXPERIENCE

SAAKSHI BHANDARI
RESEARCH SCHOLAR
DELHI SCHOOL OF ECONOMICS
DELHI UNIVERSITY
NEW DELHI

ABSTRACT

Customer experience is emerging as the new-age differentiator. There has been a paradigm shift of focus from developing product brands to building customer relationships to creating and delivering engaging and compelling customer experiences. Customer experience recognizes a customer as more than just a rational being, seeking fulfillment of his hedonic, emotional and sensory aspirations. The existing literature highlights various pre-requisites and challenges in developing a robust scale for measurement of customer experience. This paper attempts to understand the existing models of customer experience to develop an insight into the measurement of this construct.

KEYWORDS

differentiator, emotional, measurement, models.

INTRODUCTION

With the ever evolving dynamic marketing environment, there has been a considerable shift of focus in context of the building blocks to achieve a distinctive competitive advantage. From emphasizing on developing powerful “**Product brands**” to “**Building strong customer relationships through improvised service quality**” to “**Creating compelling customer experiences**”; there has been a paradigm shift.

The concept of customer experience recognizes customers as more than just rational beings, seeking fulfillment of their emotional, sensory and hedonic aspirations.

Besides, literature reviews customer experience as an inherently personal and subjective phenomena existing primarily in the mind of the customer. Thus, no two customers can ever have the exact same experience. This makes customer experience an attractive proposition for leading edge companies to be developed as a source of building a sustainable competitive advantage in the advent of excessive commoditization.

Given the fact that customer experience (whether good, bad or indifferent) arises in the course of the interactions that he/ she has with the organization across multiple touch points during the entire customer lifecycle and has the potential of a possible influence on other related aspects of customer satisfaction, customer loyalty etc., makes it an interesting field of study and further research.

OBJECTIVES OF THE STUDY

1. To gain an understanding of the concept of customer experience by review of the existing literature in this domain.
2. To appreciate the nuances involved in the measurement of customer experience.
3. To study some of the models developed in the field of customer experience.

LITERATURE REVIEW

In today’s world, customer experience is emerging as the new-age differentiator.

The competitive battleground of differentiators is also changing. In the 1970s, the differentiator was quality or functionality; in the 1990s it has been brand and price; in the early 2000s, it is service, information and delivery (Shaw and Ivens, 2002, p. 2). All these attributes are considered as givens today; that is, customers take them for granted and feel entitled for them. Currently, in the mid-2000s, it is customers’ emotional attachment with the brand, the brand community and the brand company via customer experience that is gaining importance in the literature (Anderson et al., 2006; Barber and Strack, 2005; Bendapudi and Bendapudi, 2005; McGrath and Macmillan, 2005; Mascarenhas et al., 2004; Narayandas, 2005; Selden and Macmillan, 2006).

It is a stream of experiences that will develop over time (and not a specific experience) in order to achieve a sustainable competitive advantage because the specific experience encounter will lose its novelty the next time it is encountered (Palmer 2010).

Delivering total customer experience (TCE) goes beyond mere customer satisfaction and is a relatively new concept since satisfied customers could still defect (Jones and Sasser, 1995). In the past, companies have primarily focused on the physical aspects of the product, while totally neglecting the emotional and value aspects and hence, losing many customers in the long run (Nunes and Cespedes, 2003).

Different authors have defined customer experience from different perspectives. As the scientific contributions are rich and diverse, so are the different interpretations and conceptualizations of the customer experience offered by each author, nevertheless, despite the differences of perspective and the various models proposed, one can identify some common core characteristics of customer experience.

First, it has a temporal dimension which originates from the entire set of contact points (or moments of truth, Carlzon, 1987) between the customer and the company, or the company’s offer (Addis and Holbrook, 2001; Caru’ and Cova, 2003; LaSalle and Britton, 2003)

Then, it is strictly personal and it involves and engages a customer at different levels (rational, emotional, sensorial, physical and also “spiritual”) so as to create a holistic gestalt (Brakus, 2001; Schmitt, 1999).

METHODOLOGY

The research methodology comprises a thorough study of secondary sources of data. Articles, mainly from reputed journals of marketing and related fields were reviewed in order to gain an insight and conceptual understanding of the topic.

Besides, a few e-resources including articles, blogs and videos and sections of some specific books were also used for deeper understanding of the concept and its application.

MEASUREMENT OF CUSTOMER EXPERIENCE

Maklan and Klaus (2011) have listed out a few features of an appropriate measure of customer experience. These are:

- It is based upon an overall cognitive and emotional assessment of value from the customers’ point-of-view rather than evaluated against benchmarks or expectations.
- Captures the value-in-use of the organization’s offer, not just the attributes of product and service delivery
- Assesses, as much as possible, emotional responses as well as the functional delivery of the organization’s promise
- Determines a reasonable focal time period, sufficiently pre and post the service delivery, to allow the customer to assess the experience over time and across channels.
- Is validated against behavioral measures as well as attitudinal ones.

Palmer (2010) identifies the major challenges in measuring customer experience. These are as follows:

- Complexity of context specific variables is the biggest problem in developing an operationally acceptable measure of customer experience.
- Experience is conditioned by differences between individuals, differences over time in an individual's emotional state, and a variety of situation specific factors. A measure of experience must take account of these moderating influences.
- Non-linearity of customer experience. The effects of non-linearity have been observed in attempts to measure flow. However, researchers have noted context specific effects on flow, with a suggestion that some personal characteristics may enable individuals to engage in flow experiences more frequently, more intensely, and for longer periods than others (Csikszentmihalyi and Csikszentmihalyi, 1988).
- Identification of an optimal level of experience. For the parallel and contributory constructs of quality and satisfaction, there is an implicit assumption that consumers will prefer outcomes with higher scores on these scales. However, experience is more complex and nonlinearity may imply lower cut-off points at which an experience is not recognized, and a higher point beyond which "more" experience may be associated with negative benefits.
- Practical obstacles to developing and implementing a robust measurement scale for customer experience. A measurement instrument must incorporate not only contextual parameters, but also the sequencing of events, and their retention in the memory in the form of an attitude some time after an event occurred.

An experimental treatment may arouse high positive emotions when it is new, but these effects will be likely to wear off with repeated exposure.

MODELS OF CUSTOMER EXPERIENCE

GILMORE & PINE II (2002): LOCATION HIERARCHY MODEL

The authors vouched for integration of the physical and virtual marketing experiences for the customers and proposed the Location Hierarchy Model suggesting various location hierarchy levels that companies should focus on for providing engaging customer experiences in both the physical and virtual formats.

TABLE 1: LOCATION HIERARCHY MODEL

Physical Access	Virtual Access
Flagship location	Flagship sites
Experience hubs	Experience portals
Major venues	Major platforms
Derivative presence	Derivative Placement
Worldwide markets	World wide web

Source: Gilmore & Pine II (2002)

Every company should examine its own situation and determine which levels amongst the five physical and five virtual make marketing sense.

Their contribution is considered to be a pioneer in the field of Customer Experience and paved way for a lot of future researches.

MASCARENHAS ET AL. (2006) MODEL

The authors have discussed the concepts of total customer experience (TCE) and lasting customer loyalty (LCL) to derive managerial frameworks for strategizing TCE to achieve LCL.

Brand loyalty is a "deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby, causing repetitive same brand set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior" (Oliver, 1999, p. 34).

This definition helped to distinguish loyalty as behavioral, attitudinal and situational (Chaudhuri and Holbrook, 2001; Uncles et al., 2003).

TCE strategy focuses on the blend of the physical elements and the emotional elements in delivering customer experience. While this is promising, it may not be lasting because emotions are fleeting and vacillating. Hence, to ensure that TCE should build lasting customer loyalty (LCL), a third and necessary dimension to TCE – the value dimension was added to it. What business strategy should aim is a TCE that builds LCL by blending the physical, emotional and value elements of the target customers. Value is the consumer's perception of the benefits minus the costs of maintaining an ongoing relationship with a provider (Zeithaml, 1988).

Building customer value through market offerings is a consumer-value-centric competence that should be the driving obsession of an organization (Srivastava et al., 1999, p. 172).

The typology of TCE and Lasting Customer Loyalty (LCL)

When marketers offer products and services that consistently have strong physical attributes-based satisfaction, provide high emotional experience, and high perceived value summing to a high TCE, they will automatically generate high and lasting customer loyalty (LCL). Conversely, when market offerings are low on physical experience, emotional involvement and customer perceived values, they fail to generate LCL. Between these extreme positions there may be other contingent circumstances that will generate partial TCE and, therefore, partial LCL.

The authors suggested a multidimensional loyalty ladder as a function of major TCE variables: value differentiation, provider-interaction, and engaging experiences. These three TCE variables interact both horizontally (by rows) and vertically (by columns) to impact each rung of the loyalty ladder bottom-upwards.

TCE-LCL Dynamic

- Loyalty is not a one-step process, but a long ascending process consisting of many sequential steps.
- Each rung of the ladder is partial or quasi loyalty (e.g. repetitive behavior, brand interest).
- Loyalty can move upwards or downwards, depending upon how the customer experiences the impact of the TCE variables at a given point in time.
- Loyalty, therefore, is an interactive and interdependent process, a buyer-seller relational process generating relational equity.
- Higher in the ladder, the stronger is customer loyalty.
- Conversely, lower in the ladder, more vulnerable is customer loyalty.
- Loyalty is an accumulative process, a step-by-step function.
- Given the volatility of consumer preferences and lifestyles, an ascending loyalty is a slower process than a descending one.

TCE and LCL result when organizations build themselves around what is good for the customers, and change their organizational structures, systems and processes to build great customer experiences – this is an outside in approach, while the conventional approach has been an inside out strategy that defines companies by what is good for themselves, rather than what is good for the customer (Shaw and Ivens, 2002, pp. 8-9). The reason for this new approach is that the customer is progressively becoming an emotional equity holder in the brand.

The product should have an emotional appeal, a value statement, and a personal identity that is, real TCE should build a brand community of lasting loyal customers (McAlexander et al., 2002).

Linking TCE with LCL is unique and challenging. Adding the third dimension of value chain moments makes TCE more focused and loyalty-driven. The typology of TCE-based customer loyalty is new and offers a broad strategic canvas for marketers. The loyalty ladder with each rung buttressed by differentiated value, interactive relationship and TCE makes it credible, viable and a strategic destiny. TCE and LCL are also distinguished from related concepts in marketing to derive managerial implications. However, this linking needs to be empirically tested.

BERRY AND CARBONE (2007) MODEL

The authors remark that customers' desire to come back to a business again (loyalty) results more from how they feel about the total experience they receive than from what they rationally think about a company's products and services.

Zaltman's research approach, trademarked as Zaltman Metaphor Elicitation Technique (ZMET), reveals mental models that shape customer thought and behavior. Arguing that emotions are interrelated with reasoning processes in impacting behavior, Zaltman designed ZMET to use metaphor to capture both thoughts and feelings.

Companies can seek to articulate the conscious and unconscious feelings that customers desire and contrast those feelings with the current experience they are offering by conducting an experience audit. Using stationary video cameras as well as pinhole cameras hidden in a researcher's wristwatch or clothing, organizations can document a great body of actual customer experiences. This approach involves five steps:

- Identify emotions that evoke customer commitment
- Establish an experience motif
- Inventory and evaluate experience clues
- Determine the experience gap
- Close the experience gap and monitor execution

Once the audit has been completed, the team in charge of overhauling the customer experience should use the results to develop an "experience motif" that reflects the organization's core values and branding strategy. Captured in a few words, the motif then serves as the North Star for all experience management efforts. In other words, it acts as the unifying element for every clue in the newly designed customer experience. The experience motif is the touchstone from which clues can be developed and defined.

GENTILE, SPILLER AND NOCI (2007) MODEL

The authors attempt to understand the specific role of different experiential features in the success achieved by some well-known products.

The Research methodology involved an explorative study and the data analyzed was partially qualitative. The sample of cases taken was among those that are considered, both in the existing literature and in the common opinion, as successful and are characterized by widely-known brands with a very strong image.

Two variables, namely:

- Type of knowledge embedded (tacit vs. coded, as per Polanyi, 1983);
- Durability (non durable, medium range, long range)

were considered for the selection process since they have a considerable impact in determining the Customer Experience.

The research has been carried out in two phases. In the first part, the experiential features of the offering proposed by the company have been analyzed by means of secondary sources and direct interviews: this phase was meant to understand the marketing strategy used by the company and the aspects of the Customer Experience on which the company focused in its strategy. In the second part, a market research has been performed to assess how customers perceive and evaluate the different components of the Customer Experience and to assess which of the six components were perceived as the most relevant for each of the products analyzed.

A survey, both explorative and descriptive in nature, was carried out by means of a structured questionnaire with multiple choice, rating scale and agreement scale questions based on a 1-4 Likert scale.

The questionnaire had been submitted to a non-statistical sample of almost 200 units (for each analyzed product, totaling 2368 units) chosen among individuals, between 16 and 55 years, who usually buy/use the considered product.

The final version of questionnaire is made up of three parts: the first is aimed at collecting demographical information (age, gender, education, etc.) about the respondents; the second investigates the motivations on the basis of the purchase by analyzing the role of the experiential features; the last section is aimed at comparing the evaluation of the different components in order to understand which one the customers consider as most relevant.

The first analysis was carried out on the collected data to assess the relative weight of the utilitarian value when compared to the hedonic value. In the second phase each component of the Customer Experience has been analyzed to investigate how customers evaluated it and how much relevant it was when compared with the others.

Factor analysis was carried out to explore the internal structure of the dataset, additionally; further qualitative analysis and a cluster analysis (for some specific cases) were used.

The results were as follows:

- **Utilitarian vs. Hedonic value**

Overall the experiential features are perceived by customers almost as much relevant as the functional ones, indeed 7 products out of 12 have been classified as "balanced" and 2 products have been reported to be "hedonic". Such observations should however be tempered with the consideration that certain types of experiences are particularly difficult to be investigated simply by means of a questionnaire. Those are experiences which indeed are felt by a customer but often at a sub-conscious level, thus a quick and superficial analysis, such as that performed while responding to a questionnaire are likely to miss or underestimate their real impact.

Also often an impulse purchase, mainly dictated by irrational motivations, is later re-interpreted in rational terms and thus underestimated in the reported perceptions of a questionnaire.

- **Experiential Components**

The value associated with the sensorial component is substantially high (above the mean) across all the considered cases.

The value associated with the relational component does not vary sensibly across products and it is lower than expected

Given the results the sensorial and the relational component were analyzed separately.

The main objective of the factor analysis was to study whether the experiential components were actually being perceived separately by customers or not.

The results of the factor analysis showed that each case reported both pure components (that is, factors that can be related to a single experiential component) and "mixed components" (that is, factors whose variables belong to different experiential components). Mixed components can be considered as a cue for the hypothesized existence of interrelations between components, which in turn stand for complex experiences.

The Interpretative Model consists of two parts:

- **Sensorial Component**

An in-depth analysis revealed that whenever a clear link between the core functionality of a product and a natural sense could be established (e.g. iPod/hearing, Pringles/taste, etc.) then that specific sensorial component was perceived as being the most relevant for the user. On the other hand, when a clear link could not be identified, the results showed that sight was the sense perceived as most important.

- **Commitment/Involvement Matrix**

The analysis of the scores reported in association to the emotional, cognitive, pragmatic and lifestyle components suggested the definition of two variables that could account for the differences of relevance reported for the four components:

1. **Customer involvement**- The level of importance a customer attributes to an object, an action or an activity and the enthusiasm and interest they can generate (Dalli and Romani, 2000; Goldsmith and Emmert, 1991). Such variable is affected by two factors: cost of the offering (both in absolute terms and in relative terms when compared with competitors') and impact on the customer's self image.
2. **Customer commitment**- The effort in terms of resources the customer makes to use the product (adapted from Grandinetti and Paiola, 2003). Such variable is influenced by two factors: purchase/use frequency and level of complexity in using the product.

Customer Commitment and Customer Involvement were used to explain the relevance of the four components; in the case of the relational component the same two variables could be applied to describe three sub-typologies of the relational component.

Accordingly, three kinds of relational component could be identified:

- Absent or superficial: when a low-level customer involvement is present the relational component stems from interpersonal relationships that are temporally limited to the time spent while using the product (e.g. Play station and Pringles);
- Connected to collecting practices; when the relational component is more intense than in the previous case (due to the high level of customer involvement), but the low commitment level indicates that the relational component is mainly generated by collecting practices stemmed from the ownership of the product (e.g. Collectors clubs for Swatch and Swarovski);

- Profound: for the high-involvement/high-commitment products the relational component is even more intense and is due to the existence of communities of customers. In this case, inter-personal relationships are built not exclusively on a common interest, but on shared lifestyles.

The following conclusions were drawn:

- The study proved that a relevant part of the value proposed to customers, and actually recognized by them, is linked to experiential features; we found that, regardless of the context, customers want to live positive consumption experiences. Living a positive Customer Experience can promote the creation of an emotional tie between a firm’s brand and its customers which in turn enhance customer loyalty. Yet this does not imply that customers neglect the importance of functionalities: sometimes as required standard, sometimes as factors enabling an optimal experience.

Therefore, based on the analysis of best practices proves that it is important to **deliver an adequate balance between utilitarian and hedonic value.**

- By leveraging on more components, it is theoretically possible to intensify the whole hedonic value thanks to the existence of positive interferences among the activated components. Hence, resting on psychological and sociological interpretations about the generation and elaboration of sensations, thoughts, emotions, behaviors and relationships and of their interactions and interrelations (Goleman, 1995), the authors hypothesized the **existence of “complex experiences” involving more than a single component.**
- Experiential components are not activated independently: sometimes there are relevant overlapping areas and clear interrelations.

The authors made some implications and suggestions aimed at supporting a manager in devising a value proposition, especially when the value delivered to the customer should ideally be driven both by experiential features (hedonic/experiential value) and by functional characteristics (utilitarian/functional value) :

- Develop Experience-driven innovations
- Consider the functional features of the commercial offer
- Provide a venue for an integrated customer experience
- Different components of the customer experience depend on the characteristics of a given product.

The main limitations of this study are:

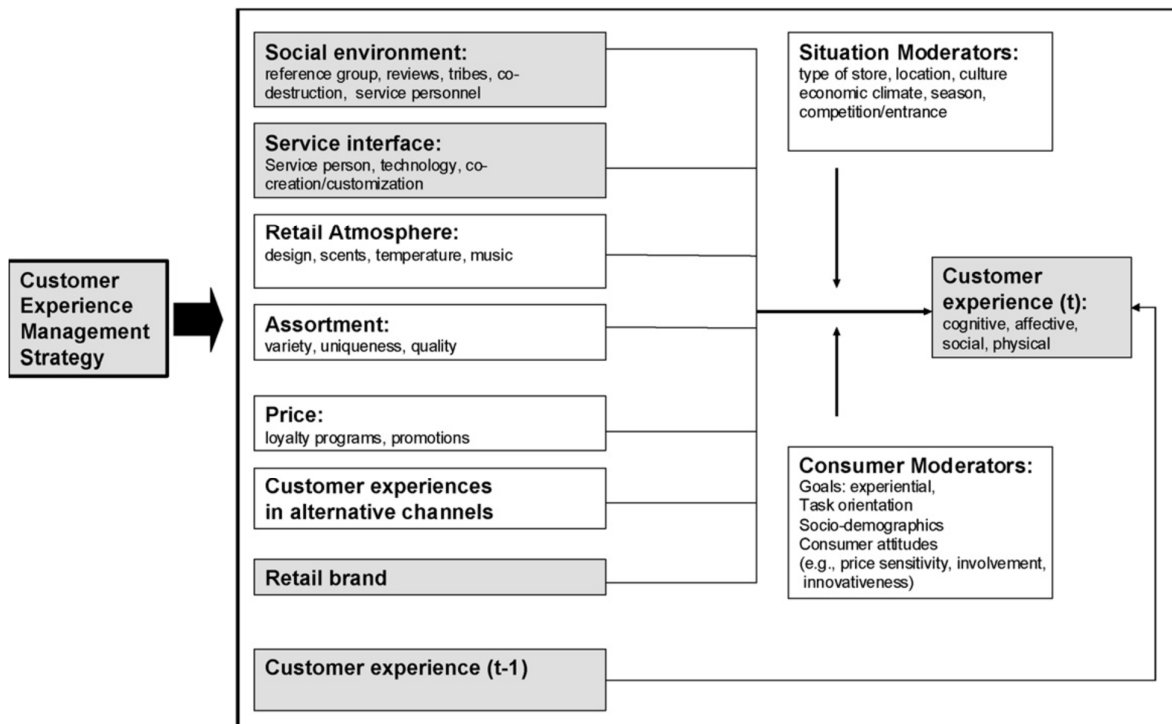
- Complex experiences (that is, experiences originating from the interaction of two or more components) were isolated in the factor analysis but not accounted under the interpretative model.
- A general scale for measuring each experiential component has not been suggested.
- Validation of the model is needed, for instance by means of multiple case studies so as to achieve an analytical generalizability.
- Another avenue for a further path of research would entail the exploration of whether certain types of experiences (such as very common experiences or experiences which are particularly familiar to a customer) can still be accounted as a legitimate Customer Experience.
- A further advancement of the research would take into considerations the sets of experiences that can be originated across each specific stage of the purchasing process.

VERHOEF ET AL. (2009): CONCEPTUAL MODEL OF CUSTOMER EXPERIENCE CREATION

The authors developed a conceptual model of customer experience with five specific aspects:

- Social Environment
- Self-service technologies
- Branding
- Customer Experience dynamics
- Customer Experience management strategies

FIGURE 1: CONCEPTUAL MODEL OF CUSTOMER EXPERIENCE CREATION
Conceptual Model of Customer Experience Creation



Source: (Verhoef et al., 2008)

SOCIAL ENVIRONMENT

There are often multiple customers in a store simultaneously and the experience of each customer can impact that of others. Also, interactions among customers can have profound effects on the service experience (Baron, Harris, and Davies 1996; Martin 1996; Martin and Pranter 1989). However, researchers and marketers alike have mostly ignored the call for creating relationships between customers and have focused primarily on creating relationships with customers. Using customers as partial employees, not so much in helping produce the product or service experience but in disseminating useful customer knowledge that can influence

the customer's experience (of both the help seeker and the helper). Compatibility management involves attracting similar customers and managing the service environment to foster customer-to-customer interactions that enhance customer satisfaction (Martin and Pranter 1991).

Similar to customer-to-customer interaction in a brick-and-mortar setting, customers can "interact" with other customers in an online setting by posting customer reviews on company websites or on different blogs or chat rooms. Such information has been found to be very influential (Hagel and Armstrong 1998; Kozinets 1999) and acts as a new form of the traditional word-of-mouth communication.

SELF-SERVICE TECHNOLOGY

Technology-based service delivery systems are becoming an integral part of shopping, and hence are critical to examine in terms of their impact on customer experience. Parasuraman (2000) proposed a "pyramid model" of services marketing that expands the two-dimensional triangle in the traditional "triangle model" – representing company–customer, company–employee, and employee–customer interactions – into a three-dimensional pyramid with "technology" at its apex to reflect the fact that the interactions among companies, employees and customers are increasingly likely to be mediated by some form of technology.

Insights from extant research suggest that it is best for retailers to offer a blend of employee-based and SST-based service options (e.g., Parasuraman, Zeithaml, and Malhotra 2005; Reinders, Dabholkar, and Frambach 2008; Selnes and Hansen 2001).

An optimum blend of employee- and technology-based service systems and to understand the contingencies that might influence that optimum blend is needed. Another aspect to be analyzed is the impact of technology failures on the customer experience in retailing contexts.

BRANDING

The model considers the interaction between the brand and the customer experience. Customer brand perceptions (of the retailer), when primed prior to shopping experience, might significantly influence the customer's experience.

It is also important to consider the reinforcing effects of the customer's experience and the brand over time. The interaction of the brand and the customer's experience may also be bi-directional.

Keller and Lehmann (2003) propose that the customer mindset (e.g., awareness, associations, attitude, attachment and activity) is the key driver of brand performance (e.g., price premiums, price elasticities, market share, expansion success).

CUSTOMER EXPERIENCE DYNAMICS

It is critical to recognize that a customer experience is not limited to the customer's interaction in the store alone. Rather it is impacted by a combination of experiences which evolve over time, including search, purchase, consumption and after-sales phases of the experience (Neslin et al. 2006). It may also involve multiple retail channels and repeated experiences within a channel. Thus, it is important to consider the dynamics of an exchange when studying the customer's experience.

Crucial notions in the understanding of customer dynamics concern the fact that current customer satisfaction affects future expectations. Other researchers have shown that current satisfaction scores are strong predictors of future satisfaction scores. This seems to suggest that satisfaction scores are pretty stable over time and that there are strong carry-over effects. However, external events, such as critical incidents, might trigger updating processes in which new information (from the critical incidents) is included into customers' satisfaction assessments

(e.g., Bolton 1998; van Doorn and Verhoef 2008).

CUSTOMER EXPERIENCE MANAGEMENT STRATEGIES

Customer experience management is a retailer's strategy to engineer the customer's experience in such a way as to create value both to the customer and the firm.

Although, studies provide some indirect evidence that customer experience based strategies might provide a superior competitive advantage. However, there might be some pitfalls. Providing a superior customer experience can be quite expensive. And, do customers want to pay more for an enriched experience is also the question.

The Model also recognizes various Situation moderators and Consumer moderators that moderate the Customer Experience.

Though the authors have given a holistic portrayal of the customer experience construct and proposed a conceptual model delineating its determinants; there is scope for future research across various domains of the determinants.

PALMER (2010) MODEL

The author proposed an integrated framework which begins with basic stimuli, converged into three higher order constructs namely, tangible and process quality, brand relationships and interpersonal relationships, and leads to the development of an attitude, mediated by the sequencing of the stimuli and the emotional predisposition of the individual. Attitude is likely to be not stable over time, and further subsequent recall of an experience is likely to result in attitude being weighted towards selected elements of the overall experience. It is the attitude that pertains over time and is stable that is most likely to subsequently influence behavior.

The three constructs have been long developed and analyze consumption and evaluation from three overlapping perspectives. Further, despite there being literature on each of them, literature explaining explicit linkages between any of these two constructs is limited.

SERVICE QUALITY AND SATISFACTION

Service providers may be interested in perceptions of that part of a service offer that they control, but consumers' perception of their "total experience" may embrace other non-controllable components. For example: Lack of adequate parking space can play a significant role in the overall dining experience at a restaurant. However, there is increasing evidence that anticipation of an event may itself be an important experiential benefit, evidenced by the way that some organizations use queues and waiting time to generate emotions of excitement and anticipation for the main event (Cowley et al., 2005). (For example: Apple I phones, Micromax Yureka, comeback of Maggi via flash sales).

Application of service quality measurement techniques have suffered from a relatively static analysis of the components of overall quality, without taking sufficient account of their dynamic interaction over time. Whereas some components of the total experience are more likely to persist as long-term attitude adjustment (O'Neill and Palmer, 2001).

Most quantitative approaches to understanding service quality have used linear measures of performance, despite a suggestion that consumers' response to quality improvement may be non linear (Cronin, 2003; Galloway, 1999).

Also, discussion of service quality has not adequately addressed situations where value derives from sacrifice and the inner directed experiential benefits which some cultures associate with suffering.

BRANDS

There has been a growing preference for importance of developing brands with personality that allow consumers to live the brand" and to "experience the brand" (e.g. Smith and Wheeler, 2002).

There have been many conceptualizations of the unique attributes of a brand and these usually distinguish between elements that can be objectively measured and the subjective values that can only be defined in the minds of consumers (e.g. Gardner and Levy, 1955; Munson and Spivey, 1981; De Chernatony and McDonald, 2003)

Emotional relationship consumers develop between a brand and their own perceived or sought personality is also a perspective to be considered.

Also, it has been recognized that high contact service encounters, employees must identify with the values of a brand if they are to deliver an experience in accordance with consumers' expectations (Knox and Freeman, 2006).

INTERPERSONAL RELATIONSHIPS

A congruity between a brand's values and a consumer's self image, and a good fit between their physical and psychological needs and the functional and symbolic values of the brand fosters relationship with the brand (Sirgy and Su, 2000).

Both interpersonal relationships and brand relationships contribute to a consumer's experience of a product. It could be hypothesized that the two elements are substitutable, in that weaknesses in interpersonal relationships may be condoned if these are compensated by benefits of consuming the brand relationship.

EMOTIONAL BASES FOR CUSTOMER EXPERIENCE

“Emotionally bonded customers tend to invest more in their relationships than customers lacking affective commitment” (Mattila, 2001).

Emotions are more likely to play an important role in attitude formation and change when they are viewed as relevant to the product being consumed (Hoyer and McInnis, 2001; Price, Arnould and Tierney, 1995).

The same product or service could be low involving for some and high involving for others. Emotions are a mediating device between an event and an experience.

SEQUENCING

The contribution of models of service quality to a customer experience construct is limited by the neglect of order effects in most studies of service quality.

The importance of sequencing to the development of a memorable customer experience has been recognized (e.g. Chase and Dasu, 2001; Pine and Gilmore, 1998, 1999). According to Chatman (1978), experiences should have a sequence structure with a story structured in a manner similar to musical pieces. Creating a story-like time pattern in experience design can provide sequences of emotions similar to those provided by episodes in human life (Deighton, 1992). Chase and Dasu (2001) noted that the sequence of events in an experience design should improve over time and end on a positive note because the final stage in a service process ending dominates the memory of the entire experience.

Sequencing issues are addressed in discussion of “flow”, described as an experiential state “so desirable that one wishes to replicate it as often as possible” (Csikszentmihalyi, 1988, p. 16). Therefore, to remain in flow, an individual must be presented with progressively more challenging scenarios in order to ensure that the level of complexity is consistent with their motivation and skills.

EXPERIENTIAL SCHEMATA

Failure to recognize the effects of attribute combination was a weakness of most approaches measuring service quality and satisfaction.

Schemata comprise cognitive frameworks for the interpretation and organization of new information (Baron and Byrne, 1991). They facilitate understanding of the relationship between old and new information, and of how past experience predisposes an individual to behave in certain ways rather than others.

No two people will see the same event in the same way because schemata are culture bound.

Definitions of customer experience that emphasize the cognitive and affective outcome of unexpected elements of a total service offer, may imply that consumers are less rather than more likely to attend to events that confirm their prior expectations.

ATTITUDE ADJUSTMENT OVER TIME

Buyers’ re-purchase intentions are influenced by their attitude at the time of re-purchase, rather than that which prevails immediately following or during consumption of a service – the time at which service quality is most commonly measured.

Abercrombie (1967, p. 32) pointed out that perceptions are not stable over time by stating that “with the passage of time, experiences which at first were defined and separate from each other tend to become associated and confused. It is not so much that we actually forget things, but that we misremember them”.

Recall of experience may be non linear, with evidence that elderly people may vividly recall experiences of several decades previously, but have difficulty recalling events of a few days ago (Krech et al., 1969).

A method for extending the duration of an experience is the use of memorabilia, which contributes to an experience in two important ways. First, it is a visible reminder of the experience, extending the memory of it after the actual encounter; second, memorabilia can facilitate peer discussion of the experience (Goulding, 1999).

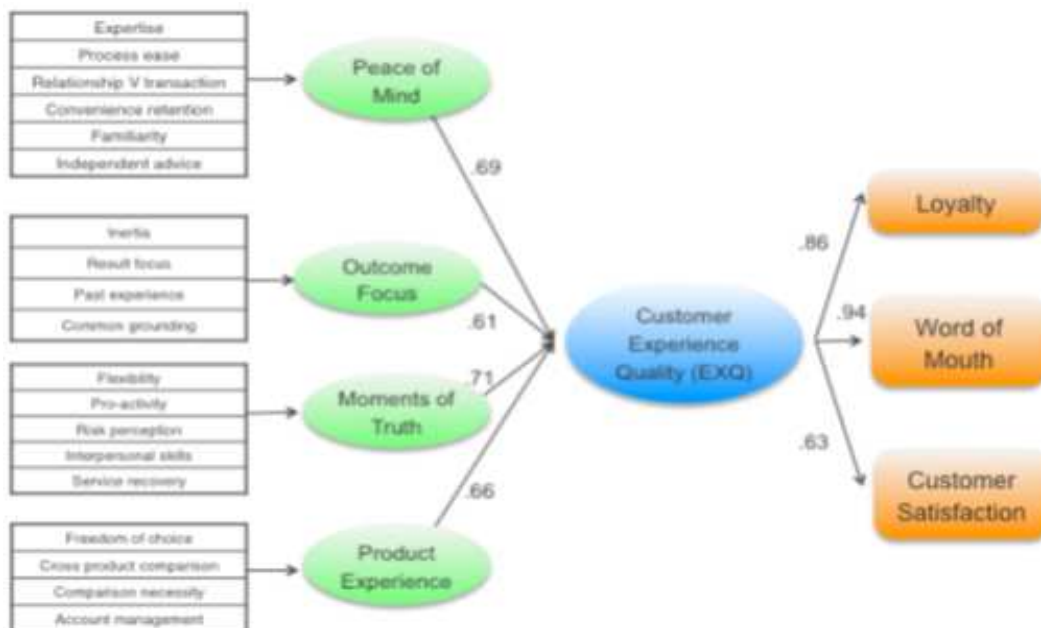
MAKLAN AND KLAUS (2011) MODEL

The authors worked with a major UK bank interested in understanding how to differentiate its household mortgage offer and developed a measure for Customer Experience Quality (EXQ) to identify the dimensions, and their attributes, that explain its most important marketing outcomes: loyalty (defined as repurchase of the mortgage), word-of-mouth recommendation (Samson 2006) and satisfaction.

It was developed in four stages:

- Scale generation - articulates the meaning and domain of service experience based on insights from the literature and a comprehensive qualitative study. It results in a preliminary scale containing 37 items that represent five dimensions.
- Initial purification - assesses the scale with a representative sample of the bank’s repeat mortgage purchasers (75 qualified responses). Using exploratory factor analysis, the scale is purified to 19 items that represent four customer experience dimensions.
- Refinement - via confirmatory factor analysis (CFA) validates the purified scale based on a representative sample (218 qualified responses), which confirms the scale’s reliability and validity.
- Validation against the most important marketing outcomes - by assessing the extent to which customer experience, and its dimensions, explain consumers’ overall satisfaction perceptions, repeat purchase and word-of-mouth.

FIGURE 2: CUSTOMER EXPERIENCE QUALITY SCALE: DIMENSIONS, ATTRIBUTES AND EXOGENEOUS VARIABLES



Source: (Maklan and Klaus, 2011)

TABLE 2: EXPLANATORY POWER OF EXPERIENCE AND SATISFACTION

	Customer Satisfaction	Loyalty	Word of mouth
Experience Quality	0.63	0.86	0.94
Customer Satisfaction	-	0.65	0.87

Source: (Maklan and Klaus, 2011)

TABLE 3: STANDARD PATH ESTIMATES

Dimension	Customer Satisfaction	Loyalty	Word of Mouth
Peace of mind	0.9	0.72	0.40
Outcome focus	0.09	0.20	0.20
Moments-of-truth	0.04	0.13	0.09
Product experience	0.10	0.09	0.04

Source: (Maklan and Klaus, 2011)

It can be concluded that the managerial focus on customer experience is validated by the findings, which link customer experience to these important marketing outcomes.

Experience is far broader and less bordered than the concept of product or service quality that it replaces; hence its measure is far more complex. However, experience is not all encompassing and it is incumbent on the researcher to uncover what attributes and dimensions are in or out, and which ones matter most. EXQ explains word-of-mouth and loyalty better than customer satisfaction. Obviously these results need to be confirmed in other contexts and longitudinally before market researchers consider replacing the universally understood metric of customer satisfaction.

NAMBISAN AND WATT (2011) MODEL

A new theoretical construct called OCE was developed. Online Community Experience (OCE) is defined as the overall experience a customer derives from his/her interactions in an online community. More specifically, this construct reflects a community member's (e.g. customer's) feelings and impressions based on his/her interactions in the online community (e.g. in the firm-hosted online product community). This study proposes to examine whether customer's experience in an online product community will be comprised of four dimensions: a pragmatic dimension, a hedonic dimension, a sociability dimension, and a usability dimension and whether these four dimensions of OCE will have an impact on customer attitudes towards the product ($A_{product}$) and the company ($A_{company}$) and also on customers' perceptions regarding the overall service quality of the company.

- **Pragmatic Dimension**

The pragmatic dimension of OCE is defined as the pragmatic or utilitarian value the customer experiences from the interactions in the online product community. This dimension is related to goal-oriented behavior (Hoffman and Novak, 1996) of the customer and reflects whether the customer found the experience in the online community useful, valuable, and/or worthwhile (Mathwick et al., 2001).

- **Hedonic Dimension**

The hedonic dimension of OCE is defined as the intrinsic value the customer derives from the interactions in the online product community which reflects the enjoyment and excitement customers derive from being in a place where their object of interest is the main focus (say, the product or brand).

- **Sociability Dimension**

The sociability dimension of OCE is defined as the social experience customers derive from the interactions in the online product community. This dimension captures customers' perceptions regarding the overall openness, friendliness and politeness of the community members.

- **Usability Dimension**

The usability dimension of OCE is defined as the customers' experience in navigating and using the online community environment. As such, this dimension captures the ease of use and clarity of the technological features of the online product community.

The following hypothesis were developed:

Hypothesis H1: Customers' perception of their Online Community Experience – (a) pragmatic, (b) hedonic, (c) sociability, and (d) usability – will be positively associated with their attitude towards the product.

Hypothesis H2: Customers' perception of their Online Community Experience – (a) pragmatic, (b) hedonic, (c) sociability, and (d) usability – will be positively associated with their attitude towards the company.

Hypothesis H3: Customers' perception of their Online Community Experience – (a) pragmatic, (b) hedonic, (c) sociability, and (d) usability – will be positively associated to their perceptions regarding the company's overall service quality.

Data for this study was collected from customers participating in the online product communities relating to the following four companies — IBM, Adobe, Intel, and Microsoft. The major criteria used to select these online communities were that, (a) the community is run by or is directly connected to the company that offers the product/service, and (b) the discussions in the online community center around topics related to the product/service. In all these four online product communities, the nature of the customer interactions was similar.

A sample of 206 responses was obtained. Due to the idiosyncrasies of the Web questionnaire survey system (which gave an erroneous "time out" message to some of the respondents), 28 incomplete responses had to be thrown out. Thus, a final set of 178 usable responses was retained for data analysis and a final 26-item scale was adopted for the study.

The results of the study were:

OCE and attitude toward product: All the four dimensions supported the hypothesis (H1)

OCE and attitude toward the company: The hypothesis (H2) is true for three of the four dimensions (Pragmatic, Hedonic and Sociability) but not for the usability dimension.

OCE and attitude toward service quality: The hypothesis (H3) is true for three of the four dimensions (Pragmatic, Hedonic and Sociability) but not for the usability dimension.

Thus the only findings that were contrary to expectations related to the impact of usability experience on customer attitudes and perceptions.

The major limitations of the study were:

- Data was collected only in online communities related to technology-based products limiting the generalizability of the study findings.
- In this context of this study, the primary role of online product communities was to serve as a vehicle for delivering product support services to customers. This might have biased the study findings to certain extent given the dominance of the pragmatic goals in such contexts.
- Some of the demographic characteristics of the study subjects (relatively young, educated, and mostly male) that are peculiar to software and other technology-based product communities indicate the need to exercise caution in generalizing the study findings to online product community contexts with other demographic features (for example, communities where women or seniors form the majority).

ROSE ET AL. (2011) MODEL

The authors have suggested a conceptual model highlighting the antecedents of online customer experience. These are:

- **Information processing**

Information processing is concerned with how individuals use their internal senses and mental processes to make sense of their world (Eysenck 1993). The twin concepts of prior knowledge and prior experience are of relevance here.

- **The twin factors of perceived ease-of-use (PEOU) and perceived usefulness (PU)**

The perception of how easy a site is to use is extensively linked to a positive online experience (Chen and Dubinsky 2003; Cheung et al. 2005; Cho and Park 2001). Usefulness is well supported in the literature (Cao et al. 2005; Geffen, 2003; Geffen et al. 2003) and is the idea that the website will fit with and support the customer's daily life (i.e. when shopping, banking, etc.).

- **Skill (SK) and perceived control (PC)**

The acquisition of skill is the customer's ability to use the Internet with proficiency (Klein and Ford 2002). Perceived control relates to consumers' feelings about the degree to which they have control over their own access, search and evaluation of the content of an organization's website.

- **Perceived benefits (BN) and Enjoyment (EN)**

Perceived benefits are linked to brand commitment, mediated through brand trust and involvement (Ha 2004) suggesting that feelings of reward and positive benefit (i.e. positive emotion) generate support for the online brand

Apart from the functional purpose of being online for the customer, enjoyment also plays a role (Koufaris et al. 2002). This concept is included in drivers of quality across a diverse range of websites. Citing Watson et al. (1998), Cao et al. (2005) propose that online customers seek gratification in escapism, entertainment and interaction. An inter-related effect of enjoyment and control is that they are found to determine the customer's likelihood of returning to a website (Koufaris et al. 2002).

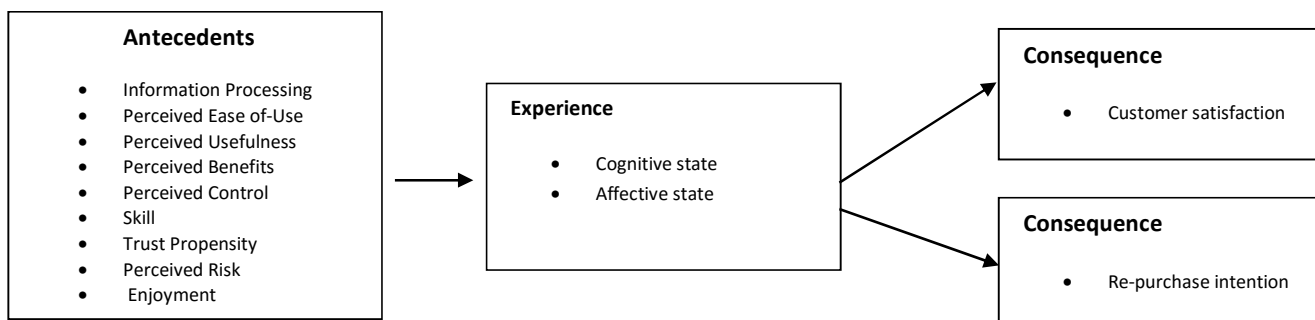
- **Risk and trust**

Trust is the most significant long-term barrier for realizing the potential of Internet marketing' (Corbitt et al. 2003, p. 203). There are differing views within the literature on the role of trust and its position as an antecedent or consequence of experience. Trust and satisfaction are outcome variables that both independently and together have a direct influence upon customer loyalty (Jin and Park, 2006). An alternative approach views trust as a contributory factor. Trust propensity which is a personality trait of the online customer affects the customer's view of the trustworthiness of both the 'Internet Merchant' as well as the 'Internet Shopping Medium. Individual trust propensity on the part of the online customer was found to have a moderating effect upon trust. Thus "trust propensity" was included in the OCE framework.

Perceived risk has been viewed in terms of two key components: 'uncertainty and the seriousness of the consequences of the purchase' (Cases 2002, p. 377). Ha (2004), citing Cox (1967a, 1967b), refers to perceived risk as the 'unresolved tension' between the customer's buying goals, the various product offerings that match these goals and possible adverse outcomes of the purchase being made or not made. The removal or reduction of concerns about risk for the customer will increase perceptions of customer value in relation to the exchange experience (Wood and Scheer, 1996).

The model identifies two consequences of OCE – Customer satisfaction (CS) and re-purchase intention (RI). The framework proposes that CS is a consequence of positive emotional and cognitive states of OCE. Re-purchase intention (RI) has been defined as 'the re-usage of the online channel to buy from a particular retailer' (Khalifa and Liu 2007). The model proposes that OCE has both a direct effect on re-purchase intention as well as an indirect effect via CS.

FIGURE 3: A CONCEPTUAL FRAMEWORK OF OCE



Source: Rose et al. (2011)

This framework is only conceptual at present and needs to be empirically tested. Further, next stage of development of the literature should move away from its well-defined understanding of website quality and behavioral focus towards a deeper level of understanding of the component states of OCE, namely the cognitive and affective states.

This calls for research into the construct of OCE and the development of measurement scales which enable the component states to be verified and measured. The relatively complex and interrelated effects of antecedent factors require further investigation. There should be congruence between technological developments and OCE literature.

CONCLUSION

Customer experience is evolving as a robust differentiator in the advent of excessive commodisation. There has been a paradigm shift from the use of product to service to relationships and now to customer experiences as sources of building sustainable competitive advantage. Customer experiences – compelling and memorable have the potential of making marketing superfluous.

Customer experience transcends all related facets of customer satisfaction, service quality, customer relationships etc. and is a much more profound phenomenon and has a lasting endurance.

Some of the difficulties highlighted in the literature such as complexity of context specific variables, non-linearity of customer experience, conditioning of experience by differences across individuals, time, emotional states etc. and identification of an optimal level of experience have to be considered. A robust measurement scale needs to be developed based upon an overall cognitive and emotional assessment of value from the customer's perspective needs to be developed which can be validated against behavioral and attitudinal measures.

Although some research has been done in this domain, there is still a lot of room for empirical research across various industries to understand the concept and applicability of this construct in the real world. There is also a lot of scope for research in the field of online customer experience and use of personalization as a technique to create compelling customer experience.

LIMITATIONS

The limitations of this study are that due to a time constraint only selected sources of literature could be reviewed for understanding the models developed for understanding customer experience. Further, no empirical work has been done as a part of this study.

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