Masterarbeit

Customer Experience Management as a key factor for customer satisfaction & business growth

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Dresden, den 27.08.2020

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Abstract

Customer Experience Management describes the concept of the complete management process of the customers' experience while they interact with the company to purchase a product or access a service. Medallia, a company which is a pioneer and a market leader in Experience Management industry, states that CEM is *"about viewing and then improving the interactions between your business and your customer entirely from the customers' perspective — and across the entire journey they have with your business* (Medallia, 2020)." Recently, CEM has been referred to, as one of the key elements every company should focus on. That is the reason several studies and continuous researches keep exploring this field. Nevertheless, the studies that mention CEM as a potential factor for a better customer satisfaction and especially for business growth, are very few.

The aim and focus of this thesis are to offer a broader and deeper exploration of the role that customer experience management really plays for a brand and how it can become a differentiator that businesses can profit from, in order for their business to continue growing.

Along with the theoretical framework, this topic will include a research study based on the results collected from an online survey. It has gathered insights from participants about their opinions and experiences on customer experience overall, the factors that might influence it, their stand on the role of employees, good customer care, the impact of trust, digitalization, and corporate values. The results of the online survey will identify the expectations that customers have nowadays from brands and how they have changed compared to previous years thanks to technology advancement. At the same time, it will offer an overview of the fact that customers are potentially willing to pay more for products/services that provide a better customer experience. It will serve to prove the aim of the thesis: if investing to advance customer experience management can indeed be a driver for business growth while improving customer satisfaction.

Table of Contents

List of Figures

List of Tables

Abbreviation

CX	**Customer Experience**
CEM	**Customer Experience Management**
UX	**User Experience**
CRM	**Customer Relationship Management**
WOM	**Word of Mouth**
OCE	**Online Customer Experience**
AI	**Artificial Intelligence**

1. Introduction

This section starts with the presentation of the topic and a background overview of Customer Experience Management (hereafter, CEM). It will continue with a discussion which will highlight the aim and objectives of this thesis and why companies should use CEM in their business. Moreover, there will be a description of the methodology and of the structure of the paper, as guide toward the following chapters.

Lastly, this chapter will describe the current situation of the research as a step into studying the focus of this thesis, the benefits companies gain when focusing resources in CEM.

1.1 Background: A growing interest in CEM

"Since 2011, we have entered the Age of the Customer."- (Forrester, 2011) argues in their website introduction. While tangible advantages like distribution power or strength in manufacturing have started to be more accessible and commoditized, the customer's choice is seen as the competitive advantage where companies should be deviating their focus to. (Manning & Bodine, 2012)

Consumers of today have a wide range of brands, products and services they can choose from and let's say that thanks to this variety, it is easier for them to choose which experience they prefer over the other. More than ever before, there are many options and channels that consumers can pursue in today's high-competitive market environment (Meyer & Schwager, 2007). The authors also enhance that thanks to globalization and the high pace of digital transformation, it would be risky for companies to assume that their offerings (including the experience they provide) are unique and that they shouldn't keep an eye on data to ensure that they are indeed providing the very best experience to their customers (Meyer & Schwager, 2007).

Although the concept of CX has been gaining a growing interest since the first studies on the topic were published (mid-1980's) (Holbrook & Hirschman, 1982), it was in the early 1990's that companies initially started to implement this concept

into their businesses, thanks to the new economic advantages it promised (Pine II & Gilmore, 2014).

Since CEM has only recently become the main leading topic of marketing in a theoretical and practical aspect (Laming & Mason, 2014), there has been a great attention from authors, researchers and also from people involved in everyday business to shift their focus on the customer itself (Gentile, Spiller, & Noci, 2007).

1.2 Problem discussion

As it was previously stated, CEM is a novel field which has not been studied much before the recent years. Nevertheless, several authors have expressed in their findings that customer experience can be identified as a new battlefield for businesses in the current economy. Hence, it is accepted by these researchers as a strategic mean to achieve success. (Klaus, Gorgoglione, Buonamassa, Panniello, & Nguyen, 2013)

As companies and scholars have come to realize the importance of customer experience and its benefits, some studies have taken place. They have explored and studied different aspects of CEM and the impact it has on different fields of the business. Worth to mention is the study of (Grønholdt, Martensen, Jørgensen, & Jensen, 2014) which explores the impact of CEM on business and financial performance, while others have studied the factors that influence CEM (Sousa & Voss, 2006); (Kaltcheva & Weitz, 2006).

These studies mentioned and others as well, have been mostly focused on analyzing CEM from the inside-out perspective. This means studying it from the view of the business itself, toward its customers. Not many studies have studied the other way around, the perspective of the customer regarding CEM. That is why, the author of this study found it important to explore this point of view. So that companies can also take in consideration how their efforts and investments in CEM are or will be perceived by the customers themselves.

There are other authors who approve of the practical positive implications that customer involvement has in a business, especially regarding CEM. (Dadfar, Brege,

& Sarah Ebadzadeh Semnani, 2013) concluded in their study that customer involvement has a very positive impact on productivity and customer satisfaction.

In a world where new business models are on the verge, a proved factor to building successful ones is creating customer value through customer focus (La & Kandampully, 2004). This can be achieved only by mastering customer experience management and knowing the value of customer data as well as how to use it to grow the business and increase customer satisfaction.

1.3 Aim and Objectives of the paper

The aim of this paper research is to explore in theory and practice Customer Experience Management as a very valuable and powerful tool companies can use to enhance business growth as well keep/increase their customer base by providing an increased customer satisfaction at all time for their customers.

The first objective of this thesis involves reviewing and considering relevant scientific literature regarding the main concepts the study is based upon. They will include customer satisfaction, customer experience, customer experience management, the strategy and concept of customer experience, customer journey, touchpoints and frameworks, digitalization and innovation in CX and many others. As well as all the customer satisfaction factors that influence CX and CEM. In the latter concept, a special attention will be given to CX and CEM.

The second objective of the thesis involves analyzing all the data collected through a structured self-administered online survey regarding customer experience management. This data will be described how it was collected and as well evaluated based on its validity and reliability. Afterwards, it will be thoroughly analyzed to conclude the answers of the research questions of this paper.

Lastly, this thesis will provide clear and applicable managerial recommendations for companies to consider for CEM and the potential benefits it holds for better results in customer satisfaction as well as in business growth.

1.4 Methodology Overview

This study will use the research instrument of a questionnaire to gather opinions, behaviors and attributes of respondents. The structure and content of the questionnaire was developed based on the research objectives and theoretical background review. The sample design will include mainly a student population, but some other participants with a non-student population in focus was included too. The data was gathered ethically, anonymously and has been visualized, analyzed more in details to generate findings, conclusions and further research recommendations. The methodology of this study will be reviewed more in detail in regard to its approach, purpose and strategies in Chapter 3.

1.5 Structure of the paper

This paper has been developed after careful consideration of the research background of the CX and CEM field. Some research questions and objectives were developed, based on which a questionnaire was created as the basis of this study.

After the introduction section, this study will continue to explore the theoretical framework, the most important concepts and models that need to be discussed in order to understand what CEM and CX do and how they can become potential factors in driving customer satisfaction and business growth.

The third chapter will analyze in detail the methodology used in the study and go through the development process of the questionnaire and address the collection as well as the analysis of the data.

Next, the findings from the questionnaire will be thoroughly discussed. Afterwards, a chapter will be dedicated to discussing the conclusions and moreover limitations and recommendations for further research will be given.

2. Theoretical Framework

This second chapter will concentrate on relevant studies and researches to provide a better and more in-depth perspective on customer experience in general, and customer experience management specifically. Moreover, extensive attention will be put to important topics like the experience economy or several concepts like the innovation, online experience etc. that serve the main focus of this paper. It will provide the necessary framework to cohesively analyze the data collected from the survey.

2.1 Living through the Experience Economy period

As humans, we experience and feel everything that happens in our daily life, be that routine chores or a special event. In this sense, it is arguable that the Experience Economy as a period or era, has been with us since forever. The only difference is that thanks to the development of our society in general, (Toffler, 1970) discusses in his book, there is a shift of direction towards the fulfillment of needs, from the material ones to the psychological ones. Although the psychological factor is mentioned since the 1970 by (Toffler, 1970), companies didn't pay much attention to its impact until the middle of the 1990's. There was a change of focus from the service sector to the experience one and it happened due to added attention on customer behavior where (Addis & Holbrook, 2001) consider customers now as rational decision-makers. In addition, (Pine & Gilmore, 1998) labeling experience as the fourth economic offering provided a new focus to it, although as discussed, experience has existed far before in time. The authors describe a financial advantage for which companies can ask for a premium, because customers that decide to buy an experience, pay to enjoy meaningful events staged by the companies customized to engage with customers individually (Pine & Gilmore, 1998).

After the studies and publications of the pioneers of CX, the field of experience and customer behavior gained more significance and fame. More authors provided their perspective of how can CX create value. Mostly, they provided a new way of perceiving the notion of consumption. It was viewed as a holistic

experience where customers are affected in different levels and touchpoints with the company or its product/service. The authors of this period of the experience economy, enhance the important role that both, the company and the customer play in an experience. It is no longer just 'a staged event' from the company as per (Pine & Gilmore, 1998), but more like a two-way relationship. (LaSalle & Britton, 2003) say that what contributes in creating value through experiences, is the positive long-term relationship of a customer with a company, which goes even beyond his expectations. While (Prahalad & Ramaswamy, 2004) define it more as the process of co-creating unique experience with the organization. The importance of companies including the customer in the process of value creation is great, because the experience itself is based on the individual customer and has to be customer centric. Companies should adapt and consider how the customer wants to interact with the firm more than the way the firm itself interacts with customers. That is why the authors consider this a process of co-creating (Prahalad & Ramaswamy, 2004).

Even more research continued to be developed in order to comprehend and decode Experience Economy in other sectors and fields such as (Carù & Cova, Revisiting Consumption Experience, 2003); (Schmitt B. , 1999). The authors (Carù & Cova, 2003) explore the consumption experience and they distinguish four main stages (*pre-consumption experience, the purchase experience, the core consumption experience; the remembered consumption experience*) Later, the authors enhance in their book the (Carù & Cova, Consuming Experience, 2007) that this continuum arrays from 'staged experiences created only by firms as proposed by Pine' to 'co-created experiences' based on the relationship of the customer with the firm and to experiences established mainly by customers.

In the latter type, customers create meaningful experiences mainly by themselves without any intervention from the company. Basically, the company doesn't interfere on what the customer buys or experiences, but instead both partakers decide to communicate with one another. It is joint effort toward communicating through the preferred method about what the customer wants to experience.

2.2 Understanding the concepts of Customer Experience (CX) and Customer Experience Management (CEM)

2.2.1 The history of CX

In the beginning, CX was not acknowledged as a separate, independent structure by many (Verhoef, et al., 2009) and according to (Laming & Mason, 2014) it has stemmed from the concept of the purchase process, which observed the phases of interaction of an organization and its consumers.

The earliest traces where customer experience is mentioned come from the middle of the 1980's, where (Holbrook & Hirschman, 1982) state that consumption *"has begun to be seen as involving a steady flow of fantasies, feelings, and fun"* which they called *"the experimental view"*.

Although, the exact term 'customer experience' was not used until the late 1990's, where (Pine & Gilmore, 1998) firstly introduced it in their article (Welcome to the experience economy) which was explored more in detail in the chapter 2.1 of this paper. From that point on, the notion of CX started to attract the attention of many academics as well as many practitioners. Mainly, because experience was suggested as the next in line to commodities, goods and services as an economic offering. (Pine & Gilmore, 1998) (see Figure 1)

The concept shown in Figure 1 and proposed by (Pine & Gilmore, 1998) displays the progression of economic value based on the differentiation and pricing strategies. Basically, the authors conclude that a higher value creation is formed, when offerings are more tailored as per customer needs. That is why goods transform into services, and services get customized to become experiences (Pine & Gilmore, 1998).
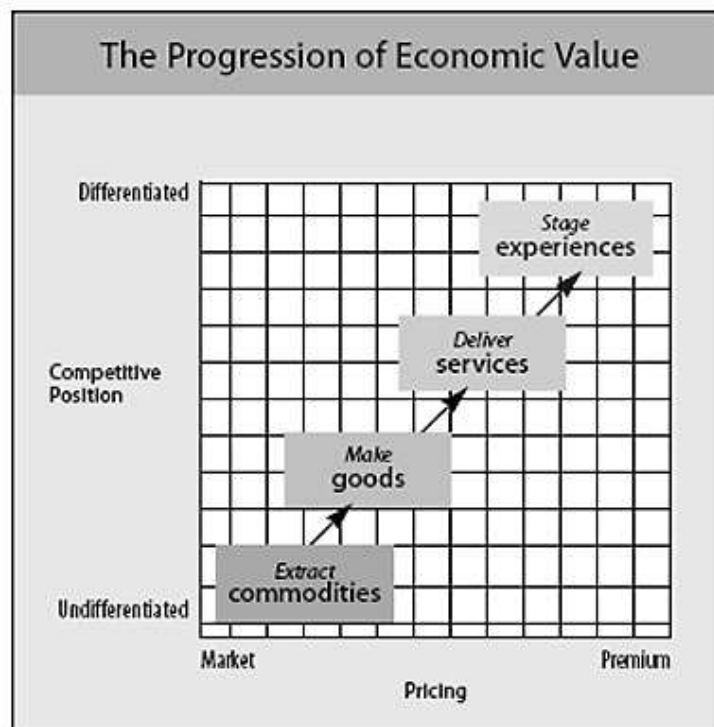
Figure 1 *The progression of economic value (Pine & Gilmore, 1998)*

Both of these first studies by (Holbrook & Hirschman, 1982) & (Pine & Gilmore, 1998), mention that the purchasing behavior of customers expands beyond just the practical function. It also contributes to the social and hedonic intentions of the consumers. A general theme enhanced from the authors, is that customers have started to appreciate more the whole experience of shopping, like the entertainment or the fulfillment of the need for social interaction, not just the service quality or the perks of a product.

In the years that continued, several studies and literature recognized the importance of customer experience to create added value interchangeably both for businesses and customers (Schmitt B. , 1999), (Shaw & Ivens, Building Great Customer Experience, 2002), (Gentile, Spiller, & Noci, 2007) etc.

(Maklan & Klaus, 2011) stated that in the 2000's, a change of focus from service-based relationship marketing onto CX management had happened. A study of the same year agreed with the above statement. The authors

(Kim, Cha, Knutson, & Beck, 2011) came to the conclusion that in the 21st century, companies had shifted their attention from a service-based economy into an experience-based one.

The (Khan, Garg, & Rahman, 2015) study enhanced the long-term competitive advantage that CX offered to companies who concentrated on it. The authors also concluded that usually, the customers of these companies were satisfied and therefore, loyal as well.

Despite all the studies in the recent decades, there is one main issue that many researchers have highlighted: no clear definition of what a customer experience is (Klaus, Gorgoglione, Buonamassa, Panniello, & Nguyen, 2013); (Meyer & Schwager, 2007).

As (Carù & Cova, 2003) concluded in their study regarding the concept of consumption experience, the mere notion of experience is "ill-defined" and "lacks foundation". They go on to explain that a definition of the experience carries distinctive meanings respective to several scientific fields like psychology, sociology or philosophy (Carù & Cova, 2003) .

Moreover, they explain that even business-related fields like customer behavior or marketing have different meanings in regard to experience (Carù & Cova, Revisiting Consumption Experience, 2003).

Therefore, it is very important to put a special attention on defining what an 'experience' is and what does a 'customer experience' define, before continuing to explore the concept of CEM. In the next subsection, a thorough explanation and review of these notions will be discussed.

2.2.2 The definition of Experience & of Customer Experience

As mentioned in the previous section, as experience can be defined separately based on the context of the field itself. Several studies on the field of customer behavior, among which (Holbrook & Hirschman, 1982) cited by (Carù & Cova, Revisiting Consumption Experience, 2003, p. 270) state that *"an experience is above all a personal occurrence, often with important emotional significance, founded on the interaction with stimuli which are the products or services consumed"* To elaborate more, (Addis & Holbrook,

2001) enhance the role of the psychological and emotional factor that takes place whenever a client has an interaction with a company. It is important to mention that before this study, the role of emotions that take place during an experience were neglected. The conclusion contributes a lot on the definition of experience in customer behavior. Additionally, an experience is uniquely personal and consequently is also subjective (Addis & Holbrook, 2001).

Meanwhile, in the field of marketing several studies have described experience in a more objective light, because marketers look to provide a memorable experience based on the contacts between the ones who offer a service or a product and the one who receives them (Carù & Cova, Revisiting Consumption Experience, 2003). The authors define this type of experience as "extraordinary" and in order to provide them, marketers should focus on creating positive emotions (Carù & Cova, 2003). Adding to the same narrative, (Arnould & Price, 1993, p. 25) explain that *"extraordinary experience is triggered by unusual events and is characterized by high levels of emotional intensity and experience."* Noticeably, this definition enhances only the emotional aspect, which makes it difficult to apply to other industries such as leisure or entertainment (Voss, Roth, & Chase, 2008).

(Pine & Gilmore, 1998, p. 11) describe more the functional aspect and identified that experiences happen *"whenever a company intentionally uses services as the stage and goods as props to engage an individual".* They also go further and define that an experience can be considered satisfactory when *"a customer finds unique, memorable and sustainable over time"* (Pine & Gilmore, 1998, p. 12) .

In the management field perspective, (Pine & Gilmore, 1998) describe two dimensions that an experience can be identified with: customer participation (from active to passive based on the type of experience) and environmental relationship (absorption to immersion based on the connection with the experience). A combination of these dimensions provided 4 types of experiences to be had: Educational, Escapist, Esthetic, Entertainment (Pine & Gilmore, 1998, p. 102) (See Figure 2).

The Four Realms of an Experience

Absorption

Entertainment | Educational

Passive participation | Active participation

Esthetic | Escapist

Immersion
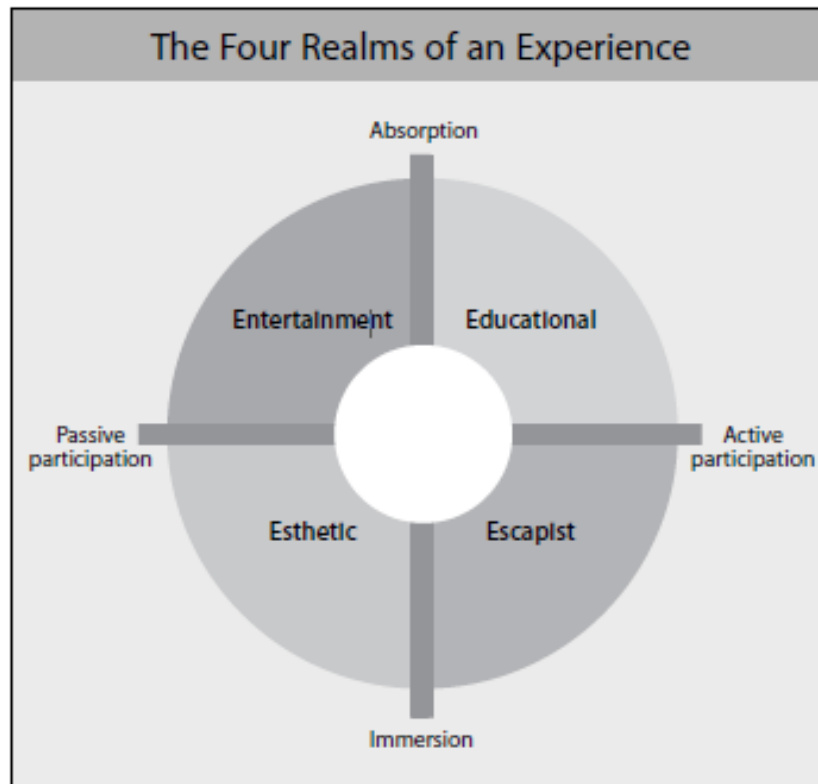
Figure 2 *The 4 Realms of an experience model (Pine & Gilmore, 1998, p. 102)*

(Gentile, Spiller, & Noci, 2007, p. 404) concluded that both values, the emotional and functional one scored similarly, meaning that in a holistic point of view, a balance between rational and emotional experiences would be the ideal situation.

As a little summary from the studies discussed above, either from a marketing or a customer behavior perspective, an experience should be a personal/unique/subjective feeling, dependent of the environment or industry and a combination of both the emotional and rational aspect.

Now that there is a clearer view of what an experience is, a timetable of several definitions of CX by different authors throughout the years will be discussed.

(Schmitt B. , 1999, p. 57) discussed about CX in more general aspect and defined that customer experiences *"occur as a result of encountering, undergoing or living through things. Experiences provide sensory, emotional,*

cognitive, behavioral, and relational values that replace functional values." Throughout this study, the author concludes that experiences serve as a connector of the company or brand with the lifestyle of the customer and consequently puts individual customer actions and purchases in a broader social environment (Schmitt B. , 1999).

Meanwhile, a different aspect of a CX was mentioned in (Pullman & Gross, 2004, p. 553) originally concluded by (Gupta & Vajic, 2000) where context is given focus in the definition of a customer experience: *"an experience occurs when a customer has any sensation or knowledge acquisition resulting from some level of interaction with different elements of a context created by a service provider.* (Gupta & Vajic, 2000) *in* (Pullman & Gross, 2004, S. 553)*"*

Another author enhances the importance of customer expectations in the experience. (Shaw, 2005, p. 51) gives this definition about customer experience: *"Customer Experience is an interaction between an organization and a customer. It is a blend of an organization's physical performance, the senses stimulated, and emotions evoked, each intuitively measured against Customer Expectations across all moments of contact.* (Shaw, 2005, S. 51)*"*

In 2007, two other studies conclude on their definitions of CX.

"The customer experience originates from a set of interactions between a customer and a product, a company, or part of its organization, which provoke a reaction. This experience is strictly personal and implies the customer's involvement at different levels (rational, emotional, sensorial, physical, and spiritual) (Gentile, Spiller, & Noci, 2007, p. 397)*."*

"Customer Experience is the internal and subjective response customers have to any direct or indirect contact with a company. Direct contact generally, occurs in the course of purchase, use, and service and is usually initiated by the customer. Indirect contact most often involves unplanned encounters with representatives of a company's products, service or brands and takes the form of word-of-mouth recommendations or

criticisms, advertising, news reports, reviews and so forth. (Meyer & Schwager, 2007, p. 118).*"*

Apart from being published in the same year, these definitions have much more in common. They both express that customer experience has subjectivity and personal internal feeling as main features. On the other hand, noticeably the first definition is stated based on a broader perspective, even though it enhances the many dimensions of CX. It can be debated that the second definition, provides an extended view, due to the inclusion of direct and indirect contacts as touchpoints. For a company, it is essential to identify which touchpoints play an important role in the customer experience they aim to offer to their clients.

(Verhoef, et al., 2009) agree with the above definitions and at the same time give their definition and add the holistic nature of CX which involves the entire experience of the customer, from the search, purchase to the after-sale steps. At the same time, it might include also several channels as well. *"The customer experience construct is holistic in nature and involves the customer's cognitive, affective, emotional, social and physical responses to the retailer* (Verhoef, et al., 2009, p. 32).*"*

Jumping to a more recent literature from consulting companies, we can still see the same approach to defining what CX is. For example, (Capgemini, 2011) defines CX as the personification of what a brand is in every interaction they have with a client. *"It is the organization's physical performance and the sensations and emotions it creates* (Capgemini, 2011).*"* Meanwhile (Accenture Strategy, 2015) agrees to the entirety view of CX, before and after the sale happens and they define CX as: *"how business customers and their stakeholders perceive the entirety of interactions they have with a supplier company across all sales and marketing as well as service touch points.* (Accenture Strategy, 2015)*"*

In conclusion, some important characteristics that define what customer experience is, are as following: a holistic, 360 degrees view of the interaction that a customer has with a company; an experience happens whenever a customer (actual or potential) gets in contact or communicates with a

company through any touchpoint or channel and it is personal or subjective to any customer due to the role and impact that emotions play. This means that communication has a serious impact on the wholesomeness of CX. Every customer affects individually their own experiences, not only the company itself. This is a reason why learning how to manage customer experience is essential for every company to stay competitive. But, before defining CEM, a short review of the stages of customer experience will be discussed.

2.2.3 The stages of CX

As discussed in the previous section, one can debate that customer experience occurs, not just in the exact momentum when the purchase takes place but starts before that and continues afterwards. In fact, (Shaw & Ivens, 2002) have developed a theory of five stages that customer experience goes through. In Figure 3 below, a simple visualization of this theory is shown.

5th Stage:
Post-Experience
Review

1st Stage:
Expectations
setting

4th Stage:
Purchase
Consumption

2nd Stage:
Pre-Purchase
Interactions

3d Stage:
Purchase
Interactions
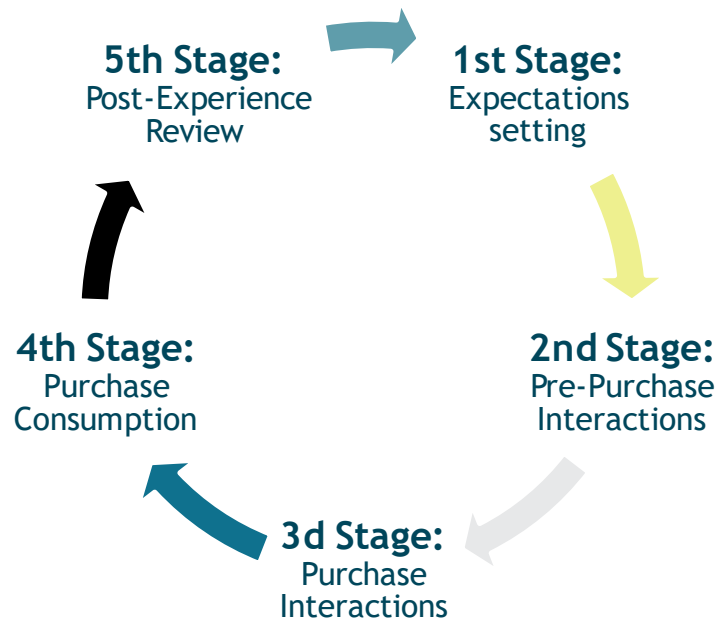
Figure 3 The 5 Stages of Customer Experience (edited based on (Shaw & Ivens, 2002)

Starting with the first stage of the model, to *set the expectations* about an offering (product or service) a customer considers what he already knows about the brand. There are some moments of contact like: advertising, PR or word-of-mouth etc. that influence the brand image and the setting of expectations. This stage defines if there is potential interest from the customer's side on a certain offering.

Secondly, the stage of *pre-purchase interactions*, starts after the customer has decided that he is interested on the offering of the company. He is now accepting information and is conscious of the product/service. All the interactions in the phase are ones that lead to the decision of purchase. As moments of contact that influence this stage, interactions with the sales force, telephone calls or emails can be mentioned.

In the third stage, *the purchase interactions* occur. They include the experience when the customer decides consciously to buy the product/service based on all the interactions from the previous stages. This stage includes contact with the sales force at the point of sale (shop) or in the internet, delivery or contact with customer service.

Fourth in line is the stage of *purchase consumption* during which the customer uses the product or service he bought. This includes all the emotional and the functional interactions as well. As moments of contact, we have customer service and helpline in case of any difficulties/complains/questions when using the purchased product/service. It is also the moment that companies should keep in mind when thinking about user experience (from now on UX) because a positive user experience can lead to referrals and loyalty.

The last stage is the *post-experience review* which includes the aftermath of how the customer felt while using the product/service. Now the customer reflects and develops opinions on the brand from his total and personal experience compared to the expectations set in the beginning. A company can set moments of contact and gather feedback through market research (for example: questionnaires).

To conclude, now the cycle restarts again because the customer setts new expectations (higher or lower) depending on the overall previous experience.

2.2.4 The definition of CEM

To define the meaning of Customer Experience Management or CEM, the studies from several authors will be considered. Following a similar theme like CX, there isn't one sole definition agreed upon.

(Carbone & Haeckel, 1994, p. 2) describe that CEM provides unique customer value through the systematic design and implementation of the context clues (messages the company sends to its customers) at the same time. The authors continue to explain that these clues are projected from the offering itself and the environment.

The CEM definition form the authors above has considered the emotional and subjective element but lacks a bit in the rational one. The definition given by Schmitt in 2003 states that: *"Customer Experience Management is the process of strategically managing a customer's entire experience with a product or a company. (Schmitt B. H., 2003, p. 17)"* This definition includes the combination of several touchpoints and parts of customer experience.

The authors go on and define that *"CEM represents the discipline, methodology and/or process used to comprehensively manage a customer's cross-channel exposure, interaction and transaction with a company, product, brand or service (Schmitt B. H., 2003)."*

There is usually a confusion between CEM and CRM. On a first look they appear similar, but (Meyer & Schwager, 2007) explain the difference very clearly. They state that CEM analyses more what the customer thinks & feels about the brand instead of what the company knows for the customer, which is what CRM does (Meyer & Schwager, 2007).

To conclude, for this paper CEM will be defined as a continuous strategic tactic aimed to create financial benefits for the firm, competitive advantage

and added customer value for clients through several channels and touch-points.

2.3 The importance of CEM for a company

2.3.1 Customer Experience Strategy and Frameworks

2.3.1.1 Touchpoints

In the chapters above, it has been mentioned several times the concept of Touchpoints. They are very important because several studies, which will be explored below, include them whenever CX or CEM are the focus of a study. This paper will explore and try to explain its role and importance for CEM and customer satisfaction.

"Point of contact" was mentioned quite a few times until now. These points of contact or interaction are usually referred to as "Touchpoints". According to (Zomerdijk & Voss, 2009) touchpoints happen across several channels as well as in many points in time; they can vary from call centers to retail sales people in counters of shops.

(Meyer & Schwager, 2007) elaborate more and add that touchpoints can be defined as moments of direct contact between a customer and a product/service and representations of these products/services either by the company itself or by a third party.

Meanwhile, (Schneider & Stickdorn, 2011) say this about touchpoints:

"Touchpoint interactions take place human-human, human-machine and even machine-machine, but also occur indirectly via third parties, such as reviews from other customers or via print or online media (Schneider & Stickdorn, 2011, p. 33)."

The authors also enhance the role of gathering customer insight through observations or interviews in order to define these touchpoints (Schneider & Stickdorn, 2011).

On the other hand, it is necessary to differentiate between what (Carbone & Haeckel, 1994) define as clues and touchpoints. (Zomerdijk

& Voss, 2009) explain that touchpoints and later customer journeys are the part that the customer really experiences. Meanwhile, clues and service points are what is designed by the company for its clients.

2.3.1.2 Customer Journey

Customer Journey was defined as a line of events that the customer goes through to understand, purchase and interact with the offering of a company by (Norton & Pine, 2013). The authors mention that these interactions are between a customer and a firm and happen at any touchpoint. They can be either organized by the firm or be ad-hoc contacts the customer has on their own with the firm. All these events have a big impact on the total experience (Norton & Pine, 2013).

According to (Meyer & Schwager, 2007) the concept of customer journey consists of all the encounters or touchpoints that a customer has with a company and brand. In fact, the customer's journey and a customer's experience are very interlinked (Meyer & Schwager, 2007). The authors elaborate more on this concept and explain that the customer journey will include all the direct and indirect interactions. Regarding the direct contact, which are initiated by the customers, worth mentioning are the processes of purchase, service and use. While the indirect contacts, which are initiated by the company or any third-party (partner of the company offering the product/service) may include any type of advertising or word-of-mouth (WOM) (Meyer & Schwager, 2007). Since all these points of contact create a customer journey, all the touchpoints are also responsible to settle a brand perception in the mind of each customer. That is why in a customer journey all the direct ones (e.g. purchase, service) are controlled by the organization and all the indirect ones (like WOM or reviews) are received regardless (Verhoef, et al., 2009).

Expanding more on who has the control of the touchpoints, (Lemon & Verhoef, 2016) categorize them into *brand-owned* (all the brand-controlled components of the marketing mix, product, packaging, service, advertising); *partner-owned* (these are the touchpoints which are controlled or managed by partner or third parties like agencies of marketing,

different retailers etc.); *customer-owned* (the ones where no company or third party influences a customer's decision, e.g. thoughts and feelings of customers before buying the product; to be mentioned: reviews, social media, WOM); and lastly, *Social/external* (whichever other element that the customer surrounds himself during an experience, e.g. other customers, peer influences) (Lemon & Verhoef, 2016, pp. 76-78).
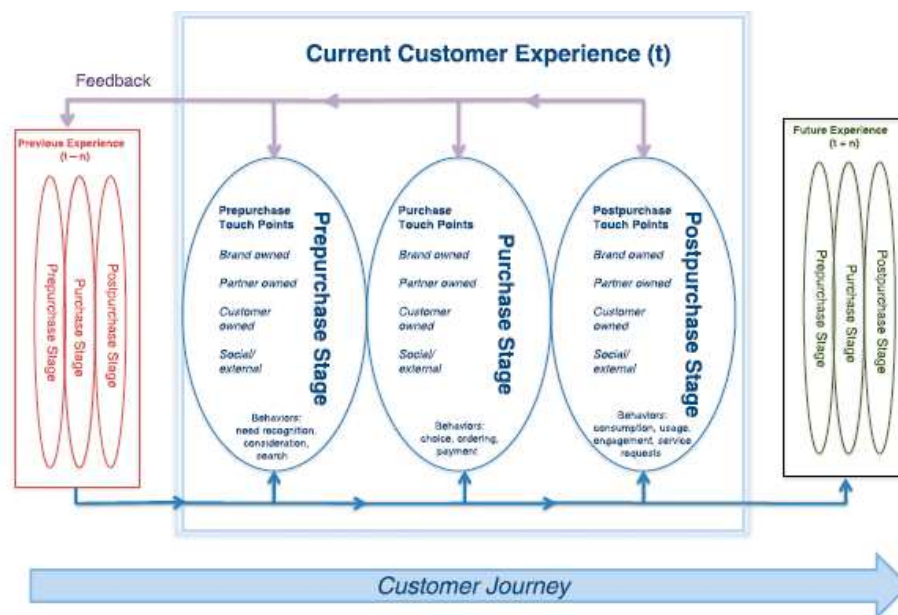
Figure 4 *Process Model for Customer Journey and Experience (retrieved from (Lemon & Verhoef, 2016, p. 77)*

In order to master the customer journey and include all touchpoints in it, companies must pay a lot of attention to a process called Customer Journey Mapping. (Richardson, 2010) explains in his publication, all the steps a customer goes through when interacting with a company. He states that this tool can be used to understand and learn about all the steps and stages of customer experience that a customer is encountered with (Richardson, 2010). It also includes all the contact points of a company and customer during this journey (Richardson, 2010). A customer journey map helps the company by providing a holistic view of the interaction and its stages. Therefore, it offers optimization of the consistency of customer experiences in every channel.

(Richardson, 2010) advices that companies can create beforehand step-by-step planned maps of the journey or diagrams which help consolidate the experience in each touchpoint. In terms of complexity, the author mentions that the diagrams and plans can be simple. Or, they can be "cradle-to-grave" diagrams and plans. This depends also on the number of Touchpoints, because the more touchpoints there are, the more complicated the journey mapping becomes (Richardson, 2010).

Another factor which can influence greatly the customer experience throughout the customer journey is the expectations of the customers (Meyer & Schwager, 2007). These expectations usually derive based on previous encounters and in continuance, a new experience will always be compared with the previous ones (Meyer & Schwager, 2007).

2.3.1.3   CEM Framework

It is a growing trend the investment and special focus that companies are putting into capitalizing on the concept of experience. It has been mentioned many times during the previous chapters. (Voss, Roth, & Chase, 2008) invented a term called "experience-centric services", which basically are the services where companies offer customer experience at the heart of the service offering. Next, the concept of a structure of a CEM framework proposed by (Voss, Roth, & Chase, 2008) will be reviewed. The authors created this framework to provide a ready-made total customer experience for the customers of customer-centric services (Voss, Roth, & Chase, 2008).

An important quality of experience-centric services is that they provide unforgettable and extraordinary experiences by engaging with their customers (Pullman & Gross, 2004). This engagement can vary based on the environment and the level of participation from the customers. This results in several types of engagements such as: emotional, intellectual, spiritual and physical (Zomerdijk & Voss, 2010). Emotions especially are said to be very important because they ensure the memorability of the experience. The authors also mention that these experience-centric experiences provide a greater value of experience, which would surpass

the integrated value of price and service together. An example mentioned by (Voss, Roth, & Chase, 2008) is in regards to the Disney theme park, where Disney's aim is to create personal, extraordinary experiences that can't easily be forgotten, by reenacting the "wow" reactions within customers when they design sensations and contexts.

(Voss, Roth, & Chase, 2008) monitored the common strategies of experiences among the experience-centric companies and created an "Experience Strategy Framework" which contained four experience strategies: orgware (management systems); stageware (bricks and mortar); customerware (customer touchpoints) and linkware (integration systems). Their findings suggested this chain of effects when implementing experience strategies: operations strategy for experiences lead to a total customer experience in several touchpoints; that would stimulate reactions and emotions which will result in purchases, satisfaction and engagement (Voss, Roth, & Chase, 2008).

Although CEM in general does not have standardized and structured approaches (Gentile, Spiller, & Noci, 2007), at least these four strategies discussed below provide a view of successful tactics to provide the planned customer experience which will result in higher customer satisfaction.

1. *Orgware*: The authors describe this as the system which administrates the conception and preservation of the culture within the organization which leads to engaging interactions with customers (Voss, Roth, & Chase, 2008). They continue and detail that it mainly includes the systems of human resources (HR); policies of the firm and most importantly the management of the organization (Voss, Roth, & Chase, 2008). In general, when companies try to carry out strategies of CEM, they encounter many challenges to succeed which without the dedication and persistence of senior management, can be difficult to overcome. (Shaw & Ivens, 2002) acknowledged the decisive role of leadership as well when these strategies concerning experiences are being

implemented within an organization. Employees who are empathetic play a critical role in positive experiences with customers (Shaw & Ivens, 2002). Due to the importance of employees in this relationship, HR has to introduce several strategies (rewards, continuous training, education programs, recruiting) in order for employees to understand and adopt the importance of customer orientation, both within the organization and in the their everyday interactions with them (Voss, Roth, & Chase, 2008). Employees don't only have to be efficient but also be ready for an interpersonal aspect when offering customers an experience. Due to all these elements, (Shaw & Ivens, 2002) enhance that a combination of strong attention from the senior management with HR strategies has to be line up with the culture of a firm, to push towards an excellent experience for customers.

2. *Stageware* refers typically to the development and designing of the physical aspect (Pullman & Gross, 2004) or servicescape (Bitner M. J., 1992) of an offering. The latter author, enhances in her study the critical importance that the surroundings play, due to the fact that services are offered and get experienced at the same time (Bitner M. J., 1992). Same as people use their five senses (touch, smell, sound, tase, sight) to understand and react to the environment that is around them (Arnould & Thompson, 2005), customers use their senses to perceive the environment where the service is offered, which is an instant manner for them to emotionally connect to the experience (Zomerdijk & Voss, 2010). (Bitner M. J., 1992) explains further about the substantial role that the surrounding environment play in regard to loyalty behavior customers manifest. Basically, the environment that surrounds customers introduces specific clues that they pick up and depending on their opinions about the quality and capabilities of a service offering, it influences their loyalty to the brand (Bitner M. J., 1992). The author built and presented a framework of servicescape built upon a combination of tangible or intangible

elements of the environment. The three dimensions include: *ambient conditions* (music, temperature, lighting, scent); *spatial layout* (equipment/furniture to deliver services); *signs, symbols, artifact* (influence the first impression the customer gets) (Bitner M. J., 1992). To conclude, designing a great physical ambience is a significant factor in providing experiences that can have an impact on customer satisfaction.

3. *Customerware:* This strategy takes care of managing the touchpoints such as the ones during the pre-purchase, during the purchase itself and post-purchase. The most important process of this strategy is the mapping of all touchpoints, for which several techniques can be used, such as process mapping, customer–firm touch, service-blueprinting, point analysis, customer activity cycles (Payne, Storbacka, & Frow, 2007). The authors continue to explain the benefits of the mapping process which include identifying potential areas of failure or potential differentiation opportunities, better allocation of resources and helps identify chances of engagement with customers through co-creation (Payne, Storbacka, & Frow, 2007). Dialog is mentioned as an important tool of co-creation because companies can gather the information needed about which touchpoint customers find relevant to them (Prahalad & Ramaswamy, 2004). At the same time, (Pullman & Gross, 2004) explain that the strategy of customerware should insist on both the emotional and rational perspective of each significant touchpoint. To deliver consistent qualitative customer experience it is important for the moments of contact and interaction of customer and employees to be planned out carefully. (Gupta & Vajic, 2000) enhance again the importance of continuous employee training because of how much interaction there is between them and customers. Although employee-customer interactions are very important, it is important for a successful experience design to provide opportunities also for customer to customer contact (Gupta & Vajic, 2000). Similarly,

(Pullman & Gross, 2004) also conclude that occasions for customer to customer interaction can host the process of identification and lead to higher customer satisfaction.

4. *Linkware* strategy is identified by (Voss, Roth, & Chase, 2008) as the strategy that focuses on the integration of systems which include the internal and external aspect of the company. They further describe that the internal aspect would include all the communication and collaboration within all the departments like HR, marketing, finance, legal etc. (Voss, Roth, & Chase, 2008). The external one, would refer to continuing the relationship with stakeholders across all channels, for example suppliers (Roth & Menor, 2003). More integration of these systems is required the more an organization aims to be experience oriented (Voss, Roth, & Chase, 2008). (De Chernatony, Cottam, & Segal-Horn, 2006) discuss more on the importance of communication on this strategy. There are three main types of communications mentioned: *management* (management messages to the employees within the company through verbal and non-verbal means of communications); *organizational* (internal such as a newsletter or external such as media communications); *marketing* (communicating with customers through promotions, advertising etc.) (De Chernatony, Cottam, & Segal-Horn, 2006).

These four strategies frame a holistic approach which include a view on internal and external aspects of offering an overall customer experience. Stageware and customerware do have a direct effect meanwhile orgware and linkware have an indirect effect. Even though, these strategies were described separately they are in fact interconnected and independent at the same time which can lead to a conclusion that it would require detailed planning and strategizing to achieve excellent level of operation.

(Homburg, Jozić, & Kuehnl, 2017) discuss in their study about the elements needed when designing a customer experience strategy which

can help to increase engagement. They debate that an overall company approach has to be carried out in order for experiences to be rightfully designed and it should include three perspectives: strategic guidelines to design customer experience; capabilities of the company to update these customer experiences and lastly, a cultural mindset in regards to the customer experiences (Homburg, Jozić, & Kuehnl, 2017). They identify this approach as a CEM which has a goal of customer satisfaction in the long-term and can be reached when it is implemented in whole company and all resource types are recognized correspondingly. Expanding more on the resources, (Homburg, Jozić, & Kuehnl, 2017) observed that individual enhancement of these resources depends on *exchange continuity* (either transactional: if the transactions of a company are short-term and have a pre-decided start and finish or relational: if they are linked with time passing and are seen as an ongoing process) and *size* of the firm.

This second study from (Homburg, Jozić, & Kuehnl, 2017) proposed a more applicable theoretical empirical approach of CEM compared to the first study of (Voss, Roth, & Chase, 2008) which was theoretically very well explored but lacked applicability. However, the authors (Homburg, Jozić, & Kuehnl, 2017) fail to instruct how these CEM patterns (or strategies) can be used by companies to help enhance customer satisfaction. This thesis will attempt to give more insight on how CEM can be used by firms to contribute on customer satisfaction and long-term business growth.

2.4 Understanding Customer Satisfaction

It is an essential part of this thesis to understand customer behavior. This chapter will review the literature on customer satisfaction, which is an important concept of customer behavior. By understating customer satisfaction, the role of customer experience and specifically the role of customer experience management will be better understood.

Before tackling customer satisfaction, it is important to enhance and understand how customer perceptions are created. (Pullman & Gross, 2004) concluded in their research that customers form their perceptions based on their interactions with the ones offering the service, with other customers and based on factors of the surrounding environment. Sequentially, it creates emotions that will influence a customer behavior connected to loyalty. In their study, (Bitner, Booms, & Mohr, 1994) determined that an understanding between employees and customers is a big factor that influences customer satisfaction. In this research, the authors also imply that when employees connect with the lives of customers and also share personal exchanges, it can greatly add to the perception of the customers regarding the empathy and understanding of the service provider (Bitner, Booms, & Mohr, 1994).

Companies of today, operating in an environment with aggressive competition, have continued to increase their attention to grasp the notion and master customer satisfaction. The importance of customer satisfaction has been enhanced in a study by Johnson and Fornell in 1991, where the authors claimed that customer satisfaction is a big determining factor in loyalty and profitability (Johnson & Fornell, 1991)

(Oliver, 2010) defines customer satisfaction as follows*: "Satisfaction is the consumer's fulfillment response. It is a judgment that a product/service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under or over fulfillment. (Oliver, 2010, p. 8)."*

Returning to the study of Johnson and Fornell, the authors discussed two elements which would consequently lead to customer satisfaction and customer loyalty. Their model included the elements of perceived quality and customer expectations. Although these elements are defined as primary factors, it is important to keep in mind that the influence they have in the customer satisfaction varies depending on the situation (Johnson & Fornell, 1991). To better understand this variance, two situations will be discussed.

First scenario: there is a novel service/product and the customer does not have a previous experience with it. This means a lack of information on the quality of

the performance which in turn will lead to vague and lukewarm expectations. As a result, the customer will consider the fulfillment of their basic needs and their current experiences with a product/service to judge their satisfaction level (Johnson & Fornell, 1991)

Second scenario: now a product/service of which customers have previous information on their performance is considered. The authors found out that in this case, expectations were used to judge satisfaction. Basically, it is implied that when the previous experiences with products/services can contribute to create expectation for the future (Johnson & Fornell, 1991). With time and repeated purchases, customers develop a higher confidence and greater expectations which in turn leads to the perceived quality element as a decisive factor of customer experience (Johnson & Fornell, 1991). So, more experiences with a product/service leads to a rationalization of expectations to be harmonious with the perceived quality of the product/service.

From this study, the authors agree that customer expectations do not pose much of an important factor on the customer satisfaction of a new or previous offering. This is also a reason why customer satisfaction itself is perceived as very subjective, due to individual taste and spectrum of different industry sectors (Johnson & Fornell, 1991). Meanwhile, from this study the authors conclude that a great perceived quality does increase customer satisfaction, which in turn will lead companies to retain and generate loyal customers if they concentrate more on it (Johnson & Fornell, 1991).

It has been mentioned a lot the concept of customer loyalty and customer satisfaction. (Straw, 2012) elaborated on their connection by explaining that the ability of firms to build positive relationships with their customers, can lead to customer satisfaction on short-term and a long term, to customer loyalty.

In many literatures, authors enhance and repeat several terms and patterns revolving around quality, satisfaction and value (Yang & Peterson, 2004); (Calisir, Basak, & Calisir, 2016). This common pattern has been noticed due to the relationship that exists between these concepts. (Bei & Chiao, 2006) also confirm that this relationship of these concepts is commonly found is research.

Returning to the concepts of customer satisfaction and loyalty, just as Johnson and Fornell, (Bearden & Teel, 1983) also agree that satisfaction is an essential determinant of customer loyalty, together with positive words of mouth and repetitive sales. (Hansemark & Albinsson, 2004) agree as well that these concepts go together and explain that more a customer is satisfied with a company, the less price-sensitive they are. They also tend to make numerous purchases, are more likely to stay loyal for long and are not easily influenced by competition (Hansemark & Albinsson, 2004).

Customer satisfaction is *"an overall customer attitude towards a service provider"* (Levesque & McDougall, 1996, p. 14). Moreover, (White & Yu, 2005) state that customer satisfaction has several dimensions and it combines cognitive aspects (beliefs/expectations) and affective elements (emotions). (Oliver, 1980) explains customer satisfaction as well as a response driven by an expectancy-disconfirmation experience which includes an emotional process. Hence, the individual behavior of a customer for a product or service, will influence the actions to come in regard to that specific product or service. In other words, customer loyalty might be influenced by customer satisfaction (Bei & Chiao, 2006).

Nevertheless, (Reichheld, 1996) argues that researchers and managers claim that just focusing on satisfying customer won't always lead to customer loyalty. As mentioned earlier, this is due to the subjective nature of satisfaction ((Arnould & Thompson, 2005) where one product/service might satisfy one but dissatisfy

another. That is why (Pine & Gilmore, 1998) insist that for customer satisfaction to a be determinant of customer loyalty, firms have to provide experiences on top of the product/service in itself.

Regarding quality and value, (Cronin, Brady, & Hult, 2000) acknowledged them as major influencers of customer satisfaction. Other literature claim this too. (Athanassopoulos, 2000) concluded in his research that satisfaction derives from value, where the latter one derives from a combination of factors, among which quality is enhanced.

In terms of quality, there is product quality and service quality. The literature has enhanced both of their importance, generally asserting the importance of service quality as primary driver of satisfaction. Although, (Bei & Chiao, 2006) would

argue and state that product quality affects the buying decision of the customer and as a result is also an important determinant. (Parasuraman, Zeithaml, & Berry, 1994) define service quality as the difference the customer makes between their expectations on the offering and the real performance of the service. Meanwhile, the authors define that product quality concentrates more on the tangible offering in difference to the perception a customer has about it (Parasuraman, Zeithaml, & Berry, 1994).

Furthermore, (Bei & Chiao, 2006) determined in their study the direct and positive impact that service quality has on customer loyalty and on the same time, the indirect positive impact that would impact customer satisfaction through customer loyalty. The authors do enhance that product quality does relate directly and indirectly with customer loyalty but not necessarily through satisfaction (Bei & Chiao, 2006). As a conclusion, (Bei & Chiao, 2006) state that customer satisfaction does arise from quality, but it does not always guarantee loyalty. On the other hand, (Cronin, Brady, & Hult, 2000) conclude in their study that value is in fact a more important determinant for an intentional behavior such as loyalty, compared to satisfaction or quality.

From all the review of the literature above and also from the confirmation from other authors such as (Klaus, Gorgoglione, Buonamassa, Panniello, & Nguyen, 2013), it can be argued that although quality, value and satisfaction do lead to loyalty, CX and CEM would be key towards it. Just as (Johnson & Fornell, 1991) describe in their model, customer satisfaction leads to customer loyalty, so in case firms aim towards a higher customer satisfaction (and consequently long term customer loyalty) these authors suggest that they need to focus on this extra topics: CX and CEM. It is in fact what will be further explored and analyzed in the findings chapter from the survey of this paper.

To add more at the importance of experiences, (Berry & Carbone, 2007) discuss that it is the total experience that a customer has with all the offering and the company itself which determines awareness and then brand preference. To continue, if a customer likes the company or brand and they also take part in the delivery of the experience, they customers become advocates of the firm (Duffy, 1998).

To conclude, same as these authors (Donnelly, Lynch, & Holden, 2008) suggest, it is needed an alternative way or approach to create customer loyalty (again, as per previous authors stated above, customer loyalty derives from customer satisfaction. That is why a higher loyalty would be considered as an increase in customer satisfaction as well) which acknowledges customer experience (CX) as a crucial fundamental in loyalty (and customer satisfaction).

2.5 The competitive advantage of Customer Experience for customer satisfaction and business growth

A company is said to have a competitive advantage over their competitors, when it can employ a strategy that creates value which none of its actual or potential competitors can execute at the same time (Barney, 1991). Competitors should be unable to imitate the benefits or outcomes of this strategy for this competitive advantage to be sustained (Barney, 1991).

(Bharadwaj, Varadarajan, & Fahy, 1993) enhance the benefits that a company can have by identifying unique resources and distinctive skills. The authors state that these will permit the firm to accomplish primary or secondary activities of the value chain in a way that will drive down costs or create benefits through differentiation. Thus, making possible the delivery of superior value to its customer (Bharadwaj, Varadarajan, & Fahy, 1993).

(Barney, 1991) continues further and defines that for skill or resource to become a competitive advantage which is sustainable in the long run, it should fulfill four main conditions: to be imperfectly imitable; it should be rare within the competitors of the firm; it should be valuable; it should not have any direct substitute.

Since customer experience is a major factor in creating customer satisfaction and results in a competitive advantage, it is said to be a strategic objective for firms nowadays. As a result, in order for firms to improve their overall customer experience, it is vital to mix the insights from customers in all the customer-facing processes so that they can transform their business

model as per the perspective of the customer (Badgett, Stancik Boyce, & Kleinberger, 2006).

In general, when studied by researchers, growth of firms has been evaluated as very complex and it needs to be assessed through numerous perspectives. (Andersson, 2003) identified several factors which can affect high-growth companies, such as: the macro environment and sector where the company operates in, resources available in environment, the company's plans and strategies or entrepreneurs of the firm itself. The author found out that a combination of the level of the company, a strategy which is clearly defined and created based on the environment, is a key indicator of the firm's growth (Andersson, 2003).

In his research, (Reichheld, 1993) discovered that when giving superior value to satisfied and loyal customer, as an outcome, companies can profit from higher market share and revenues, while at the same time, costs of gaining and serving their customers considerably decreases. He continues to advise companies, that a focus should be the development of a strong relationship of customers and activities of the company. This would lead to actual understanding of the link between satisfaction and financial profits (Reichheld, 1993). He concludes with a recommendation that companies should invest to improve service quality to those customers whom they can deliver superior value. Growth can only happen if companies put customer value at the core of their strategies, instead of maximizing financial gains for the shareholders (Reichheld, 1993) .

(Gupta & Zeithaml, 2006) made an interesting conclusion in their study, where they argue that customer satisfaction and customer retention are positively correlated. They continue and state that customer retention is a meaningful factor in increasing the customer lifetime value, which in turn increases the company growth (Gupta & Zeithaml, 2006). Similar findings had also (Smith & Wright, 2004) because they found a positive correlation between growth of sales and customer loyalty, which in turn is positively correlated with the profitability of the firm. The authors finally conclude that if a firm is able to offer satisfaction to their customers while retaining their

loyalty, it can transform into a competitive advantage to the firm, which translates into financial gain and business growth (Smith & Wright, 2004).

2.6 Online Customer Experience elements

Throughout this chapter, several models and frameworks about CX and CEM have been explored. They of course are all relevant studies based on extended empirical researches, but they do explain more the offline aspect of customer experiences. That is why in this chapter the focus will the to explore CX and CEM as per the online environment and channels the firms and customers mostly interact.

(Rose, Clark, Samouel, & Hair, 2012, p. 309) refer to the online customer experience or OCE as *"psychological state manifested as a subjective response to the e-retailer's website"* based on (Gentile, Spiller, & Noci, 2007) & (Meyer & Schwager, 2007). The authors explain that when a customer interacts with the website of the firm, he becomes engaged in a type of cognitive and affective processing of information which will derive an impression in the mind of the customer (Rose, Clark, Samouel, & Hair, 2012). The model developed by the authors is an empirically model tested in an online environment and included components, antecedents, and outcomes of OCE. For the components, the authors base the definition of cognitive experience from (Gentile, Spiller, & Noci, 2007, p. 398) where it is stated that it is a component *"connected with thinking or conscious mental processes"* meanwhile affective experience is the component that *"involves one's affective system through the generation of moods, feelings and emotions".* Next, the antecedents of each component are summarized as: *cognitive experience* is influenced by Skill, Level of Challenge, Telepresence and Speed of Interactivity, otherwise known as the Flow in the online environment; the *affective experience* is influenced by: the perceived control by the customer (ease-of-use; customization; connectedness); *aesthetics of the website* (layout, graphics, design); *perceived benefits* by the customer (time-saving, enjoyment, comparison of price levels, convenience) (Rose, Clark, Samouel, & Hair, 2012). Figure 5 will provide the visualization of their conceptual model. The authors proceeded to measure Satisfaction, Trust and Repurchase Intention as outcomes of

behavior from online CX and they concluded that customer satisfaction is a main influencer in the trust that a customer has on an e-retailer; another conclusion was in regards to the repurchase intention where they found out that trust and satisfaction are the biggest influencer (Rose, Clark, Samouel, & Hair, 2012).
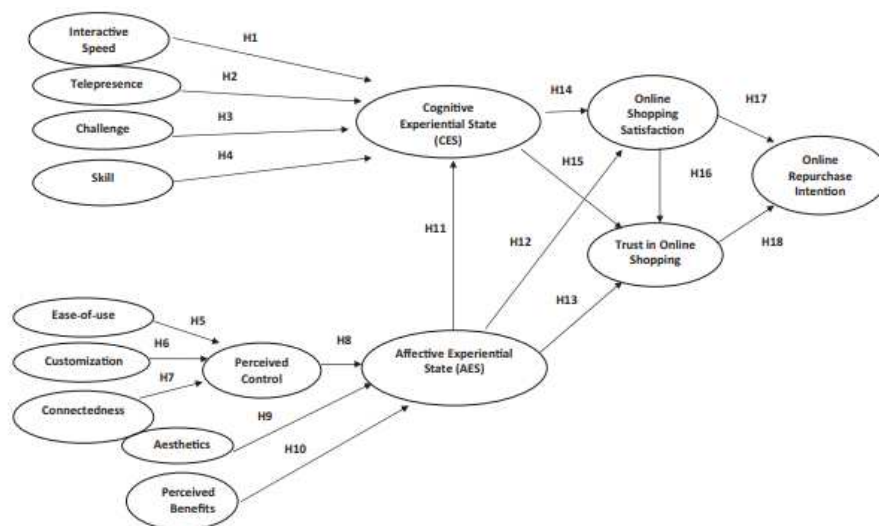

Figure 5 *Conceptual Model of OCE (retrieved from:* (Rose, Clark, Samouel, & Hair, 2012, p. 310)

(Constantinides, 2004, p. 113) chooses a definition in his research which states that OCE is *"a customer's total impression about the online company resulting from his/her exposure to a combination of virtual marketing tools"* (Watchfire Whitepaper Series, 2000). The author conducted a review of 48 papers and identified three major building blocks regarding OCE and five sub-categories. Figure 6 presents a summarization:

Functionality factors		Psychological factors	Content factors	
Usability	**Interactivity**	**Trust**	**Aesthetics**	**Marketing mix**
Convenience	Customer service/after sales	Transaction security	Design	Communication
Site navigation	Interaction with company personnel	Customer data misuse	Presentation quality	Product
Information architecture	Customization	Customer data safety	Design elements	Fulfillment
Ordering/payment process	Network effects	Uncertainty reducing elements	Style/atmosphere	Price
Search facilities and process		Guarantees/return policies		Promotion
Site speed				Characteristics
Findability/accessibility				

Figure 6 *Main building blocks of Web experience and their sub-categories (retrieved from (Constantinides, 2004, p. 114)*

This paper offers a very good review of the work of other researchers in regard to customer behavior online, but it lacks empirical support to back his classification and does not present substantial information about the importance of the elements of OCE in customer behavior.

2.6.1 Assessing quality of service from the traditional and online perspective

(Parasuraman, Zeithaml, & Berry, 1988) were among the first authors to try and examine how customers value the level of service from companies from their perceived service quality concept. They developed a multi-dimensional service quality assessment tool which they called SERVQUAL, which included five characteristics dimensions that define the perceived service quality from the customers perspective, mainly for services and retail firms (Parasuraman, Zeithaml, & Berry, 1988). Shortly described, the five attributes are as follows:

- Reliability- the capability of delivering a service in the timeframe and quality promised to the customer.
- Responsiveness- the readiness to support and give the promised level of service to customers
- Tangibles- having the physical characteristics to provide customers the promised service like equipment, physical appearance of staff etc.
- Empathy- make sure to show care and individual attention to customers' needs.
- Assurance- make sure that employees are fully informed, confident and trustworthy when attending the customers.

The SERVQUAL instrument was modeled by requiring customers to rate the service they expected from 22 attributes compared to how they actually received the delivery of the service. Afterwards, the quality score gets calculated based on the differences between these attributes (Parasuraman, Zeithaml, & Berry, 1988).

When exploring the shopping and service environment in an online perspective, (Constantinides, 2004, p. 113) explains that experience differs greatly from the traditional business, since there is a big factor included, such as the use of technology. In the online environment, a study from (Parasuraman, Zeithaml, & Malhotra, 2005) proposed a very detailed model to assess and measure online service quality, which they called E-S-QUAL). The model included studies of focus groups and identified 22 elements with four dimensions of online service quality: *Efficiency* (ease and speed to access the website of the firm); *Fulfillment* (measuring if the promised ordered delivery is fulfilled compared to item availability stated on the website); *System Availability* (measuring errors from a technical perspective of the website); *Privacy* (the level of safety of the website and how data of customers is protected) (Parasuraman, Zeithaml, & Malhotra, 2005). To measure the quality of recovery services offered by the website to answers to problems, the authors developed a measuring scale called E-RecSQUAL, which included 11 items and these three dimensions: *Contact* (rates the availability of assistance offered to customers in an online format or phone lines); *Responsiveness* (rates the efficacy of the retailer when dealing with issues and return of products); *Compensation* (rates the level of compensating clients in case of errors or issues) (Parasuraman, Zeithaml, & Malhotra, 2005). As a conclusion, the authors state that the strongest impact on customer satisfaction were efficiency and fulfillment related factors, followed by system availability and privacy (Parasuraman, Zeithaml, & Malhotra, 2005, p. 228).

A very important study in terms of the current research topic of this paper, is the study from (Holloway & Beatty, 2008) because the authors explore what drives customer satisfaction and dissatisfaction. They concluded in four aspects and within each aspect specific drivers, which are: *Website Design/Interaction* (mentioned in the biggest frequency as a satisfier; describes the experience of customers when visiting the retailers website and includes ease of navigation, website design, purchase process, biggest drivers of satisfaction include

Purchase process and Quality of Information); *Fulfillment/Reliability*(2nd most mentioned as a driver mostly of dissatisfaction, includes the delivery process, consistency of received product per the website description and timely and accurate fulfillment of order); *Customer Service* (rates the quality of service support before, during and after the purchase process; it was mostly rated as a driver of dissatisfaction); *Security/Privacy* (least mentioned driver related to customer satisfaction; it describes the security of personal data of customers filled in the website and guarantee of protection of any external data breach) (Holloway & Beatty, 2008).

2.6.2 Digitalization and Innovation in CX and CEM

2.6.2.1 Online customer data collection and social media

Today we have fundamentally different ways that customers choose to interact with companies and it stretches even beyond what a firm can control, such as media channels (Edelman, 2010). The author mentions the great effect that social media is having on the decision-making process of customers and that is should not be avoided for data collection purposes (Edelman, 2010). (Borowski, 2015) also enhances the change of focus of CX measurements of data and the transition from offline to online, thanks to digitalization.

(Fensel, Leiter, & Stavrakantonakis, 2012) explain that social media tracking/monitoring is frequently used to collect customer experience data and it is basically a regular monitoring and analyzing of social media communities and networks. They further argue that due to the real-time access to their opinions, questions and complaints it is more cost-effective, fast and convenient than the traditional means such as expert panels (Fensel, Leiter, & Stavrakantonakis, 2012).

2.6.2.2 The impact of digital innovations

Customer behavior has clearly shifted at a fast pace and they use digital devices all the time to interact with companies through these platforms.

In fact, (Chappuis, Gaffey, & Parvizi, 2011) state that since customers spend more and more time on electronic devices, the importance and functionality of these devices increases. At the same time, the opportunities for making financial profit from mobile platforms will increase accordingly (Chappuis, Gaffey, & Parvizi, 2011). The authors conclude from their study, on a growth of advanced multi segments in the consumer market, such as a willingness of respondents to pay more for digital content and services than traditional ones (Chappuis, Gaffey, & Parvizi, 2011). Their stance on the digital revolution is that it will change the way we interact, buy, entertain ourselves and work (Chappuis, Gaffey, & Parvizi, 2011). (Burrus & Mann, 2011) say that in this digital era, it is clearly visible how exponential and transformational technology has driven innovations that are shaping the society. As examples, they mention the success of digital companies like Uber and Airbnb as change accelerators who have left traditional business wondering on how they missed so greatly in foresight of these changes (Burrus & Mann, 2011).

2.6.2.3   CX, CEM innovation and competitive advantage

(Schmitt B. H., 2003) states that when it comes to CEM, innovations in CX are essential. Innovation that is driven by experience is a customer-oriented process where the perspective of customers plays a central role and it impacts how relevant customers perceive the company to be, directly (Schmitt B. H., 2003).

(Borowski, 2015) states that if companies shift their direction of CEM towards focusing more on the digital side of customer experience, they would gain competitive advantage. These digital customer experiences include all the experiences happening through digital means such as a computer, mobile or tablet such as comparing products online or seeing influencers promote a product on social media (Borowski, 2015). He continues to explain the differences between an online and offline customer, where e. g. offline customers don't mind waiting five minutes to

get their services, while online customers are not so patient; they expect for their online experiences to be seamless, and don't justify easily working problems (Borowski, 2015). The author concludes by recommending companies that this is the most immediate investment to pay attention to (Borowski, 2015).

Although digital innovations have taken over traditional businesses and changed our lifestyle, customers still expect for the digitized product or service to have a clear brand promise and value (Edelman, 2010). The Vice President of Product Innovation of Netflix, stated in an interview that the company focuses on managing the experience of their customers, from the moment they register online up to the moment they stop being subscribed; through all the big data being collected, Netflix gets to know their customers and tries to make their experience more valuable by personalizing it and increasing efficacy (Sweney, 2018).

3. Methodology

After reviewing the relevant literature and spotting gaps where further research was needed, developing a data collection methodology was found necessary to drive the research on the right track. In this chapter, an outline will be provided of the methodology used for this study. It was formed by keeping in consideration the objectives of the research and by referring to the literature reviewed in the previous chapter.

3.1 Research Purpose

Defining the research purpose of a study is an important activity which should be looked for since the first steps of the researching procedure. According to (Saunders, Lewis, & Thornhill, 2009, p. 140) the purpose of the study of this paper can be a *descripto-explanatory* one, which means that it includes a combination of descriptive and explanatory researches. Here, the basis for the expanded explanatory research of relationships between variables is an observation and a description of the phenomenon (Saunders, Lewis, & Thornhill, 2009).

3.2 Research Approach

To select a research approach is always a critical decision which will affect the future progress of the methodology. (Bryman & Bell, 2007) say that the research approach describes how theory and practice are seen within the framework of the study.

For example, when a research question explains a causal relationship between the variables (in the case of this study, CEM with customer satisfaction and business growth), then the most suitable approach would be a deductive one (Saunders, Lewis, & Thornhill, 2009).
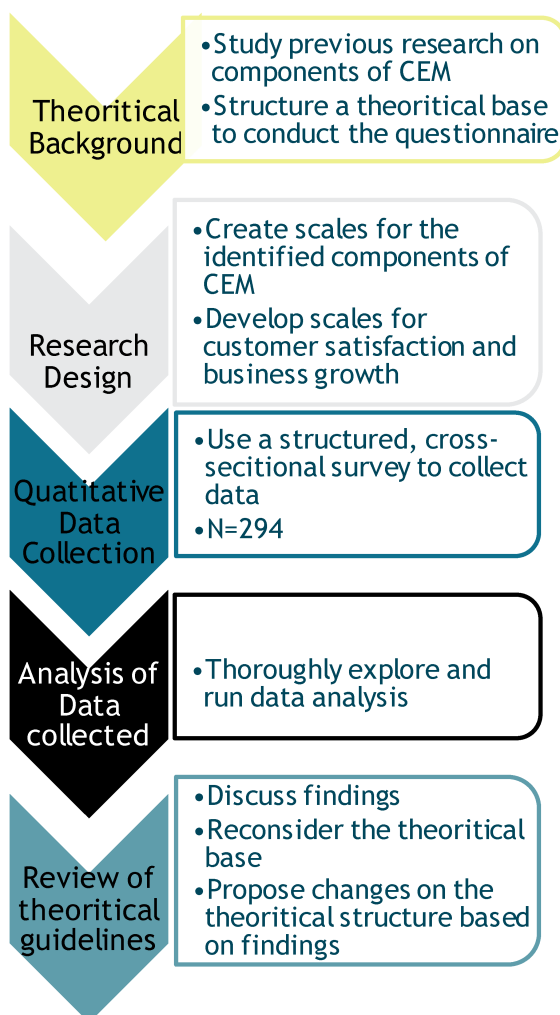
The authors further explain that deductive approach means basically when theory guidelines and previous base of knowledge in a topic are used to build new hypotheses and continue to explore them (Bryman & Bell, 2007). The advantage of this approach is that it proposes a greater reliability in the findings due to a structured methodology (Saunders, Lewis, & Thornhill, 2009).

Based on the theoretical research conducted in the previous chapters, a great base of studies explored the concepts of customer behavior like customer satisfaction and business growth in an online and offline dimension. Although, it can be argued that most of these studies explored the theoretical side and lacked more on the empirical testing.

Thus, this previous knowledge and theory of customer satisfaction, CX and CEM can provide a legit opportunity for further research. Based on the research process diagram instructed by (Saunders, Lewis, & Thornhill, 2009), this study has the flow as shown in Table 1.

This paper has gone through several stages as visualized in Table 1. To start, there was a thorough research on the theoretical background of CEM, CX and customer satisfaction together with business growth, exploring the traditional way of business as well as the online business of today. Based on this review, a list of components of CEM and outcomes in terms of customer satisfaction and business growth was established. In the next stage, the concepts of CEM, customer satisfaction and business growth were designed and adapted for evaluation. It was used the method of exploring preliminary of other literatures to find elements for the questionnaire since it was used as well in most of the studies of customer experience and behavior. On the stage that follows, a survey was conducted to collect the quantitative data. After this stage, the data was analyzed to test the theoretical base. From the results of the testing, then the theoretical base was reassessed and in the last stage the findings were introduced, together with recommendations, limitations and future recommendations.

Table 1 The research process (adapted from (Saunders, Lewis, & Thornhill, 2009, p. 11)

Theoritical Background
- Study previous research on components of CEM
- Structure a theoritical base to conduct the questionnaire

Research Design
- Create scales for the identified components of CEM
- Develop scales for customer satisfaction and business growth

Quatitative Data Collection
- Use a structured, cross-secitional survey to collect data
- N=294

Analysis of Data collected
- Thoroughly explore and run data analysis

Review of theoritical guidelines
- Discuss findings
- Reconsider the theoritical base
- Propose changes on the theoritical structure based on findings

As commonly known, in general, studies present themselves with limitations in their methodology, which are important to identify and consider when the research study is designed in order to take the necessary measures to compensate or try to eliminate them if possible. Using a certain approach in a research has the major disadvantage of possibly identifying new leads that surpass the relationships already defined in the first stages (May, 2001).

In order to minimize this disadvantage, a thorough background review of the literature is needed, so that when developing the elements to be tested, a broad range of information is available. Another negative outcome, might be the pre-conclusions that the author might have in mind after conducting the theoretical review, which can lead to a study designed accordingly to its thoughts and can force pre-selected theories (May, 2001). To avoid it, a solution might be to give some pilot surveys to unbiassed participants and check for any unintended bias or subjectivity.

3.3 Research Strategies

(Bryman & Bell, 2007) define a research strategy as a framework which guides throughout the study to collect and then analyze the data. For this study, it was considered suitable to use a cross-sectional survey research as a strategy which can best fulfill the aims of the research objectives and provide the necessary information by also being cost-effective at the same time. Since the survey has a deductive approach, the type of questions it has posed try to answer to the mostly "what", "how much", "how many" etc. questions (Saunders, Lewis, & Thornhill, 2009) which is also in line with the approach selected. As mentioned before, this study is a highly descriptive and explanatory one, which makes the chosen research strategy the most suitable one. Some of the other benefits worth mentioning which come with this research strategy are:

- The opportunity it provides to collect large quantitative data which is important for conducting a further analysis of the data collected.
- It allows the author to detect relationships between different variable (in the case of this study, the relationship between CEM and customer satisfaction and business growth) which provides the opportunity to create models based on those relationships that were detected.
- Collecting data which is standard can help to identify and make a comparison of the relative importance of the variables (Saunders, Lewis, & Thornhill, 2009).

Every method of research has their pros and cons and whenever choosing a specific one, some of the benefits of other methods can be lost.

Nevertheless, the most suitable method which can answer to the research objective has to be chosen. Even though it brings answers to the research objectives, it does not cancel out some faults that is method is known for. Below, there are listed some of these criticisms associated with using a survey for a study:

- (May, 2001) specifies that the strategy of a survey restricts a lot the study from considering any of the participant's values and behaviors used behind the process of thinking. In the case of this study, using a structured study might have limited understanding what exactly drove participants toward an increased or lowered customer satisfaction during their online shopping experiences.

- (Saunders, Lewis, & Thornhill, 2009) mentions that by using a structured survey, the research tends to be less wide spread than if other methods were to be used. (May, 2001) also justifies this criticism by adding that it is hard to put people into fixed groupings of surveys due to the diversity of customer behavior related with distinctive events. That is why, as suggested by (May, 2001), this study and studies which use a survey in general, have to run a wide theoretical review as a base to create a consideration of several contexts or different social processes in the topic of research.

- The relationship between customer behavior and their actions is an important notion to consider when running a survey. It is imperative to understand the variance between how customers actually behave and how they choose to behave in survey study context. In fact, (LaPiere, 1934, p. 237) concludes that in order to make an accurate measurement of a social behavior, the study should be derived from the study of participants in actual social events. For example, in this study, if a participant has expressed its willingness to pay more than 15% of the price for extra personalized customer experience, it might not reflect if they would actually do it in a real scenario.

- The last disadvantage is about the process of the method of sampling in a survey, which is considered by (Saunders, Lewis, & Thornhill, 2009) to be very complicated in order for it to guarantee valid results.

3.4 Research Instrument and Data Analysis

3.4.1 Method of data collecting

For this study, the principal research instrument used to collect data was the self-administered structured questionnaire. This method suggests that respondents are presented with the same set of questions which have a previously defined order that permits the conduct of a quantitative analysis based on the large amount of structured data collected (de Vaus, 2002) in (Saunders, Lewis, & Thornhill, 2009). The reasons that this research instrument was chosen are as follows:

- Based on the pre-set research objectives and the deductive research conducted, a questionnaire which is structured would provide the necessary type of data for a further analysis.

- According to the characteristics of the target sample, the use of a self-administered questionnaire it was totally fit for, due to them being technology-savvy and well-educated.

- Since the sample was quite large, this questionnaire would be convenient to have the necessary data collected.

- In terms of costs, questionnaires are one of the most budget-friendly instruments to use.

- Another benefit is the minimization of the bias in responses when using a self-administered questionnaire, which otherwise might have been influenced by the author when conducting interviews (Bryman & Bell, 2007).

- Lastly, the questionnaire had a large number of questions to assess customer experience, customer satisfaction and the best way to provide responders more time to think about the questions, recall their experiences and make them feel comfortable while answering, was by putting them all together in the form of a questionnaire.

Apart from the positive reasons of using this instrument, there were also some weaknesses noticed during the process.

- For example, just like (Bryman & Bell, 2007) also agree upon, in case a respondent had issues comprehending a question, the author couldn't interfere to help, so this is a negative side when there is a lack of communication. However, an attempt was made for questions to be created as comprehensively as possible and when needed, notes with extra explanations were provided for some questions. Also, instructions were provided in the introduction section of questionnaire to better explain the topic of research and some guidelines were inserted as well, in attempts to ease the understating of the research topic without any communication with the researcher.

- Secondly, questionnaires in general have to be built with a restricted number of questions so that it does not become annoying and difficult to complete by respondents and risk a low response rate (Bryman & Bell, 2007). This is the reason why in this study, it was attempted to include important questions that served the research objectives. As well as, long and difficult or complex questions were omitted.

- Next, surveys in general might be prone to low response rate, especially self-administered ones (Bryman & Bell, 2007). This limitation was avoided by sending the questionnaire to other participants who fit the design of the sample. In this study, fortunately there were enough participants and there was no need to send any reminder email.

- (Bryman & Bell, 2007) mention another limitation of self-administered questionnaires, which has to do with participants avoiding to answers some questions due to the absence of supervision and as a result creating an absence of data. In this study, all questions were made mandatory to answer before jumping to the next session, in order to avoid any missing information.

- Lastly, (May, 2001) enhances the problem of how respondents might interpret the questions. Because there is no interference from the researchers side, and as a result no communication,

there is a risk of participants not interpreting the questions the way the author had intended to (May, 2001). For this study, two strategies were undertaken in order to overcome this limitation. Firstly, a piloting session was executed where some questionnaires were sent, and feedback was received. Based on the outcome, several changes of the questions were carried out. Since in this study the focus is to measure how CEM can influence customer satisfaction and business growth, the questionnaire was built in a way to assess customer experience, and these elements (customer satisfaction & business growth) as well, which might pose a risk on how participants might interpret these questions in a self-administered questionnaire. So, the second step that was taken to avoid this specific limitation, was to implement multiple-item scales for these components to be measured as accurately as possible.

3.4.2 Questionnaire Structure and Content

This questionnaire is developed by focusing on answering the research questions of this paper. The purpose of collecting this data is to find evidence that would support the theoretical basis discussed up to now and potentially add important other findings in the field of CEM since it a relatively new one. Through the content of this questionnaire, it was attempted to find a significant relationship between CEM and customer satisfaction and business growth. The table below describes the main questions:

Table 2 *Data requirements table (adapted from (Saunders, Lewis, & Thornhill, 2009, p. 368))*

Questions	Variables asked	How it was measured
Attribute: What is the demographic of the sample?	Age	Age in years (divided in generations)
Behavior: What is their approach to online shopping and customer experiences?	Amount of bad experiences	Select from 1 /2-5/ more than 5 bad experiences
	Why they stop using a brand	List of reasons (select max 3 options)
	Most used channels	List of channels (select max 3 options)
	Willingness to pay for CX	Matrix of Agreement and percentage above price (less than 5% / 5%-10% more/ 10%-15% more/ 15%-20% more/ more than 20% per list of 9 experiences
Opinion: How do participants evaluate their online customer experience until now?	Evaluation based on several items identified from the theoretical research	Level of customers' agreement with a statement from "Strongly disagree" to "strongly agree" in 5 levels
Opinion: How does has their online customer experience affect their satisfaction with the brand?	Evaluation based on several items that compare their current experience and their expectations from these brands	Level of customers' agreement with a statement from "Strongly disagree" to "strongly agree" in 5 levels
Opinion: Do customers notice potential fields which firms might use for their business growth?	importance of CX	Rating importance in scales from 1 to 10
	importance of employees	Rating importance in scales from 1 to 10
	importance of ethics and corporate values	Rating importance in scales from 1 to 10
	importance of innovation	Rating importance in scales from 1 to 10
	need of more personalized offerings	Yes/No/ I don't know
	intensity of human interaction	evaluation of statement True or False

Having this structure in consideration, in the first section the topic of demographic attributes, more specifically the age of the sample of participants will be analyzed. Next, some behavioral aspects of the participants in relation with their online shopping behavior will be analyzed. In the introduction section of the questionnaire, there were given some guidelines, among which the fact that participants should have in mind past experiences with brands they frequently interact with and have a relationship with. This part aims to analyze and gather information about the approach customers have nowadays with online retail or service firms.

The next three questions aim to gather opinions from the sample of participants regarding customer experience. For the first two section of opinion questions, several items have been identified and have been measured by using a Likert scale to evaluate their online shopping experience. Respondents stated their level of agreement with different statements (which is connected to an item) on a scale from "Strongly disagree" to "Strongly agree" with five levels, included as well is a neutral option of "Neither Agree or Disagree".

The last section of the opinion questions aims to gather feedback from the participants in regard to certain notions that might potentially provide new opportunities of business growth for firms. These opinions were measured through rating of importance with a semantic differential rating scale which has a level from 1 to 10 that participants can choose from (1 being the least important and 10 being the highest importance).

The transcript of the questionnaire used can be read in detail in the Appendix section.

3.4.3 Designing of the Sample and Access to the source of Data

For selecting the population of the study of this paper, the common patterns of customer behavior while shopping online were considered, mostly in Germany. Also, notes were taken based on the previous researches in this topic. The limitations in time and expenses were also considered for this

study. In regard to the above reasoning, this questionnaire was filled mostly by students and staff of German universities, with a mix of international students as well. The population also included older participants (not students) than the university age range, for a diversification of answers and perspectives. In the previous research data, student population usually appears as the most suitable one for studying customer behavior in an online setting. In fact, (Lim & Dubinsky, 2005, p. 852) state that online commercial businesses should focus more on student populations due to their extended presence online. Although this statement is true, with time passing and millennials generation reaching their 40s, the population in general has become more technology-savvy and online shopping is now used more frequently by older generations as well. To add to this argument, (Modahl, 2000) in (Wolfinbarger & Gilly, 2003, p. 189) state that in general, online shoppers are mostly customers from higher economic and social groups, not just customers from the students population. Based on these observations, it was concluded that the sample of population studied should include a range of different ages.

Due to the limitations in access and timeframe, a non-probability convenience sampling to collect responses from the focus population was executed. Although, as explained in the paragraph above, the study made sure to include in the sampling several group ages, which consequently meant including individuals with different background, levels of income, education and field of studies for diversified answers which guarantee more reliable results. Since it was determined that a statistical analysis would be suitable for this study, it was also made sure that the answers comply with these demands. Especially in regards with the size of the sampling. (Hair, Black, Babin, & Anderson, 2010) enhance that if a study wants to have results that are significant through an exploratory principal component factor analysis, the population studied should be at least 100 observations. In this aspect, the population studied in this present study included 294 observations from the respondents of the questionnaire, which would provide more than enough data for significant results. In the chapter of the findings and results, the population will be explored in more details.

(Saunders, Lewis, & Thornhill, 2009) state that the access to the sources of data is crucial because it has in impact on the outcome and feasibility of the research. For this study, it was used primary data. This data was accessed and sourced always electronically. The questionnaire was sent to university students by a staff member of Hochschule Kaiserslautern via email which included the message of the author and a link of the questionnaire to be accessed. Also, other means were used to distribute this questionnaire to other non-student population such as social media platforms like WhatsApp, Facebook and Instagram. Due to collecting in time the planned amount of responses, no reminder notification was needed to be sent. To create the questionnaire, an online tool, namely Google Forms was used due the advantages and features it provided. The tool was easy to use, provided great administration of responses, including visualization and graphs which will be used in the sections to come when analyzing the findings. It allowed for every question to be made mandatory, which wouldn't allow participants to skip to the next question without filling out the previous one accordingly. Any missed information could be avoided with this feature. Since this was a self-administered online survey, the responders were provided with all the time needed to answer the questions without any pressure or distraction from presence of the author.

An important aspect when conducting a study is also the consideration of the ethical part. The measures chosen in this study were firstly the maintenance of a voluntary participation where only one communication was sent, either via email to the students and staff of the university or via one post in each of the social media platforms mentioned in the previous paragraph. This way, participants were also spared from any kind of pressure into participation. In the ethical aspect, perhaps the most important issue when collecting data was the data protection policy. In this study, participants were guaranteed anonymity and they were fully informed since the first introductory section of the questionnaire about the topic of research and about the type of data which would be collected.

3.5 Data Reliability and Validity

Whenever a study is conducted, for trustworthy results to be delivered, two main aspects need to be evaluated, namely reliability and validity. For this study has also the aim to provide trustworthy results and thus, both these aspects will be discussed in this chapter.

3.5.1 Reliability of data collected

According to (Saunders, Lewis, & Thornhill, 2009) the concept of reliability discusses the level of consistent findings with the used data collection techniques and analysis. The author continues to explain that reliability measures if comparable findings can be retrievable from other researchers; if the raw data was used with transparency and if the measures used can generate the same results but in different instances (Saunders, Lewis, & Thornhill, 2009).

(Robson, 2002) in (Saunders, Lewis, & Thornhill, 2009, p. 156) mentions four types of threats to the aspect of reliability in a research.

- *Participant error* is manifested when respondents give answers which do not fully mirror their real opinion, feeling or behavior because of circumstances when data was gathered (Mitchell & Jolley, 2012). To give an instance, the time when data was collected, maybe there were distractions in the environment which otherwise would have reflected different answers from the participant. In the case of the present study, since the questionnaire was filled online, there was no way for the researcher to control the environment the participant was while filling it. However, by using a large pool of data, basically gathering more than the advised 100 samples, this error could be compensated for.

- *Participant bias* might happen in case participants change their answers for different motives, for example to give a largely accepted answer instead of their true opinion on the topic. This is something that should be taken in consideration when designing the research. In the specific case of this study, the researcher disclosed and

assured respondents of fully anonymity of their data, which would help avoid this threat.

- *Observer bias* might happen in case of a subjective approach of the researcher, which can influence the gathering of objective answers in a negative way (Mitchell & Jolley, 2012). Since this study which is being conducted in this paper was led by just one researcher, it is a bit hard to control this bias. Although, it has been considered into the present research and many steps have been taken to avoid and minimize the effects of this threat.

- *Observer error* happens in case many errors are made unsystematically when gathering data. Thanks to the use of a standardized research instrument, this study has minimized the effects of this error. At the same time, the use of a software to store the raw data contributed as well.

3.5.2 Validity of data collected

(Saunders, Lewis, & Thornhill, 2009, p. 157) explain that the concept of validity ensures that the results are actually about what they appear about, and it deals more with the accuracy of the collected data. Meanwhile, *internal validity* according to the authors, has to do with the capability of the research instrument to measure what it wants to measure (Saunders, Lewis, & Thornhill, 2009). For securing the internal validity, the questionnaire of this study was sent to 8 similar participants to do a pilot test. After this measure, many questions were redesigned and for some, specific notes were provided to better explain the aim of the question and what the researcher intended.

Regarding *measurement validity,* this study paid specific attention to the theoretical base which was used to collect data. The elements where cross-referenced with other previous studies before including them in the proposed model only if they were noticed in several studies.

Generalizability or *external validity* refers to the idea that the findings generated can be applicable the same in different researches. Basically, if they can be generalized in the context of larger research (May, 2001). For this

present study, generalizability cannot be applicable, since the research used a non-probability sampling technique.

4. Findings and Results of the research

This section will be dedicated to describing and analyzing the main findings generated from using the primary data of the questionnaire.

Firstly, the sample of this questionnaire has 294 observations gathered from the participants of the survey. Since all questions had to be answered, there was no incomplete data which needed to be removed from the sample. Although, basic demographic data was not requested from the participants in order not to make the questionnaire more complex, there is some general information which might help to make the picture of the population a bit clearer.

Since the survey was sent out mainly to the students, staff and professors of Hochschule Kaiserslautern, it is safe to say that most of the participants are students. This can also be seen in the chart of Figure 7, where nearly 65% of the participants are from 18 to 29 years old. Except of the university participants, the rest of the participants were contacted via social media, which can be assumed to also have a younger age. This would justify the 27.6% answers from the 30-49 years old group age and the other smaller percentage groups with older age. It is very interesting to notice that in the questionnaire there were participants from all group ages, which speaks for the increase of volumes of online shopping experiences which are now accessible from all group ages, differently from some years ago. To mention, 5,8% of the respondents were in 50-60 group age; 1,4% from the +60 group age and only 0,7% were under 18 (the latter group has such a small percentage even though generation Z is basically born in the digital era, due to the fact that they were not the main target group age of this study.)

Although this sample cannot be claimed to represent the whole population of online shoppers in Germany, it does in fact provide a good representation of the Millennials and Generation X population which are more of a target in this study due to a more frequent online presence than the other group ages.

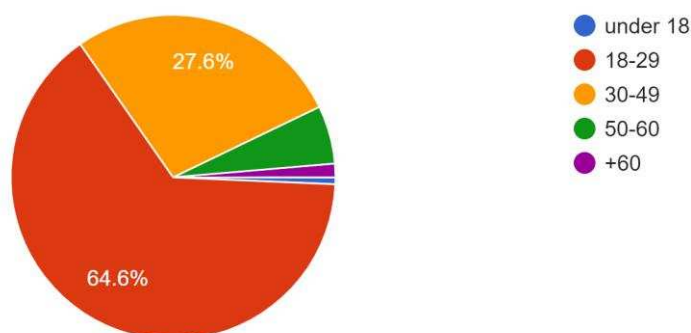1. Please select your group age:

294 responses

Figure 7 *Group Ages of the Questionnaire*

Secondly, an analysis of the responses of the questions analysis for the customer behavior will take place.

As seen in Figure 8, there is a significant tolerance that the respondents show in terms of bad experiences, before deciding to stop purchasing (stop being loyal customers) to a brand they like. This can be interpreted as well that for 72,1% of the respondents it would take between 2 and 5 bad experiences to gradually decrease their satisfaction with the brand until they stop using it. A quite big percentage of respondents showed even more strict behavior, where for 25.9% of them, it would take only one bad experience.

This is a signal for companies to up their quality of customer experience offerngs and CEM might be a good tool for a holistic view of all customers and their behavior intentions. This finding is also in line with the findings of (Borowski, 2015) who enhances the short tolerance that customers of online vs. traditional business have and advises for investments and attention to CEM.

12. How many bad experiences would it take you to stop using a brand you frequently buy from?
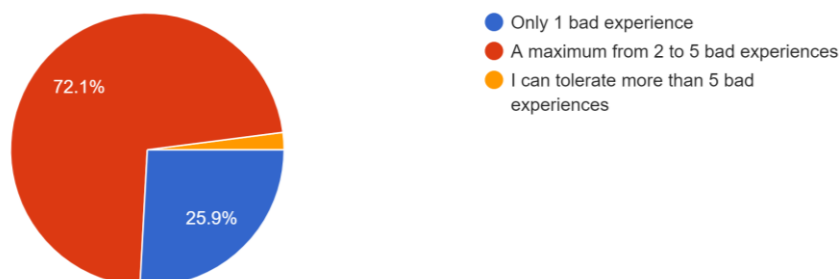294 responses

Legend:
- Only 1 bad experience
- A maximum from 2 to 5 bad experiences
- I can tolerate more than 5 bad experiences

Figure 8 Tolerance of bad experiences

Exploring more in the topic of bad experiences, the questionnaire included a question about the reasons why a customer would stop using a brand. This was the result based on the proposed list of reasons:

13. Please select your most important reasons to stop using a company ever again (Please select a maximum of 3 options):
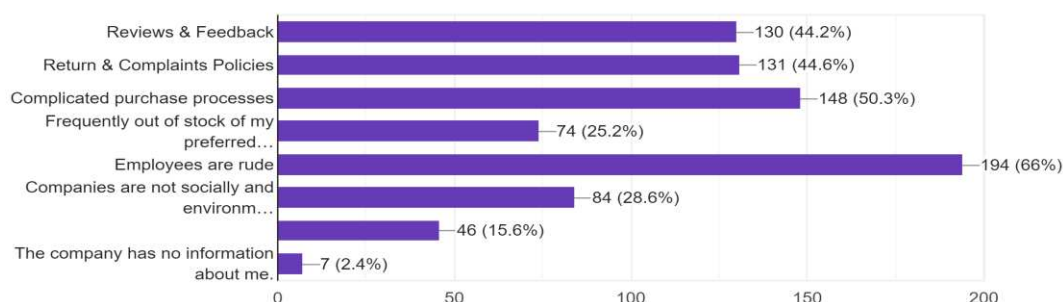294 responses

Figure 9 Reasons to stop using a brand

It can be noticed that the biggest driver for customers to cut ties with a brand is rude employees (66%). This result is in line with what was mentioned in the theoretical review chapter, (Bitner, Booms, & Mohr, 1994) enhance the importance that the relationship of the employee with a customer has in terms of customer satisfaction. Next in line, are three drivers which have similar percentages: Complicated purchase processes (50,3%); Return & Complaints Policies (44,5%); Reviews and Feedback (44,2%). All these three are components and drivers of satisfaction (or dissatisfaction) as mentioned by (Holloway & Beatty, 2008) in the dimensions

identified as Website Design, Fulfillment or Reliability and Customer Service. The least selected motivation to stop a customer from using a company, was the reasoning that the company has no information about the customer, only 2.4% chose this alternative.

4. Which of the elements below would make you have a different evaluation about a brand? (Choose a maximum of 3 options)
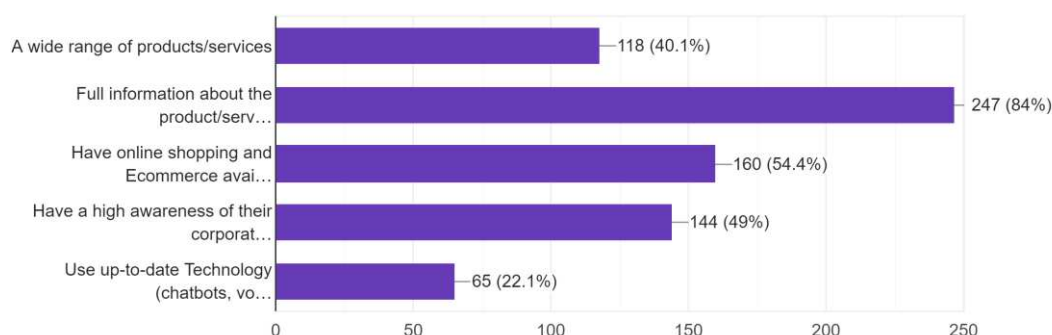294 responses

Figure 10 *Characteristics to look for in a brand*

From this list, participants were asked to give their opinion regarding some other important components selected based on the literature review outcome elements. In line with (Holloway & Beatty, 2008) dimension of Website Design/Interaction (quality of information) as a driver of customer satisfaction, the participants of the questionnaire also selected the element of Full information about product/service offered with 84% as the element which would differentiate a brand. It enhances the reason why customers choose online shopping, for its convenience and the available information eases this process and helps the customer to compare offers from different providers. In general, all elements listed are rated high. On 2nd place is the element of Website/Design as per (Holloway & Beatty, 2008) but in our study was listed as 'having online shopping and e-commerce available' with 54,4%. An interesting finding is the considerably high importance that the participants gave to a high awareness of the corporate responsibility (49%; 3d in line). This component is a good predictor of future expectations of customers from the brands they are loyal too. The importance of this topic is increasing day by day and will continue to do so. For firms, it means that they should pay more attention to this component

for them to keep their customer satisfied and keep growing their business by attracting new customers that share the same values and points of view. The least selected component is the use of up-to-date technology like chatbots and voice assistants (22,1%). The reason behind this result, might either be that customers value the other elements more than this one, or that due to the novelty of this component, people are still getting used to the idea and concept of it.

In terms of getting in touch with the companies, due to the digital advancement, it was deemed interesting to analyze the customer behaviors in this aspect. This would also help define the main channels that firms should also focus on integrating to their CEM strategies and systems. From the responses, as seen in Figure 11, the most responses were gathered for Email interactions, then Phone Calls, Live Support online, and in fourth place there are two methods with similar response rate: Social Media and Sales Representatives.
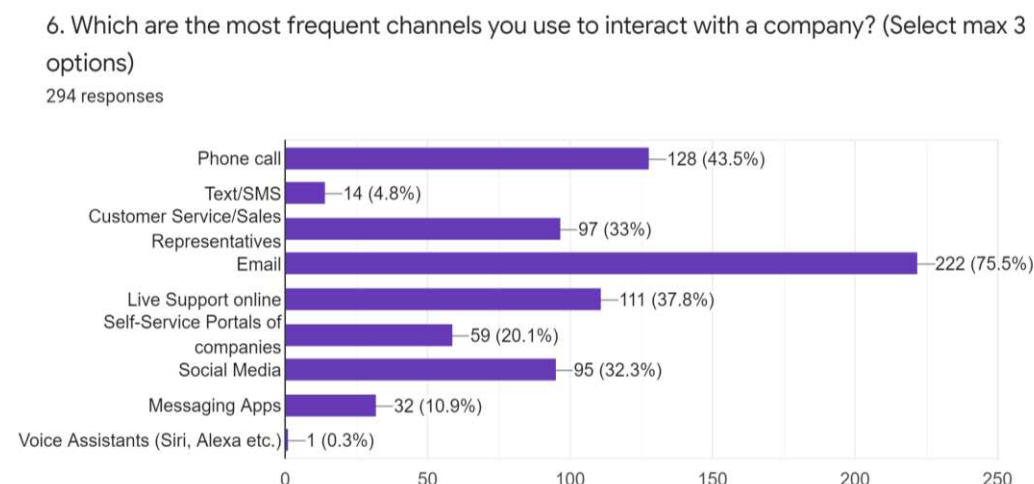
6. Which are the most frequent channels you use to interact with a company? (Select max 3 options)

294 responses

Figure 11 *Channels of interaction assessment*

The results of the poll in Figure 11 are quite interesting, because it can be noticed a mix of online channels where customers reach to businesses such as Email, live support, social media, and on the other hand very near in percentages there is still a need for human interaction by Phone Calls and Sales Representatives.

Meanwhile the least used methods are Texting and Voice Assistants like Alexa or Siri. It can be determined that customers are still not used with Artificial Intelligence and that there is still a long way to go before it becomes a norm. Nevertheless, it

doesn't mean that companies should neglect this channel. Due to the enormous pace of change in technology, this method can be predicted to become a normality sooner than expected.

To decide further to analyze the changing concept of human interaction in the customer support and experiences in general, participants were asked to evaluate these two statements as shown in Figure 12:
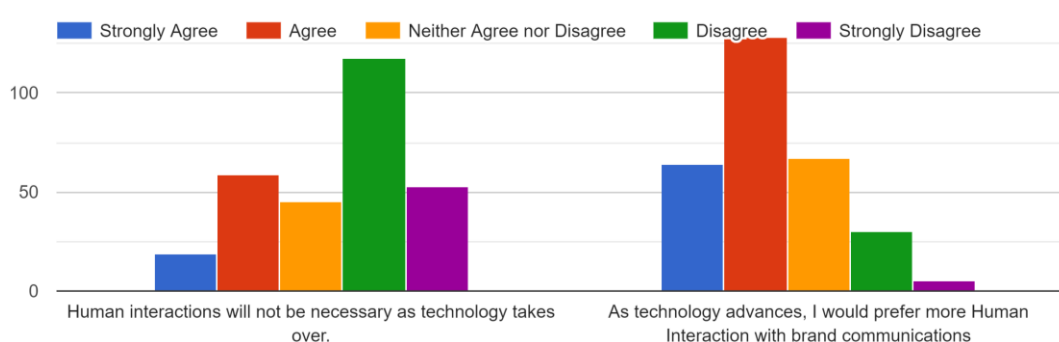
10. What do you think of these statements?

Figure 12 *Human Interaction Poll*

The results from both these statements, enhance the findings as well in Figure 11. Customers still appreciate human interaction at a great scale and are not yet fully ready yet to change into human-less contact with a brand. Nevertheless, there is a growing trend toward digital contact form, because 68,7% of the participants found with the following statement to be true: "I would rather communicate digitally than via a traditional method".

One important finding from an evaluation of the participant was that 76% of them found the following statement to be true: "I have used more than one device to finish a transaction from start until purchasing." This is a very important result in terms of CEM. Just as discussed in the theoretical review part, digitalization and innovation is impacting and changing the way customer behave and interact with firms (Burrus & Mann, 2011). Nowadays a customer can check an Ad in social media through their mobile phone and then saves the link to later access it via a laptop, where they might complete the purchasing process in the firm's website.

That is why it is of outmost importance for a company to align not only within their channels but also making sure that the customer's experience is not affected by this change of devices. That will ensure constant satisfaction in online experiences and keep loyal customers who can generate business growth by repetitive purchases and references. It does as well add to the importance of extra attention and investments that should be made in CEM for companies to stay on top of every move of the customer and follow their experiences in every touchpoint to ensure seamless experiences that would drive customer satisfaction.

8. Do employees usually show understanding of your needs?
294 responses

- Yes, always
- No, never
- Most of the time they DO
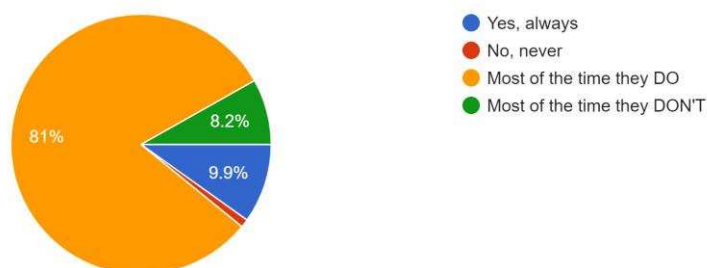- Most of the time they DON'T

81% 9.9% 8.2%

Figure 13 *Employee Empathy Assessment*

Just as (Parasuraman, Zeithaml, & Berry, 1988) defined assurance (employee confidence and trustworthiness) as one of the five attributes of the model which assessed the perceived service quality by customers, in this question the respondents did confirm(81% of them) that the majority of the time employees can be understanding of their needs Most of the time. However, in the perspective of firms, there are 8,2% who admit that employees most of the time don't understand their needs, which addresses a certain problematic in the interaction between the firm and their customers. Potentially, the lower satisfaction of these customers would influence business growth as well. To avoid and minimize the dissatisfaction of customers with their relationship with employees, the benefits of CEM can be employed and potentially improve significantly this relationship. Question 9, of the questionnaire (which can be found in the Appendix Section) addressed the perceived importance that customers give to employees in their customer experience.

On a range from 1 to 10, employee's importance level was rated at 8 (29,6%); 9 (21,1%); 7 (16,3%) and 10 (15,3%). This positive result proves the latter discussion as well.

11. For the below mentioned activities, please say if you Would Pay Extra as a Reward for a Great Customer
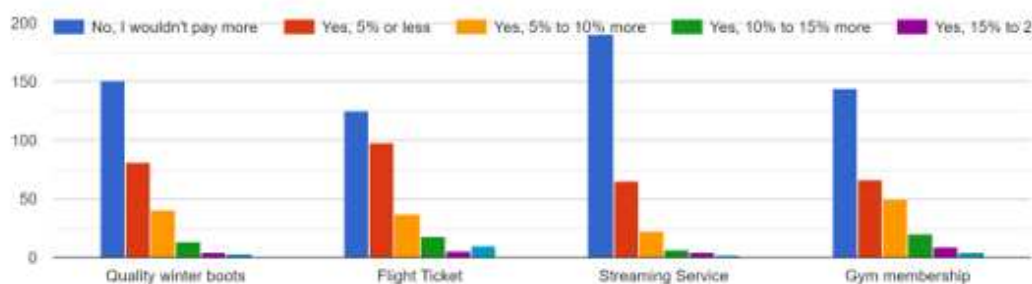
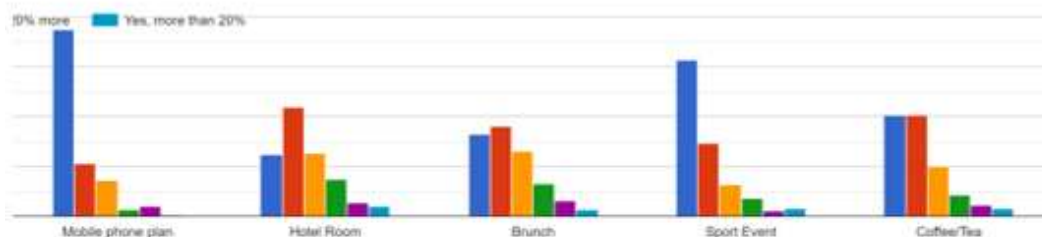Experience, and select a percentage of the extra amount.

Figure 14 *Willingness to pay a premium for great CX*

This question wanted to assess the willingness and readiness to pay more (extra cost above the price) for a service/product which would guarantee a great CX. Of course, the term great is subjective to every customer, but it refers to a better and improved experience which would promise higher satisfaction and a more enjoyable experience as well. There are 9 items mentioned in this question which in fact refer to the industries themselves, namely (from up-left to bottom-right) Retail, Airline, Streaming, Health, Telecommunication, Hospitality and Sports Entertainment. Participants had to answer if for each of the services/products mentioned they were ready to pay more, and if so, how much (rate from less than 5% up to more than 20%).

Although in a first look, it seems that the only offerings where customers are willing to pay more for great CX are only Hotel Room, Brunch and possibly Coffee/Tea, in fact, this matrix dispersed the 'Yes' category in 5 rows depending on the amount of extra price. After careful analysis, from all the categories, customers are willing to pay the premium for these categories: Flight ticket, Gym membership, Hotel Room, Brunch, Coffee/Tea and 50% voted also for the Quality winter boots. To further elaborate, this question exposed a limitation that comes with this instrument of research. That is the interpretation of the question and difficulties in understanding its aim.

One can notice that the categories selected by the participants, are mostly related with the offline environment of services and products and a physical customer experience. The results of this question, although satisfactory in the terms that customers are willing to pay more for customer experience, on the other hand omitted a very important sector of the online customer experience where surprisingly, a Streaming Service was voted by 65% of the participants as Not worth paying extra for customer experience. This is a contradictory result, when there is the example of Netflix or Spotify who have literally built their brand on offering tailored customer experiences for their customers and are two of the most successful brands that customers enjoy in their everyday life.

That apart, the positive outcome of this question is that customers are ready for most of the industries of the economic world to pay more to have better and more enjoyable experiences.

For companies, this means that there is a significant demand for more personalized experiences which can happen only by shifting or re-investing their attention into building a successful CEM system and strategies. Due to the willingness to pay the premium, there is also a financial stimulus which will lead to business growth for the firms who implement and develop CEM and at the same time, guarantees satisfied and loyal customers who will be repetitive buyers and advocates of the brand.

Regarding Ethics, although a very current topic, respondents were quite dispersed in their answers. Nevertheless, a positive outcome is the fact that respondents do in fact consider it as a topic, but one might conclude that it is not among the primary aspects' customers consider in their customer experience.

14. How much do you pay attention to a brand's ethics and corporate values before you use them? (rate from 1-10)
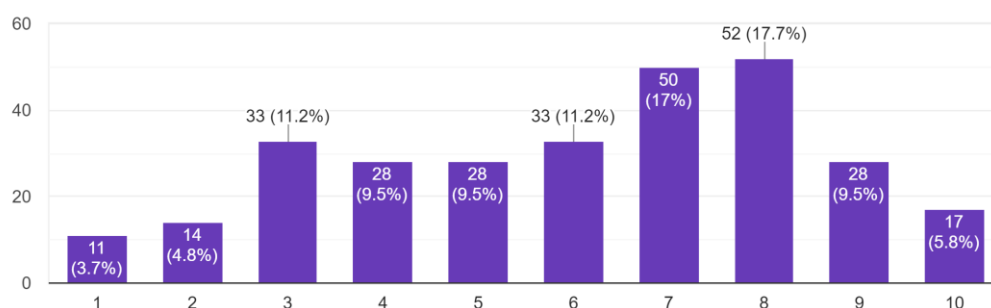294 responses

Figure 15 *Ethics and Corporate Values Importance*

The graphs in Firgure 16 show the results for the respondents' agreement on these statements:

- *I want a seamless online shopping experience where I find what I need within 5 minutes*
- *I currently usually have a seamless online shopping experience where I find what I need within 5 minutes*
- *My experience has to be tailored per my past interactions with the brand*
- *My experience usually is tailored per my past interactions with the brand*

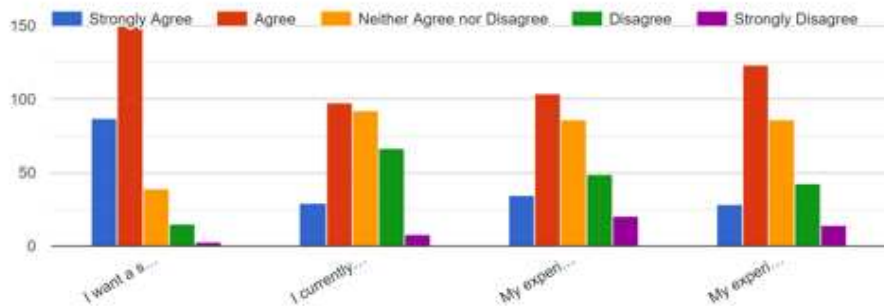5. Please choose your stand for the statements below:

Figure 16 *Agreement on online interaction*

From theirr answers, participants do agree on the importance of personalized experiences. They recognize that most of their experiences <u>already are</u> but that there is <u>potential for more</u> to be done in this aspect. In terms of the seamless experience and ease of navigation, an important observation is the fact that the respondents currently see a problem in that area due to the large percentage of disagreement that can be seen in the 2nd block of the graph. This translates into more action needed from firms to invest in the design and usability of their websites to decrease the time customers need to find products and increase their levels of satisfaction.
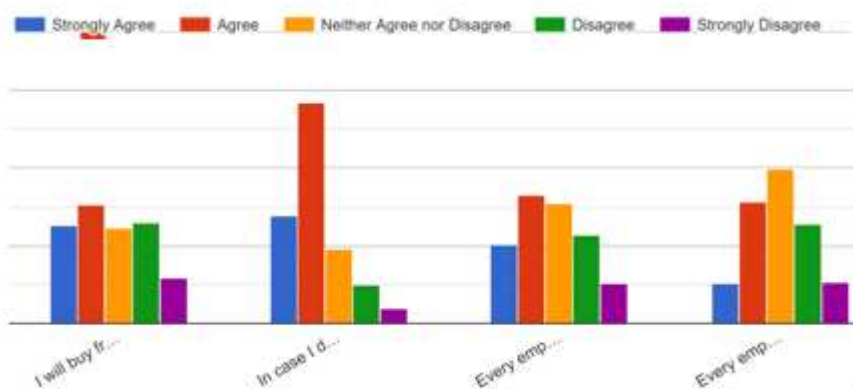

Figure 17 *Delivery and Employee Information*

- *I will buy from the brand only if items are <u>shipped as quick and cheap</u> as possible*

- *In case I don't like the shipping terms & cost, I <u>will choose to buy it from 3d parties.</u>*

- *Every employee I interact with <u>has to have the same info</u> about my purchasing history & experiences*

- *Every employee I interact with, I <u>must re-explain</u> the issue*

In Figure 17, respondents were asked to give their opinion in terms of shipping efficiency in time and money and what their expectations are, as well as the quality of customer service by employees in terms of the information they had for them. Regarding delivery, one can argue that respondents didn't fully give up on the company just on this factor, but if the opportunity arises and quicker and cheaper delivery for the same product is offered, clients would choose them instead of the company. It can be concluded, that it is of outmost importance that companies put their attention to this part of the customer experience, because in case they neglect it, there is a potential loss of customers which can translate in decrease of business growth due to lower direct sales and of course, a lower customer satisfaction.

Respondents also valued the fully informed customer service agent they might interact with. From the results, it can be noticeable that there is a need for firms to attend to a better, more aligned communication with their customers. By investing in this aspect, they can have a holistic view of the customer and can provide a better service and customer experience, and the same time contributing to higher level of customer satisfaction. CEM is essential to achieve is full 360 degrees view of the customer and their journey. It can be concluded that it is an important tool that would guarantee a better, more satisfactory interaction of customers with employees.
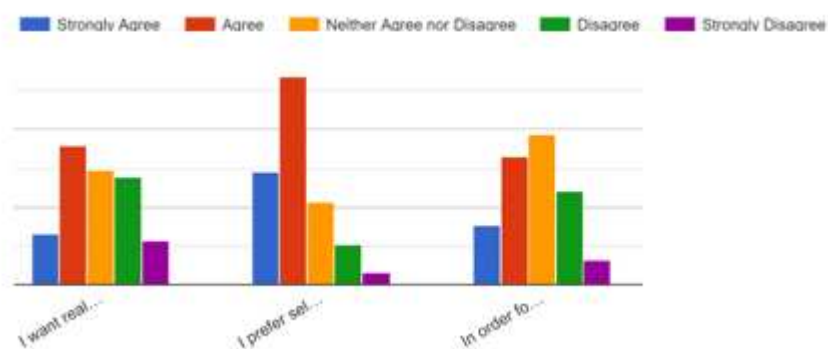
Figure 18 Online interaction and Personalization

- *I <u>want real-time interaction</u>, even when shopping online*
- *I <u>prefer self-service</u> for issues of low importance*
- *In order for me to pay attention to a brand's messages, they have to be <u>personalized</u>*

There is a tendency of customers aiming towards a more self-service way of solving their problems and they also want it available whenever they encounter a problem. At the same time, they agree that personalized interactions, attract them more and make them pay attention to a brands' messages. It can be concluded that firms must consider providing as much as possible self-service portals or chatbots where customers can quickly and effectively communicate with the company and solve their issues.

In order to do so, a special attention has to be put towards CEM, because through data, digitalization and technology advancement, a consistent, time- and cost-effective solution can be provided to customers and in this way, keep that satisfied and loyal to the brand.

15. Where do you stand with the statements below according to your experience and opinions about Online Shopping and Data Security:
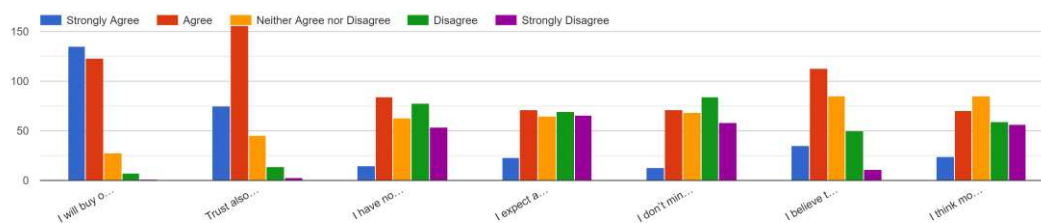

Figure 19 *Agreement on Data Security and Privacy*

- *I will buy online only from companies I trust.*
- *Trust also dictates my loyalty to the brand.*
- *I have no problem leaving my Location ON when I visit a website of a brand I shop on frequently, so I can receive customized offers.*
- *I expect a brand to have all the history of my online activity in their website, and it should be synchronized & updated.*
- *I don't mind when relevant personal data is used beneficially and transparently from a brand I trust.*
- *I believe that most brands don't care about if their customer's data is breached.*
- *I think most companies don't use my data for a beneficial reason.*

In general, the topic of privacy and data security is of a high importance, especially nowadays. Customers are becoming more and more concerned with how their data is used and how safely it is stored. From the respondent's agreement level on these statements above, it can be noticed the same line of thought. They have agreed with trust being a main component of the websites they visit and shop from.

An interesting conclusion can be drawn regarding what they think of the way companies use their data. There is a bit of confusion, because there is a consistent trend of "Neither agree nor disagree" answers in the last five statements, which does add to the argument that firms have to pay extra attention on how they use customers' personal data. As with any innovation, customers are skeptical also with the role of AI and how it uses their data. Nevertheless, if firms guarantee transparence and safety for the use of customers' data, customers are prone to accepting this, in turn for more personalized experiences which can lead to more enjoyable, customized and convenient experiences. AI is in fact a revolution that firms

can use to improve their CEM strategies and increase the efficiency in all levels of communication in all touchpoints with customers.

The analysis of the results of Figure 19, are a valuable input for the further extension of Innovation and Technology advancement analysis that will follow.

16. Please give your opinion about the statements below regarding Innovation & Technology advancement for the improvement of Customer Experience Management.
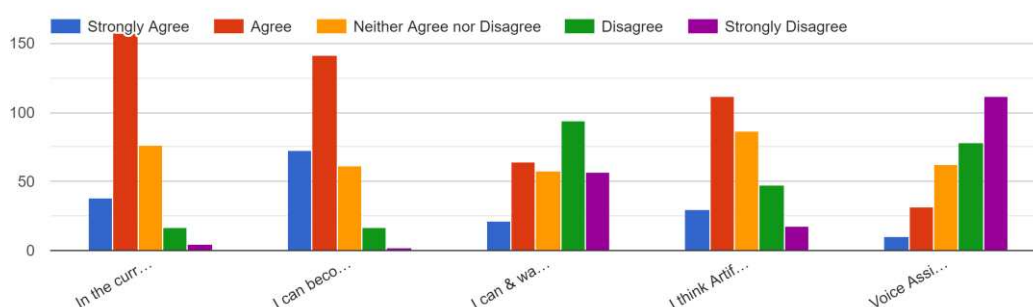
Figure 20 *Innovation and CEM*

- *In the current era, I <u>want innovative</u> products & services to be launched <u>more frequently.</u>*
- *I can become a loyal customer if a brand <u>offers more than just its product/service.</u>*
- *I can & want to pay more if a product is <u>differentiated</u>, so I can be <u>the first</u> to have it.*
- *I think <u>AI is the biggest tech advancement</u> & I have no problem with companies using it to provide a better, personalized customer experience.*
- *Voice Assistants <u>have a big impact in my daily life</u>, as I usually prefer to talk to a device to solve my issues or help me buy a product.*

The last section of the questionnaire provided this study with the opinion of the participants regarding technology and its impact on their experiences. It can be noticed that customers want and expect more innovative products or services to be launched in the market but are a somehow resistant in paying more for getting early access on differentiated offerings.

This is also in line with the fact that most of them don't use voice assistants like Alexa or Siri yet, in their everyday life. Although they show a positive attitude towards AI and understand its benefits, due to the novelty of the topic, as the human

nature usually manifests, precaution and time will be the ultimate factors for these tools to become a more essential part of the lives of the society.

Nevertheless, this shows potential business growth options for firms, because they can start using these tools more frequently, to create more connected experiences through CEM for their customers. By doing so, they can provide satisfactory experiences which will lead to loyal customers.

5. Conclusions and Discussions

The survey and study discussed provides many insights on the important elements to consider for every company while implementing CEM to their strategies. This study enhanced even more the outcomes and literature review topics identified in the 2nd chapter. Specifically, both models of E-S-QUAL and E-RecSQUAL measure attributes which are important for customer experiences, such as Privacy, Fulfillment, Customer Support and Website Usability.

Just like (Constantinides, 2004) explained the importance of providing full information to customers about offering, this study also defined it to be an important factor to having a better online experience for customers. Although studies like (Rose, Clark, Samouel, & Hair, 2012) have discussed the concept of communication in a more social interaction aspect, in this study, it was enhanced more the aspect of convenience for the customers whenever they need to make a purchase, solve a problem etc.

Based on the study and conclusion, the implications below can be drawn for firms to keep in consideration regarding CEM strategy implementation of improvement:

1. *Quality of service offered.* The results of this study show that one of the best ways to keep customers satisfied is by ensuring constant quality service level. This can be ensured by offering communication availability and support through their preferred methods of communication, self-service points, solving problems and their enquiries quickly. Due to no time or location constrain, customers now expect companies to be there for them at any time when they are (mainly) online shopping. Employees play an import

role in this part, that is why consistent training, and an empathetic approach is advised to keep the quality of service high.

2. *Trust and Security.* Today's customers do not shy away from technology. Nevertheless, they expect for firms that they can trust their data to, to ensure a safe environment where they can find what they want and make safe purchases at the same time. It would be advised that companies provide customers with clear privacy policies and be transparent with how they use their data. At the same time, they have to use technology advancement to protect customers from any possible data breach.

3. *Website ease of use.* In a world of digitalization, many electronic devices and lots of methods of contact, customers should be provided with a website that ensures them with satisfactory user experiences whenever they visit the website, make purchases or access the site with different devices. It is advised that offerings and information should be quick and effortless in finding, and personalized or customized per the customers preferences.

4. *Fulfillment of what they promise customers.* Anytime a customer orders a service or product which is advertised as in stock and available, it should be provided to customers in timely and cost-effective manners. Customers expect this from brands and in case anything jeopardizes their orders, customer satisfaction levels will go down and potentially become lost profits for the firms.

To conclude, for firms to stay on top of their game and fulfill the expectations of customers they have to implement strategies and tools to help them be one step further from what the customer expects. CEM is an approach that can help guarantee full information at all time for firms, timely and cost-effective support for customer, which in turn guarantees increased customer satisfaction and generates potential business growth by repetitive purchases and WOM.

6. Limitations and Future Research

Even as this study was built by having in mind several research questions, it couldn't avoid certain limitations due to the research instrument disadvantages in

the type of information gathered. One can mention as the biggest limitation, the fact that the sample is mainly students, and although the sample is diversified with other participants from other background, that is on the lower side of numbers of participants. This study focused on Millennials and Generation X, but the sample is not representative of the whole population because a big part of the online shopping community is Generation Z, who were born in the first years of digitalization. Their use of technology and online shopping behavior is most certainly one that companies should focus on. Due to the non-random sampling method used, it is difficult to generate finding that can be generalized for the whole population in Germany. It would be advisable to conduct a further research where a wider sample can be analyzed, which has a better representation of all groups and ages of the population. Another addition would be the analysis of other demographic attributes, such as level of income, sex, family status etc. It would provide a better customer behavior background for expectations and attitudes firms can consider when implementing CEM strategies.

Mentioned since the first chapters, perhaps the biggest limitation of this study is the concept of CEM and CX, due to the novelty and mixed fields they cover. A further research proposition would be to analyze the elements of CX more in depth. Due to the time limitations, this study didn't include multiple regressions and factor analysis with several variables to better understand the significance of all the elements separately in customer satisfaction. From the research and this study, it can be advised to further research elements like relational or affective ones, since the pragmatic and convenience elements are more explored. The mentioned elements would provide a fuller picture of all the elements that impact CX and that should be considered by firms when implementing CEM.

Lastly, since this study focused more on studying the quantitative aspect of CX and CEM on how they influence customer satisfaction and business growth, an interesting perception would be a qualitative study on the perspective of the firms, where it can be explored how they perceive CX and the benefits of CEM has brought to their business in general and for customer satisfaction more in detail.

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Appendix

Survey Content (link: https://forms.gle/NXhJHGBfcQ4m9QtWA)

Transcript of questions and questionnaire content:

1. Please select your group age:
    a. under 18
    b. 18-29
    c. 30-49
    d. 50-60
    e. +60

2. How important would you rate Customer Experience when choosing among several service/products from different brands?
   Answers: from 1-10, where 1 is the least important and 10 the most important

3. Do you think there is a need for more personalized or tailored offerings?
    a. Yes
    b. No
    c. I don't know

4. Which of the elements below would make you have a different evaluation about a brand? (Choose a maximum of 3 options)
    a. A wide range of products/services
    b. Full information about the product/service displayed (specifications, reviews etc.)
    c. Have online shopping and Ecommerce available
    d. Have a high awareness of their corporate responsibility
    e. Use up-to-date Technology (chatbots, voice assistants etc.)

5. For the statements below, choose if you Agree or Not:
    a. "I want a seamless online shopping experience where I find what I need within 5 minutes."
    b. "I currently usually have a seamless online shopping experience where I find what I need within 5 minutes."
    c. "My experience has to be tailored per my past interactions with the brand."
    d. "My experience usually is tailored per my past interactions with the brand."
    e. "I will buy from the brand only if items are shipped as quick and cheap as possible."
    f. "In case I don't like the shipping terms & cost, I will choose to buy it from 3d parties."

    g.   "Every employee I interact with has to have the same info about my purchasing history & experiences."

    h.   "Every employee I interact with, I must re-explain the issue."

    i.   "I want real-time interaction, even when shopping online."

    j.   "I prefer self-service for issues of low importance."

    k.   "In order for me to pay attention to a brand's messages, they have to be personalized."

Options of answers: Strongly Agree/ Agree/ Neither Agree nor Disagree/ Disagree/Strongly Disagree

6. Which are the most frequent channels you use to interact with a firm? (Select max 3 options)
   a. Phone call
   b. Text/SMS
   c. Customer Service/Sales Representatives
   d. Email
   e. Live Support online
   f. Self-Service Portals
   g. Social Media
   h. Messaging Apps
   i. Voice Assistants (Siri, Alexa etc.)

7. Are these sayings true or false for you?
   a. "I would rather communicate digitally than via a traditional method" (True/False)
   b. "I don't use that company if I can't communicate via my preferred method." (True/False)
   c. "I have used more than one device to finish a transaction from start until purchasing." (True/ False) *Note: For example, when you see a product in an Instagram Ad in your mobile phone and then purchase the product from your computer.

8. Do employees usually show understanding of your needs?
   a. Yes, always
   b. No, never
   c. Most of the time they DO
   d. Most of the time they DON'T

9. Please rate from 1 to 10, the importance you would give to employees in the customer experience aspect. *Note: What is Customer Experience? It is the overall experience(relationship) that a customer has with a company, based on their exchange of interactions and the opinions they have for the company.
   Answers: 1-10 (1 least important and 10 most important)

10. What do you think of these statements?
    a. "Human interactions will not be necessary as technology takes over." (Strongly Agree/ Agree/ Neither Agree nor Disagree/ Disagree/Strongly Disagree)
    b. "As technology advances, I would prefer more Human Interaction with brand communications." (Strongly Agree/ Agree/ Neither Agree nor Disagree/ Disagree/Strongly Disagree)

11. For the below mentioned activities, please say if you Would Pay Extra as a Reward for a Great Customer Experience and select a percentage of the extra amount.
    a. Quality winter boots
    b. Flight Ticket
    c. Streaming Service
    d. Gym membership
    e. Mobile phone plan
    f. Hotel Room
    g. Brunch
    h. Sport Event
    i. Coffee/Tea

Options of Answers: No, I wouldn't pay more/ Yes, 5% or less/ Yes, 5% to 10% more/ Yes, 10% to 15% more/ Yes, 15% to 20% more/ Yes, more than 20%.

12. How many bad experiences would it take you to stop using a brand you frequently buy form?
    a. Only 1 bad experience
    b. A maximum from 2 to 5 bad experiences
    c. I can tolerate more than 5 bad experiences

13. Please select your most important reasons to stop using a company ever again (Please select a maximum of 3 options):
    a. Reviews & Feedback
    b. Return & Complaints Policies
    c. Complicated purchase processes
    d. Frequently out of stock of my preferred item
    e. Employees are rude
    f. Companies are not socially and environmentally aware
    g. Experiences in shopping are not consistent
    h. The company has no information about me.

14. How much do you pay attention to a brand's ethics and corporate values before you use them? (rate from 1-10; 1 least attention and 10 most attention)

15. Where do you stand with the statements below according to your experience and opinions about Online Shopping and Data Security?
    a. I will buy online Only from companies I trust.
    b. Trust also dictates my loyalty to the brand.
    c. I have no problem leaving my Location ON when I visit a website of a brand I shop on frequently, so I can receive customized offers.
    d. I expect a brand to have all the history of my online activity in their website, and it should be synchronized & updated.
    e. I don't mind when relevant personal data is used beneficially and transparently from a brand I trust.
    f. I believe that most brands don't care about if their customer's data is breached.
    g. I think most companies don't use my data for a beneficial reason.

    Options of answer for each statement: Strongly Agree/ Agree/ Neither Agree nor Disagree/ Disagree/Strongly Disagree)

16. Please give your opinion about the statements below regarding Innovation & Technology advancement for the improvement of Customer Experience Management.
    a. In the current era, I want innovative products & services to be launched more frequently.
    b. I can become a loyal customer if a brand offers more than just its product/service.
    c. I can & want to pay more if a product is differentiated, so I can be the first to have it.
    d. I think AI is the biggest tech advancement & I have no problem with companies using it to provide a better, personalized customer experience.
    e. Voice Assistants have a big impact in my daily life, as I usually prefer to talk to a device to solve my issues or help me buy a product.

Options of answer for each statement: Strongly Agree/ Agree/ Neither Agree nor Disagree/ Disagree/Strongly Disagree)