

UNDERSTANDING AND MANAGING CUSTOMER EXPERIENCES

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1. Importance of customer experience for service firms

Customer experience (CX) is viewed as a vital source of competitive advantage in today's markets (Homburg et al., 2015). The creation of a superior customer experience is key to attaining satisfied and loyal customers, and compelling CX can set a firm apart from its competitors (Grewal et al., 2009; Kandampully et al., 2018). Indeed, a McKinsey survey found that 90 percent of CEOs place customer experience among their top three priorities (Dias et al., 2016). Customer experience is now one of the key strategies that several industry leaders have adopted – including Marriott, Starbucks, Amazon, and Disney – and is highlighted as a research priority within academic service research (Ostrom et al., 2015).

The importance of CX first was acknowledged in hedonic consumption contexts, such as hospitality and entertainment, in which the essence of the service offering is the creation of “extraordinary” or “peak” experiences (Arnould & Price, 1993; Holbrook & Hirschman, 1982). Today, firms and other organizations across contexts – such as health care (McColl-Kennedy et al., 2017), public service (Olsson et al., 2013), and business-to-business markets (Witell et al., 2020) – highlight CX's importance as a precursor of customer satisfaction. From the service management perspective, every step of the service delivery process is an experience-creating touchpoint in which the service environment's design and functionality and the customer's interaction with providers and other customers affect CX (Jaakkola et al., 2015).

This chapter offers a state-of-the-art overview of the current understanding of customer experience. The aim is to provide researchers and managers with a “big picture” CX frame that clarifies what CX is, how it emerges, and how it can be managed in service contexts. More detailed and deeper insights on CX's various aspects then can be situated and understood within this overall frame. The chapter starts by outlining extant CX literature to help readers navigate through this rich, but fragmented, research domain. Subsequent sections discuss CX from two perspectives: first, how experiences emerge from the customer's perspective, and second, how service firms can seek to design and manage CX. The customer perspective on CX highlights what customers feel, think, and sense while in touch with different types of service elements during their journeys toward accomplishing smaller and larger goals in their everyday lives. The CX management perspective addresses service providers' activities while considering how they use these insights to design journeys

intended to create particular experiences for their customers. Ultimately, the goal is to develop truly customer-centric service.

2. Definition and research background for customer experience

Despite the rapid increase in interest in CX, no consensus on the concept's actual meaning exists among scholars and managers alike. For service marketing and management, the CX concept's roots relate to customer perceptions and evaluations of service encounters and "moments of truth," as well as to service blueprinting, i.e., the providers' attempt to understand and design service from the customer perspective (Bitner et al., 2008; McColl-Kennedy et al., 2015). However, CX is more than customer satisfaction or good process design: CX in the service context can be defined as *the customer's sensorial, affective, cognitive, relational, and behavioral responses and reactions to any direct or indirect contact with the service offering, across multiple touchpoints during the entire customer journey* (cf. Becker & Jaakkola, 2020; McColl-Kennedy et al., 2015). In other words, CX is created not only by elements that the service provider can control – such as service interface, atmosphere, assortment, and price – but also by elements outside of their control, such as other customers' influence (McColl-Kennedy et al., 2015). In service settings, direct contact with the service offering often means personal interaction between customers and frontline service employees or customers visiting a physical or virtual service infrastructure. Indirect contact with the offering refers to instances in which the service as such is not present, but customers encounter it through, e.g., word of mouth in social media forums (Jaakkola et al., 2015).

It should be noted that customer experiences are not just those special, memorable moments during which something extraordinary happens, as every service encounter creates an experience. Some encounters are designed to be experiential, aiming to create a strong customer response – e.g., Disney World or a Michelin-starred restaurant, in which an important element of the service offering is the experiential stimuli's uniqueness. However, in many contexts, the offering itself is routine and mundane (Carú & Cova, 2003), triggering only a weak response in the customer. In such contexts, a positive experience for the customer might be a seamless, hassle-free process during which everything just works – sometimes a superior experience occurs when the customer hardly needs to pay any attention to the service process (cf. Becker & Jaakkola, 2020).

The confusion around what CX entails can be explained partly by the fragmentation of academic research on the concept. For example, systematic reviews have identified eight literature fields that study CX (Becker & Jaakkola, 2020) and three different research perspectives on experience (Helkkula, 2011). The scope and nature of customer experience as a research phenomenon are viewed quite differently across literature fields, making it difficult to grasp the phenomenon and approaches to its study as a whole. The literature fields can be divided roughly into clusters: those who view CX as a customer's reactions and responses to *managerial stimuli* and those who view experiences as responses to the customer's *overall consumption process*, beyond firm-customer interactions (Becker &

Jaakkola, 2020). Table 1 provides a brief overview of the key literature fields that address CX.

Table 1. Overview of the research background of customer experience (cf. Becker & Jaakkola, 2020)

	Literature field	Perspective on CX	Exemplary references
CX as responses to managerial stimuli; Outcome-based view	Services marketing	CX comprises a customer's assessment of or response to service encounter elements, e.g., any direct or indirect contact with the servicescape, frontline employees, or other customers.	Bitner et al. (1990) Kwortnik and Thompson (2009) Kandampully et al. (2018)
	Retailing	CX comprises a customer's responses to retail mix elements, such as physical and online environments, merchandise, or advertising that should be integrated seamlessly.	Verhoef et al. (2009) Grewal et al. (2009) Barann et al. (2020)
	Online marketing	CX comprises a customer's psychological state and flow, perception, or subjective response that emerges during online interactions.	Novak et al. (2000) Rose et al. (2012)
	Branding	CX comprises a customer's responses to brand-related stimuli, such as brand design and communications.	Brakus et al. (2009) Kuehnl et al. (2019)
	Experiential marketing	CX is the main content of the offering; providers can stage a memorable experience.	Pine and Gilmore (1998) Hamilton and Wagner (2014)
Process view	Service design	CX emerges through all interactions that a customer has with a firm, its partners, and other customers during the customer journey that can be mapped and designed.	Patrício et al. (2008, 2011) Teixeira et al. (2012)
CX as responses to consumption process; Phenomenological view	Consumer research	CX emerges through an individual's consumption process and relates to sense of community, practice, symbolic meaning, and identity.	Holbrook and Hirschman (1982) Arnould and Price (1993) Akaka and Schau (2019)
	Service-dominant logic	Experiences emerge for different types of actors involved in resource integration, embedded in context, and connecting with value.	Vargo and Lusch (2008) Helkkula et al. (2012) Akaka et al. (2015)

Research that focuses on experiences as a response to managerial stimuli views CX mainly as an *outcome* of provider-customer interaction (cf. Helkkula, 2011). Typically, researchers' goal is to study how firms can design experience stimuli to improve customer experiences in different types of service contexts (Verhoef et al., 2009) or along the customer journey (Patrício et al., 2011). Some studies have developed measures to capture brand experiences (Brakus et al., 2009) or the quality of experiences (Kuppelwieser & Klaus, 2020).

Research that focuses on experiences as responses to the consumption process adopts a *phenomenological* view of experience, emphasizing the individual, subjective, and contextual nature of consumer experiences (Becker & Jaakkola, 2020; Helkkula et al., 2012). These studies typically adopt a broad view of experience, addressing the entire consumption journey affected by many types of firms, customers, and other stakeholders, all of which can contribute to customer experience, but are not necessarily under the firm's control or even market-related (see, e.g., Akaka & Schau, 2019; Akaka et al., 2015).

Interestingly, service design research can be viewed as a bridge between these two perspectives. Service design adopts a *process* view in which the main focus is on the mapping and designing of well-functioning customer journeys. As such, service design inherently holds a managerial interest. Simultaneously, service design views customer journeys and CX from the perspective of consumers' lifeworlds, including different types of stakeholders in the service ecosystem, as well as contextual factors that affect the creation of meaning for consumers (Patrício et al., 2011; Teixeira et al., 2012) – a perspective that corresponds with the phenomenological perspective.

Despite apparent fragmentation, some common ground for CX research has been put forth to establish a shared core of the concept. Building on a systematic literature analysis by Becker and Jaakkola (2020), the key premises of customer experience are summarized in Box 1. The following sections discuss in more detail how customer experiences emerge and how service firms can influence these experiences. The former views CX as a response to the consumption process, while the latter views CX as a response to managerial stimuli.

Box 1. Key premises of customer experience (Becker & Jaakkola, 2020)

- Customer experience comprises customers' non-deliberate, spontaneous responses and reactions to offering-related stimuli along the customer journey.
- Customer experience stimuli reside within and outside firm-controlled touchpoints, affecting customer experience in a dynamic manner.
- Customer experience is subjective and context-specific because responses to offering-related stimuli and their evaluative outcomes depend on customer, situational, and sociocultural contingencies.
- Firms cannot create the customer experience, but they can monitor, design, and manage a range of stimuli that affect such experiences.

3. How does customer experience emerge? A customer-centric perspective

Imagine a person who wants to take her friend out for dinner on his birthday. She browses some restaurant websites and looks at review apps, such as TripAdvisor, to find a place that seems appealing. She calls the restaurant to make a reservation and feels frustrated by the long waiting time. Later, she calls a cab to go to the restaurant and chats with the friendly driver. The two friends wait a few minutes at the bar, feeling excited about the trendy atmosphere, before being directed to their table. While they are ordering, she gets distressed by other customers who are very loud and somewhat rude to their waiters. She and her friend toast to his birthday and have a meal that looks, smells, and tastes wonderful. She posts on social media about the restaurant, pays the bill by card effortlessly, then takes another cab home, feeling safe. At home, she gets a “high” from the likes and comments that her social media posts are receiving. She also leaves a review on the restaurant’s Facebook page. Finally, she is pleased by a very warm “thank you” message from her friend, who compliments her excellent choice of restaurant.

The story above is a short illustration of a *customer journey*. As noted in the previous section, customer experiences emerge as responses and reactions to stimuli within and outside firm-controlled touchpoints that form the customer journey (see Box 1). To understand the emergence of CX, one needs to understand customer journeys.

A *customer journey* can be defined as the process that customers undergo to achieve particular purchase or service goals (Becker et al., 2020; Hamilton & Price, 2019). Customer journeys encompass direct and indirect interactions with a service offering before, during, and after the core service encounter (Voorhees et al., 2017). These direct and indirect interactions are called *touchpoints*, i.e., the points at which the customer and service provider or its offering “touch” (McColl-Kennedy et al., 2019).

It is noteworthy that *the customer journey always is depicted from the customer’s perspective* and, therefore, can offer a customer-centric view of the customer’s process in accessing and using the service (Jaakkola & Terho, 2021; McColl-Kennedy et al., 2019). The customer journey encompasses not only encounters with a service provider, but *also touchpoints outside the service provider’s control*, such as interactions with other consumers (cf. Baron & Harris, 2010). In the restaurant example, the customer interacted with a taxi company, other customers in the service environment, her friend, independent review apps, social media, and her social network. All these touchpoints were part of her customer journey and influenced her experience. Lemon and Verhoef (2016) identified four types of touchpoints that customers can experience along their customer journey, presented below in the context of the aforementioned customer journey example (see Box 2).

Box 2. Different types of touchpoints that comprise the customer journey (cf. Lemon & Verhoef, 2016)

- *Brand-owned touchpoints* are designed and managed by the service provider, such as a restaurant's service environment, the website, and the customer's interactions with employees.
- *Partner-owned touchpoints* are designed jointly by the service provider and its partner(s), such as the customer using a credit card company's service to pay for the bill at a restaurant. The lines between brand-owned and partner-owned touchpoints are blurred from the customer's perspective.
- *Customer-owned touchpoints* are customer actions that are part of the customer journey, but are not controlled by the service provider, such as the customer posting about her experience on social media.
- *Social/external touchpoints* are other touchpoints external to the service provider that influence the customer experience, such as interacting with the review apps, taxi company, and other customers.

To sum up, it is critical to gain a broad perspective on the customer journey to capture customer experiences fully. In this chapter, we discuss two approaches for obtaining a broader, more customer-centric perspective on the customer journey: analyzing the customer's goals (Section 3.1) and contextual factors that can influence CX (Section 3.2).

3.1 A goal-oriented perspective on customer journeys for comprehensive CX insight

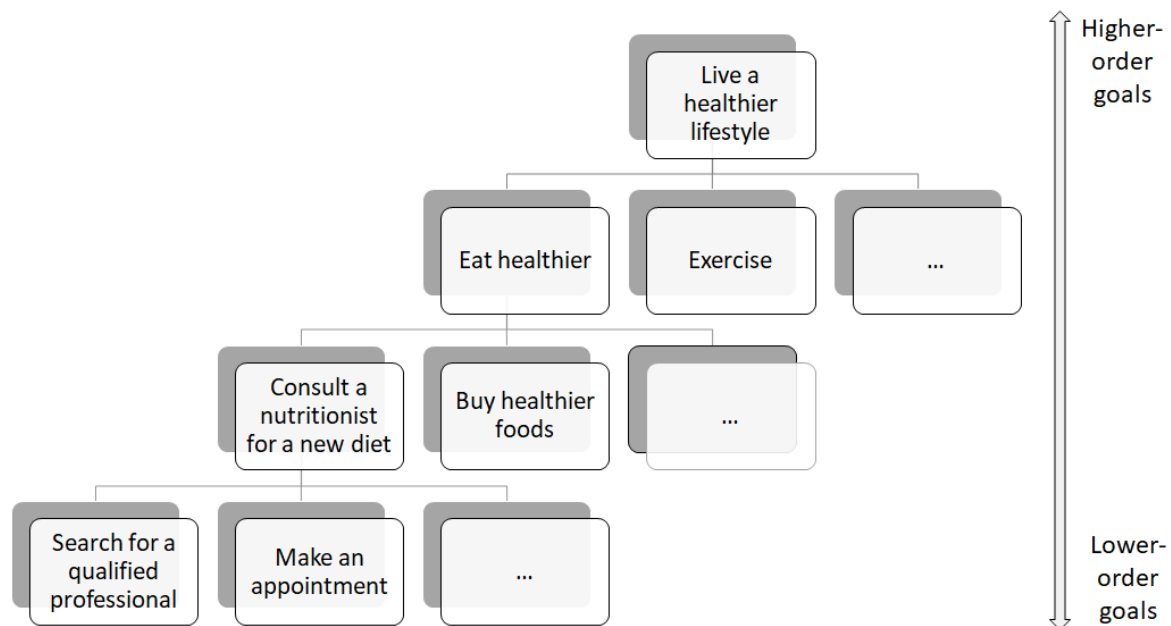
Depicting a journey from the customer's perspective should offer a broad picture of the factors that influence CX. The service literature offers alternative frameworks that help service providers think about customer journeys through a customer-centric perspective (see Box 3). What is common in these frameworks is the attempt to identify the range of organizations and other actors (e.g., other customers) that play a role in fulfilling a particular customer need along a process of activities. In this chapter, we focus on the *goal-oriented perspective on customer journeys* (Becker et al., 2020).

Box 3. Alternative frameworks to obtain a customer-centric perspective on customer journeys

- The *goal-oriented perspective on customer journeys* presents journeys as goal-oriented and hierarchical, with three levels: journeys toward higher-order goals; customer journeys; and touchpoints (Becker et al., 2020).
- The *customer's value constellation (CVC)* entails all organizations that enable a customer to perform an activity. This framework also involves a hierarchical view of customer journeys in relation to activities (Patrício et al., 2011; Teixeira et al., 2012).
- The *service delivery network (SDN)* entails all organizations responsible for providing an overall, connected service from a customer's perspective (Tax et al., 2013).
- *Consumer experience modeling (CEM)* analyzes customer interactions with several actors within an experience domain, placing special emphasis on customer-to-customer interactions (Baron & Harris, 2010).

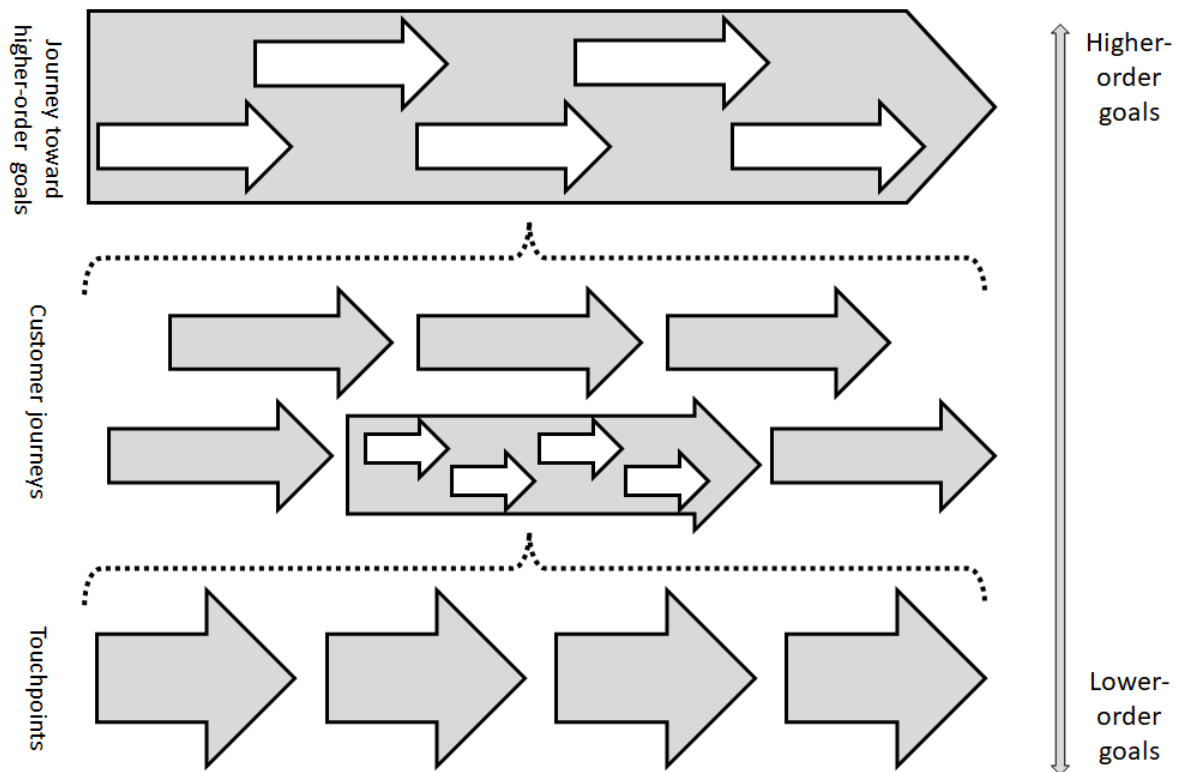
The goal-oriented perspective suggests that *to obtain a truly customer-centric perspective on the customer journey, service providers should think about a customer's goals*. These goals can be organized into a hierarchy with higher-order and lower-order goals (Austin & Vancouver, 1996). For instance, if a person has a higher-order goal of living a healthier lifestyle, they need to set lower-order, more-concrete goals. These lower-order goals can relate to healthier eating, exercising, and relaxing. To achieve the goal of eating better, they need to set further goals, such as buying healthier food or consulting a nutritionist. Basically, lower-order goals are the means to achieve higher-order goals (Figure 1).

Figure 1. Illustration of a consumer's goal hierarchy



Understanding the customer's goal hierarchy offers a means of situating the customer journey in its broader context. *Customers engage in customer journeys to achieve service or purchase goals*. Viewing goals as organized in a hierarchy suggests that these particular service or purchase goals are subordinate to higher-order goals, while simultaneously being superordinate to lower-order goals. To illustrate this, Figure 2 depicts three levels of the customer journey: 1) the journey toward higher-order goals; 2) the customer journey; and 3) touchpoints.

Figure 2. A goal-oriented view of customer journeys (Becker et al., 2020)



The *journey toward higher-order goals* represents the process that customers undergo to achieve some important goals in their unique contexts (e.g., to have a successful career, to live a healthier lifestyle, to live a sober life). Consider the journey toward a healthier lifestyle: It involves customers’ activities (e.g., going jogging every morning) and interactions with friends (e.g., going to the gym with a friend) and relatives (e.g., agreeing not to have unhealthy snacks at home). It also can involve interactions with several service providers, such as gyms, nutritionists, meditation apps, and self-help groups (e.g., Weight Watchers).

The *customer journey* represents the processes that customers undergo to achieve a particular service or purchase goal that supports the higher-order goal. A customer who is trying to achieve a healthier lifestyle will engage in customer journeys with the previously mentioned services, such as gyms, nutritionists, or meditation apps. These customer journeys, in turn, can be divided into multiple touchpoints.

Touchpoints represent the moments of direct or indirect interaction with a service provider and its offerings to achieve even more concrete goals. For instance, a customer journey with a gym encompasses the customer researching the gym online, choosing a membership plan, interacting with the gym’s frontline employees, using the gym’s equipment, etc. Each of these touchpoints serves more concrete goals in the goal hierarchy. For instance, a customer might ask the gym employees for tips on how to increase resistance while training.

The goal-oriented framework can help service providers understand i) the customer’s ultimate, higher-order needs, ii) the broader context in which the customer journey is

embedded, and iii) the range of actors that form external touchpoints along the journey and affect customer experiences. Failing to understand this broader context leads to a myopic view on why customers engage in customer journeys. The next section sheds light on the contextual factors that influence the customer experience.

3.2 The role of the customer's context in the customer experience

Another important aspect to be considered to obtain a customer-centric perspective on the customer journey is the customer's context, as it plays an important role in customer experience emergence and evaluation (see Box 1). Customer experience emerges in the customer's specific and unique context (De Keyser et al., 2020; Lemon & Verhoef, 2016). In other words, contingencies related to customers themselves and their broader environments affect not only how customers respond to stimuli (i.e., the customer experience), but also whether their experiences are evaluated positively or negatively (Becker & Jaakkola, 2020). This is why customer experiences are individual and subjective: Even if a service provider offers exactly the same service to two customers, their customer experiences are not the same because they depend on several contextual factors.

Previous research has identified three groups of contingencies that affect the customer experience and how it is evaluated. First, *customer contingencies* refer to those related to customers themselves, such as a customer's characteristics (e.g., mood), resources (e.g., skills), past experiences, and motivation (Becker & Jaakkola, 2020; De Keyser et al., 2020; Verhoef et al., 2009). For example, a customer's level of tiredness likely would influence how the customer responds to a training session at the gym.

Second, *situational contingencies* refer to those related to the immediate context, or "interaction network," in which the customer journey is embedded, such as the type of service the customer interacts with, the presence of companions or other customers, and other firms that are part of a customer's journey (Baron & Harris, 2010; Becker & Jaakkola, 2020). In the gym example, training with a companion might make the training session more pleasant.

Finally, *sociocultural contingencies* refer to the broader system in which a customer is embedded, including, for instance, societal norms and rules, cultural aspects, and practices (Akaka et al., 2015; Becker & Jaakkola, 2020). For example, it is customary for customers to clean equipment after using it at the gym. If another customer breaks this norm, this likely affects the customer experience. However, if the customer is embedded in a cultural environment in which this is not the norm, failure to clean the equipment might not affect the customer experience to the same extent.

To sum up, customers' individual goals and varying stimuli within a range of touchpoints, many of which reside outside the service provider's sphere of influence, influence customer experience formation. Better understanding a customer's higher-order goals and their broader contexts will allow service providers to better manage the customer experience. The next section discusses how service providers can obtain this broad understanding and use it to design, monitor, and influence stimuli at various touchpoints throughout a customer journey.

4. CX management in service firms

Researchers generally agree that positively evaluated customer experiences benefit service providers, in ways that include increased engagement and frequency of use, customer satisfaction, and customer loyalty and commitment (Mascarenhas et al., 2006; Srivastava & Kaul, 2016), leading to lower customer price sensitivity and positive word of mouth, among other effects (Zeithaml, 2000). This section homes in on the service firms' possibilities to manage customer experiences toward these desirable outcomes.

Customer experience management can be defined as “*the 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). While CX in itself cannot be managed, firms can *affect customer experiences by monitoring, designing, and managing a range of stimuli* at and across different touchpoints that comprise the customer journey (see Box 1). Thus, customer experience management focuses on: 1) understanding CX along the broader customer journey; 2) designing, monitoring, and influencing stimuli at various touchpoints; and 3) fostering an organizational culture in which such an approach can thrive. The next sections will discuss these three key management activities.

4.1 Gaining an understanding of customer experience

A central aspect of customer experience management is understanding customers' journeys toward higher-order goals and the firm's place there, as well as customers' experiences at touchpoints along their journeys with the firm. Firms can use tools such as *customer journey mapping* and *sentiment analysis* – as well as *customer effort score*, *net promoter score*, and other measurements – to evaluate the current situation, identify pain points (bottlenecks and other points at which the experience can be improved), and discover strategic opportunities (where the firm does especially well and what kind of customer experience is valued).

The goal-oriented framework for customer journeys (Figure 2) can help service providers gain comprehensive insights on customer experiences and the stimuli that trigger them. By learning about customers' reactions to particular stimuli at brand-owned touchpoints, a physiotherapy center, for example, can focus on simplifying the online booking system or creating private seating areas in its vestibule. On the customer journey level, the center might consider ways to increase customers' confidence in doing recommended exercises at home by learning what other resources and services they use. Recognizing other actors in the customer journey can be an opportunity to collaborate and develop stronger partnerships and better offerings (cf. Baron & Harris, 2010). Finally, by tapping into higher-order goals, in which booking a massage session can be part of a regular self-care routine for one customer and a step toward severe injury recovery for another, a physiotherapy center can create customer personas for each typical journey.

Based on this current state analysis, firms can develop monitoring practices to track customer experience using qualitative and quantitative measures (McColl-Kennedy et al., 2019).

Recently, technologically oriented firms have started to use AI and machine learning technologies to analyze vast amounts of qualitative data from multiple sources. Data can be

gathered from customers and their communities, as well as from firms' own systems, employees, and partner networks (Chakravorti, 2011).

4.2 Designing the controllable and influencing the uncontrollable

Designing touchpoints and journeys builds on an idea of the kind of customer experience the service provider wants their customers to have. Service providers might wish to differentiate from competition by aiming to provide the “best” customer experiences, and design touchpoints and journeys to ensure constant customer delight. In a more nuanced approach, the service provider chooses which dimensions of experience they want to emphasize, and creates differentiating “experience environments” along the customer journey (Prahalad & Ramaswamy, 2004). These intended experiences should then guide the touchpoint and journey design (Becker and Jaakkola, 2020).

From a service provider perspective, a touchpoint can be viewed as a “way to facilitate the service encounter and create interactions with customers” (Voorhees et al., 2017, p. 270). Dissecting the touchpoint further, it includes stimuli ranging from pre-determined cues (such as music and lighting) to uncontrollable factors (such as weather or other customers), an interface (a transmitter and a medium for stimuli), and an encounter (an actual moment of customer contact with the touchpoint) (Barann et al., 2020). Service literature provides a wealth of studies on service encounters in diverse forms, including interactions that occur face-to-face (e.g., Bitner et al., 1990), between humans and computers (HCI) (e.g., Patrício et al., 2008), and even between humans and service robots (e.g., Čaić et al., 2018). In addition to facilitating the attainment of service goals, touchpoints can become important sites of service recovery. Employees or systems' ability to alleviate the range of negative emotions originating in service failures and provide appropriate solutions can influence customer experience meaningfully (e.g., Smith & Bolton, 2002; Van Vaerenbergh et al., 2019).

Several useful tools can be applied to design service experiences across multiple encounters (see Box 4). Service blueprinting (Bitner et al., 2008) considers customer actions, visible employee actions, invisible employee actions, support processes, and physical evidence throughout a service process. Multilevel service design, in turn, represents the shift in service design thinking from studying single service encounters to service systems in which experiences are considered at the value constellation, service, and service encounter levels (Patrício et al., 2011).

Box 4. Different approaches to CX design

- The *experiential grid* encompasses strategic issues related to the depth, intensity, breadth, and linkage of intended experiences (Schmitt, 1999).
- The *touchpoint as stimulus-interface-encounter* introduces a detailed conceptualization of a touchpoint, including pre-planned and unexpected elements (Barann et al., 2020). While developed in the omni-channel retail context, the conceptualization is rooted in the service science perspective.
- The *service experience blueprint (SEB)* addresses interactions with technology and the multichannel nature of new services, focusing on designing multi-interface service experiences (Patrício et al., 2008).
- The *multilevel service design (MSD)* is an approach to designing a service offering at multiple levels, i.e., the service concept, service system, and service encounter (Patrício et al., 2011). The approach includes the design of value constellations, a systemic view of services, and multi-interface service encounters.

In examining brand-owned touchpoints from the customer journey level, firms also should consider the potential variation or uniformity of experience across multiple touchpoints. Extant research generally recommends designing journeys in which touchpoints are united by a common theme, provide consistent stimuli, and adapt to customers' goals and contexts (Jaakkola & Terho, 2021; Homburg et al., 2015). Then again, many recreational services aim for unpredictable and exciting journeys to serve their adventurous customers, in which inconsistency and effort associated with moving along the journey keep customers excited (see Siebert et al., 2020). However, thrilling journeys are not reserved only for amusement parks. The more complex the service systems get, the more they are prone to mistakes and failures. Recently, Van Vaerenbergh et al. (2019) introduced the idea of service recovery journeys, which carry a level of emotional and cognitive involvement unusual for regular service journeys. Interestingly, for many low-involvement services, such as insurance or IT services, service failure provides a rare opportunity to facilitate extraordinary, memorable, and loyalty-inducing experiences.

As for touchpoints outside the firm's control, firms might want to consider stretching their influence within their partner networks and customer communities. However, there are limits to the degree of control that is still beneficial to the firm: Decisions must be made regarding how much the firm wants to associate with particular touchpoints or get involved in the customer's life. In any case, monitoring practices should be in place to keep firm's metaphoric finger on the pulse of customers' extended journeys to reveal new opportunities and points of influence.

4.3 Developing a conducive culture and building supportive structures

While research on how to measure and influence customer experience has been growing exponentially over the past couple of decades, few studies have examined customer experience management from an internal perspective, as a holistic organization-wide

management approach. This research branch emphasizes the development of a customer-centric orientation in organizational culture and processes (Lemon & Verhoef, 2016).

To support the design and management of touchpoints and journeys, ownership of these processes should be spread across organizational functions. Strategic customer experience management requires collaboration between functions responsible for strategic work, human resources, information technology, operations, partner and network management, and marketing and communications (Kandampully et al., 2018; Kwortnik & Thompson, 2009; Mosley, 2007). Thus, responsibility for the customer experience should not be locked within one function, and it is not enough to spread ownership across the organization. To manage contingencies and support reactive customer experience improvements, ownership should extend vertically through multiple hierarchy levels within the organization, including both top management commitment and each employee's customer-centric behaviors (Chakravorti, 2011; Mosley, 2007).

We should understand that culture both affects and is derived from behaviors (Ind & Bjerke, 2007), i.e., certain cultural mindsets toward customer experiences (Homburg et al., 2015) can be achieved only if ruling systems and structures do not impede desirable, customer-centric behaviors. The processes and methods directed at building supportive structures and fostering a customer-centric culture represent the firm's capabilities to renew customer experiences continuously (Homburg et al., 2015). For example, designing customer-journey-oriented information systems has proven vital for breaking down organizational siloes and closing knowledge gaps, combined with reorganizing employees into cross-functional teams and "communities of practice" (Berry et al., 2006; Chakravorti, 2011; Kwortnik & Thompson, 2009). Taking a broader view of the consumer journey, a firm can consider integrating its systems and practices across its service network. In addition, designing appropriate incentives, performance measurements, and training programs with a customer experience strategy in mind encourages employees to experiment with and consciously drive customer experience improvements (Berry et al., 2006; Mosley, 2007; Chakravorti, 2011).

With the maturing of CX management practice, we now can see more and more recruitment of CX managers who are tasked with organizing participatory environments and improving internal communication, information systems, and measurement practices. CX managers are responsible for bringing customer insight to all functions, prioritizing, and giving direction to CX improvement efforts, as well as developing a culture in which each person within the organization can take ownership of their role in experience creation. Despite the title, the actual management of customer experience remains the whole organization's task, supporting the notion that only if seen as a firm-wide endeavor and enhanced by knowledge management and cultural change practices can customer experience management take it upon itself to support customers on their journeys toward higher-order goals.

5. Conclusion

This chapter provided a state-of-the-art overview of customer experience as understood in the marketing and service research. Due to its increasingly pivotal role in service management,

researchers and managers need to understand what customer experience is, how it emerges, and how it can be managed. While extant research on customer experience is fragmented across many different research domains, common ground exists on which CX research can be built (Becker & Jaakkola, 2020). Researchers studying customer experience should be aware of the various perspectives on the concept and navigate the fragmented research field by defining their positioning carefully, as well as the part of the broader CX phenomenon that their research can address.

This chapter discussed customer experiences and journeys from both the customer's and service provider's perspectives. First, we highlighted that for the customer, experiences emerge across various interactions with, for instance, service providers, products, apps, information sources, friends, and communities that they encounter in their lives when seeking to fulfill their needs and pursue their goals. Therefore, a customer journey with a particular service provider always is embedded in a complex web of other journeys. We posited that considering customers' higher- and lower-order goals is beneficial, as it can help service providers better understand their customers' profound needs, as well as the broader context and range of actors that shape customer experiences.

Second, we determined that while service providers cannot directly create and control customer experiences, they can seek to monitor, design, and manage the stimuli that give rise to customer experiences at different touchpoints. Thus, to manage customer experiences, organizations should develop methods to understand what customers feel, think, and sense along their broader consumer journeys; design stimuli that could trigger intended CX; and foster an experience- and customer-focused organizational culture. Ultimately, we emphasized that understanding customer experiences and journeys is a prerequisite for developing truly customer-oriented service businesses.

CX and CX management offer a fruitful arena for future research. This chapter has provided a big-picture perspective on the phenomenon, and students and researchers can dive more deeply into a particular aspect to learn more and develop novel insights. Table 2 suggests important research questions that can inspire future research.

Table 2. Future research avenues on customer experience

Perspective	Potential research questions
Customer perspective on CX	<ul style="list-style-type: none"> • What are the dynamics of CX formation? • What are the different ways through which customer-to-customer interaction can affect CX? • How do touchpoints outside a service provider's control contribute to customers' perceived service failures? • Can positive CX lead to unwanted customer outcomes?
Organizational perspective on CX	<ul style="list-style-type: none"> • How do firms use different CX strategies for differentiation? • How can firms utilize personas developed on the basis of customers' higher order goals for personalized journeys? • What role should the CX manager play in developing effective CX management practice? • How can firms engage customers in CX improvement?
Contextual perspective on CX	<ul style="list-style-type: none"> • What are the special features of CX and CX management in a particular context, such as professional or business-to-business services? • What are the service type-related contingencies for CX formation? • When do customers appreciate unpredictable vs. seamless customer journeys? • How does the nature of the touchpoint (online/digital vs. physical) affect customer responses to experience stimuli?
Methodological perspective on CX	<ul style="list-style-type: none"> • How can the broader consumer journey be mapped? • How can service providers identify customers' higher-order goals? • How can qualitative insights on different types of customer CX responses be captured in real time? • What is the unit of analysis for studying CX management as a firm-wide approach?

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