

# How to Sustain the Customer Experience: An Overview of Experience Components that Co-create Value With the Customer

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Nowadays the experience factor plays an increasingly important role in determining the success of a company's offering. The literature on Customer Experience is growing fast and the debate among scholars and practitioners is fervent. While many studies explore such theme from a theoretical viewpoint, tools aimed at supporting marketing managers in devising the right stimuli to support an excellent Customer Experience are still scarce. In this perspective, this study sheds some light on the concept of Customer Experience, and on how the right environment and setting for the desired Customer Experience should be created in such a way as to contribute to the value creation for customers and the company itself. Drawing from the results of a survey submitted to several groups of customers, this paper attempts to understand the specific role of different experiential features in the success achieved by some well-known products. Following the empirical investigation, this work also suggests an interpretative model to support the marketing manager in generating the proper stimuli to activate the various components of the Customer Experience.

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Keywords: Experimential marketing, Customer experience, Customer behaviour

### Introduction

Nowadays competing in a global market has become increasingly difficult and only the creation of long-lasting competitive advantages seems to offer an avenue for survival. But where should a company start looking to develop a competitive advantage? Many scholars advocate that one of the main routes to reach it is by means of a much stronger focus on the customer (Douglas and Craig, 2000; Farinet and Ploncher, 2002; Kotler and Keller, 2006; Peppers and Rogers, 2000).

In the last years, and particularly in the process of devising a company's strategy, this growing attention on the customer resulted in an increased focus on CRM philosophies. More recently, as the number of contact points between a company and its customers increased, such attention to the customer revealed the fundamental importance of monitoring the many experiences that originate from those contact points.

In this perspective, the central idea is to expand the transaction-based notion of Customer Relationship to the "continuous" concept of Customer Experience. Consequently, it becomes necessary to consider aspects that refer to the emotional and irrational side of customer behavior (Holbrook and Hirschman, 1982) and which, more than the only rational ones, account for the whole experience coming from the set of interactions between a company and its customers. Such experience plays a fundamental role in determining the customers' preferences, which then influence their purchase decisions. In fact, whilst the classical economic theory regards the consumer as a logical thinker whose purchasing decisions are based on rational problem solving, the recent developments on the literature on economics and marketing, and particularly the new stream of the Experiential Marketing, advocates for the exploitation of intangible elements linked to the emotional value perceived by customers.

In addition, a similar position can be found in the managerial field; in fact, 85% of senior business managers believe that differentiating solely on the traditional elements, such as price, product and quality, is no longer a sustainable competitive advantage and even more senior managers hold the Customer Experience as the next competitive battleground (Shaw and Ivens, 2005).

Despite such vibrant enthusiasm, however, the reality is very different, and far from being close to either what the literature advocates or what many companies claim in their statement of intent.

In addition, the scientific literature on this topic shows the limitations and inadequacies that are typical of those research fields which are still far from their maturity, particularly as it lacks both in terms of a precise terminology and of structured and standardized approaches that can support the adoption of the above mentioned practices.

Given these considerations, the aim of this paper is to contribute towards the formalization and the improvement of the existing models and approaches on the matter. In particular, the present study contributes to the scientific debate in terms of a further rationalization of the approaches and theories so far developed and in attempting to provide an answer to certain open issues. Specifically, in this work it is provided:

- a conceptual definition of "Customer Experience" based on the most relevant scholarly and managerial contributions;
- an analysis of the specific role played by the experiential features in a sample of innovative products with respect to the outcomes of their introduction to the market;
- an interpretative model aimed to support a company in the process of devising contexts and arti-

facts that are conducive of a (Customer) Experience, and which can then be used by consumers to co-produce their own experience.

## State-of-the-art Literature on Experiential Marketing

The concept of Customer Experience was firstly conceived in the mid-1980s when, along with the mainstream literature in consumer behavior that deemed customers as rational decision makers, a new experiential approach offered an original view to consumer behavior (Holbrook and Hirschman, 1982). The importance of various hitherto neglected variables was re-considered: "the role of emotions in behavior; the fact that consumers are feelers as well as thinkers and doers;...the roles of consumers, beyond the act of purchase, in product usage as well as brand choice" (Addis and Holbrook, 2001). Despite these initial sparks, the concept of Customer Experience came more relevantly to the fore in the 1990s with Pine and Gilmore's book on the Experience Economy (1999); the authors present the "experiences" as a new economic offering, which emerges as the next step after commodities, goods and services in what they call the *progression of economic value*. Hence, in the following years a flourishing of different contributions focused their attention on the Customer Experience as a new lever to create value for both the company and the customer (Addis and Holbrook, 2001; Carù and Cova, 2003; Ferraresi and Schmitt, 2006; Forlizzi and Ford, 2000; LaSalle and Britton, 2003; Milligan and Smith, 2002; Ponsonby-Mccabe and Boyle, 2006; Prahalad and Ramaswamy, 2004; Schmitt, 1999; Schmitt, 2003; Shaw and Ivens, 2005; Smith and Wheeler, 2002). The starting point of these approaches is a renewed way to consider the wellknown concept of consumption: it becomes a holistic experience which involves a person – as opposed to a customer - as a whole at different levels and in every interaction between such person and a company, or a company's offer (LaSalle and Britton, 2003). In this perspective, the memorability of the "staged" events, as in Pine and Gilmore's works, is no longer of primary importance: what contributes to the creation of value is not so much selling memorable experiences but to enable the customer to live all the moments of the relationship with a company in an excellent way, even beyond her expectations (LaSalle and Britton, 2003) or, according to the viewpoint of Prahalad and Ramaswamy (2004), to co-create their own unique experience with the company. In this perspective, companies do not sell (or stage, according to Pine and Gilmore's perspective) experiences, but rather they provide artifacts and contexts that are conducive of experiences and which can be properly employed by consumers to co-create their own, unique, experiences (Carù and Cova, 2003; Carù and Cova, 2007). Indeed, Schmitt (1999) states that "as a marketer you need to provide the right

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