



What makes a great customer experience?

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Executive summary

- Offering wonderful **products** and excellent **service** are hygiene factors today and **do not lead to competitive advantage**.
- Creating a great **customer experience is a competitive weapon**, but its definition and measurement is currently a **source of controversy**.
- Scholars have made several attempts to uncover the real meaning of customer experience. Unfortunately, these **studies are lacking in scope and depth**.
- The authors of this report settled for the **Repertory Grid Technique**. This research technique is particularly appropriate in projects where interviewees find it hard to articulate their opinions with clarity.
- The researchers spent approximately 34 hours with **40 respondents** discussing customer experience in-depth in Business-to-Business (B2B) and Business-to-Consumer (B2C) environments. The research is not limited to a particular industry sector but adopts a **cross-industry** approach.
- The team discovered **119 experience factors** that are mutually exclusive. These form the basis for the **Customer Experience (CE) Model**.
- The results show that CE is **context-dependent**. The report highlights the **key factors** that are important in driving customer experience in B2B and B2C markets. Factor definitions are based on **original quotes** by respondents.
- The study devoted attention to **four aspects** that are crucial to create customer experience in a **multi-channel environment**: channel choice, consistency, personalisation, and customisation. The findings highlight the **relative importance** of all factors on experience.
- The report concludes with the implications that managers should consider when creating great experiences for their customers.





What makes a great customer experience?

Introduction

Remember the Ford T Model in 1908? Fifteen million cars were sold up to 1927 for \$260 each. Those were the days, when competing on product quality alone was sufficient to make the next sale. However, these days more and more markets are becoming 'commodity' markets, with weakly differentiated products and customers perceiving few technical differences between competing offerings. Thus, the need to create differential advantage through added value has become vitally important and service is a significant source of that added value. Today, however, even service can be copied, whilst product quality levels are virtually the same. In the move, therefore, from a product-led to a consumption-driven economy, how do we gain a competitive advantage in today's ever more competitive environment? This can be done by creating a great customer experience. But although much discussed, this concept is little understood. In this report we endeavour to pin down what makes a great customer experience, by asking the people with the answers – the customers.



Literature on customer experience

The “Customer Experience” concept has aroused interest amongst researchers around the world, but its definition and measurement is currently a source of controversy. We will first briefly review some of the previous studies.

In a service environment, Grove and Fisk (1997)¹ discovered that the presence of other customers has an impact on one’s own experience. For instance, if other customers are friendly and children are around, customers typically enjoy a better experience in a service encounter. Jones (1999)² focused on shopping, defining an experience as ‘entertaining’, based on factors that are ‘fun’ and ‘pleasurable’. The researcher discovered the following ‘customer factors’:

- *Social factors*, e.g., shopping with family and friends;
- *Task factor*, e.g., searching for a Christmas tree in autumn;
- *Time factor*, e.g., having enough time to shop;
- *Product involvement*, e.g., whether a customer for computers is interested in technical features;
- *Financial resources*, e.g., having enough money to spend.

In addition to the factors above, Jones defined ‘retailer factors’. These are as follows:

- *Retail prices*;
- *Selection*, e.g., store offers a unique selection of items;
- *Store environment*, e.g., animals and exotic plants in a store;
- *Salespeople*, e.g., friendly, silly.

Overall, Jones concluded that all nine factors have an impact on (entertaining) shopping experiences. The researcher adopted a questionnaire approach, where respondents completed open questions. This form of questioning allows respondents to express their views on customer experience, but assumes that respondents are consciously aware of what makes an experience ‘fun’ and ‘pleasurable’. It also assumes that respondents have the time and the motivation to articulate their feelings in detail, so that answers can be analysed by the researcher. Being aware of the limitations of applying a structured questionnaire to a complex issue such as customer experience, Marganosky and Cude

¹ Grove, Stephen J. and Fisk, Raymond P. (1997): The Impact of Other Customers on Service Experiences – A Critical Incident Examination of “Getting Along”. *Journal of Retailing*. Vol. 73, No. 1, pp. 63-88.

² Jones, M. A. (1999): Entertaining Shopping Experiences – An Exploratory Investigation. *Journal of Retailing and Consumer Services*. Vol. 6, pp. 129-139.



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(2000)³ settled for a focus group approach in the US retail context. They discovered six factors that have an influence on the experience of customers in large retailing stores:

- *Multi-store shopping* - shopping in different stores instead of buying all items in one particular store;
- *Bigness and confusion* - big companies, extensive product choice, and overwhelming product assortment are seen as confusing by some customers;
- *Personal interaction and personalised service* - large stores are seen as impersonal, cold, lacking of personal interaction by some customers;
- *Customer recognition* by staff;
- *Prevalence of mistakes and price discrepancies*;
- *Unused checkout lanes* have a negative impact on the experience.

The last point, 'unused checkout lanes' is interesting and was the subject of several studies (e.g., Groth and Gilliland, 2001⁴ and anonymous, 2004⁵). These studies have shown that the waiting time and waiting procedure have an impact on customer experience in a service environment.

Arnold et al. (2005)⁶ conducted another US retail study and by applying a standard interview technique, they discovered the following factors:

- Interpersonal Factors – Salesperson:
 - *Interpersonal effort* (helpful vs. unhelpful);
 - *Interpersonal engagement* (friendly vs. unfriendly);
 - *Problem resolution* (willing to go outside of rules vs. would not go outside of rules);
 - *Interpersonal distance* (not too pushy vs. very pushy);
 - *Time commitment* (took time vs. took no time);
 - *Lack of skills and knowledge*;
 - *Dishonesty*.
- Non-interpersonal factors – Product:
 - *Unanticipated acquisition* (found exactly the right product);
 - *Lack of expected acquisition* (could not find the product);

³ Morganosky, Michelle A. and Cude, Brenda J. (2000): Large Format Retailing in the US – A Consumer Experience Perspective. Journal of Retailing and Consumer Services. Vol. 7, pp. 215-222.

⁴ Groth, Markus and Gilliland, Stephen W. (2001): The Role of Procedural Justice in the Delivery of Services – A Study of Customers' Reactions to Waiting. Journal of Quality Management. Vol. 6, pp. 77-97.

⁵ Anonymous (October 2004): The Customer Experience – Queues and Service Quality in Urban Post Offices. Research Study Conducted for Postwatch and Postcomm.

⁶ Arnold, Mark J.; Reynolds, Kristy E.; Ponder, Nicole and Lueg, Jason E. (2005): Customer Delight in a Retail Context – Investigating Delightful and Terrible Shopping Experiences. Journal of Business Research. Vol. 58, pp. 1132-1145.





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- *Unanticipated value* (price / bargain);
- *Lack of expected value* (price too high);
- *Lack of technical quality* (product did not perform to expectations);
- *Bad atmosphere*.

Customers have options about how to deal with a company and Boyer and Hult (2006)⁷ devoted their research to investigate online purchases. The authors predefined the following factors:

- *Product quality*;
- *Service quality*;
- *Product freshness*;
- *Time savings*;
- *Behavioural intentions*.

Boyer and Hult opted for a Web survey and an email research method and argued that all factors have an effect on customer experience, albeit to various degrees. This study represents the latest approach in exploring the topic. Before leaving this example behind, it is worth pointing out that the authors recognised a) product quality and service quality cannot be ignored when defining customer experience, and b) customers can have an experience in an online environment. In other words, the multi-channel environment might give shape to the experience of customers. The literature that centres on a multi-channel environment argues that four issues are crucial in achieving a great customer experience:

- *Personalisation* - the company knows the name of the customer and the historical background of the relationship irrespective of channel;
- *Customisation* - the company is able to offer a tailor-made solution to the customer's problem;
- *Consistency* - the experience is consistent over time, regardless of the channel used; and
- *Channel choice* - the customer has either the option to select the appropriate channel or is steered towards a particular channel when dealing with a company.

The constructs above are suggested by the literature – and this is based entirely on theoretical grounds. However, the impact of the factors on customer experience has never been subject to an empirical investigation.

There are a few points that are worth drawing from this debate:

- *Limited scope*: Most research has been in a US retail environment. However illuminating the factors are for the US

⁷ Boyer, Kenneth K. and Hult, G. Tomas M. (2006): Customer Behavioral Intentions for Online Purchases – An Examination of Fulfillment Method and Customer Experience Level. *Journal of Operations Management*. Vol. 24, pp. 124-147.





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retailing industry, one should not accept them uncritically when focussing on different industry sectors outside of the US.

- *Preconceived ideas:* Scholars typically consider pre-defined factors in a quantitative approach and are thus unable to discover factors that exist subconsciously or that haven't been discussed by previous scholars.
- *Key ingredients not uncovered:* Researchers have contrary perceptions of customer experience, depending on the limited focus they adopt (e.g., experience is entertaining in services).
- *Definitions:* Factors are loosely defined and not much detail is provided to create a great customer experience in a particular sector.
- *Multi-channel:* The importance of a multi-channel environment has been recognised, but no research has taken this aspect into account.



Research design – special interview technique

Given the limitations of previous studies on customer experience, we decided on a special interview technique called Repertory Grid. This technique has its roots in psychology and anthropology and helps respondents to articulate their views on complex issues. It pushes them beyond the use of jargon, such as “customer experience is when I am served well”. Quite often in management research, respondents find it difficult to articulate issues which they have not given much conscious thought. Whenever tacit knowledge cannot be conveyed directly, Repertory Grid is an effective tool to uncover the issues that rest on a subconscious level. To understand the technique, a short description of how it works is given below. More detailed information can be found in Goffin et al. (2006)⁸.

In this study, the interviewer asked the respondent to name three companies or services where they had had a good customer experience, three companies/services that where the experience had been poor, and three where the experience had been average. The nine names were written on postcard-sized cards. Next, the interviewee was presented with a random set of three cards and was asked, “In what way are two of the three companies similar but different from the third in terms of the experience you have with them?” The way in which the interviewee differentiates between the three cards reveals one aspect of how customer experience is viewed by the respondent (e.g., staff are friendly vs. unfriendly). Each of the interviewee’s cards is then rated on a five-point scale against this first factor (e.g., friendliness). Further random sets of three cards are similarly used to identify further factors. The interviewee is not allowed to repeat a factor and so each set of cards elicits at least one new one, which helps the respondent to think deeply about customer experience.

Each interview was tape-recorded and then transcribed. The factors and the explanations provided by the respondents, together with the ratings, form a rich pool of qualitative and quantitative data. The raw data built a document in excess of 1,400 pages in total. But not all factors are equally important when describing customer experience. Hence, this report differentiates between the key factors that play a role in different market segments, on the one hand, and additional factors that have to be tested further in a specific market context, on the other.

⁸ Goffin, Keith, Lemke, Fred, and Szwejcowski, Marek (2006): “An Exploratory Study of ‘close’ supplier-manufacturer relationships.” *Journal of Operations Management*. Vol. 24, pp. 189-209.



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The Sample

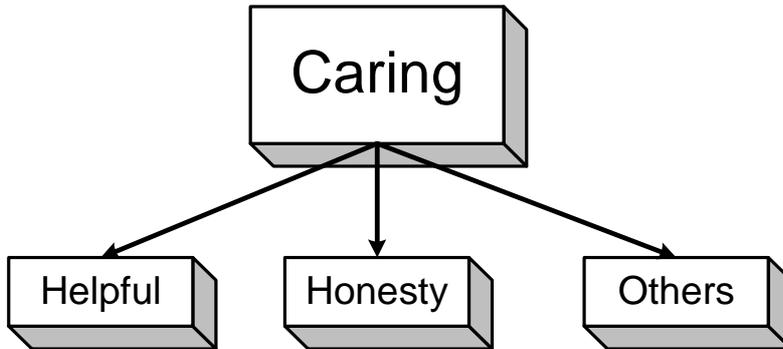
The project is based on 40 in-depth interviews, ranging from 40 to 90 minutes each (50 mins. on average). The researchers spent about 34 hours discussing customer experience with respondents. The companies and respondents have been anonymized and definitions given by individuals, original quotes etc. cannot be traced back to their source.

The research team aimed for an even split in terms of gender (i.e., 20 men and 20 women) and business context, 20 interviews having a Business-to-Business focus and 20 a Business-to-Consumer one. All of the Business-to-Business respondents had extensive experience of dealing with suppliers, whether of products or services. To gain an overall picture of what makes a great customer experience, the project covered a wide range of industry sectors.



Overall Results

Overall, the research team discovered 119 experience factors. To simplify this, we identified meta-categories that group a set of factors which share certain meanings (see example below).



The diagram shows a meta-category labelled “caring”. Factors that are associated with “caring” include *helpful*, *honesty*, and others. Meta-categories play a role in both B2B and B2C markets; but depending on the specific industry sector (e.g., retailing, telecommunication), the importance of factors will vary. The key factors in B2B and B2C environments will be discussed later, but first we provide an overview of meta-categories and the factors within them.

Access

- 1 Access of Information (Ease of getting information I need)
- 2 Accessibility (Ease of getting access to appropriate person/facility)

Application of Knowledge

- 3 Competence
- 4 Expertise
- 5 Knowledge
- 6 Value Creation (supplier accepts order only if they thought they could provide value)

Atmosphere / Environment

- 7 Atmosphere / Environment
- 8 Degree of Self-Dependence (supplier completes project with in-house personnel vs. fully outsourced)
- 9 Network of Specialists (supplier has a wider network and customer gains access to it)

Caring – Attitude

- 10 Attitude (helpful and efficient vs. don’t want to know)
- 11 Blaming (company blames customer for their fault)



What makes a great customer experience?

- 12 Customer Care
- 13 Expectation (getting more than expected)
- 14 Friendly (empathy)
- 15 Helpful (attentive to needs)
- 16 Honesty (telling the truth; getting correct information)
- 17 Initiating Business (proactively offering solutions vs. reactive, 'come and get it if you want')
- 18 Number of Staff (manpower)
- 19 Professionalism (focussing on task at hand vs. distracted, busy with private issues)
- 20 Pushy

Caring – Procedures, Processes

- 21 Aftercare
- 22 Authorised (staff are empowered and authorised to solve issues; delegation of authority)
- 23 Documentation (supplier does documentation of meetings etc.)
- 24 Implicit Understanding of Customer Needs
- 25 Mutual Understanding (company makes sure that both have mutual understanding)
- 26 Pro-activity in Eliciting Customer's Objectives
- 27 Problem Solving
- 28 Service Recovery / Complaint Handling

Communication

- 29 Advertisement (customer is aware of company/product through exposure in the media)
- 30 Contact (dedicated and single point of contact)
- 31 Customer Centric (tailor-made conversation vs. a generic response taken from a script)
- 32 Explanation (company gives reasons for what they are doing)
- 33 Feedback
- 34 Navigation (customer finds way around the shop, website etc.)
- 35 Openness
- 36 Placing Orders (difficult, bureaucratic vs. easy, straightforward)
- 37 Point of Contact
- 38 Process Definition Known to Customer (customer understands sales process)
- 39 Promotion / Junk Mail (company sent appropriate or no promotional offers vs. receiving junk mail)
- 40 Status Quo Update

Different Sectors / Contexts / Conditions





What makes a great customer experience?

- 41 Emotive Environment (emotional circumstances, like sick child, missed plane)
- 42 Geographical Distance
- 43 Importance of Timely Delivery
- 44 Importance of Transaction (Important to me, e.g., buying house, high expectations)
- 45 Market Position (highly competitive market or only a few suppliers)

Emotional

- 46 Experience Provider (offer items for pleasure)
- 47 Feel Good Factor
- 48 Offers Space for Important Issues in Life

Individual

- 49 Business Needs (supplier focuses on customer needs vs. supplier focuses on what they do)
- 50 Customer Attention (customer recognition)
- 51 Customisation (tailor-made for individual)
- 52 Extent of Personal Contact
- 53 Flexibility (modifying the offering in response to the customer's specific needs or changing requirements)
- 54 Flexible (customer becomes more flexible when dealing with the company; company offers various ways of when and how to deal with them).
- 55 Pay lip service (they do not mean it)
- 56 Personalisation (treated individually vs. just a number)
- 57 Segmentation Strategy (customer has the feeling that the offer is tailor-made for the segment)
- 58 Service (highly involved in the service process as opposed to not)
- 59 Size (faceless corporation vs. small, more personal company)

Outcomes

- 60 Impression Impact (lasting impression, i.e., customer remembers for a long time)
- 61 Outcome of Relationship

Peer-to-Peer / Relationship with Other Customers

- 62 Exclusive (non-public; like a club; restricted, "members-only")
- 63 Socially Dependent (experience is socially dependent on peers; other customers are significant)

Relationship

- 64 Change of People within Relationship
- 65 Commitment
- 66 CRM Approach





What makes a great customer experience?

- 67 Ease of Establishing Relationship
- 68 Frequency
- 69 Links (having wider links in the supplying organisation)
- 70 Number of People (involved in relationship)
- 71 Partner
- 72 Relationship (transactional vs. long-term)
- 73 Relationship Maintenance
- 74 Trust
- 75 Value Custom
- 76 Value Relationship

Reliability

- 77 Accurate invoicing
- 78 Acting as Agreed
- 79 Consistency
- 80 Customer is able to check quality before placing order
- 81 Information Dissemination (within the supplying organisation)
- 82 Number of Problems
- 83 Promise Fulfilment
- 84 Quality (product and service)
- 85 Reliability (keeping promises as opposed to break promises)
- 86 Sales Process Organisation (well organised process; flawless)
- 87 Supervision (supplier needs to be supervised; high maintenance vs. hands-off)
- 88 Track Record

Safety, Security

- 89 Safety of Belongings

Social Impact

- 90 Fashionable (well recognised by friends)
- 91 Perceived Affluence (shows others that I can afford it)
- 92 Premium Brand
- 93 Trend / Up-to-Date (up to date as opposed to old-fashioned)

Supplier Condition

- 94 Geographical Scope
- 95 Intermediary
- 96 Own Products (supplier is producer and distributor vs. only distributor)
- 97 Public Company
- 98 Self-evaluation (supplier has realistic view of their performance vs. have no objective view about what they do)





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Value for Money

- 99 Discounts (special offers)
- 100 Free Phone (If have to get in touch with company, calls are free)
- 101 Getting what paid for
- 102 Loyalty Programme (offers incentives)
- 103 Price Level (compared to average market price)
- 104 Pricing (fixed vs. negotiable)
- 105 Value for Money

Value for Time

- 106 Delivery Performance (speedy / on-time)
- 107 Efficient use of time
- 108 Response to queries
- 109 Responsiveness (good and quick at responding)
- 110 Time to serve / waiting time

Variety / Choice

- 111 Choice (let customer pick what they want whereas other companies make the selection and customer has to accept it)
- 112 Educated Choice (company provides different options and information before the purchase, so that customer can decide)
- 113 Multi-tier Service (company offers different service levels and customer can decide)
- 114 Nature of Product (complex vs. simple)
- 115 Pick and Choose (free choice of what you want; let you pick what you want)
- 116 Product Range (variety vs. limited range)
- 117 Purchasing Pattern (re-purchasing the same product/service again vs. purchasing different products/services)
- 118 Variety (the right amount of options vs. too much multiple choice)
- 119 Well stocked

Based on the analysis of factor meanings, then, 19 meta-categories were uncovered. Some categories relate to product quality, while others relate to service. Both are well understood in theory and practice – though we found that the *attitude* with which service is provided is as important as the objective service quality in driving a positive experience. Asterisk signs indicate the relevant categories in the following Customer Experience (CE) Model. People mind much less about waiting time in a supermarket, for example, if they feel that managers clearly care about this issue and are doing all they can to staff checkouts.





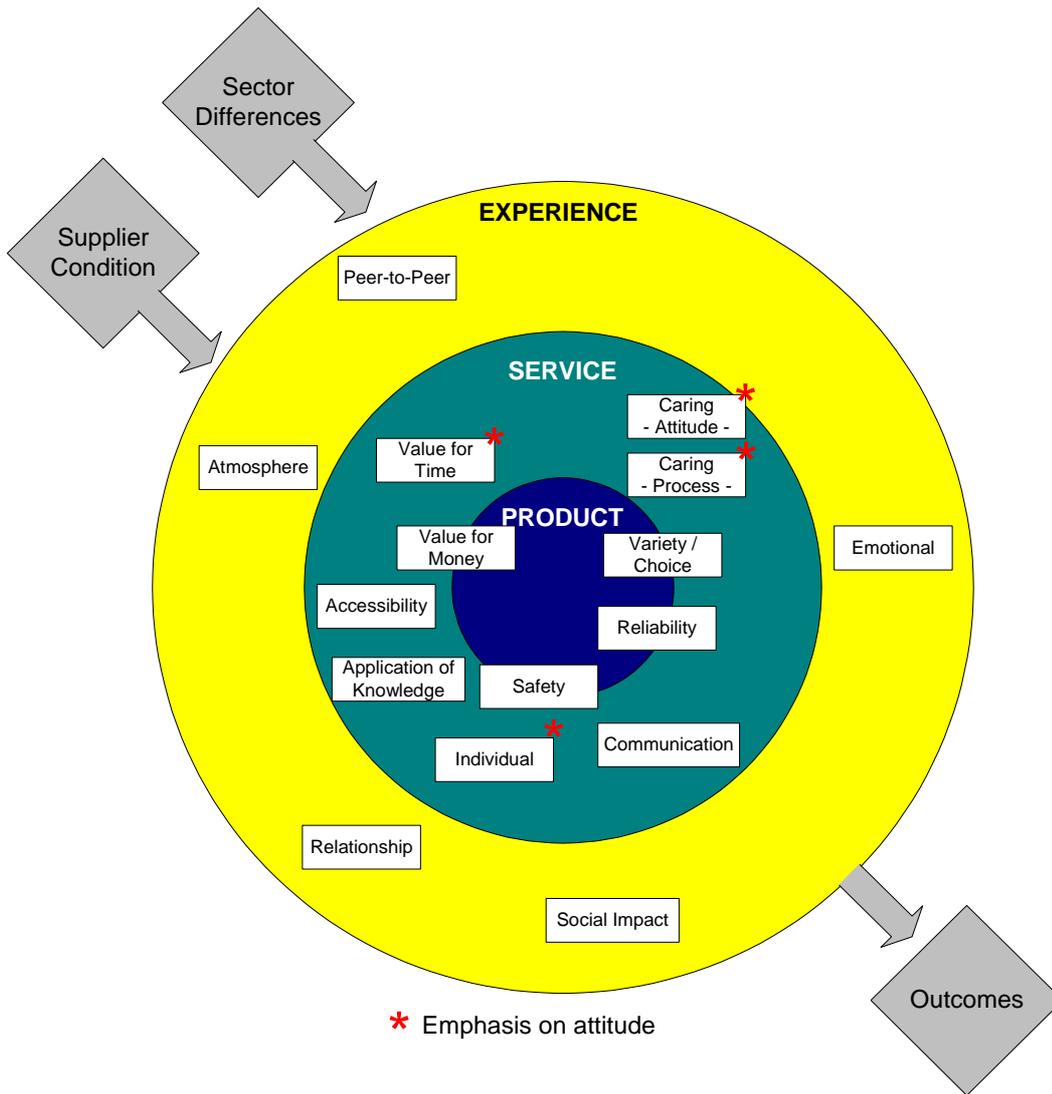
What makes a great customer experience?

The Customer Experience model shows three layers of an offering. It starts with the product layer that is at the core of the offer. The service layer augments the product. Categories such as 'value for time' and 'individual' are attitudinal based, which indicates a departure from existing service models. The outer-layer – experience – represents the least tangible side of an offer and accommodates the categories 'emotional', 'social impact', 'relationship', 'peer-to-peer' and 'atmosphere'. All these threads are woven together to produce the fabric of customer experience.

The research team discovered some factors in the interviews that – strictly speaking – are not key ingredients of a customer experience. These factors have an impact on what type of experience the customer expects (i.e., 'supplier condition' and 'sector differences') and how the experience is perceived to be as an outcome when dealing with an organisation (the 'outcome' category). These latter three categories show that customer experience is influenced at different stages of the purchasing process – stages that happen to be before, during and after a transaction or relationship episode. They also indicate that the context has an effect on customer experience.

On a generic level, the 19 experience categories apply to all industry sectors. As noted earlier, however, one has to recognise that customer experience is context-dependent. This means that one has to test the importance of each category, and each factor within it, in a particular industry. As an initial step towards this, we analysed the differences between Business-to-Business and Business-to-Consumer experience, which we report on next.





* Emphasis on attitude

Customer Experience model

The top business-to-business factors

75 of the overall list of 119 factors came up in the B2B interviews. Within this list, we conducted an analysis of which were the most important. “Important Factors” have to fulfil two key criteria: 1) the factor has to be mentioned by at least 25% of respondents (i.e., ≥ 5 of the 20 B2B respondents), and 2) the factor has to have the power to differentiate between the three ‘experience groups’, good experience, average experience, and poor experience. In the latter case, the *weighted variability index* is the indicator that captures the power of differentiation. An explanation about the index is outside the scope of this report, but can be found in Goffin et al. (2006)⁹.

Taking both criteria into account, the most important factors in the B2B context are as follows (in alphabetical order):

1. Extent of Personal Contact
2. Flexibility
3. Implicit Understanding of Customer Needs
4. Knowledge
5. Pro-activity in Checking that Everything is OK
6. Pro-activity in Eliciting Customer’s Objectives
7. Promise Fulfilment

Below we define each of these factors, based on an analysis of all the quotations relating to it. We then illustrate this definition by one of these quotations. Note that each factor has two extreme poles, which are named in brackets.

Extent of personal contact (personal vs. impersonal)

The extent to which the company deals with the customer through personal contact methods. Some companies deal with the customer via personal contact methods, e.g., Face-to-Face. By contrast, the customer has no personal contact with the company, e.g., Web-based or based on standardised paperwork.

The head of an IT department emphasised: “These two suppliers are similar, because with these two I would have more a feeling of personal contact through a sales person. It might be phone contact or through email, but I’m actually talking to a person. It could even be a face-to-face contact. The third supplier is different in that I am dealing with a website. The typical responses start with ‘Dear Customer’. This is less personal. I get the information, but I don’t have something like a client-managed feel about it.”

Flexibility (flexible vs. inflexible)

The willingness and ability to modify the offering in response to the customer’s specific needs or changing requirements. Some companies

⁹ Goffin, Keith, Lemke, Fred, and Szwejczewski, Marek (2006): “An Exploratory Study of ‘close’ supplier-manufacturer relationships.” *Journal of Operations Management*. Vol. 24, pp. 189-209.



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are willing and able to modify the offering, while others stick to a standardised approach and are unwilling to flex existing agreements.

A programme manager in marketing explains: "I think it comes down to flexibility... I think these two businesses – these two suppliers – have proven to be flexible, in terms of the services they offer, when they are available, in meeting my business needs and so forth. They are similar in this respect. Whereas with this large organisation [names company], you tend to have to fit in with them. For instance, if you want ad-hoc consultancy services at short notice, it will happen with the first two organizations. Whereas these people [respondent points to large organisation] it is a very rigorous process you've got to go through in order to secure the services. Besides, you have to pay for it at standard rates. You've got to fit into their processes, their financial controls. This isn't always good when you just want to get something done very very quickly."

Implicit Understanding of Customer Needs (deep understanding of customer needs vs. poor understanding of customer needs)

The extent to which the supplier implicitly understands the needs of the customer in terms of the nature of the business, the context within which the product or service is being delivered and the specific requirements of the customer through the application of existing knowledge held within the supplier. Some companies have a deep understanding of customer needs based on prior knowledge, while for other companies, the customer has to explain the nature of the business, the context, and the requirements.

A senior marketing manager described this point as follows: "These two suppliers are similar, because they have an interest and an understanding for the area in which I work. So that would be in the sense that when you explain a project, you don't have to explain the context. The context is understood and therefore, their offer is more in tune with your needs as a result. And the opposite to that is if you have to explain the context and you're not quite sure if they understand it or not. There is no confidence that they either want to or do understand your context for the service."

Knowledge (possess knowledge which can be applied to add value vs. do not possess knowledge)

The extent to which a company possesses the knowledge / expertise to add value to the customer. Some companies possess knowledge / expertise and thereby add value to the customer, while others do not possess knowledge / expertise to add value.

A marketing manager in E-Commerce emphasised: "Some suppliers have a lot of industry experience. It's a difference working with suppliers that have a wider knowledge of the industry. They'll typically come with more ideas that are suitable. So, they have suggestions that supplement the things that we do or they have ideas about things that we could try. And also the work that they'll do it probably more appropriate and not so many changes need to be made. Others suppliers are lacking in that knowledge."





Pro-activity in Checking that Everything is OK (proactively checking that everything is OK vs. assuming that everything is OK)

The extent to which the company proactively checks that everything is OK. Some companies are proactive in checking that everything is OK, others assume that everything is OK.

A quality manager: “This supplier is no contact at all, and these suppliers have representatives. I mean, the first supplier has a rep. but we don’t see him at all. The other suppliers will come in and see us on a fairly regular basis. So we have a regular contact – they come to check that everything is OK. They typically ask whether everything is OK. The first supplier just assumes that everything is OK.”

Pro-activity in Eliciting Customer’s Objectives (proactive in eliciting customer’s objectives vs. no attempt to elicit customer’s objectives)

The extent to which the company actively seeks to elicit the objectives the customer has in purchasing the product or service. Some companies are proactive in achieving this, while others make no attempt to understand the customer’s objectives.

A group product manager: “They [suppliers] ask me what I want – what I try to achieve. They ask me about my objectives. They don’t say ‘look this is what we have’; they try to find out what I would like to achieve and what my objectives are. And even if I say ‘I would like to do X’, they probably say ‘I understand you want to do X, but just explain to me a little bit why you want to do X, so that I understand your motivations better.’ Because even if I think I know what I want, it is helpful when they ask me some questions to understand my objectives, so that I can understand them better myself.”

Promise Fulfilment (keep promises vs. do not keep promises)

The extent to which the company keeps promises they have made to the customer. Some companies always keep promises they have made, while others fail to keep their promises.

A marketing manager: “These suppliers keep their promise – not all suppliers do that. Maybe they don’t send their confirmation in time or not at all. Sometimes they are awkward with the price and charge something different to what has been agreed. Or they don’t do the job and when I ring them to ask for the reason they say ‘ouhhhh, we had sickness in the company’ or ‘we sent it to China instead of Germany’ or whatever. They come up with all sorts of excuses. We have also good examples, of course. We also have suppliers that do what they say and they are true to their word.”

The top business-to-consumer factors

20 respondents provided insight of customer experience in B2C markets. The researchers elicited about 10 experience factors on average per





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interviewee. In this way, the team discovered 81 different factors overall (i.e., these factors are part of the 119 constructs outlined earlier).

As determined by the frequency count and the weighted variability index, the most important CE factors in the B2C context are as follows (in alphabetical order):

1. Accessibility
2. Competence
3. Customer Recognition
4. Helpfulness
5. Personalisation
6. Problem Solving
7. Promise Fulfilment
8. Value for Time

Accessibility (high ease of access vs. difficult to access)

The extent to which the customer finds it easy to access an appropriate person and/or facility (e.g., webpage, store). Some companies make it easy for customers to access the appropriate person and/or facility, while other companies make it difficult for customers to access their people or facilities.

“This company is pretty good in terms of ease of access. Whether that is finding the right person to talk to or being able to complete what you want to do easily. It is about being able to hit the bit of the organisation quickly, which enables you to do what you want to do. Whereas these ones are not easily accessible. They have barriers.” (Male, 36 years).

Competence (competent vs. incompetent)

The extent to which the customer feels that staff know what they are doing and they are competent in doing their job. Some staff inspire confidence in customers that they know what they are doing and are able to do their job properly, while others appear to be inept and are not able to perform their job in a way that is required of them.

A marketing manager and PA for CEO in marketing points out: “The staff aren’t trained and let me tell you, they will answer your question just to get rid of your call. The opposite represents this company. They trained all advisers with all information to handle all of your questions.” (Male, 35 years).

Customer Recognition (recognise customer vs. do not notice the customer)

The extent to which customers feel they are recognised and acknowledged when they initiate contact. Some companies appear to recognise and acknowledge customers when they initiate contact with the company, while others do not appear to notice or acknowledge the customer.

“In this shop, I walk in and it has something to do with recognition. I felt like an individual, that is my first impression. Or the other company, the airline, I felt a very high level of recognition. With the other airline company, you feel like you are





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a sheep or something. It is the same with this store, for instance. There is no recognition; there is no acknowledgement. It could have been anybody. You walk in and they just carry on having a conversation.” (Female, 53 years).

Helpfulness (helpful vs. not helpful)

The extent to which the staff of the company are helpful. Some companies have staff for whom nothing seems too much trouble in helping the customer, while other companies' staff seem unwilling to help the customer.

“These two companies are closest to be alike, because – generally speaking – nothing is too much trouble for them. Compared to the other company, the service is really good. They are customer-focussed, whereas the other company has slightly lost the plot in that department, really. It is difficult to find somebody who would actually help you.” (Female, 50 years).

Personalisation (personalised treatment of customer vs. anonymous treatment of customer)

The extent to which the customer feels treated in a personalised way. Some companies appear to know the customer as an individual and personalise the service delivery, while others seem to treat the customer anonymously.

“With the superstore it was a personalised experience. I felt being an individual customer. Whereas with these companies, I did not. I was just a number and a person who is serving wouldn't really care what happened.” (Female, 26 years).

Problem Solving (try to resolve customer problem vs. are not interested in customer problem)

The extent to which customers feel that the staff try to resolve their problems. Some companies' staff appear to take ownership of the problem and try to help to find a solution for the customer, while others do not seem to be interested in the customers' problems.

“The reason for this company being a different experience has something to do with solving problems. I felt as if whatever problem I had, they would try to resolve it for me. They genuinely did care. The other two companies are different. The opposite would be that they wouldn't take ownership. They wouldn't resolve the issue and I would have to chase them again through some other media and I would just feel as if it does not matter to them that I have a problem.” (Male, 35 years).

Promise Fulfilment (keep promises vs. do not keep promises)

The extent to which the company keeps promises they have made to the customer. Some companies always keep promises they have made, while others fail to keep their promises.

“These two companies have given me reason to go back to them in the past. And this one has given me a reason never to use their services again. The example is this: a gas engineer came





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around and had a look at the gas fire in the living room. He came and had a look and said that he would then go away, provide us with a set of options and costs on what to do with our gas fire. He failed to do so. I chased him over the phone. He then came back again and did some more checks. Again, he made commitments to come back with prices and options etcetera and we never heard from him. So, for me that was a reason not to go back. The reason why I prefer the other two companies is that they never let me down. They do what they say and I am pleased with them.” (Male, 36 years).

Value for Time (company respects and makes efficient use of customer’s time vs. company does not seem to care about customer’s time)

The extent to which the company demonstrates that they value, and attempt to make efficient use of the customer’s time (for example, by shortening waiting times and delivering services efficiently). Some companies appear to do everything in their power to use the customer’s time efficiently, while other companies do not appear to care about using the customer’s time efficiently.

“Oh, here you have to queue forever to get some help or to pay for the goods. And they don’t seem to take on board that this is an issue with customers. It’s the same when you phone up and you are constantly kept on hold, for instance. And you generally get to the point where you think to give up, because it is all too difficult, really. When you compare websites, the companies are closer together. But, with this particular shop, you have long, long waiting times to get through to speak to somebody. I see this similar to queuing, when waiting to be served. So, I am talking about the waiting time to be served – whether it is or on the till or on the telephone. You can take it even to the point where a website is difficult. And therefore, you have to go through several stages on their website, trying to get what you want. So, this is like being put from one person to another. So, you can equate that almost. That’s a similar experience, because you have to wait long, one way or the other. And there’s another aspect attached to this all. I mean, the volume going through the supermarket is huge. In this shop there are busy times and less busy times, but their tills are always manned at busy times. So, they do what they can do to shorten the waiting time. This doesn’t mean that the waiting time is short, but they do what is possible. So, you still have to queue, but at least you’re seeing that the company is doing the best they possibly can to alleviate that problem. But if you go into other shops where they got ten tills and big queues and only six tills open, you think ‘ouch, if they would open the other four, I can get through that much more quickly’. So, in that respect, the shop does a good service. They try the best to shorten the time and they are as efficient as they can be. I mean, you are still getting frustrated because you are queuing, but at least you can see that every till is open. And it’s solely volume that is causing that problem. You cannot expect them to build new tills. Can you?” (Female, 50 years).





Results: B2B vs B2C

In the interviews, the research team discovered the key factors that are important in B2B environments and the ones that play a dominant role in B2C markets. These factors have been explained earlier in alphabetical order. In the following table, we contrast the key factors in both domains specifically in terms of their importance (i.e., as determined by the frequency count and weighted variability index):

B2C	B2B
1. Helpfulness	1. Extent of Personal Contact
2. Value for Time	2. Flexibility
3. Customer Recognition	3. Implicit Understanding of Customer Needs
4. Promise Fulfilment	4. Pro-activity in Eliciting Customer's Objectives
5. Problem Solving	5. Pro-activity in Checking that Everything is OK
6. Personalisation	6. Promise Fulfilment
7. Competence	7. Knowledge
8. Accessibility	

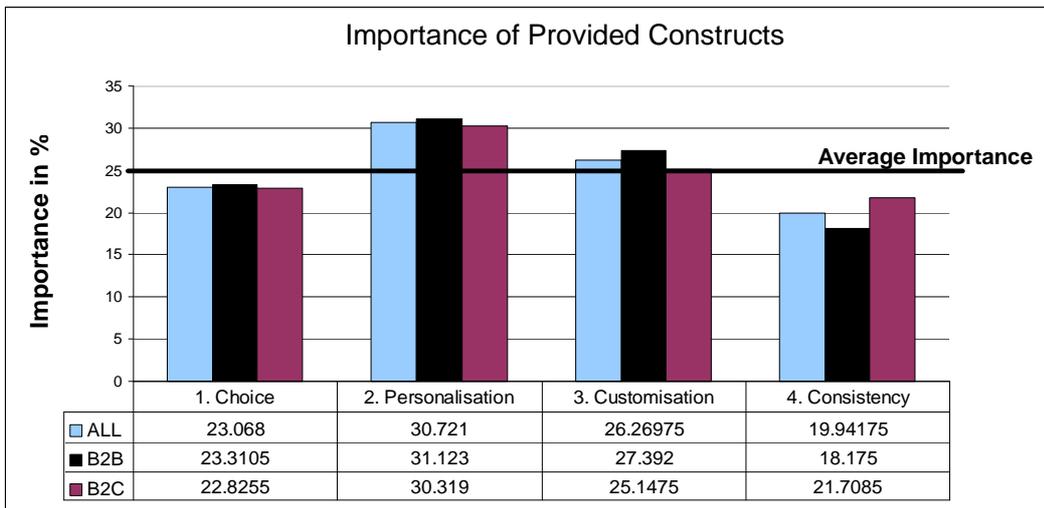
From this table, it can be seen that 8 factors (out of 81) have a major influence on experience in B2C and 7 factors (from the list of 75) have a fundamental impact in B2B. It is worthwhile reemphasising that the order of factors is in terms of their importance, e.g., 'helpfulness' is more important than 'accessibility' in the B2C environment (refer to the definitions given above).

The results are interesting for three reasons: firstly, although a great number of factors have been discovered, no more than 8 factors maximum are absolutely key in driving customer experience in B2B and B2C; secondly, the analysis has shown that customer experience is context-dependent (a fact that has been highlighted earlier when grouping the meta-categories in the CE Model, refer to pages 20-21), only *promise fulfilment* playing a key role in both sectors; thirdly, customer experience has been objectified and managers can now pay close attention to the key issues that influence it.



Results: multi-channel experience factors

We also provided the respondents with the key factors that describe a multi-channel environment (refer to the literature review on page 12), and asked them to score their nine companies on these factors. In particular, all 40 respondents evaluated ‘channel choice’, ‘personalisation’, customisation’, and ‘consistency’ in the B2B and B2C contexts¹⁰. The figure below gives a snapshot of the findings.



The figure shows the impact of the four factors on customer experience (B2C, 20 respondents = Red; B2B, 20 respondents = Black; All, 40 respondents = Blue). From this vantage point and ignoring all other aspects, the four factors explain customer experience in total, i.e., 100%. This means, that the average importance per construct is 25% as indicated by the y-axis of the diagram. The figure illustrates, first of all, that all four factors play a role when explaining customer experience in a multi-channel environment. If this would not be the case, certain factors would be deemed unimportant by the respondents and would have scored very low. Secondly, the factors ‘personalisation’ and ‘customisation’ (above average) are more important than ‘choice’ and ‘consistency’ (below average). The result is valid when assuming a general viewpoint (i.e., ALL) as well as when focussing on both industry sectors independently (i.e., B2B and B2C).

¹⁰ Channel Choice (the customer has either the option to select the appropriate channel or is steered towards a particular channel when dealing with a company); Personalisation (the company is knows the name of the customer and the historical background of the relationship); Customisation (the company is able to offer a tailor-made solution to the customer’s problem); and Consistency (the experience is consistent over time and regardless of channel used).





Implications for managers

Providing great products and excellent service are hygiene factors in today's business world. Customers are becoming more and more experience-oriented and managers have to be aware of the factors that have an influence on their experience. This study highlights 119 factors and groups them in 19 categories. The study, furthermore, highlights the factors that are of key importance in the B2B and the B2C context. While these factors are crucial in generating a great customer experience, they are not the only contributing aspects. In addition to the common factors, managers will need to check the factor list provided in the main body of the report in terms of their influence in their specific organisational context. Factors are not equally important when explaining customer experience – remember, the experience is context-dependent. Thus, managers will have to get in touch with their customers directly (either by questionnaire or interview) in order to assess which of the experience attributes weight most heavily in the purchase decision and to exploit this knowledge further.

In addition to the 119 experience factors, managers will have to pay close attention to supplementary factors in a multi-channel environment. These are 'channel choice' and 'experience consistency', as well as 'personalisation' and 'customisation'. Typically, the latter pair of factors are deemed more important than the former pair by customers. Managers, however, cannot afford neglecting a single one of them. This might imply that organisations will have to refocus their customer perspective, as they will have to be capable of achieving high experience quality levels consistently across all channels.

Achieving a great experience is a concern for customers and practitioners alike. On the face of it, it seems as though the message is a simple one: Provide a great experience and you will keep your customers happy. Yet, this is easier said than done and we wish you success in achieving it.





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