

Antecedents and Consequences of Customer Experience Management- A Literature Review and Research Agenda

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Abstract

Customer Experience Management (CEM) is an emerging field and as companies try new ways of understanding and managing experiences this paper provides an integrative framework of customer experience antecedents and consequences which contributes both to academic research as well as has managerial implications. In this paper, the author critiques and consolidates the existing research on Customer Experience Management and develops a conceptual model of antecedents and consequences of customer experience management through an exhaustive study of literature. Six categories of antecedents namely- brand performance, multichannel interaction, service interface, physical environment, social environment and price and promotions are identified through exhaustive review of existing literature and three direct consequences namely customer satisfaction, customer loyalty and customer equity were also identified. Future directions of research are also discussed. The paper makes contributions towards new knowledge and understanding on customer experience management and can be used for managerial decision making.

Keywords: *Customer, experience, conceptual model, practitioners, antecedents, consequences.*

1. Introduction

Customer Experience Management (CEM) involves managing a customer's experience with a product or service strategically. The focus of Customer Relationship Management (CRM) is recording of transactions whereas CEM focuses on building relationships with customer by focusing on experiences which customers have in course of their interaction with the firm. CEM takes customer relationship forward. Customer emotions need to be managed effectively to gain and retain customers. Management of customer emotions is important as customer emotions drive and destroy value in an organization (Shaw, 2007) and contribute to relationship dissolution. Most importantly, most relationship dissolutions are based on intuition (Helm, 2005). In today's stiff competition merely having a satisfied customer is not enough but strong loyalty can only be achieved if firms aim for higher degree of customer satisfaction (Lilja and Wiklund, 2006). This gives relevance to a study on marketing from an experience perspective.

This review is expected to provide an insight into the latest research in the domain of CEM. The purpose of this paper is twofold. The first is to conduct an extensive literature study. The second purpose is to develop a framework to gain an understanding of the current state of the CEM field across established disciplines, in order to identify emerging areas in the domain of CEM relevant to academicians and practitioners.

According to CEM, the company and its products have relevance to customer's life such that customer interaction occur at various touch points and the idea of CEM is to integrate elements of experiences at these touch points. CEM is actually related with and leads to brand preference and sales. Customers value good experiences and CEM helps to record, integrate and analyze experiences which serve as a useful marketing tool for generating satisfaction and loyalty amongst customers. It also results in organizations looking internally as well as externally. Customers are interacting with employees of a firm and these interactions affect the perception of customers. Motivated, knowledgeable and helpful employees provide experiential value to customer and this can serve as a management tool to a firm. For most firms, focus is on customer purchasing behavior rather than customer emotions and thus they fail to utilize brand experiences as inducements (Meyer and Schwager, 2007).

Significant differentiation based on traditional value positioning of a product is no longer realistic till it is integrated with the total experience of the customer with the brand and firm. Experiential benefits relates to what it feels like to use the product or service and also usually corresponds to the product related attributes. These benefits satisfy experiential needs such as sensory pleasure, variety and cognitive simulation (Keller 1993).

1.1 Origin of Experience Paradigm

The marketing management theory has undergone a lot of changes over the years. The marketing concept aimed at achieving customer satisfaction by focusing on transactional exchange. This was followed by generating customer loyalty both by repeat purchase or referral, and by developing and maintaining rich relationship with customers. CEM is the new marketing paradigm. CEM goes beyond CRM in that, it not only records transactions but builds rich relationships with the customers and it strategically manages customer experiences across all touch points which a customer has with a company or product. Origin of customer experience management as an idea in marketing can be traced to the publication of an excerpt in *Harvard Business Review* in 1998 of the path breaking book by B. Joseph Pine II and James H. Gilmore, *The Experience Economy: Work Is Theatre and Every Business a Stage*. The authors had stressed on the importance of delivering engaging and memorable customer experiences for customer retention and referral. The idea of experience marketing was beginning to emerge when Holbrook and Hirschman, (1982) in their article "*The experiential aspects of consumption: consumer fantasies, feelings and fun*" in *Journal of Consumer Research* concluded that experiential consumption value is a consumer's perceptual and relative preference for products or services arising from the individual's interaction with a consumption setting that facilitates or blocks achievement of their goals or purposes. The idea of customer experience and the development of experience construct can be also be based on the work of Seth et al, (1999) which basically propounds the idea that customers attitude to an event is a combination of three factors:

1. Stimulus characteristics – Customers perceive a stimulus differently according to information received or sensory experience they receive. Stimuli that differ from other stimuli are more likely to be noticed (Solomon, 1999).
- 2 Context – When perceiving a given set of characteristics individuals are also affected by the context of stimuli (Biswas and Blair, 1991).
- 3 Situational variables- This is inclusive of information received through social, cultural and past experience with product or service. These shape perceptions.

Some authors like Schau et al, (2009) have focused on consumption practices and how such practices can help create value. Authors such as Dabholkar, (1993) in their studies on customer retention have emphasized the importance of relationship quality which they describe as “potent” but “nonlinear” predictor variable. In addition to these general mechanisms the customer repurchase decision may also be influenced by intra psychological, contextual and situational factors. Attitude about service quality is based implicitly on some kind of internal expectation standard.

Many studies have tried to link service quality with appraisal emotion such as Hume and Mort, (2010) study which shows that core service quality, appraisal emotion and peripheral service quality influence perceived value for time and money, with core service quality and peripheral customer service quality in turn influencing appraisal emotion. Since, quality is a dynamic construct, additional consumption experiences influence and modify the existing quality perception and cause changes in this perception (Thompson and Getty,1994). Similarly, Liljander and Mattsson, (2002) in their study demonstrated the importance of past service experiences for customer’s responses, especially their repurchase intentions. Since past service experiences or product experiences influence future purchases, marketers need to focus on improving experiences. Communicating about customer experience assumes significance.

Marketers recognize the value in communicating about a product experience through analogy. By comparing a product to a familiar but disparate experience, an analogy has the power to focus consumers on the evaluative, emotional, and multisensory information associated with the product experience. This focus on subjective product experience enables the identification of base preference (i.e., a consumer's liking for the comparison experience) as an important moderator of analogical persuasiveness (Goode et al, 2010).

Table 1 Summarization of major research implications in reviewed literature

Theme	Study
Customers access services on the basis of both technical quality (quality of service itself) and functional quality (quality of service delivery process).	Parasuraman et al (1985), Gummenson (1987) and Gronroos (1990).
Service encounters facilitate the development of social bonds.	Crosby and Stephens (1987), Berry (1995), Parasuraman et al (1998); Pine and Gilmore (1998).
Efforts to deliver experiential components to customers must be incorporated into service design deliberately.	Pine and Gilmore (1999); Carù and Cova (2003).
Not all service encounters are necessary relational, only those which are extended, emotive or intimate.	Crosby et al (1990).
Experiences are aggregate and cumulative customer perception, created during the process of learning about, acquiring and using a product or service.	Carbone and Haeckel (1994), Hirschman and Holbrook (1982); Gentile, et al (2007).
The conceptual framework for managing experiential value includes five strategic experiential modules (SEMs): <i>Sense, Feel, Think, Act and Relate</i> .	Schmitt (1999).
Firms need to create emotional connections that are revealed over time rather than merely at the moment of delivery.	Pullman and Gross (2003).
Derivation of managerial implications, such as the careful management of customer ‘touch points’, based on qualitative case studies.	Frow and Payne (2007); Addis and Holbrook (2001).
Experience quality management requires consistently delivering the right feeling through an array of clues that create the experience.	Berry and Carbone (2007); Palmer (2010).

Across a variety of hedonic experiences the authors Nelson and Meyvis, (2008) observed that breaks disrupt hedonic adaptation and as a result, intensify the subsequent experience. Online customer experience (OCE) is an emerging field. Novak et al, (2000) have explored OCE using a cognitive view of the online interaction. They define OCE as the “cognitive state experienced during navigation” and propose a number of person-centered, cognitively-based determinants of OCE (Hoffman and Novak 2009; Novak, Hoffman, and Duhachek, 2003; Novak, Hoffman, and Yung 2000). Focus on CEM has experiential benefits and has an impact on brand-image as well as brand concept management (Park et al, 1986; Alba and Hutchinson, 1987; Carbone and Haeckel, 1994; Schmitt, 1999). More and more companies provide experiences to customers in which they can absorb or immerse i.e. they can participate actively or passively (Pine and Gilmore 1998; Schmitt 1999; Prahalad and Ramaswamy, 2004). According to Prahalad and Ramaswamy, (2004) value is not added to goods, or created by services, but is embedded in the actual personalized experiences created through active participation. According to Pine and Gilmore ,(1998) creating customer experiences is inclusive of developing a theme around which experiences will be staged, building positive and consistent impression in the minds of customers thereby excluding negative impressions, making the experience tangible by providing memorabilia and creating a memorable event by engaging all five senses. This means that experiences delivered to customers are planned, managed, staged, and delivered to the customer. Along the same lines, Schmitt, (2003) has proposed a customer experience framework which includes five steps which include analyzing the customer, building experiential platform which is dynamic, multi dimensional and multi sensory, structuring the customer interface, designing brand experience and addressing all touch points through which customers interact with a company.

2. Customer Experience Management: Practitioner’s View

Brand provides functional and emotional benefits which make the product or service meaningful, while CEM is the end to end relationship of the customer with the brand (Buttle, 2009). A company has to focus on various touch points which serve as a focal point of customer interaction with the company which includes purchases, service, billing and upgrades etc. The various methods of data mining and CRM help to track customer transactions but it is ultimately the experience which a customer has, which translates into positive or negative reactions or referrals.

In a study conducted among 930 consumers in Canada and US by Strativity Group in 2010, it was found that customers are ready to pay higher prices, provide product referrals, give companies more share of wallet and establish long term relationships, if customer experience is superior (Arussy et al, 2010). According to Buttle,(2009) the elements that the CEM focus brings to light are inclusive of enhancing key value drivers to differentiate the customer experience and a system to address negative experiences. Positive experience development is possible with the recognition that customer interactions are customer experiences and business processes are designed taking cognizance of those customer touch points in service where experiences are developed. The purpose of CEM is to capture customer feedback, to identify business processes which need upgrading and to minimize negative customer experiences. Consistent positive customer experience leads to effectiveness.

The primary advantage of customer service is that service is available when the customers are looking for it. “Wow” customer service can be provided by making customer service the primary goal, creating common service language within the organization and identification of potential barriers to customer

service (Zemke and Woods, 1999). A complaining customer whose problem is solved becomes more loyal and provides more referral than a customer with no problem. Understandably CEM is not the same as customer service. Customer experience is the result of all interactions while customer service is what an organization does. Type of customer experience is a direct result of design of service operation. Some authors propound the fact that customers have direct and indirect contact with the company and this shapes customer experience. Direct contact is initiated by the customer, which involves interaction at purchase use or service while indirect contact is more often word of mouth which actually is the result of unplanned interactions with the company, brands or products (Meyer and Schwager, 2007).

In firms, the key to improving customer service is the efficient handling of “moments of truth”. Moments of truth are actually those few interactions where customers have unusual amount of emotional energy invested in the outcome. Although CEM as a theoretical concept was proposed by Richard Normann, an English consultant (a specialist in services marketing) as “moments of truth” (high impact interactions) 25 years ago (Normann, 1984), it was first applied by Jan Carlson in Scandinavian Airlines. Moments of truth define the importance of creating customer experience at a critical or significant service point (Jenkinson, 2006). It is now an important customer management strategy. While companies understand the value of experiences they should be careful not to take basic issues like product and price for granted while improving experiences.

It is important to differentiate experiences which matter to a customer from humdrum transactions which are not of much importance to customers. According to the authors Beaujean, et al, (2006) there is a link between moment of truth and share of wallet. Although use of IT, CRM systems and complex protocols help in making transactions easier and faster but emotional connection cannot be made with customers in complex frontline situations purely through advanced technology usage.

An enterprise that delivers positive experiences sets it apart in the minds of customers, encouraging them to spend more with the company and actually inspiring loyalty to the brand. Research has shown that loyalty is now driven primarily by a company's interaction with its customers and how well it delivers on their wants and needs (Debor, 2008). Customers want good service even more than low prices but managing customer service with the aim of improving interactions with customers has never been a priority for most of the companies (Temkin, 2010). It is no longer sufficient to have a good product and delivery because it is and will continue to remain important but the differentiating factor between companies will be customer experience which from the customer's point of view will be questions like “When I went through that experience, did the provider really engage with me, did they understand my needs, did they think logically about what was best for me?”, (Causon, 2011). A learning organization is better equipped to handle customer's unique needs, as in learning organization's understanding of customer experiences starts with listening to customers, which helps them to anticipate the needs of individual customers. Listening to customers is more important than only talking to customers to sell. Organizations that implement learning relationships are better able to understand and anticipate a customer's unique needs. Customers when interacting with learning organization tend to be more loyal because they are aware that the company understands their needs as it is in learning relationship (See, 2010). Companies focusing on customer experience realize the value of building customer experience through a coordinated approach of strategy, technology integration, brand management and CEO commitment.

In the digital world today, companies can easily optimize the cross touchpoint customer experience though the aid of technology solutions like site search, personalization, content management, e-

commerce platforms etc. The integrated use of technology helps personalized experiences of customers inclusive of digital experiences which customers have, such as websites, mobile sites and tablet applications. Solutions are also integrated with other touchpoints such as contact centres, branch, kiosk and stores. More and more companies are looking for CEM solutions in this era of e commerce, to drive optimized experiences and increase sales. However, practical view is the involvement of CEM solutions along with efforts to manage experiences (Walker et al, 2012). Companies have now realized the value of customer journey mapping which actually is the process of examining how customers view their relationship with an organization.

There are two ways to map customers:

- a) Internally focused touch point mapping
- b) Externally focused customer journey mapping.

Companies need to focus on “moments of truth” in assessing customer experiences. Such assessment also helps in prioritizing in Voice of Customers Programs (VoC). “To create superior customer experience requires understanding of customer viewpoint. The most important question is, “What is it really like to be your customer?”,(Peppers and Rogers, 2008) Long run success involves not just managing customer experiences in a snapshot of time but in the entire arc of being a customer. Perhaps unsurprisingly, improved integration within and across the organization results in a positive impact on customer experience (Anaman et al, 2008).

With the use of social media and mobile, the customers are expecting better service in terms of responsiveness and potential channels through which to contact the businesses they buy from. With the advent of these two media the way customers interact with each other is changing but more so, the way they interact with business is changing (Bucholtz, 2012).Traditionally customer service agents would have one to one conversations with customers but presently customers are voicing their concerns through social media like Facebook and Twitter, community blogs and customer review sites. Companies have to respond effectively to customers who are now more aware and opinionated. Carbone, (2004) has suggested the following blueprint for managing the customer experience in companies:

- a) Learn: Experience assessment, Experience audit
- b) Create: Experience design; creating the “experience motif” (a dominant idea or theme)
- c) Do: Experience implementation, Experience stewardship

Companies have to deliver promise to both current and prospective customers (Harris, 2006).A major part of CEM is the integration of organizational functions including marketing, finance, research and even human resource management. When company wide use of customer feedback is done, a customer-centric company begins to develop (Kiska, 2002).

3. Conceptual model of customer experience antecedents and consequences

3.1 Pre experience

This is the first stage in CEM process. In this stage customers prepare for consumption and also anticipate the consumption process by first imagining about the experience, searching for relevant information about the type of experience they would want and finally planning and budgeting for the experience (Arnould et al, 2004).

3.2 Antecedents of customer experience

Experiences help form attitudes. Attitudes are not stable over time. Good experiences result in favorable attitudes. However consistent positive experiences reinforce feelings for the brand. Recall of experience results in attitude towards selected elements of the overall experience and this influences attitude towards brand.

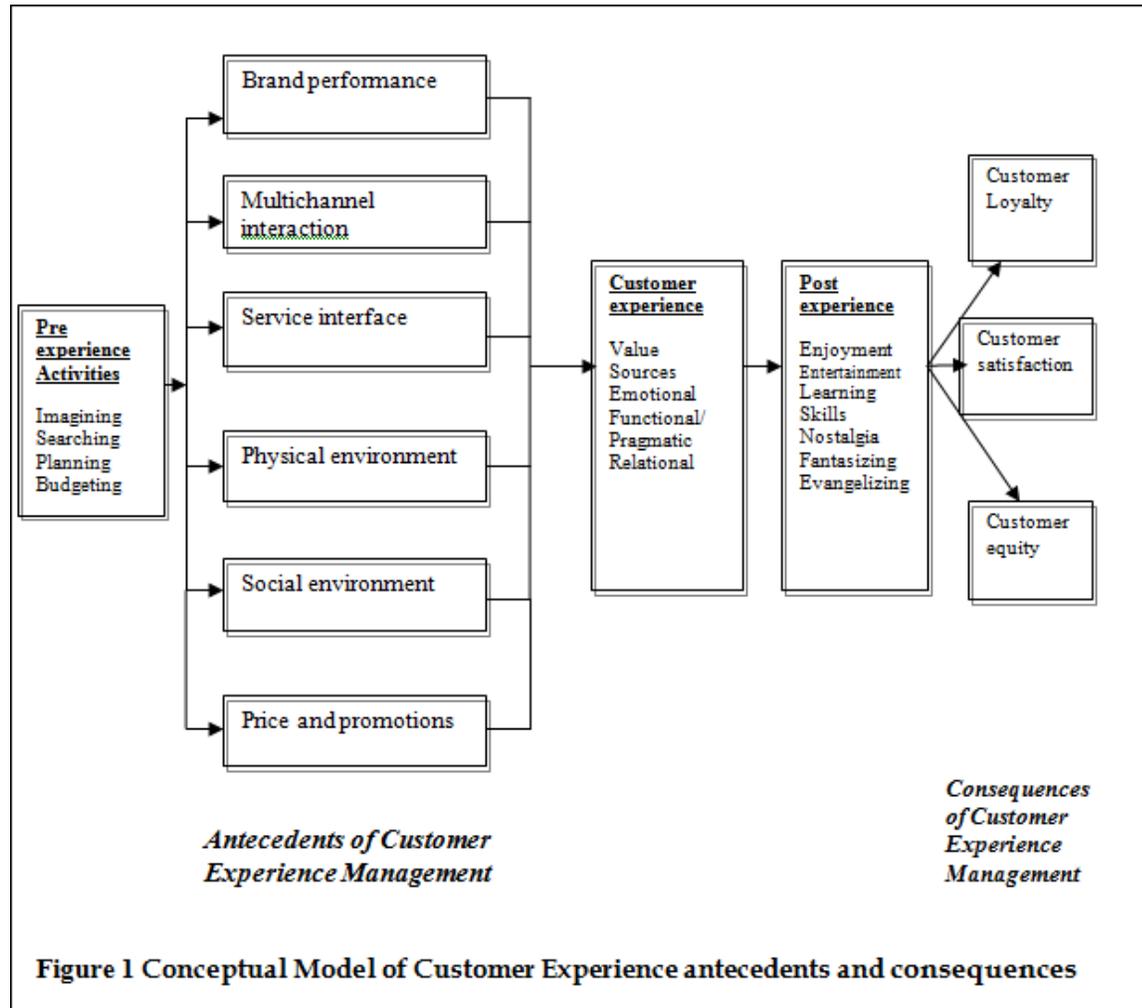


Figure 1: Conceptual Model of Customer experience antecedents and consequences

3.2.1 Brand Performance

The product is also the touchpoint likely to create the strongest emotional reaction, because it is in the product experience that brand promise is fulfilled. The product itself is the most valuable customer touchpoint, and creating a positive experience here is essential to building customer loyalty (Garrett, 2006). In literature, brand attributes and performance leading to development of customer relationship, has not been much explored. Brands help to develop attitudes which in turn influence behavior. Majority of the research has focused on quality aspect of brand performance and effect of development of attitudes. Customer perception of belief and attitudes towards a product is shaped by product performance but only few studies integrate it with emotional framework which helps in building sustaining relationships with

customers. Customer attitudes are formed by customer experiences which are sum total of product performance, packaging and display as well as point of purchase perceptions. Only very few authors like Billeter et al, (2011) have studied the link between product purchase and usage experience. Their studies were based on products that require skills to use, such as computers, cell phones, and sports equipment where consumers purchase and usage decisions often depend on their prediction of the speed with which they will master the relevant skills. Clatworthy, (2012) underlines the importance of aligning the customer experience to the company brand and suggests how this can be achieved. By the help of analytical work and experience prototyping the author tries to develop service personality and analyze service touch point. The major outcome of the work is the development of process model which connects brand congruence, project team cohesiveness and experiential result. It proposes the involvement of brand in NSD (New Service Development). Authors like Hellier et al, (2003) conclude that satisfaction is the overall level of contentment and pleasure resulting from experience with the service or product.

3.2.2 Multichannel Interaction

The goal of multichannel customer management is customer acquisition, development and retention. Multichannel customer management involves the design, deployment, co-ordination and evaluation of all the channels through which the companies and its customers interact. Authors Neslin et al, (2006) identify five major challenges which should be addressed by practitioners to increase multichannel customer management affectivity. These include the following: (a) data integration, (b) understanding consumer behavior, (c) channel evaluation, (d) allocation of resources across channels, and (e) coordination of channel strategies.

Schmitt,(2003) extends experiential marketing to include excellent customer experiences with the brand at all touchpoints including alternative channels which result in high customer equity. Integration of channels promotes better customer experiences at these touch points as companies are increasingly embracing both online and offline channels. On their work on apparel manufacturer, Venkatesan et al, (2007) conclude that the greatest influence on second-channel adoption duration is the frequency-related interaction characteristics. Integrated channels facilitate the protection of knowledge-based assets and high levels of interaction with customers (McNaughton and Bell, 2001).The role of channel integration and management for better customer response has been propounded by Li et al, (2011) whereby they propose a customer response model. This model identifies how customer demands evolve for various products, the multidimensional roles of cross-selling solicitations for education, advertising, and promotion and customer's heterogeneous preference for communication channels. Customers view a solution as a set of customer-supplier relational processes comprising (1) customer requirements definition, (2) customization and integration of goods and/or services and (3) their deployment, and (4) postdeployment customer support, all of which are aimed at meeting customer's business needs (Tuli et al, 2007). Multi channel integration requires structural changes in an organization and also changes in customer behavior. It is, from a firm's point of view a strategic issue (Hughes, 2006).

3.2.3 Service Interface

Emphasis of academic literature has almost entirely been on interpersonal dynamics of service encounters. Some authors like Meuter et al, (2000) have focused their research on customer interaction with technology based self service delivery options. Customers experience a variety of negative emotions when service failure occurs. Interestingly, customer's perception plays an important role here. The type of reaction depends on the customer's perception of why the service failure occurred. Behavioral outcomes

associated with service recovery therefore depend directly on the negative emotion and indirectly on the customer's perception of the cause (Harrison-Walker, 2012).

Customers elicit a sense of comfort from service encounters and overall comfort positively impacts both overall quality and customer satisfaction, and this ultimately leads to positive word-of-mouth (Lloyd and Luk, 2011). To provide better customer experiences companies try to incorporate such elements in the service design. The application to a multimedia service highlights how CEM can facilitate the work of multidisciplinary design teams by providing insights to service design and by shifting focus from single experience elements to their orchestration. (Teixeira et al, 2012). Academic literature has extensively focused on healthcare and improvements of customer experiences in this industry. In their studies on private surgical services Orava and Touminen, (2002), concluded that the surgical procedure itself is not the most important element, but that, it must be supplemented by quality dimensions in both output and process throughout the whole surgical service process. Some authors like Ashill et al, (2005) have studied the front line service recovery process in hospitals and conclude that managers can improve experiences in health care settings by designing for frontline service recovery excellence. Service interface has a major effect on experience which leads to brand experience recall resulting in perceptions which ultimately shape attitudes.

3.2.4 Physical Environment

Physical environment is also an important contributor to shaping the customer experience. Swanson and Davis, (2003) pointed out that when customers find contact employees more responsible for the experience, *what* is delivered is most important for evaluation of service quality. When management is thought to be responsible, *how* service is delivered becomes important. When responsibility is perceived to be shared between contact employees and management, the physical environment may play a larger role in influencing consumer's satisfaction with the service experience. Customer experience is profoundly affected by physical evidence particularly the servicescape. This is inclusive of experiences which are spectacular (e.g. travel adventure), routine (e.g. bus ride) or meaningful (e.g. weddings). In all the cases, the customers would find experiences satisfying, meaningful and emotionally connecting if the physical evidence delivered by the company positively influences experience flow (Zeithaml et al, 2006).

3.2.5 Social Environment

Social environment is inclusive of interaction with other customers in retail setting and is also inclusive of interaction with other customers in online applications, platforms and media which aim to facilitate sharing of content. Social media network is important because there is interaction between consumer and community and these result in immediate and interactive communication (Miller *et al*, 2009). Ideally, companies expect a customer to interact with them regarding product or service concern however, in reality customers usually rely on peer to peer interaction as a source for company information. This is also the most trusted source. Since peer to peer interactions are one of the major influencers, companies should try to cultivate peer to peer communities. This helps to get feedback and lets satisfied customers share positive feedback. Also, negative feedback helps companies address issues which might otherwise go unaddressed (Mandell, 2012).

Moore and Capella, (2005) in their research on customer to customer interaction (CCI) in high personal contact setting in different salons concluded that the salon atmospherics had an important role in the formation of CCI which in turn influenced satisfaction, loyalty and positive word-of-mouth. Academic

literature could explore even more relationship between customer to customer interaction and experience formation.

3.2.6 Price and Promotions

Although reduced prices are incentives for purchase, there is a direct relation between customer experience and pricing effects. When companies focus only on reducing costs to support lower prices and show little or no sensitivity to experiences which customers have, they may actually be decreasing the value of their offerings (Berry et al, 2002). The importance of sensory experience cannot be underestimated. If customer is burdened with factors like long waiting lines, disorganized store, then this can outweigh customer's consideration for price.

3.3 Customer Experience

In academic literature, classification of experiences have been done in different ways. It is classified into sensory, emotional, rational, pragmatic and relational (Gentile et al., 2007). The goods, services, or anything else customers can see, smell, taste, hear, or perceive while interacting with service systems constitute clues (Berry and Carbone, 2007), which directly affects the experience the customer perceives or forms. Customers experience a range of clues which help them generate a set of impressions. The impressions that customers have, may be extremely obvious or subliminal. They may occur or may be designed. Clues help form impressions which become experiences. Experiences are reinforced by positive or negative clues. Clues may be performance based or context based. Performance clues are based on functions of product or service. Context clues are more related to atmospherics which involves sight, sound, touch, taste and smell. Positive customer experiences can be derived by systematically engineering the clues. Clues also help to differentiate experiences. If clues are not managed properly they also provide negative perception.

Novak et al, (2000) suggests an intuitive and logical way to analyze customer experiences by scrutinizing a customer's flow through e-brokerage systems with the first layer pertaining to the physical and relational components in a service system (e.g., clues). After perceiving performance on the basis of the service system, a customer develops a cognitive state of the flow experience, which denotes the next layer of customer experiences and determines satisfaction with the service. Berry et al,(2002) have identified three categories of clues in service experience namely- functional clues, mechanic clues and human clues. According to them functional clues correspond to technical quality of service while mechanic clues relate to design and ambient factors like layout equipment, color and lighting. Human clues include service employee behavior. Some authors like Pine and Gilmore, (1999) classified customer experience into four parts i.e. entertainment, educational, escapist and esthetic. On the other hand Gentile et al, (2007) have classified customer experience into six categories: sensorial, emotional, cognitive, pragmatic, lifestyle and relational. This is the most comprehensive classification of customer experiences. Customers seek out functional value leading to rational economic consumer choices driven by utilitarian meaning (Arnould et al, 2004).

3.4 Post Experience

After the purchase is made product consumption happens. It could happen that consumption is made in more than one occasion. Every consumption occasion is another moment of truth. Hence there could be one or multiple moments of truth. The second moment of truth involves use, handling and actual consumption post purchase. Since, at this stage it involves separation of purchase and consumption, the benefits that influence customer satisfaction may be different in the first and second moments of truth.

When a customer has a positive experience it creates enjoyment. In the process customers learn and develop new skills. Customer may also experience nostalgia and display behavior of nostalgic reminiscing when reliving it (Schindler and Holbrook, 2003). Not only this, customers also engage in fantasizing about how the experience was or could have been in other context or to other customers.

Service firms are now making extensive use of post experience survey questionnaires to elicit the feedback of customers on quality, satisfaction and repurchase behavior to improve experiences. In satisfaction research, consumption emotions are generally assessed at the retrospective, global level, once the service transaction is over. Typically, at the end of a service transaction, the same survey will assess the overall intensity of various emotions, in conjunction with measures of perceived performance and satisfaction (Dube and Menon, 2000). Dholakia et al, (2010) in their research found that such surveys have the potential to evoke question-behavior effects (QBE) on participating customers and suggest that its impact on firm revenues is positive.

3.5 The CEM Consequences

3.5.1 Customer Satisfaction: The Immediate Result

An important antecedent of loyalty is customer satisfaction. Several authors have reported the impact of customer satisfaction on repurchase behaviour (Sambandam and Lord, 1995; LaBarbera and Mazursky, 1983), repurchase intent (Anderson and Sullivan, 1993; Cronin et al., 2000). Customer satisfaction resulting in loyalty has been covered extensively in literature. But is not the only variable which results in loyalty. Image and loyalty studies have received less attention. Studies that integrate image, loyalty and customer satisfaction are even rare. Experience plays an important role because image changes with positive or negative customer experience. However customer experience with product or service results in customer satisfaction which results in loyalty.

3.5.2 Customer Loyalty: The Important Upshot

Wong and Sohal, (2003) in their research on a large chain department store concluded that service quality is positively associated with customer loyalty, and that the relationship between the two is stronger at the company level, rather than at the interpersonal level. It was also noted that at the company level the main predictor of customer loyalty was tangibles while at the interpersonal level it was empathy. Interpersonal relationship quality enhanced customer satisfaction with the service firm but was also directly linked to loyalty to the firm and positive word-of-mouth about the firm (Macintosh, 2007). Firms engage in customer satisfaction surveys with the end goal of measuring customer satisfaction. There is the belief that high satisfaction would result in high loyalty and repeat purchase. Authors Bennet and Thiele, (2004) argue that high level of satisfaction does not always result in high level of loyalty. Customers become loyal because of experiences they have, as a result of quality control processes and relationship management initiatives (Garret, 2006). CEM strategy helps to deliver increased loyalty, increased growth and financially optimal performance.

3.5.3 Customer Equity

For firms, customer relationships could be a source of major intangible assets. There is a need to address the issues in managing and harnessing such relationships based equity, for superior competitive advantage and financial performance (Bejou and Iyer, 2006). Rust et al, (2000) have defined customer equity as a subtotal of "the discounted lifetime values of all customers". According to the authors, the customer equity is made up of three drivers: value equity (the customer's objective assessment of the brand's utility, based on perceptions of what is given up, for what is received), brand equity (the customer's subjective

and intangible assessment of the brand, above and beyond its objectively perceived value), and retention equity (the customer's tendency to stick with the brand, above and beyond his or her objective and subjective assessments of the brand). Authors Biedenbach and Marell, (2010) in their studies concluded that customer experience has a positive effect on all dimensions of brand equity such as brand awareness, brand associations, perceived quality and brand loyalty. The study advances the findings from previous research indicating that customer experience affects brand attitudes. The concepts of customer equity and brand equity are highly related. The two concepts can have an interactive effect such that marketing actions to improve customer equity can also improve brand equity and vice versa (Keiningham et al. 2005). Schmitt, (2003) propounded the theory that customer equity is CEM outcome through the three dimensions of customer acquisition, customer retention and add-on selling.

4. Conclusion

The concept of customer experience is not new. Historically this has been used, analyzed and implemented by many enterprises. But today with the advent of new technologies, integration of channels, development of customer communities, the study, analysis and orchestration of customer experience has not only become important but also necessary.

The paper makes some important contributions to literature. Firstly it shows the evolution of the concept of customer experience in academic literature and the importance of moments of truth. Secondly it has highlighted the antecedents which shape customer experience through extensive review of existing literature. These are inclusive of brand experience, multichannel interactions, service interface, physical environment, social environment and price and promotions. Lastly the major consequences are also defined, namely customer satisfaction, customer loyalty and customer equity. This framework could be used by managers and practitioners to conceptualize and measure experiences. This framework could also be used by academicians for empirical review.

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