EXAMINING THE CONCEPTUALIZATIONS OF CUSTOMER EXPERIENCE AS A CONSTRUCT

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ABSTRACT

The customer experience concept stands for measuring the overall perception of the customer towards firm’s offerings throughout his purchase journey. However, providing an exact definition of customer experience is hard to come by as researchers have been using different definitions to describe customer experience. It is vital to clarify what does customer experience mean before continuing any research in this field. Hence, this paper presents and examines the customer experience definitions and conceptualizations from various perspectives and explains how the conceptualizations transform in this new digital era by reviewing the past and recent research in this field. A systematic process was used to gather data in the form of articles published in different management journals and books that are available online through open and resourced databases.

Keywords: Customer Experience, Customer Journey, Customer Interaction, Service Quality, Touch Points.

INTRODUCTION

Now-a-days customer experience became an important factor in order to determine the success of company’s offering. It is important for the firm to create and deliver the positive customer experiences to gain and retain the customers. However, now customers are interacting with the firm through many touch points in multiple channels and media and it is more social as well (Lemon & Verhoef, 2016). Klaus & Maklan (2013) state that defining and improving customer experience is a growing priority for market research. Thus, it is vital to the academicians and practitioners to understand the customer experience and customer purchase journey over time. However, research on the customer experience is still in its early stages. So far, researchers have mainly focused on exploratory studies to conceptualize and measure customer experience (Grewal et al., 2009; Joško et al., 2009; Puccinelli et al., 2009; Verhoef et al., 2009). Moreover, researchers (Klaus & Maklan, 2013) state that customer experience is generated through a long process of company-customer interaction across multiple channels, generated through both functional and emotional clues. In addition, Srivastava & Kaul (2016) pointed out that understanding the process of customer experience creation in retailing is important which is formed of many independent touch points or contact points during the exchange journey.

Providing good Customer experience results in customer satisfaction (Liljander & Strandvik, 1997), customer loyalty (Mascarenhas et al., 2006), influencing expectations (Flanagan et al., 2005; Johnson & Mathews, 1997), supporting the brand (Berry & Carbone, 2007) and also creating emotional bonds with customers (Pullman & Gross, 2004). As a consequence, interest in customer experience is increasing among service executives and service
researchers. Even though it has importance, the customer experience concept remains vague (Rageh et al., 2011). There are various definitions and conceptualizations of customer experience and there is a lack of research containing the examination of them. This paper is going to present the definition of customer experience from a different perspective and also explain how the conceptualizations transform in the new digital era.

**METHODOLOGY**

A critical review of literature available on the concept of customer experience as a construct was carried out in the chronological order. In order to select the articles regarding customer experience various databases of online journals have been investigated. They were Sage journals, Emerald, Elsevier, Taylor and Francis and EBSCO. For selecting an article to include in the study, the following criteria were followed. Firstly, the articles which were published in refereed journals were selected. Most of the researches are represented by the journals (Nord & Nord, 1995) and academicians and practitioners use journals to collect information (Ngai, 2005). Therefore, conference papers, unpublished work and dissertations were excluded. Secondly, the papers included in the study were directly related to “experience” and not particularly to customer experience as “customer” was used differently in different sectors. For example, in healthcare the word “customer” is indicated by the word “patient”, in tourism it is “tourist”, in online setting it is “web user” and so on. This denotes the customers of various service sectors. Further, in order to collect the definitions of “experience” the following dictionaries have been searched. They are Collins English Dictionary, Cambridge Dictionary, Oxford English Dictionary and American Heritage Dictionary of the English Language. Finally, meaning and/or definition of the “experience” has been investigated in various areas such as sociology, psychology, philosophy, anthropology, ethnology and marketing. After the procedural selection criterion, 46 articles entered analytical stage. The time period of studies in the selected literature ranged from the year 1925 to 2016. The definitions from various studies are presented in the table. The table was checked again and again for articles considered in the study. The simplification of the data available was helped to make a straight comparison among different perspectives of customer experience concept.

**RESULTS**

**Customer Experience Definitions**

Since customer experience is the experience provoked by firm activities towards the customer, at the starting point of this section, some definitions of experience are discussed to give a better view for further comprehension of customer experience definition. In fact, the term “experience” has a variety of meaning depend on the angle that is viewed and on the field of expertise. With the work of Holbrook & Hirschman (1982), the notion of experience entered into the marketing field. Now it became a key element in understanding consumer behaviour, but still, the concept of experience is ill-defined.

**Dictionary Definitions of “Experience”**

There are some definitions of the word “experience”, as a noun and verb, provided by various dictionaries. Collins English Dictionary defines experience as “The accumulation of
knowledge or skill that results from direct participation in events or activities”. Cambridge Dictionary provided a definition the process of getting knowledge or skill from doing, seeing, or feeling things. These are cognitive definitions of experience as an outcome. However, more affective and process-based definition is given by following dictionaries. The Oxford English Dictionary (2016) describes the experience as a “feeling of emotions or sensation”. According to American Heritage Dictionary of the English Language (2016), experience is “The apprehension of an object, thought, or emotion through the senses or mind” and “Active participation in events or activities, leading to the accumulation of knowledge or skill.” From the dictionary definitions, experience can be understood as a learned outcome or response by customers.

“Experience” Definition in Various Areas

In different areas the word “experience” has relatively different meanings. For example in philosophy, experience is a personal trial which generally transforms individual: “experience something” (“I tried . . .”) usually leads to the accumulation of “experience” (“I have experience in . . .”) and thus of knowledge. For sociology and psychology, an experience is a subjective and cognitive activity which allows the individual to develop. For anthropology and ethnology, experience is the way in which individuals live their own culture and, more precisely, “how events are received by consciousness” (Bruner, 1986). Thus experience has different meanings as per the context. Moreover, in the business field Pine & Gilmore (1998) define experience as “economic offerings” Holbrook & Hirschman (1982) described experience as “an individual’s consumption of and interaction with products or services that involve significant affection.” According to Carù & Cova (2003), an experience is a type of offering to be added to a product or service to give an added value. In consumer behaviour view, Morgan & Xu (2009) define experience as “having emotional, symbolic and transformational significance for the individual involved.” More recently, Holbrook (2016) stated that experiences are attained through activities. Pine & Gilmore (1998) conceptualized the idea of “experiences” as distinct from goods and services, noting that a consumer purchases an experience to “spend time enjoying a series of memorable events that a company stage to engage him in an inherently personal way.” According to the view of the philosopher Dewey (1925), experience is the intertwining of human beings and their environments.

In terms of customer experience, there is no unique definition and scholars have viewed it from various perspectives, thus they define customer experience in a variety of ways. It is vital to clarify what does customer experience mean before continuing any research in this field. Table 1 show customer experience definitions that extracted from customer experience literature.
<table>
<thead>
<tr>
<th>S.no.</th>
<th>Author(s)</th>
<th>Definition</th>
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<tbody>
<tr>
<td>1</td>
<td>Carbone &amp; Haackel (1994)</td>
<td>&quot;The take-away impression formed by people’s encounters with products, services and businesses, a perception produced when humans consolidate sensory information&quot;.</td>
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<tr>
<td>2</td>
<td>Pine &amp; Gilmore (1998)</td>
<td>“Events that engage individuals in a personal way”.</td>
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<td>3</td>
<td>Schmitt (1999)</td>
<td>“Experiences involve the entire living being. They often result from direct observation and/or participating in the event-whether they are real, dreamlike or virtual”.</td>
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<td>4</td>
<td>Gupta &amp; Vajic (2000)</td>
<td>“Experiences emerge when customers acquire sensation or knowledge”.</td>
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<tr>
<td>5</td>
<td>Lewis &amp; Chambers (1989)</td>
<td>“The total outcome to the customer from the combination of environment, goods and services purchased”.</td>
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<td>6</td>
<td>Berry et al. (2002)</td>
<td>“The means of orchestrating all the clues that people detect in the buying process”.</td>
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<td>7</td>
<td>Shaw &amp; Ivens (2002)</td>
<td>“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 experience across all moments of contact”.</td>
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<td>8</td>
<td>Poulsson and Kale (2004)</td>
<td>“An engaging act of co-creation between a provider and a consumer wherein the consumer perceives value in the encounter and in the subsequent memory of that encounter”.</td>
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<tr>
<td>9</td>
<td>Mascarenhas et al. (2006)</td>
<td>TCE as “enduring, engaging and fulfilling, encompassing all major levels of consumption leading to lasting customer loyalty in the long run”.</td>
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<tr>
<td>10</td>
<td>Oh et al. (2007)</td>
<td>“Enjoyable, engaging, memorable encounters for those consuming these events”.</td>
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<td>11</td>
<td>Gentile et al. (2007)</td>
<td>“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 individual and implies the customer’s involvement at different levels (rational, emotional, sensorial, physical and spiritual)”.</td>
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<td>12</td>
<td>Meyer &amp; Schwager (2007)</td>
<td>“The internal and subjective response that customers have of 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, services, or brands and takes the form of word-of-mouth recommendations or criticisms, advertising, news reports and reviews”.</td>
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<td>13</td>
<td>Verhoef et al. (2009)</td>
<td>“The customer experience construct is holistic in nature and involves the customer’s cognitive, affective, emotional, social and physical responses to the retailer. This experience is created not only by those elements which the retailer can control (e.g., service interface, retail atmosphere, assortment, price) but also by elements that are outside of the retailer’s control (e.g., influence of others, purpose of shopping). Additionally, [...] the customer experience encompasses the total experience, including the search, purchase, consumption and after-sale phases of the experience and may involve multiple retail channels”.</td>
</tr>
<tr>
<td>14</td>
<td>Ismail et al. (2011)</td>
<td>“Emotions provoked, sensations felt, knowledge gained and skills acquired through active involvement with the firm pre, during and post consumption”.</td>
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<tr>
<td>15</td>
<td>Klaus &amp; Maklan (2013)</td>
<td>“The customer’s mental perception of interactions with a company’s value proposition online. These mental perceptions, in turn, drive a set of outcomes, namely benefits, emotions, judgments and intentions”.</td>
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<tr>
<td>16</td>
<td>De-Keyser et al. (2015)</td>
<td>“Comprised of the cognitive, emotional, physical, sensorial, spiritual and social elements that mark the customer’s direct or indirect interaction with (another)”.</td>
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<td>17</td>
<td>Lemon &amp; Verhoef (2016)</td>
<td>“Customer’s cognitive, emotional, behavioral, sensorial and social responses to a firm’s offerings during the customer’s entire purchase journey”.</td>
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</table>

Initially, from company’s perspective, Pine & Gilmore (1998) simply defined customer experience as “events that engage individuals in a personal way”. They also described successful experiences are unique, memorable and sustainable over time. And this memorable experience can lead to peer discussion of the experience (Goulding, 1999). The general definition has been presented by Oh et al. (2007) customer experience from a consumer perspective. From the basic idea of Pine & Gilmore (1998), Schmitt (1999) moved to the modular conceptualisation of the
concept of customer experience. Schmitt (1999) clarified that holistic customer experience includes five strategic experiential modules or different types of experiences. They are sensory experiences (include sight, sound, touch, taste and smell), affective experiences (inner feelings and emotions), creative cognitive experiences (thinking and conscious process), physical experiences, behaviours and lifestyles (product attributes or consumption/use attributes), social-identity experiences (result from relating to a reference group or culture). It has been argued that holistic experience will be created when marketer integrate the five experiences (Schmitt, 2010).

Holbrook & Hirschman (1982) emphasized on “experiential perspectives of consumption”. They focus on three aspects of consumption experience namely fantasies, feelings and fun. Fantasies include dreams, imagination, or unconscious desire; feelings include emotions such as love, hate, anger, fear, joy, sorrow; and fun includes hedonic pleasure derived from playful activities or aesthetic enjoyment. However, emotions, sensation, knowledge and skills are included in the customer experience definition of Rageh et al. (2011). An all-embracing definition of customer experience is presented by Gupta & Vajic (2000) stating that “interaction with different elements of a context created by the service provider”. They focused on the interaction of the customer with the environment created by the service provider and viewed the experience as a sensorial and cognitive response. However, Carbone & Haeckel (1994) stated that customer experience is an impression or perception created when customer encounter with product, service and business.

The definition that has been presented by Shaw & Ivens (2002) contains three chief parts which are organization’s physical performance, senses stimulated and emotions evoked, whereas Lewis & Chambers (1989) focused on the environment, goods and services provided by the organization. Some studies emphasised on the outcome of consumption experience (Mascarenhas et al., 2006) whereas definitions of Gentile et al. (2007), Verhoef et al. (2009) along with Rageh et al. (2011) concentrated on the creation of customer experience. Mascarenhas et al. (2006) presented a definition of total customer experience focusing mainly on major consumption levels. They also stated that “customer experience occur throughout the consumption chain and require active interaction between firms and customers”. In addition Berry et al. (2002) described customer experience as “The means of orchestrating all the clues that people detect in the buying process.”

There are some studies in online context investigating the dimensions of customer experience. Klaus & Maklan (2013) highlighted the importance of customer experience in online environment and identified two main dimensions of online customer service experience namely functionality and psychological factors. According to Klaus & Maklan (2013) conceptualization, online customer service experience is a mental perception of interactions with a company via online. The outcomes of this perception such as benefits, emotions, judgements and intentions are the focus in their concept of online customer service experience. Klaus & Maklan (2013) also highlighted the importance of each dimension during the sequential stages of the customer journey. Klaus supported the notion of Voss et al. (2008) that “customer evaluates the experiences by means of customer journey, which is described as customer’s sequence of touch points with the firm in buying and obtaining service.” Gentile et al. (2007) conceptualize the Customer Experience as a multidimensional structure composed of elementary components (rational, emotional, sensorial, physical and spiritual). They expect that “customers perceive each experience as a complex but unitary feeling, each component being hardly distinguishable from the others”. Gentile et al. (2007) presented a conceptual definition of customer experience based on how customer experience emerges. They believed that “good experience must
holistically and consistently involve a person at different levels”. They stated that customer interaction with the company and its offerings and customer involvement plays an important role in provoking customer experience. However, Gentile et al. (2007) conceptualization of the elementary components of the Customer Experience has some elements in common with the model proposed by Schmitt (1999)

Compared to the aforementioned concepts of customer experience, Meyer & Schwager (2007) have made a much broader definition of customer experience by stating that customer experience occur when customer have contact with a company directly and also indirectly. According to Meyer & Schwager (2007), customer experience should include all kinds of interactions such as e-tailing, information search, service delivery and customer support through online and offline. According to Meyer & Schwager (2007), customer experience encompasses every aspect of a company offering such as the quality of customer care, advertising, packaging, product and service features, ease of use and reliability. Verhoef et al. (2009) have proposed an extended and holistic definition which includes cognitive, affective, emotional, social and physical aspects of customer responses to firm offerings. Their main emphasis is on the stimuli which create customer experience throughout the customer purchase journey. His definition of customer experience included the stimuli which are controlled by the retailer and also which are not controlled by the retailer such as the influence of others, the purpose of shopping.

As mentioned earlier, some researchers come across to the customer experience from various perspectives. Prahalad & Ramaswamy (2003) noted that: “Value creation is defined by the experience of the specific customer, at a specific point in time & location, in the context of a specific event”. Another viewpoint on customer experience is to considerate it as value (Prahalad & Ramaswamy, 2003), while value exchanged between the two parties can be information or goods or services. In addition, with reference to the service dominant logic principles Poulsson & Kale (2004) defined customer experience as customer perceived value from the co-creation of provider and consumer. There are some Hedonistic definitions of customer experience which imply a variety of stimuli that create value for consumers. Various authors stated that customer experience influenced by various stimuli, for example: the physical setting of a service encounter (Grove & Fisk, 1997; Gupta & Vajic, 2000); customer-focused product design with expected levels of quality (Price et al., 1995); the service delivery processes (Harris et al., 2001); (De Chernatony, 2011); and supporting relationships (Gummesson, 1997) that are belonging to the service provider.

Customer Experience in Digital Era

Today the Internet is crucial to consumers and lack of access is observed as a disruptive event (Hoffman et al., 2004). In online context, there are two components of online customer experience i.e. cognitive experiential state and affective experiential state. Cognitive experiential state is defined as “connected with thinking or conscious mental processes” and affective experiential state “involves one’s affective system through the generation of moods, feelings and emotions”. Online shoppers interact with the sensory data from a variety of stimuli on e-retailers website such as visual imagery, audio or video, text-based information. In line with Gentile et al. (2007), it was postulated that this data will be interpreted by the customers from a cognitive and affective perspective forming impression on e-retailer website(Novak et al., 2000). By employing cognitive aspect, they explored online customer experience. They define Online Customer Experience (OCE) as the “cognitive state experienced during navigation”. Moreover, cognitively-based, person-cantered factors of OCE were proposed (Hoffman & Novak, 2009;
Novak et al., 2003; Novak et al., 2000). Furthermore, this study was extended by including affective aspect in the OCE conceptualization. The literature suggests particular characteristics of OCE. Firstly, previous experience impact future online behaviour (Ling et al., 2010). Hence, it can be understood that OCE impression will be formed with cumulative frequent exposure to e-retailer or website. Secondly, online interaction does not occur at retailer’s location, hence, many external factors may involve and the e-retailers may not have total control on all aspects of OCE formation (Verhoef et al., 2009). The antecedents of cognitive experiential state of OCE include telepresence, level of challenge, skill and speed of interactivity whereas antecedents of affective experiential state of OCE include perceived control, ease-of-use, customization and connectedness. Outcome benefits are related to online shopping experience and comprise convenience, enjoyment, saving time, price comparison and improved customer-retailer relationship (Chen & Chang, 2003; Doolin et al., 2005; Ha, 2004). They were identified to motivate online shopping in both hedonic and utilitarian settings (Childers et al., 2001). Therefore it is understood that cognitive and affective elements are very important components of online customer experience.

**DISCUSSION**

The challenge for the development of a customer experience construct is to integrate a typically diverse array of stimuli in order to assess the trade-offs that are entailed in creating value for consumers. Stimuli present in a customer experience are typically interactive and it has been pointed out by Csikszentmihalyi (1988) that the manner in which these stimuli are combined and sequenced is important in defining consumer experience. Aforementioned concepts of customer experience lead us to compose the two basic characteristics of customer experience. They are, customer interaction with the firm throughout the customer journey and customer responses to the stimuli. Though functional and cognitive aspects of the customer experience are important, as Verhoef et al. (2009) suggest the concept of customer experience include affective, emotional, social aspects and so on and interactivity is a key characteristic of customer experience. In brief, according to the literature in the field of customer experience, the definition of customer experience has been viewed from several perspectives which are; perception, sensation, response or reaction, characteristics of customer experience, value creation method, output of the combination of environment, goods and services etc. Therefore, we define customer experience as “the customer sensorial, physiological, psychological responses such as cognitive as well as affective responses evoked by customer direct (offline) and indirect (online) interactions with the firm or firm offerings across all the touch points throughout the customer purchase journey.”

**CONCLUSION**

According to above, researchers have used distinguish description for customer experience; it can be declared that they all agree that experiences emerge when customers acquire sensation or knowledge. In brief, as shown in table 1, most of the customer experience definitions focussed on the types of customer response (to the firm’s offerings) and the way experience emerges, one defined it with respect to the characteristics, another one describes it based on the consequence of customer experience. In brief, according to the literature in the field of customer experience, the definition of customer experience has been viewed from several perspectives which are; perception, sensation, response or reaction, characteristics of customer experience.
experience, value creation method, output of the combination of environment, goods and services etc. In the field of customer experience, although there are some studies which focuses on the cognitive and affective aspects of customer experience, customer experience researchers need to initially have the complete view of the customer experience definitions to select one based on their scope of study. This research attempted to review and examine the different definitions of customer experience to give the researchers inclusive view.

REFERENCES


