

**Achieving Requisite Variety in Customer Experience Research
for Improving Marketing Relationship Performances**

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Abstract

This special issue includes 27 customer experience (CX) trade tales as told in the words of real shoppers and customers. Some tales are of dilemmas and cognitive dissonance, whilst others share their elation at receiving the value, satisfaction, and respect they felt they deserved. When reading these accounts, you are likely to agree that there is much more to consumers' everyday buying decisions and experiences than what meets the eye of the customer care officer, the representative or business owner (collectively called marketers here) at first glance. The emotive language and illustrative narratives emphasize the affective, intellectual, emotional, and social impact of good and bad responses by organizations to interactions with customers. You will quickly notice how positively-inclined customers can turn from highly impressed, excited and actively engaged clients, to negatively valenced antagonists, defending their point of view, or (in sharp contrast) respond to a sales interaction with passive aggressive behaviour. Surface to deep assessment follow each trade tale. Many of the tales are useful materials for creating emotional and insightful learning dramas for improving empathy and communication skills of those among us who interact with customers.

Key words: customers; front-line sales; interaction; service technician; tale

Brand Star Wars: Fighting for Preference

Dad, a tween and a teenager enter a movie theatre, in a land far, far, away.

Johnny: "Dad! Dad! Can I take a picture of me and R2-D2?"

Sarah: "Can I grab a lolly bag and some popcorn in the meantime?"

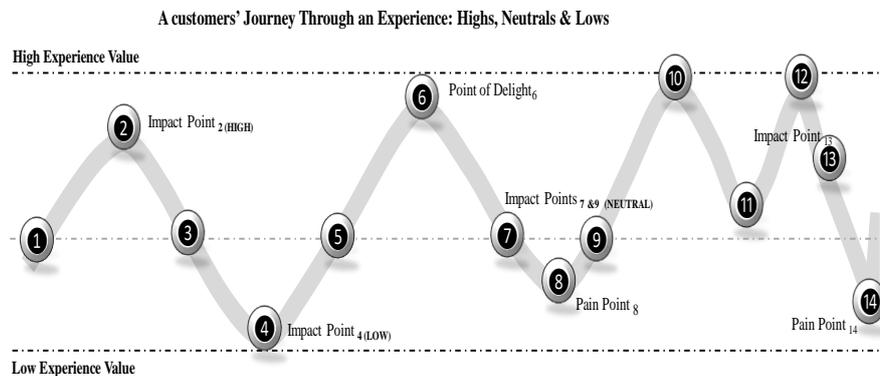
Dad: "OK. Sarah use my loyalty card. I have about 100 points, so knock yourself out! I'll meet you both at the 1000-lights Christmas tree in 5 minutes." Dad frowns a little and says in a hushed voice: "Don't leave your 3D-glasses behind Johnny—you only got them back through the kindness of the staff last time. And Sarah, please no more Star War posters. OK?"

This little sketch demonstrates how the simple solution offered by movie theatres, namely providing family entertainment, has evolved into a series of impact points reaching far beyond the experience inherent to the movie. Each one of these impact points (touchpoints) will have either a positive, negative, or neutral impact on prospects and customers (Addis & Holbrook, 1982; Verhoef et al., 2009). Thus, all product and service providers, including online stores, are in the experience business (even if your product itself is considered an experience, for example a show, a restaurant visit or a tourist attraction).

The Consumer Journey from "No Need" To "Loyal Fan"

Prospects and customers experience and assess the product offering (which includes services, goods, ideas, knowledge, events, and competencies) from the minute they identify the need, want, or desire, to the minute they are done (which may be repurchase, dispose or discard). For example, a regular client of Starbucks identified 28 impact points or moments-of-truth, from having the urge for a coffee whilst sitting at his desk, to returning to his desk (see the generic example in Figure 1). Another customer identified 32 points of impact, including the post-purchase reflection on the experience, the disposal of the takeaway cup, and the comment she made on her Facebook page.

Figure 1. Customer Journey Map



Weick (2007: 16) informs, "It takes richness to grasp richness." Weick (2007) stresses that researchers attempt to build theory without collecting the requisite variety that occurs in the real world. Weick (2007) quotes Habermas's description of the law of requisite variety this way: "If the environment can disturb a system in a wide variety of ways, then effective control requires a regulator that can sense these disturbances and intervene with a commensurately large repertory of responses" (1965: 1176). This special issue of the *IJB&E* contributes to the sensing of disturbances in customer experiences and marketer-customer relationships. The special issue implies the perspective that working only from 7-point scaled responses of customers' assessments of their experiences with marketers is shallow and too narrow of an approach to meaningfully contribute to constructing marketing and to improving marketing relationship practices. More than just dozens of customer stories of their marketer-customer interaction experiences need collecting followed by deep analysis of the meaning of the actions, conversations, and outcomes in these stories. As such, this special issue is a grandchild of Tucker's (1967) similar contributions in his seminal monograph. One of the objectives of this issue is to contribute to a thick playbook of real-life dramatic turns of customer-

marketer experiences as fodder for achieving the requisite variety in advancing marketing theory and sound marketing practice.

Adroit marketers (ADs) know they must solve customers' problems and provide services beyond customers' expectations. ADs also know that experience marketing goes beyond good service to managing the customer experience (CX) minute-by-minute, moving from customer satisfaction to engaged, enthused, enthralled customers and fully engaged, committed internal customers (staff and other stakeholders). Adept marketers are aware that every interaction, every contact point with a customer affects them at two levels: cognitive and emotional (Hirschman & Holbrook, 1982; Holbrook, 1986; Zajonc & Markus, 1982). According to Jones (2015), at least 50% of each transaction affects the customer on an emotional level. Marketing scholars now commonly accept that customer satisfaction and long-term behavioural intent are influenced by emotions during all stages of a service encounter and buyer decision cycle (Barsky & Nash, 2002; Cronin et al., 2000; Palmer, 2010). In addition, customers expect offers, services, and experiences to be consistent across all channels be it online, in store, via mail, or via mobile or telemarketing. Customer experiences include the customer's observable interactions and subjective responses regarding products, services, salespersons, managers, and service providers of a firm (cf. Lemke et al., 2011).

Augmented Reality

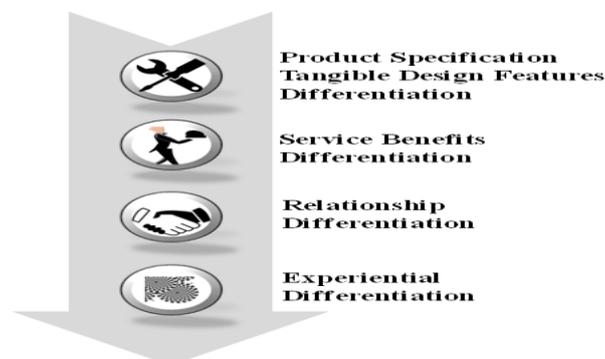
Let's get back to the movies! If you love escaping into a movie theatre, you will know how the experience has been augmented over the last few years. No longer lining up for hours before the film is an improvement in buying tickets—buying tickets online, at any time, any place, is how it is done now. No longer long lines for treats—separate food and beverage dispensers and carts create a carnival-like atmosphere in theatres today; or even better, order from your seat and have your treats delivered to your recliner. No more boring, stuffy curtains, carpets and gaudy décor—brightly lit, larger-than-life merchandise enhance the feeling of out-of-this-world magic. Smells of popcorn and corn dogs intermingle to invite you to help yourself to a vast range of delights and instant gratification. The smells mix with sounds of bombs exploding from soundtracks of forthcoming attractions, its impact enhanced by sub-woofer tremors in the floor. Brightly lit mobiles and automated character cut-outs from forthcoming attractions and photo-shopped celebrities try their best to entice you to come back for more. Big smiles of “cast members” (no more service staff) or “hosts” ask eagerly if they can somehow improve your experience. “Please don't hesitate to ask.” An attentive host wants to know if we need an enhancer seat for the little one. Sounds familiar? How did your experience at the bank, the doctor, the estate agent, the university, your own organization change over the last decade? Did it... at all?

Equity & Strategic Advantage

In a brief to staff, Steve Jobs of Apple (2013), indicated the importance of points-of-pain as service barriers and points of delight as opportunities, “[Today’s businesses] have to start with the customer experience and get back to the technology.” Tony Hsieh of Zappos concurs with this assessment, “Put 75% of your paid marketing into the customer experience and then let the repeat customers and word-of-mouth be your true marketing.” Evidence of this strategic advantage can be found in the relevant, highly interactive daily changes of the Google logos (linked to international festivals and holidays), the exponential growth of the use of emoticons in all communications. These are all visible signals acknowledging the importance of engaging and involving the audience. As more and more providers (marketers) augment offerings to entice, engage and reward customers, consumers grow more demanding, and the benchmark for acceptable levels rise (and costs to maintain the offerings may rise concomitantly). It is thus more important than ever for organizations to determine what is really important, and what is too costly to implement and keep offering fastidious consumers. In the words of Jeff Bezos of Amazon: “you need to obsess over your customers. We always put customers first.”

What prospects and customers really want are not products, but relevant, satisfying, distinguishable, differentiated experiences. Pine and Gilmore (1998, p, 12) described successful experiences as being those that “a customer finds unique, memorable and sustainable over time”. Pine and Gilmore acknowledge the “experience economy”, describing experiences as the next step in “the progression of economic value”. They posit that “every business sell experiences, but only if the experiences are memorable... Experiences have always been at the heart of the entertainment business— a fact that Walt Disney ... exploited. But today the concept of selling an entertainment experience is taking root in businesses far removed from theatres and amusement parks” (p. 99). Some innovators already acknowledge and exploit this direct link between experience and economic value in the form of rewards like game enhancements (PC games and mobile phone applications). Loyal customers are rewarded with icons, special features and other personalized forms of recognition for achievement and loyalty to the game. These same rewards can be purchased for money—if a customer desires the reward without having to achieve or earn the award.

Figure 2. The Evolution of the Dominant Bases of Differentiation

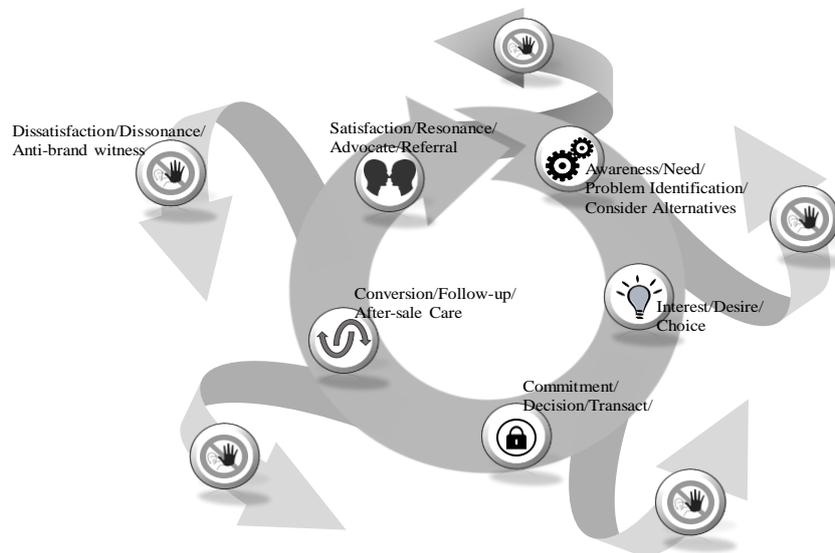


Christopher et al. (1999) report on how differentiation has evolved over the decades, from differentiation based on design features, differentiation service benefits, differentiation based on relationships, to differentiation based on experiential values (see Figure 2). None of past differentiators have diminished nor vanished. Consumers now expect these bases of differentiation in a single offering for a brand to remain the preferred provider, that is differential benefits, exceptional services, intimate relationships, and extraordinary experiences.

Taking Prospects on a Journey to Loyalty: The CX-Express

Organizations appreciate that in today's competitive marketplace, getting and keeping customers is the lifeblood of their survival. Customer-centric Organizations (CCOs) thus pursue insight and knowledge into the customer journey (see Figure 3), from the customer's initial entry-point of awareness of their need to interest and information search, through commitment, conversion to satisfaction, loyalty and referral OR dissatisfaction, disposal and anti-brand behaviour and anti-brand witnessing. The hook-like arrows (in Fig. 3) indicate voluntary and impulsive exits to a competitor, substitute offering or third alternative possible at any stage of the decision process. Only satisfaction or resonance with the brand and offering will result in the sought after behaviour or satisfaction, repurchase, and referral behaviour.

Figure 3. Consumer Decision Journey Map with Exit Points



Holistic knowledge of customer persona, greater understanding of and empathy with customers' needs, desires and experience values can enhance customer satisfaction, leading to increased value equity, brand equity and improved business performance (Keiningham et al., 2007; Richards & Jones, 2008). CCOs fully embrace the need to augment the product/service offering with more than functional benefits. Utilitarian functionality and product performance are the minimum, expected hygiene factors for prospects even to merely by being considered as a viable alternative offering. Distinguishable, sustainable, customer service and experiences leverage customer preference, transactions, and loyalty. CCOs engage prospects and consumers holistically, "and involves the customer's cognitive, affective, emotional, social, and physical responses to the offering" (Verhoef et al., 2009, p.32.).

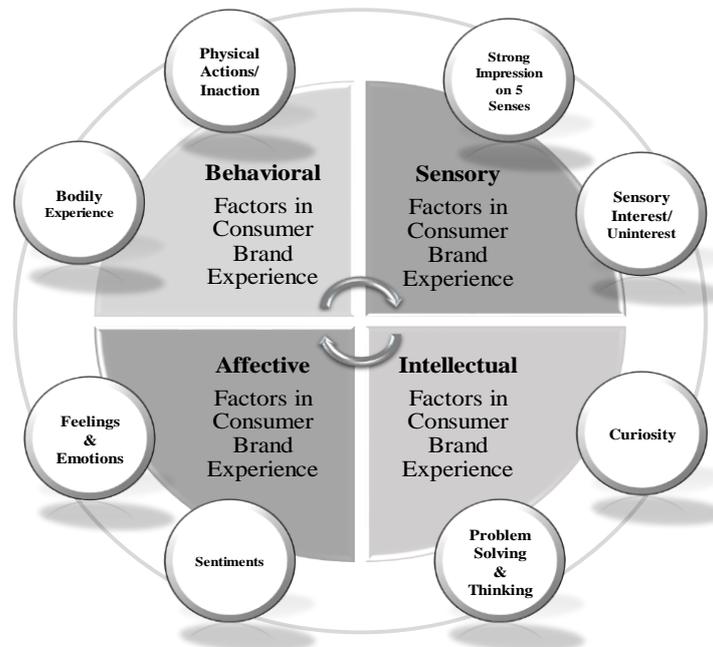
Further, since experiences are essentially hedonistic and novel phenomena, organizations compete most effectively when they combine utilitarian (functional) and hedonic benefits in their offerings (Addis & Holbrook, 1982). Nevertheless, a single experience, however remarkable, is not capable of giving a service the sustainable competitive advantage (SCA), since the second time it is experienced it is neither novel, nor able to hold the same memorability value and thus likely to have lower impact and shift in attitude (Palmer, 2010; Verhoef et al., 2009). Creating a sustainable, competitive advantage (SCA) is thus not a mere assortment of some hedonic tactics, nor a collection of superficial impact points experiences, but SCA's are strategic choices about how the brand is seen—on a holistic and experiential basis. The impact points involve more than consumers' purse and their cognition, they are all-inclusive of total experience (including information gathering, transacting, consumption, and after-sale phases of the experience), the whole customer (mind, heart and body) and all-encompassing of the CCO's multiple channels (Gentile et al., 2007; Khodadadi et al., 2016; Palmer, 2010; Verhoef et al., 2009). According to Charlton (2015), 78 percent of customers use two or more channels to browse, research, and make decisions about purchases. The benefit of this holistic integration across all channels to familiar customers is that such a strategy creates barriers to entry and delivers increased difficulty for competitors to imitate – making conversion tougher for competitors and retention more likely for firms who invest in their existing customers.

Figure 4. Conceptual Model of Integrated CX over All Marketing Channels

Measures of Success or Failure

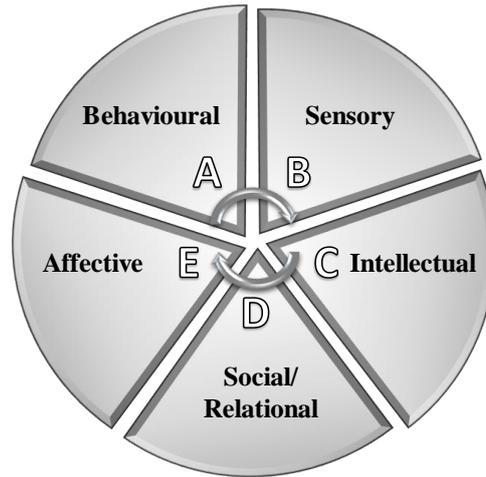
At first glance, measuring the value of an elusive and idiosyncratic experience to either the customer or the brand might seem to be impossible. In 2009, a measurement scale, testing customers' experiences with the brand, was developed by Brakus et al. (2009).

Figure 5. Clusters of Customer Brand Experiences



(Created for this paper, based on the study by Brakus et al., 2009)

Although the scale was originally developed for product brands, the test has been validated since for product and service brands (Iglesias et al., 2011). An empirical study measuring the effects of consumer experiences on brand satisfaction and brand loyalty in a service context (for brands that offer telecommunication services) by Nysveen et al. (2013) added a relational (social) dimension to the conceptual model (see Figure 6) of which the focus is to highlight the role of relationships, interpersonal interactions, and social bonds as customer experiences. Further testing of these brand dimensions, especially for relational experiences, over various international contexts are still necessary (Nysveen et al., 2013). This model enables structuring the cases included in this special issue to aid readers' ability to select cases relevant to the problems and issues they might face. The full compendium in this special edition, adds a sixth section, "Building Internal Competencies & Capabilities" (within the organization/firm), which is aimed at supporting marketing practitioners and non-marketing executives in extracting maximum benefit from the case studies.

Figure 6. Customer Brand Experience with Relational Dimension Included

(Created for this paper, based on the study by Nysveen et al., 2013)

The twin issues of valence (direction of the experiences – positive, negative, or neutral) and the strength of the experience (fit/alignment with personality, motivational drivers, and experience requirements) of the customers (De Villiers, 2016; Nysveen et al., 2013) are not covered in this model. Future research in this area is required to establish a model and measure of valence, strength of customer experiences, and the correlation with brand personality and brand loyalty. Current research mainly extracts insight from consumer self-reports. Marketing science will benefit from less subjective, more inconspicuous measures, considering contextual factors and using triangulation of methods (Nacke et al., 2010) to aid marketers' understanding of the impact and consequences of brand/service experiences of prospects and customers. Further in-depth investigation of the long-term impact on brand perception and brand loyalty of (positive and negative valence) experiences are necessary. Also, customers are exposed to multiple market options and gain the power to negotiation and co-create products and experiences. Further, investigations into how customer preferences differ over products, services, demographics, and nationalities, will be of value to the discipline of marketing as customers grow better informed, have greater direct access to providers through online forums, and "gain power in their negotiations with various sellers" (Webster, 1997, pp. 50-51).

As consumers gain easier access to various alternatives and substitutes for the same need (say entertainment through films: movies in theatres; download online movies for their smart mobile phones; pre-record pay channels; watch a DVD at

home, access TV series via Netflix) firms will increasingly have to deal with personalizing messages, service offerings and experiences for larger target audiences (Kumar, 2010). In addition, firms need to record and monitor marketing analytics to make knowledge-based decisions about the relative value to the firm, to decide on the level of investment in meeting customers' expected responses. Technology can be friend or foe—allowing marketers to build brand personality through services and brand experiences, customize for niche markets, personalize for individuals. Whilst simultaneously allowing competitors to lure existing customers away from their brand, inform unsuspecting customers of alternatives and turning new tactical CXs into hygiene factors (expected minimum) for the entire industry.

Format of This Special Edition

This special issue includes 25 CX trade tales as told in the words of real prospects and customers. Some tales are of dilemmas and cognitive dissonance, whilst others share their elation at receiving the value, satisfaction, and respect they felt they deserved. When reading these accounts, you are likely to agree that there is much more to consumers' everyday buying decisions and experiences than what meets the eye of the customer care officer, the representative, or business owner (collectively called marketers here). The emotive language and illustrative narratives emphasize the affective, intellectual, emotional, and social impact of good and bad responses by organizations to interactions with customers. You will quickly notice how positively-inclined customers can turn from highly impressed, excited, and actively engaged clients, to negatively valenced antagonists, defending their point of view, or (in sharp contrast) respond to a sales interaction with passive aggressive behaviour—going home to tell their entire friendship circle by starting an anti-brand community, twittering to thousands who care to listen, or publishing scathing comments on social media. On the other hand, you will also read how neutral prospects or one-time buyers are nudged into loyal supporters by mindful customer care representatives. Marketers (which includes owners, sales reps, telemarketers, branch manager, franchisees) who, through their attentive listening and genuine interest in solving the customer's problems, ably create alternatives for customers' dilemmas, creating life-long fans for their brands. Marketers know that satisfied customers have some value, but loyal supporters—consumers who repeat purchases and tell others and repurchase—are invaluable!

When reading these real-world trade tales, we invite you to mentally enact and engage with them for the sheer joy of placing yourself in someone else's shoes, like an actor reading a script. We suggest that you read the story a second time like a director/producer, watching the consumer drama unfold and allowing yourself to critically reflect on two aspects of the story. First, how would you have responded if you were in the consumer's shoes, and secondly if you were in charge of the organizations' employee(s) (the sales reps, the servicing staff members, the owner, the marketer) what would your response be to this situation? How can you improve the experience for both parties: consumers and marketers? This exercise in meta-

cognition will provide insight into the secret thoughts and unspoken desires of prospects and customers, but more importantly, expand your toolbox of alternative solutions to win customers and keep them for life (Evans, 2003; LeBoeuf, 2000). In his book, *Redirect*, Wilson (2011) suggests that “In order to understand why people do what they do, we have to view the world through their eyes and understand how they make sense of things” (p.11).

Marketers are tasked to adeptly combine several experiences of consumers to ensure their satisfaction, loyal support with the ultimate purpose of producing a positively balanced attitude towards the brand. A serious complication, highlighted by a comment by Kevin Keller (2016), is that

[a]ny particular marketing activity affects consumers differently at different stages of their decision journey. The art and science of marketing is pulling all these activities together in a thoughtful and creative way. That’s what brilliant marketers do—they thoroughly understand the consumer decision journey and provide an end-to-end marketing program that offers just the right information and experiences for customers every step of the way.

This essay highlights some of the many impact points marketers can use for a rich and varied (but always positive) experience for their diverse target audiences.

Each real-world trade tale also includes a section of likely responses these real consumers as story-tellers might have expected from product and service providers and their representatives (let’s call them marketers). In all the cases in this special edition, the narrators have passed the test of qualified prospect, and have indicated their real want and desire of the product or service. They have clearly demonstrated their willingness to buy and have taken the most crucial step in providing the marketer with an opportunity to educate them, persuade them, entice them to act and close the deal. Marketers are given insight into the hidden desires that might have allowed these consumers to be moved up the ladder of loyalty: from a likely prospect, to a buyer, en route to becoming a loyal customer and finally a supportive fan. In some of the included cases, marketers succeed and place both parties in a relationship—a mutually beneficial, trusting, value-exchanging long-term relationship. Unfortunately, in some cases, the marketers did not respond in a satisfying manner and thus lost not only the ability to close that one deal, losing some profit in the process, but the marketers also lost the income stream and valuable positive word of mouth from that customer.

The “solutions” or alternatives offered by the narrators might not necessarily be “textbook answers”, but they are real solutions offered by real people engaged in real-world marketing dilemmas. What a wonderful source of insight into the way prospects, clients, customers, and fans want to be treated! Again, as suggested earlier: take the time to guess what you would have done in their shoes. More importantly, ask your staff or students how they would have responded to the customer, were they to deal with the issues and problems uncovered in each story. Each case provides a rich canvas for learning. Analysing the stories as cases in a treasure trove of richly frank customer experiences will provide learning

opportunities to advance critical thinking competencies. Practitioners and students are likely to engage because they too “know how it feels to get that type of treatment”. Students and staff can grapple with the issues highlighted in the stories, and mistakes will not result in loss of face or lost sales. Moreover, the learning cycle is shortened—marketers can “experience” the service failure and service recovery first hand, without spending hours in a store. Failure to conform to company policy or marketing strategy can be addressed without impact on the profit of your organization.

To deepen the insight into the narrators’ way of thinking, and thus develop clear insight into options regarding remedial or conciliatory responses consumers expect from the marketer, the stories are supported by “best alternatives” as offered by the very happy/offended consumer. You will notice that consumers are normally quite fair, informed and sophisticated actors in the marketplace. You will further notice (through their own graded alternatives) that a variety of options will be considered by consumers, but that they do have a mental grading system that seems logical and defensible (at least) to themselves. So, we suggest that you take a “top down” view to fully integrate all marketing activities, considering the vast array of possible touchpoints. The stories provide a rich mix of considered alternatives for discussion and consideration during future customer interactions.

In addition to these experienced consumers’ view, you are provided with a marketing expert’s view in the form of editorial commentary, at the end of each case. As an adept marketer and manager, you will know that there is no clear one-right-answer. We often (especially when we are the customer) like to quote the old adage that “the customer is always right”. Statistically and metaphorically the customer simply cannot be right all the time! BUT, what is true, is that if you as marketer argue with the customer to convince them of your point of view or worse, that you (the marketer) are right—even when you win, you lose. We live in a complex world with many different norms, values, personality traits, and expectations based on past experiences. Given wildly different personality traits, cultural backgrounds, opposing worldviews, and, at times, mental states and a variety of different personality-related conditions, conflicts are likely to occur despite our very best intentions. Further, whether consumer demands are reasonable and occasionally totally irrational, marketers need to remain objective and rational to meet their first responsibility, namely the business of staying in business. This is often not an easy distinction, since most employees are aware of the business’s need to satisfy customers in order to keep them, but simultaneously businesses need to stay within the letter of the law, control costs and trade fairly and ethically. Marketers are keen to tell sales staff to consider the lifetime value of a customer and thus the cost of losing a customer. “Optimize customer lifetime value” (CLTV) is somewhat of a mantra for some organizations. Marketing and brand managers love to elaborate by quoting research stating that it is between 7 and 11 times cheaper to sell to an existing customer than to find and convert an unqualified prospect. Brand loyalty ensures less price sensitivity, lower openness to competitors’ promotional messages and more forgiving of the brands’ errors. In addition, marketing managers love to

stress how upset clients are likely to tell 20+ friends through negative word of mouth (online or in person). But, hold on, not so fast! What you will notice through these stories, and confirmed by extant research by Liao (2007) and others (Spreng et al., 1995; Swanson & Kelly, 2001), that an effective recovery after poor or ineffective service increases customer satisfaction and positive word-of-mouth. This indicates that offering excellent alternatives, making an apology, being courteous, and prompt handling influence customer satisfaction and repeat purchase intentions. Creating lifelong fans, is that not what we want? Do take note though, that these stories are mostly about one isolated instance. Prior research indicates that if the service failure happens more than once, service recovery strategies are much less likely to have a positive outcome (Maxham & Netemeyer, 2002).

Keeping in mind the customers' expectations are influenced not only by the media and peer influencers but by marketers' very own prior solutions offered (spread by word-of-mouth via various channels including social media) and observed deeds. So, this chapter is not about what works and what does not work, but about making sense of real-world situations. It is about realizing that solutions are relative in the eyes of the beholder and that we have a powerful marketing management technique at our disposal: asking questions to get to know what customers want. Thus, adopting the following advice may be useful:

- Be sceptical of self-help books based on untested premises—test interventions and if they do not work, refine them.
- Ask customers how they want to be treated and look at the suggestion through the lens of capability, competence, and capacity.
- Be aware the consumers' narratives are shaped by their peers, the media, and marketers' behaviour. Encourage staff to think like a customer, but act like a business owner.
- Promote interaction with clients—from the lowest to the highest level of staff; from the front to the very back office.
- Promote awareness of and sensitivity to diversity and be intolerant of stereotypes.

To enhance the value of this type of CX stories, this special edition is divided into five special focus sub-sections: affective (emotional) CX trade events; behavioural (Physical & Sensory) CX trade events; cognitive (Thinking) CX trade events; social (Relational) CX events; and lastly the critical and special section on building internal competencies for competitive advantage in CX. Each section provides a brief editorial overview of the body of knowledge and the key aspects of the included trade cases, followed by four to six cases which narrate the stories of real consumers as they experience the offerings of real brands (actual brand names and personal identities are disguised).

Conclusions

In the words of Gray (2015: 1), “We believe the enormous shifts in technology and marketing over the past decade mean that customer experience (CX) will soon

be the central focus of every company that wants to stay relevant and stand out from the crowd. Customers are already asking for it, and now it's time for brands to catch up." Marketers keen to optimize the economic value of loyal customers and create CCOs with high brand equity at minimal cost, cannot leave CX management to chance. All experiences (including online experiences and CX whilst browsing and purchasing from electronic stores) along the customer journey from prospect to loyal fan must be managed, orchestrated, and highly directed (as any movie-goer will tell you). What sophisticated, connected, and informed customers want are not random irrelevant experiences, but a functional product (that works as promised), sustained exceptional service (that delivers as expected every time), engagement (that is relatable, memorable and unique), and enmeshment (lasting social relationships).

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