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FARAH ARKADAN

MEANINGS AND PRACTICES OF CUSTOMER EXPERIENCE
MANAGEMENT

SCHOOL OF MANAGEMENT
Doctoral Programme

PhD
Academic Year: 2013 - 2017

Supervisor: Professor Emma Macdonald
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the degree of Doctor of Philosophy

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ABSTRACT

The notion of creating a superior customer experience is increasingly determining business focus and shaping marketing practice. The strategic role of customer experience management (CEM) is evidenced in the central role customer experience has in mission statements of prominent companies and the addition of customer-dedicated teams and senior-ranking roles. The use of the term “experience” both signifies and imposes a shift in marketing management thinking and practice because an experience, unlike a product or service, by definition, is always from the point of view of the person doing the ‘experiencing’ (e.g. the customer). Despite its prominence and popularity in practice, it is unclear what customer experience management (CEM) as an overall business focus means or entails. This research comprises a doctoral thesis presented in ‘paper format’, presenting the work in the form of four papers in journal paper style rather than in the style of a monograph. The research is conducted in three phases ((1) a systematic literature review of the field, (2) longitudinal multi-informant case studies and (3) new multidimensional scale development) with the aim of answering the overall research question of, *what are the meanings and practices of customer experience management?* The thesis contributes to CEM literature and theory and provides several contributions to practice. Key contributions of this research are (1) systematically identifying a comprehensive and integrative body of CEM literature, (2) developing a grounded-theory firm-side conceptualization of CEM practice and organizational values, (3) demarcating CEM from market orientation (i.e. a prevalent firm-wide marketing management approach) and proposing an updated and distinctive orientation relabelled customer experience orientation (CXO) and (4) developing a scale for measuring CEM organizational values and exploring their associations with performance outcomes. The thesis concludes with a discussion of limitations and directions for future research.

Keywords: Customer experience management; Practice theory; Customer experience orientation; Organizational culture; Systematic literature review; Measurement Scale; Performance outcomes

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LIST OF ABBREVIATIONS

BANK	Business-to-Business Bank
BRAND	Brand Alignment
CEM	Customer Experience Management
CEM-OV	Customer Experience Management Organizational Values
CFA	Confirmatory Factor Analysis
COFF	Chain of Coffee Shops
COORD	Journey Coordination
CXO	Customer Experience Orientation
EFA	Exploratory Factor Analysis
EMPW	Experience Empowerment
FASH	Fashion Own-Brand and Multi-Brand Retailer
FIN	Insurance and Financial Services Provider
GROC	High-End Grocery Retailer
LUX	Global Luxury Fashion Retailer
PARK	World-class community leisure and recreation trust that manages a number of diverse park venues
RESP	Experience Responsibility
SLR	Systematic Literature Review
TELE	Telecommunications Provider
TOUR	Tour Operator
UTIL	Utilities Provider

GLOSSARY

Brand experience

"Brand experience is conceptualized as sensations, feelings, cognitions, and behavioural responses evoked by brand-related stimuli that are part of a brand's design and identity, packaging, communications, and environments" (Brakus et al. 2009, p. 52).

Brand values

The guiding principles for the long-term co-creation of customer value and meaning (Urde, 2003).

Co-creation of value

The interaction and collaboration between customers and organizations in order to create value (Prahalad and Ramaswamy, 2004).

Competitive culture

A dimension of organizational culture that is characterized by a firm-wide approach to managing customer experiences—conceptualized it as the organizational values that influence the internal processes and performance outcomes of an organization as related to managing customer experiences (after Noble et al. 2002; see chapter 5).

Consumption experience

Multi-dimensional and hedonic (Holbrook and Hirschman, 1982) experiences that occur when consumers consume and use products (Brakus et al. 2009). Hedonic goals occur during and after consumption (Brakus et al. 2009).

Customer experience

Entailing multifaceted customer responses to various interactions with a firm or brand, including sensorial, emotional, cognitive, physical and social (after Verhoef et al. 2009; Brakus et al. 2009; Gentile et al. 2007; Meyer and Schwager, 2007; Berry et al. 2002; see chapter 2).

Customer experience management (CEM)

The constellation of practices and actions that drive and enable a firm to address the sequence of customer interactions with, and subsequent reactions to, a firm, brand or parts thereof (after Payne et al. 2009; Zomerdijk and Voss, 2011; Homburg et al. 2017 and Zomerdijk and Voss, 2010; see chapter 3).

Customer experience management (CEM) beliefs

What an organizational member engaged in CEM practice believes ought to be done when it comes to CEM (see chapter 3). As per practice theory, these beliefs belong to the practice of CEM, not to an individual person or firm. They define and shape a practice as they deem which actions are desirable and legitimate (Schatzki, 1996; Reckwitz, 2002). These beliefs thus govern the actions that constitute a practice.

Customer experience management organizational values (CEM-OV)

A 21-item measurement scale of customer experience management organizational values comprised of four dimensions: (1) *experience empowerment*, (2) *brand alignment*, (3) *experience responsibility* and (4) *journey coordination* (see chapter 5).

Customer experience orientation (CXO)

The set of values that puts the interests of the customer experience first (see chapter 4).

Customer experience quality

“The perceived excellence or superiority of the customer experience” (Lemke et al. 2011, p. 846). It is perceived against the customer’s expectations of the experience (Lemke et al. 2011).

Customer journey

A metaphor often used to explore the customer’s experience (Lemke et al. 2011) by identifying points at which there is a customer-brand interaction (i.e. “touchpoints”) and depicting how they occur over time and across space. It is

customarily expressed from the customer's point of view and used as a basis for exploring and improving the customer's experience both at various individual interactions and as a whole by examining the journey in its entirety.

Market orientation (behavioural perspective)

"The organization-wide generation of market intelligence, dissemination of its intelligence across departments, and organization-wide responsiveness to it" (Kohli and Jaworski 1990, p. 6).

Market orientation (cultural perspective)

The organizational culture that most effectively and efficiently creates the necessary behaviours for the creation of superior value for customers (Narver and Slater, 1990). Alternatively, it is also defined as the set of values that puts the customer's interest first (Deshpandé et al. 1993).

Non-touchpoint

Customer events that may not include interacting with a firm or brand in any way but which could indirectly influence a customer's experience with the firm (see chapter 2).

Organization-customer relationship

"[A] longitudinal, dynamic, interactive set of experiences and activities performed by the provider and the customer, within a context, using tools and practices that are partly overt and deliberate, and partly based on routine and unconscious behaviour" (Payne et al. 2008, p. 85).

Organizational culture

"The pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide them with norms for behaviour in the organization." (Desphandé and Webster, 1989, p.4).

Organizational values

Can entail both prescriptive and proscriptive beliefs (i.e. about what is regarded as appropriate and inappropriate behaviour) (Cha and Edmondson, 2006; Moorman and Day, 2016) which legitimate and guide necessary organizational behaviours (Deshpandé and Webster, 1989; Homburg and Pflesser, 2000; Lichtenthal and Wilson, 1992; O'Reilly, 1989). They are central to many organizational phenomena and have “a long reach and wide span of influence on critical processes and characteristics in organizations” (Bourne and Jenkins, 2013, p. 496).

Practice

Recurring patterns of behaviour and flows of material and information that extend in space, occur over time and fulfil ends or purposes insofar as people are committed to them (after Schau et al. 2009; Schatzki, 2005; see chapter 3). To a practitioner, their actions are moderated by the set understandings, beliefs and desires specific to a practice (i.e. intelligibility, normativity and teleology (Schatzki, 2005)).

Prescriptive beliefs

Behaviour that is regarded as appropriate (Cha and Edmondson, 2006; Moorman and Day, 2016).

Product experience

Experiences that arise when consumers directly (Hoch and Ha, 1986) and indirectly (e.g. virtually or through an advertisement) (Hoch and Ha, 1986; Kempf and Smith, 1998) interact with products (e.g. search, use and evaluate), affecting their product judgments, attitudes, preferences, purchase intent, and recall (Hoch and Deighton 1989; Hoch and Ha 1986; Huffman and Houston 1993) (cf. Brakus et al. 2009).

Proscriptive beliefs

Behaviour that is regarded as inappropriate (Cha and Edmondson, 2006; Moorman and Day, 2016).

Shopping experience

Occurs when a consumer interacts with a store's physical environment, its personnel, and its policies and practices (Hui and Bateson 1991; Kerin et al., 2002) affecting customers' feelings, brand attitudes, and satisfaction (Grace and O'Cass, 2004) (cf. Brakus et al. 2009).

Strategic Orientation (behavioural perspective)

Specific instruments, tools or behaviours (Kohli & Jaworski, 1990; Shapiro, 1988) that influence specific strategies and tactics.

Strategic Orientation (cultural perspective)

The competing organizational values, priorities and overall mind-set that influence specific strategies and tactics (Deshpandé et al., 1993; Homburg & Pflesser, 2000; Narver & Slater, 1990).

Strategic Orientation (general)

An "organizational effectiveness model" that describes the philosophy and attributes on what promotes effectiveness within an organization (Lewin and Minton, 1986, p. 515).

Touchpoint

A direct or indirect customer interaction with a product, firm, or part thereof.

Value-in-use

That value is created "in use" over time, as opposed to embedded in products arising from quality perceptions of the customer (after Macdonald et al. 2011; Macdonald et al. 2016).

1 Introduction

Customer value considerations tend to shape marketing practice and determine business focus. Drucker, a seminal contributor to the marketing concept, described marketing as *“the whole business seen from the point-of-view of its final result, that is, from the customer’s point of view”* (1954, p. 39, cf. Van Raaij and Stoelhorst, 2008). Whereas operational excellence, product leadership or customer intimacy may be some of the so-called value disciplines that define what a business may focus its overall efforts on (Treacy and Wiersema, 1993), companies are increasingly recognizing the need to manage the customer experience as an overall business focus.

The use of the term “experience” both signifies and imposes a shift in management thinking and practice. This is because experiences, unlike a product or service by definition, are always from the point of view of the person doing the “experiencing” e.g. the customer. In marketing literature, a customer experience is defined as entailing multifaceted responses to various interactions with a firm or brand, including sensorial, emotional, cognitive, physical and social responses (Verhoef et al. 2009; Brakus et al. 2009; Gentile et al. 2007; Meyer and Schwager, 2007; Berry et al. 2002). In terms of its management, that entails managing the experience, not what is being experienced e.g. managing the interface between the customer and product, not the product itself (Prahalad and Ramaswamy, 2000; Lusch et al., 2008).

Over the past 20 years, customer experience has gained the attention and interest of marketing theorists and practitioners alike. The notion of creating a superior customer experience has increasingly been incorporated into the mission statements of companies like Starbucks, Victoria’s Secret, Dell and Toyota (Verhoef et al. 2009) and customer-experience-dedicated executives are joining the ranks of senior management teams (De Swaan Arons et al. 2014), demonstrating the strategic importance that is being placed on customer experience management (CEM). Additionally, understanding customers and the customer experience is the number one research priority of the Marketing Science Institute (MSI 2012-2014, 2016-2018). The prominence and popularity

of CEM is further evidenced by the plethora of practitioner conferences, articles in prominent management practice magazines, blogs and various other publication media, management workshops, university programs, independent awards and specialized consultants. Marketing practitioners are realizing that to make marketing decisions and build and maintain a sustainable competitive advantage, they need to understand and manage their customer's experience (Pine and Gilmore, 1998; Berry et al. 2002; Meyer and Schwager, 2007; Rawson et al. 2013; Brakus et al. 2009).

Practice-oriented publications cite varying motivations for shifting to customer experience focus. These motivations include: (1) the commoditization of goods and services and the need to provide value to customers in the form of experiences (Pine and Gilmore, 1998; Prahalad and Ramaswamy, 2000; Rawson et al. 2013; Meyer and Schwager, 2007); (2) the increasing difficulty to gain behavioural customer loyalty as they perceive a deteriorating stream of value from brands and firms (Reichheld, 1996; Rawson et al. 2013); (3) customers increasingly have a greater number of choices, complex choices and more channels through which to pursue them (Meyer and Schwager, 2007); (4) increasingly complex customer-organization relationships (Keiningham et al. 2008); (5) increasing uncertainty of firms as to how to create and compete for customer value (Berry et al. 2002; Prahalad and Ramaswamy, 2000); and (6) firm-perceived potential for "*reap[ing] enormous rewards [such as] enhanced customer satisfaction, reduced churn, increased revenue, and greater employee satisfaction*" (Rawson et al. 2013, p. 92).

Despite the promise of this marketing management focus, companies struggle with and often fail to manage the customer experience effectively (Meyer and Schwager, 2007; Rawson et al. 2013). Writings on CEM describe the management challenges a firm faces arising from the unique nature of an experience, which is subjective, inherently personal and emotional because it is determined by an individual's perception (Pine and Gilmore, 1998; Zomerdijk and Voss, 2011). These challenges include collecting dynamic empathic customer- and context-specific data (e.g. Macdonald et al. 2012), having

visibility over a complete end-to-end multi-channel customer journey that often surpasses the direct control of the firm (e.g. Ramaswamy and Gouillart, 2010), and engaging an entire firm to design or redesign an experience (e.g. Rawson et al, 2013 and De Swaan Arons et al. 2014). However, in examining academic and practitioner literature, we find a more fundamental reason for the struggle to manage the customer experience effectively: it is unclear what CEM is or entails.

This chapter goes on to outline the academic rationale for undertaking this research to explore and understand the meanings and practices of CEM. The research aim, objectives and an overview of the research design and papers are also presented, in addition to a summary of research dissemination to date and targeted journals for future publication (summarized in Figure 1-6). A summary of the research objectives, theoretical contributions and corresponding chapters is depicted in Figure 1-1.

1.1 Research Rationale

Despite having a strong presence in recent academic literature, CEM is still a new and emerging area of scholarly marketing research. Marketing scholars are calling for empirical research that studies CEM from the firm's perspective (Homburg et al. 2017; Lemon and Verhoef, 2016; MSI 2012-2014, 2016-2018). Extant CEM research is scarce, nascent and fragmented across various sub-fields of marketing (Homburg et al. 2017). Diverse marketing disciplines touch on experience (Brakus et al. 2009) and CEM, including co-creation, service management, consumer behaviour and management practice, suggesting its research prominence and relevance yet making it difficult to gain a complete understanding of what is known about it.

Additionally, this body of knowledge on CEM resides mainly in managerial- and practitioner- oriented books and magazines or in the management implications sections of customer-centric studies on customer experience. This is because literature on CEM is populated with studies that examine the customer's point of view of as opposed to that of the organization (Homburg et al. 2017; Lemon and Verhoef, 2016). Because the customer experience is the result of an interaction

between customer and firm, implicit in an experience is two points of views (Payne et al. 2008; Zomerdijk and Voss, 2011; Pine and Gilmore, 1998). While the key role of customers in co-creating experiences has already been well established (e.g. Epp and Price, 2011; Lemke et al. 2011; Alcántara et al. 2014; Gentile et al. 2007; Brakus et al. 2009), very few conceptualizations of the firm's role in influencing the customer's experience exist. It is therefore unclear what CEM is or how it should be done.

Finally, the notion of a customer experience is often contrasted against that of a product, service or customer relationship (e.g. see Lemke et al. 2011; Pine and Gilmore, 1999; Meyer and Schwager, 2007; Zomerdijk and Voss, 2011 and Homburg et al. 2017). Nonetheless, the scarcity of research that defines and conceptualizes the management of customer experience raises the question of whether CEM calls for a new marketing management approach and a distinct set of marketing practices or if it is a rebranding of existing and closely related marketing management practice, such as customer relationship, service or multichannel management.

1.2 Research Aim, Objectives and Question

Research aim

This thesis aims to explore meanings and practices of customer experience management.

Research question

What are the meanings and practices of customer experience management (CEM)?

Objectives

The objectives of this thesis are:

Objective 1: A systematic and critical review of the field to answer the review question of, *what are the practices and outcomes of CEM?*

Objective 2: To gain an understanding of what managing the customer experience means within organizations and how customer experience management is done by leaders, managers and other members of an organization.

Objective 3: To gain an understanding of CEM as a firm-wide strategic orientation.

Objective 4: To develop a measurement scale of the extent to which organizations are driven by CEM organizational values and explore their associations with performance outcomes, building on case study work.

See Figure 1-1 for a graphical summary of these objectives, the contributions that result and how these relate to the chapter structure.

<p>CHAPTER 1 Introduction</p>	<p>This chapter outlines the rationale for undertaking this research. The research aim, objectives and an overview of the research design and papers are also presented, in addition to a summary of research dissemination to date and targeted journals for future publication.</p>	
<p>CHAPTER 2 Practices of customer experience management: A systematic literature review and framework</p>	<p>Objective 1 A systematic and critical review of the field to answer the review question of, <i>what are the practices and outcomes of CEM?</i></p>	<p>Theoretical contribution A body of extant CEM literature (n=61 papers) is systematically identified; Forty-one papers contain empirical evidence of CEM; Twenty-one CEM practices emerge; Future research directions are presented.</p>
<p>CHAPTER 3 A practice-based framework of managing the customer experience</p>	<p>Objective 2 To gain an understanding of what managing the customer experience means within organizations.</p>	<p>Theoretical contribution A grounded-theory firm-side conceptualization of CEM is developed; Twenty-five CEM practices and six CEM beliefs emerge.</p>
<p>CHAPTER 4 Is customer experience orientation the new market orientation?</p>	<p>Objective 3 To gain an understanding of CEM as a firm-wide strategic orientation.</p>	<p>Theoretical contribution A customer experience orientation is a firm-wide management approach that is driven by six CEM organizational values. It extends market orientation by considering and addressing customer experiences.</p>
<p>CHAPTER 5 Measuring organizational values of customer experience management</p>	<p>Objective 4 To develop and pilot a measurement scale of the extent to which organizations are driven by CEM organizational values and explore their associations with performance outcomes, building on case study work.</p>	<p>Theoretical contribution A newly developed 4-factor 21-item measurement scale of CEM organizational values; Piloted on a sample (n=75 customer experience leaders and managers). The brand alignment dimension has associations with multiple performance outcomes.</p>
<p>CHAPTER 6 Overall Discussion</p>	<p>This chapter discusses the findings from each chapter in relation to the literature and presents the contributions of the research to both theory and practice to deliver a coherent output of the entire work. Opportunities for future research are addressed and a final conclusion presented.</p>	

Figure 1-1 Summary of research objectives, theoretical contributions and corresponding chapters

1.3 Thesis format and overview of research design

The thesis is presented in 'paper format', presenting the work in the form of four papers in journal paper style, rather than in the style of a monograph. There are additional chapters for the Introduction and Overall Discussion, as outlined in Figure 1-1.

The research was conducted in three phases to answer the overall research question of, '*What are the meanings and practices of customer experience management?*' Figure 1-2 is a graphical summary of these three phases and how they inform the papers presented in this thesis. In this thesis, meanings are defined as *ends or purposes that are emotionally charged in so far as people are committed to them* (after Schau et al. 2009). When meanings of customer experience management (CEM) are studied using the practice lens (i.e. practice theory (Schatzki, 1996)) and unit of analysis is CEM practice in this study (see chapter 3), they are referred to as *CEM beliefs*. When the theoretical lens is strategic orientations (cultural perspective (Deshpandé and Webster, 1989)) and the unit of analysis is the organization (see chapter 4), meanings are referred to as *organizational values*. See Figure 1-3 and Figure 1-4 for graphical illustrations of this distinction. Practices in this thesis are defined as the *recurring patterns of behaviour and flows of material and information that extend in space, occur over time and fulfil ends or purposes insofar as people are committed to them* (Schau et al. 2009; Schatzki, 2005). See Table 1-1 for the overall research question, key definitions and details about each phase of the research.

In phase 1 of the research design, a scoping study was conducted in order to identify research opportunities and inform the scope of the ensuing systematic literature review (SLR). Figure 1-5 provides a graphical summary of the scope of literature reviewed in conducting the overall PhD research, identifying the position of each research objective. Subsequently, an SLR of the marketing field was conducted guided by the overall review question of, *what are the practices and outcomes of customer experience management?* The research aim of this phase of research was to identify and evaluate existing empirical

evidence of CEM. The ensuing research objectives were fourfold: (1) To identify a CEM-specific body of literature; (2) to identify and synthesize empirical evidence of B2C CEM practices in extant marketing literature; (3) to identify the contexts in which CEM has been studied in; and (4) to identify future research directions. The SLR identifies studies containing empirical evidence of CEM practices, describes the landscape of CEM literature and proposes research directions. These make up paper 1 of the thesis. Together, the scoping study and review of literature identified the research opportunities and supported the research rationale for the empirical work that follows. The systematic review of the state of knowledge of CEM in the marketing field and the outputs thereof contribute to the literature in their own right.

Second, a qualitative study was conducted wherein ten longitudinal case studies of recognized leaders in CEM transformation across various sectors was conducted. As part of the multiple-case-study, data collection included a total of 74 in-depth interviews conducted in situ with leaders, managers and front-line organizational members. The research aim of this phase was to explore and understand what CEM is and entails. The supporting research objectives were to: (1) Explore meanings and practices of CEM across various industries and market contexts; (2) define and conceptualize CEM; and (3) demarcate CEM from prevalent firm-wide marketing management approaches. This qualitative phase of empirical research makes up papers 2 and 3 (see Figure 1-4 for a graphical summary of this process). This phase of research also informs paper 4 as it is used as a basis for developing the measurement scale developed.

Finally, a newly designed survey was developed and piloted on a small sample of 75 customer experience leaders and managers. The empirical work builds on findings from qualitative phase of the research, specifically the six organizational values that emerged from that research. The research aim of this quantitative research phase was to develop, validate and test a measurement scale of the extent to which organization are driven by CEM organizational values. As such, our specific research objectives were to: (1) Confirm CEM

organizational values; and (2) identify the influence of CEM organizational values on performance outcomes.

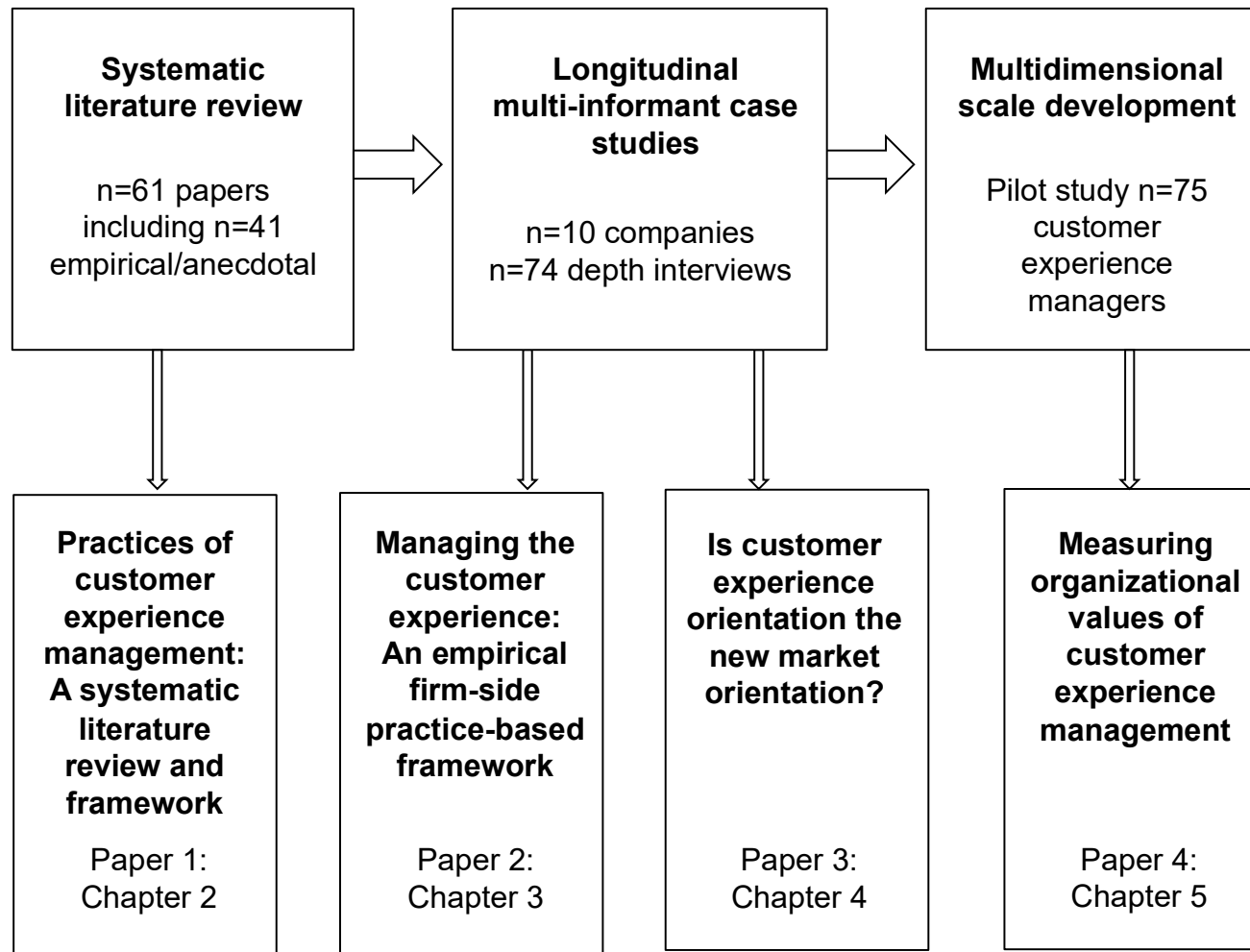


Figure 1-2 Process of PhD data collection and analysis

Table 1-1 Process of PhD data collection and analysis (three phases)

Research Question: What are the meanings and practices of customer experience management (CEM)?

Key Definitions:

- **Practices:** Recurring patterns of behaviour and flows of material and information that extend in space, occur over time and fulfil ends or purposes insofar as people are committed to them (Schau et al. 2009; Schatzki, 2005).
- **Meanings:** Ends or purposes that are emotionally charged in so far as people are committed to them (Schau et al. 2009).
 - o When the *practice lens* is applied to the study of meanings and the unit of analysis is CEM practice, meanings are referred to as **CEM beliefs**.
 - o When the *strategic orientations (cultural perspective) lens* is applied to the study of meanings and the unit of analysis is the organization, meanings are referred to as **organizational values**.

Phase 1: Systematic Literature Review (SLR)

<p>Research aim: To identify and evaluate existing empirical evidence of CEM</p> <p>Research objective(s):</p> <ul style="list-style-type: none"> - Identify a CEM-specific body of literature - Identify and synthesize empirical evidence of B2C CEM practices in extant marketing literature - Identify the contexts in which CEM has been studied in - Identify future research directions 	<p>Key research design features:</p> <ul style="list-style-type: none"> - <i>Type of literature review:</i> Systematic and Critical Literature Review (Tranfield et al. 2003) - <i>SLR process:</i> four phases: planning, searching, screening, extraction & synthesis - <i>Planning:</i> Initial scoping study; Review panel established (3 academics); Review question defined; May, 2014 - <i>Searching:</i> Databases chosen; Search strings carefully constructed - <i>Screening:</i> Based on relevance and quality - <i>Extraction:</i> Identified practices (after Nicolini, 2012) - <i>Synthesis:</i> Initially based on Payne et al. (2009) experience co-creation framework. Series of workshops with three academics
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Phase 2: Qualitative Study – In-depth longitudinal multiple case studies

<p>Research aim: To understand what CEM is and entails</p> <p>Research objective(s):</p> <ul style="list-style-type: none"> - Explore meanings and practices of CEM across various industries and market contexts - Define and conceptualize CEM - Demarcate CEM from prevalent firm-wide marketing management approaches (i.e. Market Orientation) 	<p>Key research design features:</p> <ul style="list-style-type: none"> - <i>Research strategy:</i> exploratory, longitudinal - <i>A case is:</i> an organization - <i>Selected cases:</i> 10 organizations that are recognized by their peers as leaders in CEM - <i>Total number of conducted interviews:</i> 74 - <i>Other data:</i> organizational documents, intranet, and artefacts; naturalistic observation; brand websites and news articles - <i>Unit of analysis 1:</i> CEM practice (Nicolini, 2012) - <i>Unit of analysis 2:</i> Organizations - <i>Unit of data collection:</i> an individual CEM director, manager, or front-line employee
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Phase 3: Quantitative Study – Survey	
<p>Research aim: To develop and test a measurement scale of the extent to which organization have a customer experience orientation</p> <p>Research objective(s):</p> <ul style="list-style-type: none"> - Confirm CEM organizational values - Identify the influence of CEM organizational values on performance outcomes 	<p>Key research design features:</p> <ul style="list-style-type: none"> - <i>Research Strategy:</i> Confirmatory, cross-sectional - <i>Sample size:</i> 75 - <i>Respondent selection criteria:</i> Responsible for some or all aspects of the customer experience in their firms - <i>Measurement scale:</i> Customer Experience Organizational Values (CEM-OV) – 4 factors, 21 items

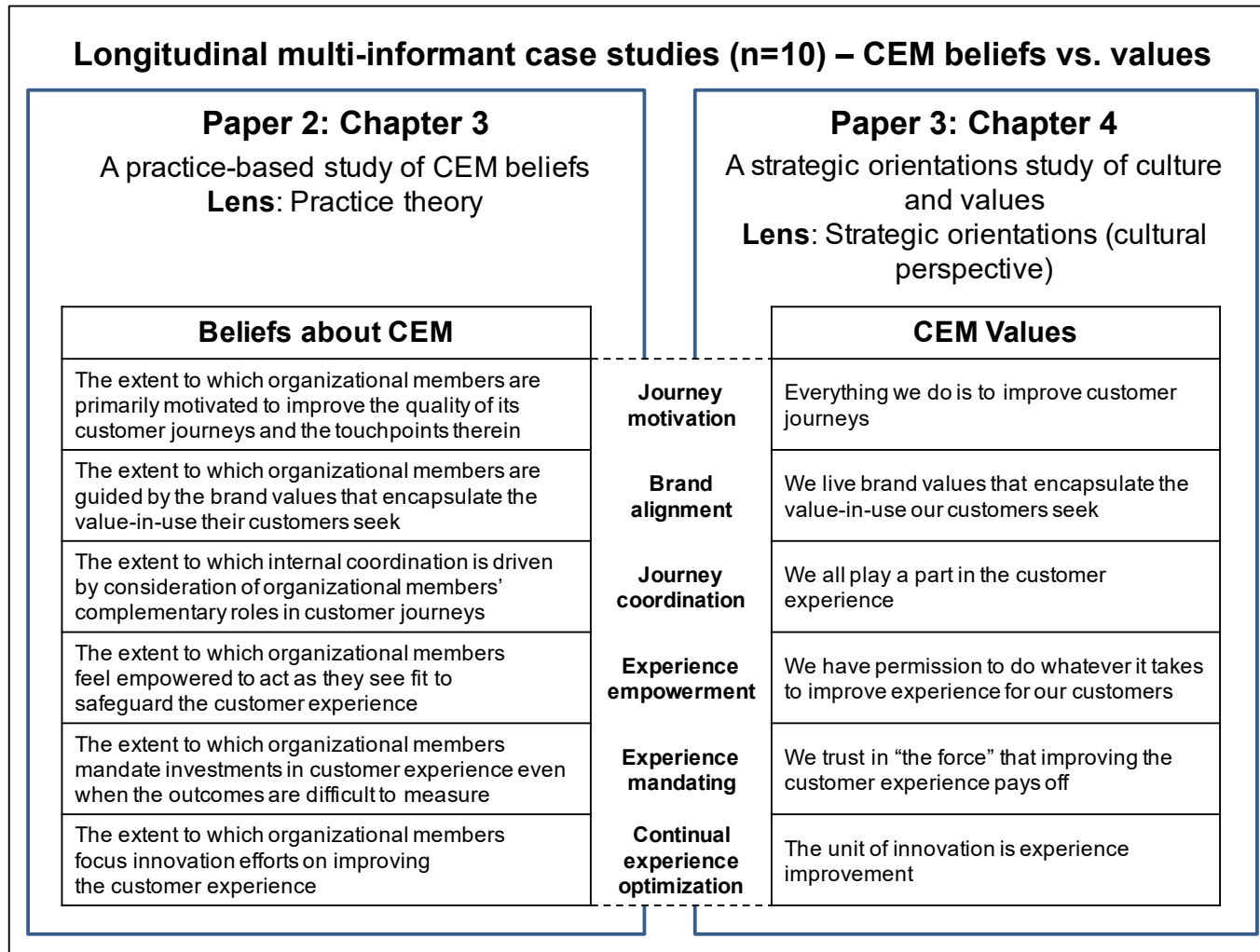


Figure 1-3 CEM beliefs vs. organizational values (chapters 3 and 4 in the thesis)

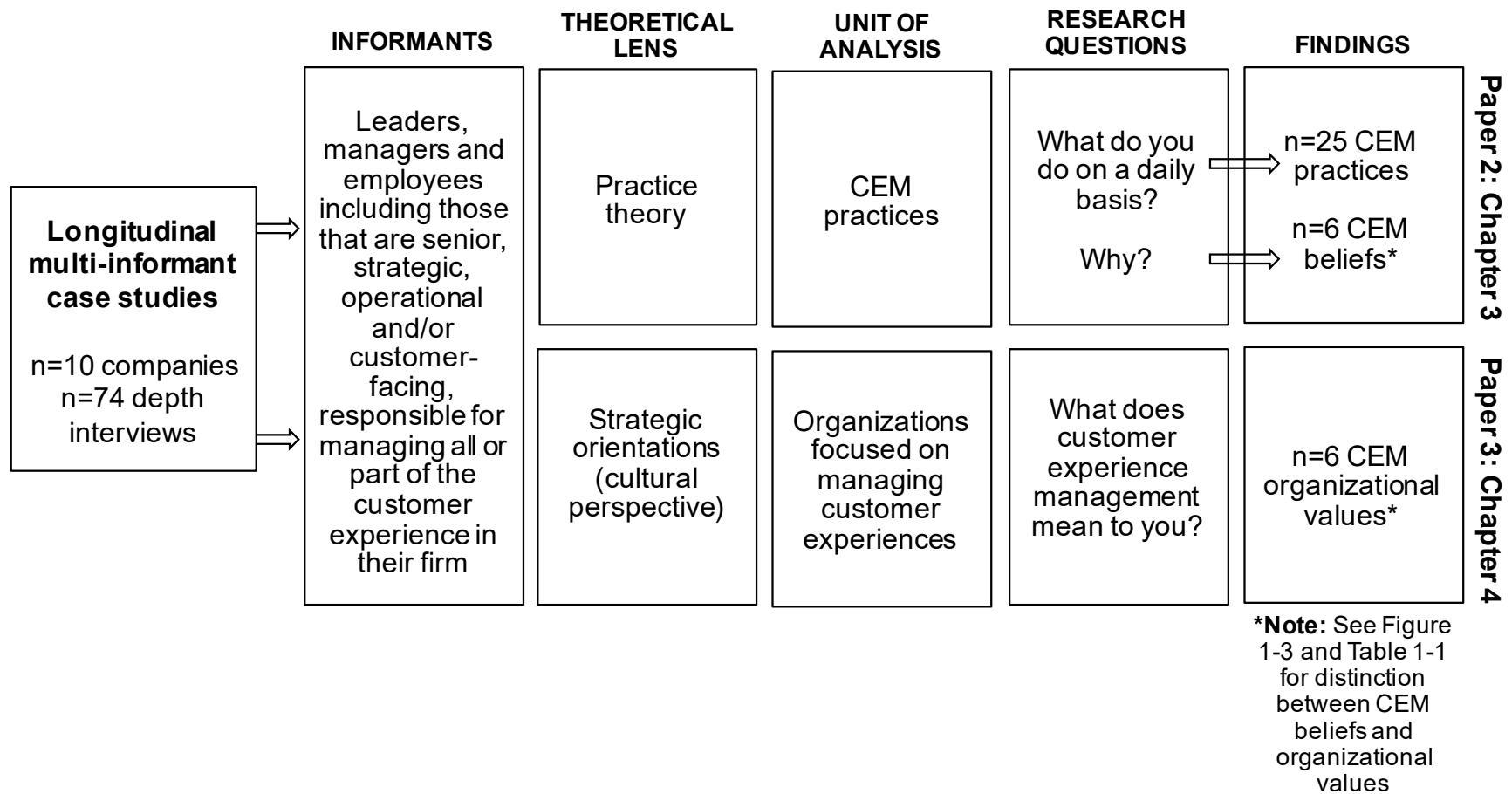


Figure 1-4 Process of data collection and analysis for papers 2 and 3

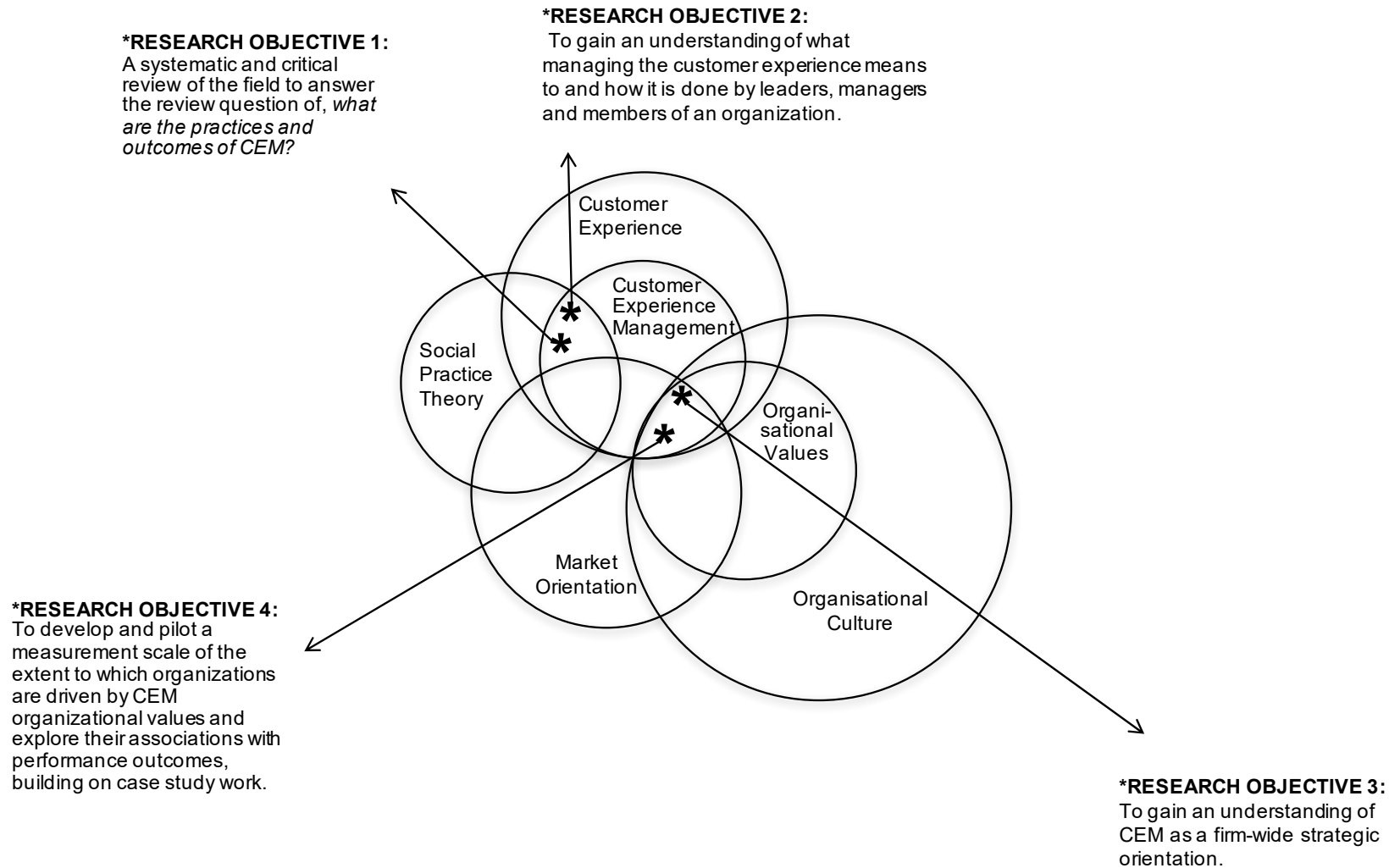


Figure 1-5 Positioning of PhD research objectives within the scope of literature reviewed

1.4 Summary of research dissemination to date and publication plan

A summary of research dissemination to date and publication plan follow. Figure 1-6 provides a graphical summary of research dissemination and targeted journal per paper presented in this this.

Refereed conference paper

Arkadan, Farah, Macdonald, Emma K. and Wilson, Hugh N. (2017), "The Role of Organizational Values in Customer Experience Management", *2017 Naples Forum on Service*, Sorrento, Italy, June 2017

Arkadan, Farah, Macdonald, Emma K. and Wilson, Hugh N. (2016), "A Systematic Literature Review of Practices in Customer Experience Management: an Abstract", *19th Academy of Marketing Science World Marketing Congress*, Paris, France, July 2016

Arkadan, Farah, Macdonald, Emma K. and Wilson, Hugh N. (2016), "Customer Experience Management Practices: A Systematic Literature Review (Abstract)", *44th Academy of Marketing Science Annual Conference*, Orlando, Florida, May 2016

Manuscripts in preparation

Managing the customer experience: An empirical firm-side practice-based framework, *Manuscript in preparation*. Target: Journal of Service Research; Lead author with Emma K. Macdonald and Hugh N. Wilson

Customer experience orientation: Augmenting market orientation. *Manuscript in preparation*. Target: Journal of Marketing; Lead author with Emma K. Macdonald, Hugh N. Wilson and Mark Jenkins

Organizational values of customer experience management: A measurement scale. *Manuscript in preparation*. Target: Journal of Marketing Management; Lead author with Emma K. Macdonald and Hugh N. Wilson

White papers / Case studies

Arkadan, Farah, Macdonald, Emma K., (2017), "From A Coruña to Beirut: How Zara listens and responds to its customers" Cranfield School of Management Marketing Strategy and Planning module teaching case study (international edition)

Arkadan, Farah, Macdonald, Emma K., (2016), "Brand Renewal at Finnair's Suntours: Co-creating with Partners and Customers" Cranfield Customer Management Forum White Paper

Arkadan, Farah, Macdonald, Emma K., (2015), "Stages of Customer Experience Management: Case Studies from the UK Customer Experience Awards", Cranfield Customer Management Forum White Paper

Arkadan, Farah, Brandt, Marisa, Bruch, Lindsay, Linghui Ge, Gladys, Gong, Yingxue and Macdonald, Emma K., (2014), "Experience Co-creation: Lessons from the UK Customer Experience Awards 2013", Cranfield Customer Management Forum White Paper

	Title	Theoretical Contribution	Dissemination
PAPER 1 (Chapter 2)	Practices of customer experience management: A systematic literature review and framework	A body of extant CEM literature (n=61 papers) is systematically identified; Forty-one papers contain empirical evidence of CEM; Twenty-one CEM practices emerge; Future research directions are presented.	Presented at the 19 th Academy of Marketing Science World Marketing Congress on 22 July and the 44 th Academy of Marketing Science Annual Conference on 19 May, 2016. Target journal: Journal of Marketing, 4*
PAPER 2 (Chapter 3)	Managing the customer experience: An empirical firm-side practice-based framework	A grounded-theory firm-side conceptualization of CEM is developed; Twenty-five CEM practices and six CEM beliefs emerge.	Target journal: Journal of Marketing, 4*
PAPER 3 (Chapter 4)	Is customer experience orientation the new market orientation?	Customer experience orientation is a firm-wide management approach that is driven by six CEM organizational values. It extends market orientation by considering and addressing customer experiences.	Presented at the 2017 Naples Forum on Service on 8 June, 2017 and the Cranfield Customer Management Forum Target journal: Journal of Marketing, 4*
PAPER 4 (Chapter 5)	Measuring organizational values of customer experience management	A newly developed 4-factor 21-item measurement scale of CEM organizational values; Piloted on a sample (n=75 customer experience leaders and managers). The brand alignment dimension has associations with multiple performance outcomes.	Target journal: Journal of Marketing Management, 3*

Figure 1-6 Summary of theoretical contributions made and research dissemination

1.5 Thesis structure

The next four chapters (numbered 2 to 5) contain the papers 1 to 4 described above. Each of these chapters is introduced by a reiteration of the corresponding objective (see section 1.2 above) and the journal paper it relates to. Details follow.

Chapter 2 reviews the literature that forms journal paper 1 and informs subsequent empirical work. The systematic review process undertaken is explained and a conceptual model of the findings is presented. The systematic literature review identifies studies containing empirical evidence of CEM practices, describes the landscape of CEM literature and proposes research directions which are subsequently addressed in the following three chapters.

Chapter 3 further explores CEM practices by undertaking a longitudinal multiple-case-study of 10 organizations that are recognized leaders in CEM transformation. The analysis of these case studies uses practice theory to identify CEM practices and tacks back and forth between practices found in the cases and practices identified in the systematic literature review resulting in the emergence of 25 common CEM practices. A conceptual framework of how the practices work together in a firm-wide process of managing the customer experience is presented, and the findings are discussed along with managerial implications, limitations and future research directions. This forms journal paper 2.

Chapter 4 explores CEM organizational values that drive CEM practice within organizations through a longitudinal multiple-case-study of 10 organizations that are recognized leaders in CEM transformation. A literature review of market orientation organizational values and behaviours is undertaken and compared with organization values and behaviours of customer experience oriented organizations, and then used as a basis for evaluating how customer experience as a firm-wide strategic orientation compares to and differs from a market orientation. The results are presented and discussed along with

managerial implications, limitations and future research directions. This forms journal paper 3.

Chapter 5 develops, validates and tests a measurement scale of the extent to which organizations are driven by CEM organizational values and their effect on performance outcomes. The measurement scale items are developed based on case study work and piloted on a small sample of customer experience leaders and managers. The results are presented and discussed along with managerial implications, limitations and future research directions. This forms journal paper 4.

Chapter 6 discusses the findings from each chapter in relation to the literature and presents the contributions of the research to both theory and practice to deliver a coherent output of the entire work. Opportunities for future research are addressed and a final conclusion presented.

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2 Customer experience management practices: A systematic literature review and framework

This chapter relates to thesis **Objective 1**: A systematic and critical review of the field to answer the review question of, '*what are the practices and outcomes of CEM?*' in order to identify and evaluate existing empirical evidence of CEM and outline future research directions. **This chapter forms journal paper 1.**

2.1 Overview

This chapter reviews the literature that forms journal paper 1 (see Figure 2-1) and informs subsequent empirical work. The systematic review process undertaken is explained and a conceptual model of the findings is presented. The systematic literature review identifies studies containing empirical evidence of CEM practices, describes the landscape of CEM literature and proposes research directions which are subsequently addressed in the following three chapters.

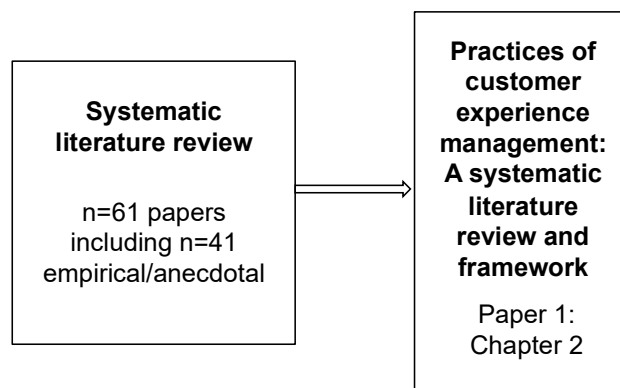


Figure 2-1 Overview of Chapter 2 research process

2.2 Abstract

What is the firm's role in influencing their customer's experience? Despite its prominence and popularity in practice, it is unclear what customer experience management (CEM) as an overall business focus means or entails. To establish what is known about CEM and conceptualize a construct for it, we systematically and critically review existing empirical evidence. This study identifies 61 studies that contribute to answering the guiding review question of, "*What are the business-to-consumer (B2C) practices and outcomes of CEM?*" Forty-one (67%) of these articles explicitly discuss CEM from the firm's point of view and provide empirical evidence thereof. However, 85% of this evidence is anecdotal evidence, suggesting that practice is ahead of theory when it comes to CEM. Findings of the systematic literature review (SLR) are synthesized using a meta-ethnographic approach. The authors present a conceptual framework of 21 CEM practices identified in the SLR, each falling within three types of CEM: (1) Strategizing, (2) operating and (3) enabling the customer experience. Outcomes of CEM are categorized into experience quality, customer and organizational performance outcomes. A key contribution of this study is synthesizing existing empirical research to identify the practices of CEM. Emerging from our study is an emphasis on studying and designing customer experience journeys and enabling an organization to do so. Implications for marketing management strategy emphasize the need to focus on experience quality and not just product, channel or service quality. The authors conclude with future research directions, highlighting the need for empirical research that studies and conceptualizes CEM from the firm's perspective and demarcates CEM from other marketing management approaches.

Keywords: Customer experience management; Practices; Systematic literature review; Customer Journey; Orientation; Marketing management strategy

2.3 Introduction

Customer value considerations tend to shape marketing practice and determine business focus. Whereas operational excellence, product leadership or customer intimacy may be some of the so-called value disciplines that define what a business may focus its overall efforts on (Treacy and Wiersema, 1993), companies are increasingly recognizing the need to manage the customer experience as an overall business focus. The notion of creating a superior customer experience has increasingly been incorporated into the mission statements of companies like Starbucks, Victoria's Secret, Dell and Toyota (Verhoef et al. 2009) and customer-experience-dedicated executives are joining the ranks of senior management teams (De Swaan Arons et al. 2014), demonstrating the strategic importance that is being placed on customer experience management (CEM). Additionally, understanding customers and the customer experience is the number one research priority of the Marketing Science Institute (MSI 2012-2014, 2016-2018). The prominence and popularity of CEM is further evidenced by the plethora of practitioner conferences, articles in prominent management practice magazines, blogs and various other publication media, management workshops, university programs, independent awards and specialized consultants. Marketing practitioners are realizing that to make marketing decisions and build and maintain a sustainable competitive advantage, they need to understand and manage their customer's experience (Pine and Gilmore, 1998; Berry et al. 2002; Meyer and Schwager, 2007; Rawson et al. 2013; Brakus et al. 2009).

Despite the promise of this marketing management focus, companies struggle with and often fail to manage the customer experience effectively (Meyer and Schwager, 2007; Rawson et al. 2013). Writings on CEM describe the management challenges a firm faces arising from the unique nature of an experience, which is subjective, inherently personal and emotional because it is determined by an individual's perception (Pine and Gilmore, 1998; Zomerdijk and Voss, 2011). These challenges include collecting dynamic empathic and context-specific data (e.g. Macdonald et al. 2012), having visibility over a complete end-to-end multi-channel customer journey that often surpasses the

direct control of the firm (e.g. Ramaswamy and Gouillart, 2010), and engaging an entire firm to design or redesign an experience (e.g. Rawson et al, 2013; De Swaan Arons et al. 2014). However, in examining academic and practitioner literature, we find a more fundamental reason for the struggle to manage the customer experience effectively: it is unclear what CEM is or entails.

Diverse marketing disciplines touch on experience (Brakus et al. 2009) and CEM, including co-creation, service management, consumer behaviour and management practice, suggesting its research prominence and relevance yet making it difficult to gain a complete understanding of what is known about it. Additionally, considering that experiences are created by both the customer and firm (Payne et al. 2008; Zomerdijk and Voss, 2011; Pine and Gilmore, 1998), while the key role of customers in creating experiences has already been well established (e.g. Epp and Price, 2011; Lemke et al. 2011; Alcántara et al. 2014; Gentile et al. 2007; Brakus et al. 2009), very few conceptualizations of the firm's role in influencing the customer's experience exist. It is therefore unclear what CEM is or how it should be done. This raises the question of whether CEM calls for a new marketing management approach and a distinct set of marketing practices or if it's a rebranding of existing and closely related practice, such as customer relationship, service or multichannel management.

The purpose of the current research is to systematically and critically review empirical evidence on what is explicitly said to be "customer experience management" in order to define and conceptualize the construct thereof across various fields of marketing literature and understand what the CEM literature comprises of. Our study is distinct in that it establishes an integrative overview of CEM practices, thus painting a complete picture that forms the basis for future research and conceptual development of the CEM construct. Additionally, this study aims to understand CEM from the firm's point of view.

We do this by investigating "practices" of CEM and thus aim to understand firms from the bottom-up (Kaplan, 2008) and through the ends or purposes that each practice aims to achieve or fulfil (Nicolini, 2012). *A practice is recurring patterns of action and flows of material and information that extend in space, occur over*

time and fulfil ends or purposes insofar as people are committed to them (Schau et al. 2009; Schatzki, 2005). A practice is thus performed through actions that aim to fulfil a perceived end or purpose. Performing a practice is perceived not just in cognitive terms (i.e. what to do) but also in normative terms (i.e. what *ought to be* done). This is usually expressed through a vocabulary of motives and goals, or of accounts, explanations, justifications, and prescriptions (Nicolini, 2012). In this way, understanding the practices of CEM provides an understanding of the firm's role in influencing the customer's experience.

We make four key contributions in our study. First, we identify a CEM-specific body of literature; our second contribution identifies 21 CEM practices and our third contribution finds three types of CEM practice, each of which address the how of CEM: (1) strategizing, (2) operating and (3) enabling the customer experience. Our fourth contribution reveals future research directions. Implications for marketing management strategy emphasize the need to focus on experience quality and not just product, channel or service quality. Emerging from our study is an emphasis on studying and designing customer experience journeys and enabling an organization to do so.

We begin by defining CEM then describe the method adopted in our systematic literature review. We then present findings and conclude with a discussion of the findings and future research directions.

2.4 Defining customer experience management

To define CEM, we begin by examining how the concept of customer experience is defined in extant literature (Table 2-1) In this way we understand what CEM aims to address.

Customer experience definitions and conceptualizations within academic marketing literature refer to the affect a customer has as a result of interacting with a product, firm or part of a firm (see Table 2-1). The *total* customer experience considers an aggregate and cumulative result of various such interactions as communications, service and usage interactions (Verhoef et al. 2009; Lemke et al. 2011). Thus, because an entire customer experience occurs

at various points of interaction, the way it is characterized depends on both the type of each interaction and the affect of the total set of interactions.

Brakus et al. (2009) examine specific types of customer-firm interactions and describe the ensuing customer experiences demonstrating that any given experience's beginning and end, in addition to how it's characterized, is defined by what the customer is interacting with: a product experience can be direct, when there is physical contact with the product, or indirect, for example, when seen in an advertisement; a shopping or service experience (as services are inherently attached to the retail channel they are presented in) involves atmospheric and human (salesperson) variables which affect the customer's feelings and attitudes; finally, a consumption experience, occurring when products (including recreational activities) are consumed and used, is characterized by hedonic dimensions (such as feelings, fantasies and fun (Holbrook, 2006)) that occur during and after consumption.

Thus a more general and overall customer experience encompassing various different customer-firm interactions would most likely be characterized by all said interactions (direct, indirect, influencing the customer's affective and hedonic state and occurring in a sequential order). In aiming to define a customer experience as such, we examined extant definitions. Table 2-1 demonstrates a *customer experience is characterized as: holistic* (encompassing both direct/controllable and indirect/uncontrollable elements), *temporal* (occurring in a sequence over time), *multichannel* (spanning multiple retail channels), *affective and hedonic* (involving a change of emotional state and feelings), *dynamic* (one experience leads to and influences the next one) and *occurring in real-time* as and when the customer reacts to various interactions with the firm.

Considering these characteristics and looking towards defining how firms manage the customer experience, we now examine the customer experience as an object of management. Comparing it to other management objects such as products, services, retail channels or customer relationships, based on its characteristics, an experience is fundamentally different. Product management,

for example, addresses the tangible features, functions and ensuing customer benefits of a product; service and retail management address the atmospheric and human variables associated with a retail setting, as well as such functional elements as convenience and efficiency; multichannel management recognizes the need for consistency and seamlessness across various retail channels so as not to present an incoherent brand image or disrupt customer efforts to make a purchase; finally, customer relationship management addresses personal and long-term dimensions through such practices as meticulous customer database management and a carefully crafted multifaceted communications strategy. In the same way each type of management addresses the unique characteristics of what's being managed, CEM would involve managing the experience and all the aspects that entails (delineated in *Table 1*), not what is being experienced – in other words, managing the interface between the customer and (for example) product, not the product itself.

Table 2-2 presents a list of extant CEM definitions and conceptualizations from managerial- and practice- oriented journals and books in addition to academic works. The table delineates the aspects of each definition. Examining the table reveals an emphasis on gathering insight (Meyer and Schwager, 2007; Berry et al. 2002; Schmitt, 2003; Zomerdijk and Voss, 2011) to understand what the customer thinks, for example from their expectations to assessments (Berry et al. 2002). Zomerdijk and Voss (2011) highlight the CEM practice of using empathic and ethnographic insight gathering techniques to capture customer experience insight. Additionally, as Table 2-2 suggests, CEM entails identifying CEM opportunities (Meyer and Schwager, 2007; Payne et al. 2009), for example, “in order to locate places to add offerings in the gaps between expectations and experience” (Meyer and Schwager, 2007, p. 4), designing experiences (Schmitt, 2003), for example in the form of customer journeys and the touchpoints within (Lemon and Verhoef, 2016; Payne et al. 2009; Zomerdijk and Voss, 2011; Homburg et al. 2017) and implementation (Payne et al. 2009), through for example cross-functional collaboration (Lemon and Verhoef, 2016; Zomerdijk and Voss, 2011).

The definitions also suggest that CEM entails an ongoing co-creation aspect (Schmitt, 2003; Payne et al. 2009; Homburg et al. 2017), for example to continuously innovate and renew customer experiences (Payne et al. 2009; Homburg et al. 2017) and considers outcomes of CEM, for example co-creating value for both the customer and firm (Verhoef et al. 2009; Grewal et al. 2009) and achieving and sustaining long term customer loyalty (Homburg et al. 2017). Finally, Table 2-2 suggests there is an emphasis on an internal organizational aspect that enables CEM practices (Lemon and Verhoef, 2016; Schmitt, 2003; Payne et al. 2009; Zomerdijk and Voss, 2011; Homburg et al. 2017).

Following a close examination of extant customer experience and CEM definitions, we define *customer experience management (CEM)* as *the collection of practices that enable a firm to systematically strategize and operate in real-time all customer interactions with and reactions to it, in order to co-create both customer and firm value.*

While Table 2-2 suggests some of the strategic practices associated with CEM, there is a need for further investigation and understanding of the role of these practices, who is involved, what they entail, and to what ends they're done. As such, a deeper and more complete understanding of what is known about how CEM is needed.

We now describe the method adopted in our systematic literature review to identify practices of CEM.

Table 2-1 Extant definitions and conceptualizations of customer experience

Extant definitions and conceptualizations of customer experience	Internal & subjective	Holistic (direct & indirect)	Temporal	Multichannel	Affective & Hedonic	Dynamic	Real-time / response driven	Persistent / ongoing
<p>“Experiences are inherently personal, existing only in the mind of an individual who has been engaged on an emotional, physical, intellectual or even spiritual level. Thus, no two people can have the same experience, because each experience derives from the interaction between the staged event (like a theatrical play) and the individual's state of mind.” (Pine and Gilmore, 1998, p. 99)</p>	x				x		x	
<p>"The clues that make up a customer experience fit into two categories. The first concerns the actual functioning of the good or service...the second category concerns the emotions and include the smells, sounds, sights, tastes and textures of the good or service, as well as the environment in which it is offered...This category of clues includes two types: 'mechanics' (clues emitted by things) and 'humanics' (clues emitted by people)." (Berry et al. 2002 p. 86)</p>					x			
<p>“Customer experience is the internal and subjective response customers have to any direct or indirect contact with a company” (Meyer and Schwager, 2007, p. 117)</p>	x	x			x		x	

Extant definitions and conceptualizations of customer experience	Internal & subjective	Holistic (direct & indirect)	Temporal	Multichannel	Affective & Hedonic	Dynamic	Real-time / response driven	Persistent / ongoing
<p>“Customer experience is an interaction between the company and customer, that provokes a reaction and implies customer involvement at different levels such as sensorial, rational, emotional, physical and spiritual” (Gentile et al. 2007, p. 397)</p>					x		x	
<p>“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, but also by elements that are outside the retailers control. 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.” Additionally, prior customer experiences influence current ones (Verhoef et al. 2009, p. 32)</p>		x	x	x	x	x	x	

Extant definitions and conceptualizations of customer experience	Internal & subjective	Holistic (direct & indirect)	Temporal	Multichannel	Affective & Hedonic	Dynamic	Real-time / response driven	Persistent / ongoing
<p>“We conceptualized brand experience as subjective consumer responses that are evoked by specific brand- related experiential attributes in such settings. [...It] can be broken down into four dimensions (sensory, affective, intellectual, and behavioural), which are differentially evoked by various brands.” (Brakus et al. 2009, p. 65)</p>	x				x			
<p>“We define the customer’s subjective response to the holistic direct and indirect encounter with the firm, including but not necessarily limited to the communication encounter, the service encounter and the consumption encounter.” (Lemke et al. 2011, p. 848)</p>	x	x	x		x		x	
<p>“[W]e define service experience as many-to-many engagement. It is the ongoing and dynamic alignment of the connections and dispositions of many actors. This occurs before, during, and after a service encounter, as actors tap into their unique dispositions and connections to engage with one another.” (Chandler and Lusch, 2014 p. 13)</p>			x		x	x		x

Table 2-2 Extant customer experience management (CEM) definitions and conceptualizations

Extant definitions and conceptualizations of customer experience management	Insight gathering	Identifying opportunity	Design	Implementation	Continuous management	Enabling CEM	Outcomes
CEM involves gaining an understanding of the customer's journey - from the expectations to the assessments they are likely to make when it's over (Berry et al. 2002)	x						
CEM is the process of strategically managing a customers' entire experience with a product or company, consisting of five steps: (1) analysing the experiential world of the customers, (2) building the experiential platform, (3) designing the brand experience, (4) structuring the customer experience, and (5) engaging in continuous innovation (Schmitt, 2003)	x		x		x	x	
CEM captures and distributes what a customer thinks about a company at points of customer interactions ('touchpoints') in order to locate places to add offerings in the gaps between expectations and experience (Meyer and Schwager, 2007)	x	x					
"Customer experience management is a retailers strategy to engineer the customer's experience in such a way as to create value for both the customer and the firm" (Verhoef et al. 2009, p. 38)							x

Extant definitions and conceptualizations of customer experience management	Insight gathering	Identifying opportunity	Design	Implementation	Continuous management	Enabling CEM	Outcomes
"Customer experience management represents a business strategy designed to manage the customer experience. It represents a strategy that results in a win-win value exchange between the retailer and its customers." (Grewal et al. 2009, abstract)							x
Experience co-creation involves five firm processes which co-create value: (1) co-creation opportunities; (2) planning and development; (3) implementation and metrics; (4) managing customer encounters; (5) organizational learning (Payne et al. 2009)		x	x	x	x	x	
Experiential design principles include: (1) Design from the perspective of the customer journey and its associated touchpoints which involves paying attention to (a) pre- and post-purchase experiences; (b) physical aspects of the customer, such as the management of customer arrival and departure; and (c) emotional aspects of the journey, such as the building of anticipation and the post-experience savouring; (2) conduct sensory design; (3) require front-line employees to engage with customers (4) pay attention to the dramatic structure of events (5) manage the presence of fellow customers (6) Closely couple employee operations and customer experiences (Zomerdijk and Voss, 2010)			x	x	x		

Extant definitions and conceptualizations of customer experience management	Insight gathering	Identifying opportunity	Design	Implementation	Continuous management	Enabling CEM	Outcomes
<p>New experiential service development involves seven dimensions: (1) Systematic and flexible processes; (2) Empathic and ethnographic market research; (3) Learning from others outside firm's own industry; (4) Tools and techniques that address experiential and emotional aspects; (5) Metrics and performance measurements; (6) An organizational aspect which requires cross-functional teams and the involvement of front-line employees (7) a broad base for creativity (Zomerdijk and Voss, 2011)</p>	x	x	x	x		x	
<p>Three specific aspects of CEM include (1) customer journey and touchpoint design, (2) the role of alliances and network partners, and (3) the internal organization. Key initial insights regarding CEM are as follows: (1) A customer-centric focus is an important facilitator within firms to create stronger customer experiences, (2) CEM requires a multidisciplinary approach in which multiple functions cooperate to deliver a customer experience and (3) Firms require specific capabilities to develop successful customer experience strategies (Lemon and Verhoef, 2016)</p>			x	x		x	

Extant definitions and conceptualizations of customer experience management	Insight gathering	Identifying opportunity	Design	Implementation	Continuous management	Enabling CEM	Outcomes
“CEM refers to the cultural mindsets toward CEs, strategic directions for designing CEs, and firm capabilities for continually renewing CEs, with the goals of achieving and sustaining long-term customer loyalty” (Homburg et al. 2017 p. 383)			x		x	x	x

2.5 Method

A systematic literature review (SLR) of the marketing field was applied. An SLR is a comprehensive and structured search for relevant studies addressing a specified topic (Klassen et al., 1998; Tranfield et al. 2003; Cook et al. 1995) based on the values of rigor, transparency, and reproducibility (Tranfield et al. 2003). Studies identified are appraised on relevance and quality and synthesized with the aim of generating the “best” evidence (Tranfield et al. 2003). Appraisal and synthesis are carried out based on a pre-determined and explicit method (Klassen et al. 1998; Cook et al. 1995). This SLR was first carried out in May 2014 by a panel of three academics (the authors) following initial scoping study of the field. The review was subsequently updated in 2017 to include new relevant research. The review was conducted in the following four main phases: (1) planning, (2) searching, (3) screening and (4) extraction, synthesis and reporting guided by the agreed upon review question of, “*What are the practices and outcomes of CEM?*” This process is detailed in the Appendix in 2.9.1.

Next, we present the findings of our study.

2.6 Findings

In our systematic literature review (SLR) of the field we identified 61 papers that discussed CEM. An asterisk in the reference list indicates these studies. None of these studies expressly examined CEM 'practices', and none used the construct of CEM uniformly or systematically. Nonetheless, these 61 identified articles contained sufficient material to code CEM practices. Table 2-3 describes these studies in detail, listing the author(s) of each study in addition to the year and name of publication, literature type (scholarly / peer-reviewed; grey literature), research context (retail; service provider; multichannel), perspective (firm-side vs. customer-side) and research type (empirical / scholarly; empirical / anecdotal; analytical / conceptual; literature review) of each study identified in the review.

As Table 2-3 shows, 39 (64%) of these articles explicitly discuss CEM from the firm's point of view and provide empirical evidence thereof. Of these empirical studies, we note that 33 (85%) are from management-oriented journals. The majority of these articles are from the *Harvard Business Review* publication (21 papers), followed by *Sloan Management Review* (nine papers) and finally one paper from *California Management Review* (see Table 2-3). As such, there is a limited pool of empirical, firm-side papers from academic journals (only six in total were identified in the SLR (Payne et al. 2009; Zomerdijk and Voss, 2010; Zomerdijk and Voss, 2011; Otnes et al. 2012; Manniche and Larsen, 2013; Homburg et al. 2017)). Thus, 85% of the firm-side empirical evidence of CEM we identified in our review provides anecdotal evidence suggesting that practice is perhaps ahead of theory when it comes to CEM. Initially, we attempted to include only academic papers that contributed to answering our review question, however this resulted in a very limited pool of studies (as previously mentioned, only six articles in total met this criteria). As our goal in this review was to identify CEM practices, vignettes and anecdotes about what firms do to manage customer experiences meet our criteria for firm-side empirical evidence of CEM.

For the remaining studies, we captured three literature reviews (Neslin et al. 2006; Brodie et al. 2011; Lemon and Verhoef, 2016) and 11 conceptual papers that contributed to answering our review question of, “*What are the practices and outcomes of CEM?*” without containing empirical evidence (see Table 2-3). These papers were thus included in our SLR additionally because they provided background information about CEM practices and outcomes (Tranfield et al. 2003). In addition to these conceptual papers, eight articles identified in the SLR are academic articles that research customer experience from the customer’s point of view (see Table 2-3). We decided to include these studies because they presented key management implications for CEM that supported our synthesis of CEM practices.

Finally, as Table 2-3 shows, the predominant contexts of empirical CEM research to date are retail (13 out of 39 studies or 33%) and service providers (18 out of 39 studies 46%) or both (10 out 39 studies or 26%)

Next, we discuss the key emerging themes from the SLR (Tranfield et al. 2003).

Table 2-3 Literature on customer experience management: Papers identified through the systematic literature review*

Author, Year, Journal	Literature type			Research context (B2C)			Perspective		Research type			
	Scholarly / Peer reviewed	Management oriented / peer-reviewed	Management oriented / non-peer reviewed (grey literature)	Retail	Service provider	Multichannel	Firm-side perspective	Customer-side perspective	Empirical / scholarly	Empirical / anecdotal	Analytical / conceptual	Literature review
1. Levitt, 1981, HBR			x	x	x		x			x		
2. Hoch and Deighton, 1989, JM	x			x			x				x	
3. Hart et al. 1990, HBR			x	x			x			x		
4. Reichheld, 1996, HBR			x	x			x			x		
5. MacMillan and McGrath, 1997, HBR			x	x	x		x			x		
6. Pine and Gilmore, 1998, HBR			x	x			x			x		
7. Schneider and Bowen 1999, SMR		x		x		x	x			x		
8. Prahalad and Ramaswamy, 2000, HBR			x		x		x			x		
9. Seiders et al. 2000, SMR		x			x		x			x		

Author, Year, Journal	Literature type			Research context (B2C)			Perspective		Research type			
	Scholarly / Peer reviewed	Management oriented / peer-reviewed	Management oriented / non-peer reviewed (grey literature)	Retail	Service provider	Multichannel	Firm-side perspective	Customer-side perspective	Empirical / scholarly	Empirical / anecdotal	Analytical / conceptual	Literature review
10. Vandermerwe, 2000, SMR		x		x			x			x		
11. Nunes and Johnson, 2001, HBR			x	x	x		x			x		
12. Berry, 2001, HBR			x	x			x			x		
13. Chase and Dasu, 2001, HBR			x		x		x			x		
14. Berry et al. 2002, SMR		x		x	x		x			x		
15. Carù and Cova, 2003, MT	x				x		x				x	
16. Berry and Bendapudi, 2003, HBR			x		x		x			x		
17. Berry et al. 2003, IBM			x	x	x		x			x		
18. Berry et al. 2006, SMR		x			x		x			x		
19. Vredenburg, 2003, IBM			x	x	x		x			x		
20. Prahalad and Ramaswamy, 2004, JIM	x				x		x				x	

Author, Year, Journal	Literature type			Research context (B2C)			Perspective		Research type			
	Scholarly / Peer reviewed	Management oriented / peer-reviewed	Management oriented / non-peer reviewed (grey literature)	Retail	Service provider	Multichannel	Firm-side perspective	Customer-side perspective	Empirical / scholarly	Empirical / anecdotal	Analytical / conceptual	Literature review
21. Payne and Frow, 2004, IMM	x				x	x	x				x	
22. Pullman and Gross, 2004, DS	x				x			x	x			
23. Ballantyne and Varey, 2006, MT	x				x		x				x	
24. Selden and MacMillan, 2006, HBR			x	x	x		x			x		
25. Frei, 2006, HBR			x	x			x			x		
26. Sawhney et al. 2006, SMR		x			x		x			x		
27. Neslin et al. 2006, JSR	x				x	x	x					x
28. Lusch et al. 2007, JR	x				x		x				x	
29. Meyer and Schwager, 2007, HBR			x		x		x			x		
30. Gentile et al. 2007, EMJ	x			x				x	x			
31. Payne et al. 2008, JAMS	x				x	x	x				x	

Author, Year, Journal	Literature type			Research context (B2C)			Perspective		Research type			
	Scholarly / Peer reviewed	Management oriented / peer-reviewed	Management oriented / non-peer reviewed (grey literature)	Retail	Service provider	Multichannel	Firm-side perspective	Customer-side perspective	Empirical / scholarly	Empirical / anecdotal	Analytical / conceptual	Literature review
32. Lusch et al. 2008, IBM			x		x		x			x		
33. Dev et al. 2008, HBR			x	x			x			x		
34. Keiningham et al. 2008, SMR		x		x	x	x	x			x		
35. Bitner, 2008, CMR		x			x		x			x		
36. Grewal et al. 2009, JR	x			x			x				x	
37. Verhoef et al. 2009, JR	x			x			x				x	
38. Fournier and Lee, 2009, HBR			x	x			x			x		
39. Schau et al. 2009, JM	x			x				x	x			
40. Brakus et al. 2009, JM	x			x	x			x	x			
41. Payne et al. 2009, JR	x				x		x		x			
42. Dasu and Chase, 2010, SMR		x			x		x			x		

Author, Year, Journal	Literature type			Research context (B2C)			Perspective		Research type			
	Scholarly / Peer reviewed	Management oriented / peer-reviewed	Management oriented / non-peer reviewed (grey literature)	Retail	Service provider	Multichannel	Firm-side perspective	Customer-side perspective	Empirical / scholarly	Empirical / anecdotal	Analytical / conceptual	Literature review
43. Ramaswamy and Gouillart, 2010, HBR			x	x	x		x			x		
44. Zomerdijk and Voss, 2010, JSR	x				x		x		x			
45. Lemke et al. 2011, JAMS	x			x	x			x	x			
46. Zomerdijk and Voss, 2011, JPIM	x				x		x		x			
47. Epp and Price, 2011, JM	x				x			x	x			
48. Brodie et al. 2011, JSR	x			x			x					x
49. Macdonald et al. 2012, HBR			x	x	x		x			x		
50. Srinivasan et al. 2012, JPIM	x			x				x	x			
51. Otnes et al. 2012, JR	x			x			x		x			
52. Grönroos and Voima, 2013, JAMS	x				x		x				x	
53. Brynjolfsson et al. 2013, SMR		x			x		x			x		

Author, Year, Journal	Literature type			Research context (B2C)			Perspective		Research type			
	Scholarly / Peer reviewed	Management oriented / peer-reviewed	Management oriented / non-peer reviewed (grey literature)	Retail	Service provider	Multichannel	Firm-side perspective	Customer-side perspective	Empirical / scholarly	Empirical / anecdotal	Analytical / conceptual	Literature review
54. Rawson et al. 2013, HBR			x	x	x		x			x		
55. McGrath, 2013, HBR			x	x			x			x		
56. Merlino and Raman, 2013, HBR			x		x		x			x		
57. Manniche and Larsen, 2013, EURS	x			x			x		x			
58. De Swaan Arons et al. 2014, HBR			x	x			x			x		
59. Alcántara et al. 2014, JBR	x			x				x	x			
60. Lemon and Verhoef, 2016, JM	x			x	x	x	x	x				x
61. Homburg et al. 2017, JAMS	x			x	x		x		x			

*These papers are identified with an asterisk in the reference list.

2.6.1 CEM practices emerging from the literature

Twenty-one CEM practices were identified during the systematic literature review. The lead author coded and provided an initial definition of these practices through the SLR. Then in workshops with the second and third authors, the research team categorized these 21 practices into three broad thematic groups (see Figure 2-2): (1) strategizing (2) operating and (3) enabling the customer experience. CEM Strategizing practices include a total of 11 practices, further categorized into experience insight gathering, opportunity prioritizing and design and implementation practices. CEM operating practices include a total of four practices and we find six CEM enabling practices. Table 2-4 lists and defines each CEM practice identified in the review. Table 2-5 details the key actions identified in the SLR associated with each CEM practice. Finally, the Appendix in 2.9.2 presents anecdotal evidence from the literature of each CEM practice we identified in the review.

Additionally, in line with our review question, we identified CEM outcomes which we organize into three thematic categories: experience quality, customer and organizational performance outcomes, listed in Table 2-6, Table 2-7 and Table 2-8 respectively. These tables additionally identify the studies wherein these outcomes are identified.

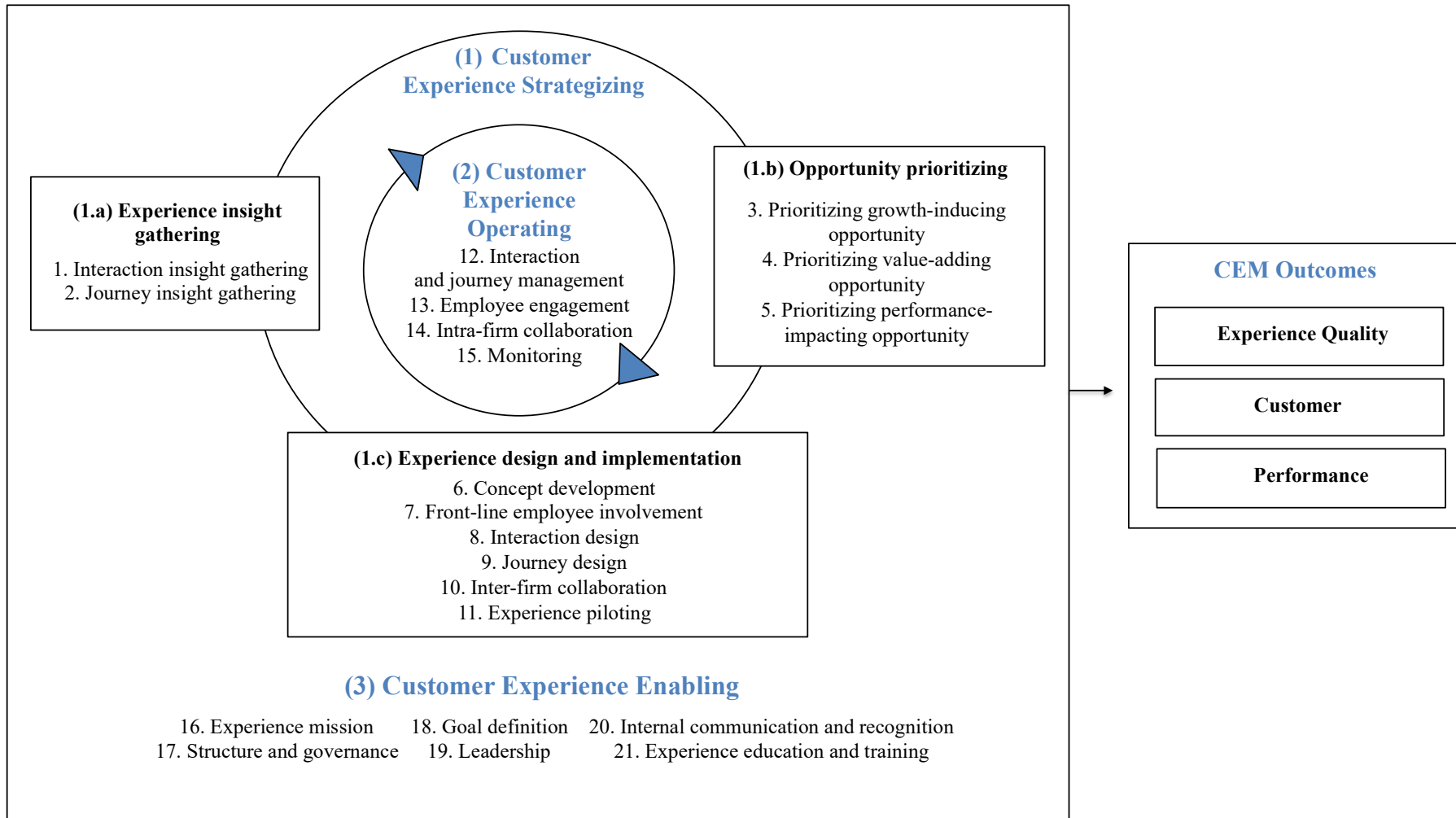


Figure 2-2 A framework of customer experience management practices

Table 2-4 Customer experience management (CEM) practice definitions

CEM practice category		Practices / Definitions
1. Strategizing customer experience: Planning and executing the customer experience	1.a. Experience insight gathering: Gathering customer insight	1. Interaction insight gathering: Understanding what the customer perceives at various single customer-firm touch points, both direct and indirect
		2. Journey insight gathering: Understanding what the customer perceives across an entire end-to-end sequence of customer-firm touch points
	1.b. Opportunity prioritizing: Identifying, assessing and prioritizing opportunities arising from customer insight	3. Prioritizing growth-inducing opportunity: Identifying, assessing and prioritizing experience gaps for new and existing customers
		4. Prioritizing value-adding opportunity: Identifying, assessing and prioritizing experience areas which enhance a customer's value-in-use
		5. Prioritizing performance-impacting opportunity: Systematically identifying and prioritizing significantly positive and negative customer journeys (those experiences critical to customer satisfaction and overall firm performance)
	1.c. Experience design: Devising what a customer perceives at various and across a sequence of customer-firm touch points	6. Concept Development: Devising the experience game plan
		7. Front-line-employee involvement: Involving front-line employees in solution design
		8. Interaction design: Devising what a customer perceives at various single customer-firm touch points, both direct and indirect
		9. Journey design: Devising what a customer perceives across an entire end-to-end sequence of customer-firm touch points
		10. Inter-firm collaboration: Collaborating with other firms and institutions (including governments)

CEM practice category		Practices / Definitions
1. Strategizing customer experience (cont'd)	1.c. Experience design (cont'd)	11. Experience piloting: Introducing the experience on a smaller scale first, in an environment that most closely resembles real and typical circumstances with actual customers
2. Operating customer experience: Sustaining and adjusting the customer experience		12. Interaction and journey management: Influencing real-time customer interactions and engagements
		13. Employee engagement: Ongoing reinforcement of brand values and behaviors
		14. Intra-firm collaboration Collaborating within the firm, across teams and hierarchical levels to achieve a shared experience goal
		15. Experience monitoring: Collecting, assessing and distributing experience information to relevant parts of the wider firm
3. Enabling customer experience: Setting up the firm to address the customer experience		16. Experience mission setting: Developing the firm-wide customer experience position/mandate imbued with brand values and purpose
		17. Organizational structure design and governance: Setting up the firm to facilitate the management of and accountability for the customer experience at every level and across all teams and stakeholders
		18. Experience goal definition: Defining customer experience goals that form the basis for measuring firm and employee performance
		19. Leading: Putting in place and honing a leader which acts as a high-level champion, connector, orchestrator and overseer
		20. Internal communication and recognition: Publicizing the experience mission and other essential information to employees and recognizing their efforts

CEM practice category	Practices / Definitions
3. Enabling customer experience (cont'd)	21. Experience education and training: Emphasizing and reinforcing brand purpose and values to employees

2.6.1.1 Customer Experience Strategizing Practices

Customer experience strategizing practices address the overall CEM concerns of planning and executing the customer experience. Our review of existing empirical evidence of CEM practice revealed an emphasis on customer journeys. A customer journey is a sequence of touchpoints at which there is a customer-firm interaction, customarily expressed from the customer's point of view. It is used as a basis for exploring and improving the customer's experience both at various individual interactions and as a whole by examining the journey in its entirety. While this concept is not unique to CEM literature, our review uniquely revealed CEM practices that address the experiential aspects of the customer journey, thus additionally picking up on sensorial, emotional, hedonic and indirect influences on the customer's experience when following their journey. CEM strategizing practices found in our study are characterized by three key types of practice: (a) experience insight gathering, (b) opportunity prioritizing and (c) experience design and implementation (see Figure 2-2).

2.6.1.1.1 Experience insight gathering

While a customer's journey is characterized by the sequence of touchpoints that comprise it, the customer's experience additionally considers the resulting influence of each interaction on the customer (Pine and Gilmore, 1998; Meyer and Schwager, 2007; Berry et al. 2002; Macdonald et al. 2012). Our findings revealed a deeper consideration of the customer's journey and each touchpoint that it comprises of, whereby the emotions and feelings about trust, control, security, justice, respect and fairness that shape customer perceptions are considered (Dasu and Chase, 2010; Berry et al. 2002; Schneider and Bowen, 1999). Thus, gathering experience insight at the touchpoint level involves investigating not only functional aspects of, for example, convenience and efficiency, but also the sensorial, affective and hedonic aspects of the customer's interaction with the firm or brand (Pullman and Gross, 2004). This involves identifying all experience elements, "cues" (Pine and Gilmore, 1998; Brakus et al. 2009; Dasu and Chase, 2010; Grewal et al. 2009; Lemke et al. 2011; Otnes et al. 2012; Zomerdiijk and Voss, 2010) or "clues" (Berry et al. 2002, Berry et al. 2006; Berry and Bendapudi, 2003; Srinivasan et al. 2012) that

a customer perceives including, for example, the gestures, comments, dress and tones of voice of the firm's employees and how the sum of all such elements makes up and affects the customer's experience at a particular touchpoint like a retail store (Berry et al. 2002).

At the journey level, whereby the end-to-end sequence of touchpoint is considered, gathering insight involves considering customer behaviour as they come into contact with the firm or brand over a period of time. Customarily, this is done by taking the customer's perspective to either, hypothetically (Bitner et al. 2008; Rawson et al. 2013; Dasu and Chase, 2010; Ramaswamy and Gouillart, 2010; McGrath, 2013; Vandermerwe, 2000; Zomerdijk and Voss, 2011) or actually (Macdonald et al. 2012), follow their journey and map each touchpoint therein. Subsequently each touchpoint can be analysed (Zomerdijk and Voss, 2011; Payne et al. 2009; Berry et al. 2002; Rawson et al. 2013; MacMillan and McGrath, 1997) in relation to the rest (Epp and Price, 2011; McGrath, 2013; Vandermerwe, 2000; Chase and Dasu, 2001; Dasu and Chase, 2010) to gain an understanding of the customer's total experience with the firm, which includes all phases of the customer's experience including search, purchase, consumption, and after-sale phases of the experience and may involve multiple retail channels (Verhoef et al. 2009).

The SLR also revealed practices of mapping influences on customers (Dasu and Chase, 2010) at non-touchpoints (i.e. *customer events that may not include interacting with a firm or brand in any way but which could indirectly influence a customer's experience with the firm*) as part of gathering journey experience insight. This is because, as an experience is, by definition, intrinsic to the "experiencer" (Zomerdijk and Voss, 2011; Manniche and Larsen, 2013; Carù and Cova, 2003; Schau et al. 2009), customer experiences outside the realm of the firm or even the firm's market may also become part of the customer journey. Some examples, although few, of how these can be addressed were found in our review. Dasu and Chase (2010) argue that there are opportunities for service providers to identify and act on customer experiences that service providers aren't typically a part of by being supportive when emotions are

negative and celebrating with the customer when emotions are positive. For example an insurance provider has the opportunity to be supportive if customer gets into a car accident. Many companies mark a customer's birthday. In a retail or hospitality context, companies may take the opportunity to participate in important moments in customers' lives, like staging a marriage proposal (Otnes et al. 2012).

Reflections and research directions

Marketing literature and that on customer-centric organizations points out the importance of actively listening to and seeking customer views through such techniques as focus groups, feedback surveys and client visits. Our review, however, revealed an emphasis on employing immersive and empathic data collection techniques, including ethnographic and projective techniques and investigating extreme users (Zomerdijk and Voss, 2011; Berry et al. 2002), in order to capture the sensorial and affective aspects of the experience as well as latent customer needs and other customer insight. This is because of the nature of experience insight, being personal, subjective and emotional as an experience is determined by an individual's perception (Pine and Gilmore, 1998; Zomerdijk and Voss, 2011). Additionally, empathic techniques allow the capture of real-time and dynamic insight as opposed to capturing insight on experiences retrospectively. It is still unknown whether retrospective experiences differ from dynamic experiences, both in terms of the type of experiential dimensions and sensations, feelings, thoughts and behaviors that are involved (Brakus et al. 2009).

To capture entire journeys and understand the entire end-to-end customer sequence of events from the customer's point of view, there is evidence of journey mapping techniques that capture either actual, potential or ideal customer journeys (Bitner et al. 2008; Zomerdijk and Voss, 2011). Whereas a service is inherently attached to the channel it is offered in, a customer's entire journey, or total experience, may span multiple channels and both precede the service encounter and continue after it (Verhoef et al. 2009). While our review suggests we need to gather empathic customer experience insight across an

entire end-to-end journey to understand a wider scope of the customer's experience with the firm, common methods for doing so are yet unfamiliar (Zomerdijk and Voss, 2011; Gentile et al. 2007).

The consideration by a firm or brand of customer consumption experiences that are entirely outside their customer journey (i.e. non-touchpoints), was found in our review. This diverges from the interaction-dependent view of customer experience that various articles discuss (e.g. Pine and Gilmore, 1998; Meyer and Schwager, 2007; Berry et al. 2002; Rawson et al. 2013). Carù and Cova (2003) discuss the importance of going beyond a view of an experience that is entirely dependent on what the market offers. They point out there are many customer experiences that are not necessarily linked to the market, providing the example of a dinner at a friend's house. Although various products from a market are being consumed (which may or may not belong to the firm's brand), the dinner experience lies outside the sphere of the market. This approach of acknowledging customer non-touchpoints extends existing definitions of CEM, which tend to focus on touchpoints within a customer journey (e.g. Meyer and Schwager, 2007; Berry et al. 2002), to include non-interaction based customer experiences. Although few, some studies within the reviewed literature discuss the mapping out of such non-touchpoints, or customer interactions that are not necessarily associated with an organizational touchpoint (e.g. Vandermerwe, 2000; De Swaan Arons et al. 2014). Such practices can be particularly useful for identifying and prioritizing customer experience innovation opportunities.

2.6.1.1.2 Opportunity prioritizing

The recognition by firms that customers construe experience quality and not just product or service quality (Lemke et al. 2011) is apparent in the findings of this review. The SLR revealed that firms aim to identify and prioritize customer experience opportunity that induce growth, enhance customer-perceived value (incrementally and / or disruptively) and / or impact firm performance. Performance-enhancing opportunities involve such practices as identifying and prioritizing significant journeys which impact performance (Rawson et al. 2013), influencing buying behaviour by identifying the most and least effective

customer encounter in terms of leading to a purchase by gathering real-time customer insight on perceived quality and allocating resources across complete media and marketing plans (Macdonald et al. 2012) and identifying customers willing to pay more for their current experience (Meyer and Schwager, 2007).

To find value-adding opportunities that enhance current customer experiences or attract new customers, identifying experience opportunities involves segmenting customers (Nunes and Johnson, 2001; Alcántara et al. 2014), identifying experiences from a customer's point of view (Selden and MacMillan, 2006; Vanderwerme, 2000; Lusch et al. 2008) and assessing both organizational capabilities (Selden and MacMillan, 2006) and market position and their ability to provide mutually beneficial value-propositions (Alcántara et al. 2014; Vanderwerme, 2000; Ballantyne and Varey, 2006).

Reflections and research directions

Many firms are approaching customer experiences as new and promising sources of differentiation, suggesting that customer-experience-based strategies can create growth (Alcántara et al. 2014; Verhoef et al. 2009). While the results of our review suggest an emphasis on customer experience opportunities prioritizing practices, we also found many calls for future research in this area of CEM practice. Prevalent within customer experience management literature, is the emphasis on customer experiences that are extraordinary in some way, whether in terms of their uniqueness, meaningfulness or memorability (e.g. Pine and Gilmore, 1998, cf. Alcántara et al. 2014). Other studies discuss customer experiences merely in terms of a response to an interaction with the firm or brand (Meyer and Schwager, 2007; Gentile et al. 2007; Lemke et al. 2011; Berry et al. 2002). As such, our review revealed a call for research that aims to better understand what is regarded as a customer experience opportunity (Alcántara et al. 2014), suggesting it is still unclear how firms can benefit from focusing on and managing customer experiences.

With regards to growth-inducing opportunities involving extraordinary experiences, Verhoef et al. (2009) calls for further research that examines the

limits to such growth, as they may be segment-specific. Alcántara et al. (2014) calls for further research on how to better target specific customer characteristics, preferences, values or perceptions when devising experiences. The need to understand how to influence customer behaviour (Brodie et al. 2011; Brakus et al. 2009), by studying the effect of particularly positive or negative experiences, or aesthetics perceptions, emotional judgments and physiological reactions, respectively (Brakus et al. 2009) was also identified.

2.6.1.1.3 Experience design

Just as experience insight gathering strives to be empathic, experience design focuses on the experiential and emotional aspects of the customer's experience (Zomerdijk and Voss, 2011). At an individual touchpoint level, interaction design involves designing elements that convey trustworthiness, convenience, customer control, security and authenticity. Building customer trust, for example, includes ensuring customer-facing employees are trained to have a professional appearance, communicate clearly, show high motivation to serve the customer, follow up with the customer, and explicitly demonstrate servicing the customer. Designing customer processes and norms such as these and sticking to them as if they were rituals (Chase and Dasu, 2001; Merlino and Raman, 2013) are integral to experience design at the touchpoint level as well as addressing variability in different customer needs in terms of arrival, request, capability, effort and subjective preference (Frei, 2006) and facilitating the customer's ability to make complaints (Hart et al. 1990). There is also evidence of designing non-transaction touchpoints such as customer experiences within brand communities (Fournier and Lee, 2009; Schau et al. 2009). This involves providing physical, virtual, mental and imaginary resources to facilitate and promote brand community experience participation (Prahalad and Ramaswamy, 2004; Grönroos and Voima, 2013; Schau et al. 2009).

In addition to these service-oriented elements at the touchpoint level of customer experience design, our review showed evidence of devising a unifying brand-imbued theme for the overall customer experience (i.e. the CEM practice of concept development) (Berry et al. 2002; Berry and Bendapudi, 2003;

Zomerdijk and Voss, 2011; Rawson et al. 2013). In addition to promoting consistency in the customer experience, design at the customer journey level may include architecting a dramatic sequence of events. This involves, for example, configuring the customer journey such that the undesirable parts of the experience occur early on in the customer's journey, the pleasurable parts are broken up into several segments to prolong the perceived pleasure, and the events are sequenced to improve over time so that the experience ends on a high note (Chase and Dasu, 2001; Zomerdijk and Voss, 2010). Additionally, multichannel integration is part of journey experience design as various touchpoints along a single customer journey may occur within different channels. Thus, journey experience design seeks to promote consistency across all channels (Payne and Frow, 2004; Pine and Gilmore, 1998; Neslin et al. 2006) and seamlessness between channels, recognizing that the customer's experience of one channel may affect their perception and selection of the next channel experience (Neslin et al. 2006; Verhoef et al. 2009).

To address touchpoints within the customer journey that are not in direct control of the firm, there is evidence of the need to involve stakeholders outside the firm to do so. Many firms identify and co-create with all stakeholders affecting the customer's experience including suppliers, distributors, communities and other customers (Ramaswamy and Gouillart, 2010; Payne et al. 2008; Zomerdijk and Voss, 2011). This process is not well-explored although it may involve setting up workshops with the firm's stakeholders to understand the entire end-to-end customer journey (Ramaswamy and Gouillart, 2010; Manniche and Larsen, 2013; Vandermerwe, 2000; Prahalad and Ramaswamy, 2003; Lusch et al. 2007). Thus CEM requires a perspective of the customer journey that spills over the traditional boundaries of a firm.

In order to develop and empower front-line employees, the SLR revealed evidence of the need to involve them as part of experience design, in order to enhance the firm's ability to co-create with customers. This is because, in co-creation, direct interactions with customers are critical in order to understand consumer shifts and design experiences that are meaningful to customers

(Srinivasan et al., 2012). Thus, front-line employee involvement allows the firm to gain detailed customer insight and essential front-line employee buy-in to co-create customer experiences (Zomerdijk and Voss, 2011; Rawson et al. 2013; Ramaswamy and Gouillart, 2010; Meyer and Schwager, 2007). To do so, the SLR revealed evidence of experience prototyping as a way to learn as much as possible from front-line employees and improve approaches to influencing customer behaviour (Prahalad and Ramaswamy, 2000; Frei, 2006; Payne et al. 2008; Zomerdijk and Voss, 2011). To engage front-line employees in the co-creation process, creating stories or customer narratives that communicate experience ideas and concepts to front-line employees, creating a shared vision and a common ground for experience design (Zomerdijk and Voss, 2011). To facilitate collaboration among front-line employees, we found evidence of the use of digital platforms (Berry and Bendapudi, 2003; Ramaswamy and Gouillart, 2010).

Finally, in order to ensure experience journeys are successfully implemented, evoking the desired customer emotions and feelings, our findings emphasized the importance of piloting experiences. This requires experience testing under typical circumstances with real customers in order to gain customer empathy (e.g. Zomerdijk and Voss, 2011; Payne et al., 2008; Prahalad and Ramaswamy, 2000; Frei, 2006).

Reflections and research directions

Customer experiences arise in a variety of settings and situations. Because customer experiences are intrinsic to customers, they're realized through customer engagement during interactions with the firm (Zomerdijk and Voss, 2011; Manniche and Larsen, 2013; Carù and Cova, 2003; Schau et al. 2009). As such, customer experience design emphasizes the importance of engaging customers to establish emotional connections between customers and the firm. There have been calls to understand the different ways of providing engaging experiences (Zomerdijk and Voss, 2010). Specifically, how the nature (i.e. online / offline) (Brodie et al. 2011; Grewal et al. 2009) and content (i.e. various

aspects of the brand (Brodie et al. 2011) or marketing strategy (Grewal et al. 2009)) of an experience affect customer engagement.

Customer experience literature delineates the various dimensions of a customer's experience, including sensory, affective, cognitive, and behavioural and how firms evoke them. Many papers from our SLR have called for additional research around what specific aspects of the experience can be designed, (e.g. nature of the environment (i.e. online / offline), the type of consumption (i.e. hedonic vs. utilitarian) and the length of an encounter (i.e. extended versus short) (Zomerdijk and Voss, 2010)) and how various design elements (Srinivasan et al. 2012; Zomerdijk and Voss, 2010) or different service contexts (Pullman and Gross, 2004) can evoke specific customer emotions. For example, Srinivasan et al. (2012) pose the question of whether the functionality of product results in cognitive responses while aesthetics and meaning produce affective responses. Additionally there are calls for research to understand if experiences are transferable across contexts (Brodie et al. 2011), customer segments or firms (Srinivasan et al. 2012).

Accordingly, there are also calls for understanding the possible effects of changing elements of the experience design. While fine-tuning or reinvigoration may keep customers coming back (Zomerdijk and Voss, 2010), changes may also result in the alienation of core customer groups (Verhoef et al. 2009). As experiences occur over time, there have been many calls to explore the effect of time on the customer experience (Verhoef et al. 2009; Srinivasan et al. 2012; Zomerdijk and Voss, 2010). For example, Verhoef et al. (2009) question if customers expect increasingly positive experiences over time to prevent a state of boredom and if the effects differ among the various dimensions of a customer's experience (i.e. cognitive, affective, emotional, social and physical). Additionally, it is still unknown what the implications for CEM are if customers' experiences of a specific encounter, for example a product, change over time with repeated use (i.e. first encounter versus having used the product for some time) (Srinivasan et al. 2012).

Finally, in terms of implementation, new service design (NSD) literature similarly emphasizes the importance of testing, using techniques such as simulation, beta testing, and usability studies (Zomerdijk and Voss, 2011). However, experience piloting emphasizes the need to test under typical circumstances as opposed to using testing environments that usually have a more favourable climate (i.e. with more experienced employees, ample resources and limited exposure to variability) than customers will experience in actuality (Frei, 2006). A further challenge exists due to the complicated nature of customer behaviour, for example, if customers change their behaviour following a successful pilot, it is difficult to attribute the reason for the change. There is a need for research to understand types of controls that can be put in place to address this issue (Frei, 2006).

2.6.1.2 Customer Experience Operating Practices

Customer experience operating practices recognize the real-time and dynamic nature of experience journeys (Verhoef et al. 2009; Neslin et al. 2006; Meyer and Schwager, 2007; Macdonald et al. 2012) to address the overall CEM concern of sustaining and adjusting the customer experience.

Because experiences are, by definition, dynamic, whereby experiences at previous touchpoints have an effect on subsequent experiences, the consideration of customer feelings and emotions at each touchpoint has further implications on the experience journey. Examining how a customer is reacting (Meyer and Schwager, 2007; Macdonald et al. 2012) or what they're trying to accomplish in real-time (McGrath, 2013; Vandermerwe, 2000; Epp and Price, 2011; Lemke et al. 2011) at one touchpoint may shed light on how to better meet customer expectations at a later touchpoint. Our review revealed evidence of interaction and journey management practices that ensure all aspects of the customer journey and each interaction therein continue to present a coherent and brand-aligned experience. This involves managing the effect of other customers (Berry and Bendapudi, 2003; Manniche and Larsen, 2013; Zomerdijk and Voss, 2010), setting customer expectations and consistently meeting them (Dasu and Chase, 2010; Merlino and Raman, 2013), engaging customers

through front-line employees and addressing them a certain way including being responsive, courteous, respectful, friendly, warm and open (Berry, 2001; Otnes et al. 2012; Zomerdijk and Voss, 2010) and engaging customers after-sale to reinforce the positivity of the encounter, inhibit negative aspects of the encounter and develop relationships through interaction with front-line employees (Levitt, 1981; Hoch and Deighton, 1989). Managing such factors aims to ensure customers don't drop out of their experience journey with the firm.

Some of these practices, which revolve around meeting customer expectations, also appear in other literatures such as service or retail literatures where the role front-line employees, service and store design is emphasized. CEM literature additionally recognizes the joined-up dimension of the customer's experience journey, whereby one interaction leads to the next. In this context, the experience journey becomes a tool for understanding real-time customer behaviour and goals in order to better meet customer expectations (Epp and Price, 2011).

Evidence of CEM operating practices also include continuous employee engagement and empowerment to deal with any customer experience issues, both proactively and reactively (Berry and Bendapudi, 2003; Berry et al. 2002; Merlino and Raman, 2013; Hart et al. 1990; Rawson et al. 2013). There is evidence within CEM literature that the role of customer-facing employees, who actively participate in the real-time customer experience, surpasses that of merely engaging customers to being essential to gaining this customer understanding. In addition to engaging customers and gathering insight and feedback, they are also in a position to fix customer problems as they arise.

Customer experience issues are identified through experience monitoring practices which involve collecting and assessing experience information (that on the customer interaction from the customer's point of view) and distributing it to relevant parts of the wider firm to assign accountability for and facilitate action on it (Meyer and Schwager, 2007; Keiningham et al. 2008).

The nature of an experience, which inherently spans many customer-organization touchpoints across many organizational functions (Zomerdijk and Voss, 2010; Macdonald, et al. 2012) demands cross-functional collaboration (Payne et al. 2009; Payne et al. 2008; Berry and Bendapudi, 2003; Macdonald et al. 2012; Rawson et al. 2013) to empower employees across the organization to action customer experience issues which they may be co-responsible for. Action can be proactive (Vandermerwe, 2000; Sawhney et al. 2006; De Swaan Arons et al. 2014) or corrective to rebuild customer trust (Hart et al. 1990; Schneider et al. 1999). Collaboration is fostered by setting up teams (Rawson et al. 2013; Vredenburg, 2003; Brynjolfsson et al. 2013) or project managers (Berry et al. 2003). In this way, and unique to CEM literature, the role of front-line employees is seen less as a functional responsibility and more as part of an overall organizational CEM process (Meyer and Schwager, 2007).

Reflections and research directions

Whereas literature on new product and service development (NPD and NSD) discuss the need for cross-functional teams to promote process effectiveness and address the amount and diversity of information available to an NPD or NSD project (Zomerdijk and Voss, 2011), findings from our SLR suggest that cross-functional collaboration is not enough to strategize a customer experience. Collaboration stretches outside the borders of a firm to include external stakeholders in addition to crossing hierarchies vertically to involve senior management and front-line employees.

Our review also highlights the elevated importance of employees when it comes to operating the experience journey: front-line employees are not only part of the real-time experience, but, because of their access to the customer, integral to maintaining and improving the customer's experience with them. The concept of silent design, found in New Service Design (NSD) literature presents front-line employees in a similar light: those in charge of service delivery are also in charge of development and improvement (Zomerdijk and Voss, 2011). Additionally, service recovery literature emphasizes the role of front-line employees in the same way but in a more limited scope than experience

recovery. This is because as previously mentioned, a service is attached to a single channel while an experience may encompass many channels in addition to touchpoints that are external to the firm. Apart from this difference and again acknowledging the real-time and dynamic nature of the customer's experience, CEM literature discusses employees in the wider context of a more systematic and proactive firm, perhaps similar to a learning organization. The main goal of a learning organization, largely discussed in organizational studies literature and also mentioned in co-creation literature (e.g. Payne et al, 2008), is learning systematically to progress beyond mere adaptation. This concept is very relevant in the context of sustaining and adjusting a dynamic customer experience susceptible to so many different variables.

Calls for research on operating the customer experience largely seek further understanding of experience monitoring. There is a need to further understand how to measure experiential and emotional outcomes (Zomerdijk and Voss, 2010; Zomerdijk and Voss, 2011), as experiences are inherently personal and emotional, capturing data across multiple channels for a more complete understanding of the customer experience as, when it comes to a multi-channel strategy, the quality of a customer's experience is only as high as its weakest link (Payne et al. 2004) and, in order to capture the real-time aspect of an experience, to systematically update our understanding of a customer's expectations as they may change throughout the entire customer journey (Gentile et al. 2007).

2.6.1.3 Customer Experience Enabling Practices

Our review of existing empirical evidence of CEM practice revealed an emphasis on an organization oriented in its entirety towards managing the customer experience. This is challenging for an organization as a complete customer's journey encompasses interactions for which a number of organizational functions might have accountability, from marketing, communications and PR to operations and service delivery (Zomerdijk and Voss, 2011; Macdonald, et al., 2012) and they tend to be characterized by suboptimal collaboration and a lack of shared purpose, trust and focus (De

Swaan Arons et al. 2014). Customer experience enabling practices address the overall CEM concern of enabling the firm to manage the customer experience.

“[CEM] brings about an operational and cultural shift that engages the organization across functions and from top to bottom, generating excitement, innovation, and a focus on continuous improvement” (Rawson et al. 2013, p. 98). Our findings explicate how a firm can be enabled to do so. There is evidence of the need to decide a firm-wide customer experience mission imbued with brand values and purpose (De Swaan Arons, 2014; Berry et al. 2002; Berry and Bendapudi, 2003; Vandermerwe, 2000; Merlino and Raman, 2013). Such a mission connects CEM to the business strategy and the rest of the firm (De Swaan Arons et al. 2014). Leadership is essential to foster employee motivation to adhere to and remain aligned with the experience mission. Leadership behaviours include: Acting as a high-level CEM champion; walking-the-walk to gain employee buy-in; creating a shared purpose and vision and foster bottom-up enthusiasm for a customer experience focus; connecting various organizational functions to bridge silos and assemble cross-functional teams; orchestrating relevant resources and capabilities needed to address an entire end-to-end customer journey; and overseeing critical activities and overall firm performance (De Swaan Arons et al. 2011; Merlino and Raman, 2013; Rawson et al. 2013; Meyer and Schwager, 2007).

Our review clarifies the role of management and accountability by revealing an emphasis on the importance of gaining firm-wide buy-in with regards to CEM. This involves persistent championing of CEM as a firm-wide focus by senior management (Meyer and Schwager, 2007; Homburg et al. 2017) that in turn facilitates cross-organizational collaboration and enables the achievement customer experience related goals (Homburg et al. 2017). At the front-line-level, gaining-buy may be enabled by putting front-line “champions” in place to demonstrate and support best practice (Vredenburg, 2003) and to relay any problems back to higher levels of the organization (Rawson et al. 2013).

Our review found evidence of the need to define experience goals in the form of appropriate experience metrics (Payne et al. 2008; Rawson et al. 2013) and

hiring criteria (Berry et al. 2002; Berry and Bendapudi, 2003; Lusch et al. 2008) to form the basis for measuring firm and employee performance and motivate and incentivize employees. To publicize the experience mission and recognize employee efforts to adhere to the mission, our SLR found evidence of embedding an internal communication strategy and running employee recognition events. Through such efforts, firms aim to build internal cohesiveness and foster employee engagement (Vredenburg, 2003; Merlino and Raman, 2013; De Swaan Arons et al. 2014). Additionally, emphasizing and reinforcing the experience mission across the firm requires fostering an organizational culture imbued with brand values by establishing employee training and development programs. This in turn ensures employees understand their role in delivering the customer experience and enables the delivery of a strong and consistent brand message to customers (De Swaan Arons, 2014; Rawson et al. 2013; Vredenburg, 2003; Merlino and Raman, 2013; Berry and Bendapudi, 2003).

Additionally, our SLR revealed evidence of a CEM-specific way of organizing. This involves setting up the firm in a way that facilitates inter-organizational alignment and collaboration and the management and accountability for the customer experience. This is done at every level and across all teams and stakeholders (De Swaan Arons, 2014; Zomerdijk and Voss, 2011; Payne et al. 2009; Vredenburg, 2003; Payne et al. 2008; Ramaswamy and Guillard, 2010; Rawson et al. 2013; Meyer and Schwager, 2007) thus orienting the entire organization towards managing the customer experience. Additionally, embedding tools and technology to facilitate collaboration among employees (Berry and Bendapudi, 2003) and to provide information and diagnostics to them (Payne et al. 2008) was also found in the literature as a way to support the experience-oriented firm.

Firms that are not starting from scratch with regards to CEM, but needing to transform to be able to do so may "...set up a central change leadership team with an executive-level head to steer the design and implementation and to ensure that the organization can break away from functional biases that have

historically blocked change” (Rawson et al. 2013, p. 97). The need to create experience-specific roles was also a key practice (Vredenburg, 2003, Rawson et al. 2013) however such roles may only be needed if a firm is going through a transformation to become better set-up to manage the customer experience and thus “these roles tend not to be permanent—indeed, success ultimately involves changing company culture so much that the roles are no longer needed—but they are critical in the early years” (Rawson et al. 2013, p. 97).

Reflections and research directions

While our review didn’t single out one particularly effective corporate structure or governance model, CEM literature discusses an aligned and collaborative organization (Zomerdiijk and Voss, 2011; Payne et al. 2009; Vredenburg, 2003; Payne et al. 2008; De Swaan Arons et al. 2014) that works as a unit to deliver a customer experience. A customer-experience-oriented organizational structure and corporate governance should thus facilitate the management of the customer experience at every level and across all teams. Further research that examines how organizations should be structured in order to successfully manage the customer experience is needed (Lemon and Verhoef, 2016; Zomerdiijk and Voss, 2010; Srinivasan et al. 2012).

In marketing literature, an orientation is generally defined by a particular top-down-encouraged culture and a particular set of behaviors (Narver and Slater, 1990; Deshpandé et al., 1993; Homburg & Pflesser, 2000; Kennedy et al. 2003; Gebhardt et al. 2006). More specifically, the implementation of the marketing philosophy of customer-centricity is described in what is called “market orientation” literature (Narver and Slater, 1990; Kohli, and Jaworski, 1990). The core goal of an organization with a market orientation is to satisfy customer needs and wants. However, Lusch et al. (2007) point out that in such an orientation, the customer and most other market variables remain external to firm activities This is in contrast with the findings of our SLR whereby a customer experience is co-created by both the firm and its customers (Payne et al. 2009). As such, an emphasis on customer experience as opposed to the customer both signifies and imposes a shift in management thinking and

practice. As a result, and as evidenced by our review of empirical CEM practices, the organizational behaviors (i.e. practices) and arguably, culture, associated with a customer experience-centric firm inherently differs from those associated with a customer-centric (i.e. market oriented) firm.

In summary, through a systematic literature review, we identified a set of 61 papers from which we extracted a set of 21 management practices of CEM, organized into three thematic categories (see Figure 2-2): (1) strategizing (2) operating and (3) enabling the customer experience. Next we present the CEM outcomes which we also unearthed in the SLR in line with our guiding review question of, *“What are the practices and outcomes of CEM?”*

Table 2-5 Customer experience management (CEM) practices and key actions from the systematic literature review (SLR)

CEM Practices / Key actions	SLR papers
<p>1. Interaction insight gathering</p> <ul style="list-style-type: none"> - Empathic / immersive data collection - Identifying sensory clues - Touch point identification & analysis - User research - Other customer influences 	<ul style="list-style-type: none"> - Zomerdijk and Voss, 2010 - Zomerdijk and Voss, 2011 - Reichheld, 1996 - MacMillan and McGrath, 1997 - Berry et al. 2002 - Berry and Bendapudi, 2003;
<p>2. Journey insight gathering</p> <ul style="list-style-type: none"> - Journey mapping & analysis - Service blueprinting - Bottom-up and immersive / empathic data gathering - Emotion mapping - Stakeholder workshops 	<ul style="list-style-type: none"> - Bitner et al. 2008 - Rawson et al. 2013 - Dasu and Chase, 2010 - Ramaswamy and Guillard, 2010 - McGrath, 2013 - Vandermerwe, 2000 - Zomerdijk and Voss, 2011
<p>3. Prioritizing growth-inducing opportunity</p> <ul style="list-style-type: none"> - Current experience analysis - Ideal journey mapping - Customer needs vs. organizational capabilities analysis - Benchmarking - Multiple stakeholder goal analysis 	<ul style="list-style-type: none"> - Selden and MacMillan, 2006 - Nunes and Johnson, 2001 - Vandermerwe, 2000 - Zomerdijk and Voss, 2011 - Vredenburg, 2003 - Ramaswamy and Guillard, 2010
<p>4. Prioritizing value-adding opportunity</p> <ul style="list-style-type: none"> - Ideal journey mapping - Service Blueprinting - Benchmarking 	<ul style="list-style-type: none"> - De Swaan Arons et al. 2014 - Vandermerwe, 2000 - Sawhney et al. 2006 - Bitner et al. 2008
<p>5. Prioritizing performance-impacting opportunity</p> <ul style="list-style-type: none"> - Linking journeys to performance - Real-time customer insight gathering - Interviewing defectors 	<ul style="list-style-type: none"> - Rawson et al. 2013 - Macdonald et al. 2012 - Meyer and Schwager, 2007 - Reichheld, 1996 - Berry et al. 2002
<p>6. Concept Development</p> <ul style="list-style-type: none"> - Defining a unifying theme 	<ul style="list-style-type: none"> - Berry et al. 2002 - Berry and Bendapudi, 2003 - Zomerdijk and Voss, 2011 - Rawson et al. 2013
<p>7. Front-line-employee involvement</p> <ul style="list-style-type: none"> - Creating stories / customer narratives - Prototyping - Using digital platforms (e.g. intranet) 	<ul style="list-style-type: none"> - Zomerdijk and Voss, 2011 - Rawson et al. 2013 - Ramaswamy and Guillard, 2010 - Meyer and Schwager, 2007

CEM Practices / Key actions	SLR papers
<p>8. Interaction design</p> <ul style="list-style-type: none"> - Evidence management - Simulation - Prototyping - User experience design & testing (for digital experiences) 	<ul style="list-style-type: none"> - Berry and Bendapudi, 2003 - Zomerdijk and Voss, 2011 - Vredenburg, 2003 - Berry et al. 2003 - Chase and Dasu, 2001 - Dasu and Chase, 2010 - Schneider and Bowen, 1999 - Seiders et al. 2000 - Prahalad and Ramaswamy, 2003 - Payne et al. 2009 - Maniche and Larsen, 2013 - Frei, 2006 - Otnes et al. 2012 - Hart et al. 1990 - Merlino and Raman, 2013 - Meyer and Schwager, 2007 - Berry, 2001 - Vandermerwe, 2000 - Brynjolfsson et al. 2013 - Berry et al. 2003 - Fournier and Lee, 2009
<p>9. Journey design</p> <ul style="list-style-type: none"> - Design of dramatic sequence of events - Breaking the pleasurable experiences into several segments - Multi-channel integration 	<ul style="list-style-type: none"> - Chase and Dasu, 2001 - Zomerdijk and Voss, 2010 - Prahalad and Ramaswamy, 2000 - Manniche and Larsen, 2013 - Brynjolfsson and Raman, 2013 - Payne and Frow, 2004
<p>10. Inter-firm collaboration</p> <ul style="list-style-type: none"> - Coordinating with other organizations and the government - Stakeholder engagement / co-creation 	<ul style="list-style-type: none"> - Manniche and Larsen, 2013 - Payne et al. 2009 - Prahalad and Ramaswamy, 2000 - Ramaswamy and Gouillart, 2010
<p>11. Experience piloting</p> <ul style="list-style-type: none"> - Choosing a pilot setting that resembles real and typical circumstances with actual customers - Refraining from creating incentives for a positive outcome - Involving front line employees in evaluating the circumstances and results - Embedding controls into the pilot design to be able attribute outcomes to the test vs. external factors 	<ul style="list-style-type: none"> - Frei, 2006 - Payne et al. 2004 - Prahalad and Ramaswamy, 2000 - McGrath, 2013 - Merlino and Raman, 2013 - Rawson et al. 2013

CEM Practices / Key actions	SLR papers
<p>12. Interaction and journey management</p> <ul style="list-style-type: none"> - Addressing customers: responsiveness, courtesy, respect, friendliness, warmth, openness - Meeting needs for justice and self esteem - Personalization by individual customer - Storytelling - Managing external sources of influence on the customer's experience - Managing the effect of other customers (peer-to-peer) including brand community management - Educating customers - Customer relationship management 	<ul style="list-style-type: none"> - Dasu and Chase, 2010 - Maniche and Larsen, 2013 - Berry and Bendapudi, 2003 - Merlino and Raman, 2013 - Zomerdijk and Voss, 2010 - Otnes et al. 2012 - Vandermerwe, 2000 - Berry, 2001 - Schneider and Bowen, 1999 - Levitt, 1981 - Payne et al. 2008
<p>13. Employee engagement</p> <ul style="list-style-type: none"> - Creating and sharing brand and customer stories - Sharing best-practice 	<ul style="list-style-type: none"> - Berry and Bendapudi, 2003 - Berry et al. 2002 - Merlino and Raman, 2013 - Hart et al. 1990 - Rawson et al. 2013 - Zomerdijk and Voss, 2011
<p>14. Intra-firm collaboration</p> <ul style="list-style-type: none"> - Setting up teams to drive collaboration - Project management - Identify gaps / interruptions / discontinuities - Taking corrective action - Rebuilding trust - Silent design: those in charge of service delivery are also in charge of development and improvement 	<ul style="list-style-type: none"> - Meyer and Schwager, 2007 - Rawson et al. 2013 - Vredenburg, 2003 - Brynjolfsson et al. 2013 - Berry et al. 2003 - De Swaan Arons et al. 2014
<p>15. Experience monitoring</p> <ul style="list-style-type: none"> - Measuring / tracking / collecting data, periodically and continuously - Applying CEM metrics: service quality, customer retention, customer delight, CVA, NPS - Distributing customer experience data - Assessing cost of losing customer vs. experience recovery 	<ul style="list-style-type: none"> - Meyer and Schwager, 2007 - Keiningham et al. 2008
<p>16. Experience mission setting</p> <ul style="list-style-type: none"> - Defining the branding strategy - Defining the customer experience in alignment with the brand experience 	<ul style="list-style-type: none"> - De Swaan Arons, 2014; - Berry et al. 2002; - Berry and Bendapudi, 2003 - Vandermerwe, 2000 - Merlino and Raman, 2013

CEM Practices / Key actions	SLR papers
<p>17. Organizational structure design and governance</p> <ul style="list-style-type: none"> - Creating experience-specific roles and departments - Knowledge management - Embedding tools and technology, not rules 	<ul style="list-style-type: none"> - De Swaan Arons, 2014 - Zomerdijk and Voss, 2011 - Payne et al. 2009 - Vredenburg, 2003 - Payne et al. 2008 - Ramaswamy and Guillard, 2010 - Rawson et al. 2013 - Meyer and Schwager, 2007
<p>18. Experience goal definition</p> <ul style="list-style-type: none"> - Defining high-level customer experience metrics - Defining hiring criteria 	<ul style="list-style-type: none"> - Payne et al. 2008 - Rawson et al. 2013 - Berry et al. 2002 - Berry and Bendapudi, 2003 - Reichheld, 1996
<p>19. Leading</p> <ul style="list-style-type: none"> - Staying close to front-line employees and customers - Persistent championing by senior management to gain buy in from every function - Putting 'champions' in place to gain buy-in - Overseeing and connecting various parts of the organization - Orchestrating activities across the firm 	<ul style="list-style-type: none"> - De Swaan Arons et al. 2014 - Merlino and Raman, 2013 - Rawson et al. 2013 - Meyer and Schwager, 2007 - Vredenburg, 2003
<p>20. Internal communication and recognition</p> <ul style="list-style-type: none"> - Publicizing the experience mission and other essential information - Employee recognition events - Business-wide communication events 	<ul style="list-style-type: none"> - Vredenburg, 2003 - Merlino and Raman, 2013 - De Swaan Arons et al. 2014
<p>21. Experience education and training</p> <ul style="list-style-type: none"> - Establishing processes and norms - Employee training and development programs 	<ul style="list-style-type: none"> - De Swaan Arons, 2014 - Rawson et al. 2013 - Vredenburg, 2003 - Merlino and Raman, 2013 - Berry and Bendapudi, 2003

2.6.2 CEM outcomes emerging from the literature

CEM outcomes identified in the SLR are organized into three thematic categories: experience quality, customer and organizational performance outcomes (see Table 2-6, Table 2-7 and Table 2-8 respectively). Although the papers found in our SLR described CEM practices in detail, we found that the same papers only briefly or generally discussed CEM outcomes, suggesting that little is known about the link between managing customer experiences and outcomes (Srinivasan et al. 2012; Schau et al. 2009). As such, our analysis of CEM outcomes is limited to a descriptive analysis.

From reviewed articles, the most cited experience quality outcomes (see Table 2-6) were *seamlessness* (cited by six articles) followed by *relevance* (cited by five articles). For customer outcomes (see Table 2-7), the most cited outcome is *improved value-in-use* (cited by 11 articles), the perceived value created “in use”, as opposed to embedded in products (Macdonald et al. 2011), followed by *customer satisfaction*, cited by 10 articles. According to Keiningham et al. (2008), whose article is also reviewed in this study, customer satisfaction refers to “feeling good about the overall experience” (p. 52), and was one of the first metrics used firms to evaluate the customer experience. In terms of organizational performance outcomes (see Table 2-8), *competitiveness / differentiation* is the most cited CEM outcome (cited by 18 articles), referring to an organization’s ability to differentiate its brand based on the customer experience, followed by *enhanced performance / growth* (cited by 10 articles), *increased credibility of the brand* (also cited by 10 articles) and *enhanced innovation* (cited by nine articles).

Next we discuss the theoretical contributions and managerial implications of our study in addition to limitations and future research opportunities.

Table 2-6 Experience quality outcomes identified in the systematic literature review (SLR)

	SEAM	RELV	PERSN	MEMOR	CONVEN	CONSIS	COMPEL	AUTH
Hoch and Deighton, 1989						x		
Hart et al. 1990			x					
Pine and Gilmore, 1998	x	x	x					
Seiders et al. 2000				x				
Berry, 2001				x				
Berry and Bendapudi, 2003	x	x						
Dev et al. 2008	x				x			
Grewal et al. 2009		x						
Payne et al. 2009				x				
Zomerdijk et al. 2010	x	x						
Zomerdijk and Voss, 2011		x			x		x	
Manniche and Larsen, 2013	x							x
De Swaan Arons et al. 2014	x							
Bitner, 2008			x					
Schau et al. 2009					x			

Notes:

Columns (Experience quality outcomes in descending order): SEAM = Seamlessness; **RELV** = Relevance; **PERSN** = Personalized; **MEMOR** = Memorable; **CONVEN** = Convenience; **CONSIS** = Consistency; **COMPEL** = Compelling; **AUTH** = Authentic

Table 2-7 Customer outcomes identified in the systematic literature review (SLR)

	VIU	CSAT	BLOY	ENGAG	ALOY	QUAL	WOM	TRUST	COMMIT	NSAT	QUAL	RELQ	SWITC
Levitt, 1981		x											
Hart et al. 1990		x											
Reichheld, 1996		x	x										
Schneider et al. 1999			x		x			x					
Berry, 2001	x												
Ballantyne and Varey, 2006						x						x	
Berry et al. 2006	x					x							
Frei, 2006		x											
Selden and MacMillan, 2006	x	x											
Meyer and Schwager, 2007	x	x											
Fournier and Lee, 2009					x								
Grewal et al. 2009			x				x						
Payne et al. 2009							x						
Dasu et al. 2010					x		x						
Brynjolfsson et al. 2013													x

	VIU	CSAT	BLOY	ENGAG	ALOY	QUAL	WOM	TRUST	COMMIT	NSAT	QUAL	RELQ	SWITC
Grönroos and Voima, 2013	x												
McGrath, 2013						x							
Merlino and Raman, 2013		x											
Rawson et al. 2013		x											
De Swaan Arons et al. 2014	x												
Pullman and Gross, 2004			x										
Gentile et al. 2007								x	x				
Bitner, 2008	x	x	x	x	x	x							
Brodie et al. 2011				x		x							
Zomerdijk and Voss, 2011				x									
Manniche and Larsen, 2013				x									
Schau et al. 2009	x			x	x								
Brakus et al. 2009		x	x										
Lemke et al. 2011	x										x		
Epp and Price, 2011	x									x			
Srinivasan et al. 2012				x									

	VIU	CSAT	BLOY	ENGAG	ALOY	QUAL	WOM	TRUST	COMMIT	NSAT	QUAL	RELQ	SWITC
Alcántara et al. 2014	x												
Homburg et al. 2017			x										

Notes:

Columns (customer outcomes in descending order): **VIU** = Improved value-in-use; **CSAT** = Customer satisfaction; **BLOY** = Behavioural loyalty (return visits); **ENGAG** = Customer engagement; **ALOY** = Attitudinal customer loyalty; **QUAL** = Improved quality evaluation; **WOM** = WOM recommendations/referrals; **TRUST** = Trust; **COMMIT** = Customer commitment; **NSAT** = Customer network satisfaction; **QUAL** = Customer experience quality; **RELQ** = Relationship quality; **SWITC** = Higher switching costs

Table 2-8 Performance outcomes identified in the systematic literature review (SLR)

	COMP	PERF	CRED	INNV	SHARE	REL	COMM	OPS	BRAND	CHANN	COST	MKTOF	MODL	BUSVAL	CHURN	CONV	ESAT	GOODW	MKTEF	RESALL	RET	
1											x			x								
2																						x
3	x	x	x																			
4	x		x																			
5	x		x																			
6																						
7	x	x		x		x																
8	x		x		x	x																
9		x																				
10	x																					
11	x																					
12			x																			
13	x																					
14				x																		
15										x												
16				x																		
17	x	x																				
18	x			x																		
19	x	x																				
20		x	x																			
21	x	x																				
22	x			x						x												
23			x						x										x			
24	x				x																	
25																		x				
26			x	x	x								x									
27			x													x					x	

	COMP	PERF	CRED	INNV	SHARE	REL	COMM	OPS	BRAND	CHANN	COST	MKTOF	MODL	BUSVAL	CHURN	CONV	ESAT	GOODW	MKTEF	RESALL	RET
28	x																				
29		x						x			x										
30	x												x								
31		x	x		x		x								x		x				
32						x															
33		x		x	x		x	x	x			x									
34				x		x															
35								x													
36												x									
37	x			x																	
38	x																				
39							x														

Notes:

Columns (performance outcomes in descending order): **COMP**= Competitiveness / Differentiation; **PERF** = Enhanced performance/growth; **CRED** = Increased credibility; **INNV** = Innovation; **SHARE** = Influence market share; **REL** = Deepened relationships with customers; **COMM** = Improved firm-wide communication / collaboration; **OPS** = Improved operations / co-creation processes; **BRAND** = Enhanced brand image evaluations; **CHANN** = Determinant of channel selection by customer; **COST** = Reduced cost; **MKTOF** = Improved market offering; **MODL** = New business model; **BUSVAL** = Improved business value; **CHURN** = Reduced churn; **CONV** = Enhanced customer conversion rates; **ESAT** = Enhanced employee satisfaction; **GOODW** = Goodwill generation; **MKTEF** = Increased marketing efficiency; **RESALL** = Enhanced resource allocation; **RET** = Customer Retention

Rows (papers in ascending date order): **1** = Hoch and Deighton, 1989; **2** = Hart et al. 1990; **3** = Reichheld, 1996; **4** = MacMillan and McGrath, 1997; **5** = Pine and Gilmore, 1998; **6** = Prahalad and Ramaswamy, 2000; **7** = Seiders et al. 2000; **8** = Vandermerwe, 2000; **9** = Berry, 2001; **10** = Berry et al. 2002; **11** = Berry and Bendapudi, 2003; **12** = Vredenburg, 2003; **13** = Prahalad and Ramaswamy, 2004; **14** = Berry et al. 2006; **15** = Neslin et al. 2006; **16** = Sawhney et al. 2006; **17** = Selden and McMillan, 2006; **18** = Lusch et al. 2007; **19** = Meyer and Schwager, 2007; **20** = Dev et al. 2008; **21** = Keiningham et al. 2008; **22** = Lusch et al. 2008; **23** = Fournier and Lee, 2009; **24** = Payne et al. 2009; **25** = Dasu et al. 2010; **26** = Ramaswamy and Gouillart, 2010; **27** = Macdonald et al. 2012; **28** = Brynjolfsson et al. 2013; **29** = McGrath, 2013; **30** = Merlino and Raman, 2013; **31** = Rawson et al. 2013; **32** = De Swaan Arons et al. 2014; **33** = Bitner, 2008; **34** = Schau et al. 2009; **35** = Lemke et al. 2011; **36** = Epp and Price, 2011; **37** = Srinivasan et al. 2012; **38** = Alcántara et al. 2014; **39** = Homburg et al. 2017

2.7 Discussion

Based on a systematic literature review asking, “*What are the practices and outcomes of CEM?*” we identified a set of 61 papers from which we extracted a set of 21 business-to-consumer (B2C) management practices of CEM and three types of CEM outcomes (experience quality, customer and organizational performance outcomes). We note that the majority of these papers are from management-oriented journals and there is a limited pool of papers from academic journals. We also find that the contexts wherein CEM has been studied to date are retail and service contexts. In the following, we discuss what our results contribute to theory and practice and present limitations of the study and directions for future research.

2.7.1 Theoretical contributions, limitations and future research directions

Our purpose in this study is to systematically and critically review empirical evidence on what is explicitly said to be “customer experience management”. Our intent in this endeavour was multifaceted. First, we wanted to identify an integrative and comprehensive CEM-specific body of literature. We identified and described 61 studies on CEM. Of these studies, only six were academic empirical-based and firm-side studies (Payne et al. 2009; Zomerdijk and Voss, 2010; Zomerdijk and Voss, 2011; Otnes et al. 2012; Manniche and Larsen, 2013; Homburg et al. 2017). Of these six papers, only three offer conceptualizations of CEM (Payne et al. 2009; Zomerdijk and Voss, 2011; Homburg et al. 2017). As such, there is very little academic research on CEM. Further empirical research that studies CEM from the firm’s perspective is needed.

Additionally, our review demonstrates that the contexts wherein CEM has been studied to date are retail and service contexts. In contrast, extensive customer-side research on customer experience is found across service, product, online, branding, and retailing contexts (Homburg et al. 2017). Future research might examine CEM in alternative contexts.

Based on the scope of our review, the studies we identified in the SLR discussed CEM in business-to-customer (B2C) contexts. A systematic review of business-to-business (B2B) CEM practices may produce interesting insights about CEM and form the basis for future research and conceptual development of a B2B CEM construct.

Second, we wanted to identify practices of CEM in order to gain a firm-side understanding of what managing the customer experience means and entails. A key contribution of this study is synthesizing existing empirical research to identify the practices of CEM. However, the nascent nature of CEM research resulted in a key limitation of our study. Seventy-five per cent of the empirical evidence comprising our synthesis of existing CEM practice came from management-oriented journals (mainly, Harvard Business Review). While our catalogue of extant CEM practice both bears and details existing knowledge of CEM, it also flags the need for a practice-based conceptualization of CEM that is grounded in academic empirical data. In addition to a general call for such research, Table 2-9 suggests specific avenues for future research by CEM topic.

Third, in synthesizing existing empirical research to identify the practices of CEM, we also wanted to understand how CEM operates within a firm. Our analysis suggests that CEM involves (1) strategizing, (2) operating and (3) enabling the customer experience. Our synthesis of practices from the review was based initially on aspects of an extant customer experience co-creation framework (Payne et al. 2009) then adapted, through the process of abduction (Mantere and Ketokivi, 2013) to best represent and most accurately articulate the contents of the CEM literature. At this point, it is worth reflecting on whether such a framework was appropriately imposed on the findings of the review as a way of synthesizing the findings, recognizing that a necessarily interpretative element in the thematic analysis results in limitations. Future research that examines how the customer experience is managed, suggesting an organizing framework for CEM practice, is needed.

Additionally, while our review strongly suggests that CEM is not yet well understood, it also suggests that CEM is distinct from other marketing management approaches as it entails managing the experience not what is being experienced (Prahalad and Ramaswamy, 2000; Lusch et al., 2008). We found CEM practices that demonstrate this, particularly, interaction and journey insight gathering, design and management practices which aim to directly address and influence customer-firm interactions, both individually and sequentially (i.e. those comprising a customer journey). Customer experiences, by definition, result from customer-firm interactions (Verhoef et al. 2009; Brakus et al. 2009; Gentile et al. 2007; Meyer and Schwager, 2007; Berry et al. 2002). Zomerdijk and Voss (2010) argue that CEM is a distinct strategic initiative with unique practices. Likewise, Homburg et al. (2017) demarcate CEM from other marketing management approaches. Specifically, they demonstrate that the capabilities and cultural mindsets underpinning CEM demarcate from market orientation and the capabilities and strategic directions associated with CEM demarcate from customer relationship management (CRM). Further research that compares CEM practices with practices of other marketing management approaches is needed.

Next we discuss the managerial implications of our study.

Table 2-9 Avenues for future research by topic

Topic	Research questions
Enabling	<ul style="list-style-type: none"> • How do CEM enabling practices differ between a firm transforming to enhance its customer experience versus new firm starting from scratch?
Mission	<ul style="list-style-type: none"> • What does an experience orientation mean and entail?
Structure and Governance	<ul style="list-style-type: none"> • What are the most effective corporate structure and governance of an experience-focused firm? • How do firms overcome silos? • How can an organization be set up to receive dynamic experience insight that affects decision-making?

Topic	Research questions
Goal Definition	<ul style="list-style-type: none"> • In which contexts are customer experience-specific roles necessary? • What do customer experience-specific metrics measure? • How can specific customer journey attributes be measured? • How are employees effectively motivated in a customer-experience- oriented firm? • How are employees motivated in a customer experience oriented firm?
Leading	<ul style="list-style-type: none"> • What leader attributes and behaviors are required in a customer-experience- oriented firm?
Internal communication	<ul style="list-style-type: none"> • How does a customer-experience-focused firm learn? • What is the role of technology in a customer-experience-oriented firm? • How are individuals enabled to think wider than their roles to see the bigger customer experience picture?
Education & Training	<ul style="list-style-type: none"> • What does a customer experience-centric culture mean and entail?
Strategizing	<ul style="list-style-type: none"> • What is the relationship between the CEM strategizing practices of insight gathering, opportunity prioritizing, design and implementation? • How do firms practice CEM differently? And why?
Insight gathering	<ul style="list-style-type: none"> • How can immersive and empathic experience insight be captured? • How can real-time customer experience insight be captured to better meet customer expectations? • How can customer insight on indirect interactions with the firm be captured?
Opportunity prioritizing	<ul style="list-style-type: none"> • How and why are certain dimensions and/or touchpoints in a customer experience journey be prioritized over others? • What are the outcomes of CEM?

Topic	Research questions
Designing	<ul style="list-style-type: none"> • How can real-time customer experience design be done to address the dynamic nature of an experience journey? • How can indirect touchpoints be designed and influenced? • What capabilities does a firm need to identify and engage with external stakeholders in order to address relevant yet uncontrollable influences on the customer experience?
Implementing and operating	<ul style="list-style-type: none"> • What are the skills and competencies required of employees to address the unique characteristics of an experience journeys? • How can fleeting and subjective customer experiences be monitored?

2.7.2 Managerial Implications

Our review suggests CEM comprises a unique approach that manages the customer experience and not what is being experienced. The use of the term “experience” both signifies and imposes a shift in marketing management thinking and practice. According to Pine and Gilmore (1998), “The easiest way to turn a service into an experience is to provide poor service –thus creating a memorable encounter of the unpleasant kind” (p. 104). With this statement, Pine and Gilmore (1998) bring to the foreground the reaction of the person receiving the service (and to the background, the service itself). They thus point out a distinct characteristic of an experience as compared to a service: experiences are always discussed from the point of view of the person doing the “experiencing” and managing a customer’s experience entails focusing on the customer’s response to a service or other interaction, and not the service itself.

Our findings show evidence of practices that specifically manage the customer experience as opposed to a product, service or channel. This shift towards an emphasis on customer experience is because firms today strive to enhance customer assessments of their experience with them (Keiningham et al. 2008). The unique characteristics of an experience, which is, by nature, inherently

personal, subjective and emotional because it is determined by an individual's perception (Pine and Gilmore, 1998; Zomerdijk and Voss, 2011), has implications for CEM that emphasize the need to focus on customer experience quality and not just product, channel or service quality. This means, with regards to CEM, firms must be able to empathize with its customers and understand all facets of their experience (e.g. sensorial, affective, hedonic and cognitive). CEM is an organizational challenge to act through the eyes, body and mind of the customer. The review thus suggests that firms are moving towards being more empathetic with their customers by adopting a marketing management approach that helps them understand the worlds of their customers.

Emerging from our study is an emphasis on studying and designing customer experience journeys and enabling an organization to do so. Many of the CEM practices found in our review, particularly those belonging to customer experience strategizing practices, involve gathering insight on, designing and implementing experiential and journey aspects. We also identified a set of practices that enable firm-wide CEM, suggesting that without this, firms may have a disjointed and fragmented view of the customer experience, which in turn results in a disjointed and fragmented customer-perceived experience.

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2.9 Appendix

2.9.1 Appendix: Systematic literature review (SLR) process

This SLR was first carried out in May 2014 by a panel of three academics (the authors) and subsequently updated to include new relevant research after an initial scoping study of the field was conducted. The review was conducted in the following four main phases: (1) planning, (2) searching, (3) screening and (4) extraction, synthesis and reporting guided by the agreed upon review question of, *what are the practices and outcomes of customer experience management?* In the following, we detail this process (see Table A2-1 for an overview of this process).

Table A2-1 Systematic literature review (SLR) process summary

<p style="text-align: center;">1. Planning</p>	<p style="text-align: center;">2. Searching</p>	<p style="text-align: center;">3. Screening</p>	<p style="text-align: center;">4. Extraction, Synthesis and Reporting</p>
<p>11. Initial scoping study of the field conducted</p> <p>12. Review panel established (3 academics)</p> <p>13. Review question defined: <i>What are the practices and outcomes of CEM?</i></p>	<p>21. Databases chosen: (1) EBSCOhost and (2) ABI/INFORM</p> <p>22. Search strings carefully constructed (see Table A2-2) for further detail)</p> <p>23. Based on results of our initial scoping study, we decided to run the search strings twice, looking for: (1) scholarly peer reviewed papers and (2) management practice publications such as Harvard Business Review</p> <p>24. Date conducted: May, 2014; updated in 2016 and 2017</p> <p>25. Total hits generated: 19,473 articles</p>	<p>31. Relevance criteria defined: (1) CEM as a focus of study, (2) B2C, (3) firm-side perspective and (4) empirical / anecdotal evidence</p> <p>32. Several rounds of screening based on various contingencies including journal type, relevance, journal impact factor and quality appraisal</p> <p>33. Final number of articles retained: 61</p> <p>(See Table A2-3 for further detail)</p>	<p>41. First round extraction based on Payne et al. (2009) Experience Co-Creation framework</p> <p>42. Synthesis: Series of workshops with three academics</p> <p>43. Second round extraction based on grounded theory CEM practice based framework</p> <p>(See Table A2-4 for further detail)</p>

2.9.1.1 Planning

Following a preliminary scoping study of the field that identified potentially relevant CEM literature and ascertained the breadth, nature and distribution of those studies (Mays et al. 2005), a review panel was established to guide the application of the SLR methodology. To further guide the SLR, we defined the review question of: “What are the practices and outcomes of customer experience management?” We define “CEM practice” as *something a firm is doing or delivering in order to affect the customer’s experience*. Because CEM is a broad and emergent concept discussed in various literatures, this paper reviews papers that explicitly discuss CEM or achieving enhanced customer experience.

2.9.1.2 Searching

The search phase was guided by the process outlined by Tranfield et al. (2003). All relevant sources of literature were identified in the following way: (1) Systematically, by interrogating specified databases of electronic journals with search strings; (2) By reviewing the references from the preliminary scoping study, related literature reviews, work of influential authors in the field and consulting colleagues.

The identification of search terms aimed to “maximize both comprehensiveness and precision” (Mays et al. 2005, p. S1:9) of articles generated. Search strings were developed by identifying main keywords from relevant literature streams identified during the preliminary scoping study. The selected keywords were then used to construct search strings. The search strings were tested for comprehensiveness and precision of results (Mays et al. 2005) before running the actual search. A list of irrelevant terms and literature fields that were unintentionally captured during the test search were noted. These were then taken into consideration in the construction of the final search strings in order to ensure their exclusion in the final search results. Table A2-2 presents the search strings used in the search of databases and the keywords included and excluded to construct them.

Following a preliminary scoping study which revealed that many key articles on CEM were from managerial oriented publications aimed at improving management practice

(e.g. Harvard Business Review, Sloan Management Review and California Management Review), the SLR panel decided to start the SLR process by running the search twice in the ABI/INFORM (ProQuest) and EBSCO databases: first to capture all scholarly (peer reviewed) articles and subsequently to capture all articles from managerial oriented publications in the field of management practice but not necessarily peer reviewed (e.g. Harvard Business Review).

The search strings were then used to search for titles and abstracts containing these terms among journals in the ABI/INFORM (ProQuest) and EBSCO databases during May 2014. The searches resulted in 1,162 articles identified, each of which was exported to a reference management software package, Mendeley (Mendeley, 2008-2014) for an initial screening. Subsequent elimination of duplicates resulted in the retention of a total of 745 articles.

Table A2-2 Search strings used in the systematic literature review (SLR)

Customer		Experience		Management		Not relevant publication fields	Not related terms
Customer OR Consumer OR User	N/3	Experience OR Journey	N/3	Manag* OR Strateg* OR Design* OR Optimi* OR Improve* OR Co-creat* OR Cocreat* OR Goal	AND NOT	Engineering OR IEEE OR Information OR Systems OR Computer OR Telecommunication OR Libraries OR Software OR Gaming	B2B OR Client

2.9.1.3 Screening

The screening phase of the SLR, which resulted in a total of 43 papers, involved screening based on (1) relevance, (2) impact and (3) quality. 31. The relevance criteria defined were: (1) CEM as a focus of study, (2) B2C, (3) firm-side perspective and (4) empirical / anecdotal evidence. The articles published in journals ranked as three- or four- star journals by the 2012 Cranfield School of Management Journal Ranking and, if not in that list in the 2010 Association of Business Schools (ABS) academic journal guide, were retained. For articles ranked as one- or two-star or unranked, the IF of the journals they were published in was checked. Impact Factors from the 2014 Thompson Reuters, and if not in that list, the 2013 Web of Science list, were used. Because journals that had an IF of at least 1.5 tended, for the most part, to also have a high ranking, articles published in journals with an IF of 1.5 or above were retained. This allowed for the retention of articles within journals ranked lower but with a high IF. Quality criteria for academic articles assessed the degree of alignment between research questions, chosen methods and execution of research, in addition to sufficient discussion of theory and review of literature, methodological rigor and contribution to knowledge (Miles and Huberman, 1994).

The steps and results of this phase are outlined in Table A2-3. Additional screening that aimed to retain only papers that offered empirical evidence of CEM practices resulted in 35 papers. All of these articles show empirical evidence of CEM and discuss at least one of the following: (1) practices of CEM, or, (2) practices said to enhance the customer experience.

A subsequent step included eight relevant papers that the SLR did not capture but were identified in the scoping study conducted prior to the SLR. Only the papers that passed quality criteria were included. Additionally, eight papers that were initially screened out because they didn't contain empirical evidence of CEM (although they had passed all quality criteria) were re-included. We decided to include these studies because they presented key management implications for CEM that supported our synthesis of empirical CEM practices, offering further richness in answer to the overall review question of, "*What are the practices and outcomes of CEM?*" Finally, in the year

2017, two papers that were published after the SLR was conducted (in 2014) were added after passing SLR relevance and quality criteria. This resulted in a total of 61 studies that were coded and analysed.

Table A2-3 Systematic literature review (SLR) screening and results

Total (T) hits generated from constructed search strings on both databases in May 2014	Filter by:	T per EBSCO database	T per ABI database	T per search	T after removing duplicates	T after relevance screen (on title & abstract)	T after impact appraisal	T after relevance screen (on full-texts)	T after quality appraisal	T after only empirical retained	T after additional papers included to update review
19,473	Scholarly papers	453	365	818	657	145	31	19	13	5	28
	Management practice publications	230	114	344	88	66	66	30	30	30	33
	Total (T)	683	479	1,162	745	211	97	49	43	35	61

2.9.1.4 Extraction and Synthesis

Synthesis of findings used a meta-ethnography approach (Mays et al. 2005). Table A2-4 summarizes this phase of the SLR. A summary of the information contained in each article was prepared using a spreadsheet format. Because of the diversity of CEM practices presented in each paper and the diversity of language used by each of the authors, we began by developing a set of general categorizations of CEM practice derived from an extant experience co-creation framework which explicates the firm’s role in CEM (Payne et al. 2009): (1) opportunities, (2) planning and development (3) implementation and metrics (4) customer encounter management and (5) organizational learning. This allowed us to synthesize the findings using a common language and theoretical lens.

CEM practices were extracted from each article by answering the following questions (Nicolini, 2012 p. 220): “What are the mundane practical concerns which ostensibly orient the daily work of practitioners? What matters to them? What do they care about? What do they worry about in practice? What do they see as their main object or activity? Where do they direct their efforts? What do they see as the thing to do next? When would they say a practice has been accomplished?”

Subsequently, the process of abduction allowed us to adapt the existing Payne et al. (2009) framework to best represent and most accurately articulate the contents of the CEM literature (Mantere and Ketokivi, 2013), which is one of the key research aims of this study. Thus, practices were synthesized to represent what ought to be done in managing the customer experience overall. This is in line with taking the firm’s perspective and a focus on practices.

Table A2-4 Identifying, synthesizing and reporting customer experience management (CEM) practices

<p>The basis: Practice Theory (Schau et al. 2009; Schatzki, 2005; Nicolini, 2012)</p>	<p>Definition of a practice: A practice is recurring patterns of action and flows of material and information that extend in space, occur over time and fulfil ends or purposes insofar as people are committed to them (Schau et al. 2009; Schatzki, 2005).</p> <p>What it means to those involved:</p> <ul style="list-style-type: none"> • A practice is performed through actions that aim to fulfil a perceived end or purpose • Performing a practice is perceived not just in cognitive terms (i.e. what to do) but also in normative terms (i.e. what <i>ought to be</i> done) • Performing a practice is expressed through a vocabulary of motives and goals, or of accounts, explanations, justifications, and prescriptions
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<p>(1) Extracting CEM practices from the literature (Nicolini, 2012)</p>	<p>In interrogating the literature, the following questions were asked to identify CEM practice (Nicolini, 2012).</p> <ul style="list-style-type: none"> • What matters to them? • What do they care about? • What is their main practical concern when they go to work? • What do they worry about in practice? • What do they see as their main object or activity? • Where do they direct their efforts? <p>recognizing CEM practice involved extracting what is typically expressed through a vocabulary of (Nicolini, 2012):</p> <ul style="list-style-type: none"> • Motives and goals, or of • Accounts, explanations, justifications, and prescriptions
<p>(2) Synthesizing CEM practices (Payne et al. 2009; Mays et al. 2005; Mantere and Ketokivi, 2013)</p>	<p>Synthesis of findings used a meta-ethnography approach (Mays et al. 2005). The process began by developing a set of general categorizations of CEM practice derived from an extant experience co-creation framework which explicates the firm's role in CEM (Payne et al. 2009). This allowed us to synthesize the findings using a common language and theoretical lens. Categorizations included (Payne et al. 2009):</p> <ul style="list-style-type: none"> • Opportunities • Planning and development • Implementation and metrics • Customer encounter management and • Organizational learning <p>Subsequently, the process of abduction (Mantere and Ketokivi, 2013) allowed the adaptation of the existing Payne et al. (2009) framework to best represent and most accurately articulate the contents of the CEM literature, which is one of the key research aims of this study. Thus, practices were synthesized to represent what ought to be done in managing the customer experience overall. This is in line with taking the firm's perspective and a focus on practices.</p>
<p>(3) Reporting CEM practices</p>	<ul style="list-style-type: none"> • CEM practice name and definition: The name of the CEM practice encapsulates what the literature expresses <i>ought to</i> be done in managing the customer experience. • CEM actions: The actions detail what the empirical (scholarly and anecdotal) evidence in the literature shows is done in managing the customer experience.

2.9.2 Appendix: Anecdotal evidence of customer experience management (CEM) practices from the systematic literature review

CEM Practices	Anecdotal evidence from the SLR
1. Interaction insight gathering	<p>“[T]he OPE discovered that patients were upset if they used the call system to ask for a nurse's help and did not receive an immediate response- even if their need wasn't pressing. When it probed deeper, it learned that even when patients recognized that their need wasn't urgent, the lack of an immediate response often made them anxious—many feared that if there were an emergency, nobody would come. They didn't know that the person answering calls prioritizes them according to the urgency of the request” (Merlino and Raman, 2013, p. 116)</p> <p>“Consider Harrah’s Entertainment Inc., the casino operator...management discovered that, more than fun and excitement, its most valued customers identified more with luck. Since the probability of winning depends on the nature of the gamble and is regulated, management needed to understand how customers experienced their feelings of luck. Management learned that gamblers, in addition to being superstitious, believed in routines: They wanted to control everything from where they parked their cars to which machines they used to how long they had to wait in the dining room. They saw delays as unwelcome obstacles. In response, Harrah’s began offering customized services to top-tier customers. These customers have access to their favourite machines, parking spots and rooms; separate waiting lines at dining facilities; and dedicated shop-floor employees who understand their routines and idiosyncrasies” (Dasu and Chase, 2010, p. 34)</p>

CEM Practices	Anecdotal evidence from the SLR
2. Journey insight gathering	<p>“Although institutions talk a lot about the importance of empathy in delivering good care, they actually have little knowledge of what patients experience as they navigate health care, except for their interactions with doctors and nurses. So Merlino commissioned two studies. The first involved a randomly selected group of former patients who had taken the CMS survey by phone. Researchers followed up with them, asking why they'd answered each question the way they had. The second was an anthropological examination of a nursing unit that had received some of the Clinic's worst scores in the CMS survey. Researchers observed interactions between patients and employees and questioned both parties about things that happened” (Merlino and Raman, 2013, p. 113).</p> <p>“It is not uncommon for Harley-Davidson employees to go on organized multiple-day trips covering thousands of miles. From observing and talking to customers at events and during rides, Harley-Davidson gathers in-depth insights in what motivates them and what their needs are, even if they do not yet express them. These insights are fed back into the organization and form the basis for innovations in the Harley-Davidson portfolio of products and services. For Harley-Davidson, riding with customers and sharing the experience is the ultimate way of getting close to them” (Zomerdijsk and Voss, 2011, p. 73).</p>
3. Prioritizing growth-inducing opportunity	<p>“In 1999, Tumi extended its core customer segment to the rapidly growing halo segment of the female business air traveller, who had different needs for packing clothes, shoes, makeup, and accessories, as well as for carrying briefcases and purses. This segment also needed lighter- weight luggage. Once the customer R&D team had identified this group's specific needs, product R&D engineers reconfigured the luggage designs to accommodate those requirements. One offering was a small wheeled carry-on bag with compartments for shoes and see-through pouches for toiletries and accessories. Another was a backpack briefcase that freed up a woman's hands while allowing her to safely carry a laptop computer and related paraphernalia. A third product was a hook for hanging a brief- case on wheeled luggage. The female road warrior segment now accounts for at least 20% of Tumi's business” (Selden and MacMillan, 2006, p. 113).</p>

CEM Practices	Anecdotal evidence from the SLR
4. Prioritizing value-adding opportunity	<p>“Royal Caribbean’s Director for Brand Innovation, for instance, commented, ‘What we are doing now is building a study of what creates brand loyalty in general, and that is from every single touchpoint that a guest has with our brand. So whether it be the first time they see us on a commercial to how we interact with them once they’ve booked, how we get them to book, how we speak to them before they book. We have mapped out every single current touchpoint that we have right now and we have identified gaps where we need to have more’” (Zomerdijk and Voss, 2010, p. 74).</p> <p>“Enterprises that practice customer focus take advantage of value gaps...In air travel, Virgin Atlantic challenged the diminishing-returns, capacity-managing thinking of conventional airlines by merging travel and leisure into one integrated customer experience...Today, at drive-in check-in areas specially designed for Virgin, a porter asks security questions, collect luggage and issues boarding passes. At the Clubhouse, passengers can shower, have a free manicure and pedicure, facial and haircut, or take a hydrotherapy bath. There are bars, virtual skiing devices, communications centres, libraries, music rooms and jukeboxes, rooftop conservatories and fine cuisine. Recent in-flight innovations include Jacuzzis, showers, ship-style sleeper cabins, live television and Internet-surfing possibilities...the visible results of its approach include its ability to entice customers away from other airlines’ economy class and first class, as well as Virgin’s high valuation” (Vandermerwe, 2000, p. 32).</p>

CEM Practices	Anecdotal evidence from the SLR
5. Prioritizing performance-impacting opportunity	<p data-bbox="465 331 1966 587">“In 1997, University Hospital was concerned about competition from their health-care providers and as well as slowly declining customer-satisfaction scores. As a result, it went through an experience audit and implemented customer-experience management in its emergency facility. The audit revealed that the clues coming from the facility showed minimal recognition of the emotional needs of patients, and even less for the needs of their families. The hospital subsequently developed a motif and clues that focused on creating a reassuring, empathetic connection between the ER facility on one hand and the patients and their family and friends on the other” (Berry et al. 2002, p. 87)</p> <p data-bbox="465 643 1966 858">“MicroScan...decided to seek out defectors and use them to uncover and correct shortcomings. It began by asking its sales force to identify customer defectors...The company interviewed each and every one of they lost customers and a large number of the partial defectors...The picture that emerged was clear, instructive, and painful...They had complaints about certain features of the equipment and felt the company was insufficiently responsive to their problem...they listened, learned , and took corrective action. They shifted R&D priorities to address the shortcomings customers had identified” (Reichheld, 1996, p. 61).</p>

CEM Practices	Anecdotal evidence from the SLR
6. Concept Development	<p>“One financial institution, for example, wanted its customers to feel ‘recognized, reassured and engaged’; those terms became shorthand for the motif. Only mechanics and humanics that reinforced these watchwords were accepted as part of the newly designed experience” (Berry et al. 2002, p. 87)</p> <p>“George Harrop, founder of Barista Brava, a franchised chain of coffee bars based in Washington, D.C., developed the company’s theme of ‘the marriage of Old-World Italian espresso bars with fast-paced American living.’ The interior décor supports the Old World theme, and the carefully designed pattern of the floor tiles and counters encourages customers to line up without the usual signage or ropes that would detract from that theme. The impressions convey quick service and a soothing setting” (Pine and Gilmore, 1998, p. 103)</p> <p>“[F]or the new Arsenal Emirates stadium, HOK architects designed the seeing, hearing, smelling, tasting, and feeling experience in the stadium to ensure that attendance at a match or event would be as memorable, enjoyable, and comfortable as possible” (Zomerdijk and Voss, 2010, p. 74).</p> <p>“From public spaces to exam rooms to laboratories, Mayo facilities have been designed explicitly to relieve stress, offer a place of refuge, create positive distractions, convey caring and respect, symbolize competence, minimize the impression of crowding, facilitate way-finding, and accommodate families. In the words of the architect who designed Mayo Rochester’s new 20-story Gonda Building: “I would like the patients to feel a little better before they see their doctors.” A well-designed physical environment has a positive impact on employees as well, reducing physical and emotional stress—which is of value not only to employees but also to patients because visible employee stress sends negative signals” (Berry and Bendapudi, 2003, p. 105).</p>

CEM Practices	Anecdotal evidence from the SLR
7. Front-line-employee involvement	<p>“A leading car rental company we worked with ran a similar series of cross-functional efforts—pilots at key airport locations involving frontline teams including counter staff, car cleaners, exit gate personnel, and bus drivers. Management chose several target geographies, assigned a senior executive to each, and tasked the frontline teams with three things: mapping the customer experience and looking for fresh service ideas to improve it; getting frontline employees from each of the functions to collaborate on identifying the causes of problems and finding solutions; and coordinating activities to maximize the speed of service from the customer’s point of view....although the company had a solid playbook for its first pilot, it explicitly challenged the teams in each location to adapt the playbook and make it their own, and to try to beat the original location’s results. The frontline teams were empowered to continually test new ideas that the executives heading the teams could then spread to the rest of the business” (Rawson et al. 2013, p. 96)</p> <p>“IdClic, an intranet site that Orange, the operating brand of France Telecom, built to encourage employees to submit ideas for improving processes, redesigning products, and optimizing their workplace. It’s more than a mere suggestion box. Employees can promote their ideas through a blog and gain visibility through a point system that rewards people for commenting on others’ ideas. By early 2010, three years after Orange had rolled out the site, about 93,000 ideas had been posted on it. More than a third of all employees had contributed or commented on an idea, and more than 7,500 projects had been implemented. Collectively, the projects had produced more than €600 million in earnings or savings” (Ramaswamy and Gouillart, 2010, p. 105)</p> <p>“[S]torytelling was used by three design agencies and consultancies as a technique...They created narratives for the experiential service to be developed to communicate ideas and to create a shared vision. Narratives were used to describe, for example, the customer journey or a mock-up press release or company memo that could be sent out at the launch of the new service. Stories or narratives were considered powerful ways of making an intangible service experience more visible and tangible ...” (Zomerdijk and Voss, 2011, p. 74)</p>

CEM Practices	Anecdotal evidence from the SLR
8. Interaction design	<p>“[P]eople are happier and more comfortable when they believe they have some control over a process...Several airlines, for example, let passengers choose when they want to have their meal served during long flights. Most hotels give customers a choice of using an alarm clock or receiving a wake-up call. And some banks have moved away from snake line configurations and back to individual lines so that customers can work with their favourite teller” (Chase and Dasu, 2001, p. 83).</p>

CEM Practices	Anecdotal evidence from the SLR
9. Journey design	<p>“Apple’s Macintosh operating system, which offers fewer features and configuration options. A customer’s experience with an Apple device begins well before the purchaser turns it on—in the case of the iPod, perhaps with the dancing silhouettes in the TV advertisements. The origami-like (and recyclable) packaging enfolds the iPod as though it were a Fabergé egg made for a czar. A small sticker, “Designed in California, Made in China,” communicates the message that Apple is firmly in charge but also interested in keeping costs down...Every Apple product is designed with the overarching purpose of making the time one spends with Apple an enjoyable experience” (Meyer and Schwager, 2007, p. 2)</p> <p>“Disney’s theme park...do a great job of distracting customers who are waiting in line, thus lessening their discomfort. And they make the rides really short, as well. That’s done primarily so that more people can get on them, but this efficiency has the added benefit of segmenting the pleasure, which in turn creates the perception of a longer and richer day at the theme park. From the customer’s point of view, two 90-second rides last longer than one three-minute ride” (Chase and Dasu, 2001, p. 83).</p> <p>“[I]n delivering on its promise to ‘push the art, science, and passion of flavour’, [McCormick, the spices and flavourings firm] creates a consistent experience for consumers across numerous physical and digital touch- points, such as product packaging, branded content like cookbooks, retail stores, and even an interactive service, FlavorPrint, that learns each customer’s taste preferences and makes tailored recipe recommendations...FlavorPrint can then generate customized e-mails, shopping lists, and recipes optimized for tablets and mobile devices” (De Swaan Arons et al. 2014, p. 58)</p> <p>“For example, the Borders Books Web site and the layout of its bricks-and-mortar stores and cafés reinforce each other. Borders’ customers like to browse among real books as well as virtual books, and they enjoy a good café latte while doing either. That’s why Borders has computer terminals as well as books in its stores and cafés” (Pralhad and Ramaswamy, 2000, p. 84).</p>

CEM Practices	Anecdotal evidence from the SLR
10. Inter-firm collaboration	<p>“[A] successful alignment with other stakeholders who provide resources supporting the relationship [of City Car Club and its customers]...include municipalities (parking spaces), car manufacturers (low-emission cars), technology providers (such as telecommunications companies), and third party vendors...” (Payne et al. 2009, p. 387).</p> <p>“In air travel, Virgin Atlantic challenged the diminishing-returns, capacity-managing thinking of conventional airlines by merging travel and leisure into one integrated customer experience. The airline joined with limousine companies to develop a plan to take business-class passengers to many airports free of charge, check them in and issue an invitation to Virgin’s Clubhouse lounge” (Vandermerwe, 2000, p. 32)</p>
11. Experience piloting	<p>“Because of the inherently complicated nature of customer behaviour, it is useful to test approaches to influencing behaviour before rolling them out on a broad scale. However, if customers change their behaviour following a test, it is difficult to know whether the change should be attributed to the test or to other external factors if the test had no controls. One way to overcome the last mistake is to use what Wells Fargo refers to as the “challenger- champion” model. For every new initiative, the company selects a sample to test the new initiative (the challenger sample) and a similar, matched sample (the champion sample). After the initiative is tested on only the challenger sample, the company tracks differences in behaviour between the two samples” (Frei, 2006, p. 10)</p>

CEM Practices	Anecdotal evidence from the SLR
12. Interaction and journey management	<p data-bbox="461 328 1980 552">“[S]ix experiential service providers and four design and consultancy firms...often based their customer experience around a story. For example, every show and attraction in Walt Disney World is built around a story, such as going to the top of Mount Everest, to make the experience more engaging. In the hospitality industry, the Gorgeous Group consultancy often creates informational stories around products, such as where a dish is from or why a bottle is shaped a particular way, to strengthen the connection between customers and the brand” (Zomerdijk and Voss, 2011, p. 74).</p> <p data-bbox="461 603 1980 791">“Brenda notes that when her employees engage in parting rituals with customers, they always thank customers profusely: ‘Whether [customers] think ‘I’m in and out, just buying a greeting card,’ they were still thanked at the end...Maybe that is the only particular transaction they had with a book- seller, but they were still made to feel special in that short amount of time....that they still left with, ‘Wow, this is a special interaction’”(Otnes et al. 2012, p. 374)</p> <p data-bbox="461 842 1980 986">“White Memorial Medical Centre, in East Los Angeles, for example, recently implemented a patient tracking system of patient waiting times and delays. When a patient’s wait exceeds a set threshold, staff members inform the patient about the expected waiting time and the causes of the delay” (Dasu and Chase, 2010, p. 36)</p>

CEM Practices	Anecdotal evidence from the SLR
13. Employee engagement	<p data-bbox="463 331 1980 515">“Storytelling continues in the workplace because, once people are away from the classroom, the idea of putting the patient first can seem distant and sometimes even unrealistic, given the stress and unpredictability of day-to-day work. Consider, for instance, one story featured at several orientation sessions [at Mayo Clinic] and widely disseminated throughout the organization” (Berry an Bendapudi, 2003, p. 102)</p> <p data-bbox="463 571 1980 754">“Merlino created a "best practices" department within the OPE to identify, implement, promote, and monitor approaches used by top performers in the CMS survey. In many cases it tested practices in pilot projects before rolling them out broadly. Some efforts were relatively simple. For example, one program reinforced the basic behaviors taught in the half-day exercise. As part of the program, man- agers monitored their employees and coached those who were falling short” (Merlino and Raman, 2013, p. 114)</p>
14. Intra-firm collaboration	<p data-bbox="463 778 1980 1074">“Mayo also supports teamwork with its use of technology. Staff members partner via a combination of face-to-face and remote collaboration using a sophisticated internal paging, telephone, and videoconferencing system that connects people quickly and easily...Mayo’s electronic medical record (EMR) improves the clinic’s ability to present a seamless, collaborative organization and manage the evidence that patients see. The EMR provides an up-to-date narrative of the patient’s symptoms, diagnoses, test results, treatment plans, procedures, and other related data, connecting in- and outpatient information and communicating across disciplines in outpatient practices. This connection is critical to patient-first decisions in ways that patients don’t necessarily see” (Berry an Bendapudi, 2003, p. 104).</p> <p data-bbox="463 1129 1980 1273">“Mayo Clinic assembles the expertise and resources needed to solve the patient’s problem. If a Mayo doctor can’t answer a question and needs to bring someone else onto a team, she freely admits it to the patient...Collaboration is particularly important because the institution’s reputation has become so well known that patients often come in looking for a miracle” (Berry an Bendapudi, 2003, p. 103)</p>

CEM Practices	Anecdotal evidence from the SLR
15. Experience monitoring	<p>“Merlino put in place systems to track and analyse patients' attitudes and complaints and to determine and address the root causes of problems.... In addition, the Clinic's business intelligence department set up electronic dashboards that displayed real-time data available for all managers to view” (Merlino and Raman, 2013, p. 114)</p> <p>“Merlino realized that the Clinic could enlist patients' help in improving the hospital experience. For instance, it began asking patients in semiprivate rooms to limit night-time noise. It started to rely more heavily on patients to identify problems and improve processes. It now asks patients to report rooms that have not been cleaned properly and to routinely ask caregivers if they have washed their hands” (Merlino and Raman, 2013, p. 116)</p> <p>“Ritz Carlton, for example, ... Employees at all levels take note of customer preferences and are empowered to solve problems on the spot, continually tailoring the experience to each person. Mayo” (Berry and Bendapudi, 2003, p. 100).</p>
16. Experience mission setting	<p>“In 1910, William Mayo said: “In order that the sick may have the benefit of advancing knowledge, union of forces is necessary....It has become necessary to develop medicine as a cooperative science.” Dr. Mayo’s vision profoundly influences the organization’s approach to care. Patients experience the Mayo Clinic as a team of experts who are focused on patients’ needs above all else. They perceive an integrated, coordinated response to their medical conditions and, often, to related psychological, social, spiritual, and financial needs” (Berry and Bendapudi, 2003, p. 103).</p>

CEM Practices	Anecdotal evidence from the SLR
<p>17. Organizational structure design and governance</p>	<p>“[Cleveland Clinic CEO] decided to create a new position, chief experience officer. He initially appointed an outsider who was not a practicing physician. She left after 24 months. He then decided to call on a senior physician from inside the organization— someone who would fully understand the challenges of delivering a great patient experience while also focusing on medical outcomes and who would have immediate credibility” (Merlino and Raman, 2013, p. 111).</p> <p>“Another way companies foster connections is by putting marketing and other functions under a single leader. Motorola’s Eduardo Conrado is the senior VP of both marketing and IT. A year after Antonio Lucio was appointed CMO of Visa, he was invited to also lead HR and tighten the alignment between the company’s strategy and how employees were recruited, developed, retained, and rewarded. Coauthor Keith Weed leads communications and sustainability, as well as marketing, at Unilever. And Herschend Family Entertainment, owner of the Harlem Globetrotters and various theme parks, has recently expanded CMO Eric Lent’s role to chief marketing and consumer technology officer” (De Swaan Arons et al. 2014, p. 59)</p> <p>“To help carry out the mandate, Cosgrove gave Merlino the Office of Patient Experience, which currently has a \$9.2 million annual budget and 112 people, including project managers, data experts, and service excellence trainers. Its responsibilities include conducting and analysing patient surveys, interpreting patients' complaints, administering "voice of the patient" advisory councils, training employees, and working with units to identify and fix problems” (Merlino and Raman, 2013, p. 112).</p> <p>“[A]t the integrated telecom, the executive team created a new permanent role, redeploying senior people from siloed functions to become “chain managers” responsible for overseeing specific journeys, such as fibre cable provisioning. It created war rooms where the chain managers could monitor the efforts and meet with the functional teams involved. Thus the program was driven by cross-functional, bottom-up idea generation but had enough top-down ownership and co- ordination to maintain momentum and focus” (Rawson et al. 2013, p. 97)</p>

CEM Practices	Anecdotal evidence from the SLR
18. Experience goal definition	<p>“[M]any companies, Unilever among them, have begun measuring employees’ brand engagement as a key performance indicator. Google does this by assessing employees’ “Googliness” in performance appraisals to determine how fully people embrace the company’s culture and purpose. And Zappos famously offers new hires \$3,000 to leave after four weeks, effectively cutting loose anyone who is not inspired by the company’s obsessive customer focus” (De Swaan Arons et al. 2014, p. 59).</p> <p>“It’s no accident that employees communicate a strong, consistent message to patients. Mayo explicitly and systematically hires people who genuinely embrace the organization’s values...Indeed, William Mayo’s credo—‘The best interest of the patient is the only interest to be considered’—guides hiring decisions to this day” (Berry an Bendapudi, 2003, p. 102)</p> <p>“Mayo Clinic encourages...collaboration through various organizational incentives. All physicians are salaried, so they don’t lose income by referring patients to colleagues, and the organization explicitly shuns the star system, downplaying individual accomplishments in favour of organizational achievements” (Berry an Bendapudi, 2003, p. 104)</p> <p>“Disney famously builds its entire theme park culture around delivering the guest experience: From hiring through performance reviews, it assesses each frontline team member on his or her customer-friendly skills” (Rawson et al. 2013, p. 98).</p> <p>“Marc Schroeder, the global marketing head for PepsiCo’s Quaker brand, understood the need for internal cohesiveness when he led a cross-regional “marketing council” to develop and communicate the brand’s first global growth strategy. The council defined a purposeful positioning, nailed down the brand’s global objectives, set a prioritized growth agenda, created clear lines of accountability and incentives, and adopted a performance dashboard that tracked industry measures such as market share and revenue growth” (De Swaan Arons et al. 2014, p. 60)</p>

CEM Practices	Anecdotal evidence from the SLR
19. Leading	<p data-bbox="463 331 1917 437">“One large retail bank started requiring each executive-team and board member to call five dissatisfied customers a month—a simple but effective way of holding the leadership’s feet to the fire on customer experience issues” (Rawson et al. 2013, p. 98)</p> <p data-bbox="463 496 1957 711">Cosgrove [CEO] made improving the patient experience a strategic priority, ultimately appointing James Merlino, a prominent colorectal surgeon...) to lead the effort. By spelling out the problems in a systematic, sustained fashion, Merlino got everyone in the enterprise—including physicians who thought that only medical outcomes mattered—to recognize that patient dissatisfaction was a significant issue that all employees, even administrators and janitors, were “caregivers” who should play a role fixing it” (Merlino and Raman, p. 110).</p> <p data-bbox="463 770 1951 876">“Despite the Clinic's progress, its leaders know full well that they cannot proclaim victory...Doing the best by patients means continually analysing what can be done better and then figuring out how. There will always be something” (Merlino and Raman, 2013, p. 116)</p>

CEM Practices	Anecdotal evidence from the SLR
20. Internal communication and recognition	<p>“Unilever’s leadership conducts a quarterly live broadcast with most of the company’s 6,500 marketers to celebrate best brand practices and introduce new tools. In addition, Unilever holds a series of globally coordinated and locally delivered internal and external communications events, called Big Moments, to engage employees and opinion leaders companywide directly with the broader purpose of making sustainable living commonplace” (De Swaan Arons et al. 2014, p. 59).</p> <p>“The leaders of the Clinic knew that to improve the patient experience while continuing to drive safety and quality, it would need engaged, satisfied caregivers who understood and identified with its mission...One step taken to address this problem was the launching of a ‘caregiver celebration’ program. This allowed both managers and frontline workers to recognize colleagues who had done something exceptional for patients for the organization” (Merlino and Raman, 2013, p. 115-116).</p> <p>“The [PepsiCo marketing] council communicated the [global growth] strategy through regional and local team meetings, including those with agencies and retail customers worldwide, and hosted a first-ever global brand stewardship event to educate colleagues” (De Swaan Arons, 2014, p. 60).</p> <p>“Various events celebrating exceptional service on behalf of patients further reinforce employees’ commitments. The Rochester campus hosts an annual Heritage Week, celebrating the clinic’s history and values and reinforcing their relevance to Mayo’s work today through historical presentations and displays, lectures, ecumenical and liturgical services, concerts, and social events. Employees, retirees, volunteers, patients, visitors, and members of the community are invited. Mayo Rochester also recognizes exceptional service with its quarterly campus wide Karis Award (Karis is Greek for caring)” (Berry and Bendapudi, 2003, p. 103)</p>

CEM Practices	Anecdotal evidence from the SLR
21. Experience education and training	<p>Once hired, all new employees go through an orientation process specifically designed to reinforce the patient-first mentality. The program for non-physician employees—whether janitors, accountants, or nurses—is designed to help all staff people understand how their jobs affect patients' care and well-being. If housekeeping fails to maintain sanitary conditions, for instance, a patient's health may be compromised no matter how excellent the medical care received" (Berry an Bendapudi, 2003, p. 102)</p> <p>"The best marketing organizations, including those at Coca- Cola, Unilever, and the Japanese beauty company Shiseido, have invested in dedicated internal marketing academies to create a single marketing language and way of doing marketing" (De Swaan Arons et al. 2014, p. 62)</p> <p>"Walt Disney World has developed a system called "Role and Purpose," which emphasizes that every employee has a different role in the organization, from sweeping the floor to managing maintenance, for example, but all have the same purpose—to make sure that every guest has the most fabulous vacation of his or her life (Zomerdijk and Voss, 2010, p. 76).</p> <p>"The [Mayo] clinic emphasizes the importance of [organizational] values through training and ongoing reinforcement in the workplace, a practice that began in the very early part of the twentieth century, when Drs. William and Charles Mayo started the organization" (Berry an Bendapudi, 2003, p. 102)</p> <p>"Nike has a marketing staffer whose sole job is to tell the original Nike story to all new employees" (De Swaan Arons et al. 2014, p. 59).</p>

3 Managing the customer experience: An empirical firm-side practice-based framework

This chapter relates to thesis **Objective 2**: To gain an understanding of what managing the customer experience means within organizations and how customer experience management is done by leaders, managers and other members of an organization. **This chapter forms journal paper 2.**

3.1 Overview

This chapter further explores CEM practices by undertaking a longitudinal multiple-case-study of 10 organizations who are recognized leaders in CEM transformation (See Figure 3-1). The analysis of these case studies uses practice theory to identify CEM practices and tacks back and forth between practices found in the cases and practices identified in the systematic literature review resulting in the emergence of 25 common CEM practices. A conceptual framework of how the practices work together in a firm-wide process of managing the customer experience is presented, and the findings are discussed along with managerial implications, limitations and future research directions. This forms journal paper 2.

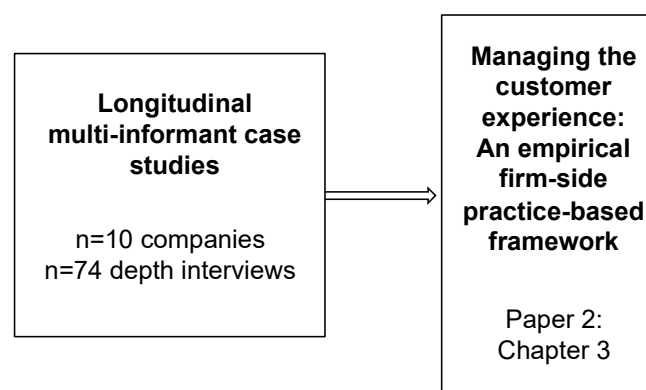


Figure 3-1 Overview of Chapter 3 research process

3.2 Abstract

Prior customer experience management (CEM) research, albeit scarce, nascent and fragmented across academic, managerial- and practice- oriented studies and various sub-fields of marketing, has not systematically analysed practices of customer experience management or used a research approach for uncovering insights in an encompassing way. Using social practice theory, this article presents a grounded theory firm-side conceptualization of CEM practices based on evidence from 10 case studies of organizations from across different industries. In addition to conducting extensive ethnographic observation and the analysis of corporate documents and artefacts, the main method of data was in-depth semi-structured interviews with leaders, managers and employees including those that are senior, strategic, operational and/or customer-facing. The authors conduct two types of interviews including the Interview to the Double (ITTD), an ethnographic interview technique underpinned by practice theory used to elicit know-how. Comparative cross-case analysis that tacked back and forth between the case study data and existing literature resulted in a set of 25 common practices of managing the customer experience and six CEM beliefs that explain and justify CEM practice within organizations. Theoretical and managerial implications are offered with specific suggestions for how CEM can be fostered and nurtured within organizations.

Keywords: Customer experience management; Practice theory; Customer journey; Touchpoints; Interview to the double

3.3 Introduction

Customer experience management (CEM) is a prevalent strand of thinking in scholarship and practice about how value is co-created with customers. Companies today operating in competitive marketplaces strive to understand and enhance their customer's experience with them. The notion of creating a superior customer experience has increasingly been incorporated into the mission statements of companies like Starbucks, Victoria's Secret, Dell and Toyota (Verhoef et al. 2009) and customer-experience-dedicated executives are joining the ranks of senior management teams (De Swaan Arons et al. 2014),

demonstrating the strategic importance that is being placed on CEM. Additionally, chief marketing and operating officers are increasingly under pressure from boardrooms to improve the customer experience (Salesforce Research report, 2017).

Nonetheless, recent marketing research reports highlight that despite the widespread recognition of the importance of the customer experience, firms are struggling to meet high customer expectations (Salesforce Research report, 2017; Bain and Co. Report, 2005 cf. Meyer and Schwager, 2007). A recent study by Salesforce, a leading customer management platform provider, surveying 3,500 marketing leaders and managers in 10 countries, reports that while most of their respondents are increasingly competing on the basis of customer experience, their efforts are hampered by the proliferation of communication channels, data difficulties and budget constraints. Such reports suggest that the notion of CEM appeals to organizations but for many it remains unclear what CEM means in practice.

From an academic point of view, marketing scholars are calling for empirical research that studies CEM from the firm's perspective (Homburg et al. 2017; Lemon and Verhoef, 2016; MSI 2012-2014, 2016-2018). The organization-customer relationship, as described by Payne et al. (2008) in the context of experience co-creation, is "*...a longitudinal, dynamic, interactive set of experiences and activities performed by the provider and the customer, within a context, using tools and practices that are partly overt and deliberate, and partly based on routine and unconscious behaviour*" (p. 85). As such, to appropriately address the lack of an established conceptualization of managing the customer experience in extant literature, we identify practice theory (Schatzki, 1996) as an appropriate theoretical underpinning of the concept as it allows us to understand firms from the bottom-up (Kaplan, 2008). We say *managing the customer experience* as opposed to *customer experience management* in line with Nicolini's (2009b) view of a practice as referring to "practicing, real time doing and saying something in a specific place and time..." (p. 122).

We apply an exploratory, grounded theory procedure (Edmondson and McManus 2007) involving the integration of empirical data from 10 organizations in several sectors, using case study methodology. Following comparative cross-case analysis that tacks back and forth between data and existing literature (Chapter 2), we identify and document 25 common practices of CEM and demonstrate how they work together in a firm-wide process of managing the customer experience. Additionally, we categorize CEM practice by identifying six CEM beliefs that underlie the day-to-day management of the customer experience. These beliefs are elicited from informants through two ethnographic interview techniques and extracted by identifying the explanations behind and justifications for various CEM practice (Nicolini, 2012). In short, through practice theory, we uncover the intricacies of CEM-in-the-making.

Based on what we observe in 10 firms where customer experience is embedded into the day to day culture, we observe the following common sets of practices and meanings: (1) Firms are fostering a broad array of CEM practice, moving beyond customer journey design and management; (2) firms are shifting to a view of CEM as an organizational accomplishment, inviting firm-wide participation in concerted CEM action; (3) managers are recognizing the integral role of the brand in CEM and ensuring brand values penetrate deep into the organization rather than residing only at the front line; (4) managers are unlocking CEM decision-making through experience empowering; (5) leaders are recognizing their important facilitating and potential hindering roles in managing the customer experience; and (6) firms are viewing CEM as a web practices that overlaps and interlaces with other practices within and outside the firm, including those outside their direct control, and thus engaging in ongoing customer experience optimization.

This paper is organized as follows: First, we describe the background and purpose of the study, presenting extant CEM conceptualizations and literature and introducing and defining practice theory as it pertains to our study. Second, we discuss the research methodology as well as introduce and describe the

organizations we selected for study. Finally, we present and discuss the findings and insights from our research.

3.4 Background and purpose

Our research purpose is to develop an empirically grounded firm-centric conceptualization of CEM by identifying common practices among members of organizations that specifically have an explicit focus on enhancing the customer experience. Extant CEM research is scarce, nascent and fragmented across various sub-fields of marketing (Homburg et al. 2017). Where it does exist, this body of knowledge resides mainly in managerial- and practitioner- oriented books and magazines. Where CEM practice does appear in academic literature it is in the management implications sections of empirical studies of the customer's experience because the literature is populated with studies that examine the customer's point of view of as opposed to that of the organization (Homburg et al. 2017; Lemon and Verhoef, 2016).

3.4.1 Prior conceptualizations of CEM

Some progress, albeit very little, has been made towards conceptualizing how firms manage the customer experience (Lemon and Verhoef, 2016). The conceptualizations of CEM that do exist (see chapter 2) emphasize the acknowledgement of various customer-firm interactions, or touchpoints, and the consideration of elements outside of a firm's direct control (Payne et al. 2009; Zomerdijk and Voss, 2010; Homburg et al. 2017), capturing and addressing customer emotions (Zomerdijk and Voss, 2011; Zomerdijk and Voss, 2010), the involvement of many people across a firm (Zomerdijk and Voss, 2011; Homburg et al. 2017) and the support of CEM-specific top-down, senior management encouraged mindsets and bottom-up, agility-promoting capabilities (Homburg et al. 2017). In short, extant CEM literature highlights the importance of customer journey management, customer emotions requiring empathic insight, and an internal cross-disciplinary focus.

Although such studies represent important advances in understanding and conceptualizing CEM, they have their limitations. While these

conceptualizations capture what is important in managing customer experiences, they do not reveal how CEM is done in practice and what drives those involved in doing so. Likewise, in addition to being an emerging phenomenon of interest, CEM is a dynamic and multidisciplinary topic and thus an exploration thereof requires multiple methods (Lemon and Verhoef, 2016) in order to explore it along different dimensions and moments. Payne et al. (2009) develop their conceptualization based on a single case study of a car-sharing company in conjunction with a small focus group of customers. Zomerdijk and Voss (2011) conduct a multiple case study but within the single context of service-providers. Homburg et al. (2017) move beyond the service context to cover diverse industry contexts but apply a single informant approach.

Next, we introduce and define practice theory as it relates to our study.

3.4.2 Shining a practice lens on an organization

To build on existing conceptualisations of CEM but also to address their limitations, we identify practice theory (Schatzki, 1996) as an appropriate theoretical underpinning of managing the customer experience. Practices are comprised of actions. Actions take place within interactions across the organization between people, resulting in practices, which we define as: *recurring patterns of behaviour and flows of material and information that extend in space, occur over time and fulfil ends or purposes insofar as people are committed to them* (after Schau et al. 2009; Schatzki, 2005). Importantly, when a practice approach is applied, instead of simply cataloguing the activities that managers and members of an organization do, an examination of *the doing of* such activities is emphasized, thus foregrounding *the how and why* of those activities. This nuance in examination is key because central to the practice lens is the notion that social life is an ongoing production, emerging through recurrent and concerted actions (Feldman and Orlikowski, 2011; Nicolini, 2009b). Appreciating organizations as an accomplishment is a common theme running through contemporary organization studies (Nicolini, 2009b). This leads to an understanding of organizations and organizational phenomenon “in the making” (Feldman and Orlikowski, 2011, p. 7) as a dynamic accomplishment,

resulting from the social practices thereof, rather than as a static outcome (Feldman and Orlikowski, 2011).

Engaging in practice thus reinforces an organization or a given phenomena therein (Schatzki, 1996). To engage in practice, people must develop shared understandings of the practice, beliefs about how one ought to engage in it and desires to accomplish the objectives of the practice. At any point, a practice thus has a set of established understandings (i.e. intelligibility), rules/procedures (i.e. normativity) and objectives that govern conduct (i.e. teleology). Through intelligibility, normativity and teleology (Schatzki, 2005), practices thus dictate what is required for the competent and meaningful engagement of members of an organization (Schatzki, 1996). In examining a phenomenon of interest along these dimensions, the unit of analysis moves away from the individual *within* an organization to the practices common *across* individuals and organizations.

Practitioners are often unaware or unreflective of these three dimensions of practice (Warde, 2005); from a practitioner perspective, understandings are perceived as individual know-how, rules/procedures as objects of belief, and objectives as objects of desire (Schatzki, 2005). Reckwitz (2002) explains, “when individuals ‘take over’ such existing practices...[it] implies a certain way of understanding oneself, others, and the events that occur as part of the practice...accepting certain norms of correctness (what is right and wrong)...” (p. 254).

In addition, because social orders are inherently complex, the practices that constitute and shape them are interrelated and mutually dependent, constituting what is typically referred to by social practice theorists as the web (Schatzki, 2005), texture (Nicolini, 2009a; Reckwitz, 2002) or constellation (Wenger, 1998) of connecting, interlacing and overlapping practices (Schatzki, 2005; Nicolini 2012). Just as the actions that constitute a practice are governed by intelligibility, normativity, and teleology, so are the practices that constitute a constellation of practice (Schatzki, 2005).

Finally, because practices are characterized by action and comprise a dynamic accomplishment, they evolve over time, often in response to events occurring

within them (Schatzki, 1996). This is apparent as practitioners become more adept at practicing over time. As Østerlund and Carlile (2005, p. 97) note, organizational members “do not merely learn about practices, they become practitioners”. Though practices obtain some durability by virtue of being sustained by a social grouping and inscribed in some material or symbolic intermediaries (Nicolini, 2009b), organizational members adapt, improvise and experiment, leading to change in practices. Adjacent practices influence them, lessons are learned and innovations are copied (Warde, 2005).

Next, we describe how practice theory is used to conceptualize CEM.

3.4.3 A practice-based conceptualization of managing the customer experience

Capturing and reporting on practices in all their complexity is a challenging endeavour. This is because there is no unified practice approach (Schatzki, 2001 cf. Nicolini, 2012). Different studies emphasize different aspects of practice to address their research objectives (Nicolini, 2012). Typically, reporting on practices involves identifying and grouping them in addition to revealing the critical aspects thereof (Nicolini, 2009a). Table 3-4 summarizes how we identify, synthesize and report on CEM practices in our study. We elaborate on this process in what follows.

From the point of view of a practitioner, their actions are moderated by the set understandings, beliefs and desires specific to a practice (Schatzki, 2005). From an empirical standpoint, Nicolini (2009a) suggests identifying practices by capturing the normative aspect of the practice, in other words, the beliefs that drive their actions. This is because a person typically expresses their actions not just in cognitive terms (i.e. what is done) but also in normative terms (i.e. what *ought to be* done) (Nicolini, 2012 cf. Schatzki, 1996), “a vocabulary of motives and goals, or of, accounts, explanations, justifications, and prescriptions” (Nicolini, 2012, p. 225). It is their beliefs that define and shape a practice as they deem which actions are desirable and legitimate (Schatzki, 1996; Reckwitz, 2002). These beliefs govern both the actions that constitute a practice and the practices that constitute a practice web.

To identify and categorize CEM practices from the firm's perspective, we conduct a series of case analyses across 10 organizations (detailed in the following section). Capturing data about CEM practices involves identifying the activities of practitioners as well as the emic beliefs they attribute to managing the customer experience.

Reporting on how various practices interact with each other to co-create the customer experience is another challenge as practices typically connect, interlace and overlap in unstructured ways (Schatzki, 2005). In a study on collaborative brand community consumption practices, Schau et al. (2009) describe and portray the practices they reveal and categorize as "analogous to gears working together" (p. 35). This is a useful visual analogy for how a manifold of practices "work together and drive one another" (Schau et al. 2009, p. 35) that we adopt in our study. This enables us to contribute a firm-centric conceptualization of CEM, presenting the practice of managing the customer experience as a web of interrelated CEM-specific practices (see Figure 3-2).

A practice-based conceptualization of CEM thus "emphasizes the intricacies of the day-to-day thoughts and actions" (Dougherty 1992, p.77) that go into CEM. As Dougherty explains, such a model does not comprise "the simple ABCs" of a phenomenon of interest "since that would be an abstraction that omits or distorts the complex realities" thereof (p. 77). Because CEM is an emerging phenomenon, a conceptualization of the practice of CEM should not presume that there is one correct way of managing the customer experience but instead aim to reveal the particular CEM beliefs that underpin, govern and define what CEM entails and how it is practiced.

The resulting grounded theory framework distils common CEM practices (Eisenhardt, 1989; Malshe and Sohi, 2009) across a diverse set of firms that vary in terms of size, industry, market relationship (i.e. B2B vs. B2C) and years of operation (See Table 3-1). With the background and purpose of our conceptualization in mind, we define CEM as *the constellation of practices that drive and enable a firm to address the sequence of customer interactions with, and subsequent reactions to, a firm, brand or parts thereof* (after Payne et al.

2009, Zomerdijk and Voss, 2011, Homburg et al. 2017 and Zomerdijk and Voss, 2010). From a managerial perspective, our findings reveal how CEM is done in practice and what drives those involved in doing so.

We next introduce and discuss the research methodology as well as introduce and describe the organizations we selected for study.

3.5 Method

Grounded theory seeks to build theories from qualitative field data that can then be tested or extended by others (Strauss and Corbin, 1998). Our approach was an iterative one whereby relevant literature was consulted throughout the study to enrich the emergent theory through a process of dialectical tacking and constant comparison between the emerging empirical findings and the existing literature (Strauss and Corbin, 1998; Beverland et al. 2008).

As CEM is an emergent phenomenon that requires further exploration (Eisenhardt, 1989; Yin, 2003), the case study method is applied as it lends itself to exploratory investigations where the phenomenon of interest is not yet well understood (Meredith, 1998). The case study method addresses the questions of what, why and how. The aim is to obtain a comprehensive understanding of the nature and complexity of the phenomenon in its real-life-context (Yin, 2003) which will enable a deeper understanding of CEM practice. Case research encourages triangulation of data through multiple methods of data collection and multiple sources of evidence, enhancing the rigor of resultant findings (Eisenhardt, 1989; Yin, 2003).

Our sampling frame includes organizations across retail, services, or leisure sectors in line with the context in which extant CEM literature lies (see chapter 2). The 10 organizations are: (1) LUX, a global luxury fashion retailer, (2) BANK, a business-to-business bank, (3) PARK, a world-class community leisure and recreation trust that manages a number of diverse park venues, (4) COFF, a chain of coffee shops, (5) FASH, a fashion own-brand and multi-brand retailer, (6) GROG, a high-end grocery retailer, (7) TELE, a telecommunications provider, (8) FIN, an insurance and financial services provider, (9) TOUR, a tour

operator and (10) UTIL, a utilities provider. Each is explicitly engaged in managing the customer experience in that they are undergoing a firm-wide transformation of their organization to become CEM focused and has been recognized by its peers for its endeavours to do so (see Table 3-1 for further details about this sample).

In three cases (one from each sector-type: BANK, PARK and GROC), our research engagement occurred over several months, following the journeys of the key participants of CEM in each of those organizations over time. In other cases, we conducted multiple interviews with relevant managers and at least spent two to three hours on-site conducting ethnographic observation. In all cases, we gathered data from multiple organizational sources and spoke to various members of the organization that are directly participating in CEM, including leaders, managers and as well as those who are directly customer-facing and those that are not (see Table 3-2 for details of data gathered and Table 3-3 for a list of study informants).

Collectively, our case studies represent a broader spectrum of organizations than is found in most prior work on CEM. Additionally, in identifying “practices” (Schatzki, 1996; Nicolini, 2012) and the underpinning beliefs that explain and justify them, we move the unit of analysis away from the individual director, manager or member of the organization to the practices common across individuals and organizations.

Table 3-2 details the nature of research engagement with each organization. Data was collected using multiple methods for each case studied (Benbasat et al. 1987) over a period of 18 months. Through the use of in-depth interviews (we conducted 74 interviews *in situ* across the ten organizations with 56 leaders, managers and other members of the organization), extensive ethnographic observation and the analysis of corporate documents and artefacts, we uncover the insider’s perspective of reality in each organization (Cha and Edmondson, 2006). Interviews were conducted in two forms (Eisenhardt, 1989).

In one form, we applied the Interview to the Double (ITTD) technique (Nicolini, 2012; Gherardi, 1995; Nicolini, 2009a). This technique is underpinned by practice theory and is used for eliciting know-how by requiring the interviewee to imagine he/she will be replaced at their job by the interviewer. The interviewee is then asked to give the interviewer the necessary instructions (Nicolini, 2009a) to carry out their job. The ITTD uncovers the normative dimension of practice from the point of view of proficient members (Nicolini, 2009, p. 209).

As such, after asking a series of general questions about the respondent's job role, we began the ITTD with the following prompt:

"I would like to understand your role even better. I want to imagine what it would be like to do it myself. Imagine I am your double, completely the same as you, and tomorrow I must take your place at work without anyone discovering the switch. What should I do? How should I behave?" (after Gherardi, 1995)

In this way, the ITTD is an "implicit invitation to focus upon the minutiae of everyday life, upon relationships and feelings, rather than upon technical aspects of the job" (Gherardi, 1995, p. 14). Like other types of ethnographic interviews (Spradley, 1979), the interviewer only interjects to ask essential questions of clarification aimed at eliciting further description. These include, "*how would you do it?*", "*what do you mean?*", "*when?*", "*in which case?*" and never "*why?*" or "*how come?*" (Nicolini, 2009a). In this way, the ITTD produces an individual account of the participants role in the day-to-day management of the customer experience within their firm, in the form of "a moral and legitimizing story" (Nicolini, 2009a, p. 204).

The ITTD is used both as a data collection technique and as a way of re-presenting that data. Practices uncovered in the ITTD are thus re-presented as a series of instructions to a double (see Appendix in 3.9.1 for an example). This set of instructions is developed after coding the transcripts of all of the ITTDs conducted in a case study organization for dimensions of practice (i.e. for practices and legitimizing CEM beliefs—the normative dimension that explains or justifies the CEM practice) (see Table 3-4). These practices and norms are then reassembled into an ideal set of "instructions to the double", combining

material from several interviews but retaining as much of the original quotes from the ITTD transcripts as possible (Nicolini, 2009a; Gherardi, 1995). In representing practice in this form, the original language of the ITTD respondents is preserved.

According to Nicolini (2009a), while this technique is a way of verbally eliciting and articulating practice without direct observation and/or ethnography, it should be conducted in combination with other forms of observational and emic approaches in order to offer insight into how members of the organization judge the appropriateness of a given action. As such, we also conducted direct ethnographic observation on-site of each case studied. This involved the observation of staff meetings, employee training sessions and workshops, call centre activity including sitting in on customer calls, and the workplace more generally. Observation was captured using a structured protocol for observational data collection (Creswell, 1994). The protocol organized field notes into two columns, one that captured specifics about the setting, context, actions, passages of verbatim conversations, and exchanges and the other column the researcher's thoughts, questions and reflections about the field environment. When permitted, events were recorded on an electronic device and transcribed and photos of the field environment taken to supplement the field notes. Also, organizational artefacts were gathered, including such documentation as organizational charts, managerial objectives, vision, mission, strategy and values and physical artefacts such as employee engagement tools (Benbasat et al. 1987). See Table 3-2 for details on the data collected for each case.

Additionally, in conducting the ITTD, we discovered a limitation. While participants indulged our request to imagine we were their double, it was clear by their haste to complete the task that they were uncomfortable with the exercise. As such, participants often skimmed over many of the important details that the ITTD technique promises to deliver. For this reason, after applying the ITTD technique in two cases (LUX and BANK), we amended the technique to be more project specific, rather than role specific so that the

interview asked about their day-to-day activities on a specific project rather than their job role in general. Respondents were more receptive to this type of interview.

This second form of interview was an ethnographic interview using a semi-structured interview guide (Spradely, 1979; Leech 2002). The interview began by asking respondents the “grand tour question” (Spradely, 1979), or “verbal tour of something they know well” (Leech, 2002, p. 667) of, “*Can you tell me about the last major customer-experience-related project you were involved in?*” As is typical in ethnographic interviews, minimal prompting was used (Spradely, 1979) and respondents were left to explain the project they were asked about. However, we used an interview protocol to ask follow up questions about the project. These were loosely based on codes developed during the analysis of the ITTD interviews and included questions about the objective of the project, the business rational / problem at hand, teams / people involved, implementation challenges / obstacles, outcomes so far and next steps / future plans (see Appendix in 3.9.2). They were only asked if the respondent hadn’t already talked about them in their initial answer to the grand tour question. The protocol also included general questions about company itself. These questions were developed based loosely on existing, albeit scarce, literature, to ensure all known sub-topics of interest were covered (Leech, 2002). They included questions about the company’s mission, organizational structure and behaviours, hiring selection criteria and metrics used (see Appendix in 3.9.2).

To the extent that grand tour questions are a type of ethnographic question (Spradely, 1979), we found similarities in the responses given with those to the ITTD. Specifically, respondents were giving “a moral and legitimizing story” (Nicolini, 2009a, p. 204) about the project in terms of, the problem at hand, the ensuing project objective, the solution, challenges along the way, and the outcome. As such, we were able to analyse these interviews by starting with the codes developed during the analysis of the ITTD.

Qualitative analysis of data was conducted manually on Microsoft Word processor. We also used QSR International’s NVivo software, but only as a

database for all transcriptions. It was useful in allowing searches to be done across all transcriptions. Because the CEM literature is nascent and thus, underdeveloped (Lemon and Verhoef, 2016), sticking to *a priori* codes from the literature would be restricting in terms of analysis and subsequent interpretation. Therefore the data was approached from a grounded perspective (Glaser and Strauss, 1967).

Interview data was coded for CEM practices and the beliefs that explain or justify them. In line with the definition of a practice (see Table 3-4), coding for CEM practices involved identifying actions or activities (i.e. what are the respondents saying they are doing with regards to CEM? What are the activities they mention?). Coding for CEM beliefs involved interrogating the data with the following questions: What matters to organizational members with regards to CEM?; What do they care about?; What is their main practical concern when they go to work?; What do they worry about in practice?; What do they see as their main object or activity?; Where do they direct their efforts? (Nicolini, 2012). Answers to such questions are typically expressed through a vocabulary of motives, goals, accounts, explanations, justifications, and prescriptions (Nicolini, 2012).

Within- and cross-case coding and analysis was carried out simultaneously through an iterative process whereby codes were created by analysing the cases sequentially, going back and forth between the cases to find evidence for a new code (Braun and Clarke, 2006). Additionally, the first author tacked backward and forward between case study data and the existing literature (dialectical tacking) to enrich emergent theory (Strauss and Corbin 1998; Beverland et al. 2008). Throughout the process, in order to enhance the truth-value of the study (i.e. “the match between the informants’ constituted “realities” in their particular context and those represented by the researcher” (Da Mota Pedrosa et al. 2012, p. 278)), the lead author revisited the recordings and transcriptions of interviews conducted and checked back with interview respondents. Five out of 10 of the organizations confirmed all 25 practices identified. We were not able to reach the other five firms at this stage of our

research. Furthermore, the first author conferred with other academics (i.e. the second and third authors). In the case of any confusion or disagreement evident from that discussion, the data analysis was revisited and discussed among the co-authors of this study.

Table 3-1 Case study descriptions

Organization	Number of Employees	Year founded	Market context	Main channel of customer experience	Overall customer experience concern	Summary of case story
1. LUX	11,000	1856	Business-to-Consumer (B2C)	Multichannel (In-store, Online, Telephone, Social media)	Enhancing the customer experience	How does a best-in-class global luxury-fashion retailer manage their customer experience? Despite their success, they are always looking for ways to enhance their customer experience in order to remain relevant.
2. BANK	90	2012	Business-to-Business (B2B)	Website and Telephone	Maintaining a high standard of customer experience as they rapidly grow	With 99% customer satisfaction rates this bank is rapidly expanding, getting as many as 13 new starters a week and doubling in size in less than a year. How can they maintain that same level of customer experience as they go from being a tight-knit family to a larger organization no one knows everyone's name?

Organization	Number of Employees	Year founded	Market context	Main channel of customer experience	Overall customer experience concern	Summary of case story
3. PARK	100	2015	B2C and B2B	Diverse park venues	Transforming the organization to deliver a better customer experience	Going from being an Authority to a Trust and focusing on enhancing the customer experience in order to become commercially viable. Employees have been used to one (non-customer-centric) way of working, how do you re-engage an entire organization to think of the customer first?
4. COFF	30	2012	B2C	Coffee shops	Using Big Data to deliver a personal and dynamic customer experience	A small start-up, being half-owned by large supermarket chain, has the resources to gather customer insight and expand, all the while struggling to maintain their image as a specialty barista
5. FASH	91,000	1864	B2C	In-store and online	Addressing the challenges arising from successful customer-focused online retailing	The culture changes and practical challenges associated with being both a customer-focused and successful online retailer

Organization	Number of Employees	Year founded	Market context	Main channel of customer experience	Overall customer experience concern	Summary of case story
6. GROC	38,100	1904	B2C	Supermarkets	Teaching the front-line to balance excellent customer-service and commercial success	Through various initiatives, they are fostering a culture that equips Partners with the ability to provide excellent customer service while remaining commercially-savvy
7. TELE	N/A	2003	B2C	Network and product usage; in-store, online, telephone	Getting everyone on board to be customer-experience oriented	Winning over the “hearts” of senior management and getting the entire organization to change their way-of-working to switch to the NPS metric (and focus on the customer experience) because winning over minds (showing the hard numbers) is harder to do
8. FIN	6,500	1825	B2C and B2B	Telephone, online	Transforming their way-of-working to deliver a better customer experience	Winning over the “hearts” of senior management get a budget for gathering customer experience insight (and be customer experience oriented) because winning minds (showing the hard numbers) is harder to do

Organization	Number of Employees	Year founded	Market context	Main channel of customer experience	Overall customer experience concern	Summary of case story
9. TOUR	N/A	2013	B2C	On holiday tour, online	Co-creating with all stakeholders to transform the customer experience	They were undifferentiated and struggling for profit. Using innovative empathic insight gathering techniques, they repositioned their brand and transformed their customer experience.
10. UTIL	5,200	1986	B2C	Telephone, online	Differentiating the brand on customer experience in a sector where differentiation is hard but customers expect so much	In a sector where differentiation is hard yet customers compare them to the best experiences out there, the challenge is to deliver a customer experience that matches brand value

Notes:

LUX = global luxury fashion retailer; **BANK** = business-to-business bank; **PARK** = world-class community leisure and recreation trust that manages a number of diverse park venues; **COFF** = chain of coffee shops; **FASH** = a fashion own-brand and multi-brand retailer; **GROC** = high-end grocery retailer; **TELE** = telecommunications provider; **FIN** = insurance and financial services provider; **TOUR** = package tour operator; **UTIL** = utilities provider.

Table 3-2 Data collected by case

Firm description / industry	Number of visits	Overall Period studied	Total number of interviews	Number of interviewees	Events observed	Other observation opportunities	Documents studied
1. LUX	5	8 months	9	6	External company selling customer experience related services;	Head office visit; Flagship Store visit; Intranet	Team Vision, Responsibilities and Strategy 2015; Customer Experience Vision; Team organizational chart
2. BANK	4	5 months	17	7	Brand Induction Workshop; Full Staff Meeting; Staff Survey Workshop	Head office visit; Customer call recordings; CCMF presentation by Head of Customer Experience	Employee objectives; internal branding; Brand induction Presentation; Staff Survey Results and workshop sheets; Brand guide; Organizational Chart

Firm description / industry	Number of visits	Overall Period studied	Total number of interviews	Number of interviewees	Events observed	Other observation opportunities	Documents studied
3. PARK	7	7 months	18	8	Change Workshop; Collective Change follow up workshop	Park visit; Head office visit	Business Strategy Map; Quality of Service Chart; Organizational Chart; Customer Promise; Creating Collective Change Workshop
4. COFF	3	5 months	5	4		Intranet; Coffee shop; Head office visit	UK Customer Experience entry forms
5. FASH	3	10 months	5	5	Delivery Hub tour; Delivery Hub tour	Store visits; London Victoria Head office visit	Driver Customer; Experience Training Material; Delivery Hub Brochure; News Articles

Firm description / industry	Number of visits	Overall Period studied	Total number of interviews	Number of interviewees	Events observed	Other observation opportunities	Documents studied
6. GROC	5	8 months	9	7	Customer call listening; Social media live competition management; UK Customer Experience Awards final round presentation and award acceptance; Winning with CX winner presentation	Flagship store visit; Head Office visit (Customer Service and Café)	Training Programme Material; UK Customer Experience entry form and presentation
7. TELE	2	2 months	3	2	UK Customer Experience Awards final round presentation and award acceptance	Head office visit	UK Customer Experience Awards entry forms; News articles

Firm description / industry	Number of visits	Overall Period studied	Total number of interviews	Number of interviewees	Events observed	Other observation opportunities	Documents studied
8. FIN	3	4 months	8	7	UK Customer Experience Awards final round presentation and award acceptance; Winning with CX Winner Presentation	---	UK Customer Experience Awards entry forms
9. TOUR	2	2 months	3	3	Virtual Reality Sales tool experience; Airline Long Haul Flight First Class Chair experience	CCMF Presentation on Brand Renewal Head office visit; Flagship store visit	Organizational Chart; Company Strategy Update presentation to Board of mother company; Strategy information; CCMF Presentation

Firm description / industry	Number of visits	Overall Period studied	Total number of interviews	Number of interviewees	Events observed	Other observation opportunities	Documents studied
10. UTIL	3	5 months	2	1	---	CCMF Presentation on Brand Renewal; Head Office visit	Organizational Chart; UK Customer Experience Awards entry form; CCMF Presentation

Notes:

LUX = global luxury fashion retailer; **BANK** = business-to-business bank; **PARK** = world-class community leisure and recreation trust that manages a number of diverse park venues; **COFF** = chain of coffee shops; **FASH** = a fashion own-brand and multi-brand retailer; **GROC** = high-end grocery retailer; **TELE** = telecommunications provider; **FIN** = insurance and financial services provider; **TOUR** = package tour operator; **UTIL** = utilities provider.

Table 3-3 Informant descriptions

ID		Interviewee job title	Firm description	B2C / B2B
Chief Officers / Founders				
BANK	1	Chief Customer Officer	Bank	B2B
COFF	2	Founder and CEO	Chain of coffee shops	B2C
TOUR	3	Managing Director	Package tour operator	B2C
Directors / Heads of				
LUX	4	Global Director of Retail Training and Education	Global luxury fashion retailer	B2C
BANK	5	Director of Customer Experience (non-executive)	Bank	B2B
BANK	6	Director of Risk and Compliance	Bank	B2B
PARK	7	Director of Business Support	World class parks and recreation trust	B2C & B2B
COFF	8	Director of Digital Experience	Chain of coffee shops	B2C
BANK	9	Head of Marketing and Customer Experience	Bank	B2B
BANK	10	Head of Credit	Bank	B2B
BANK	11	Head of Financial Planning and Analysis	Bank	B2B
COFF	12	Head of Technology	Chain of coffee shops	B2C
COFF	13	Head of Coffee	Chain of coffee shops	B2C
TELE	14	Head of Customer Strategy – Experience	Telecommunications provider	B2C
FIN	15	Head of Customer Insight	Insurance and financial services provider	B2C & B2B

ID		Interviewee job title	Firm description	B2C / B2B
TOUR	16	Market research partner (external) - CEO and co-founder of innovative customer insight agency	Package tour operator	B2C
TOUR	17	Head of Product and Production	Package tour operator	B2C
UTIL	18	Head of Customer Experience	Utilities provider	B2C
Senior Managers				
LUX	19	Global Service Experience and Standards - Senior Manager	Global luxury fashion retailer	B2C
LUX	20	Global Retail Operations Senior Manager	Global luxury fashion retailer	B2C
LUX	21	Global Retail Services Development - Senior Manager	Global luxury fashion retailer	B2C
LUX	22	Global Product Training and Education - Senior Manager	Global luxury fashion retailer	B2C
BANK	23	Customer Experience Manager	Bank	B2B
BANK	24	Marketing Manager	Bank	B2B
PARK	25	Venues Operations Manager	World class parks and recreation trust	B2C & B2B
PARK	26	Communications Manager	World class parks and recreation trust	B2C & B2B
PARK	27	Performance & Information Manager	World class parks and recreation trust	B2C & B2B
FASH	28	Customer Delivery Proposition Manager	Fashion own- and multi-brand retailer	B2C
GROC	29	Customer Services Department Manager – Training and Development	High-end grocery retailer	B2C

ID		Interviewee job title	Firm description	B2C / B2B
GROC	30	Service Experience Manager	High-end grocery retailer	B2C
TELE	31	Market Research Manager	Telecommunications provider	B2C
FIN	32	Data Insight Manager	Insurance and financial services provider	B2C & B2B
FIN	33	Customer Research Manager	Insurance and financial services provider	B2C & B2B
FIN	34	Customer Experience Manager	Insurance and financial services provider	B2C & B2B
FIN	35	Customer and Predictive Analytics Manager	Insurance and financial services provider	B2C & B2B
FIN	36	CRM Analytics Manager	Insurance and financial services provider	B2C & B2B
FIN	37	CRM consultant (external)	Insurance and financial services provider	B2C & B2B
Managers				
LUX	38	Global Retail Academy Training and Education Manager	Global luxury fashion retailer	B2C
BANK	39	Assistant Manager Customer Services	Bank	B2B
PARK	40	General Manager	World class parks and recreation trust	B2C & B2B
Non-managerial organizational members				
LUX	41	Retail Management Training and Education Senior Developer	Global luxury fashion retailer	B2C
PARK	42	Research Officer	World class parks and recreation trust	B2C & B2B
GROC	43	Customer Services Trainer – Soft Skills	High-end grocery retailer	B2C

ID		Interviewee job title	Firm description	B2C / B2B
GROC	44	Partner Development – Learning Design	High-end grocery retailer	B2C
Front line managers				
PARK	45	Venue a Assistant Manager	World class parks and recreation trust	B2C & B2B
PARK	46	Venue b Assistant Manager	World class parks and recreation trust	B2C & B2B
PARK	47	Venue c Manager	World class parks and recreation trust	B2C & B2B
FASH	48	Delivery Hub Site Supervisor	Fashion own- and multi-brand retailer	B2C
FASH	49	Delivery Hub Training Coordinator	Fashion own- and multi-brand retailer	B2C
FASH	50	Continuous Improvement Manager - Technical Training Centre	Fashion own- and multi-brand retailer	B2C
FASH	51	Forum (democratic) representative – Technical Training Centre	Fashion own- and multi-brand retailer	B2C
GROC	52	Customer Service Operations Manager	High-end grocery retailer	B2C
Front line organizational members				
BANK	53	Customer Services Officer	Bank	B2B
FASH	54	Non-customer tour guide - High tech distribution centre	Fashion own- and multi-brand retailer	B2C
GROC	55	Customer Service Advisor	High-end grocery retailer	B2C
GROC	56	Email / Social Media Advisor	High-end grocery retailer	B2C

Notes:

LUX = global luxury fashion retailer; **BANK** = business-to-business bank; **PARK** = world-class community leisure and recreation trust that manages a number of diverse park venues; **COFF** = chain of coffee shops; **FASH** = a fashion own-brand and multi-brand retailer; **GROC** = high-end grocery retailer; **TELE** = telecommunications provider; **FIN** = insurance and financial services provider; **TOUR** = package tour operator; **UTIL** = utilities provider.

Table 3-4 Data analysis process

<p>The basis: Practice Theory (Schatzki, 2005; Nicolini, 2012; Schau et al. 2009)</p>	<p>Definition of a practice: Recurring patterns of action and flows of material and information that extend in space, occur over time and fulfil ends or purposes insofar as people are committed to them (Schau et al. 2009; Schatzki, 2005)</p> <p>What it means to those involved:</p> <ul style="list-style-type: none"> • A practice is performed through actions that aim to fulfil a perceived end or purpose • Performing a practice is perceived not just in cognitive terms (i.e. what to do) but also in normative terms (i.e. what <i>ought to be done</i>), otherwise called beliefs • Performing a practice is expressed through a vocabulary of motives and goals, or of accounts, explanations, justifications, and prescriptions
<p>Case (Yin, 2003) and informant selection</p>	<p>Exemplary cases (Yin, 2003) of companies that are in the midst of a transformation to become more customer-experience-focused were selected. In this way, the entire organization is striving to manage the customer experience. Because, as the literature indicates, CEM is a cross-organizational phenomenon, interviews were conducted across the organization with those participating in CEM, such as customer experience directors, managers and customer-facing employees,</p>
<p>Unit of analysis (Nicolini, 2012)</p>	<p>CEM Practice: Theories of practice that build in one way or another on the legacy of Heidegger, Wittgenstein, or a combination of the two (including Theodor Schatzki whose perspective on practice theory is taken in this study) take "...practices [to] represent the basic component of social affairs, and as such they constitute the basic epistemic object of social theory" (Nicolini, 2012, p. 162). In line with this theory, practices are taken as the unit of analysis (Nicolini, 2012).</p>

<p>Interview protocol design (Nicolini, 2012; Gherardi, 1995; Nicolini, 2009a; Spradely, 1979; Leech 2002)</p>	<p>Two interview guides were applied:</p> <ul style="list-style-type: none"> • The Interview to the Double (ITTD) technique (Nicolini, 2012; Gherardi, 1995; Nicolini, 2009). This technique is underpinned by practice theory and is used for eliciting know-how by requiring the interviewee to imagine he/she will be replaced at their job by the interviewer. The interviewee is then asked to give the interviewer the necessary instructions (Nicolini, 2009a). • An ethnographic interview using a semi-structured interview guide (Spradely, 1979; Leech 2002). The interview began by asking respondents the “grand tour question” (Spradely, 1979), or “verbal tour of something they know well” (Leech, 2002, p. 667) of, “<i>Can you tell me about the last major customer-experience-related project you were involved in?</i>”
<p>Coding for CEM practices (Nicolini, 2012; Strauss and Corbin, 1998)</p>	<ul style="list-style-type: none"> • Interview data is coded (i.e. grounded-theory coding (Strauss and Corbin, 1998)) for CEM practices and the beliefs that explain or justify them. • Coding for CEM practices involves identifying actions or activities (i.e. what are the respondents saying they are doing with regards to CEM? What are the activities they mention?). • Coding for CEM beliefs is done by interrogating the data with the following questions to identify CEM practice (Nicolini, 2012): <ul style="list-style-type: none"> • What matters to organizational members with regards to CEM? • What do they care about? • What is their main practical concern when they go to work? • What do they worry about in practice? • What do they see as their main object or activity? • Where do they direct their efforts? • Identifying CEM beliefs involved extracting what is typically expressed through a vocabulary of: <ul style="list-style-type: none"> • Motives and goals, or of, • Accounts, explanations, justifications, and prescriptions (Nicolini, 2012)
<p>Synthesizing CEM practices (Strauss and Corbin 1998; Beverland et al. 2008; Spiggle, 1994)</p>	<p>Theoretical categories were elaborated during open and axial coding procedures (Strauss and Corbin, 1998). Throughout, the analyses tacks back and forward between case study data and the literature (dialectical tacking) to enrich emergent theory. This led to developing a number of theoretical categories and sub-categories (Spiggle, 1994).</p>

Re-presenting the findings on CEM practices (Nicolini, 2009)	The CEM practice name encapsulates what we found <i>ought to be done in managing the customer experience</i> (i.e. CEM beliefs) common to all ten organizations studied and supported by evidence from the SLR and thus what governs the identified CEM action within each practice. The CEM actions revealed in the analysis represent what actions have emerged in the studied firms as a result of having each CEM belief. This is in line with our overall research objective of taking the firm’s perspective and a focus on practices.
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3.6 Findings: Customer experience management practices

Our goal in this study is to compile an exhaustive list of CEM practices common to the cases studied. We induced 25 CEM practices, each defined in Table 3-5, across the 10 organizations we studied. The Appendix in 3.9.3 provides illustrative examples for each CEM practice from the cases. Additionally, Table 3-6 lists the cases wherein each identified CEM practice appears. We also wanted to identify the CEM beliefs that underpin CEM practice within an organization. We identify six key CEM beliefs: (1) *Journey motivation*, (2) *brand alignment*, (3) *journey coordination*; (4) *experience empowerment*, (5) *experience mandating* and (6) *continual experience optimization* (defined in Table 3-5). Finally, we wanted to demonstrate how various CEM practices work together in a firm-wide process of managing the customer experience. Doing these things would enable us to place CEM in both new theoretical and managerial lights. Next, we present these findings, discussing the CEM beliefs and associated practices of each in turn.

Table 3-5 CEM practices identified from the case studies

Journey motivation: The extent to which organizational members are primarily motivated to improve the quality of its customer journeys and the touchpoints therein	
1	Experience vision-setting: Developing the guiding firm-wide customer experience mandate
2	Experience listening: Understanding customer perceptions at single and across an entire sequence of touchpoints

3	Journey design: Devising customer perceptions at single and across an entire sequence of touchpoints
4	Front-line-employee involvement: Harnessing front-line employees' first-hand knowledge of touchpoints and journeys
5	Experience training development: Devising the role of front-line employees in the customer experience
6	Journey management: Addressing real-time customer interactions and engagements
Brand alignment: The extent to which organizational members are guided by the brand values that encapsulate the value-in-use their customers seek	
7	Brand education: Introducing and emphasizing brand history, purpose and values to all members of the organization
8	Continuous brand engagement: Ongoing reinforcement of the brand values and behaviours
9	Brand alignment appraisal: Assessing employee performance on the extent to which their behaviour is aligned with the values of the brand
Journey coordination: The extent to which internal coordination is driven by consideration of organizational members' complementary roles in customer journeys	
10	Organizational structure design and governance: Setting up the firm to facilitate the management of and accountability for the customer experience
11	Journey coordinating: Harmoniously participating in an ongoing organizational process that results in a coherent and seamless customer journey
12	Inter-firm collaborating: Working together with other firms and institutions, including governments, to understand and address the customer experience
13	Journey rallying: Calling organizational members to come together to harmoniously support a coherent and seamless customer journey
Experience empowerment: The extent to which organizational members feel empowered to act as they see fit to safeguard the customer experience	
14	Experience empowering: Giving organizational members permission to do whatever it takes to safeguard the customer experience
15	Experience story-sharing: Sharing individual accounts of effective customer experience endeavours to inspire ongoing customer experience excellence
16	Experience commemorating: Recognizing and celebrating exceptional customer experience endeavours by organizational members

Experience mandating: The extent to which organizational members mandate investments in customer experience even when the outcomes are difficult to measure	
17	Experience insight and opportunity linking: Identifying and prioritizing opportunities to prototype customer experience improvements
18	Experience goal definition: Defining customer experience goals, standards, guiding principles and appropriate measures
19	Experience sponsorship: Leadership championing and facilitating customer experience improvements
20	Experience sponsorship recovery: Persuading leadership to continue prototyping customer experience improvements when measurement is difficult
21	Experience safeguarding: Protecting the customer experience raison d'être and combatting complacency
Continual experience optimization: The extent to which organizational members focus innovation efforts on improving the customer experience	
22	Experience test and learn: Prototyping improvements on and new customer experiences to test on actual customers in typical environments
23	Continuous experience process improvement: Continuously enhancing the internal processes that directly impact the customer experience
24	Experience monitoring and recovery: Reactively addressing customer experience issues and complaints
25	Experience re-challenging: Regularly reviewing existing customer experiences and re-challenging the assumptions that underpin them

Table 3-6 Customer experience management (CEM) beliefs and practices identified from case studies

CEM beliefs	CEM Practices	Case studies*									
		LUX	BANK	PARK	COFF	FASH	GROC	TELE	FIN	TOUR	UTIL
1. Journey motivation	1. Experience vision-setting	x	x	x		x	x		x	x	x
	2. Experience listening:			x				x	x	x	x
	3. Journey design				x				x	x	
	4. Front-line-employee involvement	x	x			x	x				
	5. Experience training and development	x		x		x	x				
	6 Journey management	x	x		x	x	x		x	x	
2. Brand alignment	7. Brand education	x	x	x			x				
	8. Continuous brand engagement		x		x	x		x			
	9. Brand engagement appraisal		x	x			x	x	x		

CEM beliefs	CEM Practices	Case studies*									
		LUX	BANK	PARK	COFF	FASH	GROC	TELE	FIN	TOUR	UTIL
2. Journey coordination	10. Organizational structure design and governance	x				x		x	x		
	11. Journey coordinating	x			x			x	x		
	12. Inter-firm collaborating:			x					x	x	
	13. Journey rallying	x				x		x	x		
4. Experience empowerment	14. Experience empowering	x				x	x		x		
	15. Experience story-sharing		x				x	x			x
	16. Experience commemorating	x		x				x			
5. Experience mandating	17. Experience insight and opportunity linking					x			x	x	
	18. Experience goal definition		x		x			x			
	19. Experience sponsorship		x		x		x	x	x	x	x
	20. Experience sponsorship recovery		x					x	x		x

CEM beliefs	CEM Practices	Case studies*										
		LUX	BANK	PARK	COFF	FASH	GROC	TELE	FIN	TOUR	UTIL	
	21. Experience safeguarding		x					x	x			
6. Continual experience optimization	22. Experience test and learn									x	x	x
	23. Continuous experience process improvement	x	x	x		x	x		x			
	24. Experience monitoring and recovery		x	x	x	x	x		x			
	25. Experience re-challenging									x	x	x

Notes:

*This table indicates the case studies wherein we found evidence in the data collected of each CEM practice. However, as stated in our method, to enhance the truth-value of our findings, we shared our findings with interview respondents of five out of 10 of the organizations (those we could reach at this stage of the research). Each confirmed all 25 CEM practices appeared in their organizations.

LUX = global luxury fashion retailer; **BANK** = business-to-business bank; **PARK** = world-class community leisure and recreation trust that manages a number of diverse park venues; **COFF** = chain of coffee shops; **FASH** = a fashion own-brand and multi-brand retailer; **GROC** = high-end grocery retailer; **TELE** = telecommunications provider; **FIN** = insurance and financial services provider; **TOUR** = package tour operator; **UTIL** = utilities provider.

3.6.1 Journey motivation practices

Extant CEM literature highlights the importance of customer journey management, designing customer journeys and touchpoints (e.g. Zomerdijk and Voss, 2010; Homburg et al. 2017) and gathering empathic customer experience insight to do so (e.g. Zomerdijk and Voss, 2011). Likewise, managerial-oriented literature emphasizes the management of customer journeys to enhance firm performance (e.g. Rawson et al. 2013). A customer journey is a sequence of touchpoints at which there is a customer-firm interaction, customarily expressed from the customer's point of view. The notion of the customer journey is used by the firm as a basis for exploring and improving the customer's experience both at various individual interactions and as a whole by examining the journey in its entirety (Payne et al. 2009; Zomerdijk and Voss, 2010; Homburg et al. 2017). Analysis of our case studies identified six CEM practices that reveal an emphasis on *journey motivation*, the extent to which organizational members are primarily motivated to improve the quality of the organization's customer journeys and the touchpoints therein. These practices are (1) *experience vision-setting*, (2) *experience listening*, (3) *journey design*, (4) *front-line employee involvement*, (5) *experience training development* and (6) *journey management*.

Developing a guiding firm-wide customer experience vision that is “100% bedded in the vision for the business,” (i.e. *experience vision-setting*), allows a firm to ensure that CEM is “fully linked in and feeding the strategy of the business” from the top-down, as the Head of Customer Experience at a utilities provider explains in the following quote:

“ [W]e've been creating what we call the Customer Experience Vision. So, [defining,] in 2020, what's it going to be like to be a customer of [our brand]? What's been really good is [...] the customer experience stuff is 100% bedded in the vision for the business, [...] fully linked in and feeding the strategy of the business” (UTIL18).

Likewise, in the following, the Service Experience and Standards Global Senior Manager at the global luxury fashion retailer explains, “...we've been having lots of conversations about what we want the customer experience to be here in this

company. What do we want that to look like? But getting ratification from the senior management team...

“In the last six months we've been having lots of conversations about what we want the customer experience to be here in this company. What do we want that to look like? But getting ratification from the senior management team as to, do they believe that's the same thing. And making sure other teams within the business are also looking at the experience in that to ensure that everyone is trying to deliver the same goal. Because without that I think it's very difficult to deliver a consistent customer experience. [...] without having everyone going after the same thing and having a clear vision and a clear strategy of what we want that experience to be, it's very difficult to achieve” (LUX19)

We also observed the CEM practice of *experience listening* in our analysis, which involves understanding customer perceptions at single and across an entire sequence of touchpoints, “*really uncovering what customers want to know*”, as the Customer Experience Manager at the insurance and financial services provider explains, customer insight is used as the basis for mapping the customer journey.

“So some of the things with our customer journey mapping ...it's really uncovering what customers want to know, what they want us to know. So we don't just ask them, 'what can we improve on?' but 'what do you need from us?' And these things keep coming up time and time again, so: 'no jargon please', 'make it easy', 'understand that for me retirement doesn't mean the end, it's the beginning of my life' (something that maybe we've not done well before), 'give me options based on my needs and not my limitations', 'listen to me', 'follow up and check everything's OK', and 'talk to me, I actually want to hear from you'. So when I'm mapping out my journey, these are like my journey guidelines, [...]" (FIN34).

In terms of *journey design*—devising customer perceptions at single touchpoints and across an entire sequence of touchpoints—our analysis suggests this entails adhering to customer-led principles in “*everything we do*”. The Head of Customer Insight at the same company explains,

“So the principles [we want our customers to associate with their experience with us] are Simple, Helpful, Engaging...and everything we do [...] should link in

to those. If you're not making it more simple, more helpful, more engaging [for the customer], then why are you doing it?" (FIN15)

Addressing real-time customer interactions and engagements (i.e. *journey management*) is another CEM practice we observed in our analysis. As the Global Retail Academy Training and Education Manager at the global luxury fashion retailer explains in the following, "*there are all sorts of ways to experience [our brand...] all of those things we do take into consideration in terms of what the expectation is when someone comes in [to our stores]*".

"So we know that [before they come into one of our stores] the customer has experienced marketing, they might have had emails, they might have gone online. You know, there are all sorts of ways to experience [our brand, including] digital ways to experience [us]. Whether it's recommendations from friends, whether it's personal experiences that they've had in—maybe it's not a stand-alone store, it might be a concession—so all of those things we do take into consideration in terms of what the expectation is when someone comes in. And then after they've had those interactions, if they've purchased, it's sort of the after-sales [service] piece and keeping in touch with them." (LUX38)

Because front line-employees interact directly with the customer, we found evidence of *front-line employee involvement*—harnessing front-line employees' first-hand knowledge of touchpoints and journeys—in making key customer experience decisions. The Customer Delivery Proposition Manager at the fashion multi-brand retailer explains how they engaged their customer delivery drivers in working out how to address increasingly demanding customer expectations of shopping and delivery times:

Customers increasingly want flexible shopping and delivery times. As a result, we are talking to our driver [employees] about changing their working patterns to work fewer days in a week but more hours in a day. We believe the changes will meet the needs of our customers better. We do not take any decision to change our [employees] working practices lightly. We have engaged our [employees] through the [business'] democratic channels [...] and said, 'this is what we're looking for, this is why we're doing it'. And they helped choose the Rota patterns as well, obviously within some business parameters, because it's

got to work for the business also. But because they were involved and engaged at that point, it's gone down relatively well." (FASH28)

We also observed *experience training development*, a CEM practice that involves devising the role of front-line employees in the customer experience. Retail Management Training and Education Senior Developer at the global luxury fashion retailer explains training development for customer-facing teams involves, "*taking that [brand] message and then almost kind of putting it through a blender and then coming out with something that's actually going to be appropriate for someone who can translate it into an action [...] that actually delivers a [customer] expectation.*" The training developer explains,

"...so depending on what the business wants to launch, our job is taking that [brand] message and then almost kind of putting it through a blender and then coming out with something that's actually going to be appropriate for someone who can translate it into an action. [Because the] corporate message [as it is] makes no sense to an individual who has to carry out what we need them to do [with the customer. Rather, we need to] translate that into an action that actually delivers a [customer] expectation. So really, lets make this meaningful and lets deliver it a way that the customer is actually going to get something back from it" (LUX41).

As such, from our findings we delineate a set of practices that explain the central role the customer journey has within customer experience and CEM literature. By embedding the customer's point of view across the firm, CEM practice is primarily driven by improving the quality of customer journeys and touchpoints. Next, we introduce and discuss the CEM practices associated with the CEM belief of *brand alignment*.

3.6.2 Brand alignment practices

Extant CEM literature emphasizes the acknowledgement of various customer-firm interactions, or touchpoints (Payne et al. 2009; Zomerdijk and Voss, 2010; Homburg et al. 2017). In our analysis, we observed an emphasis on aligning the firm-side activities of such interactions with the brand's values—the guiding brand principles for the long-term co-creation of customer value and meaning

(Urde, 2003)—suggesting how the firm-side is addressed in practice. Specifically, we identified three CEM practices that suggest an emphasis on *brand alignment*, the extent to which organizational members are guided by the brand values that encapsulate the value-in-use their customers seek. These practices are: (1) *brand education*, (2) *continuous brand engagement* and (3) *brand engagement appraisal*.

The *brand education* CEM practice involves introducing and emphasizing brand history, purpose and values to all members of the organization. The Head of Marketing and Customer Experience at the bank explains how brand education is done with new employees:

“What I do, [...] is talk them through the background of the bank, where we’ve come from, how it’s happened, all of that kind of stuff. I suppose it’s a bit more personal. A big corporation brand induction, or any induction, is probably quite formal and quite structured. I did it more of a friendly chat even though there were actually eight of us in the room on that occasion” (BANK9).

For existing employees, we observed the CEM practice of *ongoing brand engagement*. At the bank, this involves doing a “brand refresh workshop” to reinforce its brand values, “*making sure that we’re delivering them*” and “*trying to keep it alive*”. The informant explains how they do so:

“[O]kay, if those are our brand values, are we making sure that we’re delivering them? It’s not a case of, we did the [brand values] workshop three months ago and it was great and forgotten about it—we’re trying to keep it alive. So [employees] get a single sheet that’s got the four core values and three behaviours [of our bank], with ‘stop’, ‘start’ and ‘continue’. What we want them to do is they fill it in [...]” (BANK9).

In addition conducting brand refresh workshops, the practice of ongoing brand engagement in order to “keep it fresh and keep it alive” and “keep the conversation going” at the bank involved having “mouse mats made with that brand model on, so that’s on all of their desks” and “wall decals, stickers, with the four values on, just in different colours, just to stick around the walls”. The Head of Marketing and Customer Experience at the bank explains,

“The challenge for me now is thinking about other things I can do to keep it fresh and keep it alive. So we’ve had mouse mats made with that brand model on, so that’s on all of their desks...they’ve got mouse mats with that on which are on their desks. The next thing I’m trying to get done is wall decals, stickers, with the four values on, just in different colors, just to stick around the walls. But I need to keep it fresh with other things. How do I keep the conversation going? So I’ve got to think about some of that in terms of doing some small working groups. Because what I could do now is take cross party working groups. So whereas we did the sessions within their own function, get a cross party function to own each of these [brand] values and get them to champion that value and talk about where can we do it better, what are you doing on that one? What could we do? That kind of thing” (BANK9).

In terms of the CEM practice of *brand alignment appraisal*—the assessment of employee performance on the extent to which their behaviour is aligned with the values of the brand—the same Head of Marketing and Customer Experience goes on to explain that everybody, even herself and the CEO of the bank, “*has had an objective added that demonstrates delivery of the brand values*”:

“Then equally, everybody, in their objectives, has had an objective added that demonstrates delivery of the brand values [(‘consistently demonstrating and evidencing delivery of the Bank brand values and supporting behaviours’)]. So that that’s a conversation at their appraisal, did they do that? (BANK9).

Likewise, the Head of Customer Strategy-Service Experience at the telecommunications provider explains how all members of the organization, “*from CEO all the way down to store adviser*”, are evaluated on their ability to demonstrate expected brand behaviours. The informant explains, “*you’re able to just do a questionnaire where you get marked and we can use those in our quarterly appraisals...*”

“[O]ne thing we’ve done that’s quite good this year for our people [...] is what we call ‘Be [our brand] skills’. [...] we looked at what makes a customer-centric person [...] there’s six elements of them that basically are all the attributes of how you would deliver experience, and then within each level, from CEO all the way down to store adviser, what is it you’re expecting of the behaviors in each of those areas? [...] and that’s used in our appraisals and it’s used in our

recruitment. And then you're able to just do a questionnaire where you get marked and we can use those in our quarterly appraisals and say, you're not very good on [this behavior], you need to [do that] more. [...] Because that's how we become really customer-centric?" (TELE14)

As such, our findings demonstrate that an internal emphasis on the brand is an important part of managing the customer experience. Next, we introduce and discuss the CEM practices associated with of *journey coordination*.

3.6.3 Journey coordination practices

Extant CEM literature highlights an internal cross-disciplinary focus wherein the involvement of many people across a firm is key in managing customer experiences (Zomerdijk and Voss, 2011; Homburg et al. 2017). Because a complete customer's journey in relation to the organization encompasses interactions for which a number of customer-facing functions might have accountability, from marketing, communications and PR to operations and service delivery (Macdonald, et al. 2012), extant literature on CEM (see chapter 2) discusses implications for the organization in terms of the need for cross-functional collaboration to effectively address the customer experience (Meyer and Schwager, 2007; Payne et al. 2008; Zomerdijk and Voss, 2011; Lemon and Verhoef, 2016; Homburg et al. 2015; Rawson et al. 2013; Vredenburg, 2003; Brynjolfsson et al. 2013; Berry et al. 2003; De Swaan Arons et al. 2014). We identified four CEM practices that reveal an emphasis on *journey coordination*, the extent to which internal coordination is driven by consideration of organizational members' complementary roles in customer journeys. These practices are: (1) *organizational structure design and governance*, (2) *journey coordinating*, (3) *inter-firm collaborating* and (4) *journey rallying*.

The CEM practice of *organizational structure design and governance* involves setting up the firm to facilitate the management of and accountability for the customer experience. In the following, Head of Customer Strategy - Experience at the telecommunications provider explains how "...the sales and service functions were merged together and everyone had to reapply for their jobs [...]

because it was [about getting] the skills around setting the business up the right way.”

“[T]he sales and service functions were merged together and everyone had to reapply for their jobs, and interestingly those jobs weren’t recruited on, ‘I know you so let’s just have a chat’, they were really structured on, ‘tell me an example where you’d use this skill to do this, this and this’, and they were really behavioral-led, and then you were scored, and then those people were then offered the right roles. So quite a detached [approach]... Because like, let’s just chat, because you know me. No. Answer this question and demonstrate it, because it was the skills around setting the business up the right way.”

(TELE14)

The *journey coordinating* CEM practice involves harmoniously participating in an ongoing organizational process that results in a coherent and seamless customer journey. About “*collaboration working*”, Customer Experience Manager at the insurance and financial services provider says, “*It’s really important and it’s really been a kind of light bulb moment for us...*” She explains that in the past at their firm, “*it’s really been a lot of silo working, where people are more focused on their area, getting it right, improving that, but not understanding what happens before that or at the end...*” In the following, the manager explains, that currently, collaborating involves, “*getting everyone in the room and walking through that journey it really is important that they are there.*”

“It’s really important and it’s really been a kind of light bulb moment for us, this collaboration working. So for instance we’ve done maybe a journey before and everyone’s not been in the room, fully understanding the end to end. So it’s really been a lot of silo working, where people are more focused on their area, getting it right, improving that, but not understanding what happens before that or at the end, so really getting everyone in the room and walking through that journey it really is important that they are there. And to bulletproof it as well, so an example was when, well, I’d validated it and then we got back in the room, and people were like, “Oh, that’s not right”, so it’s really important that you do bulletproof it and it’s validated by the right people in the right room.” (FIN34)

We observed *inter-firm collaborating* in our analysis. This involves working together with other firms and institutions to understand and address the customer

experience. In the following, the Market Research Partner at the package tour operator explains that “*having a real cooperation*” with their hotel partners around the world is “*especially important*” and “*that’s the way to get the whole consumer experience at the level we want to have it.*”

“Cooperation with our [destination] partners is especially important since [the brand] doesn’t have its own hotels, [rather] they have the people in the destinations, the hotel owners. [It’s therefore very important for us] to have a real cooperation and that’s the way to get the whole consumer experience at the level we want to have it” (TOUR16).

Concordantly and referring to the same example, the Managing Director at the same firm describes the importance of *inter-firm collaborating*, explaining, “*the quicker you get your stockowners and all stakeholders involved, the quicker you make the change. There’s no doubt about that*” (TOUR3).

We also observed *journey rallying*, the CEM practice that involves calling organizational members to come together to harmoniously support a coherent and seamless customer journey. Retail Academy Training and Education Senior Developer at the global luxury fashion retailer explains the importance of this practice in CEM:

“Collaboration has different views - often people are working with different pieces of that process as well. So it’s all, it’s that challenge in making sure people understand how their worlds link. Because at the end of the day [...] we take that end process and we take all those different collaborations and we look at whether it works and whether we can actually translate into something [that makes sense for the customer]” (LUX41).

Our findings demonstrate that key to CEM practice is the embedding of an overall sense of collective responsibility. Key themes we observed include organizational members thinking more broadly about their role in the customer experience to understand everyone’s complementary role in the customer journey and not allowing barriers between departments to get in the way of the customer’s perception of a great customer journey. Next, we introduce and discuss the CEM practices associated with *experience empowerment*.

3.6.4 Experience empowerment practices

Extant literature on CEM suggests the importance of firm-wide participation in managing customer experiences (Zomerdijk and Voss, 2011; Homburg et al. 2017). In our analysis, we observed the practices that drive such participation. We identified three CEM practices that suggest an emphasis on *experience empowerment*, the extent to which organizational members feel empowered to act as they see fit to safeguard the customer experience. These practices are: (1) *experience empowering*, (2) *experience story-sharing* and (3) *experience commemorating*.

The CEM practice of *experience empowering* involves giving organizational members permission to do whatever it takes to address and safeguard the customer experience. One example of this was observed at the financial services and insurance provider, wherein, as the CRM Analytics Manager explains, “*you do get the opportunity to try [things out] even if it doesn’t work*”. The manager explains,

“...[A]s a company, regardless of department, there’s a much stronger push for agile methodologies, wherein you do get the opportunity to try [things out] even if it doesn’t work. Whereas before there might have been, you know, [you had to] make sure everyone’s signed everything off and, ‘Can we get all this stuff documented and it’s in the business plan and the business plan’s going up to the Executive?’ and then you can do it. Now it’s like, ‘I’ve got an idea, I’ve got the data, let’s try it’, and that’s a big mindset change as well” (FIN36).

To inspire ongoing CEM by everyone in the firm, we observed the CEM practice of *experience story-sharing*, whereby individual accounts of effective customer experience endeavours are shared. In the following, the Customer Service Operations Manager at the high-end grocer explains, “*we wanted to promote [capturing and sharing] these creative solutions to get people to realize you don’t just keep following a process and doing what you always do*”, illustrating the importance of “*pushing those stories to go, ‘just how creative you can be?’*” in solving customer problems, “*because for a lot of people that was quite a stretch*”:

“...And this other customer, we could have ruined their entire day because maybe they weren’t able to go to their children’s play at school because they had to wait in for this delivery that was late and it’s really annoying and upsetting, and the kid’s upset because mummy or daddy isn’t at the play, and you’ve got to do something much more. So we wanted to promote [capturing and sharing] these creative solutions to get people to realize you don’t just keep following a process and doing what you always do. You’ve got to think about, what’s it going to take on this interaction, this phone call, this email, to ensure this customer remains engaged with the brand? And that will be different for every customer. So we were pushing those stories to go, ‘just how creative you can be?’, because for a lot of people that was quite a stretch” (GROC52).

Recognizing and celebrating exceptional customer experience endeavours by organizational members (i.e. *experience commemorating*) was another CEM practice we observed in our analysis. At the telecommunications provider, there was a campaign all around the company café with a picture of the brand mascot wearing glasses with star-shaped frames and text reading, “*He wants to know about unsung superstars you work with who’ve made it right this year*”. The Head of Customer Strategy – Experience explains this is an internal company campaign called “*Make it Right*”, empowering organizational members to “*make it right*” for their customers and calling on them to nominate the “*unsung superstars*” they work with who have done so (TELE14).

As such, our findings demonstrate how organizations invite and motivate organizational members to participate in managing customer experiences. Next, we introduce and discuss the CEM practices associated with *experience mandating*.

3.6.5 Experience mandating practices

Extant CEM literature suggests the importance of embedding CEM into company philosophy and instilling CEM in the mindsets of employees (De Swaan Arons et al. 2011; Merlino and Raman, 2013; Rawson et al. 2013; Meyer and Schwager, 2007; Homburg et al. 2017) by senior management. Practice-oriented articles in particular describe the role of leaders as high-level CEM

champions fostering bottom-up enthusiasm for a customer experience focus and orchestrating relevant resources and capabilities needed to address an entire end-to-end customer journey (see chapter 2 and De Swaan Arons et al. 2011; Merlino and Raman, 2013; Rawson et al. 2013; Meyer and Schwager, 2007). Analysis of our case studies identified five CEM practices that support and extend this prior research, revealing an emphasis on *experience mandating*, the extent to which organizational members mandate investments in customer experience even when the outcomes are difficult to measure. These practices are: (1) *experience insight and opportunity linking*, (2) *experience goal definition*, (3) *experience sponsorship*, (4) *experience sponsorship recovery*, and (5) *experience safeguarding*.

In line with extant research, the CEM practice of *experience sponsorship* describes the championing and facilitating of customer experience improvements by organizational leadership. In the following, CRM analytics manager at the insurance and financial services provider explains how having senior buy-in is “*not just, ‘we’ve signed off on this plan’ and they’ve signed off some money for us to spend, they’re actively there and speaking to us and really engaged.*”

“[Y]ou always see [various members of our senior management team] around and not stuck away in an office, they’re sitting next to us, and when we’re working they come across and ask ‘What are you working on? Anything I can help with?’ And it’s really, really an active show of support from the seniors and senior stakeholders. So when [the Head of Customer Insight] is talking about, ‘we’ve got buy in from them’, it’s not just, ‘we’ve signed off on this plan’ and they’ve signed off some money for us to spend, they’re actively there and speaking to us and really engaged” (FIN36).

The Head of customer insight at the same firm explains, “about a year ago, we probably didn’t have many tangible experiences of the Board being on board, if you like, but actually, we’ve got lots of really good examples...”

“And I think things like, we’ve got this hour with our Executive every month, these things just don’t happen in a business like ours if they don’t genuinely want to see something come out of it. So you know, about a year ago, we

probably didn't have many tangible experiences of the Board being on board, if you like, but actually, we've got lots of really good examples [...] the level of investment that we've had the last year, the resources we've brought in, the new skills, the sessions that we're being asked to run, the scorecards that we're being asked to create that go from Group level down, you know, so we can actually tangibly prove that it's not just lip service, and we probably couldn't have done that 18 months ago, when everybody said 'oh, what a great idea, but are you really in it?' Actually we're seeing that now, which I think is a really good expression of support" (FIN15).

We also observed *experience sponsorship recovery*, a CEM practice that involves regaining experience sponsorship for customer experience improvements when outcome measurement is difficult. Head of Marketing and Customer Experience at the bank explains how in recovering experience sponsorship, the evidence that mattered to senior management is the voice of the customer:

"It wasn't hard to get buy-in because every time there was a challenge on anything, I've just got reams and reams of paper of surveys with customers saying, actually this is what I want and this is what you're good at and that kind of thing" (BANK9).

Identifying and prioritizing opportunities to improve customer experiences (i.e. *experience insight and opportunity linking*) is another CEM practice we observed in our analysis. In the following, Data Insight Manager at the insurance and financial services provider explains, "*the Customer Experience team are actually trying to produce insight and then actually drive forward that change. [...] We're actually spending, I think, serious money on the data, and actually making some really positive changes.*"

"I mean, in the past, we would have produced insight, but now the Customer Experience team are actually trying to produce insight and then actually drive forward that change, [...]. So it's not just insight, it's actually something that's actually done about it now, which is much more than it ever used to be [...] We're actually spending, I think, serious money on the data, and actually making some really positive changes. We're all of a sudden seeing customer data as a resource that is precious and should be improved as opposed to just

left to... I mean, it was pretty much ignored previously, so that's really changed a lot" (FIN32).

We also observed the CEM practice of *goal definition*—defining customer experience goals, standards, guiding principles and appropriate measures. Director of Digital Experience at the coffee shop chain explains, “...*all of us have challenges to say, what are you doing within your discipline that improves the customer experience? From a people team perspective it's how they train, it's how they hire, it's how we recruit.*”

“So getting into customer experience, all of us have challenges to say, what are you doing within your discipline that improves the customer experience? From a people team perspective it's how they train, it's how they hire, it's how we recruit. We do strengths-based recruitment where people who love engaging with people are the ones that we want to hire. We can teach them how to make coffee, but if you're in a bad mood and you don't have a good attitude, you don't like customer service, then you're not the right fit for [our brand]. So the people team thing is about how do we recruit people, how do we do people development so they enjoy their roles, the teams bond, it's a great feel and vibe in the shop?” (COFF8).

Experience safeguarding—protecting the customer experience *raison d'être* and combatting complacency—is another CEM practice we observed in our study. Non-executive Director of Customer Experience the bank explains, “*Until we did [brand refresh workshops] there was a little bit of complacency. There was a little bit of, 'Bloody customers. The phone keeps ringing. I've got all this paperwork to deal with.' And what that did was just refocus us back...*”

“Until we did [brand refresh workshops] there was a little bit of complacency. There was a little bit of, 'Bloody customers. The phone keeps ringing. I've got all this paperwork to deal with.' And what that did was just refocus us back on the, 'Do you know what? These people are really important. I should be grateful of that pile of paperwork because it means I've got a job,' and that kind of thing. So just switching that mentality round and just a bit of a sense check. Two and a half years on [since we first began] we were getting a bit sort of, 'Yeah we're great,' a bit big-headed almost and actually [after doing the brand

refresh workshops] it did just snap us back to, “Yeah, we’re doing really well. Let’s keep doing really well,” and just refocus...” (BANK5).

In sum, our findings demonstrate the importance of experience mandating in managing the customer experience, emphasizing the role of senior management in sponsoring customer experience improvements, linking insight to opportunity, defining goals and standards and combatting complacency in CEM. Importantly, our findings also reveal the important role of organizational members in recovering experience sponsorship when senior management support wanes. Next, we introduce and discuss the CEM practices associated with *continuous experience optimization*.

3.6.6 Continuous experience optimization practices

Finally, extant research on CEM highlights capturing empathic insight about context-specific customer emotions (Zomerdijk and Voss, 2011; Zomerdijk and Voss, 2010) suggesting a basis for new customer experience designs. Our analysis identified four CEM practices that suggest an emphasis on *continual experience optimization*, the extent to which organizational members focus innovation efforts on improving the customer experience. These practices are: (1) *experience test and learn*, (2) *experience monitoring and recovery*, (3) *continuous experience process improvement* and (4) *experience re-challenging*.

The CEM practice of *experience test and learn* involves prototyping improvements on and new customer experiences and testing them on actual customers in typical environments. In one example that we observed, Head of Customer Experience at the utilities provider describes “*trying out different methodologies*” including “*Google Sprints*” whereby, “*the whole idea of a Sprint is you have a business problem and you solve it in five days [...] So we got a lot of [customer] feedback very quickly.*”

“[W]e’re trying out different methodologies and we’re trying out...Have you heard of Google Sprints? [...] the whole idea of a Sprint is you have a business problem and you solve it in five days. You go from business problem to prototype [...] I was a bit of a skeptic but we tried it last week and it is really good [...] There were clearly assumptions we had made that aren’t actually

things that work from a customer view. There were assumptions we made that worked brilliantly from the customers' view...So we got a lot of feedback very quickly. So a lot of the myths we've talked about for a while you can actually dismiss or build on or have confidence they might be the right direction quite quickly." (UTIL18)

Likewise, the Market Research Partner at the package tour operator explains being, "more agile and getting the feedback and responses in smaller bits and finding the right way of doing it [...] and having that kind of consumer dialogue there—I think that is the way of developing a better consumer experience" (TOUR16).

We observed *continuous experience process improvement* in our analysis—continuously enhancing the internal processes that directly impact the customer experience. In the following, Head of Marketing and Customer Experience at the bank explains what she describes as a "*cycle of trying to keep improving things*" whereby customer-facing employees "*just run, scribble it on the flip chart and capture it. [...] Then what the team leaders do is we'll go through that and work out [what we can do]. Some of them are long-term things. Then we start to allocate them as actions as well.*"

"In each department, [we do] continuous improvement and the theory being that [employees] might be on the phone to a customer who might have an issue with something that's not explained very clearly or that they've misunderstood, that we can see that we can make better. What the guys can't do is physically sit there and change the systems there and then. [...] So what we say is, right just run, scribble it on the flip chart and capture it. [...] Then what the team leaders do is we'll go through that and work out [what we can do]. Some of them are long term things. Then we start to allocate them as actions as well. [...] It's that sort of cycle of trying to keep improving things..." (BANK9).

Reactively addressing customer experience issues and complaints (i.e. *experience monitoring and recovery*) is another CEM practice we observed in our analysis. In the following, Venue Assistant Manager at the parks and recreation trust describes how they do experience monitoring and recovery, collating all of the customer comments against the customer journey as it "*gives*

us something that we can actually document against and we can proactively go out and we can get feedback on those areas and we can actually monitor whether or not we are improving the customer journey there, if we are detracting from it, or if we are staying exactly where we are.”

“So we start it by collating all of the customer comments and basically going through that journey, [...] and kind of mapping it by those key milestone areas. [...] That gave us a bit of a benchmark [...] Then also anecdotal stuff, so stuff where we have a gut feeling if you like, or we have had it kind of verbally mentioned to us in the past or something like that, where there are areas to improve on and develop the business, so we add that into it as well. The idea is that the customer comment side of things gives us something that we can actually document against and we can proactively go out and we can get feedback on those areas and we can actually monitor whether or not we are improving the customer journey there, if we are detracting from it, or if we are staying exactly where we are.” (PARK45)

We also observed the CEM practice of *experience re-challenging*—regularly reviewing existing customer experiences and re-challenging the assumptions that underpin them. In the following, Customer Experience Manager at the insurance and financial services provider explains their process of how they approach customer journey mapping, whereby *“the end never really ends [...] it’s constantly reviewing, because customers’ expectations are constantly changing, so we need to make sure that we keep checking in to make sure we’re exceeding them”*

“So we’ve created a fully-governed process now about how we actually approach our customer journey mapping [...] [and] really the end never really ends: So you’d map it out, you’d look at your actions, then you’d customer test it, then it would go live, then you’d re-map it again. So it’s constantly reviewing, because customers’ expectations are constantly changing, so we need to make sure that we keep checking in to make sure we’re exceeding them.” (FIN34)

Our findings demonstrate that innovation efforts that are focused on improving the customer experience are key to CEM practice. A theme we observed was organizational members staying inspired to continually evolve the customer experience by always doing a test and learn to try more things out and

understand what is right for the customer experience. Next, we discuss how CEM practices work together in a firm-wide process of managing the customer experience.

3.6.7 Managing the customer experience in practice

CEM practices work together and drive one another, as Figure 3-2 suggests. Empirically, the 25 CEM practices we revealed work closely together as a process of managing the customer experience in practice, analogous to gears working together. For example, the journey design practice is likely to yield to the journey coordination practice as organizational members coordinate to design the customer journey as planned. Successfully improving a customer experience process may inspire experience story sharing as organizational members aim to pass on best practice and inspire ongoing customer experience excellence. Likewise this may yield to a positive brand engagement appraisal as organizational members demonstrate how their behaviour is aligned with the brand's values.

In the following quote, the Head of Customer Experience at the utilities provider illustrates how journey motivation, brand alignment, journey coordination and experience mandating work together:

“The definition of what customer experience is the starting point I think. And so if you're clear that it takes its lead from brand, that it needs to be really commercially grounded and that it influences every touchpoint we have with the customer, that's where you then start to define what you do in a customer experience role. Because when you're clear on that, you can be clear about what you need to do. So are you looking at a vision and a strategy for what you want your customer experience to be? What is that basis of that vision and strategy? What are your KPIs? What does success look like? It impacts who you then influence across the business. It impacts the approach you take.”
(UTIL18)

Likewise, Director of Digital Experience at the coffee shop chain explains in the following quote how brand alignment provides explicit direction for journey coordination:

“So I think to achieve customer experience management you’ve got to have a very clear brand vision and strategy that’s on point. People need to know or brainstorm what they can do, so the different departments should be thinking about how they can deliver that.” (COFF8)

Global Product Training and Education - Senior Manager at the global luxury fashion retailer explains in the below quote how experience goal definition, part of experience mandating may aid the continuous experience optimization practice:

“...often from a corporate point of view, we’ll put in something that's too complicated or not fully formed and not fully finished and a bit rickety and then we'll just hope that the store muddle on and deal with it. And what that causes then will be a kind of a muddled and rickety customer experience. So I think, you know, increasingly we're trying to set a standard in this building for what goes out to the stores and then hold the stores to that standard” (LUX22).

Market Research Partner at the tour operator describes in the quote below how experience sponsorship, part of the experience mandating practice enabled the journey coordination practice:

“Without top management support, we would not have been able to successfully transform, even with [the help of our insight agency]. For silos to come together, top management is needed to allow and champion this new way of working” (TOUR16).

Next we discuss our findings, presenting theoretical contributions, managerial implications, limitations and future directions for research.

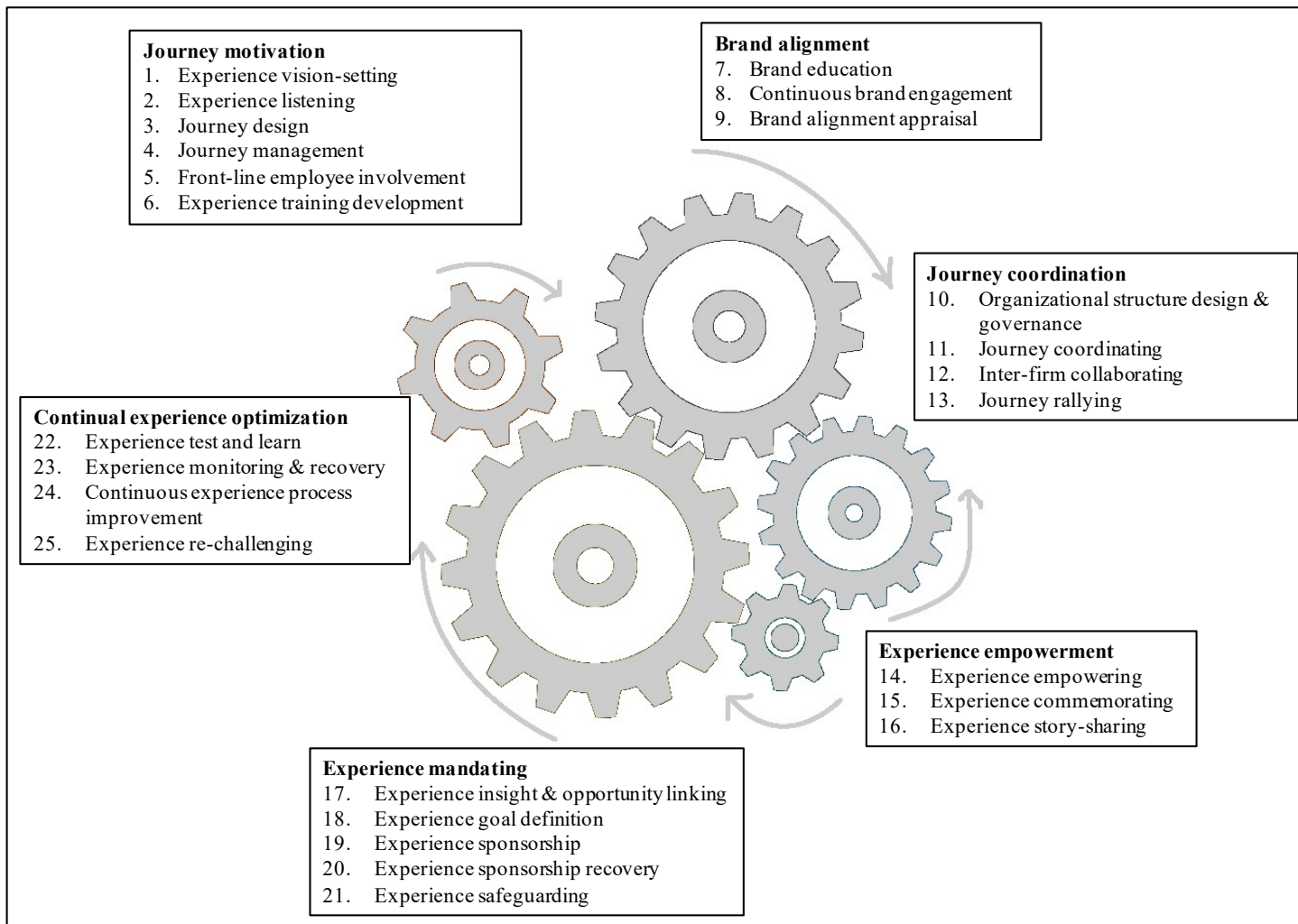


Figure 3-2 Conceptualization of managing the customer experience in practice

3.7 Discussion

The purpose of our research is to develop an empirically grounded firm-centric conceptualization of CEM practice. Our examination of practices of managing the customer experience is distinguished from the current accumulated knowledge of CEM in four important ways: (1) Most prior studies have examined CEM in a single context, typically services; our study in multiple contexts enables cross-case comparison and identification of common themes across a diversity of sectors. This allows us to derive a taxonomy of common CEM practices that are present across multiple sectors focused on a wide range of products and services; (2) Using a combination of practice theory and multiple longitudinal case studies, we delve deep into the context of organizations managing complex, cross-disciplinary processes. Many previous studies of the firm view of CEM rely on a single informant perspective, however we access multiple individual members within each organization and across levels of hierarchy within the organization. These multiple perspectives within a single organization enable us to build a much richer picture of the organization and the shared practices within it. The approach is consistent with conceptualizations of CEM as a firm-wide philosophy requiring the participation of all in the business in order to address various customer-firm touchpoints along a customer journey (Payne et al. 2009; Zomerdijk and Voss 2011; Homburg et al. 2017; Lemon and Verhoef, 2016); (3) Comparing the practices that emerge with a previous systematic review of the literature (chapter 2), we offer a detailed, catalogue of CEM practices that are grounded in both our multiple case study data and prior published studies; and (4) We uncover the beliefs that underpin and drive these CEM practices thus providing insight into the motivations of firms that are focused on CEM and as a result our study goes some way to enhancing the transferability of CEM competencies across organizations and suggest ways that CEM can be fostered and nurtured within organizations. The CEM beliefs identified suggest aspects of CEM practice that prior research has not identified but which it might fruitfully incorporate in the future. In the following, we discuss what our results contribute to theory and practice and present limitations of the study and directions for future research.

3.7.1 Theoretical contributions and managerial implications

Our study resolves some limitations in prior research, namely the lack of firm-side conceptualizations of CEM. We offer a practice-based conceptualization grounded in empirical data from both multiple case study research and building on extant literature. One of the few academic studies on CEM is very recent (Homburg et al. 2017) and in it the authors call for insight into developing and mastering several cultural mindsets, strategic directions and capabilities to manage the customer experience. Our research sheds light on the mechanics of CEM in the making, revealing the operation of CEM in practice as CEM cultural mindsets unfold, strategic directions are executed and capabilities are utilized. In unearthing six CEM beliefs and 25 CEM practices, and furthermore evidencing how they work together, our research provides insight into how firms manage the customer journey and experience.

The typology of CEM practices that we find in our research adds to the customer experience design and management practices that existing CEM conceptualizations describe (e.g. Payne et al. 2009; Zomerdijk and Voss, 2011). For example, we find an emphasis on brand engagement and alignment in CEM practice. While the role of the brand is discussed in customer-centric conceptualizations of the customer experience (e.g. Verhoef et al. 2009; Brakus et al. 2009), it is precluded from extant firm-centric conceptualizations of CEM. Additionally, we find CEM practices that expand on those previously identified in existing literature on firm-wide involvement and collaboration. While existing research discusses the requirement for involvement of many people across a firm to address various customer-firm touchpoints along a customer journey (e.g. Zomerdijk and Voss, 2011; Homburg et al. 2017), many of the practices that emerged in our study demonstrate *how* organizational members, including senior managers and leaders, are encouraged to participate in CEM (i.e. experience sponsorship recovery, experience empowering, experience story-sharing, experience commemorating, and brand alignment appraisal) and collaborate with each other in an effective way (i.e. journey coordinating and journey rallying). Likewise, while innovation is a key and prevalent concept in various existing CEM conceptualizations (e.g. Homburg et al. 2017, Zomerdijk

and Voss, 2011, Payne et al. 2009), our findings demonstrate *how* organizational members innovate when it comes to CEM (i.e. through experience test and learn and experience re-challenging CEM practices). As such, our findings reveal aspects of CEM that prior firm-centric research has not identified.

The CEM beliefs we identify are consistent with but extend Homburg et al.'s (2017) three CEM cultural mindsets of experiential response, touchpoint journey and alliance orientation. Homburg et al.'s cultural mindsets represent the beliefs of senior management based on their mental portrayals of the firm's competitive advantage (Day, 1994). They can influence firm-wide employee behaviour (Homburg et al. 2017) but only if they are adopted by employees (Bourne and Jenkins, 2013). According to practice theory, CEM beliefs represent the conditions for practitioner engagement in CEM practice, since they dictate what is required for the competent and meaningful engagement in the practice by members of the organization (Schatzki, 1996). In this way, when practitioners engage in CEM, they accept and adhere to certain norms of correctness Reckwitz (2002). We observed CEM beliefs shaping the cultural mindsets of senior management (for example, in the case of *experience mandating*). As such, in addition to experiential response, touchpoint journey and alliance orientation (Homburg et al. 2017), our findings reveal potential additional CEM cultural mindsets that relate to *brand alignment*, *experience empowerment* and *experience mandating*.

To managers, our findings suggests the need to understand that the customer experience is co-created through 25 practices that emphasize managing interactions not products, services or channels. In building the culture around the customer, leaders need to foster and instil CEM beliefs across the organization as they drive and underpin CEM practices. Organizational members need to drive CEM from the bottom-up, empowered to prototype new customer experiences to safeguard customer experiences and maintain or regain buy-in from senior leaders to do so in an effective way. In turn, leaders and managers might facilitate CEM from the top-down, safeguard the customer

experience *raison d'être*, ensuring it is imbued with the brand's values, and continually re-challenge assumptions on which experiences operate to remain relevant to customers.

Next, we present implications for management, limitations of the research and future research directions.

3.7.2 Limitations and future research opportunities

Our study suggests a number of fruitful areas for future CEM research. Firstly, within the context of a single firm, there is an opportunity to delve more deeply into each of the CEM practices identified. In addition, little is known about inter-firm collaboration, such as where channel partners are involved in co-creating the customer experience, and what form the 25 practices identified in this study take in an inter-firm context. Future research could examine how customer experiences are managed at touchpoints wherein firms have little or no control. Alternatively, while scholars have suggested CEM is distinct to other marketing management approaches (e.g. Zomerdijk and Voss, 2011; Homburg et al. 2017) further research that compares CEM practices in particular with practices of other marketing management approaches is needed.

Additionally, practice theory views CEM as an organizational accomplishment. First, most of the firms we studied were exploring, or at least contemplating, effective ways of organizing to enhance CEM efforts. In line with previous calls for research (e.g. Verhoef and Lemon, 2016), future research might investigate successful organizational models for managing customer experiences. Second, this view of CEM as an organizational accomplishment highlights the aspirational dimension of CEM practice. As such, there is an opportunity to examine the CEM concept over time. Particularly, how do CEM practices evolve over time as CEM practitioners become adept at accomplishing CEM?

The limitations of our study highlight avenues for future research. First, while our results contribute to the theory of CEM, we cannot assess the generalizability of our contributions without cross-sectional research that

assesses the relationships between the CEM practices we identify and financial, organizational and customer outcomes.

Also, eight out of ten of our case studies are firms based in the United Kingdom (of the remaining two firms, one is a British brand but with a strong global presence and history and the other is a Finnish brand). As such, future research might study CEM practices in alternative or varying geographical contexts.

In addition, our research design and objectives precluded interviewing customers of the organizations we studied. Future research might explore the emic perspective of customers to understand how the CEM practices revealed in our study shape perceived customer value-in-use.

Finally, with regards to the six CEM beliefs we uncovered using practice theory, future research might also explore these beliefs using another unit of analysis such as organizations focused on CEM, and understanding where these CEM beliefs reside in the organization. Quantitative research could also examine differences in CEM beliefs along various organizational dimensions and contingency factors.

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3.9 Appendix

3.9.1 Appendix: ITTD vignette – Global luxury fashion retailer

Developing the vignette (see below, column 1, below) is part of the process of analysing a transcript from an interview using the Interview to the Double (ITTD) approach. The vignette presents CEM practice as a series of instructions to a double. It is developed after coding the transcripts from the ITTD interviews that were conducted with respondents from the global luxury fashion retailer. The coding identifies practices (column 2) and legitimizing CEM beliefs (column 3) (i.e. the normative dimension that explains or justifies the CEM practice, represented by *italicized text*). The data from the interviews is then combined and reassembled into an ideal set of “instructions to the double”. The vignette combines codes and quotes from several interviews in the same company (LUX19, LUX20, LUX21, LUX22, LUX38, LUX41) but retains as much of the original quotes from individual interviewees as possible (Nicolini, 2009a; Gherardi, 1995) in order to stay true to the language of the ITTD respondents (Nicolini, 2009a).

Imagine you had to take the place at work of a member of the customer experience team at a global luxury fashion retailer without anyone discovering the switch. This is what you would have to do:

Vignette including codes and quotes from interviews with six participants from LUX, the global luxury fashion retailer	CEM practice	Legitimizing CEM belief
<p>[1] We've been doing a lot of work recently about what is the [brand] Experience, what is our customer experience. What do we want our stores to look and feel like from an experience and service perspective? And then get ratification from the senior management team. In terms of a guiding principle, it's something [the Chief Creative and Executive Officer] needs to sign off on <i>because as a brand we want to be a certain way and who we want to attract depends on the brand that we tell the world we are. If we're telling the world that we are a certain company, the expectation is that the experience in store will mirror that, and the experience online will mirror that, and the experience you have with Customer Service will mirror that, and the experience you have with [brand] Private Clients will mirror that. We have evolved so quickly and so considerably since we first launched the [brand] Experience that it's time to revisit it. It is something that we need to look at now to ensure that the experience that we're creating in store, one, marries with customer expectations, and two, is in line with what the brand is driving towards in terms of the customer experience that we want to create.</i></p>	<p>Experience vision-setting;</p>	<p><i>Journey motivation</i></p>

Vignette including codes and quotes from interviews with six participants from LUX, the global luxury fashion retailer	CEM practice	<i>Legitimizing CEM belief</i>
<p>[2] So at the moment we're working with User Experience and Marketing on making sure that there's one message about who we are as a brand that then filters through. Every aspect of training, website design, the language that's used on the website, the services we offer, every aspect of the brand. <i>That's a good example of where the customer experience is falling outside of our remit and where we have to collaborate with others. It's part of all of our roles to get together in this office and deliver something that makes sense.</i></p>	Journey coordinating	<i>Journey coordination</i>
<p>[3] We'll then PR that experience throughout the business, making sure other teams within the business are also looking at the experience so to ensure that everyone is trying to deliver the same goal. <i>Without having everyone going after the same thing and having a clear vision and a clear strategy of what we want that experience to be, it's very difficult to deliver a consistent customer experience. It's very difficult to achieve.</i></p>	Journey rallying	<i>Journey coordination</i>

Vignette including codes and quotes from interviews with six participants from LUX, the global luxury fashion retailer	CEM practice	<i>Legitimizing CEM belief</i>
<p>[4] In terms of way-of-working, it's only been collaborative projects, especially in the last year and half. The team provide the business with the retail perspective. Collaboration has different views because often people are working with different pieces of that process. So it's that challenge of making sure people understand how their worlds link – ensuring that different members that are involved in a project can also see the end-to-end piece and understand the knock-on effects of what they're working on. <i>The challenge of launching an initiative is ensuring that it's not only about delivering a process but also taking into consideration the customer experience. So understanding how what everyone does then affects downstream to the end-user (our Sales Associates) and therefore the customer experience at the end of the day.</i></p>	<p>Journey rallying</p>	<p><i>Journey coordination</i></p>

Vignette including codes and quotes from interviews with six participants from LUX, the global luxury fashion retailer	CEM practice	<i>Legitimizing CEM belief</i>
<p>[5] Because the way it works is new initiatives are launched when the [our] team communicates out to our regions who then communicate directly with our Store Managers who communicate directly with Sales Associates who communicate directly with our customers. They do weekly to monthly to six-monthly communications. So it's important that before delivery, [our team] brings the retail perspective to those collaborative projects. <i>Because sometimes there can be a little bit of an attitude of, "well we've got this product, we just need to get it out there and get things done", and that's not true. Often from a corporate point of view, we run as fast as we can to achieve the objective of the initiative while forgetting how it actually works at the end of the day. We often don't focus in on how the customer is going to feel, the light and fluffy bit. So we'll end up putting in something that's too complicated or not fully formed and not fully finished and a bit rickety and then we'll just hope that the stores muddle on and deal with it. And what that results in is a muddled and rickety customer experience.</i></p>	Experience safeguarding	<i>Experience mandating</i>

Vignette including codes and quotes from interviews with six participants from LUX, the global luxury fashion retailer	CEM practice	<i>Legitimizing CEM belief</i>
<p>[6] But the business has gotten a lot better over the years at putting the customer first. This change has been, in part, quite organic in that the more teams have collaborated with the CX team, they realize they are the voice of the stores and the customer. So other teams within the business now realize they need to incorporate the CX team into the projects they're working on to make sure they get it right in retail. The CX team is now consistently being involved in projects where they have more of a presence and are able to really drive them to make sure that anything that is being worked on has the customer experience, and so the retail perspective, in mind. This change has a lot to do with projects being worked on in the past and then not being successful because they weren't pitched right to the retail stores or they weren't tweaked to be relevant to them and for the customer experience. <i>So inevitably they have had to start involving the CX team. People are shifting their mindset and understanding that the Sales Associates are our end-user and that's who CX represents.</i></p>	Journey coordinating	<i>Journey coordination</i>
<p>[7] But equally [the VP of Customer Resources] has been consistently PRing the CX team a lot more. Making sure that the business is aware of who they are and what they do. The CX team had been PRing their team within the business for a while now but it's really helped having a senior team member coming in over the past couple of years for the Customer Resources team. Having more people in the business focus on the customer has definitely been really key to enabling the CX team to successfully launch new initiatives. <i>No one really understood why we had a retail perspective or customer perspective. Whereas now they really understand the benefit of it.</i></p>	Experience sponsorship	<i>Experience mandating</i>

Vignette including codes and quotes from interviews with six participants from LUX, the global luxury fashion retailer	CEM practice	<i>Legitimizing CEM belief</i>
<p>[8] Still, the CX team feels like they want a bit of a face-lift, a re-branding. They are thinking of calling themselves "Retail Excellence". They're more than just "Service and Productivity" because it's the idea of not just doing basic service and having basic productivity and hitting those basics, like, "ok you can do this, you can do that". But the idea now is that the CX team wants to set high standards, for both corporate and for retail, and then get everyone sticking to them. <i>So CX promises to make things simple for retail teams and in return they have a promise to do it and do it in an amazing way for the customer. That's the role that CX is hoping to play in the business.</i></p>	Experience safeguarding	<i>Experience mandating</i>
<p>[9] So increasingly the CX team's role is to protect and represent the Sales Associate in the store with a view to enhancing the customer experience. <i>Nine times out of ten, what's right for the Sales Associate respects the needs of the customer because all that the Associates are trying to do at the end of the day is make sure customers are having a nice time in store and make commission. That's what's in their best interest as well, so employee and customer needs are quite aligned in that respect. And we need to represent both of those needs in corporate developments.</i></p>	Experience safeguarding	<i>Experience mandating</i>

Vignette including codes and quotes from interviews with six participants from LUX, the global luxury fashion retailer	CEM practice	<i>Legitimizing CEM belief</i>
<p>[10] Increasingly the CX team is trying to set a standard in this building for what goes out to the stores and then hold the stores to that standard. The idea is, almost before the stores receive anything from them, in terms of training material, before they're having to do anything, the CX team is making sure the stuff they're getting and the stuff we're asking them to do isn't too complicated or unreasonable. The business could say, "right, we're going to launch a personalization service in September" and the CX team will say, "ok, well if we're going to launch that personalization service, we're going to need to have some sort of database or digital system that's going to support that because we know from the stores that when they do these things manually, they have a really hard time and as a result, there have been some bad orders, there have been some mistakes made like the wrong personalization shipped to customers and as a result, there have been some really disappointed customers". So CX know that we need some sort of database to support the service. The business might then say, "well we can't do it by September if we have to do that". CX's role would then be to say, "well we don't want you to do it by September then". <i>So not putting the Sales Associates and thus the customer in a position where they're offered a half-formed service. So their challenge is that of stakeholder management: it's really challenging back and really pushing those boundaries a little bit more because, and although they'd like this mindset to be more driven by everyone else in the business, the CX team need to be the pushers of customer standards. Ensuring things that come out of this building are store-friendly so that they can then be customer friendly.</i></p>	<p>Experience safeguarding; Experience goal definition; Experience empowering</p>	<p><i>Experience mandating; Experience empowerment</i></p>

Vignette including codes and quotes from interviews with six participants from LUX, the global luxury fashion retailer	CEM practice	<i>Legitimizing CEM belief</i>
<p>[11] The CX team has been working a lot more strategically in the last six months to identify the things that they want to go after rather than the things that are being pushed to them. And making sure that they focus the corporate teams on those areas that they want to go after and making sure that they say no to other things that they don't have the resources to take on. Really streamlining the processes that we're doing. And as a business we've seen, the more projects we're starting to role out, the importance of having a project manager. <i>So there's been a kind of push towards doing less, but making sure we get it right. We've been talking about "icing and cake" at the moment. So saying we've been very good at the "icing", but the "cake" doesn't taste very good. So it all looks very beautiful but it's not necessarily done right because we're really running very fast in everything we do. We're not completely there yet. We're such a fast thinking business and it's very hard to do, but certainly we've gotten a lot better at pushing back and prioritization.</i></p>	<p>Experience re-challenging</p>	<p><i>Continual experience optimization</i></p>

Vignette including codes and quotes from interviews with six participants from LUX, the global luxury fashion retailer	CEM practice	<i>Legitimizing CEM belief</i>
<p>[12] Because the CX team are involved in launching new initiatives, they don't usually know what the decisions were to actually have an initiative in the first place. But something that they've been challenged to do by the brand is to really understand why the initiative is being launched and put that through this kind of blender so to speak and ensure it comes out in a way that is meaningful enough in our stores. So really having the Sales Associates, in mind who might say, "that's a great word, but what does authentic really look like and how do we bring that to life for customers in store?" and translating it into, "actually this is what the experience now looks like in store". In terms of training development, initially training on the [brand] Experience was all around setting guidelines for our Sales Associates to follow. But now we're flipping it on its head a little bit and instead, the training is considering, "well, actually, what is the customer doing, how do you want them to feel and what sorts of things are we doing to ensure the customer is feeling like that?" So more customer- and feeling-focused. <i>And we realize that's about getting the Sales Associates to shift their mindset to understand the customer. It's not only about training out the process of how that's going to work, but it's training on how that's going to work in a seamless way for a customer who walks into our store and feels like it's a brilliant service. If you just train someone on the process, they forget the extra element of why we're doing it, the meaning behind it.</i></p>	<p>Experience listening; Experience training development</p>	<p><i>Journey motivation</i></p>

Vignette including codes and quotes from interviews with six participants from LUX, the global luxury fashion retailer	CEM practice	<i>Legitimizing CEM belief</i>
<p>[13] And it's the same internally for CX team members, their team vision, which articulates what the customer experience is and the ideal characteristics of each Sales Associate, is written from the perspectives of the customer and [brand] Sales Associate, respectively. <i>Because a lot of what they do impacts both retail and the customer, it's about shifting their mindset to understand both their end-user and customer.</i></p>	Experience vision-setting	<i>Journey motivation</i>
<p>[14] We've also started to experiment with using the product as an experience driver. So for example, the [brand] Monogram Scarf is a condensed, focused version of our scarf offer: three colours, three materials, and three lengths - really allowing the product focus to provide the experience. So all of that was designed around, "How do you bring that to life for a customer? How do you tell a story around our heritage? What stories can you share around the monogram scarf that's new and engaging for the customer?" Ultimately, "How can you tell stories?" And then, "What questions do you ask the customer?" "How do you narrow down the choice?" And then once you've found a selection of trench coats, "How do you then propose them to the customer?" <i>So yes it's a product launch, but it's customer-focused in terms of the way that it was designed and implemented. We've been doing that from a product focus rather than thinking about it holistically because actually it's easier and more meaningful to train and provide an experience on a smaller category of things. We haven't necessarily had clarity around what the customer experience should be at [brand] now.</i></p>	Experience listening; Experience training development	<i>Journey motivation</i>

Vignette including codes and quotes from interviews with six participants from LUX, the global luxury fashion retailer	CEM practice	<i>Legitimizing CEM belief</i>
<p>[15] Also, [the Chief Creative and Executive Officer] is really looking at what are the skills and capabilities our Sales Associates should have and how does that tie into the expectations that we have of them on the shop floor when it comes to delivering the [brand] Experience to customers. So even as part of the job description, it needs to speak to the type of person who would be able to bring that experience to life. The job description that we write for Sales Associates should attract the type of person who's a people person, who can create that climate in store. In terms of assessment centres, what is it that we're assessing at that point? To ensure that they can then bring those skills to life in store. We underestimated how much we needed to focus on that and how we didn't recruit for that. We were perhaps recruiting for KPI's that are measurable, that are transactional-based and yes we were recruiting against the [brand] Behaviors, but how we were testing the application of that, the reason we're now looking at the onboarding process, is how can we recruit for it rather than how do we train our Behaviors? <i>People like to deal with people and you don't get that experience online. In an age of technology, the human contact really has to be right or people get very frustrated. As a customer in store, you get that Sales Associate who is going to give you great advice, who's going to be an expert, who's going to give you that value that perhaps you wouldn't have gotten on dot com. The human interaction is the most important and also the most challenging part of the customer experience because we're looking to try to control the way a sales force of, well, 8000 people, are making millions of people feel, which is a big thing to try and control.</i></p>	Experience goal definition	<i>Experience mandating</i>

3.9.2 Appendix: Protocol of ethnographic interview (non-ITTD interview technique)

<p>Can you tell me about the last major customer-experience-related project you were involved in?"</p>	<p>[Your company / brand]</p>
<ul style="list-style-type: none">- Objective- Business Rationale / Problem at hand<ul style="list-style-type: none">o Internallyo Customer problem- Teams / people involved- Implementation challenges / obstacles<ul style="list-style-type: none">o Sign offo Buy-ino Organizational change requiredo Other- Effect so far<ul style="list-style-type: none">o On customers, on customer-facing teams, in general internally [at your company]- Next steps? Future Plans?	<ul style="list-style-type: none">- Mission / Purpose<ul style="list-style-type: none">o Customer-related?o Is commonly referred to on a day-to-day basis?- Organizational Structure and Behaviors<ul style="list-style-type: none">o Easy to collaborate with others and other teams?o Easy to share ideas / voice concerns?o Easy to implement changes?- Selection and hiring criteria<ul style="list-style-type: none">o Looking for skill or attitude?- Metrics<ul style="list-style-type: none">o Customer related measures?
<p>Other customer-experience-related initiatives?</p>	

3.9.3 Appendix: CEM practices – Empirical evidence from case studies

CEM practice and definition	Illustrative quote from case studies
<p>1 Experience vision-setting: Developing the guiding firm-wide customer experience mandate</p>	<p>Head of Customer Experience at utilities provider: “ [...] we’ve been creating what we call the Customer Experience Vision. So, [defining,] in 2020, what’s it going to be like to be a customer of [our brand]? What’s been really good is [...] the customer experience stuff is 100% bedded in the vision for the business, [...] fully linked in and feeding the strategy of the business” (UTIL18)</p>
<p>2 Experience listening: Understanding customer perceptions at single and across an entire sequence of touchpoints</p>	<p>Customer Experience Manager at insurance and financial services provider: “So some of the things with our customer journey mapping ...it’s really uncovering what customers want to know, what they want us to know. So we don’t just ask them, ‘what can we improve on?’ but ‘what do you need from us?’ And these things keep coming up time and time again, so: ‘no jargon please’, ‘make it easy’, ‘understand that for me retirement doesn’t mean the end, it’s the beginning of my life’ (something that maybe we’ve not done well before), ‘give me options based on my needs and not my limitations’, ‘listen to me’, ‘follow up and check everything’s OK’, and ‘talk to me, I actually want to hear from you’. So when I’m mapping out my journey, these are like my journey guidelines, [...]” (FIN34)</p>
<p>3 Journey design: Devising customer perceptions at single and across an entire sequence of touchpoints</p>	<p>Head of Customer Insight at insurance and financial services provider: “So the principles [we want our customers to associate with our brand] are Simple, Helpful, Engaging...and everything we do [...] should link in to those. If you’re not making it more simple, more helpful, more engaging [for the customer], then why are you doing it?” (FIN15)</p>

CEM practice and definition	Illustrative quote from case studies
<p>4 Front-line-employee involvement: Harnessing front-line employees' first-hand knowledge of touchpoints and journeys</p>	<p>Spokeswomen and Customer Delivery Proposition Manager at fashion multi-brand retailer: "Customers increasingly want flexible shopping and delivery times. As a result, we are talking to our driver [employees] about changing their working patterns to work fewer days in a week but more hours in a day. We believe the changes will meet the needs of our customers better. We do not take any decision to change our [employees] working practices lightly. We have engaged our [employees] through the [business'] democratic channels [...] and said, 'this is what we're looking for, this is why we're doing it'. And they helped choose the Rota patterns as well, obviously within some business parameters because it's got to work for the business also. But because they were involved and engaged at that point, it's gone down relatively well." (FASH28)</p>
<p>5 Experience training development: Devising the role of front-line employees in the customer experience</p>	<p>Retail Management Training and Education Senior Developer at global luxury fashion retailer: "...so depending on what the business wants to launch, our job is taking that [brand] message and then almost kind of putting it through a blender and then coming out with something that's actually going to be appropriate for someone who can translate it into an action. [Because the] corporate message [as it is] makes no sense to an individual who has to carry out what we need them to do [with the customer. Rather, we need to] translate that into an action that actually delivers a [customer] expectation. So really, lets make this meaningful and lets deliver it an a way that the customer is actually going to get something back from it." (LUX41)</p>

CEM practice and definition	Illustrative quote from case studies
<p>6 Journey management: Addressing real-time customer interactions and engagements</p>	<p>Global Retail Academy Training and Education Manager at global luxury fashion retailer: “So we know that [before they come into one of our stores] the customer has experienced marketing, they might have had emails, they might have gone online. You know, there are all sorts of ways to experience [our brand, including] digital ways to experience [us]. Whether it’s recommendations from friends, whether it’s personal experiences that they’ve had in—maybe it’s not a stand-alone store, it might be a concession—so all of those things we do take consideration in terms of what the expectation is when someone comes in. And then after they’ve had those interactions, if they’ve purchased, it’s sort of the after-sales [service] piece and keeping in touch with them.” (LUX38)</p>
<p>7 Brand education: Introducing and emphasizing brand history, purpose and values to all members of the organization</p>	<p>Head of Marketing and Customer Experience at bank: “...I do brand training with all [new starters and brand refresh workshops with existing employees]. [...] what I do, ... is talk them through the background of the bank, where we’ve come from, how it’s happened, all of that kind of stuff.” (BANK9)</p>
<p>8 Continuous brand engagement: Ongoing reinforcement of the brand values and behaviors</p>	<p>Head of Marketing and Customer Experience at bank: “The challenge for me now is thinking about other things I can do to keep [the brand education] fresh and keep it alive. So we’ve had mouse mats made with that brand model on, so that’s on all of their desks. The next thing I’m trying to get done is wall decals, stickers, with the four [brand] values on, just in different colours, just to stick around the walls. But I need to keep it fresh with other things. How do I keep the conversation going? [...] So whereas we did the sessions [on brand] within their own function [before], get a cross party function to own each of these values and get them to champion that value and talk about, where can we do it better. ‘What are you doing on that one?’ ‘What could we do?’ That kind of thing.” (BANK9)</p>

CEM practice and definition	Illustrative quote from case studies
<p>9 Brand engagement appraisal: Assessing employee performance on the extent to which their behaviour is aligned with the values of the brand</p>	<p>Head of Marketing and Customer Experience at bank: “[...] okay, if those are our brand values, are we making sure that we’re delivering them? It’s not a case of, we did the [brand values refresh] workshop three months ago and it was great and forgotten about it, we’re trying to keep it alive. So [employees] get a single sheet that’s got the four core values and three behaviours, with ‘stop’, ‘start’ and ‘continue’. What we want them to do is they fill it in [...] Then what we’ve said to them is, ‘that’s the sort of thing you should be using at your one-to-ones and in your appraisals’. Then equally, everybody, in their objectives, has had an objective added that demonstrates delivery of the brand values [(‘<i>consistently demonstrating and evidencing delivery of the Bank brand values and supporting behaviours</i>’)]. So that that’s a conversation at their appraisal, ‘did they do that?’ They can use this sheet to talk about it.” (BANK9)</p>
<p>10 Organizational structure design and governance: Setting up the firm to facilitate the management of and accountability for the customer experience</p>	<p>Head of Customer Strategy - Experience at telecommunications provider: “...the sales and service functions were merged together and everyone had to reapply for their jobs, and interestingly those jobs weren’t recruited on, ‘I know you so let’s just have a chat’, they were really structured on, ‘tell me an example where you’d use this skill to do this, this and this’, and they were really behavioural-led, and then you were scored, and then those people were then offered the right roles. So quite a detached... Because like, let’s just chat, because you know me. No. Answer this question and demonstrate it, because it was the skills around setting the business up the right way.” (TELE14)</p>

CEM practice and definition	Illustrative quote from case studies
<p>11 Journey coordinating: Harmoniously participating in an ongoing organizational process that results in a coherent and seamless customer journey</p>	<p>Customer Experience Manager at insurance and financial services provider: “It’s really important and it’s really been a kind of light bulb moment for us, this collaboration working. So for instance we’ve done maybe a journey before and everyone’s not been in the room, fully understanding the end to end. So it’s really been a lot of silo working, where people are more focused on their area, getting it right, improving that, but not understanding what happens before that or at the end, so really getting everyone in the room and walking through that journey it really is important that they are there. And to bulletproof it as well, so an example was when, well, I’d validated it and then we got back in the room, and people were like, “oh, that’s not right”, so it’s really important that you do bulletproof it and it’s validated by the right people in the right room.” (FIN34)</p>
<p>12 Inter-firm collaborating: Working together with other firms and institutions, including governments, to understand and address the customer experience</p>	<p>Venue Assistant Manager at world class parks and recreation trust: “Some of [activities in the customer journey] are external factors that we are kind of working on through the more political channels. So, for example, where [a customer] is approaching [our venue], there is no signage in the local area. How we go about that: our local planning officers basically said that they don’t want any banners or posters around in the whole of the county area. So it is how we work with them to achieve what we need to achieve and still allow them to achieve what they need to.” (PARK45)</p>
<p>13 Journey rallying: Calling organizational members to come together to harmoniously support a coherent and seamless customer journey</p>	<p>Retail Academy Training and Education Senior Developer at global luxury fashion retailer: “Collaboration has different views - often people are working with different pieces of that process as well. So it’s all, it’s that challenge in making sure people understand how their worlds link. Because at the end of the day [...] we take that end process and we take all those different collaborations and we look at whether it works and whether we can actually translate into something [that makes sense for the customer]” (LUX41)</p>

CEM practice and definition	Illustrative quote from case studies
<p>14 Experience empowering: Giving organizational members permission to do whatever it takes to address and safeguard the customer experience</p>	<p>CRM Analytics Manager at financial services and insurance provider: "...as a company, regardless of department, there's a much stronger push for agile methodologies, wherein you do get the opportunity to try that even if it doesn't work. Whereas before there might have been, you know, [you had to] make sure everyone's signed everything off and, 'Can we get all this stuff documented and it's in the business plan and the business plan's going up to the Executive?' and then you can do it. Now it's like, 'I've got an idea, I've got the data, let's try it', and that's a big mindset change as well." (FIN36)</p>
<p>15 Experience story-sharing: Sharing individual accounts of effective customer experience endeavours to inspire ongoing customer experience excellence</p>	<p>Customer Service Operations Manager at high-end grocer: "...And this other customer, we could have ruined their entire day because maybe they weren't able to go to their children's play at school because they had to wait in for this delivery that was late and it's really annoying and upsetting, and the kid's upset because mummy or daddy isn't at the play, and you've got to do something much more. So we wanted to promote [capturing and sharing] these creative solutions to get people to realize you don't just keep following a process and doing what you always do. You've got to think about, what's it going to take on this interaction, this phone call, this email, to ensure this customer remains engaged with the brand? And that will be different for every customer. So we were pushing those stories to go, 'just how creative you can be?', because for a lot of people that was quite a stretch." (GROC52)</p>
<p>16 Experience commemorating: Recognizing and celebrating exceptional customer experience endeavours by organizational members</p>	<p>Head of Customer Strategy - Experience at telecommunications provider: "[Another campaign we have is around,] ...we call them Jackson Superstars, who are the superstars of the business?" The campaign is all around the [Company] Café. There's a picture of Jackson, the furry purple brand mascot, wearing glasses with star-shaped frames with text reading, "He wants to know about unsung superstars you work with who've made it right this year" (TELE14)</p>

CEM practice and definition	Illustrative quote from case studies
<p>17 Experience insight and opportunity linking: Identifying and prioritizing opportunities to prototype customer experience improvements</p>	<p>Data Insight Manager at insurance and financial services provider: “I mean, in the past, we would have produced insight, but now the Customer Experience team are actually trying to produce insight and then actually drive forward that change, [...]. So it’s not just insight, it’s actually something that’s actually done about it now, which is much more than it ever used to be [...] We’re actually spending, I think, serious money on the data, and actually making some really positive changes. We’re all of a sudden seeing customer data as a resource that is precious and should be improved as opposed to just left to... I mean, it was pretty much ignored previously, so that’s really changed a lot.” (FIN32)</p>
<p>18 Experience goal definition: Defining customer experience goals, standards, guiding principles and appropriate measures</p>	<p>Director of Digital Experience at coffee shop chain: “So getting into customer experience, all of us have challenges to say, what are you doing within your discipline that improves the customer experience? From a people team perspective it’s how they train, it’s how they hire, it’s how we recruit. We do strengths-based recruitment where people who love engaging with people are the ones that we want to hire. We can teach them how to make coffee, but if you’re in a bad mood and you don’t have a good attitude, you don’t like customer service, then you’re not the right fit for [our brand]. So the people team thing is about how do we recruit people, how do we do people development so they enjoy their roles, the teams bond, it’s a great feel and vibe in the shop?” (COFF8)</p>

CEM practice and definition	Illustrative quote from case studies
<p>19 Experience sponsorship: Leadership championing and facilitating customer experience improvements</p>	<p>Head of customer insight at insurance and financial services provider: “And I think things like, we’ve got this hour with our Executive every month, these things just don’t happen in a business like ours if they don’t genuinely want to see something come out of it. So you know, about a year ago, we probably didn’t have many tangible experiences of the Board being on board, if you like, but actually, we’ve got lots of really good examples [...] the level of investment that we’ve had the last year, the resources we’ve brought in, the new skills, the sessions that we’re being asked to run, the scorecards that we’re being asked to create that go from Group level down, you know, so we can actually tangibly prove that it’s not just lip service, and we probably couldn’t have done that 18 months ago, when everybody said ‘oh, what a great idea, but are you really in it?’ Actually we’re seeing that now, which I think is a really good expression of support.” (FIN15)</p>
<p>20 Experience sponsorship recovery: Persuading leadership to continue prototyping customer experience improvements when measurement is difficult</p>	<p>Head of Marketing and Customer Experience at bank: “It wasn’t hard to get buy-in because every time there was a challenge on anything, I’ve just got reams and reams of paper of surveys with customers saying, actually this is what I want and this is what you’re good at and that kind of thing” (BANK9)</p>
<p>21 Experience safeguarding: Protecting the customer experience raison d’être and combatting complacency</p>	<p>Director of Customer Experience (non-executive) at bank: "Until we did [brand refresh workshops] there was a little bit of complacency. There was a little bit of, 'Bloody customers. The phone keeps ringing. I've got all this paperwork to deal with.' And what that did was just refocus us back on the, 'Do you know what? These people are really important. I should be grateful of that pile of paperwork because it means I've got a job,' and that kind of thing. So just switching that mentality round and just a bit of a sense check. Two and a half years on [since we first began] we were getting a bit sort of, 'Yeah we're great,' a bit big-headed almost and actually [after doing the brand refresh workshops] it did just snap us back to, “Yeah, we’re doing really well. Let’s keep doing really well,” and just refocus...” (BANK5)</p>

CEM practice and definition	Illustrative quote from case studies
<p>22 Experience test and learn: Prototyping improvements on and new customer experiences and testing them on actual customers in typical environments</p>	<p>Head of Customer Experience at utilities provider: "...we're trying out different methodologies and we're trying out...Have you heard of Google Sprints? [...] the whole idea of a Sprint is you have a business problem and you solve it in five days. You go from business problem to prototype [...] I was a bit of a sceptic but we tried it last week and it is really good [...] There were clearly assumptions we had made that aren't actually things that work from a customer view. There were assumptions we made that worked brilliantly from the customers' view...So we got a lot of feedback very quickly. So a lot of the myths we've talked about for a while you can actually dismiss or build on or have confidence they might be the right direction quite quickly." (UTIL18)</p>
<p>23 Continuous experience process improvement: Continuously enhancing the internal processes that directly impact the customer experience</p>	<p>Head of Marketing and Customer Experience at bank: "In each department, [we do] continuous improvement and the theory being that [employees] might be on the phone to a customer who might have an issue with something that's not explained very clearly or that they've misunderstood, that we can see that we can make better. What the guys can't do is physically sit there and change the systems there and then. [...] So what we say is, right just run, scribble it on the flip chart and capture it. [...] Then what the team leaders do is we'll go through that and work out [what we can do]. Some of them are long term things. Then we start to allocate them as actions as well. [...] It's that sort of cycle of trying to keep improving things..." (BANK9)</p>

CEM practice and definition	Illustrative quote from case studies
<p>24 Experience monitoring and recovery: Reactively addressing customer experience issues and complaints</p>	<p>Venue Assistant Manager at parks and recreation trust: “So we start it by collating all of the customer comments and basically going through that journey, [...] and kind of mapping it by those key milestone areas. [...] That gave us a bit of a benchmark [...] Then also anecdotal stuff, so stuff where we have a gut feeling if you like, or we have had it kind of verbally mentioned to us in the past or something like that, where there are areas to improve on and develop the business, so we add that into it as well. The idea is that the customer comment side of things gives us something that we can actually document against and we can proactively go out and we can get feedback on those areas and we can actually monitor whether or not we are improving the customer journey there, if we are detracting from it, or if we are staying exactly where we are.” (PARK45)</p>
<p>25 Experience re-challenging: Regularly reviewing existing customer experiences and re-challenging the assumptions that underpin them</p>	<p>Customer Experience Manager at insurance and financial services provider: “So we’ve created a fully-governed process now about how we actually approach our customer journey mapping [...] [and] really the end never really ends: So you’d map it out, you’d look at your actions, then you’d customer test it, then it would go live, then you’d re-map it again. So it’s constantly reviewing, because customers’ expectations are constantly changing, so we need to make sure that we keep checking in to make sure we’re exceeding them.” (FIN34)</p>

4 Is customer experience orientation the new market orientation?

This chapter relates to thesis **Objective 3**: To gain an understanding of CEM as a firm-wide strategic orientation. **This chapter forms journal paper 3.**

4.1 Overview

This chapter explores the internal organizational values that drive customer experience management practice within organizations through a longitudinal multiple-case-study of 10 organizations that are recognized leaders in CEM transformation (see Figure 4-1). A literature review of market orientation organizational values and behaviours is undertaken and compared with organization values and behaviours of customer experience oriented organizations, and then used as a basis for evaluating how customer experience as a firm-wide strategic orientation compares to and differs from a market orientation. The results are presented and discussed along with managerial implications, limitations and future research directions. This forms journal paper 3.

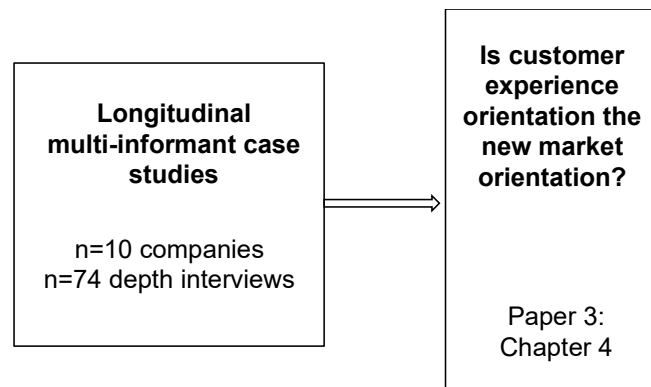


Figure 4-1 Overview of Chapter 4 research process

4.2 Abstract

Research in marketing has focused almost exclusively on a firm's market orientation, the set of organizational values and behaviors that are based on the adoption and implementation of the marketing concept. However, this concept was developed three decades ago, prior to the development of the Internet or social media. Customer experience management is now widely adopted by practitioners across many sectors, and promises to be an approach that represents the implementation of an evolving marketing concept. In this paper, we address the debate within recent marketing literature about whether and how customer experience management might suggest a new orientation that differs from market orientation. Using multiple case study methodology including extensive ethnographic observation, the analysis of corporate documents and artefacts and in-depth interviews over a longitudinal period, we uncover the insider (emic) perspective of 10 organizations that are recognized by their peers as leaders in customer experience management. By identifying common themes across the ten longitudinal case studies data, we observe and define six customer experience management organizational values. We then compare these values with the values associated with market orientation. Findings include that a customer experience orientation entails a culture that is distinctive compared to market orientation in subtle but important ways, including a focus on customer journeys and how they feel to the customer, a rallying around customer journeys through customer hubs rather than product siloes, and creating an entrepreneurial spirit which fosters a 'test and learn' environment and continual innovation around the customer experience. A key implication is the need for an updated understanding of market orientation that takes into consideration the management of the customer's experience perhaps to be relabelled as customer experience orientation (CXO). Theoretical and managerial implications are offered with specific suggestions for how a customer experience orientation can be cultivated within organizations.

Keywords: Customer Experience Management, Organizational Values, Market Orientation, Customer Journey; Strategic Orientation

4.3 Introduction

Customer experience management has been proposed as an approach that appropriately serves the implementation of an evolving marketing concept (Homburg et al. 2017). A prevalent argument within practitioner literature is that the contemporary consumer seeks not only good service but also experiences that are “engaging, robust, compelling and memorable” (Gilmore and Pine 2002, p. 10). Recent academic research has recognized that customers judge experience quality, not just product or service quality (Lemke et al. 2011). Despite its growing prevalence in academic literature, very little is known about organizations’ understanding of customer experience management and what is done to manage customer experiences (Lemon and Verhoef, 2016; Homburg et al. 2017). As a result, marketing scholars are calling for empirical research that understands the underexplored phenomenon of customer experience management from the firm’s perspective (Homburg et al. 2017; Lemon and Verhoef, 2016; MSI 2012-2014, 2016-2018).

A debate has emerged in parallel to these calls for further research about whether customer experience management might differ from other marketing approaches (Lemon and Verhoef, 2016; Homburg et al. 2017). Some marketing scholars question the novelty of customer experience management, as it appears to be highly related to existing streams of marketing research (Lemon and Verhoef, 2016), particularly to market orientation, the body of literature that notably studies the implementation of the marketing concept to create superior customer value (Narver and Slater, 1990; Kohli & Jaworski, 1990).

Market orientation (Narver and Slater, 1990; Kohli & Jaworski, 1990; Shapiro, 1988) is the seminal strategic orientation within marketing literature (Day, 1994). A strategic orientation reflects the philosophy that promotes effectiveness within an organization (Lewin and Minton, 1986). Within marketing literature, strategic orientations are studied from either a behavioural or cultural perspective. While the behavioural perspective describes orientations in terms of specific instruments, tools or behaviors (Kohli & Jaworski, 1990; Shapiro, 1988), the cultural perspective (Desphandé and Webster, 1989) examines the

organizational values, priorities and overall mindset that influence specific strategies and tactics (Deshpandé et al., 1993; Homburg & Pflesser, 2000; Narver & Slater, 1990). Market orientation has been studied from both perspectives. From a behavioural point of view, market orientation is "the organization-wide generation of market intelligence, dissemination of its intelligence across departments, and organization-wide responsiveness to it" (Kohli and Jaworski 1990, p. 6). Alternatively, the cultural perspective (Narver and Slater, 1990; Deshpandé et al., 1993; Homburg & Pflesser, 2000; Kennedy et al. 2003; Gebhardt et al. 2006) defines it as the organizational culture that most effectively and efficiently creates the necessary behaviors for the creation of superior value for customers (Narver and Slater, 1990) or otherwise, the set of beliefs that puts the customer's interest first (Deshpandé et al. 1993). The main tenets of this view are customer-focused thinking, a thorough understanding of the market and the embedding of the marketing concept throughout the organization (Narver and Slater, 1990; Kohli and Jaworski, 1990; Day, 1994).

While market orientation has been studied for the past 30 years, nascent customer experience management literature explains little about the deep-rooted cultural attributes that drive the management of customer experiences. Homburg et al. (2017), in one of the few academic studies on customer experience management, find three customer experience management cultural mindsets, that is, managerial beliefs and mental models that influence employee behaviour. These mindsets are: (1) experiential response orientation which relates to responding to customer experiences (2) touchpoint journey orientation, which relates to cross-functional collaboration that is driven by the "realization of elaborate touchpoint journeys" (p. 397) and (3) alliance orientation, which relates to collaborating with other firms. While this study represents important advances in understanding and conceptualizing customer experience management, it uses a single informant approach. As such, a deeper examination of firm-wide customer experience management is needed to build on these findings.

Existing research that describes the unique nature of customer experiences provides hints as to what could distinguish customer experience management from other marketing management approaches. In such research, the notion of a customer experience is often contrasted against that of a product, service or customer relationship, highlighting its holistic, subjective, ongoing and dynamic nature (see chapter 2 and Verhoef et al. 2009; Chandler and Lusch, 2014; Lemke et al. 2011; Pine and Gilmore, 1999; Meyer and Schwager, 2007; Zomerdijsk and Voss, 2011 and Homburg et al. 2017). The literature highlights a number of challenges that ensue from customer experience management. Collectively, these suggest that the management of customer experiences may differ to the management of marketing.

One challenge of customer experience management identified in the literature is the collection of dynamic, empathic and context-specific customer data (e.g. Macdonald et al. 2012). This is because experience quality goes beyond customer assessments of the practical aspects of features and usability of products (Chandler and Lusch, 2014) to include multi-faceted customer responses to various encounters with the firm over time (Verhoef et al. 2009). These customer responses can be sensorial, emotional, cognitive, physical and social (Verhoef et al, 2009; Brakus et al. 2009; Gentile et al. 2007; Meyer, Schwager, 2007; Berry et al. 2002). In addition, experience quality includes evaluations not just of the firm's products and services but also of peer-to-peer and complementary supplier encounters (Lemke et al. 2011; Verhoef et al. 2009).

Because a customer's experience is emergent in nature, occurring as a result of interacting with the brand or organization, experiences are persistent but continually changing over time. As a result, another organizational challenge when it comes to customer experience management is ensuring continued customer relevance through an ongoing process of differentiation requiring continuous customer experience innovation (Chandler and Lusch, 2014).

A further organizational challenge specifically associated with customer experience management is lack of visibility over a complete end-to-end multi-

channel customer journey that often goes beyond the direct control of the firm (e.g. Ramaswamy and Gouillart, 2010). This is because, in contrast to a customer engagement with product or service, for which a firm may conceive clear boundaries for, a customer experience may continue beyond the boundaries of the firm (Chandler and Lusch, 2014). As such, the customer experience is wide in scope from an organization's point of view, translating into many different customer-firm touch points that span across and beyond the entire organization (Macdonald et al. 2011; Verhoef et al. 2009; Lemon and Verhoef, 2016).

Engaging an entire firm to design or redesign a customer experience (e.g. Rawson et al, 2013 and De Swaan Arons et al. 2014) is yet another organizational challenge that customer experience management research lays claim to. This is because an experience is conceptualized as a many-to-many engagement requiring the ongoing and dynamic alignment of the connections and dispositions of many actors (Chandler and Lusch, 2014).

Following Desphandé and Webster (1989), who seminaly review organizational culture in marketing literature (Noble et al. 2002) and provide one of the most widely accepted definitions of organizational culture in marketing (Homburg and Pflesser, 2000), this study examines the organizational values, norms and behaviors of customer experience management in order to gain insight into the nature of customer experience management as compared to market orientation. Desphandé and Webster (1989) define organizational culture as "the pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide them with norms for behaviour in the organization" (p.4). Organizational values can entail both prescriptive and proscriptive beliefs (i.e. about what is regarded as appropriate and inappropriate behaviour) (Cha and Edmondson, 2006; Moorman and Day, 2016). They form the basis for the development of norms which in turn legitimate and guide necessary organizational behaviors (Deshpandé and Webster, 1989; Homburg and Pflesser, 2000; Lichtenthal and Wilson, 1992; O'Reilly, 1989). Thus, norms differ from values by a higher degree of specificity (Katz and Kahn, 1978 cf. Homburg

and Pflesser, 2000) and describe expectations about behaviour or the result of behaviour (Homburg and Pflesser, 2000; O'Reilly, 1989).

Organizational values are central to many organizational phenomena and have “a long reach and wide span of influence on critical processes and characteristics in organizations” (Bourne and Jenkins, 2013, p. 496). Previous research within marketing literature suggests organizational values are supportive of an organization's processes (Moorman, 1995) and this in turn is linked to business financial, customer and employee outcomes (van Raaj and Stoelhorst, 2008; Moorman, 1995; Webster and White, 2010). Noting that with regards to marketing organizational values, “research in this area has noticeably slowed”, Moorman and Day (2016, p. 24) propose that research is needed on the priorities relating to “organizational culture for marketing excellence”, and raise the question of, “...what additional cultural values, behaviors and artefacts play important roles in marketing strategies?” Our research provides answers, at least in part, to this question.

In this study our purpose is to examine what customer experience management is and understand whether and how a customer experience orientation might differ from market orientation. Using case study methodology, we collect empirical data from 10 organizations in several sectors, each recognized by their peers as leading in customer experience management transformation. Each of these firms was engaged in a process to improve their customer's experience with them and each organization was focused in parallel on how to gain an organization-wide commitment (Narver et al. 1998) to customer experience management.

By identifying common themes across these ten longitudinal case studies data, we observe and define six customer experience orientation (CXO) organizational values. We then compare these with the values inherent in marketing orientation. While the differences between market orientation and CXO are subtle, seemingly supporting the speculation that customer experience management is merely a rebranding of market orientation, we demonstrate that customer experience management requires a distinct culture to market

orientation. We define customer experience orientation (CXO) as *the set of values that puts the interests of the customer experience first*. A key contribution of our study is a review of market orientation literature allowing for an update and possible augmentation of market orientation to include consideration of the customer's experience.

In our analysis of 10 case studies of successful customer experience management, we observed the following about their cultures: In adopting a customer experience orientation, firms (1) adopt to a customer journey view of the market, (2) deeply embed a firm-wide brand focus, (3), promote an internal entrepreneurial spirit and (4) support agile systems that continually generate customer experience data which is used both to evidence the impact of programmes to clinch senior management buy-in as well as a source of learning to support continuous customer experience management innovation.

This paper is organized as follows: First, we establish the theoretical context of this study, reviewing extant literature on the cultural perspective of market orientation. Second, we discuss the research methodology as well as introduce and describe the organizations we selected for study. Finally, we present and discuss the findings and insights from our research.

4.4 Market orientation as an organizational culture

Market orientation is a pervasive commitment by all members of an organization to a set of values that reflect the philosophy of staying close to customers and ahead of competitors through thorough market analysis and coordinated inter-functional action (Day, 1994; Day and Nedungadi, 1994; Narver et al. 1998; Narver and Slater, 1990). Specifically, it reflects the philosophy that:

“...all decisions start with the customer and are guided by a deep and shared understanding of the customer's needs and behavior and competitors' capabilities and intentions, for the purpose of realizing superior performance by satisfying customers better than competitors.” (Day, 1994, p. 45).

Table 4-1 details the organizational values that underpin market orientation. Following Desphandé and Webster's (1989) definition of organizational culture,

we unpack the organizational values of market orientation and the norms and behaviors emanating from each value, as discussed in the literature. Homburg and Pflesser (2000), in one of the few works that conceptualize market orientation directly in terms of aspects of organizational culture, highlight that the seminal studies within the cultural perspective on market orientation, although based on a cultural definition thereof have typically conceptualized market orientation in terms of behaviours (e.g. Deshpandé et al. 1993; Narver and Slater, 1990). Concordantly, a review of key works within the cultural perspective on market orientation (Narver and Slater, 1990; Day, 1994; Day and Nedungadi, 1994; Narver et al. 1998; Homburg and Pflesser, 2000; Harris, 2002; Kennedy et al. 2003; Gebhardt et al. 2006), including detailed practitioner-oriented works (Webster, 1994a; Webster 1994b), reveals that explicit definitions of the organizational values thereof are sparsely delineated or mentioned (those that do are, Day, 1994; Narver et al. 1998; Homburg and Pflesser, 2000; Gebhardt et al. 2006). For this reason, in developing Table 4-1, where organizational values were not explicitly mentioned, we derived them from behaviors detailed in these reviewed works. As a result, the organizational values presented in Table 4-1 directly reflect three categories of behaviour commonly associated with market orientation: Customer-focused, competitor-focused and market-intelligence-driven.

Tied to market orientation is the theory of sustainable competitive advantage (Day and Wensley 1983; Aaker, 1989), explaining the link between being market oriented and achieving high performance. According to this view, being more market-oriented than competitors means creating long-term superior value for its customers in a way that competitors have difficulty matching, thus outperforming them (Narver and Slater, 1990; Morgan and Strong, 1998). Competitive superiority is thus an important and explicit element of market orientation (Day, 1994; Day and Nedungadi, 1994). This is based on the assumption that customers assess value from a supplier in relation to that which is offered by competitors (Webster, 1994b). As such, when evaluating their competitive advantage, firms consider both customer assessments and direct competitor comparisons (Day and Nedungadi, 1994).

To support a market orientation, employees are evaluated on competencies relating to fulfilling customer needs (e.g. task competence, social competence, degree of involvement) and solving customer problems (Homburg and Pflesser, 2000; Day, 1994). They are rewarded based on measurable improvements in customer satisfaction and customer retention (Homburg and Pflesser, 2000; Day, 1994).

The primary strategic objective of market orientation is thus to deliver customer value by matching customer needs with the organization's capabilities (Webster, 1994a, 1994b; Shah et al. 2006) and competing against other suppliers with superior products, services, solutions and innovative features while pursuing cost superiority (Day and Nedungadi, 1994; Day, 1994; Webster, 1994a, 1994b; Narver et al. 1998). This involves defining the value proposition within the firm's mission statement which details how it proposes to deliver that value and puts forth commitments to excellence required to achieve that mission successfully (Webster, 1994a; Narver et al. 1998). Internal organizational values that foster openness of internal communication, collaboration and inter-functional cooperation (Homburg and Pflesser, 2000; Gebhardt et al. 2006), as well as trust between employees that everyone is committed to the same goals (Gebhardt et al. 2006), help the market-oriented firm to achieve its mission by promoting organizational cohesiveness (Gebhardt et al. 2006; Kennedy et al. 2003). Gebhardt et al. (2006) explain,

“As an organizational value, the market as the *raison d'être* provides common meaning for all organization members and is broadly inclusive, creating one socially constructed in-group that encompasses all organization members.” (p. 43).

Additionally, speedy, efficient and flexible processes are valued in market orientation as they enhance the firm's ability to be responsive to its customers' needs (Homburg and Pflesser, 2000).

In sum, organizational values associated with market orientation support a culture that is characterized by the firm-wide commitment to (1) serving the needs and wants of customers through a customer focus, (2) achieving

competitive superiority through a competitor focus and (3) thorough market analysis and speedy customer responsiveness in being market-intelligence-driven. This is achieved through the necessity of inter-functional coordination to gather, share and use customer and competitor market information. Market orientation thus entails an externally-focused management approach (Day and Nedungadi, 1994; Webster, 1994a, 1994b; Urde et al. 2013) that foregrounds two key players: (1) customers and (2) competitors. Lusch et al. (2007) point out that “the consumer, as well as competition and most other market variables, [remain] exogenous to value creation” (p. 6) within the market orientation.

It is worth emphasizing that the market orientation concept was developed three decades ago and since then, both firm and customer practices have changed (Macdonald and Uncles, 2007; De Swaan Arons et al. 2014). These changes have been driven by the development of the Internet, social media and widespread customer access to technology, resulting in the amplified technological sophistication of customers (Macdonald and Uncles, 2007) and “increasingly transparent, empowered, and collaborative consumer markets” (Homburg et al. 2017, p. 377). In a Harvard Business Review article, De Swaan Arons et al. (2014) highlight the implications of these changes for marketers:

“In the past decade, what marketers do to engage customers has changed almost beyond recognition. With the possible exception of information technology, we can’t think of another discipline that has evolved so quickly. Tools and strategies that were cutting-edge just a few years ago are fast becoming obsolete, and new approaches are appearing every day” (p. 56).

Concordantly, a recent study by Salesforce, a leading customer management platform provider surveying 3,500 marketing leaders and managers in 10 countries, finds that 34% of its respondents said their current budget is spent on customer communication channels they didn't know existed five years ago. As a result, the report highlights that the priorities of top firms are shifting to a focus on customer experience (Salesforce Research report, 2017).

We next discuss the research methodology and introduce and describe the organizations we selected for study.

Table 4-1 Market orientation organizational values, norms and behaviors from the literature

Value	Norm	Key behaviors
1. Customer-focus	1.1 We understand our target customers needs and wants (Narver and Slater, 1990; Day, 1994)	<ul style="list-style-type: none"> • Thorough analysis of customer needs and behaviour (Narver and Slater, 1990; Webster, 1994a; Day, 1994) • Set customer satisfaction objectives (Narver and Slater, 1990; Webster, 1994a) • Traditional survey research for routine measurement of customer satisfaction (Narver and Slater, 1990; Webster, 1994a) • Provide after-sales service (Narver and Slater, 1990) • Small focus groups with actual and potential customers for new product development and service features (Webster, 1994a) • Carefully planned visits to customer sites to provide invaluable information to guide R&D, manufacturing planning and sales force development (Webster, 1994a) • Frequent field visits and one-on-one conversations with customers for top management understanding of market conditions (Webster, 1994a)
	1.2 We assess the quality of our products and solutions through the eyes of our customers (Webster, 1994b)	<ul style="list-style-type: none"> • Quality is assessed by customers or at least from the customers perspective (Homburg and Pflesser, 2000) • Understand how customer defines value and how that definition evolves over time (Webster, 1994a; Webster, 1994b) • Surveys of end user perceptions to judge their quality (Day and Nedungadi, 1994)

Value	Norm	Key behaviors
	1.3 We are driven by interests of the customer (Kennedy et al. 2003)	<ul style="list-style-type: none"> • Customer commitment / prioritizing the interests of the customer ahead of those of the owners, management and employees (Narver and Slater, 1990; Kennedy et al. 2003) • Everyone's jobs defined in terms of how it helps to create and deliver value for the customer (Kennedy et al. 2003) • Internal processes are designed and managed to ensure responsiveness to customer needs and maximum (Webster, 1994a) • Employees work together to solve customer problems efficiency in value delivery (Webster, 1994a) • Defining customer-focused policies e.g. rewards based on measurable improvements in customer satisfaction and retention and recruitment based on customer problem-solving skills (Day, 1994; Homburg and Pflesser, 2000) • Relationship marketing (Webster, 1994a)
	1.4 We foster relationships with our value-chain partners (Day, 1994; Webster, 1994b)	<ul style="list-style-type: none"> • Foster strategic partnerships and alliances with suppliers and distributors / value chain partners (Day, 1994; Webster, 1994b) • Establish, maintain and enhance collaborative trading relationships with suppliers, partners and alliances over time (Day, 1994; Webster, 1994b) • Purposeful cooperation (Day, 1994; Webster, 1994b) • Close communication (Day, 1994; Webster, 1994b) • Joint problem solving (Day, 1994; Webster, 1994b) • Coordinating with value-chain partners (Day, 1994; Webster, 1994b)

Value	Norm	Key behaviors
2. Competitor-focus	2.1 We continuously create superior value for customers, focusing on serving the customer and staying ahead of the competition (Narver et al. 1998; Webster, 1994a; Day, 1994)	<ul style="list-style-type: none"> • Thorough competitor analysis / Market segmentation, targeting, and positioning (Day, 1994; Webster, 1994b) • Top management defines a clear statement of the value proposition which becomes the focal point for the organization and a rallying cry for employees (Webster, 1994a; Webster, 1994b) • Top management defines, communicates and reinforces commitments to excellence required to achieve that value proposition successfully (Narver et al. 1998) • Every person in the organization understands that each and every individual and function can, and must, continuously contribute skills and knowledge to creating superior value for customers (Narver et al. 1998, p. 243) • Understanding the long-run capabilities of present and prospective competitors (Narver and Slater, 1990) • Top managers discuss competitors' strategies (Narver and Slater, 1990) • Salespeople share competitor information (Narver and Slater, 1990) • Target opportunities for competitive advantage (Narver and Slater, 1990)
	2.2 We stay aware of market conditions to stay ahead of our competition (Day, 1994)	<ul style="list-style-type: none"> • Sensing events and trends in the market ahead of competitors e.g. acquiring information about trends, events, opportunities, and threats in the market environment through active scanning, self-critical benchmarking, continuous experimentation and improvement and informed imitation of competitors (Day, 1994) • Anticipating how to respond to the market effectively (Day, 1994)

Value	Norm	Key behaviors
3. Market-intelligence-driven	3.1 We coordinate to share and utilize market information and assumptions (Day, 1994; Narver and Slater, 1990; Day, 1994; Homburg and Pflesser, 2000; Narver et al. 1998; Webster, 1994a; Gebhardt et al. 2006; Kennedy et al. 2003)	<ul style="list-style-type: none"> • Inter-functional customer calls; inter-functional teamwork (e.g. marketing and R&D) (Homburg and Pflesser, 2000; Narver and Slater, 1990; Kennedy et al. 2003; Gebhardt et al. 2006) • Information openly shared among functions (Narver and Slater, 1990; Gebhardt et al. 2006; Day, 1994) • Functional integration in strategy (Narver and Slater, 1990) • All functions contribute to customer value (Narver and Slater, 1990; Narver et al. 1998) • Sharing resources with other business units (Narver and Slater, 1990; Gebhardt et al. 2006) • Proactive data sharing / Business functions with potentially synergistic information know where else in the business it could be used beneficially (Day, 1994) • Shared managerial understanding and assumptions of the market environment (Day, 1994; Gebhardt et al. 2006)
	3.2 We are highly responsive to what is happening with customers and competitors (Day and Nedungadi, 1994; Day, 1994; Narver and Slater, 1990)	<ul style="list-style-type: none"> • Well-informed and open and proactive internal communication; speedy work by employees (Homburg and Pflesser, 2000; Gebhardt et al. 2006) • Flexible employees; innovative and creative employees who may have unconventional ideas (Homburg and Pflesser, 2000) • Efficient internal processes; annual interdepartmental meetings to discuss market trends and developments (Homburg and Pflesser, 2000) • Periodic review of product development efforts to ensure they are in line with what customers want (Homburg and Pflesser, 2000) • Periodic interdepartmental meetings to plan a response to changes taking place in the business environment (Homburg and Pflesser, 2000)

Value	Norm	Key behaviors
		<ul style="list-style-type: none"> • Customer requests are answered at once (Homburg and Pflesser, 2000; Day, 1994) • Employees are responsible for and empowered to solve customer problems without approvals (Homburg and Pflesser, 2000)
	<p>3.3 We all learn from one another to continuously improve (Day, 1994; Webster, 1994a)</p>	<ul style="list-style-type: none"> • Sharing best practice (Gebhardt et al. 2006) • Open internal communication (Homburg and Pflesser, 2000) • Leveraging the experience and capabilities of all employees (Gebhardt et al. 2006; Narver et al. 1998) • Defining specific areas that need improvement (Webster, 1994a) • Market information is easily accessible across functions (Day, 1994)

4.5 Methodology and research design

As customer experience management is an emergent phenomenon that requires further exploration (Eisenhardt, 1989; Yin, 2003), the case study method has been used. A particular strength of the case study method is the opportunity to investigate the phenomenon in its real-life context (Yin, 2003), enabling a deeper understanding of customer experience management practice. Additionally, case research facilitates triangulation of data through multiple methods of data collection and multiple sources of evidence, providing stronger support for results (Eisenhardt, 1989; Yin, 2003).

This study aims to address this particular debate within recent marketing literature to understand whether and how customer experience management might differ from market orientation. We do this by examining the role of the implicitly shared organizational values that we observe as leaders, managers and members of the organization reflect on what customer experience management means for their organization.

An exemplary case design is selected (Yin, 2003) to “reflect strong, positive examples of the phenomenon of interest” (p.13). As such, cases were selected on the basis of at least the following criteria: (1) They had been nominated by independent practitioner judges as finalists in the UK Customer Experience (CX) Awards (2013-2015), (2) They had been invited to speak at a quarterly Cranfield Customer Management Forum (CCMF) meeting or (3) They have a general reputation for delivering high customer experience standards (as evidenced, for example, by numerous news articles over time).

Case selection was also based on two additional criteria. First, because of the focus in extant literature on customer experience management, companies considered were within the services, retail leisure or hospitality sectors (Lemon and Verhoef, 2016). Second, only companies with an explicit business focus on customer experience were considered for inclusion. An explicit focus on customer experience management is determined to exist where an organization is characterized by incorporating a customer experience element within their

mission, and has a dedicated customer experience management team(s), senior manager role, high-level metric and/or recent firm-wide project/initiative/program. Companies that were in the midst of a transformation to become more customer-experience focused best fit these criteria. In this way, the entire organization is striving towards better managing the customer experience, learning throughout how to gain an organization-wide commitment to the continuous creation of superior value for customers and create a shared understanding of how to implement this norm (Narver et al. 1998). See Table 4-2 for details on how each case met these criteria.

Our sample includes 10 organizations are: (1) LUX, a global luxury fashion retailer, (2) BANK, a business-to-business bank, (3) PARK, a world-class community leisure and recreation trust that manages a number of diverse park venues, (4) COFF, a chain of coffee shops, (5) FASH, a fashion own-brand and multi-brand retailer, (6) GROC, a high-end grocery retailer, (7) TELE, a telecommunications provider, (8) FIN, an insurance and financial services provider, (9) TOUR, a tour operator and (10) UTIL, a utilities provider. Each of these firms is recognized by its peers as leading in customer experience management transformation and is thus engaged in managing the customer experience (Table 4-2). In three cases (one from each sector-type: BANK, PARK and GROC), our research engagement occurred over several months, following the journeys of the key participants of customer experience management in each of those organizations over time. In other cases, we conducted multiple interviews with relevant managers and spent at least two to three hours on-site conducting ethnographic observation. In all cases, we gathered data from multiple organizational sources and spoke to various members of the organization that are directly participating in customer experience management, including leaders, managers and as well as those who are directly customer-facing and those that are not (see Table 4-3 for details of data gathered and Table 4-4 for a list of study informants).

Data was collected using multiple methods for each case studied (Benbasat et al. 1987). Through the use of in-depth interviews and other forms of qualitative

examination, including extensive ethnographic observation and the analysis of corporate documents and artefacts, we uncover the insider's perspective of reality in each organization (Cha and Edmondson, 2006). This approach, together with a longitudinal design, is well suited for investigating the cognitions and meaning of members of an organization (Cha and Edmondson, 2006) as they engage in a transformational effort to enhance the customer experience.

Data collection was carried out on-site. Direct ethnographic observation involved the observation of staff meetings, employee training sessions and workshops, call centre activity including sitting in on customer calls, and the workplace more generally. Observation was captured using a structured protocol for observational data collection (Creswell, 1994). This involved organizing field notes into two columns, one that captured specifics about the setting, context, actions, passages of verbatim conversations, and exchanges and the other researcher thoughts, questions and reflections about the field environment. When permitted, events were recorded on an electronic device and transcribed and photos of the field environment taken to supplement the field notes. .

Organizational artefacts gathered included such documentation as organizational charts, managerial objectives, vision, mission, strategy and values and physical artefacts such as employee engagement tools (Benbasat et al. 1987). See Table 4-3 for details on the data collected for each case

During an 18-month period we conducted 74 interviews *in situ* across the ten organizations with 56 leaders, managers and other members of the organization (as the firms studied were undergoing a transformation, in many cases, multiple interviews were conducted with the same individual at multiple points in time). Table 4-4 lists and describes the study informants. Interviews averaged between 45-60 minutes, were recorded on an electronic device, and were transcribed by a transcription service provider.

In-depth interviews using a semi-structured interview guide were used in this study. The interview protocol was designed to show to respondents, fitting on a single sheet of A4 paper divided into four parts with the main "grand tour

question” (Spradley (1979) in the middle of the page and a more specific follow-up questions written in each corner of the sheet (see Appendix in 4.9.1). The aims of such a protocol design is to show transparency which helped put them at ease and gain rapport (Leech, 2002).

The interview began by asking respondents the grand tour question “*What does customer experience management mean to you?*” Such questions are designed to get the respondents talking, but in a fairly focused way (Spradley, 1979). Because extant literature provides no clear conceptualization of the organizational values associated with customer experience management, our aim was to probe this guiding question with an open mind (Cha and Edmondson, 2002). As such, the role of this question was to elicit rich descriptions that deepen our understanding about organizational members’ beliefs about customer experience management. For this reason, minimal prompting was used at this stage of the interview in order to minimize the interruption of the respondents’ train of thought. At the end of their answer to this initial question, respondents were asked to clarify whether their answers reflected their individual opinion or that of their brand or organization. Many times, this prompted respondents to reflect further, providing us with the opportunity to pursue any emerging beliefs with more detailed questions from our protocol (Cha and Edmondson, 2006).

Often, responses provided opportunities to seamlessly ask the remaining four questions from the interview protocol, which included “*what does customer experience management mean to you in terms of day-to-day activities?*”; “*...in terms of collaborating with other teams?*”; “*...in terms of goals your team may have?*”; and finally, “*...in terms of considering competition/benchmarks?*”. Additional questions such as, “*Tell me about what you’re currently working on*” and “*Can you tell me about the last major project you were involved in?*” were asked to gain more detail if it was needed. Taken loosely from existing, albeit scarce, literature, these questions ensured all known sub-topics of interest were covered and provided a possible plan for how the interviews could be coded (Leech, 2002). According to Leech (2002), respondents may have a tendency

to give idealized answers, for example, focusing on what they think *should* happen day-to-day although it actually may not.

Floating prompts such as, “*How?*” and “*Could you give me an example of that?*” were used to gain clarification throughout the interview (Leech, 2002). The interview ended with the opportunity for the respondent to add further comments if they wished to. This usually prompted them to summarize their final thoughts on the initial question asked, “*What does customer experience management mean to you?*”

Qualitative analysis of data was conducted manually on Microsoft Word processor. We also used QSR International’s NVivo software, but only as a database for all transcriptions. It was useful in allowing searches to be done across all transcriptions. Initial coding of organizational values associated with customer experience management was identified entirely from the data. Because the customer experience management literature is nascent and thus, underdeveloped (Lemon and Verhoef, 2016), sticking to *a priori* codes from the literature would be restrictive in terms of analysis and subsequent interpretation. Therefore the data was approached from a grounded perspective (Glaser and Strauss, 1967) as opposed to being influenced by any set of *a priori* aspects of customer experience management as firm-wide strategic orientation.

Following Desphandé and Webster (1989), who define organizational culture in terms of three layers, organizational values, norms and behaviors, our analysis of the interview data aimed to code for these three elements. We began the first iteration of data coding by categorizing answers to the guiding interview question of “*What does customer experience management mean to you?*” This involved initially identifying data that stood out, including recurring themes that were discussed by several respondents in a consistent manner, quotes that described an aspect of beliefs about customer experience management in a concise and illustrative manner, and information that either matched, contradicted, or expanded on existing customer experience management literature (Lutgen-Sandvik, 2008). In doing so, we interrogated the data with questions like, “what are customer experience managers saying customer

experience management means?” and “how do what they say translate into daily activity?” or “what are customer experience managers doing?” and “what are they saying about why they’re doing customer experience management?” The analysis was aided by many respondents’ tendencies to describe the way things were done before customer experience management became an important organizational focus. Such data explicitly contributed to our aim of identifying the shared beliefs that drive customer experience management within an organization.

This coding process was conducted throughout the process of data collection and using a constant comparative method (Lutgen-Sandvik, 2008). Within- and cross-case coding and analysis was carried out simultaneously through an iterative process whereby codes were created by analysing the cases sequentially, going back and forth between the cases to find evidence for a new code (Braun and Clarke, 2006). According to Lofland et al. (2006), coding is the process of sorting data into categories that organize and render it meaningful. This resulted in nine preliminary codes by completion of the data collection phase. These codes were: (1) collective responsibility, (2) collective behaviour, (3) customer empathy, (4) uncompromising customer-centricity, (5) remaining relevant/ never complacent (6) fluid organizational boundaries, (7) keeping it fresh / employee engagement, (8) organizational alignment, and (9) protecting the front-line / safeguarding the customer experience (See Appendix in 4.9.2).

Subsequent iterations of our coding aimed to identify customer experience management organizational values and norms. Because norms differ from values by a higher degree of specificity (Katz and Kahn, 1978 cf. Homburg and Pflesser, 2000), we began first by coding for norms. Following Homburg and Pflesser’s (2000) definition of norms as expectations about behaviour or the results of behaviour, coding for customer experience management norms involved identifying the prescriptive beliefs (Cha and Edmondson, 2006) expressed by respondents. The analysis was aided by many respondents’ tendencies to make statements about how customer experience management

should be done. Such data explicitly contributed to our aim of identifying customer experience management norms.

Throughout this process, in order to enhance the truth-value of the study (i.e. “the match between the informants’ constituted ‘realities’ in their particular context and those represented by the researcher” (Da Mota Pedrosa et al. 2012, p. 278)), the lead author revisited the recordings and transcriptions of interviews conducted, checked back with interview respondents. We were able to reach five out of 10 of the organizations. Furthermore, the first author conferred with other academics (i.e. the second and third authors, who, in turn conferred with a group of 10 other academics during an international conference presentation) and shared preliminary findings with a group of over 50 other customer experience management practitioners during two practitioner events. In the case of any confusion or disagreement evident from these discussions, the data analysis was revisited and discussed among the co-authors of this study.

As a result, subsequent iterations of the analysis resulted in adding/removing, refining and renaming prior codes. This process was repeated until no more changes to the codes were inspired and the result was meaningful enough (to the researcher and participants of the study).

This process resulted in six final codes, or norms for customer experience management: (1) Everything we do is to improve customer journeys, (2) we all play a part in the customer experience, (3) we live brand values that encapsulate the value-in-use our customers seek, (4) we have permission to do whatever it takes to improve experience for our customers, (5) we trust in “the force” that improving the customer experience pays off, and (6) the unit of innovation is experience improvement. We worded customer experience management norms in the first person in order to clearly distinguish them from customer experience management organizational values. This is in line with the more specific nature of norms as compared to values (Homburg and Pflesser, 2000).

Subsequently, we named the customer experience management values such that they accurately described each customer experience management norm emerging from our analysis. Following Homburg and Pflesser (2000) and Gebhardt et al. (2006), we worded organizational values as descriptive phrases (i.e. describing “beliefs that help individuals understand organizational functioning and thus provide them with norms for behaviour in the organization” (p. 4), as per Desphandé and Webster’s (1989) definition of organizational culture). To enhance the truth-value of these findings, the lead author conferred with other academics (i.e. the second and third authors who, in turn, conferred with a group of 10 other academics during an international conference session) and shared preliminary findings with a group of over 30 other customer experience management practitioners during a practitioner event. In the case of any confusion or disagreement evident from these discussions, the data analysis was revisited and discussed among the co-authors of this study. As a result, customer experience management organizational values emerging from our analysis are: (1) Journey motivation (2) journey coordination, (3) brand alignment, (4) experience empowerment, (5) experience mandating, and (6) continual experience optimization.

Next, we discuss these findings.

Table 4-2 Case study descriptions

Organization	Number of Employees	Year founded	Market context	Main channel of customer experience	Overall customer experience concern	Summary of case story
1. LUX	11,000	1856	Business-to-Consumer (B2C)	Multichannel (In-store, Online, Telephone, Social media)	Enhancing the customer experience	How does a best-in-class global luxury-fashion retailer manage their customer experience? Despite their success, they are always looking for ways to enhance their customer experience in order to remain relevant.
2. BANK	90	2012	Business-to-Business (B2B)	Website and Telephone	Maintaining a high standard of customer experience as they rapidly grow	With 99% customer satisfaction rates this bank is rapidly expanding, getting as many as 13 new starters a week and doubling in size in less than a year. How can they maintain that same level of customer experience as they go from being a tight-knit family to a larger organization no one knows everyone's name?

Organization	Number of Employees	Year founded	Market context	Main channel of customer experience	Overall customer experience concern	Summary of case story
3. PARK	100	2015	B2C and B2B	Diverse park venues	Transforming the organization to deliver a better customer experience	Going from being an Authority to a Trust and focusing on enhancing the customer experience in order to become commercially viable. Employees have been used to one (non-customer-centric) way of working, how do you re-engage an entire organization to think of the customer first?
4. COFF	30	2012	B2C	Coffee shops	Using Big Data to deliver a personal and dynamic customer experience	A small start-up, being half-owned by large supermarket chain, has the resources to gather customer insight and expand, all the while struggling to maintain their image as a specialty barista
5. FASH	91,000	1864	B2C	In-store and online	Addressing the challenges arising from successful customer-focused online retailing	The culture changes and practical challenges associated with being both a customer-focused and successful online retailer

Organization	Number of Employees	Year founded	Market context	Main channel of customer experience	Overall customer experience concern	Summary of case story
6. GROC	38,100	1904	B2C	Supermarkets	Teaching the front-line to balance excellent customer-service and commercial success	Through various initiatives, they are fostering a culture that equips Partners with the ability to provide excellent customer service while remaining commercially-savvy
7. TELE	N/A	2003	B2C	Network and product usage; in-store, online, telephone	Getting everyone on board to be customer-experience oriented	Winning over the “hearts” of senior management and getting the entire organization to change their way-of-working to switch to the NPS metric (and focus on the customer experience) because winning over minds (showing the hard numbers) is harder to do
8. FIN	6,500	1825	B2C and B2B	Telephone, online	Transforming their way-of-working to deliver a better customer experience	Winning over the “hearts” of senior management get a budget for gathering customer experience insight (and be customer experience oriented) because winning minds (showing the hard numbers) is harder to do

Organization	Number of Employees	Year founded	Market context	Main channel of customer experience	Overall customer experience concern	Summary of case story
9. TOUR	N/A	2013	B2C	On holiday tour, online	Co-creating with all stakeholders to transform the customer experience	They were undifferentiated and struggling for profit. Using innovative empathic insight gathering techniques, they repositioned their brand and transformed their customer experience.
10. UTIL	5,200	1986	B2C	Telephone, online	Differentiating the brand on customer experience in a sector where differentiation is hard but customers expect so much	In a sector where differentiation is hard yet customers compare them to the best experiences out there, the challenge is to deliver a customer experience that matches brand value

Notes:

LUX = global luxury fashion retailer; **BANK** = business-to-business bank; **PARK** = world-class community leisure and recreation trust that manages a number of diverse park venues; **COFF** = chain of coffee shops; **FASH** = a fashion own-brand and multi-brand retailer; **GROC** = high-end grocery retailer; **TELE** = telecommunications provider; **FIN** = insurance and financial services provider; **TOUR** = package tour operator; **UTIL** = utilities provider.

Table 4-3 Data collected by case

Firm description / industry	Number of visits	Overall Period studied	Total number of interviews	Number of interviewees	Events observed	Other observation opportunities	Documents studied
1. LUX	5	8 months	9	6	External company selling customer experience related services;	Head office visit; Flagship Store visit; Intranet	Team Vision, Responsibilities and Strategy 2015; Customer Experience Vision; Team organizational chart
2. BANK	4	5 months	17	7	Brand Induction Workshop; Full Staff Meeting; Staff Survey Workshop	Head office visit; Customer call recordings; CCMF presentation by Head of Customer Experience	Employee objectives; internal branding; Brand induction Presentation; Staff Survey Results and workshop sheets; Brand guide; Organizational Chart

Firm description / industry	Number of visits	Overall Period studied	Total number of interviews	Number of interviewees	Events observed	Other observation opportunities	Documents studied
3. PARK	7	7 months	18	8	Change Workshop; Collective Change follow up workshop	Park visit; Head office visit	Business Strategy Map; Quality of Service Chart; Organizational Chart; Customer Promise; Creating Collective Change Workshop
4. COFF	3	5 months	5	4		Intranet; Coffee shop; Head office visit	UK Customer Experience entry forms
5. FASH	3	10 months	5	5	Delivery Hub tour; Delivery Hub tour	Store visits; London Victoria Head office visit	Driver Customer; Experience Training Material; Delivery Hub Brochure; News Articles

Firm description / industry	Number of visits	Overall Period studied	Total number of interviews	Number of interviewees	Events observed	Other observation opportunities	Documents studied
6. GROC	5	8 months	9	7	Customer call listening; Social media live competition management; UK Customer Experience Awards final round presentation and award acceptance; Winning with CX winner presentation	Flagship store visit; Head Office visit (Customer Service and Café)	Training Programme Material; UK Customer Experience entry form and presentation
7. TELE	2	2 months	3	2	UK Customer Experience Awards final round presentation and award acceptance	Head office visit	UK Customer Experience Awards entry forms; News articles

Firm description / industry	Number of visits	Overall Period studied	Total number of interviews	Number of interviewees	Events observed	Other observation opportunities	Documents studied
8. FIN	3	4 months	8	7	UK Customer Experience Awards final round presentation and award acceptance; Winning with CX Winner Presentation	---	UK Customer Experience Awards entry forms
9. TOUR	2	2 months	3	3	Virtual Reality Sales tool experience; Airline Long Haul Flight First Class Chair experience	CCMF Presentation on Brand Renewal Head office visit; Flagship store visit	Organizational Chart; Company Strategy Update presentation to Board of mother company; Strategy information; CCMF Presentation

Firm description / industry	Number of visits	Overall Period studied	Total number of interviews	Number of interviewees	Events observed	Other observation opportunities	Documents studied
10. UTIL	3	5 months	2	1	---	CCMF Presentation on Brand Renewal; Head Office visit	Organizational Chart; UK Customer Experience Awards entry form; CCMF Presentation

Notes:

LUX = global luxury fashion retailer; **BANK** = business-to-business bank; **PARK** = world-class community leisure and recreation trust that manages a number of diverse park venues; **COFF** = chain of coffee shops; **FASH** = a fashion own-brand and multi-brand retailer; **GROC** = high-end grocery retailer; **TELE** = telecommunications provider; **FIN** = insurance and financial services provider; **TOUR** = package tour operator; **UTIL** = utilities provider.

Table 4-4 Informant descriptions

ID		Interviewee job title	Firm description	B2C / B2B
Chief Officers / Founders				
BANK	1	Chief Customer Officer	Bank	B2B
COFF	2	Founder and CEO	Chain of coffee shops	B2C
TOUR	3	Managing Director	Package tour operator	B2C
Directors / Heads of				
LUX	4	Global Director of Retail Training and Education	Global luxury fashion retailer	B2C
BANK	5	Director of Customer Experience (non-executive)	Bank	B2B
BANK	6	Director of Risk and Compliance	Bank	B2B
PARK	7	Director of Business Support	World class parks and recreation trust	B2C & B2B
COFF	8	Director of Digital Experience	Chain of coffee shops	B2C
BANK	9	Head of Marketing and Customer Experience	Bank	B2B
BANK	10	Head of Credit	Bank	B2B
BANK	11	Head of Financial Planning and Analysis	Bank	B2B
COFF	12	Head of Technology	Chain of coffee shops	B2C
COFF	13	Head of Coffee	Chain of coffee shops	B2C
TELE	14	Head of Customer Strategy – Experience	Telecommunications provider	B2C
FIN	15	Head of Customer Insight	Insurance and financial services provider	B2C & B2B

ID		Interviewee job title	Firm description	B2C / B2B
TOUR	16	Market research partner (external) - CEO and co-founder of innovative customer insight agency	Package tour operator	B2C
TOUR	17	Head of Product and Production	Package tour operator	B2C
UTIL	18	Head of Customer Experience	Utilities provider	B2C
Senior Managers				
LUX	19	Global Service Experience and Standards - Senior Manager	Global luxury fashion retailer	B2C
LUX	20	Global Retail Operations Senior Manager	Global luxury fashion retailer	B2C
LUX	21	Global Retail Services Development - Senior Manager	Global luxury fashion retailer	B2C
LUX	22	Global Product Training and Education - Senior Manager	Global luxury fashion retailer	B2C
BANK	23	Customer Experience Manager	Bank	B2B
BANK	24	Marketing Manager	Bank	B2B
PARK	25	Venues Operations Manager	World class parks and recreation trust	B2C & B2B
PARK	26	Communications Manager	World class parks and recreation trust	B2C & B2B
PARK	27	Performance & Information Manager	World class parks and recreation trust	B2C & B2B
FASH	28	Customer Delivery Proposition Manager	Fashion own- and multi-brand retailer	B2C
GROC	29	Customer Services Department Manager – Training and Development	High-end grocery retailer	B2C

ID		Interviewee job title	Firm description	B2C / B2B
GROC	30	Service Experience Manager	High-end grocery retailer	B2C
TELE	31	Market Research Manager	Telecommunications provider	B2C
FIN	32	Data Insight Manager	Insurance and financial services provider	B2C & B2B
FIN	33	Customer Research Manager	Insurance and financial services provider	B2C & B2B
FIN	34	Customer Experience Manager	Insurance and financial services provider	B2C & B2B
FIN	35	Customer and Predictive Analytics Manager	Insurance and financial services provider	B2C & B2B
FIN	36	CRM Analytics Manager	Insurance and financial services provider	B2C & B2B
FIN	37	CRM consultant (external)	Insurance and financial services provider	B2C & B2B
Managers				
LUX	38	Global Retail Academy Training and Education Manager	Global luxury fashion retailer	B2C
BANK	39	Assistant Manager Customer Services	Bank	B2B
PARK	40	General Manager	World class parks and recreation trust	B2C & B2B
Non-managerial organizational members				
LUX	41	Retail Management Training and Education Senior Developer	Global luxury fashion retailer	B2C
PARK	42	Research Officer	World class parks and recreation trust	B2C & B2B
GROC	43	Customer Services Trainer – Soft Skills	High-end grocery retailer	B2C

ID		Interviewee job title	Firm description	B2C / B2B
GROC	44	Partner Development – Learning Design	High-end grocery retailer	B2C
Front line managers				
PARK	45	Venue a Assistant Manager	World class parks and recreation trust	B2C & B2B
PARK	46	Venue b Assistant Manager	World class parks and recreation trust	B2C & B2B
PARK	47	Venue c Manager	World class parks and recreation trust	B2C & B2B
FASH	48	Delivery Hub Site Supervisor	Fashion own- and multi-brand retailer	B2C
FASH	49	Delivery Hub Training Coordinator	Fashion own- and multi-brand retailer	B2C
FASH	50	Continuous Improvement Manager - Technical Training Centre	Fashion own- and multi-brand retailer	B2C
FASH	51	Forum (democratic) representative – Technical Training Centre	Fashion own- and multi-brand retailer	B2C
GROC	52	Customer Service Operations Manager	High-end grocery retailer	B2C
Front line organizational members				
BANK	53	Customer Services Officer	Bank	B2B
FASH	54	Non-customer tour guide - High tech distribution centre	Fashion own- and multi-brand retailer	B2C
GROC	55	Customer Service Advisor	High-end grocery retailer	B2C
GROC	56	Email / Social Media Advisor	High-end grocery retailer	B2C

Notes:

LUX = global luxury fashion retailer; **BANK** = business-to-business bank; **PARK** = world-class community leisure and recreation trust that manages a number of diverse park venues; **COFF** = chain of coffee shops; **FASH** = a fashion own-brand and multi-brand retailer; **GROC** = high-end grocery retailer; **TELE** = telecommunications provider; **FIN** = insurance and financial services provider; **TOUR** = package tour operator; **UTIL** = utilities provider.

4.6 Findings

Although customer experience management is growing in prevalence in recent academic literature, very little is known about the organizations' understanding of customer experience management and what is done to manage customer experiences (Lemon and Verhoef, 2016; Homburg et al. 2017). We find, emerging from the case study analysis, six organizational values of customer experience management and related behaviours, summarized in Table 4-5: (1) *Journey motivation* (2) *journey coordination*, (3) *brand alignment*, (4) *experience empowerment*, (5) *experience mandating*, and (6) *continual experience optimization*.

In the following, each customer experience management organizational value is presented and discussed in turn. In doing so, we demonstrate how these CXO organizational values are different to market orientation values in subtle but important ways, as summarized in Table 4-6.

4.6.1 Journey motivation: Everything we do is to improve customer journeys

In our case studies, the importance of taking the customer's perspective, or "stepping into their shoes", was found to be manifested in a focus on mapping and using customer journeys to drive the understanding of target customers and key decisions made across the organization. A customer journey is a metaphor often used to explore the customer's experience (Lemke et al. 2011) by identifying points at which there is a customer-brand interaction and depicting how they occur over time and across space. To an extent, this echoes the market-oriented values associated with being customer oriented, particularly that of assessing the quality of products and solutions through the eyes of customers (Webster, 1994a, 1994b Homburg and Pflesser, 2000; Day and Nedungadi, 1994) (see Table 4-1). However, increasing academic attention is being paid to whether and how the customer experience might go beyond services and solutions (Lemke et al. 2011).

Swinyard (1993) uses the metaphor of the customer journey to explore experience, defining experience as customer perceptions of each touchpoint with the firm. This is because, by definition, an experience is from the point of view of the experiencer (i.e. the customer) (Pine and Gilmore, 1998; Zomerdijk and Voss, 2011; Brakus et al. 2009). Customer experiences are thus subjective, as Director of Digital Experience at the coffee shop chain explains:

“...a customer’s perception is going to be the reality. We can sit and think we’ve got the best, most comfortable coffee shops, but if we’re not doing our job and they think, ‘this is not great’, that’s their reality and that’s the customer experience. So I think it’s about minimizing the gap and managing the gap between what we’d like to be perceived as and the reality of how customers experience us” (COFF8).

Thus, understanding the customer and their experience with the firm entails taking their point of view. Customer experience literature emphasizes the need to understand the multi-faceted responses a customer has to each touchpoint he/she encounters, including sensorial, emotional, cognitive, physical and social (Verhoef et al. 2009; Brakus et al. 2009, Gentile et al. 2007; Meyer, Schwager, 2007; Berry et al. 2002). Global Retail Academy Training and Education Manager at the global luxury fashion retailer explains in the following quote how they took a more “*feeling focused*” approach to one of their products.

“So, [we recently re-launched one of our iconic products], but this time it was customer focused and kind of feeling focused. So actually, if we want the customer to feel educated, valued, inspired, engaged, what sorts of things are we doing at each of these points to ensure that that happens?” (LUX38)

In this way, the global luxury fashion retailer focuses not on the product itself or how the product fulfils a customer need, but on the customer’s perception of the product. Likewise, the Head of Customer Experience at the utilities provider explains,

“[The] experience [team] will look at it from a view of, what do we want the customer to experience? What do we want them to feel? What does that look like? What does that mean the business needs to do?” (UTIL18)

The organizational value of *journey motivation* is in line with literature research that argues that the increasing focus on customer experience arises because of an “explosion in potential customer touchpoints and the reduced [company] control of [the customer] experience” resulting in more complex customer journeys (Lemon and Verhoef, 2016, p. 4). This is because customers now interact with firms through a myriad touchpoints in multiple channels and media (Lemon and Verhoef, 2016), to address their own needs based on their immediate and surrounding context (Homburg et al. 2017). The Head of Customer Experience at the utilities provider explains,

“The customer doesn’t think about channel, they think about what they want to do. [If, for example,] you want to move homes, at a certain point in that, it might be easier for you to pick up the phone and at other points it might be easier for you to do it online. At another point you might want to do web chat.” (UTIL18)

To address this dynamic aspect of customer needs, the Customer Experience Manager at the financial services and insurance provider explains how customer needs are understood in the context of the customer journey.

“[W]ith our customer journey mapping ...it’s really uncovering what customers want to know, what they want us to know. So we don’t just ask them, ‘what can we improve on?’ but ‘what do you need from us?’ [...] So when I’m mapping out my journey, these are like my journey guidelines that I make sure that every time we map a journey we are clear this is what our customers are telling us they want.” (FIN34)

Other scholars use the same “customer journey” metaphor to argue that this journey may both precede contact with the firm and continue after contact, to include what Payne et al. (2008) term the “communication encounter” and the “usage encounter” as well as the “service encounter.” Global Retail Academy Training and Education Manager at the global luxury fashion retailer explains an example of how this temporal view of the customer journey helps them understand and anticipate what their customers might expect of them:

“So we know that [before they come into one of our stores] the customer has experienced marketing, they might have had emails, they might have gone online. You know, there are all sorts of ways to experience [our brand], digital ways to experience [our brand]. Whether it’s recommendations from friends,

whether its kind of personal experiences, potentially, that they've had in— maybe it's not at a stand-alone store, it might be a concession—so all of those things we do take into consideration in terms of what the expectation is when someone comes in. And then after they've had those interactions, if they've purchased, it's sort of the after-sales piece and keeping in touch with them”. (LUX38)

Additionally, existing literature on customer experience also argues that customers may perceive value processually through any part of their customer journey, including those parts outside the firm's direct control (Verhoef et al. 2009; Lemon and Verhoef, 2016). A park venue Assistant Manager at the world class parks and recreation trust describes an example of this:

“So we have now undertaken [customer touchpoint analysis] for the majority of the activities and we are going through [the customer journey]. Some of them are external factors that we are kind of working on through the more political channels. So, for example, where someone is approaching [our park venue], there is no signage in the local area. How we go about that: Our local planning officers basically said that they don't want any banners or posters around in the whole of the county area. So it is how we work with them to achieve what we need to achieve and still allow them to achieve what they need to”. (PARK45)

Market orientation research has touched on the need to foster strategic alliances and long term “trading relationships” (Day, 1994, p. 45) with other firms, particularly those who are part of the firm's value-chain (i.e. suppliers, distributors and partners) in order to “exchange distinctive competencies, resources, and skills that offer mutual value” (Webster, 1994b, p. 15) (see Table 4-1). By contrast, our research reveals the need to work with other firms that are part of the customer journey. From the customer's point of view, elements of their experience may go hand-in-hand with each other despite originating from multiple firms who may not have any relationship with each other whatsoever. In this way, firms who are part of the same customer journey become part of a value-chain that is organically constructed by the customer.

Thus, the term “customer journey” indicates a point of augmentation to the traditional market orientation concept. A customer journey joins up multiple firm

channels and propositions to address the spatial and temporal dimensions of a customer need. We observed in our analysis that firms are required to address customer needs as they play out over time and across various touchpoints, including those that are outside the firm's direct control. Through customer journey mapping and design, firms are assessing the quality of customer experiences, not just products and solutions, through the eyes of their customers.

In this way, our findings suggest the need to address the market in terms of customer journeys.

Next, we present journey coordination, the customer experience management organizational value that rallies members of an organization to collectively address customer journeys.

4.6.2 Journey coordination: We all play a part in the customer experience

The organizational value of *journey coordination*, emphasizing the shared belief that everyone plays a part in the customer experience, was found in the firms studied. To a degree, this finding is consistent with the market-oriented value of coming together to share and utilize market information and assumptions, typically manifested in inter-functional coordination. Extant market orientation research finds that different functions of an organization come together to share and respond to market intelligence (Day, 1994; Narver and Slater, 1990; Homburg and Pflesser, 2000; Narver et al. 1998; Webster, 1994a; Gebhardt et al. 2006; Kennedy et al. 2003) to better serve to the firm's customer value proposition (see Table 4-1). In contrast, our multiple case study analysis reveals that different members of an organization relating to various customer-firm touchpoints come together to understand and address how together they ultimately affect the customer experience. While the nuance is subtle, it has important implications for how an organization operates. Our findings indicate this is like a "*customer hub*" of concerted customer experience management rather than like a "*baton pass*" between organizational functions. As Head of

Customer Strategy- Experience at the telecommunications provider describes it in the following quote:

“One of the weaknesses of our operating model is it’s like a baton pass, and what I’m supposed to do is hand over to my colleague who then goes and runs away. Yes he’s supposed to play back to me but often they don’t because they’re too busy. That now then passes over to the channel operations team who then deliver it. I think what’s coming is [...] more of a customer hub where sales, service and marketing all sit together and your one team focus is around the customer and there isn’t handover, [instead] my team deliver all the way through.” (TELE14)

The “*baton pass*”-like approach echoes one line of work on market orientation which describes the market-oriented firm as a tightly connected chain of internal customers whereby market data is systematically generated and acted upon to meet the requirements of internal stakeholders (Kennedy et al. 2003). By contrast, while we do find an emphasis on the consideration of internal stakeholders in customer experience management, it is to understand how the inner-workings of the organization will ultimately affect the customer experience. Global Product Training and Education Senior Manager at the global luxury fashion retailer explains how “*Sometimes there can be a little bit of an attitude of, ‘well we’ve got this product, we just need to get it out there and get things done’*” and how that results in “*a kind of a muddled and rickety customer experience.*” (LUX22).

Customer Experience Manager at the insurance and financial services provider describes how “*it’s really been a kind of bulb moment*” for the firm in understanding the importance of getting “*the right people in the right room to walk the journey, to validate it, to make sure that this is the actual journey of customers*” instead of having “*a lot of silo working, where people are more focused on their area, getting it right, improving that, but not understanding what happens before that or at the end...*” (FIN34).

To the extent that organizational members must come together to define specific areas of improvement and learn from one another by sharing market data and best practice (Day, 1994; Webster, 1994a; Gebhardt et al. 2006),

journey coordination resembles aspects of market orientation (See Table 4-1). Contrastingly, because an experience is comprised of multiple interrelated actors, processes, and systems (Chandler and Lusch, 2014), *journey coordination* encourages individuals to come together to understand their impact on their colleagues' abilities to effectively address the customer experience. Research Manager at the telecommunications provider explains that, in terms of individual accountability for the customer experience, "*you can do everything right and yet some other part of the business might get it wrong; that's completely out of their control.*" (TELE31).

Likewise, Global Service Experience and Standards Senior Manager at global luxury fashion firm stresses the importance of journey coordination to be able to "*see the end-to-end piece, so they can understand the knock-on effects of what they're working on, how does that then affect downstream the customer experience at the end of the day.*" The informant explains,

"[We're] making sure we're collaborating with all of the different members that are involved in [a] project. And part of the reason for that is so that they can also see the end-to-end piece, so they can understand the knock-on effects of what they're working on, how does that then affect downstream the customer experience at the end of the day. Because if they don't deliver x, y or z, it means that we [as a company] can't deliver the customer experience to the standard that we expect it to be." (LUX19)

Elaborating on why it is important to collaborate when it comes to the customer experience, the Retail Management Training and Education Senior Developer at the same firm explains how collaboration importantly allows people within an organization to "*understand how their worlds link*" and they need to "*be open enough to challenge it and see if we can glue things together a little bit better...*" because if they find that "*there's a missing piece*", that has implications for how the experience is ultimately perceived by the customer. The informant explains,

"Collaboration has different views. Often people are working with different pieces of that process as well. So it's all, it's that challenge in making sure people understand how their worlds link, [...] So often we do see things, 'actually that's great and that's great', 'that's happening, but there's a missing

piece here' and sometimes the fun thing about what we do is the fact we can be open enough to challenge it and see if we can glue things together a little bit better and make sure by the time things do hit our stores, it feels seamless [to the customer]." (LUX41)

Accordingly, the organizational value of *journey coordination* offers a point of augmentation to the market orientation concept extending the extant market orientation concept of inter-functional coordination to further consider and work towards the realization of effective customer-perceived journeys. While the importance of sharing key market information continues, our findings demonstrate an emphasis on sharing key market information that relates to customer journeys—which, as previously mentioned, joins multiple firm channels and propositions. As such, our analysis reveals a new way in which members of an organization relate to one another—from the outside in and with regards to customer journeys as opposed to organizational functions (i.e. from the inside out) and thus requiring a new way of coordinating with one another.

Next, we introduce and discuss the customer experience management organizational value of brand alignment.

4.6.3 Brand alignment: We live brand values that encapsulate the value-in-use our customers seek

Another organizational value emergent from our analysis centered on the belief that organizational members should espouse the brand values that encapsulate the value-in-use their customers seek. To a degree, this organizational value reflects elements of market orientation wherein there is a firm-wide commitment to continuously serve customer needs in a way that competitors have difficulty matching (Narver et al. 1998; Webster, 1994a; Day, 1994) (see Table 4-1). The firm's mission statement matches up its distinctive competencies with the needs and preferences of target customers, acting as a shared purpose for organizational members (Webster, 1994a; Webster, 1994b). To support this commitment, members of an organization are evaluated on competencies pertaining to meeting customer needs (e.g. task competence, social competence, degree of involvement (Homburg and Pflesser, 2000)).

Our findings emphasize evaluating employees on competencies related to engaging and aligning with brand values. The Director of Customer Experience at the bank points out that everyone across the entire organization, including the CEO, has the following line included in their personal objectives and performance appraisal:

“Consistently demonstrating and evidencing delivery of the Bank brand values and supporting behaviors.” (BANK5)

Likewise, the Head of Customer Strategy-Service Experience at the telecommunications provider explains how all members of the organization, “*from CEO all the way down to store adviser*”, are evaluated on their ability to demonstrate expected brand behaviors. The informant explains,

“...one thing we’ve done that’s quite good this year for our people [...] is what we call ‘Be [our brand] skills’. [...] we looked at what makes a customer-centric person [...] there’s six elements of them that basically are all the attributes of how you would deliver experience, and then within each level, from CEO all the way down to store adviser, what is it you’re expecting of the behaviors in each of those areas? [...] and that’s used in our appraisals and it’s used in our recruitment.” (TELE14)

The importance of brand alignment in customer experience management by everyone in the firm is explained by the Director of Customer Experience at the bank. The Director conducts annual staff surveys, in part to gauge brand engagement levels across the bank. In the following quote, she explains that “*everybody in this organization is engaged with who we are and what we’re doing and it needs to be 100% because if it’s 99% and that 1% is on the phone to the customer, all of those customers are not having the brand experience you want them to have*”. The informant explains,

“...on the last staff survey, [...] 100% of our staff knew what the brand values were and believed we delivered them. So to me that says everybody in this organization is engaged with who we are and what we’re doing and it needs to be 100% because if it’s 99% and that 1% is on the phone to the customer, all of those customers are not having the brand experience you want them to have [...] So I would say even if they’ve got it wrong with one [employee], that’s one too many. You’ve got to hit everybody. For the culture to be right it’s got to be

completely embedded. You can't embed it in certain areas because otherwise you'd just have people washing it off the other people." (BANK5)

Likewise, the role of the brand and how *"there shouldn't be peaks and troughs around how we're perceived and what we are actually"* (LUX 38) is described by the Global Retail Academy Training and Education Manager at the global luxury fashion retailer in the following quote. The Manager explains, *"It's about, if we're telling the world that we are a certain brand, the expectation is that [...] it's everything..."* (LUX 38). In this way, the global luxury fashion retailer sees internal and external brand consistency as integral to meeting customer expectations about the experience they have of the brand. The Manager explains,

"I think in terms of guiding principle, [the customer experience] is something [our CEO] needs to sign off on because, as a brand, we want to be a certain way and who we want to attract depends on the brand that we kind of tell the world that we are. It's about, if we're telling the world that we are a certain brand, the expectation is that [...] it's everything, front and back of house, after-sales, continued connections with the brand, that there shouldn't be peaks and troughs around how we're perceived and what we are actually." (LUX 38)

The rationale for adopting this belief is that brand values act as guiding principles for the long-term co-creation of customer value and meaning (Urde, 2003). The Head of Customer Insight at the insurance and financial services provider explains that everything employees do must be dictated by the firm's brand values and if not, *"...then why are you doing it?"* (FIN15)

Brand development and management has been one of the primary focal points in the marketing discipline for decades now (Noble et al. 2002) and is conducive to developing compelling propositions for the marketplace, suggesting a tie to the market orientation construct (Noble et al. 2002). Nonetheless, we find that a deeply embedded firm-wide brand focus has a natural place in customer experience management. While the overall market orientation objective of serving the needs and wants of customers in a superior way (Webster, 1994a) remains the same, we find that in customer experience management, there is an increased prominence of branding and management activities within the firm,

whereby all areas are dedicated to the branding process. This firm-wide commitment is conducive to consistent and compelling customer experiences. In this way, the importance within an organization of embodying and aligning to the brand's values offers a point of augmentation to the market orientation concept.

Next, we present and discuss the customer experience management organizational value of experience empowerment.

4.6.4 Experience empowerment: We have permission to do whatever it takes to improve experiences for our customers

The belief that each member of an organization has the permission to do whatever it takes to improve the experience of its customers was found in the firms studied. In the sense that there is an emphasis on organizational responsiveness to customer needs, this organizational value of, *experience empowerment*, reflects elements of market orientation. However, a close examination of market orientation literature reveals that organizational responsiveness is characterized by (1) a periodic review of product development efforts to ensure they are in line with what customers want, (2) efficient processes and speedy employees to ensure customer requests are answered at once and (3) empowered employees to ensure customer problems can be solved without approvals (Homburg and Pflesser, 2000; Kennedy et al. 2003; Day, 1994; Gebhardt et al. 2006) (Table 4-1).

In contrast, our case study analysis finds that *experience empowerment* involves a departure from planned delivery of products and services and from organizational process and instead liberates decision making to allow each employee to “do what feels right, not what the process tells me is right”, as the Customer Service Operations Manager at the high-end grocer explains. This informant explains that experience empowerment entails doing what's right for a particular interaction with a customer, which will vary from interaction to interaction and from customer to customer. The informant explains:

“So we wanted to [...] get people to realize you don't just keep following a process and doing what you always do. You've got to think about, what's it

going to take on this interaction, this phone call, this email, to ensure this customer remains engaged with the brand? And that will be different for every customer. [...] [F]or a lot of people that was quite a stretch. [...] So it was really trying to illuminate the real creativity and freedom that we want the team to feel empowered to do..." (GROC52).

This manager explains that they realized that "for a lot of people [in the business] that was quite a stretch" as most felt a "lack of confidence, lack of freedom, lack of empowerment, lack of understanding of our customers actually." The manager explains,

"Lack of permission, that's not my job, that's above my pay scale, I can't make these decisions, that's for a manager to do, I don't have the confidence to influence a branch manager, [...] I'm not confident, I don't have to do that. I don't know how to have that conversation. I'm really nervous about doing it so I'll just say sorry and move on and hope it doesn't come and bite me later.' So all the key words were 'lack of confidence', 'lack of freedom', 'lack of empowerment', 'lack of understanding of our customers actually'." (GROC52)

As a result, the high-end grocer developed an innovative training program with the aim of allowing their front line employees to feel like they had the permission and confidence to do whatever it takes to improve the customer experience.

The Manager explains,

"They didn't want to spend the business's money, they didn't want to get in trouble for giving £50 instead of £10 like they did on the previous call. They didn't want to be in the spotlight for the wrong thing. But actually, so it was really trying to illuminate the real creativity and freedom that we want the team to feel empowered to do..." (GROC52)

The training program proved successful, according to the Customer Service Operations Manager, because front-line employees within the firm were liberated from organizational process in their decision-making when it came to addressing customer experience issues. The Manager explains,

"...[We took] a team from a level of capability, who were all about process, all about following rules, all about, 'I can only give £25, I have to send this templated email to a customer' to think like, 'I can tell you my answer and I can

do what feels right, not what the process tells me is right'. That was a huge thing." (GROC52)

Likewise, as a result of recently becoming "*a customer-focused business*", the Head of Customer Insight at the insurance and financial services provider explains the newfound sense of freedom within the firm to "...*just break down the barriers...*" in order to address any customer experience issues. The informant explains,

"[...] we're getting letters in to the Board, to my team, to people in Ops, from customers who are expressing their gratitude, satisfaction, whatever it is, because they feel like we're a customer-focused business. Because, despite the fact that that's not a channel that we support, if our customer needs anything from us we'll just break down the barriers and get to them. Which I think we probably couldn't have said two years ago. Because in the current building I would have got 'Oh my God, what the heck do we do with them, send them away!'" (FIN15)

As such, the organizational value of *experience empowerment* offers a point of augmentation to the market orientation concept in that it expands the extant concept of market responsiveness found in market orientation research, which entails the delivery of market-aligned, albeit planned, products and services, to include customer experience responsiveness.

Next, we introduce and discuss the customer experience management organizational value of experience mandating.

4.6.5 Experience mandating: We trust in "the force" that improving the customer experience pays off

The fifth organizational emergent from our study centered on experience mandating. We find this belief underpins the empowerment of managers to prototype customer improvements even when measurement is difficult. To an extent, *experience mandating* echoes the market-oriented belief that the interest of the customer comes first (Deshpandé et al. 1993; Narver and Slater, 1990; Kennedy et al. 2003; Day and Nedungadi, 1994; Webster, 1994a; Day, 1994; Harris, 2002) (see Table 4-1). However, our findings reveal that, when it comes

to customer experiences, this belief requires a “leap of faith” on the part of senior management.

Extant market orientation research widely emphasizes the importance of senior leadership support in facilitating effective market orientation. The literature describes their essential ability to instil market-oriented organizational values and propel firm-wide transformation to an organization that readily prioritizes the interests of the customer (Day, 1994, Narver and Slater, 1990; Webster, 1994a; Kennedy et al. 2003; Gebhardt et al. 2006). A closer examination of market orientation literature reveals senior management buy-in is likely based on a clear and measurable link between market orientation and business outcomes (van Raaj and Stoelhorst, 2008; Moorman, 1995; Webster and White, 2010). This espoused belief is reflected, for example, in the organizational policies implemented in market oriented firms, such as employee rewards that are based on measurable improvements in customer satisfaction and retention (Homburg and Pflesser, 2000; Day, 1994).

In contrast, our findings reveal that, when it comes to customer experiences, placing the interests of the customer first is often difficult to justify. The internal and subjective nature of customer experiences (Verhoef et al. 2009) makes it challenging to measure up front the direct impact of any customer experience management-related activity on outcome measures as customer attitudinal loyalty or satisfaction. In other words, it is difficult to predict, in concrete terms, customer evaluations of their experience before they actually have the experience. In our analysis, the Head of Customer Strategy- Experience at the telecommunications provider describes the difficulty in gaining senior management support for customer experience management initiatives (*“It’s very hard to prove the cases, which is what I’ve been trying to do”*). The informant explains:

“So it’s hard sometimes to win those minds. They get it at a theoretical level, but then when it comes down to a hard decision a lot of people, certainly in finance, fall back to, what’s it going to deliver this year and what is the churn benefit? And it won’t take the churn numbers lower because they’ll say, ‘well there could

still be churn for other reasons'. It's very hard to prove the cases, which is what I've been trying to do." (TELE14)

This manager then goes on to suppose that companies that are well-known for their great customer experience would probably not "*have the same level of questioning that we sometimes do.*" The full quote follows:

"It's getting there, but to be honest if we're going to move to a truly... well we are customer-centric but [...] we've got to be in that space where... I don't believe [customer-focused companies like] Waitrose would have the same level of questioning that we sometimes do." (TELE14)

Emergent from the case studies is evidence of the belief that it is acceptable to take a decision aimed at enhancing the customer experience despite lack of immediate supporting evidence ("*even though the numbers aren't in front of us*"), as demonstrated in the below quote by Head of Customer Insight of the insurance and financial services provider who is quoting the company's Board as saying the following:

"We actually know that [focusing on the customer experience] feels like the right way to run our business, and we know that, even though the numbers aren't in front of us, that fundamentally this is going to be the differentiator. Products, products, price – there's no margins" (FIN15)

Firms like this insurance and financial services provider thus understand that improving the customer experience pays off. Leaders at such firm still, however, "*need to see tangible results [...] in order that we can get sign off for things...*" as the Head of Customer Insight explains. "*Maybe not necessarily in terms of 'here's a fiver back', but in terms of, 'how is the insight driving decision making? Show it to me...*" The informant explains,

"Actually, our business leaders get that concept so they have been very supportive, but what they have been challenging on is what am I going to get out of it? I need to see tangible results. Maybe not necessarily in terms of 'here's a fiver back', but in terms of, 'how is the insight driving decision-making? Show it to me, tell me what's different. Explain to me how the customer experience is going to change...' in order that we can get sign off for things like investment..." (FIN15)

As a result, the company has witnessed a “*big mindset change*” wherein senior management allows employees to prototype improvements to the customer experience “*even if it doesn’t work*” and without preparing a business case and getting it signed off first (see full quote below by the CRM Analytics Manager). The Customer and Predictive Analytics Manager at the same firm adds, “*So rather than having to do huge big projects with huge big business cases that never got through, we just made lots of incremental small changes...*”(FIN35)

“...[A]s a company, regardless of department, there’s a much stronger push for agile methodologies, wherein you do get the opportunity to try that even if it doesn’t work, whereas before there might have been, you know, make sure everyone’s signed everything off and can we get all this stuff documented and it’s in the business plan and the business plan’s going up to the Executive and then you can do it. Now it’s like, ‘I’ve got an idea, I’ve got the data, let’s try it’, and that’s a big mindset change as well” (FIN36)

Likewise, the Head of Customer Experience at the utilities provider describes a similar change within their firm whereby they are able to bypass the lengthy process of building a business case and getting it signed off and prioritized. Instead this informant explains, “*you have a business problem and you solve it five days.*” The full quote follows:

“[W]e’re trying out different methodologies and we’re trying out...Have you heard of Google Sprints? Instead of doing an experience design and you draw it out and say that in five years’ time this is where you want to be, and then get a business case together and get it prioritized and then build it and deliver it, the whole idea of a Sprint is you have a business problem and you solve it in five days. You go from business problem to prototype...” (UTIL18)

In this way, the utilities provider is able to challenge assumptions and get “*a lot of feedback very quickly*”. The Head of Customer Experience explains, “*...a lot of the myths we’ve talked about for a while you can actually dismiss or build on or have confidence they might be the right direction quite quickly.*” The full quote follows:

“I was a bit of a skeptic but we tried it last week and it is really good [...] There were clearly assumptions we had made that aren’t actually things that work from a customer view. There were assumptions we made that worked brilliantly

from the customers' view...So we got a lot of feedback very quickly. So a lot of the myths we've talked about for a while you can actually dismiss or build on or have confidence they might be the right direction quite quickly." (UTIL18)

Firms such as this utilities provider and the aforementioned insurance and financial services provider can then use this newly generated insight to gain the full buy-in of senior management. The Head of Customer Experience at the utilities provider explains, "*normally you have to write loads of PowerPoint decks to explain something to somebody*" but having a prototype you can put "*in front of someone and say, 'look, this is how it works and you can play around with it'*" is helpful in making a case for gaining senior buy-in. The full quote follows:

"One of our Directors that was in the Sprint [last week] wants me to go and talk to our CMO to get [her] into the methodology and how well it worked. [The whole idea of a Sprint is you have a business problem and you solve it in five days.] So he definitely saw value in it. You know, normally you have to write loads of PowerPoint decks to explain something to somebody and I've now got [our prototype], I can just put it in front of someone and say, 'look, this is how it works and you can play around with it' which is really helpful." (UTIL18)

Similarly, the Head of Marketing and Customer Experience at bank explains how having customer evaluations of their experience is helpful in getting senior buy-in:

"It wasn't hard to get buy-in because every time there was a challenge on anything, I've just got reams and reams of paper of surveys with customers saying, 'actually this is what I want' and 'this is what you're good at' and that kind of thing" (BANK9)

As such, the organizational value of *experience mandating* offers a point of augmentation to the market orientation concept. Specifically, our findings extend the role of senior leaders described in market orientation research to emphasize the importance of prioritizing the interest of the customer in terms of their experiences, even when measurement is difficult.

Additionally, our analysis demonstrates a resulting organizational culture that is distinct to market orientation, whereby an agile 'test and learn' way of operating

to manage customer experiences is promoted by senior leaders. This brings us to the final customer experience management organizational value of *continual experience optimization*, introduced and discussed in the following section of our findings.

4.6.6 Continual experience optimization: The unit of innovation is experience improvement

Analysis of case study data reveals the organizational value of *continual experience optimization* whereby the unit of innovation is experience improvement rather than product or service improvement. While the nuance is subtle, it has important implications. Our findings emphasize regularly reviewing existing customer experiences and re-challenging the assumptions that underpin them such which pervades the way an organization operates, characterized by agility and a test-and-learn mentality, as described in the last section. Customer Experience Manager at the insurance and financial services provider explains this means “...*constantly reviewing, because customers’ expectations are constantly changing, so we need to make sure that we keep checking in to make sure we’re exceeding them...*” The full quote follows:

“So we’ve created a fully-governed process now about how we actually approach our customer journey mapping [...] [and] really the end never really ends, so you’d map it out, you’d look at your actions, then you’d customer test it, then it would go live, then you’d re-map it again. So it’s constantly reviewing, because customers’ expectations are constantly changing, so we need to make sure that we keep checking in to make sure we’re exceeding them, so that’s really part of the journey mapping program.” (FIN33)

Likewise, “because the world changes too much nowadays”, Head of Customer Experience at the utilities provider explains, “you’ve got to keep governing, keep playing back, keep making sure that we’re going in the right direction”. The full quote follows:

“Because the world changes too much nowadays. Five years ago I’d have built a vision, put it on a wall and assumed it would stay on that wall for quite a long time. Now I reckon we need to review it every six months. Technology

changes, industry changes, everything, so you've got to keep governing, keep playing back, keep making sure that we're going in the right direction." (UTIL18)

In the sense that there is an emphasis on remaining aware of market conditions , or in other words, maintaining a "market-oriented dialogue between the firm and its customers" (p. 30), promoting the identification of issues and providing a source of ideas necessary to foster innovation (Noble et al. 2002), this organizational value of *continual experience optimization* reflects elements of market orientation. Day (1994), for example, describes the sensing capabilities of market-driven firms that allow them to sense events and trends in their market ahead of our competitors. This involves acquiring information about opportunities and threats in the market environment through active scanning, self-critical benchmarking, continuous experimentation and improvement and informed imitation of competitors (Day, 1994; Day and Nedungadi, 1994; Harris, 2002) (see Table 4-1).

By contrast, because of the continually changing nature of customer experiences (Chandler and Lusch, 2014), our multiple case study analysis reveals the belief in the requirement for more continuous and customer-experience-specific dialogue with customers. The CRM Analytics Manager at the insurance and financial services provider explains, "*...it's not always like everything's rosy. It's like, 'is this still working?' And very much, through things like doing a test and learn, 'can we try some more things out?'*" The full quote follows:

"...[W]e're also challenging ourselves as well, it's not always like everything's rosy. It's like, 'is this still working?' And very much, through things like doing a test and learn, 'can we try some more things out?'" (FIN36)

This is driven by a mentality that Head of Customer Strategy- Experience at the telecommunications provider describes as "*being hungry all the time to make a difference*". The full quote follows:

"I think the bit on customer experience management is being hungry all the time to make a difference. [...] You can never be complacent, because the only way when you say you're a 10 is to come down..." (TELE14)

As such, our findings of the organizational value of *continual experience optimization* offers a point of augmentation to the market orientation concept in that experience improvement is the unit of innovation, not just products and services.

Next we discuss the theoretical contributions and managerial implications of our study in addition to limitations and future research opportunities.

Table 4-5 Customer experience management (customer experience management) organizational values, norms and behaviors (identified from case studies)

Value	Norm	Behaviors	Case studies*									
			1	2	3	4	5	6	7	8	9	10
1. Journey motivation	Everything we do is to improve customer journeys	Defining meaningful and clear firm-wide customer experience vision	x	x	x		x	x		x	x	x
		Empathic experience insight gathering			x				x	x	x	x
		Customer journey design				x				x	x	
		Training is developed to focus on meeting customer experience expectations not executing process	x		x		x	x				
		Front-line employee involvement	x	x			x	x				
		Influencing real-time customer interactions and engagements through customer journey management	x	x		x	x	x		x	x	
2. Journey coordination	We all play a part in the customer experience	Setting up the firm in terms of structure and governance to facilitate customer experience management	x				x		x	x		
		Collaborating harmoniously to address the customer journey / Understanding each others complementary roles in and influences on the customer journey	x			x			x	x		

Value	Norm	Behaviors	Case studies*										
			1	2	3	4	5	6	7	8	9	10	
		Working together with other firms to address the customer journey			X						X	X	
		Rallying organizational members to come together to address the customer journey	X							X	X		
3. Brand alignment	We live brand values that encapsulate the value-in-use our customers seek	Onboarding, training and workshops around the brand's history, purpose and values	X	X	X				X				
		Assessing employee performance based on brand alignment		X	X				X	X	X		
		Ongoing reinforcement of brand values		X		X	X		X				
4. Experience empowerment	We have permission to do whatever it takes to improve experience for our customers	Empowering employees to break down internal barriers to protect and enhance the customer experience, moving away from rigid policy, process and standards	X						X		X		
		Customer experience story-sharing to inspire ongoing customer experience excellence							X	X			X
		Recognizing and celebrating exceptional customer experience endeavours	X							X			
5. Experience mandating	We trust in "the force" that improving the customer experience pays off	Linking customer experience insight with opportunity					X			X	X		

Value	Norm	Behaviors	Case studies*									
			1	2	3	4	5	6	7	8	9	10
		Leadership championing and facilitating the prototyping of customer experience improvements even when measurement is difficult		x		x		x	x	x	x	x
		Defining appropriate customer experience measures, goals, policy and standards		x		x			x			
		Executive engagement to recover their sponsorship of customer experience initiatives		x					x	x		x
		Protecting the customer experience raison d'être and combatting complacency		x				x	x			
6. Continual experience optimization	The unit of innovation is experience improvement	Experience innovation based on a test-and-learn approach								x	x	x
		Regularly reviewing existing customer experiences and re-challenging the assumptions that underpin them								x	x	x

Value	Norm	Behaviors	Case studies*										
			1	2	3	4	5	6	7	8	9	10	
		Reactive customer experience monitoring and recovery		x	x	x	x	x	x		x		
		Continuous customer experience process improvement	x	x	x		x	x		x			

*1 = LUX (global luxury fashion retailer); 2= BANK (business-to-business bank); 3= PARK (world-class community leisure and recreation trust that manages a number of diverse park venues); 4= COFF (chain of coffee shops); 5= FASH (a fashion own-brand and multi-brand retailer); 6= GROC (high-end grocery retailer); 7= TELE (telecommunications provider); 8= FIN (insurance and financial services provider); 9= TOUR (tour operator); 10= UTIL (utilities provider).

Table 4-6 A comparison of values: Customer Experience Orientation (CXO) versus Market Orientation

Values of CXO ^a	Values of Market Orientation ^b	How CXO Augments Market Orientation
<p>1. Journey motivation: Everything we do is to improve customer journeys</p>	<p>1.1 We understand our target customers needs and wants 1.2 We assess the quality of our products and solutions through the eyes of our customers 1.4 We foster relationships with our value-chain partners</p>	<p>Customer journey motivation not just customer need motivation: Customer experience orientation additionally addresses the spatial and temporal dimensions of a customer need, i.e. customer needs as they play out over time and across various touchpoints, including those that are outside the firm’s direct control.</p>
<p>2. Journey coordination: We all play a part in the customer experience</p>	<p>3.1 We come together to share and utilize market information and assumptions 3.3 We all learn from one another to continuously improve</p>	<p>Customer journey coordination not just proposition coordination: In customer experience orientation, members of an organization relate to one with regards to customer journeys as opposed to organizational functions (as in market orientation)</p>
<p>3. Brand alignment: We live brand values that encapsulate the value-in-use our customers seek</p>	<p>2.1 We continuously create superior value for customers, focusing on serving the customer and beating the competition</p>	<p>Brand alignment not just proposition alignment: In customer experience orientation, there is a deeply embedded firm-wide brand focus that is conducive to co-creating consistent and compelling customer experiences not just compelling marketplace propositions.</p>

Values of CXO ^a	Values of Market Orientation ^b	How CXO Augments Market Orientation
<p>4. Experience empowerment: We have permission to do whatever it takes to improve experience for our customers</p>	<p>3.2 We are highly responsive to what is happening with customers and competitors</p>	<p>Experience empowerment not just delivery of planned products and services: In customer experience orientation, decision-making is liberated across the firm to enable customer experience responsiveness (entailing customer- and interaction- specific decision making) not just market responsiveness (entailing the delivery of market-aligned, albeit planned, products and services).</p>
<p>5. Experience mandating: We trust in “the force” that improving the customer experience pays off</p>	<p>1.3 We prioritize interests of the customer</p>	<p>Experience mandating not just ROI justification: Even when measurement is difficult, enabling the interest of the customer in terms of their experiences is prioritized in a customer experience oriented firm.</p>
<p>6. Continual experience optimization: The unit of innovation is experience improvement</p>	<p>2.1 We continuously create superior value for customers, focusing on serving the customer and stay ahead of the competition 2.2 We stay aware of market conditions to stay ahead of our competition</p>	<p>Continual experience optimization not just product / service innovation: Because of the fleeting and continually changing nature of customer experiences, remaining aware of customer experience conditions not just market conditions is important in a customer experience orientation. In this way, experience, not just product / service, improvement opportunities are the main source of innovation.</p>

a. Organizational values emerging from case analysis (Table 4-5)

b. Organizational values in extant MO literature (numbers in Col. 2 relate to Col. 2 in Table 4-1).

4.7 Discussion

Our purpose in this study is to address the debate within recent marketing literature about whether and how customer experience management might differ from market orientation. To uncover the insider's perspective of reality (Cha and Edmondson, 2006) in 10 organizations studied, we use a multiple case study methodology over a period of 18 months. In addition to collecting and analysing corporate documents and artefacts, we observed staff meetings, employee training sessions and workshops, call centre activity, including customer call listening, and the workplace more generally. During this period we also conducted in-depth semi-structured interviews with leaders, managers and employees including those that are senior, strategic, operational and/or customer-facing. Comparative cross-case analysis looked for themes in common across the cases, comparing customer experience management with market orientation. In doing so, our study is a direct response to calls for empirical research that studies customer experience management from the firm's perspective (e.g. Homburg et al. 2017; Lemon and Verhoef, 2016; MSI 2012-2014, 2016-2018).

Additionally, in line with our research aim, we examine the organizational values and behaviours of customer experience management and compare with the values and behaviours of market orientation to gain insight into its nature as compared to market orientation. In presenting our findings, we demonstrate how customer experience management organizational values are different to market orientation values in subtle but important ways (see Table 4-6 for a summary of this). These findings are a direct response to recent calls for research that identifies additional cultural values that play an important role in marketing strategies (Moorman and Day, 2016). In the following, we summarize and further discuss what our results contribute to theory and practice, asserting that customer experience management involves a different culture to market orientation, not just different processes.

4.7.1 Theoretical contributions and managerial implications

A key contribution of our study is the augmentation of market orientation to consider customer experiences. Market orientation is a well-established field of research, having been a central topic of research for the Marketing Science Institute (MSI) for many years (Noble et al. 2002). As Noble et al. proclaim in the year 2002, despite evidence of other viable strategic orientations (for example a production orientation or selling orientation), “research in marketing has focused almost exclusively on maintaining a market orientation, based on the adoption and implementation of the marketing concept” (p. 25). Recently, customer experience management has been proposed by some scholars as an approach that appropriately serves the implementation of an evolving marketing concept. The use of the term “experience” both signifies and imposes a shift in marketing management thinking and practice because an experience, unlike a product or service, by definition, is always from the point of view of the person doing the “experiencing” (e.g. the customer) (Pine and Gilmore, 1998; Zomerdijk and Voss, 2011; Brakus et al. 2009). As such, customer experience management has become a pervasive strand of thinking in scholarship and practice about how value is co-created with customers and a research priority for the MSI (MSI 2012-2014, 2016-2018). As a result, there have been recent calls for a new orientation that considers customer experiences (e.g. Blocker et al. 2011; Day, 2011 and Karpen et al. 2012)).

In one of the few academic studies on customer experience management, Homburg et al. (2017) find three customer experience management cultural mindsets, that is, managerial beliefs and mental models that influence employee behaviour. These mindsets are: (1) experiential response orientation which relates to responding to customer experiences (2) touchpoint journey orientation, which relates to cross-functional collaboration aimed at the “realization of elaborate touchpoint journeys” (p. 397) and (3) alliance orientation, which relates to collaborating with other firms.

While this study represents important advances in understanding and conceptualizing customer experience management, our research suggests that,

with regards to the deep-rooted cultural attributes that drive the management of customer experiences, these findings paint an incomplete picture. This is evident in the results we reported wherein we demonstrate six emergent customer experience management organizational values. Additionally, in their study, Homburg et al. (2017) use a single informant approach. In conducting a deeper examination of firm-wide customer experience management, several potential theoretical refinements and practical implications surface from our study. This examination includes in-depth interviews with informants across different levels of 10 organizations over a longitudinal period along with extensive ethnographic observation and the analysis of corporate documents and artefacts.

First, in line with both experiential response orientation and alliance orientation, our finding of the customer experience management organizational value of journey motivation, supports the importance of addressing the spatial and temporal dimensions of a customer need, i.e. customer needs as they play out over time and across various touchpoints, including those that are outside the firm's direct control. Our findings show evidence of a culture whereby organizational members are focused on how customer journeys feel to the customer, taking responsibility for all interactions the customer has both before and after they come into direct contact with the firm.

Additionally, our finding of the customer experience management organizational value of journey coordination is in line with touchpoint journey orientation, supporting the importance of firm-wide coordination with the objective realizing customer journeys. Unlike the current theory, our findings on journey coordination reveal further insight as to how members of an organization relate to one another and in turn, coordinate with each other, with regards to customer journeys as opposed to organizational functions. We find that organizational members jump off the hamster wheel to think more broadly about their role in the customer experience and understand their complementary roles in the customer journey. As such they feel accountable to their colleagues in the customer journey and on that basis, work together across the organization to

ensure the customer experience is consistent, not allowing barriers between departments to get in the way of a great customer journey.

Third, in our findings, we witnessed the existence of an organizational culture wherein there is a deeply entrenched firm-wide brand focus. This finding supports a hybrid market-brand orientation proposed by Urde et al. (2013) as an alternative marketing approach. In such an orientation, an outside in market (and customer perceived) image driven philosophy is in balance with that of an inside out identity driven one in order to satisfy the needs and wants of the customer within the limits of the brand identity. Similarly, our findings emphasize both the customer and brand. However, by contrast, rather than a balancing two seemingly opposing views, we observed an emphasis on aligning brand values with the value-in-use that customers seek. Rather than a tag-line, the brand promise defines the way things are done across an organization, resulting in a philosophy and approach that is conducive to consistent and compelling customer experiences.

To managers, these findings suggest adopting a customer journey view of the market, in turn requiring a management approach that is dually internally and externally focused. Customer journeys represent continuous and ongoing interactions between the firm and its customers. In this way, the lines between the organization and its market are blurred as they become linked through customer-firm interactions or touchpoints. Firms must take an outside in approach in understanding customer perceptions and experiences with the firm. Equally, they should take an inside out approach that drives desired brand-aligned perceptions and improved customer evaluations of their experience. To this end, our research additionally suggests that managers should foster a firm-wide brand focus. A strong commitment to brand values binds the organization more tightly together (Noble et al. 2002) as organisational members collectively strive to promote and maintain a customer-perceived image that is in line with brand values. Such organizational cohesiveness is required to maintain a consistent customer-perceived experience.

Finally, in our research, the culture that was observed in the organizations we studied promote an internal entrepreneurial spirit that supported the continuous generation of customer experience data and the agility to respond to it. Our findings demonstrate how the empowerment of members of the organizations, particularly senior management in mandating customer experience investments, enabled this spirit as employees were given permission to prototype customer experience improvements even when outcomes were difficult to measure. While this may be implicit in existing theory, in that when customer experience management cultural mindsets are adopted they will translate into organizational processes that support continuous customer experience management innovation (Homburg et al. 2017), our findings explicitly reveal that such processes are only embedded when senior management trust in ‘the force’ that focusing on the customer experience pays off and, rather than requiring return-on-investment justification, believe that the evidence that matters is the voice of the customer.

For firms, our research suggests empowering organizational members, including senior leaders, to prototype customer experience improvements even when measurement is difficult, in order to promote an internal entrepreneurial spirit that is conducive to customer experience management innovation and optimization. As we saw in our case studies, an internal entrepreneurial spirit reinforces a customer experience orientation in that organizational members are liberated to generate key customer experience insight that clinches senior management support, propelling further experimentation and innovation.

4.7.2 Limitations and future research opportunities

Grounded theory procedures rely on the interpretation of researchers coding qualitative data and thus lack the opportunity of direct replication (Glaser and Strauss 1967; Strauss and Corbin, 1998), instead relying on research quality criteria such as truth value, transferability and traceability (da Mota Pedrosa et al. 2012) which enhance the trustworthiness of the research. Therefore, future research might develop a measurement scale of customer experience orientation on the basis of our findings of six customer experience management

organizational values to test the generalizability of a customer experience orientation and assess its discriminant validity in relation to other constructs of marketing management. Additionally, developing a measurement scale would allow testing the effects of a customer experience orientation on organizational performance measures, particularly those associated with customer experience management.

Additionally, our sampling frame consists of organizations that are in the midst of transforming the way in which they manage customer experiences in order to enhance customer experience and performance outcomes. Although all have been chosen for being recognized by their peers for their successful endeavours to do so, an alternative research design that compares a successful case with a comparable unsuccessful case may produce interesting new insights.

Additionally, the study of organizations in the midst of strategy transformation offers an opportunity to focus on the temporal dimension of strategic orientations. In particular, there is an opportunity to examine how customer experience management organizational values evolve as organizations transform to and mature into a customer experience orientation. In their study, Bourne and Jenkins (2013) propose four distinct but temporally related types of organizational values – espoused, attributed, shared and aspirational. Future research could examine the nature and dynamics of customer experience management organizational values within the context of adopting a customer experience orientation.

Finally, *brand alignment*, one of the organizational values emerging from our analysis, emphasizes the importance of brand values, defined as guiding principles for the long-term co-creation of customer value and meaning (Urde, 2003). While our sampling frame, representing a broad spectrum of sectors and marketplace offerings, implies the transferability of customer experience orientation to varying contexts, there is an opportunity to examine the relationship and interplay between customer experience management, brand values and organizational values and potential implications for a more nuanced

conceptualization of customer experience orientation that takes into consideration varying brand personalities and across other industry contexts.

4.8 References

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4.9 Appendix

4.9.1 Appendix: Interview protocol

<ul style="list-style-type: none"> - Your involvement - What aspects of C's E manage/focus 	<ul style="list-style-type: none"> - Challenges - Most frequent /important collaborations - Your impact vs. another S&P team on C's E
<p>What does Customer Experience Management mean to you? In terms of...</p>	
<p>Day-to-day activities</p>	<p>Collaboration</p>
<p>Goals</p>	<p>Competition</p>
<ul style="list-style-type: none"> - Team vision - Customer goals 	<ul style="list-style-type: none"> - Key competitor? - Becoming/remaining superior
<p>Name: _____</p> <p>Position, title and description: _____</p> <p>Company: _____</p>	
<p>Date: _____</p> <p>Location: _____</p> <p>Start time: _____</p> <p>Finish time: _____</p>	
<p>Formal <input type="checkbox"/></p> <p>Cranfield SOM, CEM <input type="checkbox"/></p> <p>4-5 questions, conversation <input type="checkbox"/></p> <p>40-55 minutes <input type="checkbox"/></p> <p>Agreement to Record <input type="checkbox"/></p> <p>Confidential <input type="checkbox"/></p>	
<p>Anything else to add? <input type="checkbox"/></p> <p>Just commencing <input type="checkbox"/></p> <p>Contacting you again; Clarification <input type="checkbox"/></p> <p>Thank you <input type="checkbox"/></p>	

4.9.2 Appendix: Preliminary codes from the data analysis (v.26AUG16)

	Data and Respondent ID	Summary	Code and description
1	<p>"It's part of all of our roles to get together in this office and deliver [a customer experience] that makes sense" (LUX22)</p> <p>"Without having everyone going after the same thing and having a clear vision and a clear strategy of what we want that experience to be, it's very difficult to deliver a consistent customer experience" (LUX19)</p> <p>"What's great about it though is, you know, the [co-founders of the company], you feel their presence, and they're very accessible, very casual. In fact if you were sitting in here and they were in here you probably wouldn't even pick up who they were. Does that make sense? because it's just everybody's on the same page, equal footing" (COFF12)</p> <p>"it's really important that we get everybody in the room who is part of the journey, so we've got lots of people from our Risk area, from Customer Proposition, Customer Operations, UX designers, Communications,...It's really important and it's really been a kind of light bulb moment for us, this collaboration working" (FIN34)</p>	<p>It's everyone's responsibility to deliver a great customer experience</p> <p>Everyone needs to understand their piece in the puzzle of delivering a customer experience (creating meaning for the employee, so they understand their impact on the CE)</p>	<p>Collective responsibility:</p> <p>The extent to which organizations foster collective responsibility and accountability towards the customer experience</p>

	Data and Respondent ID	Summary	Code and description
2	<p>"Also, [our Chief Creative and Executive Officer] is really looking at what are the skills and capabilities our Sales Associates should have...when it comes to delivering the Castleford Experience to customers. So even as part of the job description...should attract the type of person who's a people person, who can create that climate in store" (LUX41)</p> <p>"It then became behaviour breeding behaviour. So once you'd got the right people as the core...the culture grew around that" (BANK9)</p> <p>We recruited a Marketing Manager who we then had to let go. "It was a tough decision which was, is it the Leicester-Bank-way to sack somebody? Because we're lovely and we're nice...And it was really interesting in here because the reaction was sort of, 'Oh! Do we do that?' Like yeah, we do actually because fundamentally we have got to stay true to who we are and it's like a poison because it will just water down absolutely everything else. And you've got to keep your line pure (BANK9)</p>	<p>We need to hire the right people with the right attitude / skills</p> <p>We need to keep the right people and get rid of the wrong people</p> <p>We change employee mindsets to better align with the collective mindset</p>	<p>Collective behaviour:</p> <p>The extent which organizations define and foster and desired collective behaviour</p>

	Data and Respondent ID	Summary	Code and description
3	<p>“We realize it's about getting the Sales Associates to shift their mindset to understand the customer. For us it's really not only about training out the process of how that's going to work, and training out the numbers we want to achieve, but it's training on how that's going to work in a really seamless way for a customer who walks into our store and feels like it's a brilliant service. If you just train someone on the process, they forget the extra element of why we're doing it, the meaning behind it” (LUX41)</p> <p>“What we're trying to do here is actually delivering a great customer service and understanding why the [banking] regulation was put in place and what they were trying to achieve for the customer” as opposed to just ticking the box that you've met the regulation. Because actually meeting regulation mostly makes it harder for customers if you don't do it properly. Banks get it so wrong on the regulation side and just make it really tough for customers because they're trying to protect themselves” (BANK9)</p> <p>“[W]hen we have a vision about what we're aiming for our customers we can then start to break it down into saying, what's the partner element of that and what do our partners therefore need to be doing differently or better? What do they need to know? How do they need to behave? What should their attitude be to portray and things like that?” (GROC44)</p> <p>“Really, also seeing it from the customer's point of view is really, really powerful, and really establishing that customer first thinking” (FIN34)</p>	<p>We connecting everything to the customer, from experience mission to metrics and standards, to front-line employee training</p>	<p>Customer empathy: The extent to which the organization places itself in the shoes of its customer</p>

	Data and Respondent ID	Summary	Code and description
4	<p>“I think we certainly won over hearts very quickly in terms of NPS...it got put onto the company plan, and everybody bought into it at a senior management level...I [still] wanted to do the return on investment piece because I felt it was important because of the nature of the business that I work in. Actually, there was a fair amount of push-back at that point because they said, ‘Jen, you’ve won over hearts, we don’t think you need to win over minds.’” (TELE31)</p> <p>“[W]hat’s interesting about a business like ours is that we only, maybe historically, have talked about flows and revenue and cost and nothing else really...But what we’ve seen over the last two years is a real shift in that mindset at a Board level and at a business level, to say ‘we actually know that [focusing on the customer experience] feels like the right way to run our business, and we know that, even though the numbers aren’t in front of us...’” (FIN15)</p>	<p>What's right for the customer is right for the business (senior management)</p>	<p>Uncompromising customer-centricity / Trusting in ‘the force’:</p> <p>The extent to which an organization trusts that what's right for the customer is right for the business</p>

	Data and Respondent ID	Summary	Code and description
5	<p>“You can never be complacent, because the only way when you say you’re a 10 is to come down, and there’s many organizations that have all done that and then lost their way...” (TELE14)</p> <p>“This year, we were rated best supermarket by customers in the 2015 Which? Favourite Supermarket Survey, came top in the National Customer Satisfaction Index (NCSI), setting a new record for the category overall and have won the UK Customer Experience Award 2015 for the Retail Sector. But we are never complacent. These awards inspire us to do more and to continually evolve our service proposition.” (GROC52)</p> <p>“So really the end never really ends, so you’d map it out, you’d look at your actions, then you’d customer test it, then it would go live, then you’d re-map it again, so it’s constantly reviewing, because customers’ expectations are constantly changing, so we need to make sure that we keep checking in to make sure exceeding them, so that’s really part of the journey mapping programme. (FIN34)</p> <p>“Because the world changes too much nowadays. Five years ago I’d have built a vision, put it on a wall and assumed it would stay on that wall for quite a long time. Now I reckon we need to review it every six months. Technology changes, industry changes, everything, so you’ve got to keep governing, keep playing back, keep making sure that we’re going in the right direction” (UTIL18)</p>	<p>We always challenging the status quo, with the customer in mind</p> <p>We ask, is this still working?</p> <p>We challenging the metrics we use (do we really understand what our customers think of us? Are our customers really happy with us?)</p>	<p>Remaining Relevant / Never Complacent:</p> <p>The extent to which the organization understands the customer consequences of its actions</p>

	Data and Respondent ID	Summary	Code and description
6	<p>“[W]e are starting to do our customer touchpoint analysis and understanding where we are quite strong, where we are quite weak and how we bring the weak ones up to where the strong ones are and keep developing on that customer journey. So we have now undertaken that for the majority of the activities and we are going through. Some of them are external factors that we are kind of working on through the more political channels. So, for example, where someone is approaching the signs, there is no signage in the local area and how we go about that. Our local planning officers basically said that they don’t want any banners or posters around in the whole of the county area, so it is how we work with them to achieve what we need to achieve and still allow them to achieve what they need to.” (PARK45)</p>	<p>We work with external partners to achieve what we need to achieve and still allow them to achieve what they need to in enhancing the customer experience</p>	<p>Fluid organizational boundaries: Working with and learning from stakeholders inside and outside the firm including customers</p>
7	<p>“The challenge for me now is thinking about other things I can do to keep it fresh and keep it alive.” (BANK5)</p> <p>“...[T]he launch of our Make It Right campaign, we said to people, tell us a story around where you made it right, and that was really powerful to get people to share, and it worked because our, more importantly for our frontline teams because they could say, here’s a problem I had, and if someone did that in a [another] store then I can do that in a Hull store. I think that was quite powerful...” (TELE14)</p>	<p>We keep the brand alive in everything we do</p>	<p>Keeping it fresh / employee engagement: The extent to which the organization keeps the brand purpose and values front-of-mind</p>

	Data and Respondent ID	Summary	Code and description
8	<p>“So we started to create a new vision [...] that we want to offer a unique Nordic experience to our customers. That means that we need to focus on the customer experience, that’s the [...] airline vision, to offer a unique Nordic experience. That goes so hand-in-hand with everything we do, how we treat people at the airport, during the flight, it needs to be as perfect as possible. Then we have started to explore what does unique Nordic experience mean. Then we have come down to what it means in terms of the mind-set, what is the brand promise, which is still a little bit of a work in progress, and what are the brand attributes, where we build this unique experience. We want our customers, whether they are from Asia, US, Southern Europe, or Eastern Europe, to see that [we are] unique, the service, the customer experience, is sufficiently different from the other European, or Northern European airlines, and here we are. To support this, as always, our organization at executive board level was reorganized, and in the last month and a half there is a unit called Customer Experience, and there is a lady, [...], sitting on the executive board [...] responsible for the customer experience. Because the airplane, A350 wide body, as such is a unique airplane, in terms of its quietness, the fresh air, and ceiling height, so we couldn’t simply go on having the same mind-set serving people, and have the same customer experience, that would be really a waste of the opportunity. That then rolls down to how when we employ cabin attendants; what are the criteria for them, and what type of lighting we have there, what type of food we have, what kind of service organization we have on board.</p>	<p>Every single customer-facing and non-customer-facing aspect of the brand and organization is aligned with the brand and / or experience vision</p>	<p>Organizational alignment: The extent to which an organization fosters firm-wide alignment</p>

	Data and Respondent ID	Summary	Code and description
9	<p>“I think increasingly our role is to sort of to protect and represent the sales person in the store with a view to enhancing the customer experience. So if you make things easy for the people that work in the stores, they can make experiences easy for the customers who walk in the stores. When we put, I think our role is really, and often from a corporate point of view, will put in something that's too complicated or not fully formed and not fully finished and a bit rickety and then we'll just hope that the store muddle on and deal with it. And what that causes them will be a kind of a muddled and rickety customer experience. So I think, you know, increasingly we're trying to set a standard in this building for what goes out to the stores and then hold the stores to that standard. But unless we do our work here, and then fully developed and fully structured and make sure it's a really watertight proposal that we're going to them with. We can't expect them to hold that standard” (LUX22)</p> <p>“I'd go back to the point that nine times out of ten, what's right for the associate respects the needs of the customer because all the associates are trying to do at the end of the day is have people having a nice time, and make commission. That's all they're trying to do. That's what's in their best interest as well so. I say employee and customer needs are quite aligned in that respect” (LUX22)</p>	<p>What's right for the front line employee respects the needs of the customer because all they are trying to do at the end of the day is serve the customer and make commission.</p>	<p>Protecting the front-line / safeguarding the customer experience: The extent to which the organization takes care of its front-line employees to safeguard the customer experience</p>

5 Organizational values of customer experience management: What are they? How are they measured? Do they affect performance outcomes?

This chapter relates to thesis **Objective 4**: To develop a measurement scale of the extent to which organizations are driven by CEM organizational values and explore their associations with performance outcomes, building on case study work. **This chapter forms journal paper 4.**

5.1 Overview

This chapter develops, pilots a measurement scale of the extent to which organizations are driven by CEM organizational values and their effect on performance outcomes (see Figure 5-1). The measurement scale items are developed based on case study work and piloted on a small sample of customer experience leaders and managers. The results are presented and discussed along with managerial implications, limitations and future research directions. This forms journal paper 4.

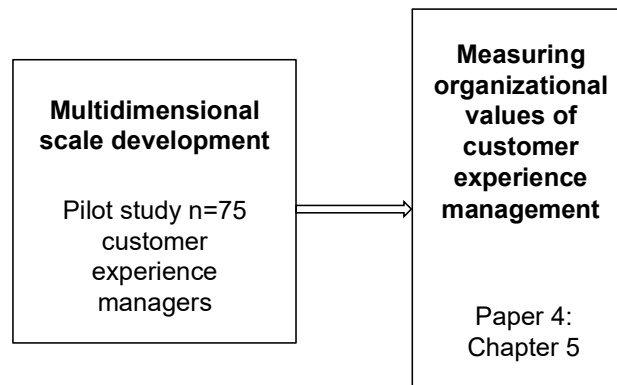


Figure 5-1 Overview of Chapter 5 research process

5.2 Abstract

As a new marketing management approach, CEM is shaping and driving the inner-workings, values and priorities of organizations. Firms are adopting new ways of organizing to enable them to manage the customer experience effectively. Although research on managing customer experiences is in its early stages, there has been a growing recognition among both scholars and practitioners that customer experience management (CEM) represents a source of competitive advantage. On the basis of competitive culture as a theoretical foundation—conceptualizing the firm-wide approach to managing customer experiences as *the organizational values that influence the internal processes and performance outcomes of an organization as related to managing customer experiences*—in addition to qualitative multiple case study research and a subsequent survey, this article conceptualizes and develops a multiple-item scale (CEM-OV) for measuring the organizational values associated with managing customer experiences and explores associations with performance outcomes. Following two stages of empirical data collection, a 21-item, 4-factor CEM-OV scale is developed: (1) *Experience empowerment*, (2) *brand alignment*, (3) *experience responsibility* and (4) *journey coordination*. Findings from the pilot study indicate some associations between CEM values and organisational performance, including that brand alignment influences employee engagement, customer satisfaction, net promoter score (NPS) and customer recommendations and experience responsibility has associations with acquiring new customers. Directions for further research on firm-wide CEM are offered, chiefly the measurement of a multi-layer model of CEM organizational culture that also considers behaviour. Managerial implications stemming from the empirical findings about CEM-OV are also discussed.

Keywords: Customer Experience Management; Measurement Scale; Organizational culture; Organizational values; Performance outcomes

5.3 Introduction

The notion of creating a superior customer experience is increasingly determining business focus and shaping marketing practice. The strategic role of customer experience management (CEM) is evidenced in the central role customer experience has in mission statements of companies like Starbucks, Victoria's Secret, Dell and Toyota (Verhoef et al. 2009) and the addition of customer-dedicated teams and senior-ranking roles (De Swaan Arons et al. 2014; Rawson et al. 2013). The use of the term "experience" both signifies and imposes a shift in marketing management thinking and practice because an experience, unlike a product or service, by definition, is always from the point of view of the person doing the "experiencing" (e.g. the customer) (Pine and Gilmore, 1998; Zomerdijk and Voss, 2011; Brakus et al. 2009). As such, firms are striving to adopt a marketing management approach that helps them understand the worlds of their customers (see chapter 4). In doing so, they are facing such CEM-specific challenges as collecting dynamic empathic and context-specific data (e.g. Macdonald et al. 2012), having visibility over a complete end-to-end multi-channel customer journey that often surpasses the direct control of the firm (e.g. Ramaswamy and Gouillart, 2010), and engaging an entire firm to design or redesign an experience (e.g. Rawson et al, 2013 and De Swaan Arons et al. 2014). This suggests that while the notion of CEM is appealing, for many it remains unclear what implications it has for organizations.

Despite its importance, research on CEM is still in an early stage (Lemon and Verhoef, 2016; Homburg et al. 2017). From an academic point of view, while the key role of customers in co-creating experiences has already been well established (e.g. Epp and Price, 2011; Lemke et al. 2011; Alcántara et al. 2014; Gentile et al. 2007; Brakus et al. 2009), a review of literature on CEM (see chapter 2) reveals little is known about the organizational perspective of customer experience co-creation. From a conceptual perspective, there is a need to understand how CEM as a new marketing management approach is shaping and driving the inner-workings, values and priorities of organizations (Moorman and Day, 2016; Lemon and Verhoef, 2016). Finally, from a

measurement perspective, this study addresses how CEM can be measured and the effect it has on organizational performance outcomes (Lemon and Verhoef, 2016)?

Following Noble et al.'s (2002) definition of competitive culture—the dimension of organizational culture that provides the organization's values and influences both the internal processes of that organization as related to marketing and strategic thinking and the strategies that emerge from that organization—the purpose of our study is to develop a measure of CEM organizational values and analyse their effect on performance outcomes. In a qualitative multiple case study of 10 organizations that including in-depth interviews with leaders, managers and members of the organization conducted over a longitudinal period and using comparative grounded theory cross-case analysis that looked for themes in common across the cases, we identified six CEM organizational values (detailed in chapter 4 and summarized in subsequent section). This set of values is the basis for developing a formal CEM organizational values scale: CEM-OV (detailed in a subsequent section). We then present the results of our survey of managers responsible for all or some parts of the customer experience within their firm. We also analyse and report performance outcomes of CEM-OV. Finally, we discuss the implications of our research for both academics and managers and conclude by outlining the study's limitations and an agenda for further research.

Next, we establish the theoretical context of this study to pave the way towards conceptualizing a model for CEM-OV.

5.4 Towards conceptualizing a model for CEM-OV

Some progress, albeit very little, has been made towards conceptualizing how firms manage the customer experience (Lemon and Verhoef, 2016). The conceptualizations of CEM that do exist (see chapter 2) emphasize the acknowledgement of various customer-firm interactions, or touchpoints, and the consideration of elements outside of a firm's direct control (Payne et al. 2009; Homburg et al. 2017), capturing and addressing customer emotions (Zomerdiijk and Voss, 2011), the involvement of many people across a firm (Zomerdiijk and

Voss, 2011; Homburg et al. 2017) and the support of CEM-specific top-down, senior management encouraged mindsets and bottom-up, agility promoting capabilities (Homburg et al. 2017). In short, extant CEM literature highlights the importance of customer journey management, customer emotions requiring empathic insight, and an internal cross-disciplinary focus.

Although such studies represent important advances in understanding and conceptualizing what CEM entails as a marketing management approach, they have made little progress in explaining what such an approach means from an organizational perspective. Concordantly, in their review of CEM knowledge, Lemon and Verhoef (2016) note, "Companies are adopting new ways of organizing marketing functions to remove existing silos around brands, customer segments, channels, research/insights, and so on. [...] This transformation is in the very early stages, but it indicates that firms are willing to make radical movements toward more flexible, more customer-centric organizations that enable them to manage the customer experience effectively in increasingly fragmented markets" (p. 89).

Marketing management has been studied from a cultural perspective in order to explain its implications on the organization (Moorman and Day, 2016). Desphandé and Webster (1989), who seminally cover organizational culture in marketing literature, define organizational culture as "the pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide them with norms for behaviour in the organization" (p.4). Narrowing their focus to the aspect of organizational culture as it relates to marketing and strategic thinking, Noble et al. (2002) refer to competitive culture. This aspect of culture is comprised of the *organizational values* that influence both the internal processes of that organization as related to marketing and strategic thinking and the strategies that emerge from that organization.

Organizational values are the prescriptive and proscriptive beliefs (i.e. about what is regarded as appropriate and inappropriate behaviour) (Cha and Edmondson, 2006; Moorman and Day, 2016). They shape the content and interpretation of knowledge within an organization, transcending the individual

capabilities of a firm and unifying them into a cohesive management system (Day, 1994). As such, organizational values are central to many organizational phenomena and have “a long reach and wide span of influence on critical processes and characteristics in organizations” (Bourne and Jenkins, 2013, p. 496). Marketing research on organizational values suggests they are supportive of an organization’s processes (Desphandé and Webster, 1993; Moorman, 1995) and this in turn is linked to business financial, customer and employee outcomes (van Raaj and Stoelhorst, 2008; Moorman, 1995; Webster and White, 2010).

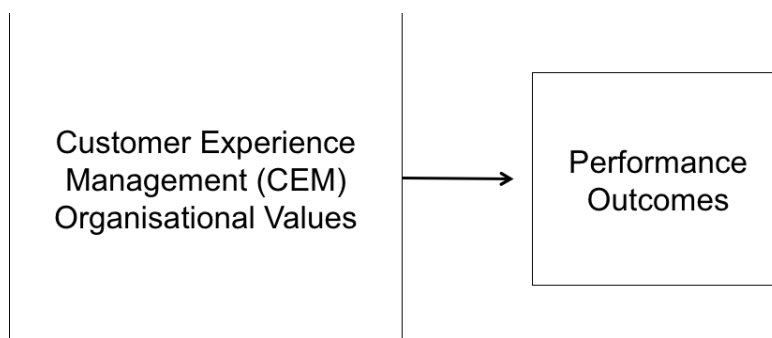


Figure 5-2 Conceptual model of Customer Experience Management Organizational Values (CEM-OV)

Following this line of reasoning and building on Noble et al.’s (2002) definition of competitive culture, we suggest a conceptual model of firm-wide CEM in terms of *the organizational values that influence the internal processes and performance outcomes of an organization as related to managing customer experiences* (see Figure 5-2). We next detail our longitudinal multiple case study in 10 organizations, which aims at identifying CEM organizational values. Each organization studied was explicitly engaged in managing the customer experience. For each case, we conducted depth interviews with organizational members across all levels of the firm and using grounded theory approach (Glaser and Strauss, 1967) to finding common themes within and across each organization studied, we delineate six organizational values. We then used the results of this qualitative study as a basis for a cross-sectional survey to investigate the organizational values associated with managing customer experiences (CEM-OV) and to develop an overall measure of CEM

organizational values (CEM-OV). The next section details the method used in developing this scale.

5.5 Methodology

We applied qualitative research before conducting the quantitative scale development. More specifically, we conducted multiple case studies, which we next detail, followed by the scale development process, data collection and sample used.

5.5.1 Multiple case studies

The purpose of the multiple case studies was to identify the organizational values of CEM. In the following we briefly detail this qualitative stage of the research. For more detail see chapter 4.

As CEM is an emergent phenomenon that requires further exploration (Eisenhardt, 1989; Yin, 2003), the case study method has been used. A particular strength of the case study method is the opportunity to investigate the phenomenon in its real-life context (Yin, 2003), enabling a deeper understanding of CEM practice.

In 10 organizations studied, we use a multiple case study methodology over a period of 18 months. Firms selected for the study (an exemplary case design is selected (Yin, 2003)). This included (1) a global luxury fashion retailer, (2) a business-to-business bank, (3) a world-class community leisure and recreation trust that manages a number of diverse park venues, (4) a chain of coffee shops, (5) a fashion own-brand and multi-brand retailer, (6) a high-end grocery retailer, (7) a telecommunications provider, (8) an insurance and financial services provider, (9) a tour operator and (10) a utilities provider. Each is explicitly engaged in managing the customer experience in that they are undergoing a firm-wide transformation of their organization to become CEM focused and has been recognized by its peers for its endeavours to do so

To uncover the insider's perspective of reality (Cha and Edmondson, 2006) in the organizations studied, during this period we conducted 74 in-depth semi-

structured interviews *in situ* with leaders, managers and employees including those that are senior, strategic, operational and/or customer-facing. Interviews averaged between 45-60 minutes, were recorded on an electronic device, and were transcribed by a transcription service provider. The interview began by asking respondents the grand tour question (Spradely, 1979) of, “*What does customer experience management mean to you?*” Because extant literature provides no clear conceptualization of the organizational values associated with CEM, our aim was to probe this guiding question with an open mind (Cha and Edmondson, 2002). As such, the role of this question was to elicit rich descriptions that deepen our understanding about organizational members’ beliefs about CEM. For this reason, minimal prompting was used at this stage of the interview in order to minimize the interruption of the respondents’ train of thought.

We also gathered organizational artefacts and documents, including such documentation as organizational charts, managerial objectives, vision, mission, strategy and values and physical artefacts such as employee engagement tools (Benbasat et al. 1987). In addition, we observed staff meetings, employee training sessions and workshops, call centre activity, including customer call listening, and the workplace more generally. When permitted, events were recorded on an electronic device and transcribed and photos of the field environment taken to supplement the field notes.

Within- and cross-case coding and analysis were carried out simultaneously through an iterative process whereby codes were created by analysing the cases sequentially, going back and forth between the cases to find evidence for a new code (Braun and Clarke, 2006). By identifying common themes across the ten longitudinal case studies data, we observe and define six CEM organizational values. Throughout the analysis process, in order to enhance the truth-value of the study (i.e. “the match between the informants’ constituted “realities” in their particular context and those represented by the researcher” (Da Mota Pedrosa et al. 2012, p. 278)), the lead author revisited the recordings and transcriptions of interviews conducted and checked back with interview

respondents (i.e. five out of 10 of the organizations studied validated at least to some extent the six CEM organizational values identified. We were not able to reach the other five firms at this stage of our research), conferred with other academics (i.e. the second and third authors). In the case of any confusion or disagreement evident from that discussion, the data analysis was revisited and discussed among the co-authors of this study. This process resulted in six final codes, or CEM organizational values:

1. Journey Motivation: Everything we do is to improve customer journeys
2. Journey coordination: we all play a part in the customer experience
3. Brand alignment: we live brand values that encapsulate the value-in-use our customers seek
4. Experience Empowerment: we have permission to do whatever it takes to improve experience for our customers
5. Experience mandating: we trust in “the force” that improving the customer experience pays off
6. Continual Experience Optimization: the unit of innovation is experience improvement.

In summary, our qualitative study addressed the lack of research on CEM and CEM organizational values in particular. We identified and described six organizational values of CEM on which, as we next describe, we use as a basis to develop survey measures in the quantitative stage of our research.

5.5.2 Preliminary measure development

To ensure the content validity of our measures (Churchill 1979), the lead author first, on the basis of our qualitative study, developed definitions of CEM organizational values and generated a pool of 97 items that tap the various facets of each value. The definitions and items were submitted to two marketing academics (the second and third authors) identified as experts in the area of customer experience to assist us in the validation of each definition and identify the items that best captured the respective organizational values (Rossiter, 2002). As a result, we eliminated 61 items, leaving a reduced item pool of 36 items for six CEM organizational values (see Appendix in 5.9.1).

5.5.3 Survey instrument

The survey is composed of two parts (see Appendix in 5.9.2). The first part, developed on the basis of our qualitative research, asks respondents about the current beliefs of all those in their organization or business unit. These items used a five-point rating scale (1 = “Never” and 5 = “Always”). The second part of the survey asks respondents about 10 performance outcomes relative to their competitors ((1) achieving market share, (2) retaining customers, (3) achieving customer satisfaction, (4) turning unprofitable customers in profitable ones, (5) current profitability, (6) performance on Net Promoter Score (NPS), (7) high levels of customer recommendation, (8) growing share of wallet from existing customers, (9) acquiring new customers, and (10) achieving employee satisfaction). This part was adapted from Reinartz, Krafft and Hoyer’s (2004) measure of Customer Relationship Management Process and used a seven-point rating scale (1 = “Much worse”, 4 = “Same level as competitors”, 7 = “Much better”). Overall, the survey included 13 questions and was created in two versions; an online survey developed using Qualtrics (2017) software and a Microsoft Word-based version in case interview respondents preferred a paper-based questionnaire.

5.5.4 Data collection and sample

A survey link was sent within a personalized written message inviting around 400 managers who are responsible for some or all aspects of the customer experience to participate. These invitations were sent via email and LinkedIn message. The message explained why the research was being conducted, why the recipient was selected, assured the confidentiality and anonymity of the collected data, the deadline for completion and asked if the participant wanted a summary of the research findings. Data collection was conducted over a period of three weeks during which one reminder e-mail was sent out with the link to the survey. After removing all incomplete surveys, a total sample size of n=75 remained.

Table 5-1 details the sample profile including customer type (business-to-consumer (B2C) vs. B2B (business-to-business) or both), industry, company

size, job position and job responsibility. As the table shows, 35% of respondents are senior managers or heads of their departments, followed by managers / supervisors (19%), project managers and Vice presidents / Directors (each comprising 12% of total sample). Over one third of the sample (36%) are respondents responsible for the customer experience in their firm, followed by sales / business development (15%) and marketing / communications / PR (11%). The majority (55%) of respondents were from large companies with over 250 employees. Respondents came mostly from companies that were both B2B and B2C (55%) followed by B2B companies (34%).

Table 5-1 Sample Profile

Variable	N	Percentage
Customer type		
Both	41	55.4
B2B	25	33.8
B2C	8	10.8
Industry		
IT/Computing	9	12.3
Telecommunications	9	12.3
Retail	8	11
Consulting/Business Services	7	9.6
Financial services	6	8.2
Education/Academia	5	6.9
Banking	4	5.5
Travel & leisure	4	5.5
Aerospace & Defence	3	4.1
Communications/Publishing/Media	3	4.1
Food and beverages	3	4.1
Energy/Utilities	2	2.7
Engineering/Construction	2	2.7
Industrial goods & Services	2	2.7
Transport/logistics	2	2.7
Accounting & Tax advisory	1	1.4

Variable	N	Percentage
Personal & Household goods	1	1.4
Company Size		
>250	41	55.4
100-249	13	17.6
10-49	11	14.9
50-99	5	6.8
<9	4	5
Job Position		
Senior Manager / Department Head	24	34.8
Manager/Supervisor	13	18.8
Project Manager	8	11.6
VP / Director	8	11.6
Consultant	4	5.8
CEO/President/Chairman	3	4.4
Owner / Partner	3	4.4
Associate	2	2.9
Exec Management (EVP/SVP/MD)	2	2.9
Other C Level (CFO/COO/CIO/CMO)	2	2.9

5.6 Results

5.6.1 Scale development

The finalised sets of items were subjected to the widely accepted Churchill (1979) paradigm for new scale development. As such, two broad statistical techniques were applied, in a series of iterations, until the scale reached a point where it met initial validity and reliability requirements. As part of the “purification” process, items were removed one-by-one, to create a robust and parsimonious measure. Exploratory Factor Analysis (EFA) is typically employed as a preparatory step in determining the structure of proposed constructs (Gerbing and Anderson, 1988) after which the constructs are put through the more robust Confirmatory Factor Analysis (CFA) test. Therefore, following the deletion of a number of items in the EFA process, the scale was subjected to

CFA. Prior to analysis, data were screened for possible response sets, outliers and missing values.

Exploratory factor analysis (EFA) using SPSS 24 was conducted initially on the finalised 36-item pool (see Appendix in 5.9.2). Fifteen items were eliminated in total. Table 5-2 lists each item deleted and the reason for doing so. Items (10 in total) were mainly removed due to having low communality values therefore contributing little to explaining variance within the data set as a whole. Five items were removed because they loaded highly onto multiple factors and had low face validity, making little sense based on the previous qualitative stage of the scale development process. Six of total items deleted were intended to form part of the “Continuous Experience Optimization” sub-dimension. They were eliminated mainly due to high cross-loadings. As a result of these eliminations, this sub-dimension did not survive the EFA.

Table 5-2 Items removed in the EFA process and reason for elimination

Iteration	Items^a removed in the EFA process	Removed item relates to^a:	Reason
1	We take responsibility for all interactions the customer has both before and after they come into direct contact with us.	Journey motivation	Low communality value^b
2	When making investments, the evidence that matters is the voice of the customer.	Experience mandating	Low communality value^b
3	The main thing we need to design is great customer experiences.	Continuous experience optimization	Low communality value^b
4	Customer experience is the differentiator even if we don't have the numbers to prove it.	Experience mandating	Low communality value^b

Iteration	Items ^a removed in the EFA process	Removed item relates to ^a :	Reason
5	Customer experience management is about being hungry all the time to make a difference.	Continuous experience optimization	Low communality value^b
6	Everything we do is focused on how customer journeys feel to the customer.	Journey motivation	Low face validity – making little sense within the factor it loaded onto (which related to collective responsibility towards the customer experience) and high cross - loading
7	Everyone across the organisation is a custodian of the brand.	Brand alignment	Low communality value^b
8	We all own the customer experience together as an organisation.	Journey motivation	Low communality value^b
9	We are each accountable to our colleagues in the customer journey.	Journey coordination	Low face validity – making little sense within the factor it loaded onto (which related to employee empowerment with regards to CEM) and high cross - loading
10	Our innovation efforts are focused on improving the customer experience.	Continuous experience optimization	Low face validity – making little sense within the factor it loaded onto (which related to employee empowerment with regards to CEM)
11	What's right for the customer experience is right for the business.	Experience mandating	Low communality value^b
12	The business is driven by the customer journey view.	Journey motivation	Low communality value^b

Iteration	Items ^a removed in the EFA process	Removed item relates to ^a :	Reason
13	In terms of the customer experience, we're always doing a test and learn to try more things out.	Journey motivation	Low communality value^b
14	We keep inspired to continually evolve the customer experience.	Continuous experience optimization	Low face validity – making little sense within the factor it loaded onto (which related to being brand aligned) and high cross - loading
15	We continually challenge ourselves to say: are we still doing what's right for the customer experience?	Continuous experience optimization	Low face validity – making little sense within the factor it loaded onto (which related to employee empowerment with regards to CEM)

Notes:

a. Survey items and measures listed in the Appendix in 5.9.2

b. Communality values below 0.5 mean the item contributes little to explaining variance within the data set as a whole

Eight items were re-assigned as they consistently loaded on a different construct from the one originally assigned (see Appendix in 5.9.1). Three of these items (“we are empowered to sign off on customer experience improvements even when the outcomes are difficult to measure”, “if something will improve the customer experience, we just do it” and “we trust in the force that focusing on the experience pays off”) were intended to form part of the “Experience Mandating” sub-dimension, which did not survive the EFA. These items consistently loaded on the Experience Empowerment construct throughout the purification process. As the items refer to the empowerment of leaders and senior managers to mandate customer experience investments, they were considered to pass the face validity test and were allowed to remain as part of the Experience Empowerment construct. Likewise, one item (“the purpose of our organisation is to deliver a great customer experience”), which was intended to form part of the “Journey Motivation” sub-dimension (this dimension did not survive the EFA), was re-assigned to the Experience

Empowerment construct having consistently loaded on it. As the item referred to an overriding organizational purpose, it was considered to pass the face validity test and also allowed to remain part of the Experience Empowerment construct.

Four items were re-assigned to the Experience Responsibility construct, which emerged from the EFA process. These items were: “our number one objective is to make every customer touchpoint work well”, “we understand our complementary roles in the customer journey”, “we try to jump off the hamster wheel and think more broadly about our role in the customer experience” and “we each safeguard the customer experience”. Two of these items (the second and third) were intended to form part of the Journey Coordination construct. However, as all four items relate to organizational members’ consideration of their individual roles in the customer experience, they were considered to pass the face validity test and allowed to form the emergent Experience Responsibility construct. The EFA resulted in a model with four factors and 21 items (see Table 5-3).

Table 5-3 Exploratory Factor Analysis: Revealed Customer Experience Orientation Dimensions

Item	Factor			
	EMPW	BRAND	RESP	COORD
EMPW1 - We provide an empowering environment for staff to be creative around the customer experience.	.788	.204	.055	.177
EMPW2 - When something will improve experience for customers, we feel free to act first and seek permission later.	.718	.184	.331	.071
EMPW3 - We trust in the force that focusing on the experience pays off.	.715	.285	.391	.083

Item	Factor			
	EMPW	BRAND	RESP	COORD
EMPW4 - We allow our people to put the customer experience first.	.708	.219	.122	.381
EMPW5 - We each have permission to do whatever it takes to improve the customer experience.	.678	.177	.288	.257
EMPW6 - If something will improve the customer experience, we just do it.	.640	.087	.164	.380
EMPW7 - When a customer experience issue arises we are empowered to overcome obstacles to address it.	.592	.275	.214	.207
EMPW8 - We are empowered to sign off on customer experience improvements even when the outcomes are difficult to measure.	.589	.331	.164	.138
EMPW9 - The purpose of our organisation is to deliver a great customer experience.	.556	.326	.321	.237
BRAND1 - We have clear brand values that encapsulate what our customers want from us.	.225	.771	.047	.253
BRAND2 - We have clearly defined principles that we want our customers to associate with our brand.	.068	.698	.250	.264
BRAND3 - The right people for the business are those who personify the values of our brand.	.410	.600	.138	-.060

Item	Factor			
	EMPW	BRAND	RESP	COORD
BRAND4 - Our brand promise is more than a tagline; it defines the way we do things.	.279	.597	.286	.264
BRAND5 - We all live the brand values in the way we do things.	.371	.577	.281	.314
RESP1 - Our number one objective is to make every customer touchpoint work well.	.523	.233	.691	.129
RESP2 - We understand our complementary roles in the customer journey.	.169	.136	.623	.320
RESP3 - We each safeguard the customer experience.	.283	.274	.561	.444
RESP4 - We try to jump off the hamster wheel and think more broadly about our role in the customer experience.	.302	.432	.524	.108
COORD1 - We coordinate with each other to make the customer journey works well.	.210	.245	.325	.739
COORD2 - We work together across the organisation to ensure the customer experience is consistent.	.383	.480	.179	.616

Item	Factor			
	EMPW	BRAND	RESP	COORD
COORD3 - We don't allow barriers between departments to get in the way of a great customer journey.	.398	.281	.197	.543

Notes:

EMPW = Experience Empowerment; **BRAND** = Brand Alignment; **RESP** = Experience Responsibility; **COORD** = Journey Coordination

Total variance extracted by the four factors = 64%; extraction Method: Principal Axis Factoring; Rotation method: Varimax with Kaiser Normalization (Rotation converged in 8 iterations)

Confirmatory factor analysis (CFA) was conducted using AMOS 24.0 to further assess the structure of the 4-factor, 21-item scale. Fit indices were evaluated using established thresholds (Hair et al. 2006). The CFI measure of incremental fit was 0.91 (just under the threshold of 0.92) but deemed acceptable for a small sample size of n=75.

The significance of parameter estimates were initially checked as a guide to item retention; however, all items were significant. The magnitude of item loadings on their respective factors should range from 0.6 to 0.9 (Bagozzi and Yi, 1988). All items in the model loaded in this range (see Table 5-4). Using modification indices, we found a correlation (-0.19) between the errors of items EMPW6 (“we are empowered to sign off on customer experience improvements even when the outcomes are difficult to measure”) and EMPW8 (“If something will improve the customer experience, we just do it”). Likewise, we found a correlation between the error of item BRAND1 (“we have clearly defined principles that we want our customers to associate with our brand”) and BRAND2 (“we have clear brand values that encapsulate what our customers want from us”). Other than those additions to the model, the CFA confirmed the same structure as the EFA (see Appendix in 5.9.2).

Table 5-4 CFA and EFA results for the customer experience orientation scale

	CFA loadings		EFA factors and loadings (after Varimax rotation) ^a			
	Loadings ^b	t-value ^c	EMPW	BRAND	RESP	COORD
Factor / Item						
EMPW (Cronbach's alpha = 0.93)						
EMPW1	.770	7.386	.788			
EMPW2	.777	7.476	.718			
EMPW3	.843	8.347	.715			
EMPW4	.816	7.982	.708			
EMPW5	.795	---	.678			
EMPW6	.747	7.066	.640			
EMPW7	.722	6.790	.592			
EMPW8	.722	6.772	.589			
EMPW9	.755	7.192	.556			
BRAND (Cronbach's alpha = 0.87)						
BRAND1	.725	6.422		.771		
BRAND2	.659	5.732		.698		
BRAND3	.637	5.541	.410	.600		

	CFA loadings		EFA factors and loadings (after Varimax rotation) ^a			
	Loadings ^b	t-value ^c	EMPW	BRAND	RESP	COORD
BRAND4	.725	---		.597		
BRAND5	.854	7.767		.577		
RESP (Cronbach's alpha = 0.85)						
RESP1	.858	---	.523		.691	
RESP2	.669	6.293		.	.623	
RESP3	.794	7.972			.561	.444
RESP4	.720	6.950		.432	.524	

	CFA loadings		EFA factors and loadings (after Varimax rotation) ^a			
	Loadings ^b	t-value ^c	EMPW	BRAND	RESP	COORD
COORD (Cronbach's alpha = 0.86)						
COORD1	.764	---				.739
COORD2	.901	7.993		.480		.616
COORD3	.774	6.832		.		.543
Goodness-of-fit statistics						
Chi-square = 271.740						
df = 181						
p=.000						
CFI= .91						
RMSEA=.082						

Notes:

CFA= confirmatory factor analysis; **EFA**= exploratory factor analysis; **EMPW** = Experience Empowerment; **BRAND** = Brand Alignment; **RESP** = Experience Responsibility; **COORD** = Journey Coordination; **CFI**=Comparative Fit Index; **RMSEA** = root mean square error of approximation

a. Total variance extracted by the four factors = 64%; extraction method=Principal Axis Factoring; rotation method: Varimax with Kaiser Normalization (rotation converged in 8 iterations); loadings <0.400 not shown

b. These are standardized loading estimates from CFA using the Amos software package.

--- = the unstandardized loadings were fixed to 1.000 resulting in missing t-values

c. Based on one-tailed tests, t-values greater than 1.65 are significant at $p < .05$; t-values greater than 2.33 are significant at $p < .01$.

Reliability of the composite constructs was considered next. Cronbach's alpha was used to estimate reliability. All composite reliability scores exceeded the threshold of 0.7. Cronbach's alpha reliabilities for four constructs – EMPW, BRAND, RESP and COORD – were 0.93, 0.87, 0.85 and 0.86, respectively (see Table 5-4). A cut-off threshold of 0.7 is generally considered acceptable (Hair et al. 2006). The overall Cronbach's alpha for the CEM-OV scale is 0.95, demonstrating excellent internal consistency for the items in the scale. Although during the EFA eight out of the 21 total items were re-assigned to constructs different from the ones originally assigned, comparison of the items (see Table 5-3 for item definitions) with the construct definitions (see below) shows that the items retained face validity.

Model structure: The final 21-item CEM-OV scale, with four latent constructs, is depicted in Figure 5-2 Conceptual model of Customer Experience Management Organizational Values (CEM-OV). Items are detailed in the Appendix in 5.9.1. All standardised regression weights were 0.6 or above, and all were significant ($p < 0.05$) (See Table 5-4). The following observations can be made about the individual latent constructs in the model:

EMPW is “experience empowerment” and relates to the extent to which organizational members feel empowered to act as they see fit to safeguard the customer experience. Specifically, the nine items are: “We provide an empowering environment for staff to be creative around the customer experience”, “when something will improve experience for customers, we feel free to act first and seek permission later”, “we trust in the force that focusing on the experience pays off”, “we allow our people to put the customer experience first”, “we each have permission to do whatever it takes to improve the customer experience”, “If something will improve the customer experience, we just do it”, “when a customer experience issue arises we are empowered to overcome obstacles to address it”, “we are empowered to sign off on customer experience improvements even when the outcomes are difficult to measure”, and

“the purpose of our organisation is to deliver a great customer experience”.

BRAND is “brand alignment” and relates to the extent to which organizational members are guided by the brand values that encapsulate the value-in-use their customers seek. The five items refer to “we have clear brand values that encapsulate what our customers want from us”, “the right people for the business are those who personify the values of our brand”, “our brand promise is more than a tagline; it defines the way we do things”, and “we all live the brand values in the way we do things”.

RESP is “experience responsibility” and relates to the extent to which organizational members are driven by consideration of their individual roles in the customer experience. The four items are: “Our number one objective is to make every customer touchpoint work well”, “we understand our complementary roles in the customer journey”, “we each safeguard the customer experience”, and “we try to jump off the hamster wheel and think more broadly about our role in the customer experience”.

COORD is “journey coordination”, relating to the extent to which internal coordination is driven by consideration of organizational members’ complementary roles in customer journeys, includes three items: “We coordinate with each other to make the customer journey works well”, “we work together across the organisation to ensure the customer experience is consistent” and “we don’t allow barriers between departments to get in the way of a great customer journey”.

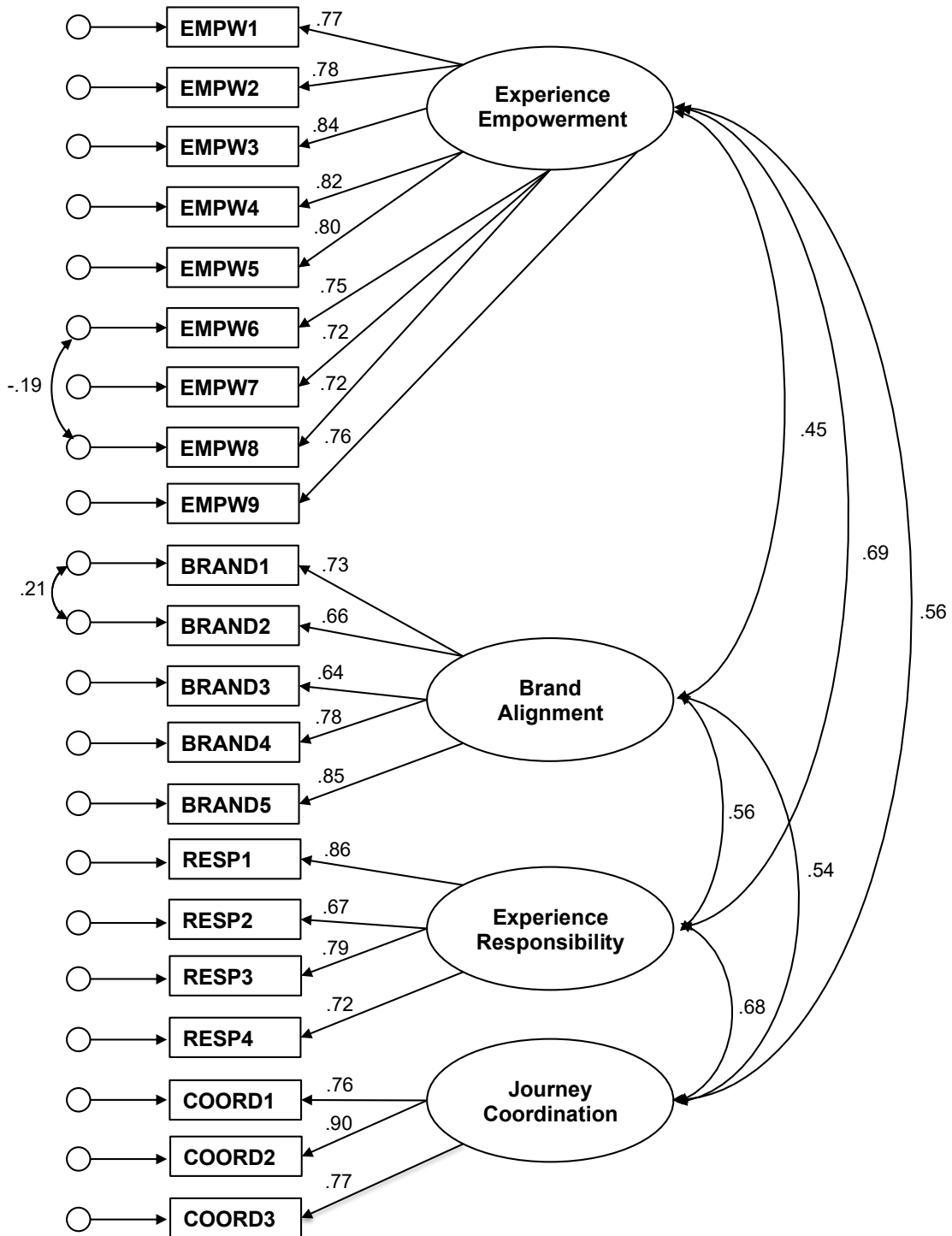


Figure 5-3 CFA of four factor measurement model (items listed in Appendix in 5.9.1)

5.6.2 Using CEM-OV to predict performance outcomes

Table 5-6 summarizes the results from 10 regression analyses in which the factor-score measures were the independent variables, supported by the

correlation matrix of the variables (see Table 5-5). These results show that only two factor-score measures (i.e. Brand Alignment and Experience Responsibility) indicate some positive associations between CEM values and organizational performance outcome measures. The results suggest that Brand Alignment has the strongest association with Employee satisfaction (standard coefficient =0.78, $p < 0.01$), Customer satisfaction (standard coefficient =0.73, $p < 0.01$) and Net promoter score (standard coefficient =0.72, $p < 0.05$) followed by High customer recommendations (standard coefficient =0.59, $p < 0.05$). For these regression analyses, the F values are significant (at $p < 0.001$) indicating the models predict outcomes significantly well. Additionally, the adjusted R^2 values indicate that Brand Alignment accounts for 44%, 41%, 32% and 45% of variation in outcome of each performance measure respectively. The results also show Experience Responsibility has associations with Acquiring new customers (standard coefficient =0.6, $p < 0.05$). Likewise, the F value is significant indicating good overall fit of the model. The adjusted R^2 value, however, shows that Experience Responsibility only explains 16% of variation in acquiring new customers.

Next, we summarize and discuss what our results contribute to theory and practice, state limitation of our study, and propose opportunities for further research.

Table 5-5 Correlation matrix

	EMPW	BRAND	RESP	COORD
EMPW	1	.812**	.875**	.825**
BRAND	.812**	1	.847**	.917**
RESP	.875**	.847**	1	.838**
COORD	.825**	.917**	.838**	1
Achieving market share	.126	.192	.155	.127
Retaining customers	.437**	.502**	.480**	.481**
Achieving customer satisfaction	.485**	.655**	.544**	.589**
Turning unprofitable customers in profitable ones	.305**	.442**	.348**	.425**
Current profitability	.219	.280*	.212	.275*
Performance on Net Promoter Score	.474**	.598**	.502**	.523**
High levels of customer recommendation	.508**	.679**	.588**	.638**
Growing share of wallet from existing customers	.329**	.295*	.367**	.335**
Acquiring new customers	.281*	.384**	.408**	.356**
Achieving employee satisfaction	.529**	.675**	.508**	.618**

Notes:

**Correlation is significant at the 0.01 level (2-tailed) (these are also in bold)

*Correlation is significant at the 0.05 level (2-tailed) (these are also in bold)

Table 5-6 Regression Analysis of performance outcomes on factor scores for customer experience orientation dimensions

Dependent Variables:	Predictor variables - Standard coefficients, factor scores, F and adjusted R ² values:					
	EMPW	BRAND	RESP	COORD	F	Adjusted R ²
Share	-.06 (.82)	.44 (.16)	.08 (.77)	-.30 (.35)	.94 (.45)	.00
Retain	-.05 (.82)	.29 (.29)	.21 (.39)	.08 (.77)	6.1 (.00)	.22
CSat	-.19 (.34)	.73 (.00)**	.10 (.65)	.00 (.10)	13.25 (.00)	.41
ProfCust	-.23 (.35)	.40 (.17)	.01 (.97)	.24 (.41)	4.6 (.00)**	.17
Profit	.00 (.99)	.24 (.45)	-.12 (.66)	.16 (.61)	1.57 (.19)	.03
NPS	-.06 (.80)	.72 (.01)*	.07 (.76)	-.14 (.59)	9.09 (.00)	.32
Recommend	-.30 (.15)	.59 (.01)*	.21 (.33)	.16 (.50)	15.41 (.00)	.45
SOW	.00 (.99)	-.24 (.44)	.35 (.21)	.26 (.40)	2.83 (.03)	.09
Acquire	-.44 (.08)	.23 (.42)	.60 (.03)*	.00 (.99)	4.47 (.00)	.16
EmpSat	.10 (.61)	.78 (.00)**	-.32 (.15)	.08 (.73)	15.01 (.00)	.44

Notes:

EMPW = Experience Empowerment; **BRAND** = Brand Alignment; **RESP** = Experience Responsibility; **COORD** = Journey Coordination; **Share** = Achieving market share; **Retain** = Retaining customers; **CSat** = Achieving customer satisfaction; **ProfCust** = Turning unprofitable customers in profitable ones; **Profit** = Current profitability; **NPS** = Performance on Net Promoter Score; **Recommend** = High levels of customer recommendation; **SOW** = Growing share of wallet from existing customers; **Acquire** = Acquiring new customers; **EmpSat**= Achieving employee satisfaction

Numbers in parenthesis are significance levels

*Standard coefficients significant at p<0.05

**Standard coefficients significant at p<0.01

Numbers in bold highlight where factor scores had a significant positive effect on the dependent measures

5.7 Discussion

Our purpose in this study is to develop a measurement scale of the extent to which organizations are driven by CEM organizational values and explore their associations with performance outcomes via a small-scale pilot of the measure. The findings of our study provide specific answers to calls for research to understand how CEM can be measured and what affect it has on organizational performance outcomes (Lemon and Verhoef, 2016). Our contribution is a newly developed multi-dimensional measurement scale that builds on multiple case study work (see chapter 4) and is piloted on a sample of customer experience leaders and managers. The newly developed CEM-OV measure is a 21-item scale of four dimensions: (1) *Experience empowerment*, (2) *brand alignment*, (3) *experience responsibility* and (4) *journey coordination*. Findings from the pilot study indicate some positive associations between CEM values and organisational performance, including that brand alignment influences employee engagement, customer satisfaction, net promoter score and customer recommendations and experience responsibility has significant positive effects on acquiring new customers.

While the dimensions of our scale pass tests of face validity and reliability scores demonstrate excellent internal consistency for the items in the scale, due to constraints in time, our measure of CEM-OV was developed based on a small sample of N=75 managers. In outlining our key contributions, we acknowledge this as an important limitation to our study. There is an opportunity to test this measure on a larger sample of customer experience managers. This further study could also address the issue of common method bias (Podsakoff et al. 2003), where our measures of CEM and performance outcomes were captured within the same measurement instrument.

On the basis of Noble et al.'s (2002) definition of competitive culture as a theoretical foundation, we have suggested a new model for a dimension of organizational culture that is characterized by a firm-wide approach to managing customer experiences—conceptualizing it as *the organizational values that influence the internal processes and performance outcomes of an*

organization as related to managing customer experiences. Marketing scholars have studied the implications of marketing management approaches on the organization in a broader way than our study has, examining how organizational values influence firm-wide behaviour (such research resides in the field of market orientation research) (Desphandé and Webster, 1989). As such, there is an opportunity for further research that conceptualizes and measures a multi-layer model of CEM organizational culture that also considers CEM behaviour, perhaps building on our findings on CEM practices in chapter 3 to do so. In doing so, such future research might test the generalizability of a CEM-driven organizational culture and assess its discriminant validity in relation to other constructs of marketing management.

In a comment on future research issues on organizational culture in the field of marketing, Moorman and Day (2016) raise the question of what additional cultural values play important roles in marketing strategies? Our research provides specific answers to this question. We have identified four organizational value dimensions associated with managing customer experiences. Future quantitative research might examine differences in CEM organizational values along various organizational dimensions and contingency factors for a more nuanced conceptualization of a CEM-driven culture. There is also an opportunity to test how CEM organizational values impact such variables as innovation, agility and firm cohesiveness.

Another contribution of our study relates to performance outcomes of CEM. Marketing research on organizational values suggests they are supportive of an organization's processes (Desphandé and Webster, 1993; Moorman, 1995) and this in turn is linked to business financial, customer and employee outcomes (van Raaj and Stoelhorst, 2008; Moorman, 1995; Webster and White, 2010). A previous systematic review of CEM literature (see chapter 2) finds evidence of three types of CEM outcomes (experience quality, customer and organizational performance outcomes). However since the review finds little about these outcomes, it suggests further understanding about the link between managing customer experiences and outcomes is needed (Srinivasan et al. 2012; Schau

et al. 2009). Practitioner oriented studies emphasize the performance outcomes of enhanced customer satisfaction (e.g. Rawson et al. 2013), and net promoter score (e.g. Reichheld, 1996; Keiningham et al. 2008) in managing the customer experience. In one of the few academic studies on CEM, through depth interviews, Homburg et al. (2017) find that the primary goals of customer experience managers are customer loyalty and long-term growth. Of the four CEM organizational values identified in our study, our results suggest that Brand Alignment has the strongest effects on performance outcomes, particularly on employee engagement, customer satisfaction, net promoter score and high customer recommendations. While brand alignment has not previously been discussed in the nascent academic CEM research, Brakus et al. (2009) find that customer experiences that result in enhanced brand personality associations in turn affect customer satisfaction and customer loyalty. Additionally, our results support extant marketing research by Noble et al. (2002) who find that having a firm-wide brand focus enhances general organizational effectiveness.

For managers, our results provide a detailed understanding of CEM organizational values and priorities that influence internal processes and performance outcomes. Our scale, following further validation, can be used by managers for measuring the degree of CEM organizational values in their firm's culture. Additionally, firm leaders might take these values into consideration when formulating their company philosophy and vision.

5.8 References

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5.9 Appendix

5.9.1 Appendix: CEM-OV survey measures and items (including items discarded during the purification process)

• Journey motivation	
	• We take responsibility for all interactions the customer has both before and after they come into direct contact with us.
	• Everything we do is focused on how customer journeys feel to the customer.
	EMPW9 - The purpose of our organisation is to deliver a great customer experience.
	RESP1 -Our number one objective is to make every customer touchpoint work well.
	• The business is driven by the customer journey view.
	• We all own the customer experience together as an organisation.
BRAND - Brand Alignment	
	BRAND3 - The right people for the business are those who personify the values of our brand.

BRAND2 - We have clearly defined principles that we want our customers to associate with our brand.
BRAND1 - We have clear brand values that encapsulate what our customers want from us.
BRAND5 - We all live the brand values in the way we do things.
<ul style="list-style-type: none"> • Everyone across the organisation is a custodian of the brand.
BRAND4 - Our brand promise is more than a tag-line; it defines the way we do things.
COORD - Journey Coordination
COORD1 - We coordinate with each other to make the customer journey work well.
<ul style="list-style-type: none"> • We are each accountable to our colleagues in the customer journey.
RESP2 - We understand our complementary roles in the customer journey.
COORD2 - We work together across the organisation to ensure the customer experience is consistent.
RESP4 - We try to jump off the hamster wheel and think more broadly about our role in the customer experience.
COORD3 - We don't allow barriers between departments to get in the way of a great customer journey.
EMPW - Experience Empowerment
EMPW1 - We each have permission to do whatever it takes to improve the customer experience.
EMPW7 - When a customer experience issue arises we are empowered to overcome obstacles to address it.
EMPW4 - We allow our people to put the customer experience first.
EMPW1 - We provide an empowering environment for staff to be creative around the customer experience.
EMPW2 - When something will improve experience for customers, we feel free to act first and seek permission later.
RESP3 - We each safeguard the customer experience.
<ul style="list-style-type: none"> • Experience Mandating
<ul style="list-style-type: none"> • When making investments, the evidence that matters is the voice of the customer.
EMPW3 - We trust in the force that focusing on the experience pays off.
EMPW6 - If something will improve the customer experience, we just do it.
<ul style="list-style-type: none"> • What's right for the customer experience is right for the business.

	<ul style="list-style-type: none"> • Customer experience is the differentiator even if we don't have the numbers to prove it.
	<p>EMPW9 - We are empowered to sign off on customer experience improvements even when the outcomes are difficult to measure.</p>
	<ul style="list-style-type: none"> • Continual Experience Optimisation
	<ul style="list-style-type: none"> • We keep inspired to continually evolve the customer experience.
	<ul style="list-style-type: none"> • The main thing we need to design is great customer experiences.
	<ul style="list-style-type: none"> • In terms of the customer experience, we're always doing a test and learn to try more things out.
	<ul style="list-style-type: none"> • We continually challenge ourselves to say: are we still doing what's right for the customer experience?
	<ul style="list-style-type: none"> • Our innovation efforts are focused on improving the customer experience.
	<ul style="list-style-type: none"> • Customer experience management is about being hungry all the time to make a difference.

Notes: Labels are shown only for items retained in the final CEM-OV scale. Bulleted items were included in the pre-test but eliminated during the scale-refinement process; Items with a **RESP** label relate to the latent measure of Experience Responsibility and emerged from the exploratory factor analysis (EFA) phase of scale development. See **section 5.6.1** for a description of RESP.

5.9.2 Appendix: Survey measures, items and sources

CONSTRUCTS / ITEMS		SOURCE
VALUES To what extent do the following statements describe the current beliefs of <u>all</u> those in your organisation or business unit?		
#1 JOURNEY MOTIVATION: Relating to the extent to which organizational members are primarily motivated to improve the quality of its customer journeys and the touchpoints therein.		
11	We take responsibility for all interactions the customer has both before and after they come into direct contact with us.	(1 = Never – 5 = Always) Source: Qualitative research and author
12	Everything we do is focused on how customer journeys feel to the customer.	
13	The purpose of our organisation is to deliver a great customer experience.	
14	Our number one objective is to make every customer touchpoint work well.	
15	The business is driven by the customer journey view.	
16	We all own the customer experience together as an organisation.	
#2 BRAND ALIGNMENT: Relating to the extent to which organizational members are guided by the brand values that encapsulate the value-in-use their customers seek.		
21	The right people for the business are those who personify the values of our brand.	(1 = Never – 5 = Always) Source: Qualitative research and author
22	We have clearly defined principles that we want our customers to associate with our brand.	
23	We have clear brand values that encapsulate what our customers want from us.	
24	We all live the brand values in the way we do things.	
25	Everyone across the organisation is a custodian of the brand.	
26	Our brand promise is more than a tag-line; it defines the way we do things.	
#3 JOURNEY COORDINATION: Relating to the extent to which internal coordination is driven by consideration of organizational members' complementary roles in customer journeys.		
31	We coordinate with each other to make the customer journey work well.	(1 = Never – 5 = Always)
32	We are each accountable to our colleagues in the customer journey.	

CONSTRUCTS / ITEMS		SOURCE
33	We understand our complementary roles in the customer journey.	Source: Qualitative research and author
34	We work together across the organisation to ensure the customer experience is consistent.	
35	We try to jump off the hamster wheel and think more broadly about our role in the customer experience.	
36	We don't allow barriers between departments to get in the way of a great customer journey.	
#4 EXPERIENCE EMPOWERMENT: Relating to the extent to which organizational members feel empowered to act as they see fit to safeguard the customer experience.		
41	We each have permission to do whatever it takes to improve the customer experience.	(1 = Never – 5 = Always) Source: Qualitative research and author
42	When a customer experience issue arises we are empowered to overcome obstacles to address it.	
43	We allow our people to put the customer experience first.	
44	We provide an empowering environment for staff to be creative around the customer experience.	
45	When something will improve experience for customers, we feel free to act first and seek permission later.	
46	We each safeguard the customer experience.	
#5 EXPERIENCE MANDATING: Relating to the extent to which organizational members mandate investments in customer experience even when the outcomes are difficult to measure.		
51	When making investments, the evidence that matters is the voice of the customer.	(1 = Never – 5 = Always) Source: Qualitative research and author
52	We trust in the force that focusing on the experience pays off.	
53	If something will improve the customer experience, we just do it.	
54	What's right for the customer experience is right for the business.	
55	Customer experience is the differentiator even if we don't have the numbers to prove it.	
56	We are empowered to sign off on customer experience improvements even when the outcomes are difficult to measure.	

CONSTRUCTS / ITEMS		SOURCE
#6 CONTINUAL EXPERIENCE OPTIMISATION: Relating to the extent to which organizational members focus innovation efforts on improving the customer experience.		
61	We keep inspired to continually evolve the customer experience.	(1 = Never – 5 = Always) Source: Qualitative research and author
62	The main thing we need to design is great customer experiences.	
63	In terms of the customer experience, we're always doing a test and learn to try more things out.	
64	We continually challenge ourselves to say: are we still doing what's right for the customer experience?	
65	Our innovation efforts are focused on improving the customer experience.	
66	Customer experience management is about being hungry all the time to make a difference.	
PERFORMANCE OUTCOMES Relative to your competitors, how does your organization perform concerning the following statements?		
P1	Attaining market share	(1 = much worse, 4 = same level as competitors, 7 = much better.) Source: Adapted from Reinartz, Krafft and Hoyer (2004).
P2	Retaining customers	
P3	Achieving customer satisfaction	
P4	Turning unprofitable customers into profitable ones	
P5	Current profitability	
P6	Performance on NPS (Net Promoter Score)	
P7	Achieving high levels of customer recommendation	
P8	Growing the 'share of wallet' from existing customers	
P9	Acquiring new customers	
P10	Achieving employee satisfaction	

6 Overall discussion

6.1 Contributions

This research has contributed to knowledge through each of its four objectives: (1) a systematic and critical review of the field to answer the review question of, '*what are the practices and outcomes of CEM?*'; (2) to gain an understanding of what managing the customer experience means to and how it is done by leaders, managers and other members of an organization; (3) to gain an understanding of CEM as a firm-wide strategic orientation; and (4) to develop a measurement scale of the extent to which organizations are driven by CEM organizational values and explore their associations with performance outcomes, building on case study work. The thesis has thereby provided at least some answers to its research question of, '*what are the meanings and practices of customer experience management (CEM)?*'

In doing so, the thesis contributes to CEM literature and theory and provides several contributions to practice. Figure 6-1 provides a graphical summary of the theoretical contributions, managerial implications and proposed future research directions of the thesis.

This chapter consists of the following parts. First, the contributions to theory will be presented. This will be followed by the contributions to practice. Finally, we conclude with a discussion of limitations to the research and future research directions.

	Title	Theoretical Contribution	Managerial Implications	Future Research
PAPER 1 (Chapter 2)	Practices of customer experience management: A systematic literature review and framework	A body of extant CEM literature (n=61 papers) is systematically identified; Forty-one papers contain empirical evidence of CEM; Twenty-one CEM practices emerge; Future research directions are presented.	Findings reveal an emphasis on studying and designing customer journeys and enabling a customer-experience firm-focus. Managers might attend to experience quality not just product or service quality.	A need for empirical research that studies and conceptualizes CEM from the firm's perspective and demarcates it from other marketing management approaches.
PAPER 2 (Chapter 3)	Managing the customer experience: An empirical firm-side practice-based framework	A grounded-theory firm-side conceptualization of CEM is developed; Twenty-five CEM practices and six CEM beliefs emerge.	Firms might shift to a view of CEM as an organizational accomplishment, inviting firm-wide participation in concerted CEM action and instilling guiding CEM-specific beliefs.	Cross-sectional research that assesses the relationships between the CEM practices we identify and financial, organizational and customer outcomes.
PAPER 3 (Chapter 4)	Is customer experience orientation the new market orientation?	Customer experience orientation is a firm-wide management approach that is driven by six CEM organizational values. It extends market orientation by considering and addressing customer experiences.	Firms might shift to a customer journey view of the market, deeply embed a firm-wide brand focus, promote an internal entrepreneurial spirit and support agile systems for CEM innovation.	Developing a measurement scale of customer experience orientation and its effects on performance outcomes.
PAPER 4 (Chapter 5)	Measuring organizational values of customer experience management	A newly developed 4-factor 21-item measurement scale of CEM organizational values; Piloted on a sample (n=75 customer experience leaders and managers). The brand alignment dimension has associations with multiple performance outcomes.	Results provide managers with a detailed understanding of CEM organizational values and priorities that influence internal processes and performance outcomes.	The measurement of a multi-layer model of CEM organizational culture that also considers behavior.

Figure 6-1 Summary of theoretical contributions, managerial implications and proposed future research directions of the thesis

6.1.1 Theoretical contributions

The thesis contributes to CEM literature and theory by: (1) systematically identifying a comprehensive and integrative body of CEM literature, (2) developing a grounded-theory firm-side conceptualization of CEM practice and organizational values, (3) demarcating CEM from market orientation (i.e. a prevalent firm-wide marketing management approach) and proposing an updated and distinctive orientation relabelled customer experience orientation (CXO) and (4) developing a scale for measuring CEM organizational values and exploring associations with performance outcomes. Figure 6-2 provides a graphical summary of the PhD research process and highlights the outputs of each study. In turn, Figure 6-3 is an organizing framework of overall theoretical contributions of the PhD.

This section will now discuss the theoretical contributions aligned with the research objectives.

Objective 1: A systematic and critical review of the field to answer the review question of, what are the practices and outcomes of CEM?

The first key contribution of this research has been systematically identifying and synthesizing existing empirical research to identify the practices of CEM.

Despite its prominence and popularity in practice, it is unclear what customer experience management (CEM) as an overall business focus means or entails. To establish what is known about CEM and conceptualize a construct for it, we systematically and critically review existing empirical evidence. The research identifies 61 studies that contribute to answering the guiding review question of, "*What are the business-to-consumer (B2C) practices and outcomes of CEM?*" Forty-one (67%) of these articles explicitly discuss CEM from the firm's point of view and provide empirical evidence thereof. However, 85% of this evidence is anecdotal evidence, suggesting that practice is ahead of theory when it comes to CEM. Findings of the systematic literature review (SLR) are synthesized using a meta-ethnographic approach. The study presents a conceptual framework of 21 CEM practices identified in the SLR, each falling within three

types of CEM: (1) strategizing, (2) operating and (3) enabling the customer experience. Outcomes of CEM are categorized into experience quality, customer and organizational performance outcomes. Emerging from our study is an emphasis on studying and designing customer experience journeys and enabling an organization to do so. The study concludes with proposed future research directions by CEM topic, another contribution of the study, highlighting the need for empirical research that studies and conceptualizes CEM from the firm's perspective and demarcates CEM from other marketing management approaches.

Objective 2: To gain an understanding of what managing the customer experience means within organizations and how customer experience management is done by leaders, managers and other members of an organization.

The second key contribution of this research has been developing a grounded-theory firm-side practice based conceptualization of customer experience management (CEM).

Prior CEM research, albeit scarce, nascent and fragmented across academic, managerial- and practice- oriented studies and various sub-fields of marketing, has not systematically analysed practices of CEM or used a research approach for uncovering insights in an encompassing way. Using social practice theory, the research presents a grounded theory firm-side conceptualization of CEM practices based on evidence from 10 case studies of organizations from across different industries. In addition to conducting extensive ethnographic observation and the analysis of corporate documents and artefacts, the main method of data was in-depth semi-structured interviews with leaders, managers and employees including those that are senior, strategic, operational and/or customer-facing. In the research, two types of interviews were conducted, including the Interview to the Double (ITTD), an ethnographic interview technique underpinned by practice theory used to elicit know-how. Comparative cross-case analysis that tacked back and forth between the case study data and existing literature resulted in a set of 25 common practices of managing the

customer experience and six CEM beliefs that explain and justify CEM practice within organizations.

Objective 3: To gain an understanding of CEM as a firm-wide strategic orientation.

The third key contribution of this research has been demarcating CEM from marketing orientation, a firm-wide marketing management approach prevalent in marketing literature since its development three decades ago. The research proposes a customer experience orientation (CXO) as firm-wide management approach that is driven by six CEM organizational values. Customer experience orientation extends market orientation by considering and addressing customer experiences.

Research in marketing has focused almost exclusively on a firm's market orientation, the set of organizational values and behaviours that are based on the adoption and implementation of the marketing concept. However, this concept was developed prior to the development of the Internet or social media. Customer experience management (CEM) is now widely adopted by practitioners across many sectors, and promises to be an approach that represents the implementation of an evolving marketing concept. The research addresses the debate within recent marketing literature about whether and how customer experience management might suggest a new orientation that differs from market orientation. Using multiple case study methodology including extensive ethnographic observation, the analysis of corporate documents and artefacts and in-depth interviews over a longitudinal period, the study uncovers the insider (emic) perspective of 10 organizations that are recognized by their peers as leaders in customer experience management. By identifying common themes across the ten longitudinal case studies data, we observe and define six customer experience organizational values. We then compare these values with the values associated with market orientation identifying differences. Findings include that customer experience orientation entails a culture that is distinctive compared to market orientation in subtle but important ways, including a focus on customer journeys and how they feel to the customer, a rallying around

customer journeys through customer hubs rather than product siloes, and creating an entrepreneurial spirit which fosters a 'test and learn' environment and continual innovation around the customer experience. A key implication is the need for an updated understanding of market orientation that takes into consideration the management of the customer's experience, perhaps to be relabelled as customer experience orientation.

Objective 4: To develop a measurement scale of the extent to which organizations are driven by CEM organizational values and explore their associations with performance outcomes, building on case study work.

Finally, the fourth key contribution of our research has been a newly developed four-factor 21-item measurement scale of customer experience management organizational values (CEM-OV), assessing associations with organizational performance outcomes via a pilot study piloted on a sample of 75 customer experience leaders and managers.

As a new marketing management approach, CEM is shaping and driving the inner-workings, values and priorities of organizations. Firms are adopting new ways of organizing to enable them to manage the customer experience effectively. Although research on managing customer experiences is in its early stages, there has been a growing recognition among both scholars and practitioners that CEM represents a source of competitive advantage.

From an academic point of view, while the key role of customers in co-creating experiences has already been well established (e.g. Epp and Price, 2011; Lemke et al. 2011; Alcántara et al. 2014; Gentile et al. 2007; Brakus et al. 2009), a review of literature on CEM reveals little is known about the organizational perspective of customer experience co-creation. From a conceptual perspective, there is a need to understand how CEM as a new marketing management approach is shaping and driving the inner-workings, values and priorities of organizations (Moorman and Day, 2016; Lemon and Verhoef, 2016). Finally, from a measurement perspective, this study addresses how CEM can be measured and the effect it has on organizational performance

outcomes (Lemon and Verhoef, 2016). Our research addresses, at least to some extent, these issues.

On the basis of competitive culture as a theoretical foundation (after Nobel et al. 2002)—conceptualizing the firm-wide approach to managing customer experiences as *the organizational values that influence the internal processes and performance outcomes of an organization as related to managing customer experiences*—in addition to qualitative multiple case study research and a subsequent survey, the study conceptualizes and develops a multiple-item scale (CEM-OV) for measuring the organizational values associated with managing customer experiences and explores associations with performance outcomes. Following two stages of empirical data collection, the CEM-OV scale is a 21-item scale of four dimensions: (1) *experience empowerment*, (2) *brand alignment*, (3) *experience responsibility* and (4) *journey coordination*. Findings from the pilot study indicate some positive associations between CEM values and organisational performance, including that brand alignment influences employee engagement, customer satisfaction, net promoter score and customer recommendations and experience responsibility has significant positive effects on acquiring new customers.

Next, proposed contributions to practice are presented.

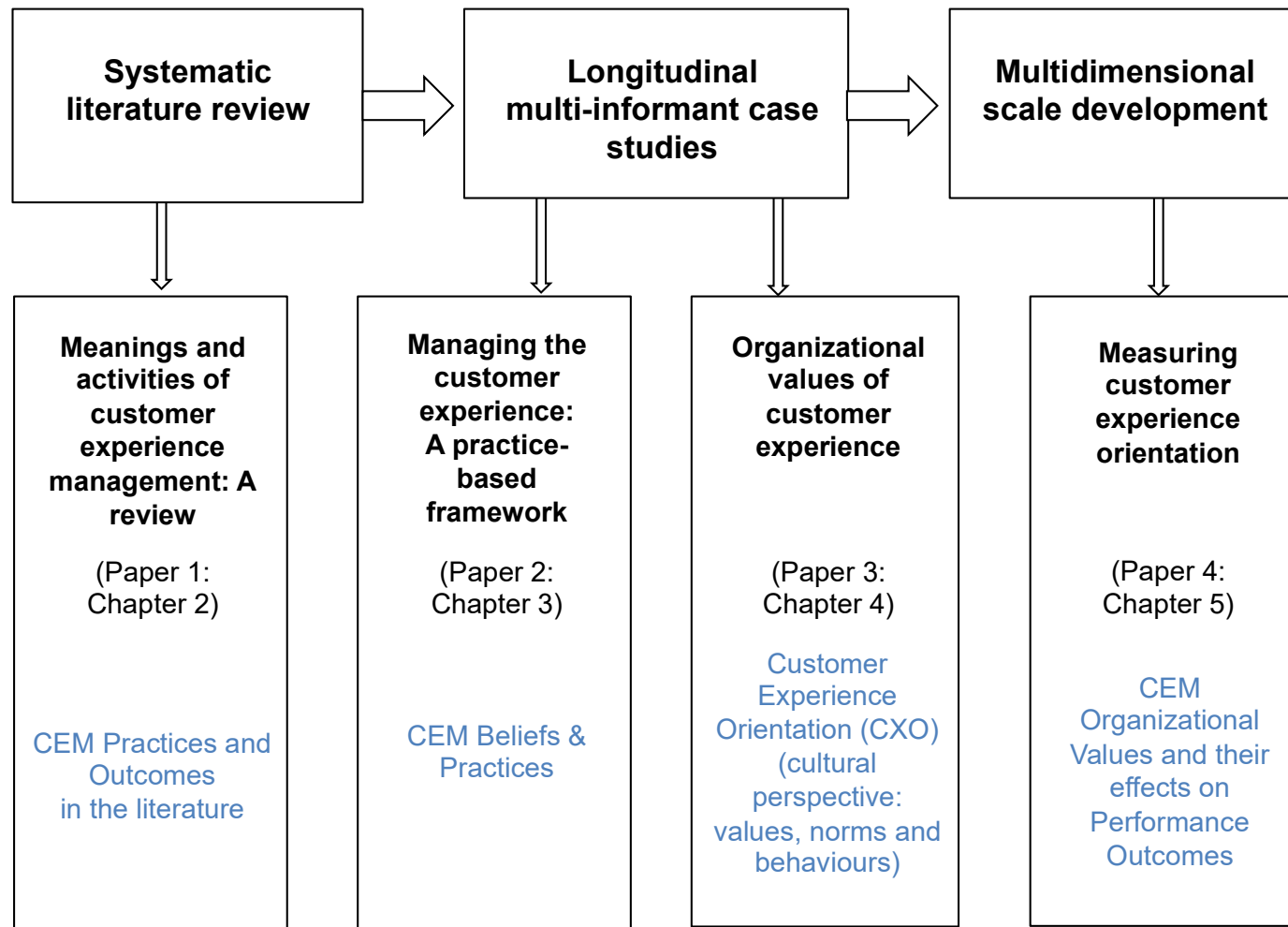


Figure 6-2 PhD research process and the outputs of each study

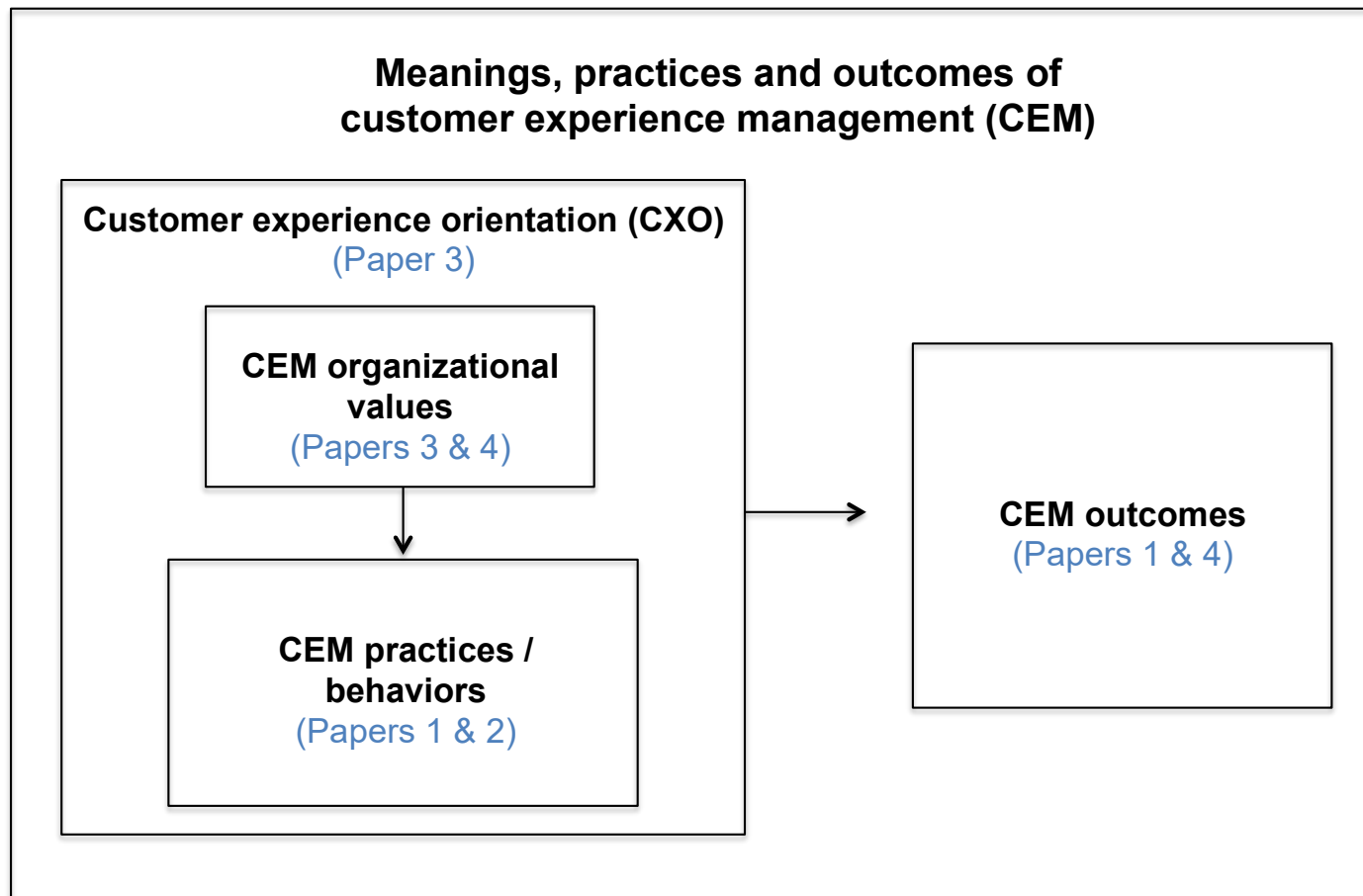


Figure 6-3 An organising framework of overall theoretical contributions of the thesis

6.1.2 Contribution to practice

This research provides several contributions to practice including a detailed understanding of CEM practices and the organizational values that influence internal processes and performance outcomes. The newly developed measurement scale, following further validation, can be used by managers for measuring the degree of CEM organizational values in their firm's culture (see Figure 6-1).

First, the findings of this research reveal an emphasis on studying and designing customer journeys and enabling a customer-experience firm-focus. Our systematic literature review suggested CEM comprises a unique approach that manages the customer experience and not what is being experienced. The use of the term "experience" both signifies and imposes a shift in marketing management thinking and practice. According to Pine and Gilmore (1998), "*The easiest way to turn a service into an experience is to provide poor service –thus creating a memorable encounter of the unpleasant kind*" (p. 104). With this statement, Pine and Gilmore (1998) bring to the foreground the reaction of the person receiving the service (and to the background, the service itself). They thus point out a distinct characteristic of an experience as compared to a service: experiences are always discussed from the point of view of the person doing the "experiencing" and managing a customer's experience entails focusing on the customer's response to a service or other interaction, and not the service itself. Implications for marketing management strategy emphasize the need by managers to focus on experience quality and not just product, channel or service quality

Second, recent marketing research reports highlight that despite the widespread recognition of the importance of the customer experience, firms are struggling to meet high customer expectations (Salesforce Research report, 2017; Bain and Co. Report, 2005 cf. Meyer and Schwager, 2007). A recent study by Salesforce, a leading customer management platform provider, surveying 3,500 marketing leaders and managers in 10 countries, reports that while most of their respondents are increasingly competing on the basis of

customer experience, their efforts are hampered by the proliferation of communication channels, data difficulties and budget constraints. Such reports suggest that the notion of CEM appeals to organizations but for many it remains unclear what CEM means in practice. The findings of this research suggest firms might shift to a view of CEM as an organizational accomplishment, inviting firm-wide participation in concerted CEM action and instilling guiding CEM-specific beliefs.

Third, both firm and customer practices have changed (Macdonald and Uncles, 2007; De Swaan Arons et al. 2014) over the past three decades. These changes have been driven by the development of the Internet, social media and widespread customer access to technology, resulting in the amplified technological sophistication of customers (Macdonald and Uncles, 2007) and “increasingly transparent, empowered, and collaborative consumer markets” (Homburg et al. 2017, p. 377). In a Harvard Business Review article, De Swaan Arons et al. (2014, p. 56) highlight that *“in the past decade, what marketers do to engage customers has changed almost beyond recognition. With the possible exception of information technology, we can’t think of another discipline that has evolved so quickly. Tools and strategies that were cutting-edge just a few years ago are fast becoming obsolete, and new approaches are appearing every day.”* Concordantly, a study by Salesforce, finds that 34% of its respondents said their current budget is spent on customer communication channels they didn't know existed five years ago. As a result, the report highlights that the priorities of top firms are shifting to a focus on customer experience (Salesforce Research report, 2017). To do so, the findings of this research suggest that firms might shift to a customer journey view of the market, deeply embed a firm-wide brand focus, promote an internal entrepreneurial spirit and support agile systems for CEM innovation.

Finally, research has made little progress in explaining what CEM as a management approach means from an organizational perspective. In their literature review of CEM knowledge, Lemon and Verhoef (2016) note, *“Companies are adopting new ways of organizing marketing functions to*

remove existing silos around brands, customer segments, channels, research / insights, and so on. [...] This transformation is in the very early stages, but it indicates that firms are willing to make radical movements toward more flexible, more customer-centric organizations that enable them to manage the customer experience effectively in increasingly fragmented markets” (p. 89). The results of this research provide managers with a detailed understanding of CEM organizational values and priorities that influence internal processes and performance outcomes. The scale developed can be used by managers for measuring the degree of CEM organizational values in their firm’s culture. Additionally, organizational leaders might take these values into consideration when formulating their company philosophy and vision.

Next, we conclude with a discussion of limitations to the research and future research directions

6.2 Limitations and future research directions

Our research suggests a number of fruitful areas for future CEM research.

- Firstly, within the context of a single firm, there is an opportunity to delve more deeply into each of the CEM practices identified in chapter 3.
- In addition, little is known about inter-firm collaboration, such as where channel partners are involved in co-creating the customer experience, and what form the 25 practices identified in chapter 3 take in an inter-firm context.
- Future research could examine how customer experiences are managed at touchpoints wherein firms have little or no control.
- Additionally, practice theory views CEM as an organizational accomplishment. This view of CEM highlights the aspirational dimension of CEM practice. As such, there is an opportunity to examine the CEM concept over time. Particularly, how do CEM practices evolve over time as CEM practitioners become adept at accomplishing CEM?
- With regards to the six CEM beliefs we uncovered using practice theory in chapter 3, future quantitative research could examine differences in CEM beliefs along various organizational dimensions and contingency factors.

- Additionally, our sampling frame consisted of organizations that are in the midst of transforming the way in which they manage customer experiences in order to enhance customer experience and performance outcomes. Although all have been chosen for being recognized by their peers for their successful endeavours to do so, an alternative research design that compares a successful case with a comparable unsuccessful case may produce interesting new insights.
- Additionally, the study of organizations in the midst of strategy transformation offers an opportunity to focus on the temporal dimension of strategic orientations. In particular, there is an opportunity to examine how CEM organizational values (identified in chapter 4) evolve as organizations transform to and mature into a customer experience orientation. In their study, Bourne and Jenkins (2013) propose four distinct but temporally related types of organizational values – espoused, attributed, shared and aspirational. Future research could examine the nature and dynamics of CEM organizational values within the context of adopting a customer experience orientation.
- Finally, there is an opportunity to test how CXO organizational values (identified in chapter 4) impact such variables as innovation, agility and firm cohesiveness.

The limitations of our study also highlight avenues for future research.

- First, while our results contribute to the theory of CEM, we cannot assess the generalizability of our contributions without cross-sectional research that assesses the relationships between the CEM practices we identified in chapter 3 and financial, organizational and customer outcomes.
- Also, eight out of ten of our case studies are firms based in the United Kingdom (of the remaining two firms, one is a British brand but with a strong global presence and history and the other is a Finnish brand). As such, future research might study CEM practices in alternative or varying geographical contexts.

- In addition, our research design and objectives precluded interviewing customers of the organizations we studied. Future research might explore the emic perspective of customers to understand how the CEM practices revealed in our study (chapter 3) shape perceived customer value-in-use.
- Also, *brand alignment*, one of the organizational values emerging from our analysis in chapter 4, emphasizes the importance of brand values, defined as guiding principles for the long-term co-creation of customer value and meaning (Urde, 2003). While our sampling frame, representing a broad spectrum of sectors and marketplace offerings, implies the transferability of customer experience orientation to varying contexts, there is an opportunity to examine the relationship and interplay between CEM, brand values and organizational values and potential implications for a more nuanced conceptualization of customer experience orientation that takes into consideration varying brand personalities and across other industry contexts.
- While the dimensions of the scale developed in chapter 5 pass tests of face validity and reliability scores demonstrate excellent internal consistency for the items in the scale, due to constraints in time, our measure of CEM-OV was developed based on a small sample of N=75 managers. This was as an important limitation to our study. There is an opportunity to test this measure on a larger sample of customer experience managers. This further study could also address the issue of common method bias (Podsakoff et al. 2003), where our measures of CEM and performance outcomes were captured within the same measurement instrument.
- Finally, marketing scholars have studied the implications of marketing management approaches on the organization in a broader way than our study in chapter 5 has, examining how organizational values influence firm-wide behaviour (such research resides in the field of market orientation research) (Desphandé and Webster, 1989). As such, there is an opportunity for further research that conceptualizes and measures a multi-layer model of CEM organizational culture that also considers CEM behaviour, perhaps building on findings on CEM practices in chapter 3 to do so. In doing so, such future research might test the generalizability of a CEM-driven organizational culture

and assess its discriminant validity in relation to other constructs of marketing management.

6.3 References

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