

Warwick Summer School

Dr Simon Jones

Customer Experience



“Managers do not control the quality of the product when the product is a service
The quality of the service is in a precarious state –
it is in the hands of the service workers who ‘produce’ and deliver it.”

-Karl Albrecht (Founder of Aldi)



Service Culture



The service culture focuses on serving and satisfying the customer



Empowers employees to solve customer problems





Service encounter

- *A period of time during which a consumer directly interacts with a service*
- (Shostack, 1985)
- Personal exchanges between customer and service employees/other customers (face-to-face)
- OR
- impersonal interactions with technology, equipment, and physical surroundings

SERVICE FAILURE

- High failure rate associated with inseparability and “live” service production
- “Halo” and “Domino” effects of a failure
- Organisation must have a way of knowing when a failure has occurred
- Must seek to restore a sense of equity following failure



Critical incidents

Specific interactions between customers and service providers that are particularly memorable

whether for positive or negative reasons

(Bitner et al., 1990)

Will affect future behaviour:

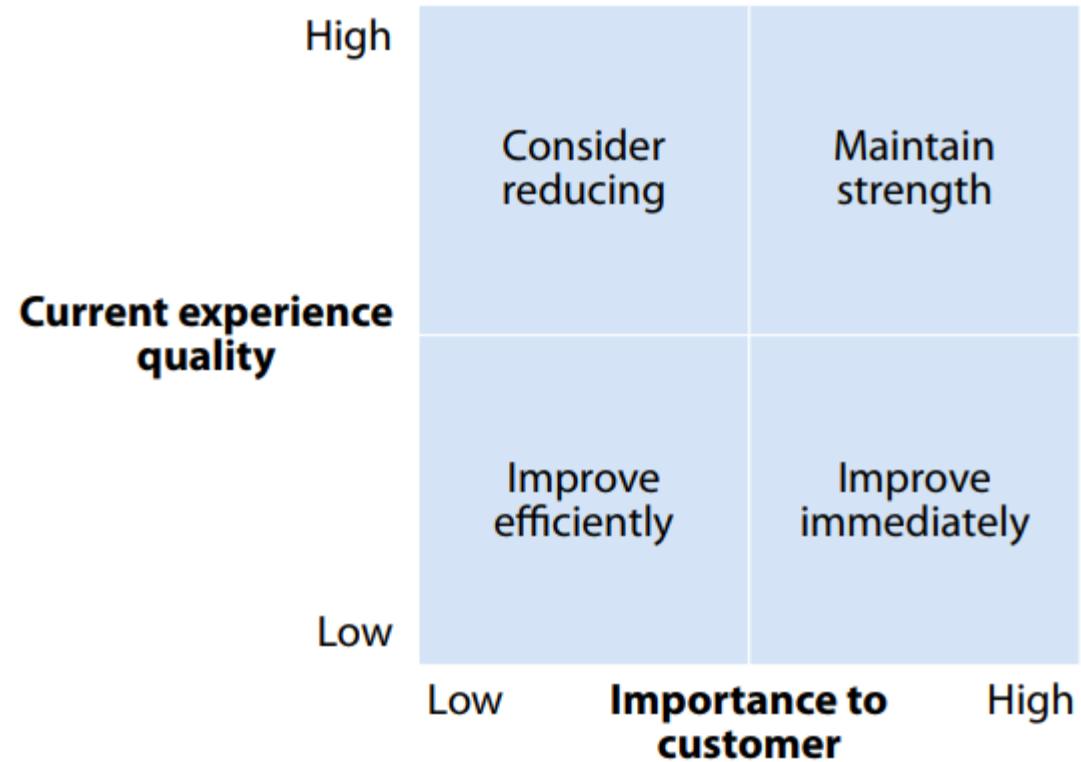
Re-purchase intention and WOM



Three Types of Customer Needs

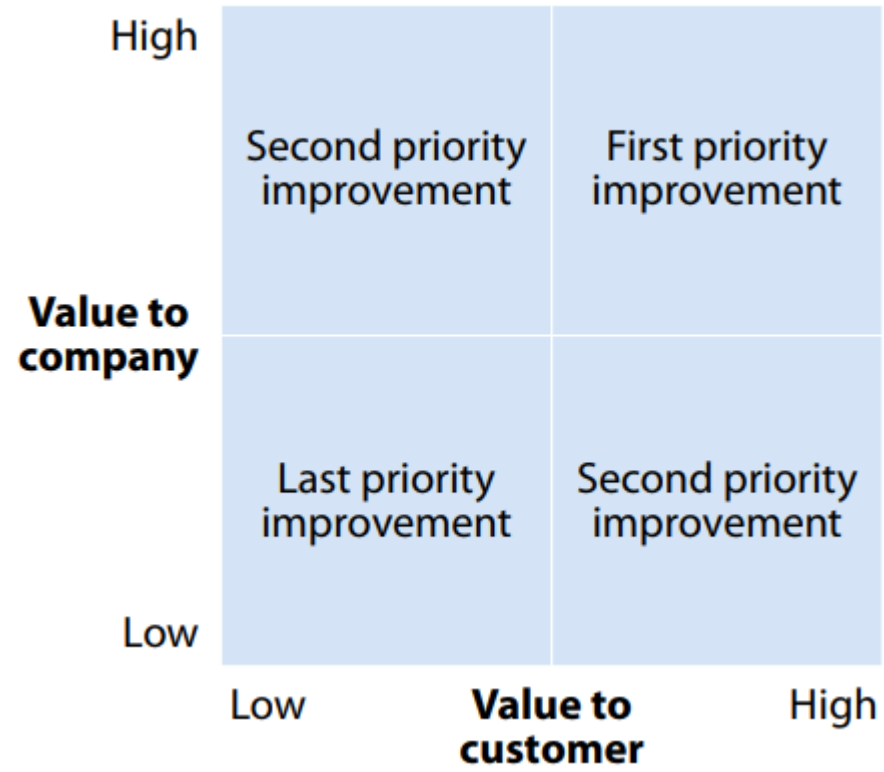
	Description	Empirical test	Example
Must- be attributes	Customer assumes that the attributes are in place. If they are not the customer is unhappy	Satisfaction does increase if the attributes are in place and decreases when they are not	
One-dimensional attributes	Customers desire the attributes, but they don't expect the attributes to be fully in place	Satisfaction does increase if the attributes are in place and decreases when they are not	
Attractive Attributes	Customers do not expect the attributes in place but are happy when they are in place	Satisfaction does increase if the attributes are in place and does not decrease when they are not	

Broken Moments of Truth



Temkin (2010)

Customer Experience Improvements



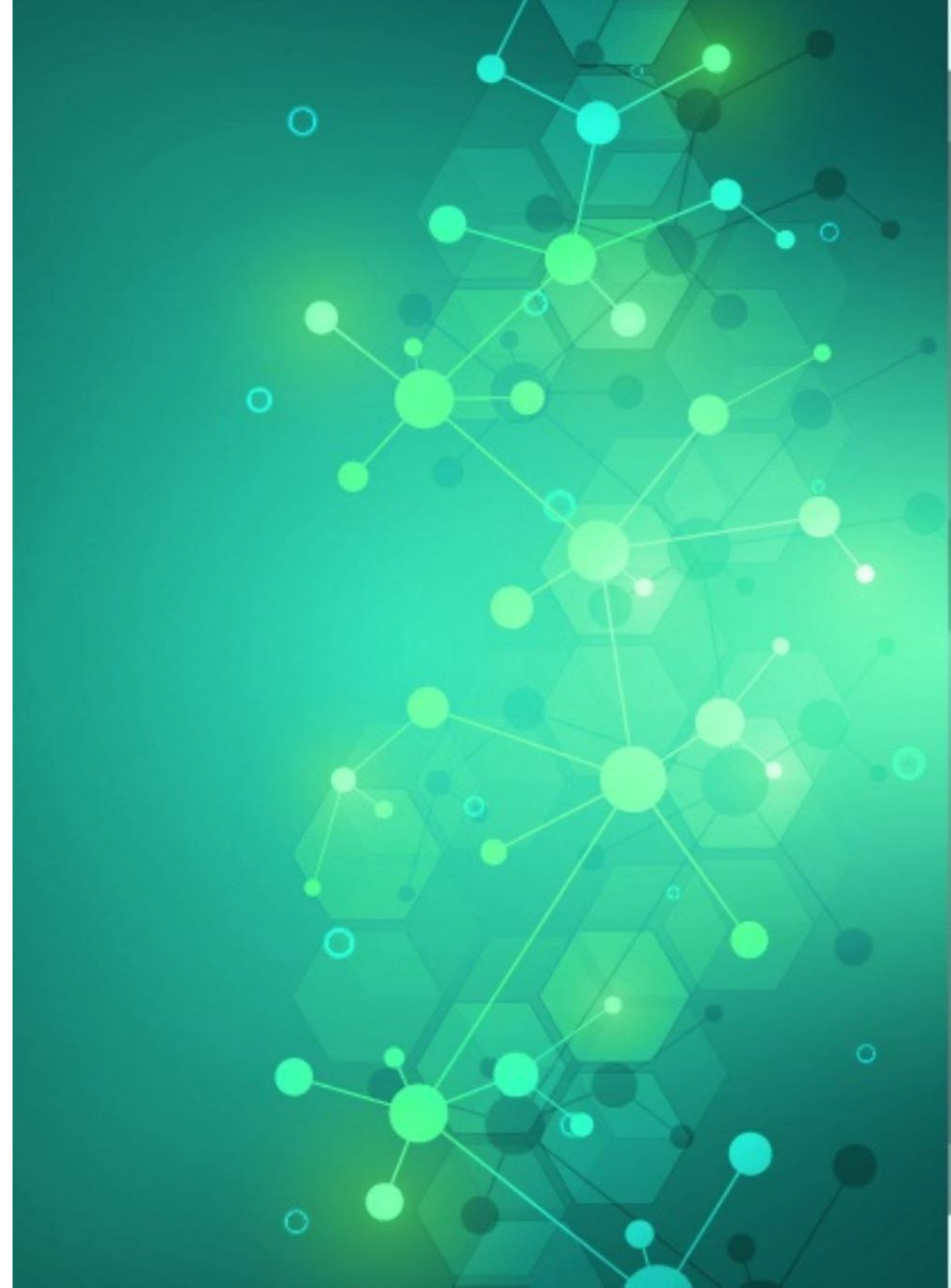
The Psychology of Managing Queues

A manager must pay attention not only to how long a customer waits in a queue before service begins but also to **how the customer feels while waiting.**

Based on “The Psychology of Waiting Lines”, by David H. Maister, Harvard Business School Teaching Note 9-684-064.

Psychology of Waiting

- **Occupied Time** Feels Shorter Than **Unoccupied Time**.
- People Want to **Get Started**.
- **Anxiety** Makes Waits Seem Longer.
- **Uncertain Waits** Are Longer than Known, Finite Waits
- **Unexplained Waits** Are Longer than Explained Waits
- **Unfair Waits** Are Longer than Equitable Waits
- The More **Valuable** the Service, the Longer the Customer Will Wait
- **Solo Waits** Feel Longer than Group Waits



SERVICESCAPE

- Comprises the environment as perceived by customers, including the physical surroundings, ambience and processes
- Distinguish “high load” and “low load” environments
- What attracts you to a restaurant/ pub/ club/ arena etc., and keeps your interest?



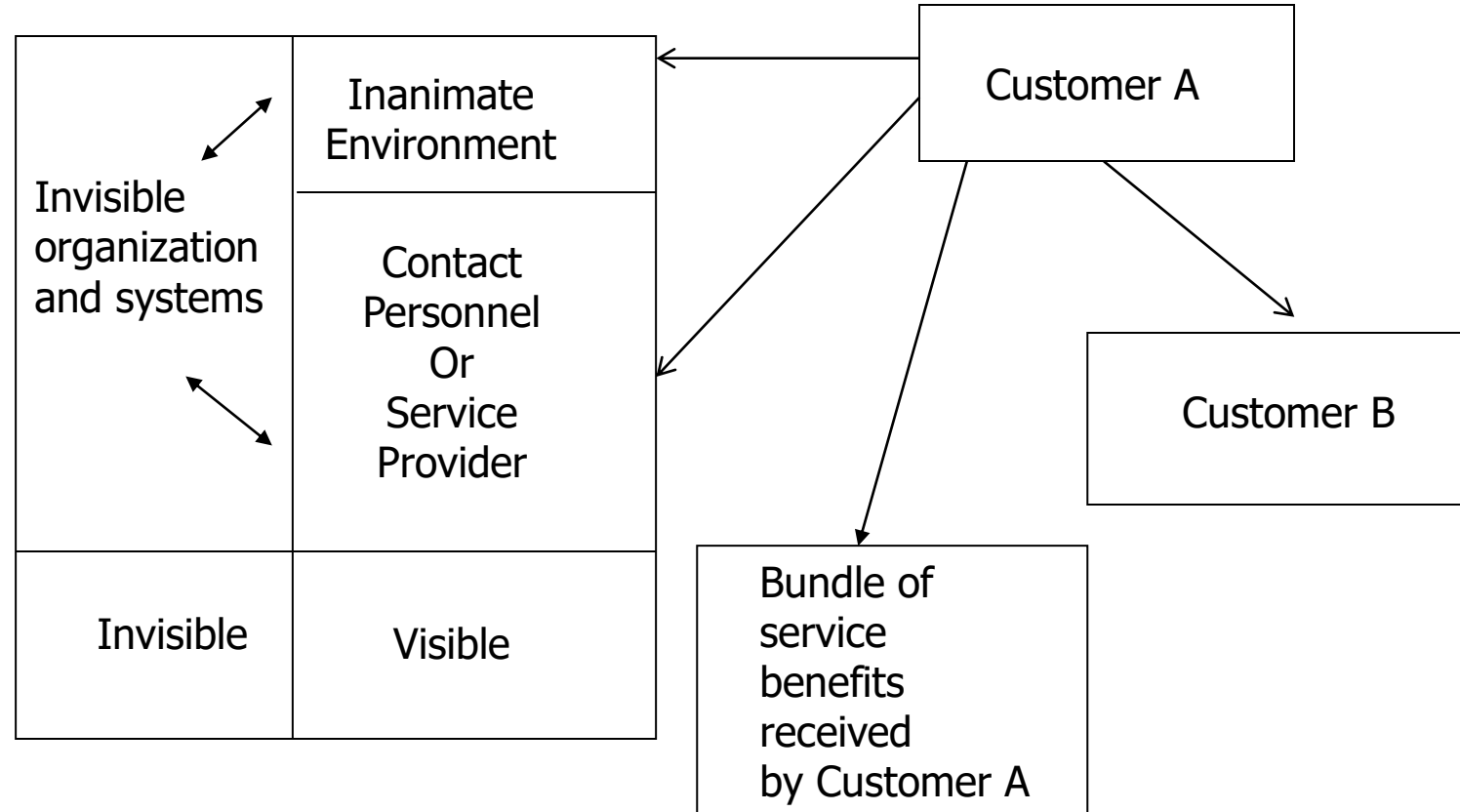


SERVICESCAPE

- "The environment in which the service is assembled and in which seller and customer interact, combined with tangible commodities that facilitate performance or communication of the service" (*Booms and Bitner*)



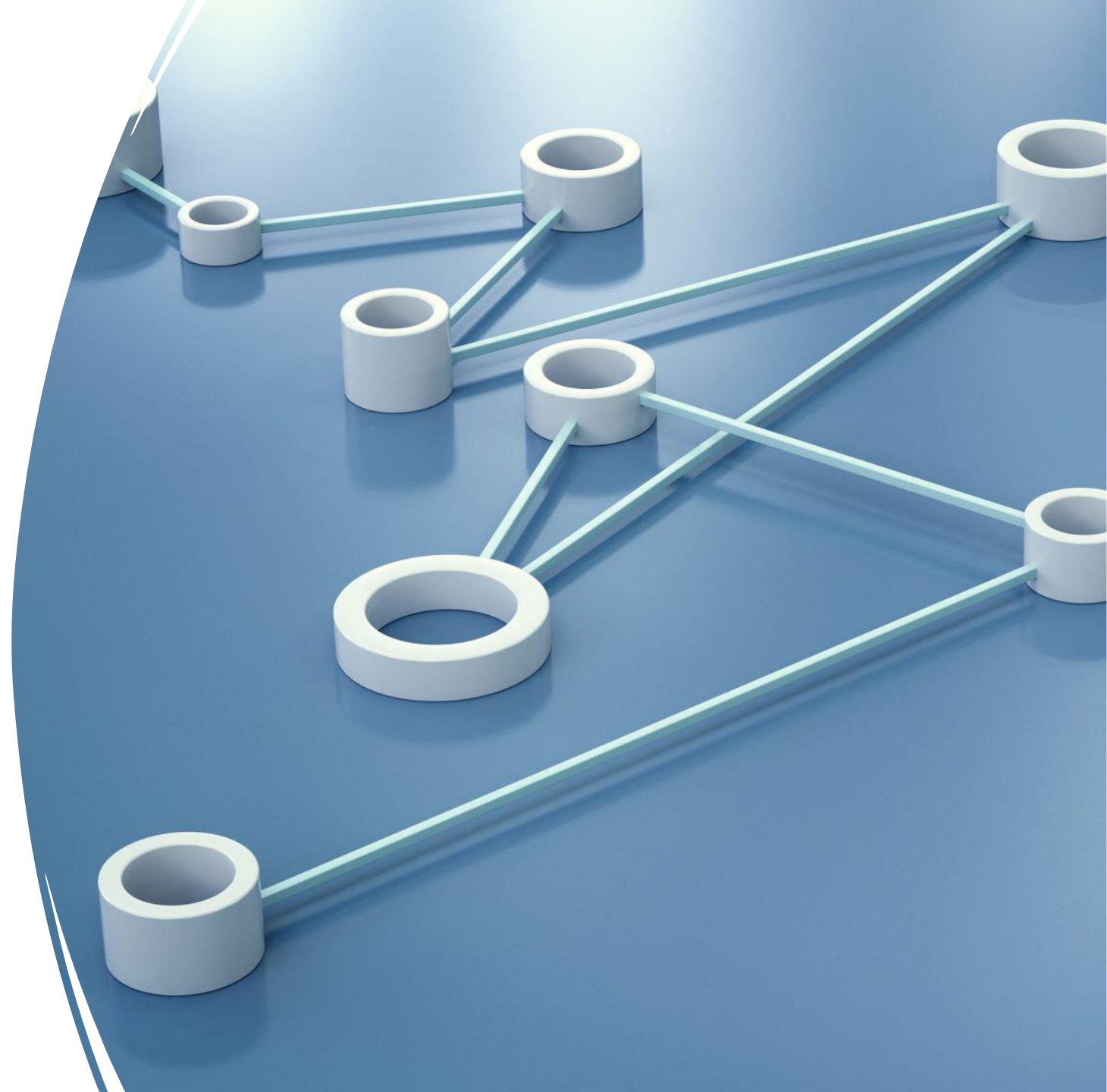
The Servuction Model



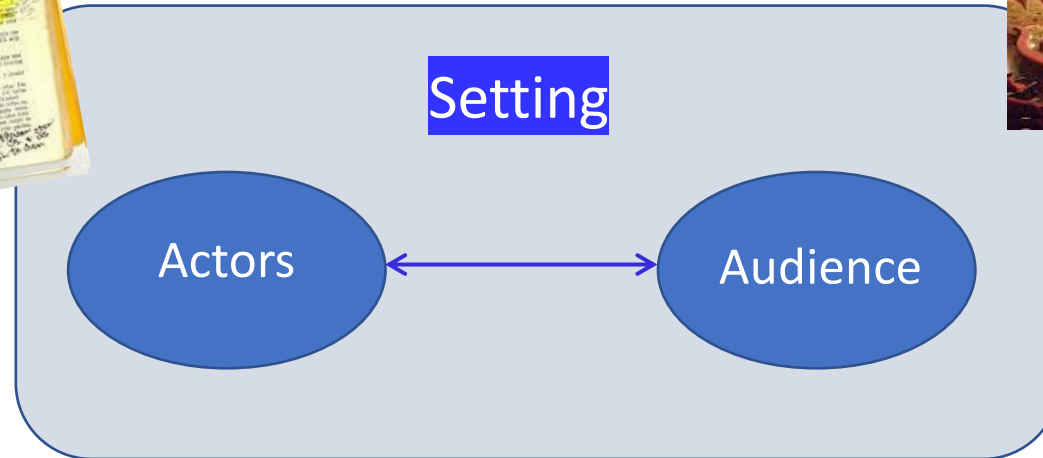
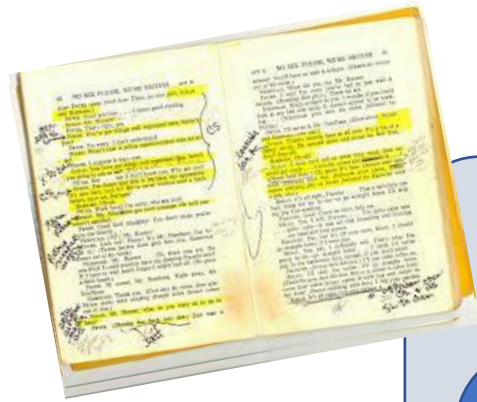
Adapted from: (Warnaby and Davies, 1997)

Servuction system

- Factory metaphor to describe the service process: emphasises process, system, structure, inputs, speed and efficiency.
- Recognises that several factors contribute to the bundle of benefits received by customer.
- Customers regarded as co-producers with a role to play in the production of the service. A *resource* that can increase the *speed and efficiency of production*.
- Model shows visible and invisible elements in the *service production system*, and how they interact and affect the customer experience

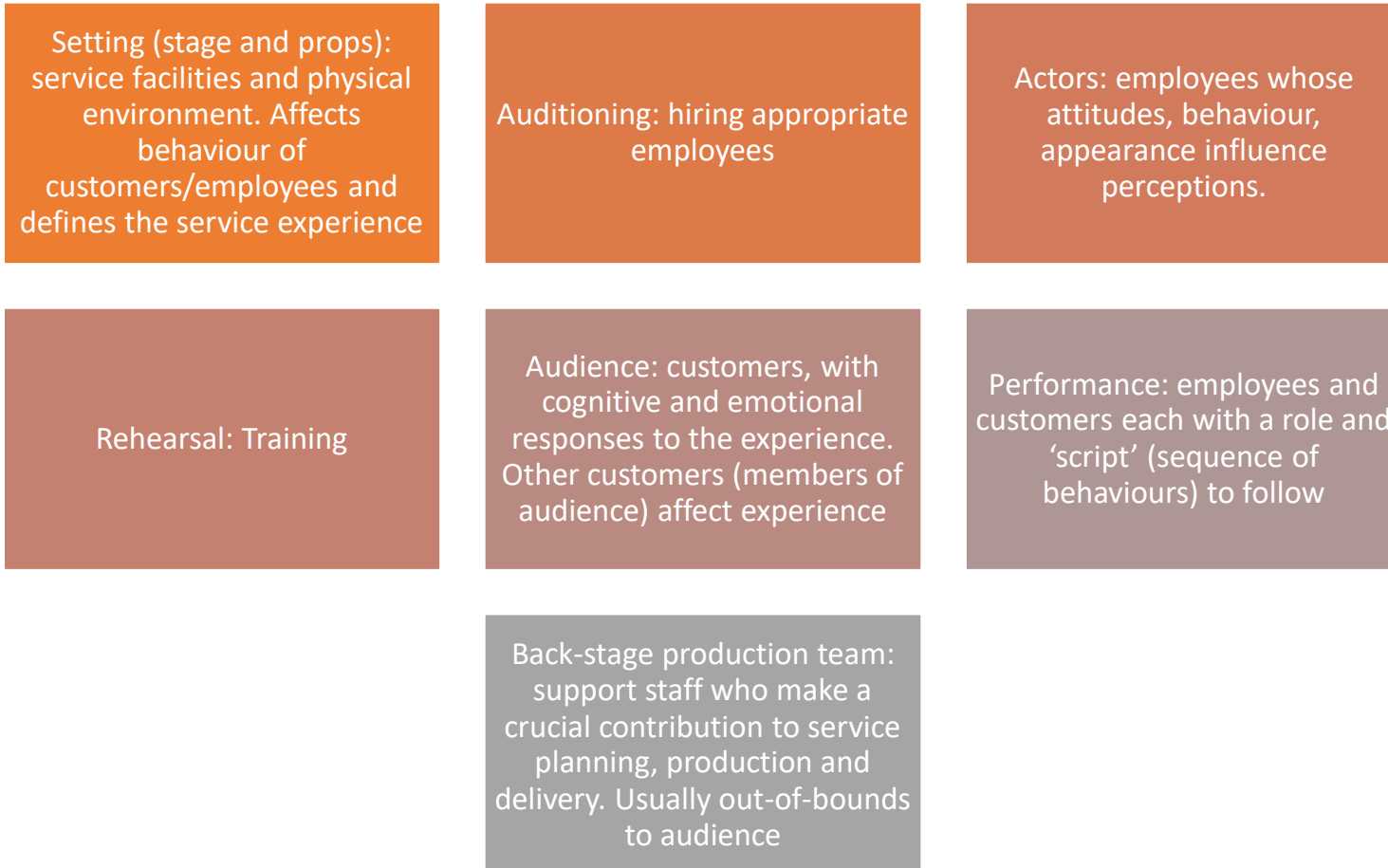


Theatre model



(Grove and Fisk, 1992)

Theatre model



Service as theatre



Peter Cross, CX director at John Lewis, commented: “Retailers have talked about 'retail theatre' but as shopping habits change this has never been more important. We're investing in this training with one of the world's leading theatre companies because actors are outstanding communicators and that's an important element in offering outstanding personal service”.

(Sillitoe, 2018)



Managing encounters: People

- Employees trained and empowered to meet expectations, respond to special requests, and resolve service failure
- Customers 'educated' to perform role. However, customers more willing to co-produce hedonic services than utilitarian, unless offered an incentive (Myles Landers et al., 2023)
- Customer compatibility management, including C2C interaction in virtual world (Martin, 2016)

-

Managing encounters: Technology

- Migrate customers from face-to-face to computer-mediated encounters or technology-based self service (TBSS)
- Customer's own 'labour' replaces that of service provider
- **BUT**
- **has implications for service quality**
- **and value perceptions**
-



The First ATM



While taking a soak, inventor **John Shepherd-Barron** devised what is hailed as the world's first automatic teller machine, although his claim to the title is a matter of dispute. He pitched the device to the British bank Barclays. It accepted immediately, and the first model was built and installed in London in 1967.

Managing encounters: Technology

Sources of satisfaction

- Perceived time/money saving
- Ability to solve a problem immediately
- More control over process (customization)
- Greater reliability than human interaction

Sources of dissatisfaction

- Technology failure
- Process failure
- Customer-driven failure
- Insufficient value from customer resource application

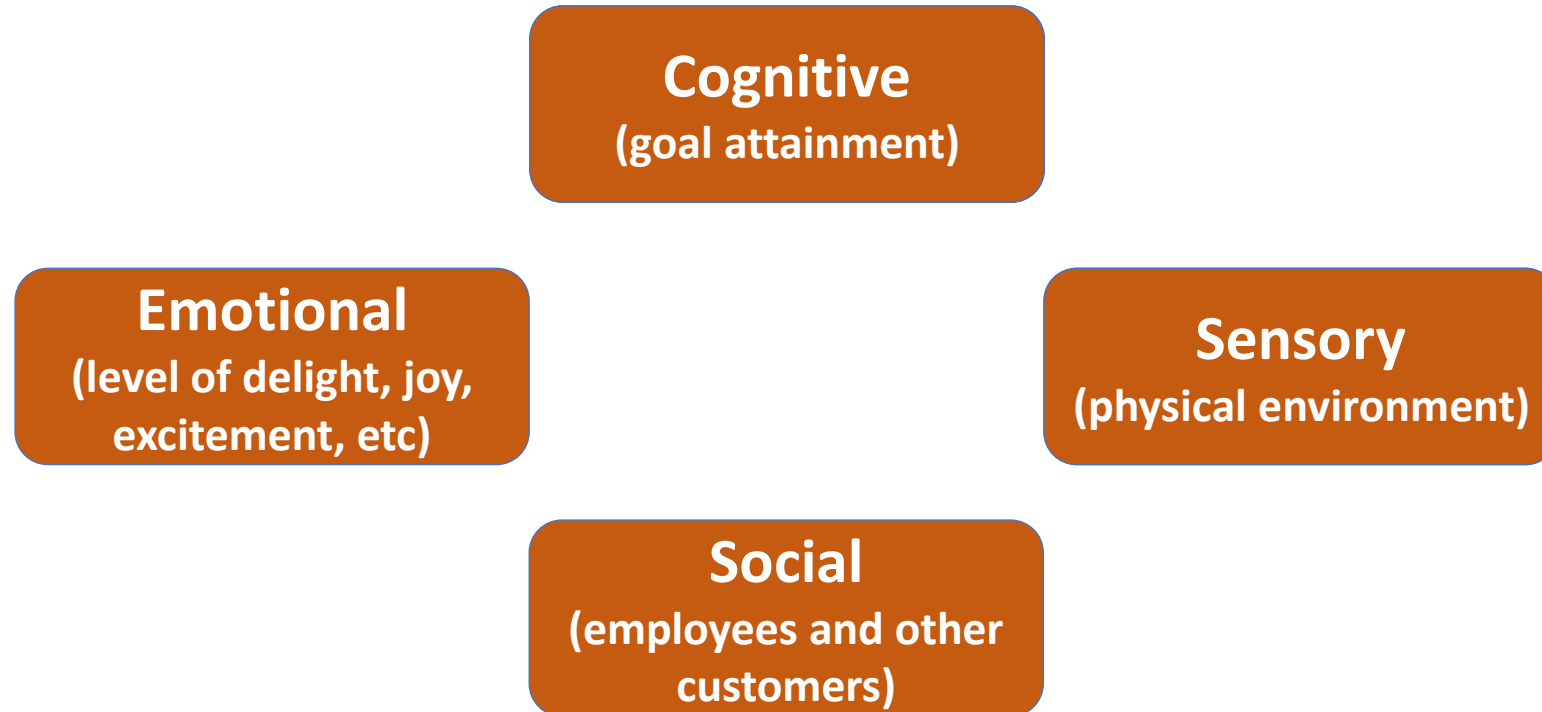
Customer Experience (CX)

A customer's 'journey' with a firm over time during the purchase cycle and across multiple touch points

(Lemon and Verhoef, 2016)

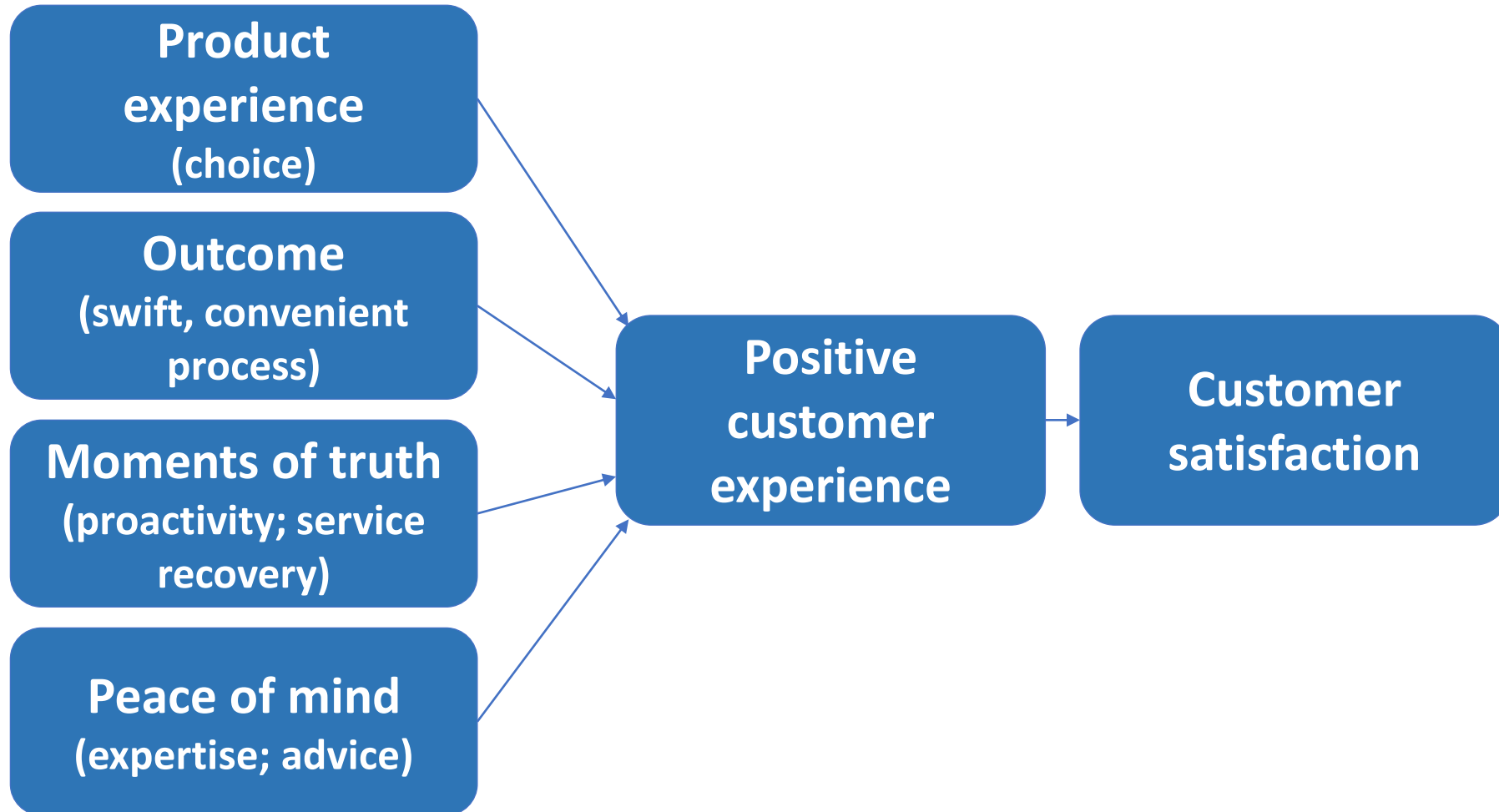
- Extends across pre-purchase, purchase, and post-purchase
- Multi-channel
- A separate (but related) concept from service quality:
 - An overall perception rather than a gap versus expectations
 - Begins before, and continues after, service encounter

CX elements



(Keiningham et al., 2017)

Measuring CX



(Klaus and Maklan, 2013)

Service process

-
- The service process describes the method and sequence of links of the service system
 - Process will be designed around contact personnel, back-stage personnel, customers, and technology
 - Tug of war between marketing effectiveness and operational efficiencies
 - Service process has key influence on customer evaluations of service quality





Difficult to achieve perfection

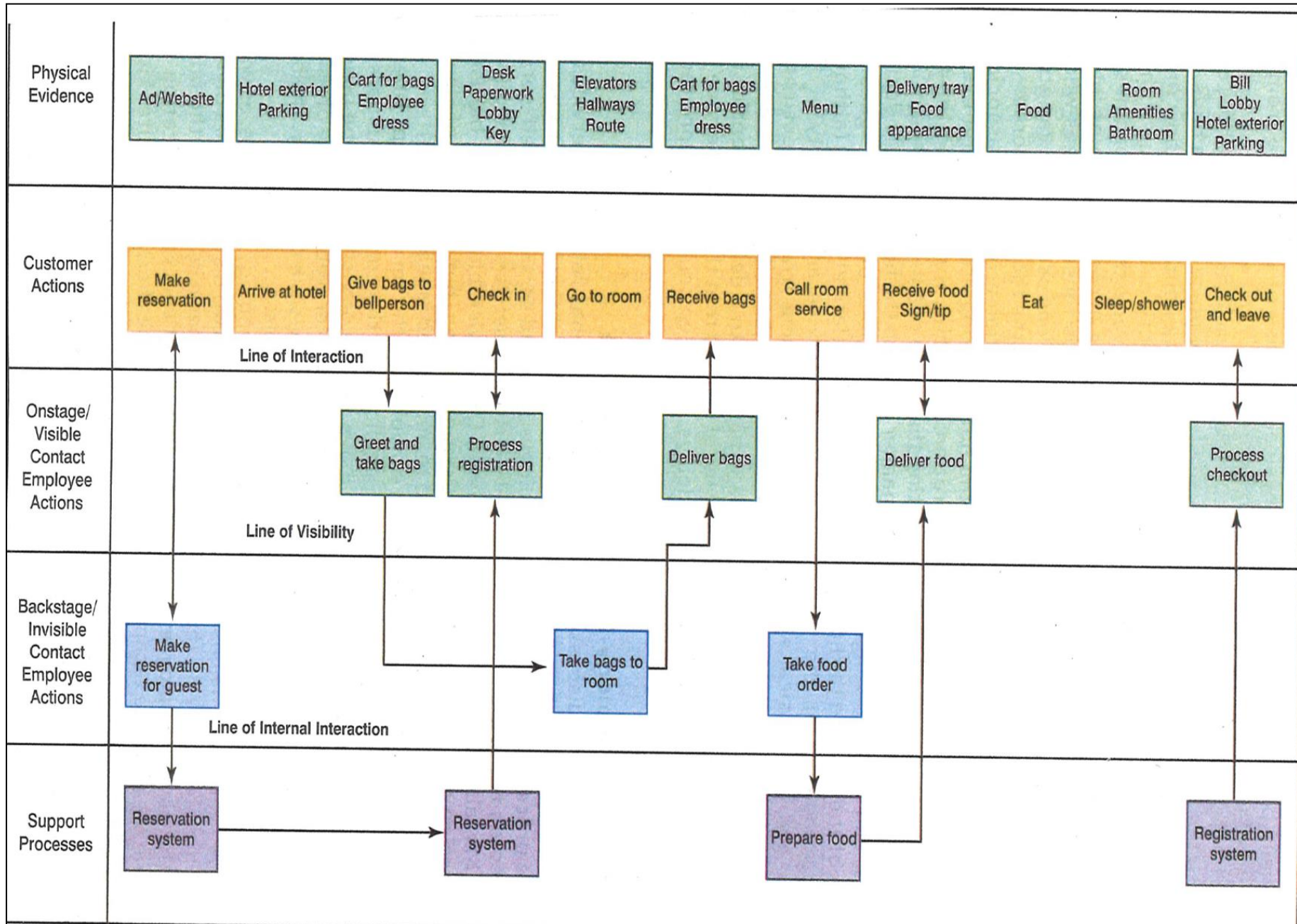
- Customization and lack of standardization
- Variability of the demand cycle
- Variability of service demand
- Customer and contact personnel mood
- Involvement of customer in service process

-



BLUEPRINTING

- A visual representation of a service process showing:
 - Principle functions / stages in the process
 - Timing and sequencing of sub-processes
 - Participants involved (staff and customers)
 - “Line of visibility” (back office / front of house)
 - Tolerance levels
 - Feedback loops
- Very much an operations-led approach





A multi-purpose tool

- Marketing
 - Obtain customer feedback at concept and service development stage
 - Identify competitive advantage
 - Analyse appropriateness of physical evidence at each touchpoint
- Human Resources
 - Analyse staff roles and identify recruitment/training requirements
 - Show employees how their roles fit within service delivery process
- Operations
 - Identify potential operational fail points and improvements
 - Analyse the effectiveness and efficiency of the process

What is it?

*A customer's cognitive, emotional,
and physical responses
to direct or indirect contact with a
service provider or brand,
across multiple touchpoints*



CUSTOMER EXPERIENCE

- The combined effects of
 - Brand
 - Relationships
 - Service design / quality
- Detail, detail, detail.....
- What do you remember most about your last visit to a restaurant / bar / pop concert etc.?

1. Why it matters



- Did it work?



- Was it easy?



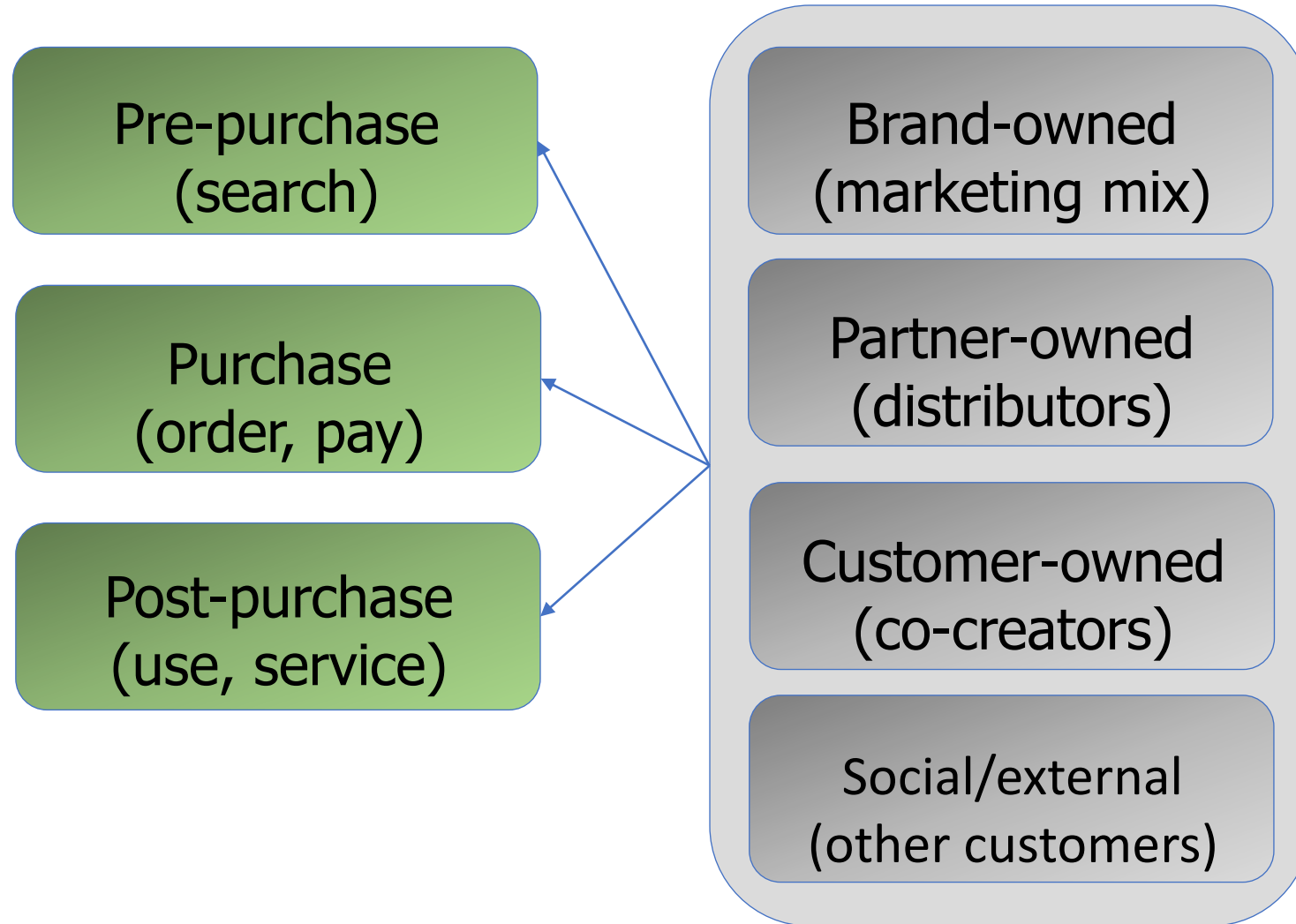
or 1-Click Checkout

- Was it enjoyable?

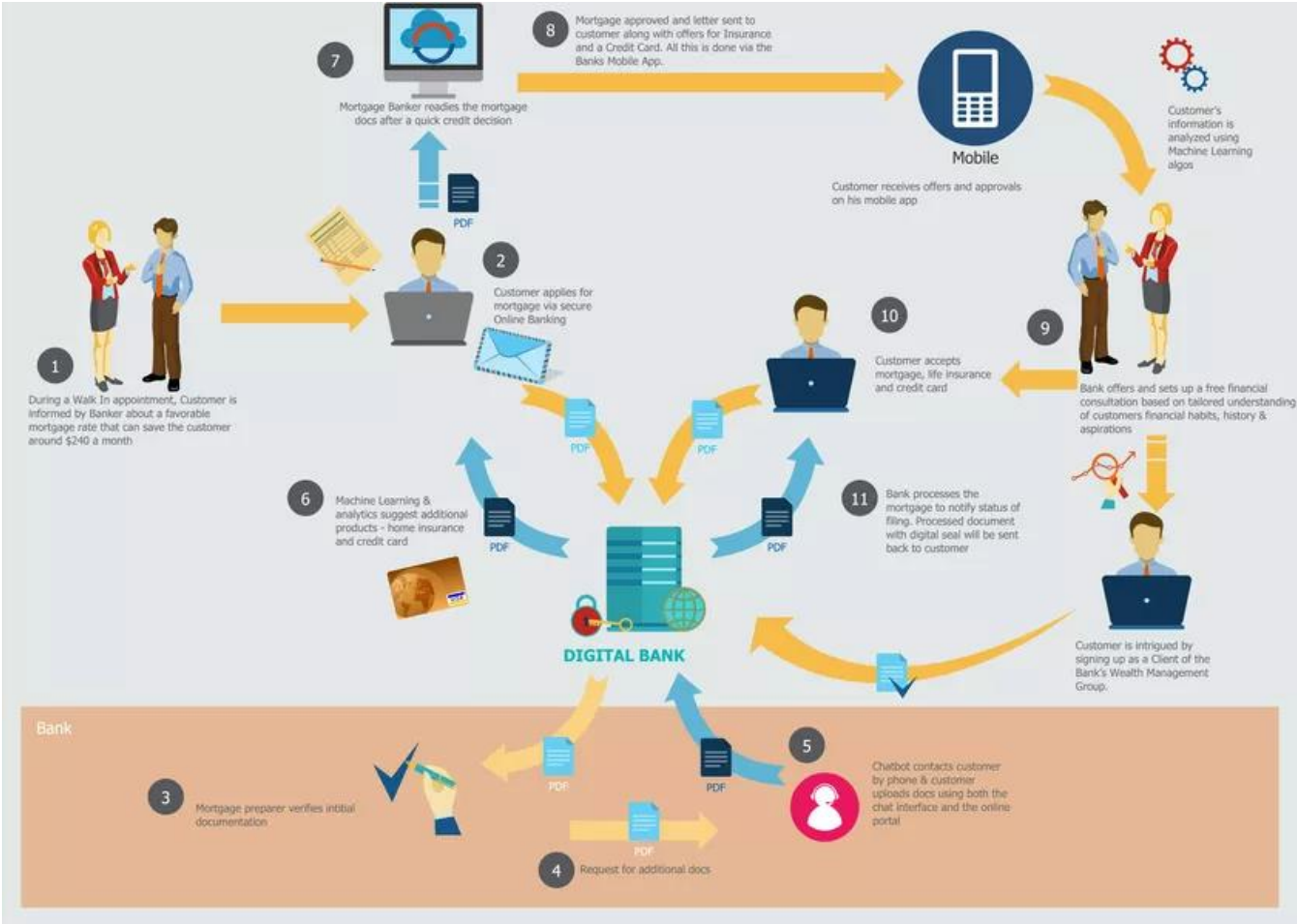


1. Customer journey

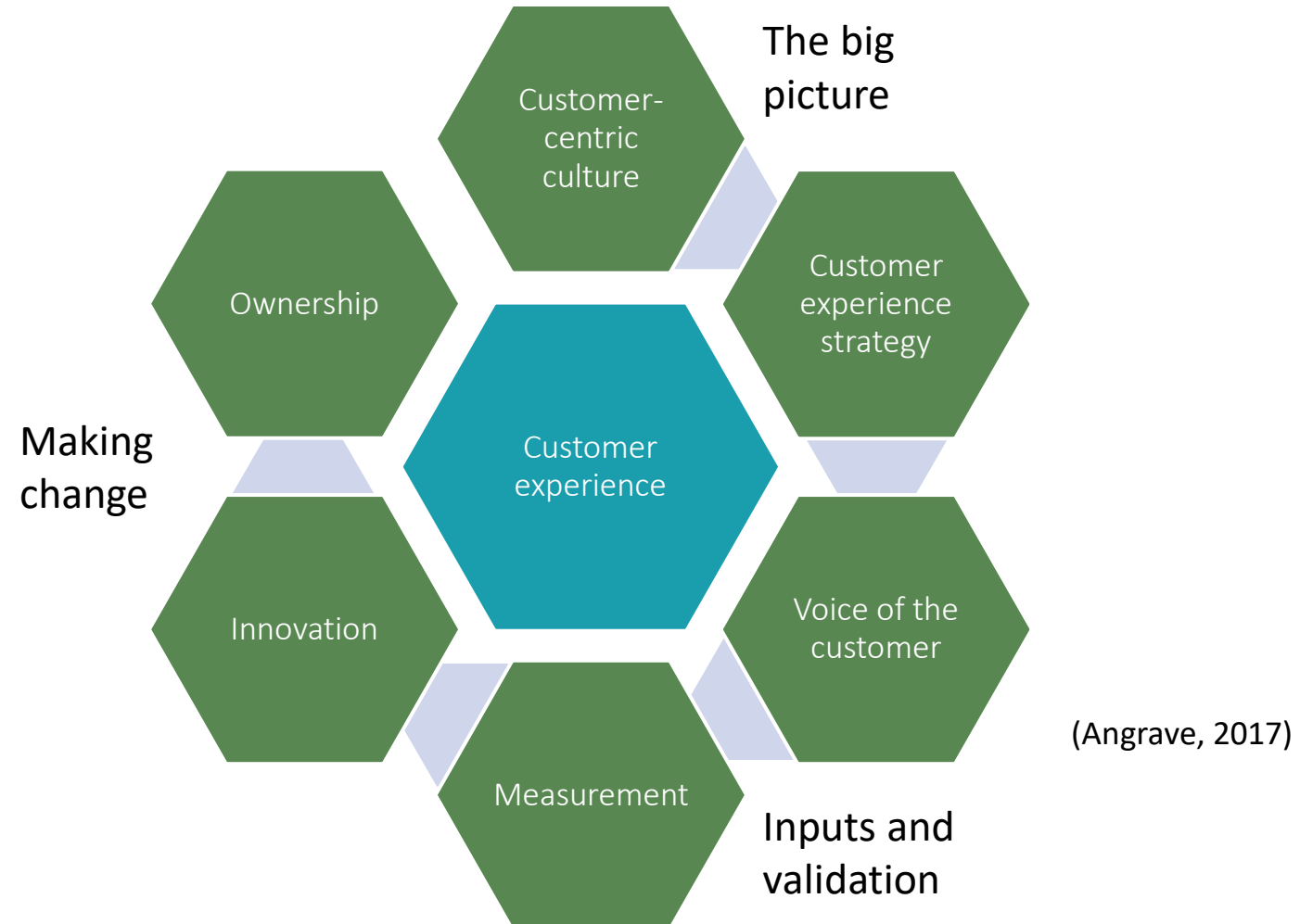
Touchpoints



Customer journey mapping



6 competences of customer experience



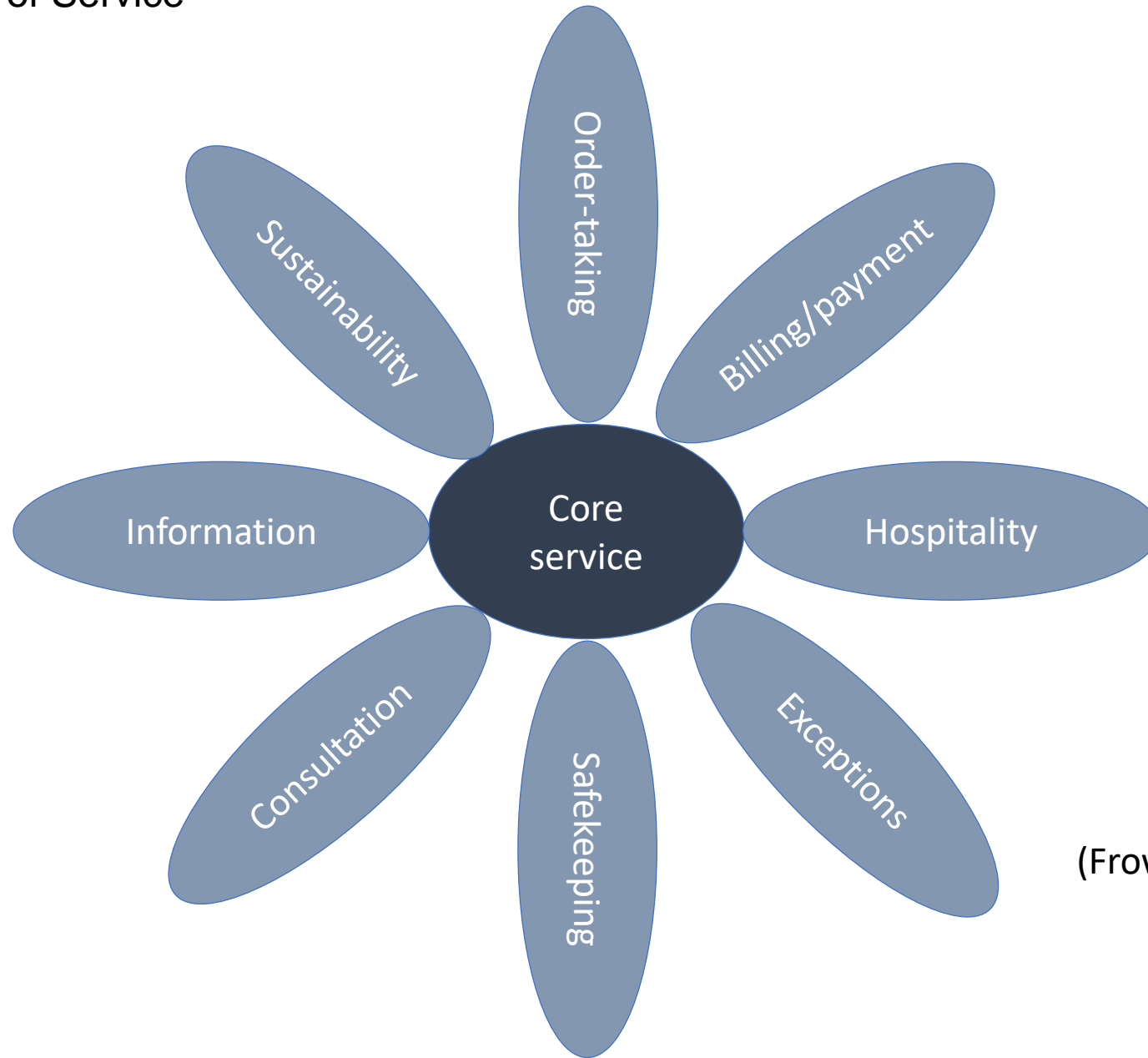
Competences

- **Customer-centricity:** not what you say, but what you do. “Treat customers as special guests”
- **Experience strategy:** purpose, strategy, operations aligned. “Check-in isn’t from 3pm; it’s when the customer arrives”
- **Voice of the customer:** listen/observe, understand, act

Competences

- **Measurement:** Research
- **Innovation:** Meet changing expectations: Understand/create/test/launch. Ask the question “How might we...?”
- **Ownership:** Every employee has a part to play

1. Flower of Service

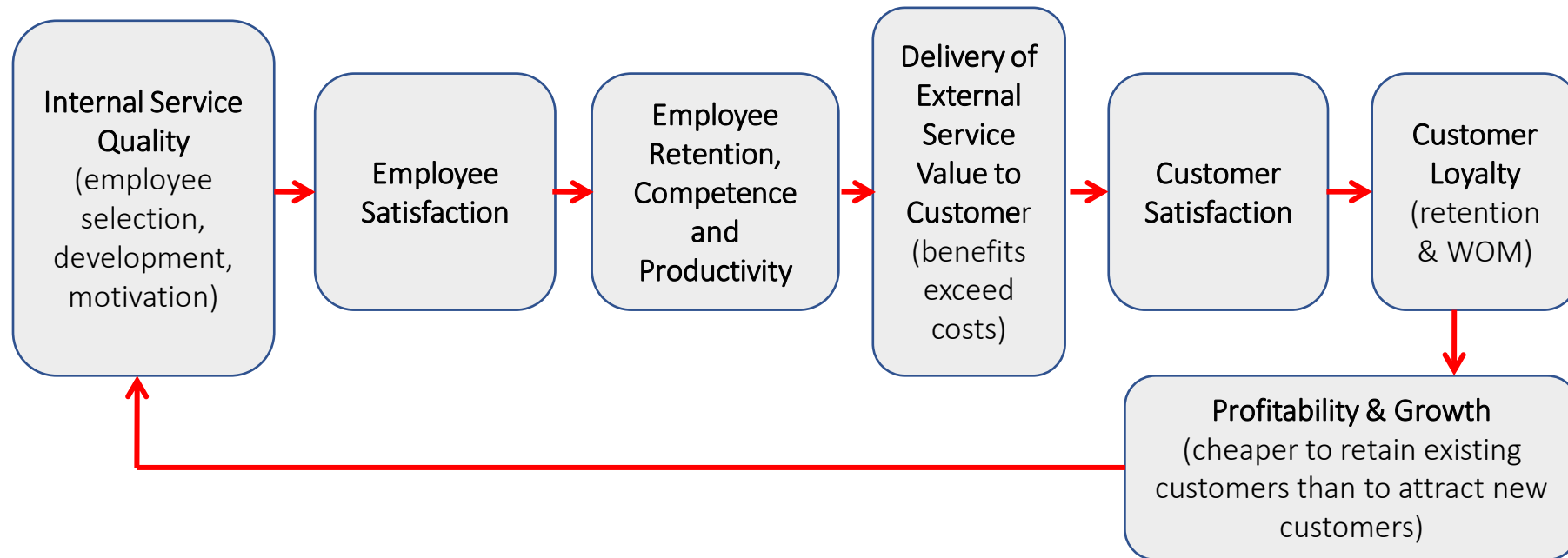


(Frow et al., 2013)

Service Quality: 5 dimensions

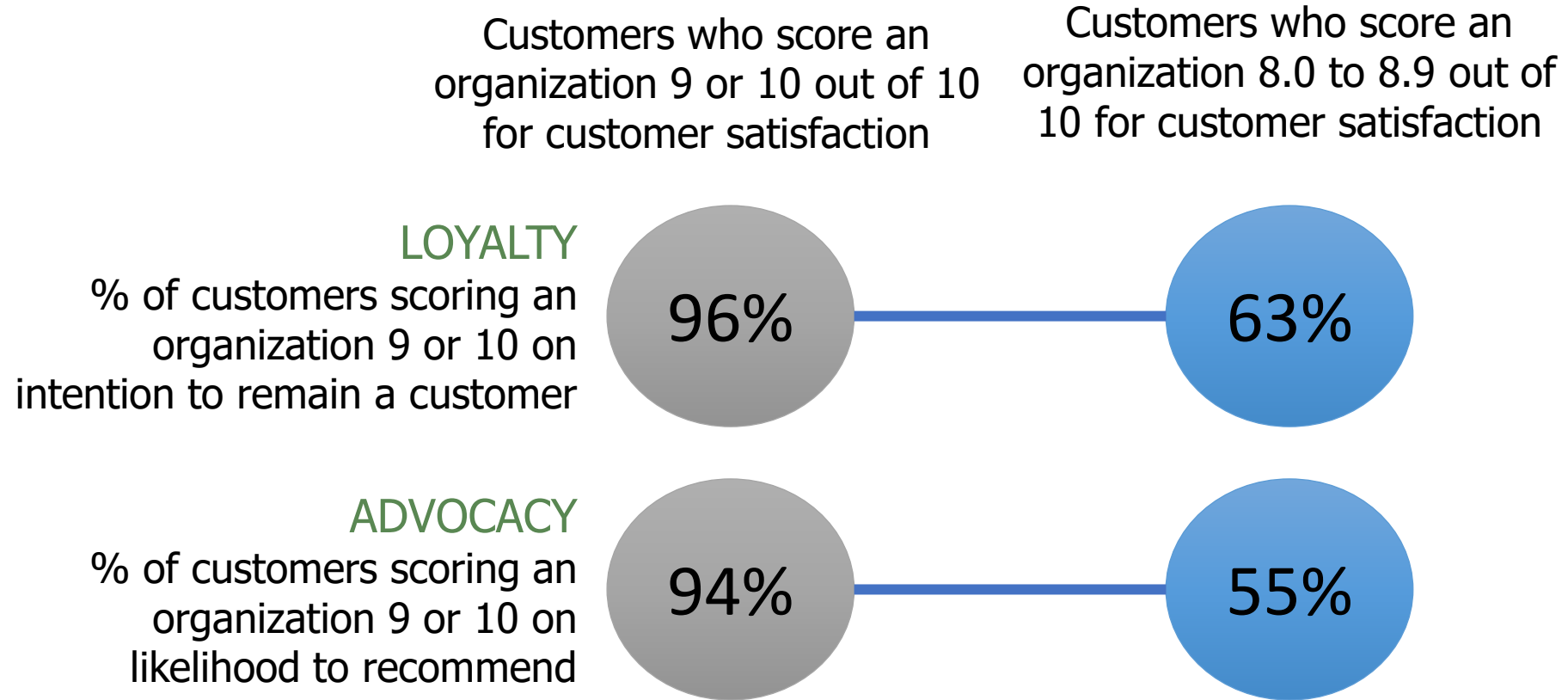
<i>Reliability</i>	Dependable and accurate performance. Firm delivers on promises
<i>Assurance</i>	Competent, trustworthy, courteous
<i>Tangibles</i>	Quality physical elements
<i>Empathy</i>	Caring, individualised attention
<i>Responsiveness</i>	Prompt and helpful employees

Service-Profit Chain



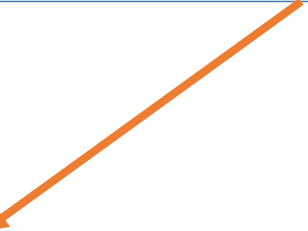
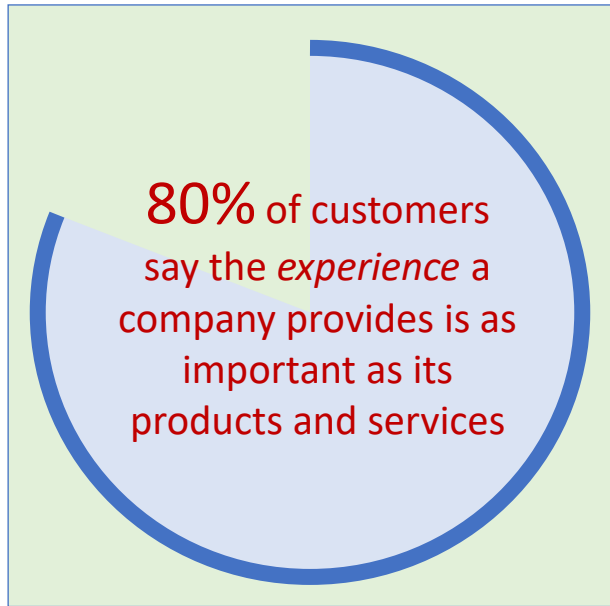
(Heskett et al., 1994)

But beware the satisfaction trap...



(UKCSI, 2019)

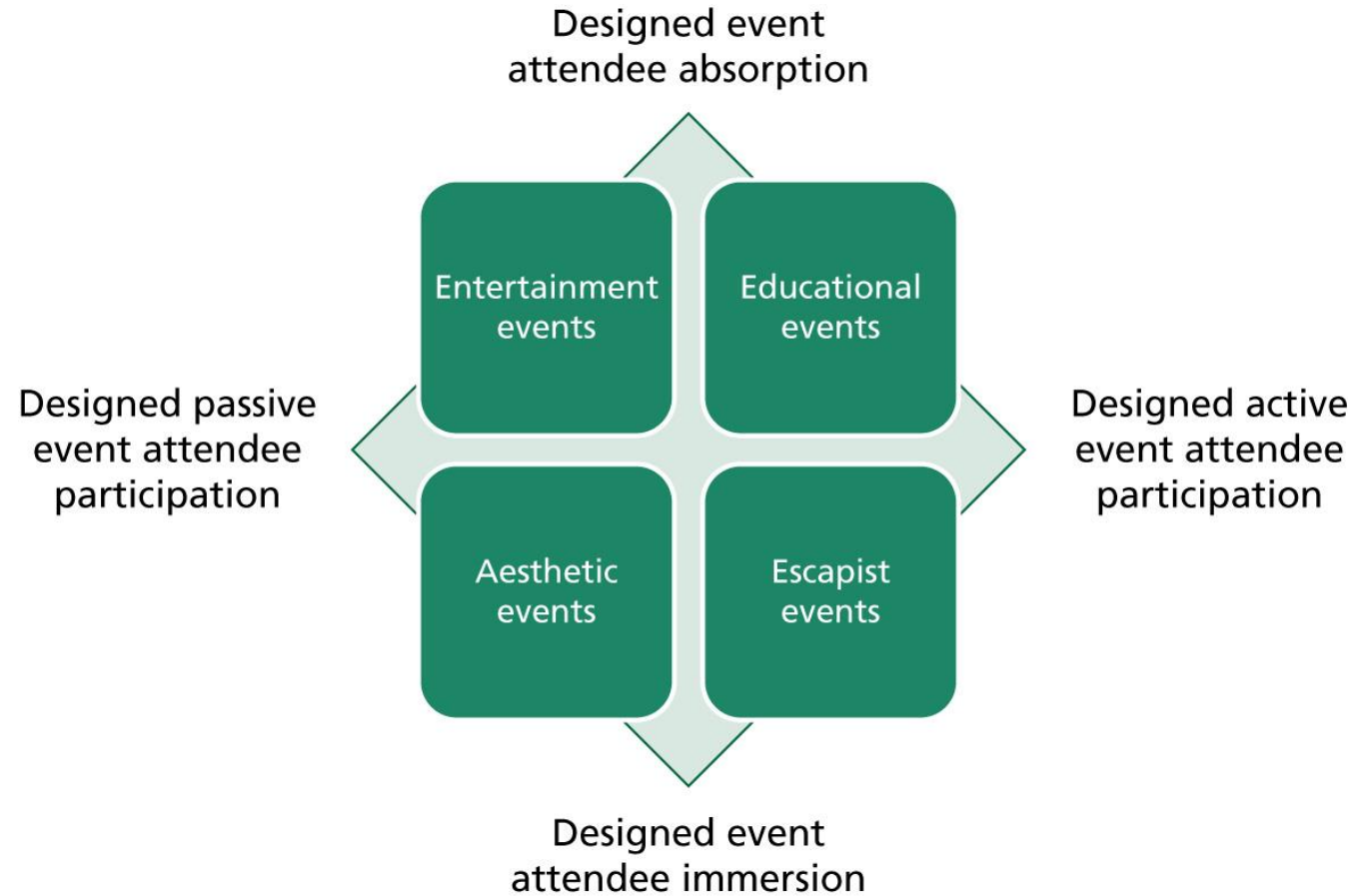
Sobering thoughts...



Based on responses from 6,700 business and consumer customers

(Salesforce Research, 2018)

The event experience realm



Source: Adapted from Pine and Gilmore 1999: 30



Experiential Segmentation (SEMS)

- Sense
- Feel
- Think
- Act
- Relate

Services Marketing Mix

- Product
- Price
- Place
- Promotion
- People
- Process
- Physical Evidence



Characteristics of Event Services



Characteristics
of services



Intangibility



Variability



Inseparability



Perishability



Lack of ownership



Managing Service Quality

- Exceed customers' service-quality expectations
- Expectations based on past experiences, word-of-mouth, and service firm advertising

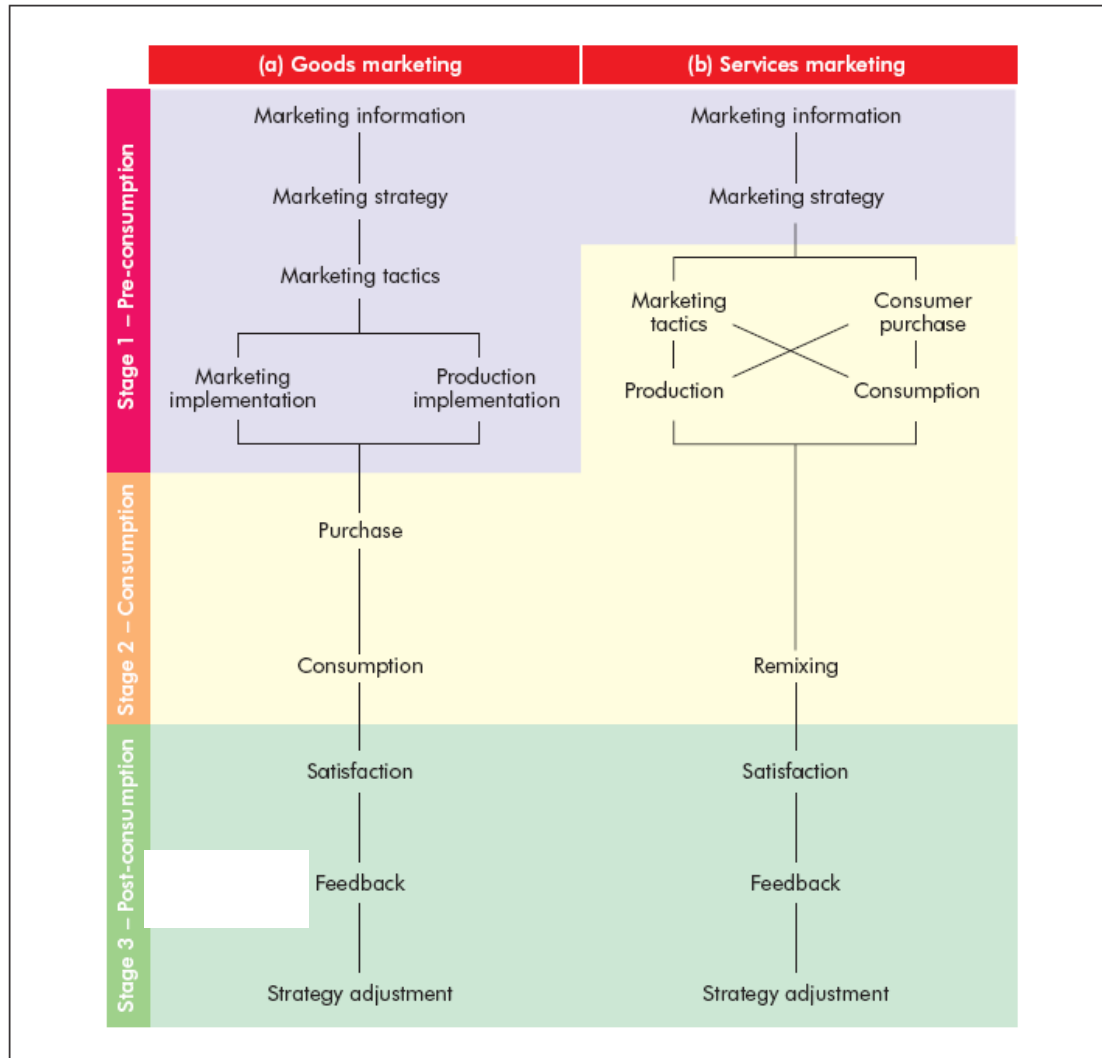
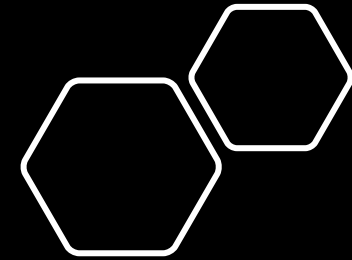


FIGURE 15.2 The marketing Planning Process and Consumption stages. Source: Jones and Lockwood (2002: 69)





Customer Journey – What is it?

- “ a visual depiction of the sequence of events through which customers interact with a service organisation during the entire purchase process”
- (Rosenbaum, Otalora et al. 2017)



Customer Journey – What is it?

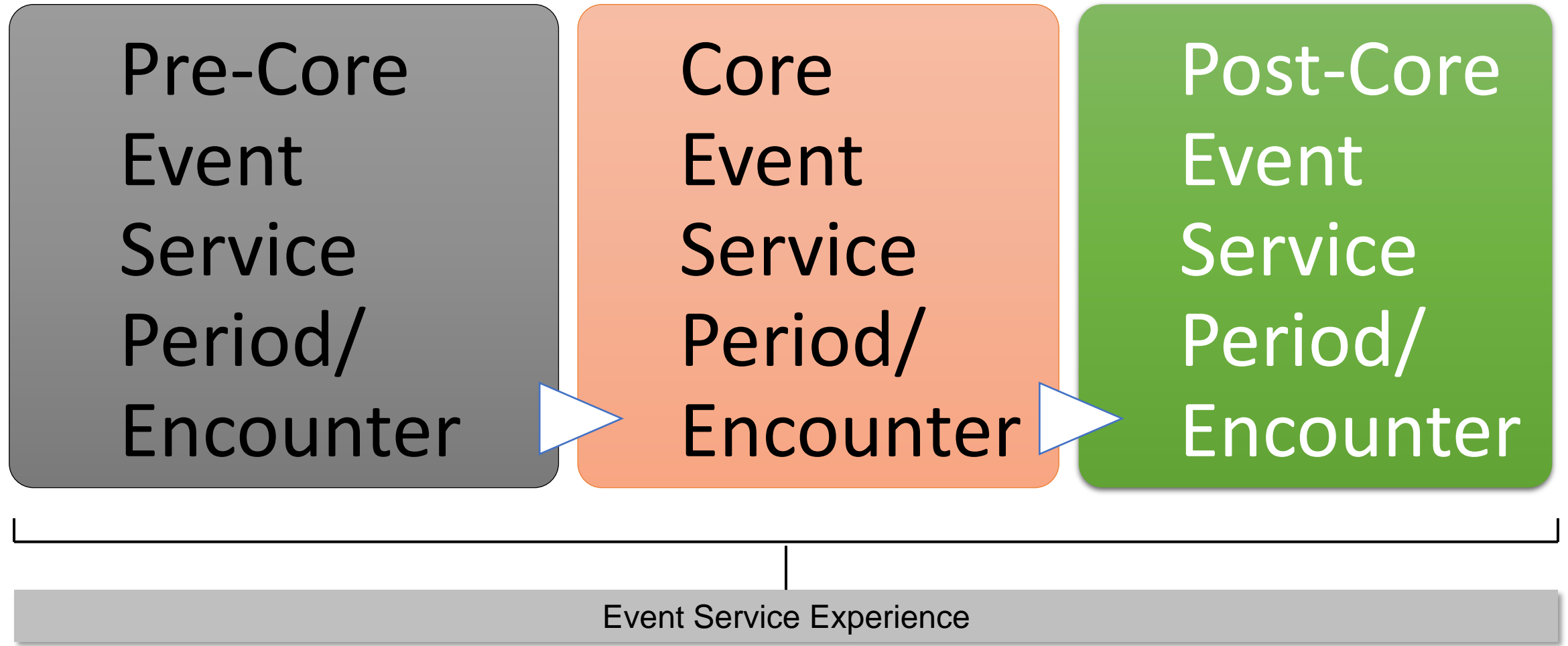
- Understanding Current Performance
- Designing the Experience and Engaging the Front Line
- Identifying Key Journeys
- More Touchpoints/More Complexity



Touchpoints

- **Touchpoint** (also **touch point**, contact point, point of contact) is business jargon for any encounter where **customers** and business engage to exchange information, provide service, or handle transactions

Customer Journey Maps

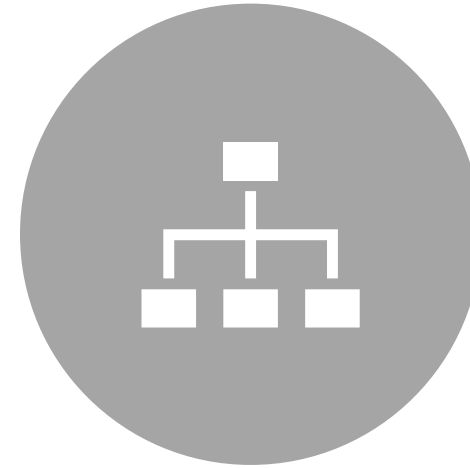


(Voorhees, Fombelle et al. 2017)

Customer Journey Maps



**HORIZONTAL AXIS
(TOUCHPOINTS)**



**VERTICAL AXIS
(MANAGERIAL PRACTICES)**

(Rosenbaum, Otalora et al. 2017)

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