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A Real-Time Assessment of Customer Experience

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DECLARATION

To the best of my knowledge and belief this thesis contains no material previously published by any other person except where due acknowledgement has been made.

This thesis contains no material which has been accepted for the award of any other degree or diploma in any university.

Signature: _____

Date: _____

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ABREVIATIONS

AVE	Average variance extracted
B2B	Business to business
B2C	Business to consumer
CB-SEM	Covariance-based structural equation modelling
CI	Condition index
ESM	Experience sampling methodology
df	Degrees of freedom
OE	Overall experience
OLS	Ordinary least squares
PLS	Partial least squares
PLS-SEM	Partial least squares structural equation modelling
RO	Research objective
RQ	Research question
SD	Standard deviation
SEM	Structural equation modelling
SMS	Short message service
VIF	Variance inflation factor

ABSTRACT

We have now entered into the *age of the customer*, a time where competing through traditional methods is no longer valid; it is the customer experience that is crucial to gaining a competitive advantage. Despite the recognition of the importance of customer experience, there is a considerable dearth of knowledge among both academics and practitioners on aspects relating to customer experience including the drivers, measurement and value it provides to firms. In an attempt to move forward the body of knowledge on customer experience, the researcher set out to answer the following research question: what is the impact of customer experience on customer intentions and actual behaviour in multichannel retail and service settings?

The research comprised two successive studies. Study 1 was conducted to identify the elements that encompass customer experience touch points. The study was based on a qualitative research approach, using a sequential incident technique to guide the data collection. A total of 28 customer experience narratives provided by 22 informants was collected through semi-structured interviews. An inductive thematic analysis of the semi-structure interview transcripts was employed to identify distinct elements of customer experience touch points; elements to be used to develop a holistic model of customer experience in Study 2.

Study 2 was conducted to investigate empirically the real-time impact of customer experience on customer intentions and actual behaviour in multichannel retail and service settings. Utilising the findings from Study 1 and drawing from cognitive appraisal theory, a holistic theoretical model of customer experience and a series of hypotheses were proposed which encompassed the antecedents to, consequences of and moderators of customer experience. In order to test the theoretical model, a mixed method research approach was undertaken to gain a deeper understanding of individual customer experiences in different channels and contexts. Capturing customer experiences at different touch points in real-time required a micro-longitudinal repeated measure design employed using an Experience Sampling Methodology (ESM). Specifically, three research instruments were developed and

deployed using online (web-based) technology and mobile application technology. Over a two-week period, 1695 touch point experiences were recorded from 227 customers. Customers recorded their experiences every time they interacted with any supermarket, bank, cafe or department store using a mobile application survey on their personal device. The data was comprehensively analysed and the hypotheses were tested using variance-based partial least squares (PLS-SEM). To demonstrate the robustness and improve the generalizability of the findings, the theoretical model was examined in different retail and service contexts by taking into account a multichannel perspective.

The findings from Study 1 uncovered seven distinct elements of customer experience touch points - atmospheric, technological, communicative, process, employee-customer interaction, customer-customer interaction and product interaction elements. The findings highlight that multichannel touch points are made up of varying combinations of the identified elements.

In Study 2, the empirical analysis revealed that real-time customer experience assessments are influenced by both the past customer experience and the overall touch point evaluation, which are based on the individual touch point elements. Two key outcomes of customer experience were also examined: loyalty intentions and actual spend, both of which were found to be influenced positively by customer experience. Finally, the findings highlight that (i) the affects of overall touch point evaluation on customer experience, and (ii) the influence of customer experience on firm value (loyalty intentions and actual spend) are significantly higher for consumers with hedonic motivation orientations than for those with utilitarian motivation orientations. The differences were also found to vary across physical and digital retail channels.

Customer experience, collected at the point of occurrence, provided realistic and rich insights into the distinct 'moment of truth' between the customer and the company. The results from the research offer a robust understanding of the customer experience; one that will help retailers and service providers design, monitor and assess real-time customer experience at individual touch points.

CHAPTER 1

INTRODUCTION

"The customer experience is the next competitive battleground."

Jerry Gregoire, Dell Computers

1.0 Research background

With the emergence of the 'age of the customer' coupled with increasing competition in the market place, traditional methods of offering products and delivering services have become obsolete. Competitive barriers such as manufacturing strength, distribution power and information mastery, are not enough to sustain a competitive advantage today (Manning, Bodine, and Bernoff 2012). Over time, these sources of dominance have become commoditised (see Figure 1.1 below). Therefore, this is a time when focus on the customer matters more than any other strategic imperative.

Customers now have more power than ever and a variety of means whereby it can be exercised. The upsurge of online review websites, social networks and mobile web access have enabled customers to know more than sellers about products, services, competitors and pricing. Amid all of this, there is a proliferation of products and services and increasing competition in the market place. Customers desire more than just the production, delivery and consumption of products and services; rather, they seek unique and memorable experiences that accompany the delivery of products and services (Pine and Gilmore 1999). Unlike a single product that provides consumers with a tangible possession or a simple service whereby something is done for them (Poulsson and Kale 2004), the essence of customer experience includes all that happens between the customer and the provider, and how the customer perceives the interaction during its occurrence.

Recognising this, leading-edge companies are beginning to compete and differentiate their offerings through the staging of experiences. Increasingly, businesses are making attempts to create value for their customers through the orchestration of compelling and unique customer experiences. Global companies are starting to embrace customer experience management, with many incorporating customer experience into their mission statements. For example, McDonald's mission statement states that they "center on an exceptional customer experience" (McDonald.com 2014). Virgin Australia's corporate values highlight that they are passionate about creating an outstanding flying experience. Similarly, it has been suggested that the success of Starbucks is contributed to creating a distinctive customer experience for their customers (Michelli 2007). Thus, the 'age of the customer' has been established (see Figure 1.1).

Figure 1.1 Entering into the age of the customer

1900	1960	1990	2010
AGE OF MANUFACTURING	AGE OF DISTRIBUTION	AGE OF INFORMATION	AGE OF THE CUSTOMER
Mass manufacturing boosts industrial powerhouses	Global connections and transportation systems make distribution key	Connected PCs and supply chains mean those that control information flow dominate	Empowered buyers demand a new level of customer obsession
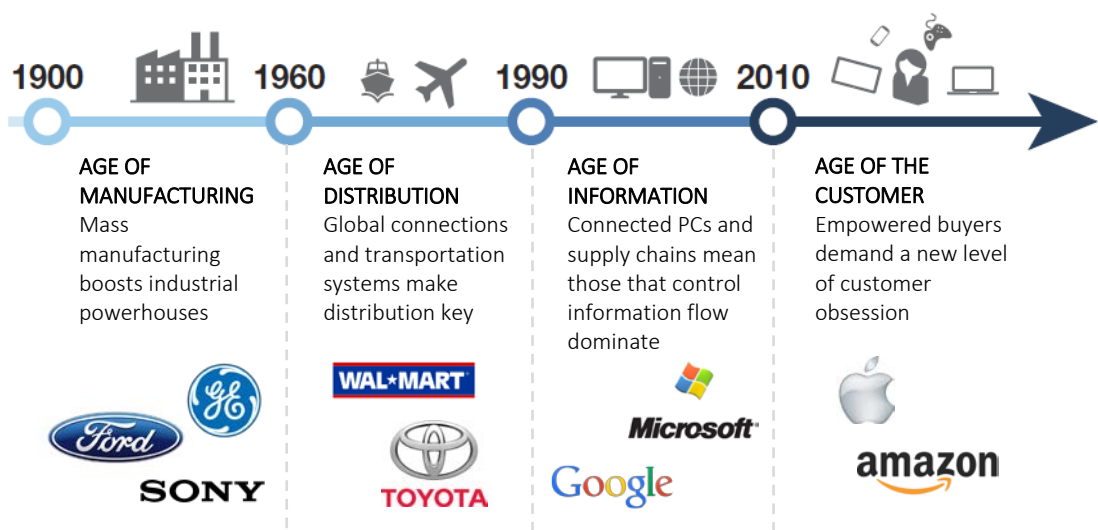
Source: Cooperstein (2013)

1.1 Research problem

Despite the recognition of the importance of enhancing customer experience to sustain a competitive advantage in today's marketplace, there is a considerable dearth of knowledge among both academics and practitioners on aspects relating to customer experience including the drivers, measurement and value it provides to firms. Specifically, publications on customer experience are found mainly in

practitioner-oriented journals (e.g., Berry, Carbone, and Haeckel 2002; Meyer and Schwager 2007) and tend to focus more on managerial strategies. The academic marketing literature investigating customer experience has been limited and, predominantly, conceptual. The few attempts made by scholars to examine customer experience empirically offer a fragmented view of the experience and are devoid of a holistic picture of the drivers, outcomes and moderators of customer experience. To gain a comprehensive understanding of customer experience, the following aspects need to be explored.

Understanding customer experience through touch points: Customers have experiences every time they 'touch' any part of the product, service, brand or organisation, across multiple channels and at various points in time (Zomerdijk and Voss 2010). Such moments of truth between the customer and any part of the company are known as 'touch points'. The journey that a customer takes to achieve a certain shopping task (e.g., search for information, purchase a product), therefore, is formed by a series of touch points. To date, research relating to customer experience has considered customer experience predominantly as an overall evaluation based on an accumulation of experiences. This insight, however, restricts the understanding of the key moments of truth between the customer and the firm. Thus, there is a need to identify what constitutes a touch point and understand customer experience through each of the individual touch points that customers encounter.

Real-time insights: Customers' memories of encounters with a company fade rapidly and are often biased by whether or not a transaction occurred (Macdonald, Wilson, and Konus 2012). Once customers make a transaction, they tend to remember their experience of the purchase more positively in order to justify their purchase. Experience evaluations that are collected ad hoc from consumers may provide inaccurate accounts of how the customer felt at the time of the experience. However, to date, attempts made to assess customer experience in real-time at the point of occurrence have been limited, with the existing work simply assessing customer experience on an ad hoc basis. Thus, in order to gain a true insight into consumers' 'lived experiences', the contention is that customer experience assessments should be made at the time of the experience; that is, in 'real-time'.

Multichannel customer experience: Nowadays, in order to serve their customers better, companies are constantly adding new retail channels, such as smartphone applications and the Internet. In this environment, many consumers have become multichannel users who select a number of different channels to search for, consume and evaluate products/services (Verhoef, Neslin, and Vroomen 2007). However, the extant empirical work that investigates customer experience predominantly focusses on a singular retail channel (e.g., Rose et al. 2012). Therefore, a real-time assessment of customer experience at different touch points needs to take into account the multichannel context of the encounter.

Actual behavioural data: Prior studies used to examine the consequences of customer experience have relied solely on attitudinal customer intentions (e.g., repurchase intentions, recommendation intentions). However, customer intentions do not translate necessarily into actual behaviour (de Matos and Rossi 2008; Kumar, Petersen, and Leone 2007). While intentions provide firms with some indication of planned behaviour and customer loyalty, they do not indicate the actual value that the experience provides to the firm. This can only be assessed through actual behavioural data such as customer transactions. Thus, in order to recognise the true value that customer experience provides to firms, actual behavioural data needs to be employed.

Consumer motivation orientation: Consumers react and behave differently depending on their specific shopping activity motivation and goal (Babin, Darden, and Griffin 1994). For instance, consumers with utilitarian motivations typically engage in shopping out of necessity to obtain needed information, products or services with no intent to derive satisfaction from the shopping activity itself, whereas hedonically motivated consumers desire rich experiences from shopping and engage in activities to derive inherent satisfaction from the shopping activity itself. Failing to recognise and account for the motivational differences among consumers at the time of experience may distort assessments of customer experience. Surprisingly, no study to date has investigated the role of consumer motivation orientations as a moderator on relationships between the antecedents to and consequences of customer experience. Therefore, it is important to recognise

inherent differences among customer that may affect the way in which they evaluate their experience and cause subsequent behaviour.

In summary, the scarcity and incompleteness of research on the customer experience construct calls for the development and testing of a holistic model of customer experience that takes into account the antecedents to, consequences of and moderators of customer experience at different multichannel touch points in real-time.

1.2 Research questions and objectives

The underlying research problem that will be investigated in this research led to the development of the following major research question:

What is the impact of customer experience on customer intentions and actual behaviour in multichannel retail and service settings?

In order to answer this key research question, several factors need to be addressed. Specifically, the antecedents to and consequences of customer experience need to be identified and the inherent customer differences that may impact on these relationships must be recognised. Given the importance of capturing customer experience instantaneously at the point of occurrence, real-time measures are required. In addition, before customer experience can be assessed, further investigation needs to be conducted on the touch points during which the customer experience occurs. Thus, to answer the major research question, the following secondary research questions need to be addressed:

> **RQ1:** What are the distinct elements of customer experience touch points?
>
> **RQ2:** What are the real-time antecedents to customer experience?
>
> **RQ3:** Does customer experience influence customer intentions and actual behaviour in real-time?
>
> **RQ4:** Does consumer motivation orientation moderate the links between customer experience and its antecedents and consequences in real-time?

In an effort to address the major and secondary research questions, the research is guided by the following research objectives:

RO1: Identify and define the distinct elements that encompass customer experience touch points.

RO2: Develop a theoretical model of customer experience that encompasses the antecedents to, consequences of and moderators of customer experience.

RO3: Empirically test the theoretical model (RO2) using real-time customer data.

1.3 Methodology

To address the research questions and objectives, both qualitative and quantitative research methods were employed in the current research. In Study 1, a qualitative research method was employed to address the first research question (i.e., what are the distinct elements of customer experience touch points?). Given the limited work on customer experience touch points, it was necessary to take an exploratory approach to discover and define the distinct elements of that comprise touch points from the customers' perspective. The study used a sequential incident technique to guide the data collection. A total of 28 customer experience narratives provided by 22 informants was collected through semi-structured interviews. The data obtained from the qualitative interviews were analysed using NVivo, a qualitative data analysis software program. An inductive thematic analysis was conducted to identify, analyse and report patterns and themes within data that related to the specific elements of customer experience touch points. The qualitative analysis helped the researcher to gain an in-depth understanding of the distinct elements that encompass customer experience touch points; elements used to develop a holistic model of customer experience in Study 2.

In Study 2, an embedded mixed method research approach was employed to investigate the remaining research questions. Whilst the study was predominantly quantitative in nature, the researcher concurrently collected qualitative comments and pictures of the individual customer experience, embedded into the quantitative

research instrument. In order to capture customer experience at different touch points in real-time, a micro-longitudinal repeated measure design was employed using an Experience Sampling Methodology (ESM). Specifically, three research instruments were developed and deployed using online (web-based) technology and mobile application technology. Over a two-week period, 1695 touch point experiences were recorded from 227 customers. Customers recorded their experiences every time they interacted with any supermarket, bank, cafe or department store using a mobile application survey on their personal device. Prior to and after the study, the respondents were requested to complete an online survey to capture constant attitudes and behaviours, and individual demographic and psychographic characteristics. Variance based partial least squares (PLS-SEM) analysis was performed to examine the theoretical model using the software application SmartPLS. In addition, an explanatory qualitative analysis was conducted to examine the qualitative comments and pictures collected through the real-time mobile application survey.

1.4 Research significance

The research has significant theoretical, methodological and managerial implications. From a theoretical standpoint, this research was aimed at contributing to the body of knowledge on customer experience by developing and empirically testing a 'complete' theoretical model of the customer experience that encompasses the antecedents to, consequences of, and moderators of customer experience. Such a holistic understanding of customer experience will extend prior research which, predominantly, examined different areas of customer experience in isolation. Furthermore, while practitioners and academics alike emphasise that positive customer experience leads to enhanced firm value, evidence to support this claim is comparatively slight. By quantifying the influence of positive customer experience on actual customer behaviour, this research will provide a realistic insight into the actual value resulting from positive experiences. Additionally, prior studies indicate that customers form evaluations of their experience at different touch points; however, much remains to be known about these touch points. By clearly identifying and defining the distinct elements of customer experience touch points, the research will provide scholars with a deeper insight into the distinct components that shape the customer experience.

In relation to the methodological significance, this research makes a unique contribution by recognising the importance of capturing customer experience assessments at the 'time of the experience' by collecting customer experience data in real-time. This will offer realistic insights into the distinct 'moment of truth' between the customer and any part of the company, and enable a rich understanding of the experience, including 'what happened', 'where it happened' and 'how it happened' at the particular moment in time.

Through a deeper understanding of the distinct touch point elements that occur along the customer journey and the relative importance of each of these elements in enhancing customer experience, managers will be enabled to identify touch point elements that are relevant to various retail channels. This will aid in the formulation and implementation of effective customer experience design and strategies. Additionally, a real-time insight of the customer experience will enable marketing researchers to monitor the customer experience, measure the real-time causes and impact of the experience, and understand the actual financial value created from the experience. Such instantaneous customer experience feedback will assist managers to respond promptly to service failures and other issues that may affect the experience.

1.5 Chapter summary and thesis structure

This research was developed to explore the impact of customer experience on customer intentions and actual behaviour in multichannel retail and service settings. To investigate the research questions, two sequential studies were conducted. The thesis contains a total of six chapters, as detailed below.

In *Chapter 1* a step-by-step approach is taken to 'set the scene' for the rest of the study and thesis. Outlined in the chapter are the specific research questions and objectives to be addressed in the research. Following this, discussion is provided on the research methodology and research significance from a theoretical, methodological and managerial perspective. The chapter concludes with an overview of the thesis structure.

Chapter 2 comprises a scrutiny and critical review of the pertinent literature on customer experience. The chapter begins with a discussion on the origins of the 'customer experience' phenomenon; one which is grounded by several streams of literature including experiential consumption, the experience economy and experiential marketing. Next, the researcher clarifies what is meant by the term 'customer experience' by exploring different conceptualisations, definitions, perspectives and dimensions of the concept. To highlight the distinct nature of the construct, customer experience then is contrasted with, and distinguished from, other marketing constructs. Following this, the role of emotions in the customer experience is established, customer experience touch points are discussed and the importance of customer experience in enhancing firm value is addressed. Subsequently, the researcher reviewed seminal studies to identify the antecedents to, consequences of and moderators of customer experience. The various methodological approaches and perspectives for measuring customer experience also are explored. Finally, the theoretical and methodological gaps in the customer experience literature are identified, from which the research contributions were proposed.

In *Chapter 3* details are provided on Study 1, which is conducted to address the first research question. The chapter begins with a brief theoretical background on customer experience touch points. Following this, the methodology, which involves a qualitative research design using a sequential incident technique to capture customer experience narratives from several informants, is discussed. Use of an inductive thematic analysis of the semi-structure interview transcripts was designed to identify distinct elements of customer experience touch points; elements to be used to develop a holistic model of customer experience in Study 2.

In *Chapter 4*, Study 2 is presented as being conducted to investigate empirically the real-time impact of customer experience on customer intentions and actual behaviour in multichannel retail and service settings. Utilising the findings from Study 1, a theoretical model of customer experience and a series of hypotheses is proposed in Study 2. A mixed method research approach is undertaken to gain a deeper understanding of individual customer experiences in different channels and contexts. To capture customer experiences at different touch points in real-time, a micro-longitudinal repeated measure design is employed using an Experience Sampling

Methodology (ESM). The data, collected through three research instruments (introduction online survey, mobile application survey and final online survey), is comprehensively analysed and the hypotheses are tested using variance-based partial least squares (PLS-SEM).

Chapter 5 contains a general discussion that highlights and indicates the key findings from Study 1 and Study 2 relating to each of the research questions. The theoretical arguments and findings from the extant marketing and psychology literature are compared and contrasted with the results of the studies to enable a more comprehensive understanding of customer experience creation and outcomes at individual touch points.

Chapter 6 is the concluding chapter of the thesis. A brief overview of the research is provided, followed by theoretical, methodological and managerial implications and contributions of the research. The chapter concludes with a discussion on the limitations of the research and outlines some fruitful avenues for future research.

1.6 Research schematic

A schematic view of the research is presented in Figure 1.2, below.

Figure 1.2 Schematic view of the research

MAJOR RESARCH QUESTION

What is the impact of customer experience on customer intentions and actual behaviour in multichannel retail and service settings?

Research Question 1	**Research Question 2**	**Research Question 3**	**Research Question 4**
What are the distinct elements of customer experience touch points?	What are the real-time antecedents to customer experience?	Does customer experience influence customer intentions and actual behaviour in real-time?	Does consumer motivation orientation moderate the links between customer experience and its antecedents and consequences in real-time?

Literature Review [Chapter 2]

Study 1 [Chapter 3]

Qualitative semi-structured interviews

Inductive thematic analysis of the interviews

Identification and definition of the distinct customer experience touch point elements

Study 2 [Chapter 4]

Theoretical background hypotheses

Developing the research instruments

Data collection

Data analysis and hypothesis testing

General Discussion [Chapter 5]

Answer to **Research Question 1**	Answer to **Research Question 2**	Answer to **Research Question 3**	Answer to **Research Question 4**

Conclusion [Chapter 6]

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

The purpose in this chapter is to scrutinise and critically review the pertinent literature on customer experience. The first task in the chapter is to determine the roots of the 'customer experience' phenomenon. Next, the researcher clarifies what is meant by the term 'customer experience' through exploring different conceptualisations, definitions, perspectives and dimensions of the concept. To gain an in-depth understanding of the existing research on customer experience, the researcher then reviews seminal studies to identify the antecedents to, consequences of and moderators of customer experience. Following this, the various methodological approaches and perspectives for measuring customer experience are explored. Finally, the theoretical and methodological gaps in the customer experience literature are identified and current research contributions are proposed.

2.1 Customer experience origins

The 'customer experience' phenomenon was first conceived in the marketing literature in the 1940s by way of conversations on the consumption experience (e.g., Norris 1941; Toffler 1970). However, it was not until the 1980s when the notion of customer experience received theoretical recognition (e.g., Holbrook and Hirschman 1982; Hirschman and Holbrook 1982). Customer experience was popularised primarily by two bodies of work; namely, Holbrook and Hirschman's (1982) paper entitled *The Experiential Aspects of Consumption: Consumer Fantasies, Feelings and Fun* which provides an experiential perspective of consumption and hedonic experiences, and Pine and Gilmore's (1999) book entitled *The Experience Economy – Work is Theatre and Every Business a Stage* which suggests that experiences are becoming the next significant value-creating aspect for firms. Following this work, marketers began to recognise the potential of differentiating through experiences, and began to shift from the traditional 'features-and-benefits' marketing towards experiential marketing (Schmitt 1999).

2.1.1 Experiential consumption

Customer experience first received theoretical recognition in the marketing literature in the mid-1980s when consumer researchers pursued an extension of the mainstream approach of consumer behaviour that saw customers as not only being *rational* but also *emotional* decision makers (Holbrook and Hirschman 1982). Holbrook and Hirschman (1982) recognised that conventional consumer behaviour research neglected an important part of the consumption; that is, the 'experience'. They affirmed that the explanation of human behaviour cannot be reduced to any narrowly confined and simplistic model, whether that model is behaviouristic or psychoanalytic, ethological or anthropomorphic, cognitive or motivational; rather, the behaviour of consumers is an endlessly complex result of a multidimensional interaction between organism and environment (Holbrook and Hirschman 1982). The authors emphasised the shift from an information-processing view where consumers are mainly goal-directed, to an experiential view of consumption where consumers are constantly looking for fantasies, feelings and fun. This experiential view of consumption recognises the role of emotions in behaviour, and highlights the fact that consumer are feelers as well as thinkers and doers, consumers have a need for pleasure and fun, and consumers have a role beyond the act of purchase (Addis and Holbrook 2001). Through such a phenomenological perspective, consumption is defined as "a primarily subjective state of consciousness with a variety of symbolic meanings, hedonic responses, and aesthetic criteria" (Holbrook and Hirschman 1982, p. 132).

The experiential consumption phenomenon came to the fore moreso in the 1990s when interpretive researchers and consumer culture theorists aimed to broaden and extend the renewed phenomenological nature of consumption. From this perspective, researchers began to purse investigation into various hitherto neglected variables identified by Holbrook and Hirschman (1982); i.e., those which do not fit with the traditional view of buying as a reasoned action. Much of the work stemming from the experiential consumption phenomenon focused predominantly on consumption of hedonic experiences (Hirschman and Holbrook 1982), such as river rafting (Arnould and Price 1993), skydiving (Celsi et al. 1993), kayaking (Hopkinson and Pujari 1999), leisure sports (Wakefield and Barnes 1996) and shopping (Babin et al. 1994).

The roots of experiential consumption as opposed to functional consumption (Addis and Holbrook 2001) were sought in the growth of services, by which "the 'good' that is purchased is an experience rather than a material object" (Campbell 1995, p. 110).

2.1.2 The experience economy

Pine and Gilmore (1998, 1999) were among the first to write about the emergence of a new economy named the 'experience economy'. Pine and Gilmore (1999, p.11) stated that "a new, emerging economy is coming to the fore, one based on a distinct kind of economic output, goods and services are no longer enough". The authors observed that experiences are becoming a new economic offering and a new source of economic value. They brought forward the notion of a changing competitive landscape in an evolving marketplace due to growing technologies, increasing competitive intensity and rising affluence. Furthermore, they postulate that, as products and service are becoming more commoditized, leading-edge companies are competing and differentiating through experiences.

Pine and Gilmore (1999) distinguished between three economic stages that precede the emergence of the experience economy: agrarian, industrial and service economy (see Table 2.1), where each economic stage represents a rise in economic value (i.e., a way for companies to distinguish their products from undifferentiated competitive offerings). As the development of tangible bases for differentiation in goods reached its peak in the 1970s, services became a dominant key to differentiation. However, in the late 1980s services became more generic and less differentiated (Christopher et al. 1991), resulting in differentiation becoming more concerned with 'experiences'. Pine and Gilmore (1999) highlight the progression of economic value, which has moved from commodities to goods, to services and, finally, to experiences, thereby creating an experience economy evolution.

Table 2.1 Economic Distinctions

Economic Offering Economic Value	COMMODITIES	GOODS	SERVICES	EXPERIENCES →
Economy	Agrarian	Industrial	Service	Experience
Economic function	Extract	Make	Deliver	Stage
Nature of offering	Fungible	Tangible	Intangible	Memorable
Key attribute	Natural	Standardized	Customized	Personal
Method of supply	Stored in bulk	Inventoried	Delivered on demand	Revealed over a duration
Seller	Trader	Manufacturer	Provider	Stager
Buyer	Market	User	Client	Guest
Factors of demand	Characteristics	Features	Benefits	Sensations

Source: Pine and Gilmore (1998, p.98)

2.1.3 Experiential marketing

In recent years, companies have shifted from the traditional 'features-and-benefits' marketing toward creating experiences for their customers through experiential marketing (Schmitt 1999). Marketers at the forefront of this change have determined that success depends primarily on providing consumers with a unique product and consumption experiences rather than focusing on the product's functional benefits (Goode, Dahl, and Moreau 2010). Experiential marketing refers to the marketing of a product or service through an experience, such that the customer becomes emotionally involved with all of the aspects of the experience (Luo et al. 2011). Experiential marketing is also viewed as memorable events that engage the consumer in a personal way, while exhilarating the senses and providing him/her with enough information to make a purchase decision (Gilmore and Pine 2002). In contrast to traditional marketing techniques, experiential marketing aims to engage consumers on an emotional level to enhance consumers' emotional attachment with a firm's products, services and brand (McCole 2004).

Schmitt (1999) contrasts two marketing views – traditional and experiential (Figure 2.1). The author suggests that traditional marketers view consumers as rational "decision makers who care about functional features and benefits" (Schmitt 1999, p.53), whereas experiential marketers view consumers as "rational and emotional human beings who are concerned with achieving pleasurable experiences" (Schmitt

1999, p. 53). Experiential marketers understand that consumers can be driven both rationally and emotionally. This means that while customers may engage in rational decisions during shopping activities, they are equally driven by emotions because consumption experiences are "directed toward the pursuit of fantasies, feelings, and fun" (Holbrook and Hirschman 1982, p. 132).

Figure 2.1 Contrasting traditional and experiential marketing
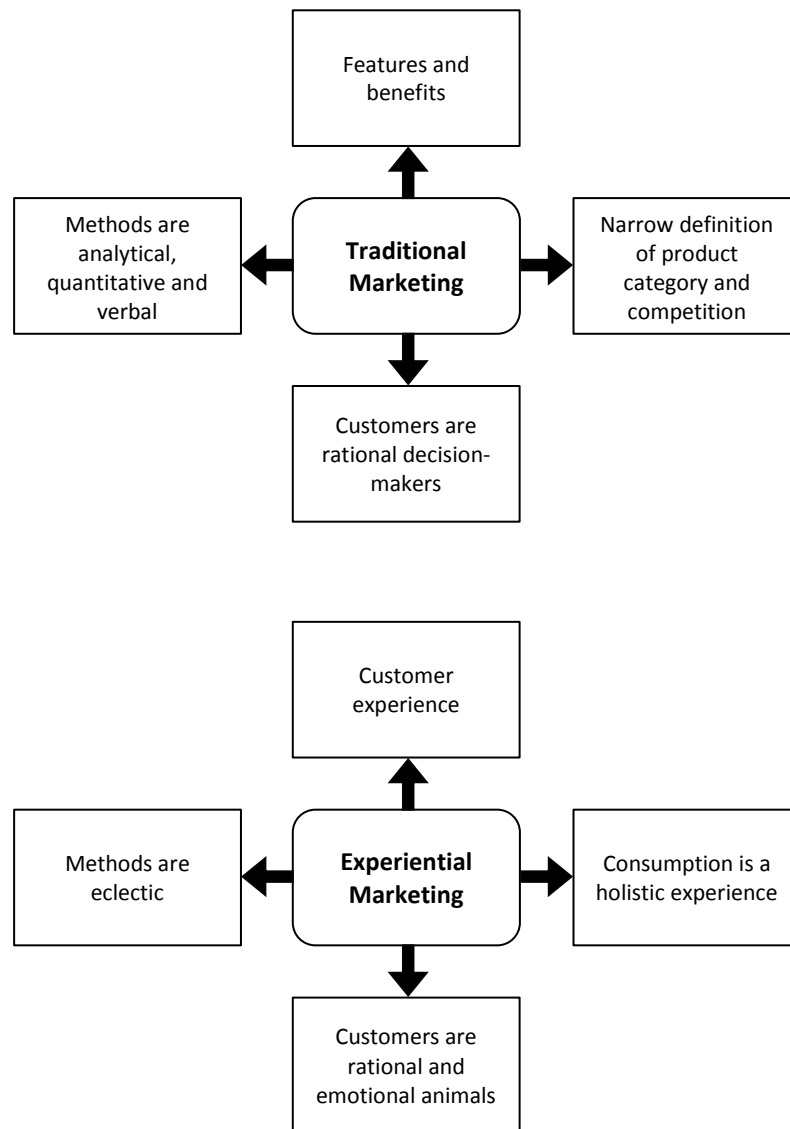
Source: Schmitt (1999, p.55, 58)

2.2 Customer experience

Customer experience is widely recognised as the internal and subjective response customers have to any interaction with a company (e.g., Carbone and Haeckel 1994; Gentile, Spiller, and Noci 2007; Lemke, Clark, and Wilson 2011; Meyer and Schwager 2007; Pine and Gilmore 1999; Shaw and Ivens 2002; Tynan and McKechnie 2009; Verhoef et al. 2009; Zomerdijk and Voss 2010). The internal and subjective nature of the experience is elucidated by Pine and Gilmore (1998, p. 99) who indicate that "experiences are inherently personal, existing only in the mind of an individual who has been engaged on an emotional, physical, intellectual, or even spiritual level". Several authors argue that the customer experience is shaped not only by the aspects which firms can control (e.g., service interface, store displays and advertising), but also by elements that are outside of the firm's control (e.g., customer interactions and purpose of shopping) (Meyer and Schwager 2007; Verhoef et al. 2009). This is because experiences are constructed by customers' interpretations of encounters (Hume et al. 2006), meaning that experiences cannot be completely controlled by the company. Rather than creating experiences, companies can design and orchestrate prerequisites and stimuli that enable customers to have the desired experiences (Gupta and Vajic 2000). Teixeira et al. (2012) reaffirm this concept by pointing out that customers co-create unique experiences through their interactions with a company by responding to the different designed elements, along with other elements that are not under a company's control, such as the customer interactions.

2.2.1 Perspectives of customer experience

There are several perspectives of customer experience in the marketing literature. First, from an interpretive consumer research standpoint, customer experience is viewed strictly as a phenomenon (e.g., Arnould and Price 1993; Carù and Cova 2003; Wakefield and Barnes 1996), focusing on the consumption of hedonic or extra-ordinary experiences. This work stems from the experiential and hedonic consumption perspectives (Hirschman and Holbrook 1982; Holbrook and Hirschman 1982). Second, other authors view customer experience with a Service-Dominant Logic (Vargo and Lusch 2008) and 'value-in-use' perspective, in which the customer jointly determines the value of the offering (e.g., Lemke, Clark, and Wilson 2011; Prahalad and Ramaswamy 2004; Rose et al. 2012; Tynan and McKechnie 2009).

From this viewpoint, customers are co-creators of their own experiences and experiences are distinct events. Customers evaluate a company's offering, not only by its features, but also by the extent to which it gives them their desired experience (Prahalad and Ramaswamy 2004). This implies that companies do not sell experiences; they provide a platform that can be employed by consumers to co-create their own, unique, experiences. Third, the Nordic School of Marketing and New Service Development literature considers the process nature of services, especially the affect of customer-company interactions on customers' evaluations of the experience (e.g., Fisk, Brown, and Bitner 1993; Grönroos 2011; Grönroos 2012). Fourth, the psychological view considers the formation of emotions as a common denominator in experience (e.g., Gentile, Spiller, and Noci 2007; Meyer and Schwager 2007; Shaw and Ivens 2002; Verhoef et al. 2009). From this perspective, customer experience evaluations are based on customers' emotional responses during interactions with a company. Finally, other authors view customer experience as an outcome delivered by a set of attributes and variables (e.g., Le Bel 2005; Holloway, Wang, and Parish 2005).

2.2.2 Defining customer experience

Of the recent works on customer experience in the marketing literature, there tends to be a general consensus that customer experience is an internal, subjective and emotional response customers have from interactions with a product, a company, or part of its organisation (e.g., Carbone and Haeckel 1994; Gentile, Spiller, and Noci 2007; Lemke, Clark, and Wilson 2011; Meyer and Schwager 2007; Pine and Gilmore 1999; Shaw and Ivens 2002; Tynan and McKechnie 2009; Verhoef et al. 2009; Zomerdijk and Voss 2010). While some authors believe that customer experience originates from individual interactions, moments of contact or touch points (e.g., Carbone and Haeckel 1994; Meyer and Schwager 2007; Pine and Gilmore 1999; Shaw and Ivens 2002; Zomerdijk and Voss 2010), other authors take a more universal perspective, arguing that customer experience results from a cumulative assessment of all the interactions they encounter over the customer journey (e.g., Gentile, Spiller, and Noci 2007; Lemke, Clark, and Wilson 2011; Tynan and McKechnie 2009; Verhoef et al. 2009). Another varying aspect of the customer experience definition is whether the experience takes into account direct and indirect interactions with a company. Several authors assert that customer experience

involves both direct (initiated by the customer) and indirect (unplanned) encounters (e.g., Lemke, Clark, and Wilson 2011; Meyer and Schwager 2007; Verhoef et al. 2009) from which customers form evaluations of their experience. Others contend that customer experience is shaped only by direct encounters which the firm primarily controls (e.g., Carbone and Haeckel 1994; Gentile, Spiller, and Noci 2007; Pine and Gilmore 1999; Shaw and Ivens 2002; Tynan and McKechnie 2009; Zomerdijk and Voss 2010). A summary of the key definitions of customer experience is presented in Table 2.2.

Table 2.2 Definitions of customer experience

Author	Definition
Carbone and Haeckel (1994, p.9)	The 'takeaway' impression formed by people's encounters with products, services, and businesses - a perception produced when humans consolidate sensory information."
Pine and Gilmore (1999, p.12)	"Experiences are events that engage individuals in a personal way."
Shaw and Ivens (2002, p. 6)	"An interaction between an organization and a customer. It is a blend of an organization's physical performance, the senses stimulated and emotions evoked, each intuitively measured against customer experience across all moments of contact."
Gentile, Spiller, and Noci (2007, p. 397)	"The customer experience originates from a set of interactions between a customer and a product, a company, or part of its organization, which provoke a reaction. This experience is strictly personal and implies the customer's involvement at different levels (rational, emotional, sensorial, physical, and spiritual). Its evaluation depends on the comparison between a customer's expectations and the stimuli coming from the interaction with the company and its offering in correspondence of the different moments of contact or touch-points."
Meyer and Schwager (2007, p. 2)	"Customer experience is the internal and subjective response customers have to any direct or indirect contact with a company. Direct contact generally occurs in the course of purchase, use, and service and is usually initiated by the customer. Indirect contact most often involves unplanned encounters with representations of a company's products, services, or brands and takes the form of word-of-mouth recommendations or criticisms, advertising, news reports, reviews, and so forth."
Verhoef et al. (2009, p. 32)	"The customer experience construct is holistic in nature and involves the customer's cognitive, affective, emotional, social and physical responses to the retailer. This experience is created not only by those elements which the retailer can control (e.g., service interface, retail atmosphere, assortment, price), but also by elements that are outside of the retailer's control… the customer experience encompasses the total experience, including the search, purchase, consumption, and after-sale phases of the experience, and may involve multiple retail channels."

Tynan and McKechnie (2009 p. 508)	"Consuming an experience can be viewed as a process that takes place across stages including pre-consumption, the purchase and core experiences, to the remembered consumption experience. The value created is both enabled and judged by customers throughout this consumption process and not merely at the point of exchange."
Zomerdijk and Voss (2010, p. 67)	"An experience occurs when a customer has any sensation or acquires knowledge from some level of interaction with the elements of a context created by a service provider."
Lemke, Clark, and Wilson (2011, p. 846)	"Customer experience is conceptualized as the customer's subjective response to the holistic direct and indirect encounter with the firm."

Drawing from the prior definitions in the marketing literature, for the purpose of this research, customer experience is defined as:

The cognitive, affective, social and physical responses customers have to any direct or indirect contact with a company at the touch point during any stage of the customer journey.

This definition takes into account the subjective and interpretive nature of customer experience, and recognises that customer experience is evaluated during all stages of the customer journey (e.g., search, purchase, post-purchase). Additionally, in this definition it is acknowledged that customer experience arises from both direct and indirect encounters and is evaluated at individual touch points.

2.2.3 Contrasting customer experience and other marketing constructs

Traditionally, the marketing, retailing and service management literature did not consider customer experience as a separate construct (Verhoef et al. 2009). Instead, researchers have relied on common marketing constructs, such as customer satisfaction, customer perceived service quality and customer perceived value, to make inferences on the customer experience (e.g., Parasuraman, Zeithaml, and Berry 1988; Verhoef, Langerak, and Donkers 2007). Palmer (2010, p. 196) emphasises this point by asserting that "customer experience has been so widely used, and abused, that a potentially important construct is in danger of being dismissed because of the ambiguous manner in which it has been applied". Specifically, the term 'customer experience' has been used interchangeably to describe satisfaction, value and quality

derived from customer interactions with products, services and overall firm evaluations (e.g., McDougall and Levesque 2000; Szymanski and Hise 2000). Accordingly, there are misconceived views on customer experience within the marketing literature. In the following sections customer experience is contrasted with and distinguished from customer satisfaction, customer perceived service quality and customer perceived value to highlight the distinct nature of the customer experience construct.

2.2.3.1 Customer experience and customer satisfaction

While customer experience occurs at different stages of the purchase process, customer satisfaction is universally agreed to be only a post-purchase and post-use evaluation (Oliver 1981). For instance, Tse and Wilton (1988, p. 204) define customer satisfaction as the "consumer's response to the evaluation of the perceived discrepancy between prior expectations (or some norm of performance) and the actual performance of the product as perceived after its consumption". As a consequence, evaluations of customer experience can be formed without the product or service being bought or used, while customer satisfaction depends on the customers having used the product or service. In addition, customer satisfaction is conceptualised as a unidimensional construct, which is due largely to the assumption that it is assessed along a hedonic continuum from unfavourable to favourable (Westbrook and Oliver 1991). In contrast, customer experience is conceptualised as a multidimensional construct and is assessed through different subjective and internal customer responses (e.g., Gentile, Spiller, and Noci 2007; Schmitt 1999; Verhoef et al. 2009). Thus, customer satisfaction can be seen to be inherently different from customer experience and, therefore, should be considered as a separate construct.

2.2.3.2. Customer experience and customer perceived service quality

Customer perceived service quality is the result of the comparison customers make between their expectations about service delivery and their perceptions of the service actually delivered (Brown and Lam 2008; Parasuraman, Zeithaml, and Berry 1988). Customer perceived service quality and customer experience differ by the fact that customer perceived service quality is commonly a static measurement assessment of the service encounter (Lemke, Clark and Wilson 2011). Customer experience moves beyond the notion of perceived service quality, recognising that the customer journey

may both precede the service encounter and continue after it (Berry, Carbone, and Haeckel 2002). This means that, while service quality assessments are based solely on direct interactions that take place during the service encounter (i.e., at the point-of-sale; Carù and Cova 2003), customer experience assessments take into account all direct and indirect interactions between a customer and a product, a company, or part of its organisation at any stage during the customer journey (Meyer and Schwager 2007; Verhoef et al. 2009).

In addition, the disconfirmation paradigm, commonly employed in service quality research, cannot be used for interpreting customer experiences. Jüttner et al. (2013) point out that the disconfirmation paradigm assumes that customers have and can articulate their expectations for cognitive performance assessments of the service. However, customer experience is not only a cognitive judgment or performance; the customer experience involves affective and emotional responses. Unlike cognitive evaluations that are dominant in service quality perceptions, emotions are often difficult for customers to describe and do not tend to be embodied in the service attributes (Arnould and Price 1993). Hence, it can be seen conceptually, that customer experience is distinct from customer perceived service quality.

2.2.3.3. Customer experience and customer perceived value

Customer experience and customer perceived value have been said to be among the most ill-defined and debated concepts in the marketing literature (Carù and Cova 2003; Helkkula and Kelleher 2010; Sanchez-Fernandez and Iniesta-Bonillo 2007). Sanchez-Fernandez and Iniesta-Bonillo (2007, p. 428) assert that the concept of customer perceived value "has become one of the most overused and misused concepts in the social sciences in general and in the management literature in particular". Customer perceived value is a multidimensional construct, which is often conceptualised to include hedonic, social and utilitarian values (Helkkula and Kelleher 2010). Due to the multidimensional nature of the customer perceived value construct, it is important to distinguish and differentiate customer perceived value from customer experience. Helkkula and Kelleher (2010) recognise that while customer experience and customer perceived value are dynamically interrelated, they are two distinct constructs that cannot be mistaken for one another. Customers make value assessments through their interactions with products, services and brands

which, in turn, are related to their previous, current and future lived or imaginary experiences (Wikstrom 2008). From this perspective, customers form value perceptions as a result of their customer experience (Helkkula and Kelleher 2010).

2.2.4 Dimensions of customer experience

Customer experience is widely recognised as a multidimensional construct (e.g., Brakus, Schmitt, and Zarantonello 2009; Gentile, Spiller, and Noci 2007; Tynan and McKechnie 2009). Different dimensions or factors contribute to form a holistic view of customer experience (Verhoef et al. 2009), and may be experienced by customers at the conscious or subconscious level (Gentile, Spiller, and Noci 2007; Schmitt 1999). Within the marketing literature, researchers have cited various components of customer experience (see Table 2.3), which can be broadly classified into five dimensions: sensory, cognitive, affective, physical and social.

1. *Sensory dimension:* includes the aesthetics and sensory qualities experienced during an interaction (Tynan and McKechnie 2009). Customers obtain sensory value from an experience through sight, sound, touch, taste and smell so as to arouse aesthetical pleasure (Gentile, Spiller, and Noci 2007; Schmitt 1999).

2. *Cognitive dimension:* involves the consumers' thinking or conscious mental processes (Rose et al. 2012; Tynan and McKechnie 2009). A company's offering may encourage customers to use intellect, creativity and/or problem solving (Gentile, Spiller, and Noci 2007; Schmitt 1999).

3. *Affective dimension:* also referred to as the 'emotional' dimension of customer experience, relates to customers' moods, feelings and emotional responses caused by an interaction (Gentile, Spiller, and Noci 2007).

4. *Physical dimension*: refers to consumer actions and behaviors as a result of an interaction with a company or brand (Brakus, Schmitt, and Zarantonello 2009). Companies target customers' lives with physical experiences, showing them ways of doing things and alternative lifestyles (Schmitt 1999).

5. *Social dimension*: involves social experiences, such as relating to a reference group (Brakus, Schmitt, and Zarantonello 2009) and the consumption of an offering together with other people (Gentile, Spiller, and Noci 2007). This dimension includes relationships that are social in nature and may occur with

other individuals or groups (Tynan and McKechnie 2009), inanimate objects such as brands (Fournier 1998) or the company as a whole.

Table 2.3 Dimensions of customer experience

Author	Dimensions	Classification of Dimensions				
		Sensory	Cognitive	Affective	Physical	Social
Holbrook and Hirschman (1982)	Fantasies, feelings and fun		x	x	x	
Pine and Gilmore (1998)	Entertainment, education, aestheticism and escapist	x	x	x	x	
Schmitt (1999)	Sensory, affective, cognitive, physical and social-identity	x	x	x	x	X
Gentile, Spiller, and Noci (2007)	Sensorial, emotional, cognitive, pragmatic, lifestyle and relational	x	x	x	x	x
Brakus, Schmitt, and Zarantonello (2009)	Behavioral, sensory, intellectual and affective	x	x	x	x	
Tynan and McKechnie (2009)	Sensory, emotional, utilitarian, relational, informational, novelty and utopian	x	x	x		x
Verhoef et al. (2009)	Cognitive, affective, social and physical		x	x	x	x
Rose et al. (2012)	Cognitive experiential state and affective experiential state		x	x		

Holbrook and Hirschman (1982) pioneered the idea that the customer experience construct is multidimensional in nature. The authors considered the experiential aspects of consumption by classifying customer experience into three experiential dimensions, including fantasies, feelings and fun. Conversely, Pine and Gilmore (1998) identify four 'realms' of customer experience, which are differentiated at two levels: (i) the degree of customer involvement (passive vs. active participation), and

(ii) the desire with which the customer connects with the event (absorption vs. immersion). The four dimensions of customer experience include entertainment (passive/absorption), educational (active/absorption), aestheticism (passive/ immersion) and escapist (active/immersion). Additionally, Schmitt (1999) proposes that customer experience comprises five dimensions, including sensory, affective, cognitive, physical and social-identity experiences. Gentile, Spiller, and Noci (2007, p. 398) extend Schmitt's (1999) conceptualisation of customer experience by adding a further component, 'pragmatic', which is defined as the 'practical act of doing something'.

More recently, Brakus, Schmitt and Zarantonello (2009, p. 52) conceptualised customer experiences with brands as "sensations, feelings, cognitions, and behavioral responses evoked by brand-related stimuli that are part of a brand's design and identity, packaging, communications and environments". The authors distinguished several experience dimensions, including sensory, affective, intellectual and behavioural. In the conceptual article by Tynan and McKechnie (2009), the authors extend prior conceptualisations of customer experience by suggesting that, in addition to the sensory, emotional (affective), utilitarian (cognitive) and relational (social) dimensions, customer experience also comprises informational, novelty and utopian components. They recognise that customers also experience informational value via traditional and online media; i.e., they acquire value through experiences that have a novelty component and from utopian meanings with respect to the consumer's experienced relations with place and space (Maclaran and Brown 2005). Verhoef et al. (2009) review the literature on brand experience, service experience and retail experience, concluding that a richer conceptualisation of customer experience should not only capture cognitive evaluations and affective responses, but also encompass social and physical components. In the context of online customer experiences, Rose et al. (2012) indicate that there are only two experiential states: affective and cognitive. The authors contend that customers engage in cognitive and affective processing of incoming sensory information from the website, which is the result of the formation of an impression in memory.

While the researcher has attempted to classify broadly the customer experience components mentioned in past studies into five dimensions (i.e., sensory, cognitive,

affective, physical and social), there is still a plethora of different dimensions of customer experience that exist. Consequently, this means that, within the marketing literature, there is no general consensus as to what the dimensions of customer experience might be.

2.2.5 The role of emotions in the customer experience

The impact of emotions on consumer judgments, evaluations, purchase decisions and behaviour has long been important to both the psychology and consumer behaviour disciplines (Williams 2014). Williams (2014, p. 268) points out that the work within the psychology and consumer behaviour literature has progressed from "demonstrating that emotions, like cognitions, do have an impact on consumption, to more nuanced understandings of what drives the experience of discrete emotional states, how those discrete emotions uniquely affect decision making and the motivations that consumers might have to regulate their emotional states over time".

Traditional models of consumer behaviour were built on the implicit assumption that consumer decision-making, principally, was the result of the cognitive processes (e.g., Howard and Sheth 1969), while affective processes were relegated to a secondary role (Peterson, Hoyer, and Wilson 1986). However, advances in social cognition and psychology suggest that affective processes may constitute an influential source of human motivation and can influence human information processing and choice (Hoffman 1986; Westbrook 1987). As a consequence, more recently, the role of affective processes and emotions has gained much attention as a central element in understanding the consumer experience (e.g., Mattila and Enz 2002; Nyer 1997; Ruth, Brunei, and Otnes 2002).

The extant literature on consumer behaviour and broader marketing interaction demonstrates that there are two main streams of research that contribute to the understanding of consumer emotions; (i) studies that examine emotions of a single consumer and (ii) studies that focus on emotions of multiple consumers (Ruth, Brunei, and Otnes 2002). In the first research stream, a cognitive appraisal approach is often adopted to study the effects of consumption emotion. Under this guise, emotions are believed to be responses to a person's appraisal of the environment in relation to their goals (MacInnis and de Mello 2005). Cognitive appraisal theory has

been applied in past consumer research to explain emotional consumer responses and subsequent consumer actions (e.g., Folkes, Koletsky, and Graham 1987; Nyer 1997; Ruth, Brunei, and Otnes 2002). Ruth, Brunei, and Otnes (2002) describe a systematic relationship between appraisals and emotions and indicate that consumption emotions are individually and subjectively experienced. The authors point out that "consumers experience a wide range of emotions in the course of searching for, choosing, and using products, as well as while interacting with service providers" (Ruth, Brunei, and Otnes 2002, p. 53).

The second stream of research suggests that the range of emotions experienced by consumers is very broad, and, therefore, requires the investigation of multiple emotions in consumption (Richins 1997). Otnes, Lowrey, and Shrum (1997) point out that a consumer may experience multiple positive and/or negative emotions in an individual encounter or episode. For instance, prior studies have found that mixed emotions are associated with a number of different customer experiences such as white-water rafting (e.g., Arnould and Price 1993), in-store shopping (e.g., Sherman, Mathur, and Smith 1997) and advertising (e.g., Edell and Burke1987). Within this 'multiple emotions' stream of research, authors have reported that emotional meanings extend far beyond liking and disliking, as in satisfaction research. Thus, the importance of incorporating the entire range of emotions attached to the consumption experience (Richins 1997).

2.2.6 Customer experience touch points

Touch points occur whenever a customer 'touches' any part of the company, across multiple channels and at various points in time (Patrício et al. 2011; Zomerdijk and Voss 2010). At each touch point, customers consciously or unconsciously form judgments and make assessments of their experience. Touch points occur along the customer journey, which involves all events related to the customer activity, such as the search, evaluation, purchase and after-sale phases of the experience, interpreted from the perspective of the customer (Verhoef et al. 2009). Berry, Carbone and Haeckel (2002) assert that to comprehend the holistic nature of customer experience, it is touch points that need to be taken into account. This requires an understanding of every interaction a customer has with different contacts (e.g., employees, self-service technology and other customers) and channels (e.g., in-store, telephone, e-

mail and online) during all phases of the customer journey (Ordenes et al. 2014).

2.2.6.1 Touch points, stimuli, clues and cues

From the service-dominant logic perspective (Vargo and Lusch 2008), customer experience is not designed; it is co-created through customer interactions with several elements. Teixeira et al. (2012) point out that customers co-create unique experiences through their interactions with a company. Such interactions develop across different touch points, where customers respond to the different designed elements, along with other elements that are not controlled by the company, such as interactions with other customers. This implies that companies cannot design experiences that align exactly with predicted outcomes. Companies can only design situations at touch points that support customers in co-creating their desired experiences to achieve their goals (Teixeira et al. 2012). In designing experience situations, companies orchestrate various 'stimuli', also known as 'clues' (Berry, Carbone, and Haeckel 2002) or 'cues' (Pine and Gilmore 1999) for customers' to experience at any point in time (Jüttner et al. 2013). Carbone and Haeckel (1994) contend that experience-centric service design involves orchestrating a set of clues that are emitted by the company through their products, services and environment. These clues form the context in which a customer experience is created. In an attempt to classify company-designed clues, Berry and Carbone (2007) distinguish between three different types: *functional clues* – clues concerning the technical quality of the offering that reflect the reliability and functionality of the good or service; *mechanic clues* - those that offer a physical representation of the facility's design and also include sensory aspects; and, *humanic clues* which emanate from the behaviour and appearance of employees. While clues, cues and stimuli reflect something that a company orchestrates for the customer, it is the touch points and customer's journey that represent what actually happens from the customer's perspective (Zomerdijk and Voss 2010). This point is reflected in Berry and Carbone's (2007) categorisation of clues; the categorisation does not account for other factors that a customer may encounter during an experience at a touch point such as interactions with other customers (Brocato, Voorhees, and Baker 2012) or technology encounters (Meuter et al. 2005). This emphasises the fact that understanding the customer's experience and sundry touch points should be developed from the perspective of the customer (Lemke, Clark, and Wilson 2011).

2.2.7 Importance of customer experience in enhancing firm value

Customer experience has been acknowledged as "a new lever to create value for both the company and the customer" (Gentile, Spiller, and Noci 2007, p. 396). Publications on customer experience in practitioner-oriented journals and management books have claimed that differentiation strategies based on service and price are no longer sufficient; i.e., to achieve a competitive advantage it is now critical for firms to focus on the customer experience (e.g., Berry, Carbone, and Haeckel 2002; Haeckel, Carbone, and Berry 2003; Meyer and Schwager 2007; Pine and Gilmore 1998). Firms compete best when customer experience reflects benefits from the company's offering that are both functional and emotional (Berry, Carbone, and Haeckel 2002). This is because emotional bonds between companies and customers are difficult for competitors to sever and replicate. In addition, Pine and Gilmore (1998) argue that creating a distinctive customer experience provides firms with enormous economic value. Companies that consistently deliver a great customer experience will receive benefits beyond improvements in loyalty and profit; they will gain a sustainable competitive advantage and will be able to differentiate their brand from competitors (Haeckel, Carbone, and Berry 2003). Such a focus on customer experience also may contribute to improved sales effectiveness through the conversion of customers into advocates and repeat buyers.

Grewal, Levy and Kumar (2009) acknowledge the importance of using marketing and financial metrics to understand the value that customer experience contributes to firms. The authors suggest that great customer experiences can significantly increase the likelihood that customers will return to the same store, spend more money and spread positive word-of-mouth. To recognise the true value of customer experience, the authors recommend that, in addition to collecting information on customer experience evaluations, firms should collect data on marketing and financial metrics such as word-of-mouth and referral value, retention and acquisition, sales, cross-buying and up-buying. Other scholars have suggested that customer experience based strategies provide firms with a superior competitive advantage (e.g., Verhoef et al. 2009), improve customer loyalty (e.g., Pine and Gilmore 1998) and enhance relationship outcomes such as commitment, purchases, retention and word-of-mouth (e.g., Lemke, Clark, and Wilson 2011). However, within extant practitioner and

academic literature, there has been limited empirical research conducted to support and quantify these assertions.

2.3 Past research on customer experience

The concept of customer experience has evolved to become an ever more imperious area of study within the marketing discipline. Following the seminal work of Holbrook and Hirschman (1982) and Pine and Gilmore (1998, 1999) who popularised customer experience in the 1980s and 1990s, scholars have begun to research and scrutinise customer experience extensively. A review of the extant literature on customer experience reveals that scholars have proposed and examined various antecedents to and consequences of customer experience (e.g., Baker et al. 2002; Grewal, Levy, and Kumar 2009; Jüttner et al. 2013; Lemke, Clark, and Wilson 2011; Macdonald, Wilson, and Konus 2012; Naylor et al. 2008; Otnes, Ilhan and Kulkarni 2012; Puccinelli et al. 2009; Rose et al. 2012; Verhoef et al. 2009). In addition, scholars have suggested that the relationships between customer experience and its antecedents, and customer experience to its consequences is moderated by several factors (e.g., Lemke, Clark, and Wilson 2011; Naylor et al. 2008; Puccinelli et al. 2009; Verhoef et al. 2009). Further, a review of the pertinent work within the marketing literature identifies that several methodologies, both conceptual and empirical, have been used to measure and assess customer experience.

2.3.1 Antecedents to customer experience

The extant work in the marketing literature has proposed and examined several antecedents to customer experience in various retailing and service provider contexts, including: the social environment, such as reference groups, reviews and word-of-mouth (e.g., Brocato, Voorhees, and Baker 2012; Otnes, Ilhan and Kulkarni 2012); the service interface, including self-service technology, service personal, co-creation and customisation (e.g., Meuter et al. 2005; van Dolen, Dabholkar, and de Ruyter 2007); merchandise and assortment (e.g., Baker et al. 2002; Janakiraman, Meyer, and Morales 2006); price and promotions, including loyalty programs (e.g., Gauri, Sudhir and Talukdar 2008; Noble and Phillips 2004); and atmospherics such as scents, music and colour (e.g., Baker et al. 2002; Kaltcheva and Weitz 2006). For instance, Baker et al. (2002) found that store environment cues such as social factors (i.e., store employee perceptions), store design perceptions, and ambient factors (i.e.,

store music perceptions) do influence consumers' experience with and assessments of a retail store. In addition, Naylor et al. (2008) identified that transformational advertising appeals influence the customer experience by making the consumer's experiences more enjoyable.

In 2009, the *Journal of Retailing* presented a special issue entitled 'Enhancing the Retail Customer Experience'. In this special issue, several papers gave attention to important customer experience topics and issues (e.g., Grewal, Levy, and Kumar 2009; Puccinelli et al. 2009; Verhoef et al. 2009). For instance, in Verhoef et al.'s (2009) conceptual paper on customer experience, the authors draw from prior research to propose several determinants of customer experience. The authors' holistic conceptualisation of customer experience revealed several antecedents to customer experience, including the social environment, service interface, retail atmosphere, assortment, price, alternative channel experiences, the retail brand and past customer experiences. Grewal, Levy and Kumar (2009) focus on the role of macro factors in the retail environment and how they can shape both the determinants of customer experience, and customer experience in general. The authors propose an organising framework that suggests macroeconomic factors such as gasoline prices, inflation, interest rates and declining stock markets affect both the firm-controlled determinants of the customer experience and the retail customer experience. The authors also suggest that the firm-controlled factors such as promotion, price, merchandise, supply chain and location influence customer experience in a retail setting. While the authors consider external market factors that may influence customer experience, they do not take into account other non-controlled firm factors (e.g., customer interactions with another customer) that can influence customer experience. In an effort to enrich the current understanding of customer experience management in retailing, Puccinelli et al. (2009) provide an overview of existing consumer behaviour literature and suggest that different elements of consumer behaviour play important roles at various stages of the buying process. Specifically, memory, attitudes, affective processing, atmospherics and consumer attributions and choices are suggested to influence the customer experience during different stages in the consumer decision process (i.e., need recognition, information search, evaluation, purchase and post-purchase stages). While the aforementioned studies suggest various antecedents to customer

experience, the articles are strictly conceptual in nature, failing to provide empirical evidence of the influence that the antecedents have on customer experience.

Succeeding the conceptual work of Verhoef et al. (2009), Grewal, Levy and Kumar (2009) and Puccinelli et al. (2009), several scholars began to examine empirically the important aspects of customer experience. For instance, Otnes, Ilhan and Kulkarni (2012) investigated how retailers and service providers use language to facilitate a specific type of customer experience. The authors find the way in which retailers and service providers perceive marketplace rituals (planned activities that providers execute for, and with, customers to enhance customer experiences) contribute to customer experience. In the context of online shopping, Rose et al. (2012) identify ten antecedent variables that independently influence the cognitive and affective experiential states of the online customer experience. These include, interactive speed, telepresence, challenge, skill, ease of use, customization, connectedness, perceived control, aesthetics and perceived benefits. In restaurant and hotel contexts, Jüttner et al. (2013) identify several stimuli within companies that can influence customer experience including; information, efficient service delivery, healthy food, choice of food and beverages, design, ambiance, amenities, fresh and high quality food, effective service delivery, location, customized service, friendly greeting and departure, pleasant service and personalised attention. The authors consider that the company's experience-driving stimuli, presented during an episode, trigger cognitive and emotional customer responses.

2.3.2 Consequences of customer experience

As customers consider their buying choices and where to make purchases, an enjoyable customer experience can increase significantly the chances that they will return to the same firm and spend more money, as well as the likelihood that they will spread positive word-of-mouth (Grewal, Levy, and Kumar 2009). Prior studies in the marketing literature have identified a number of outcomes that result from both positive and negative customer experiences (e.g., Baker et al. 2002; Grewal, Levy, and Kumar 2009; Lemke, Clark, and Wilson 2011; Macdonald, Wilson, and Konus 2012; Otnes, Ilhan, and Kulkarni 2012; Rose et al. 2012). Based on the propositions and findings from previous studies, the consequences of positive customer experiences include increased purchases and sales (e.g., Gentile, Spiller,

and Noci 2007; Grewal, Levy and Kumar, 2009), increased shopping visits and repurchase intentions (Baker et al. 2002; Grewal, Levy, and Kumar 2009; Macdonald, Wilson, and Konus 2012; Rose et al. 2012), improved value perceptions (Baker et al. 2002; Lemke, Clark, and Wilson 2011), increased customer satisfaction (Otnes, Ilhan, and Kulkarni 2012; Rose et al. 2012) and positive word-of-mouth (Grewal, Levy, and Kumar 2009; Lemke, Clark, and Wilson 2011).

Baker et al. (2002) demonstrate that when customers evaluate the physical store environment positively, they have more favourable merchandise quality perceptions, positive service quality perceptions and reduced shopping experience costs. These reactions, in turn, positively influence consumers' merchandise value perceptions and store patronage intentions. In an online experience context, Rose et al. (2012) find positive online customer experiences do influence the customer's level of satisfaction which, in turn, leads to trust in online shopping and online repurchase intentions.

Based on a qualitative study, Lemke, Clark and Wilson (2011) propose a conceptual model for customer experience quality and its impact on customer relationship outcomes. The authors indicate that customer experience does not have a direct influence on relationship outcomes; rather value-in-use mediates between customer experience quality and relationship outcomes such as commitment, purchase, retention and word-of-mouth. However, this affirmation is contested by other authors who consider that customer experience is linked directly to relationship outcomes (e.g., Berry and Carbone 2007; Gentile, Spiller, and Noci 2007; Grewal, Levy, and Kumar 2009).

In contrast to the consequences of positive experiences, negative customer experiences can have a detrimental affect on identified customer-company relationship outcomes (Shaw and Ivens 2002). For instance, a customer who has a poor experience at a restaurant may never want to go back to the restaurant and will advise their friends and family against frequenting the restaurant. In addition, Otnes, Ilhan and Kulkarni (2012) specify that consequences of negative customer experiences include a diminishing company reputation, customer perceptions of provider insincerity and customer perceptions of provider invasiveness.

2.3.3 Customer experience moderators

It has been observed widely that customer experience is contextual (Lemke, Clark, and Wilson 2011). Several scholars in the marketing literature have recognised that customer experience is based on the customer's internal and situational contexts (e.g., Verhoef et al. 2009), the extent to which their goals and/or motivation are hedonic versus utilitarian (e.g., Kaltcheva and Weitz 2006), and their level of involvement (e.g., Puccinelli et al. 2009). Thus, it can be seen that both situational and consumer factors may influence the way in which customers experience retailers and service providers.

2.3.3.1 Situational moderators

Verhoef et al. (2009) acknowledge the existence of potential situational moderators that may influence the affect of the antecedents to customer experience on the current experience. They suggest that the type of store, channel, location, culture, season, economic climate and competitive intensity may influence the way in which customers experience a situation. Lemke, Clark, and Wilson (2011, p. 863) term these types of moderators as the 'experience context', which is defined as the "aspects of the industry, market or product category which may shape expectations of the experience". The authors propose several factors that influence the way in which customers' experience and determine value. For instance, the authors suggest that whether the product/service category is inherently hedonic may influence whether hedonic experiences and value is sought. In addition, the transaction significance may lead to a greater weight of customer expectation, and the complexity of the product/service may increase the importance of the experience (Lemke, Clark, and Wilson 2011).

According to the research-shopper phenomenon, customers tend to use one channel for search and another for purchase (Verhoef, Neslin, and Vroomen 2007). Verhoef, Neslin, and Vroomen (2007) acknowledge that customers use different channels such as in-store, catalogue and the Internet for different shopping related tasks (i.e., search and purchase), and such channels offer different stimuli that can alter the customer experience (Konus, Verhoef, and Neslin 2008).

2.3.3.2 Consumer moderators

Given that experiences are inherently personal and exist only in the mind of an individual (Pine and Gilmore 1998), distinctive customer characteristics may cause customers to evaluate situations and experiences differently. Verhoef et al. (2009) posit that consumers' shopping goals moderate the affect of the determinants on customer experience. These goals are shaped not only by location and situational circumstances, but also by the consumers' personality traits and socio-demographic characteristics. Naylor et al. (2008) found that the affect of antecedent variable, 'transformational appeals' on customer experience is moderated by the consumers prior experience with the retailer. This was attributed to the fact that customers with prior experience had already formed expectations about the retailer and thus were not influenced by the transformational appeal. Furthermore, Konus, Verhoef, and Neslin (2008) suggest that psychographic and demographic customer characteristics produce different perceptions of the costs and benefits of multichannel experiences. The authors found that the multichannel experiences of consumers differ based on various consumer socio-demographic and psychographic traits; e.g., price consciousness, shopping enjoyment, innovativeness, motivation to conform, brand/retailer loyalty and time pressure.

To grasp a true understanding of customer experience, Puccinelli et al. (2009) affirm that marketers must recognise that consumers engage in shopping activities to achieve particular goals. Consumers shop for various reasons, which may not always include the need to purchase a product or service. Customers may engage in an activity for the purpose of entertainment, value attainment, recreation, social interaction or intellectual stimulation (Arnold and Reynolds 2003). In the conceptual paper by Puccinelli et al. (2009), the authors point out that the way in which a consumer perceives the shopping environment and its individual elements, their shopping behaviour and their shopping experience, is influenced by the consumer's goal. Thus, the same encounter may produce very different outcomes and feelings among people, depending on each consumer's goal for the shopping activity.

In addition to consumer goals, there is converging evidence in the extant literature demonstrating that consumer motivations account for differences in consumer experiences (e.g., Arnold and Reynolds 2003; Kaltcheva and Weitz 2006). Kaltcheva

and Weitz (2006) point out that task-oriented (utilitarian motivated) consumers derive satisfaction from the shopping activity outcome (e.g., the acquisition of the needed product, service or information) rather than from the activity itself. These consumers tend to focus more on efficiently completing the shopping activity to obtain the shopping outcome with minimal effort. On the other hand, recreational-orientated (hedonic motivated) consumers derive satisfaction from the shopping activity, with rich shopping experiences and environments appealing to these consumers. Such differences between consumer motivations can influence the manner in which customers evaluate their experience. For example, recreational-orientated customers may consider atmospherics in the store to be a more important driver of customer experience than do task-oriented customers.

Drawing from the above inferences and findings from the extant literature, it can be argued that customer experience assessments and subsequent behaviours are not only based on the antecedents of customer experience, but also may be shaped by various situational and consumer moderators relevant to the individual encounter.

2.3.4 Measuring customer experience

A review of the extant literature reveals that there are no uniform methods or approaches for the measurement of customer experience. Palmer (2010) acknowledges that the greatest problem in developing an operationally acceptable measure of customer experience is the complexity and context specific nature of the construct. Customer experience is defined by the experience of the specific customer, at a specific point in time and location, and in the context of a certain event (Prahalad and Ramaswamy 2003). Thus, to gain a true understanding of customer experience, researchers need to recognise and account for these moderating influences.

Given the difficulty of measuring customer experience in a way that takes into account contextual differences (between individuals and situations), many researchers have argued that qualitative approaches are the only way to gain an understanding of experience from the consumer perspective (e.g., Holbrook and Hirschman 1982; Jüttner et al. 2013; Ordenes et al. 2014; Tynan, McKechnie, and Hartley 2014). A common research approach that has been advocated for understanding customer experience is phenomenology. From a phenomenological

perspective, customer experience is seen as a wide range of activities and states of being, such as aesthetics, symbolic meanings, variety seeking, hedonism, daydreaming, creativity, emotions and artistic endeavours (Palmer 2010). Tynan, McKechnie, and Hartley (2014) adopted a phenomenological approach for examining customers' 'lived experiences' to gain insight into individual opinions, feelings, emotions and experiences. This post-experience phenomenological method enabled the authors to capture rich information from individuals whose accounts of the experience were contextualised within their 'lifeworld' contexts.

In addition to the phenomenological approach, a number of scholars have introduced alternative qualitative techniques in an effort to examine and assess customer experience. For instance, Lemke, Clark, and Wilson (2011) used repertory grid technique, a form of structured interviewing that aids in breaking complex personal views into manageable sub-components of meaning. Jüttner et al. (2013) applied the sequential incident laddering technique to measure customer service experiences. Their technique integrated two well-established qualitative methods in service researching: sequential incident and laddering techniques. The approach enabled the researchers to identify key themes of the proposed experience concept and experience formation process. Ordenes et al. (2014) employed linguistics-based text mining modelling to analyse customer feedback. The authors consider that collecting and analysing explicit, unstructured customer feedback provides organisations with richer information about the customer experience. While each of these approaches has advanced researchers towards a better understanding of customer experience, there are limits to verbal and textual analysis techniques. As a consequence, researchers are unable to quantify customer experience and its subsequent effects through these research approaches.

Recently, there has been a drive towards quantitative measurement of the customer experience construct. In order to quantify customer experience, some scholars have shown that the key lies within measuring the individual dimensions of customer experience (e.g., Brakus, Schmitt, and Zarantonello 2009; Maklan and Klaus 2011; Rose et al. 2012). For instance, in an online context, Rose et al. (2012) recognise that customers engage in both cognitive and affective processing of incoming sensory information from the website. Therefore, the authors assessed online customer

experience through the consumers' cognitive and affective experiential states. Maklan and Klaus (2011) developed a measure of customer experience quality, which is based on four dimensions: piece of mind, outcome focus, moments of truth and product experience. However, this customer experience quality scale fails to capture a critical aspect of customer experience - the affective (or emotional) component. Brakus, Schmitt and Zarantonello (2009) distinguished several experience dimensions; sensory, affective, intellectual and behavioural. In addition, they constructed a scale to measure brand experience, though the scale is limited to consumer experiences with brands and cannot be applied to broader customer experiences.

2.3.4.1 Touch point experience versus overall experience

In the literature, two different conceptualisations of customer experience can be distinguished; touch point experience and overall experience. From a touch point experience perspective, customer experience is assessed based on the interaction at the particular touch point (Zomerdijk and Voss 2010). Touch point experience evaluations provide rich customer insights into the distinct 'moment of truth', enabling companies to understand 'what happened' and 'how it happened' at a particular moment in time (Macdonald, Wilson, and Konus 2012).

By comparison, scholars argue that customer experience develops throughout the customer journey and, therefore, should be assessed as the totality of all customer interactions. For instance, Verhoef et al. (2009, p. 32) explain that customer experience "encompasses the total experience, including the search, purchase, consumption, and after-sale phases of the experience". From this perspective, customers often are asked to assess their experience based on either a recollection of their past experiences or their 'overall experience' with a company. For instance, Rose et al. (2012) viewed online customer experience as cumulative over time. In their methodology, the authors did not require respondents to rate one specific online shopping interaction (touch point) but rather generalise across recent occasions.

2.3.4.2 Real-time feedback versus post-experience feedback

There are two dominant perspectives that relate to when customer experience feedback should be collected; in real-time (during the experience) and post-

experience (a period of time after the experience has happened). The timing of the customer experience assessment (i.e., real-time or post-experience) is driven by the researcher's standpoint on whether customer experience should be measured at individual touch points or as an overall evaluation of the touch points accrued throughout the customer journey. In an encounter-based (touch point) perspective of customer experience, measurement is associated with the view that experience evaluations should be made in real-time, whereas overall experience evaluations of the entire customer journey are assessed post-experience.

A review of the extant literature that empirically examined customer experience reveals that use of post-experience evaluations is the dominant approach for collecting feedback on customer experience (e.g., Baker et al. 2002; Jüttner et al. 2013; Naylor et al. 2008; Rose et al. 2012). These scholars contend that, in order to assess the 'total experience', customer experience should be measured as a post-experience evaluation. From this perspective, scholars recognise that while attitudes towards an experience may adjust over time, customers' re-purchase intentions are influenced by their attitude at the time of re-purchase, as opposed to the time of the lived encounter. In addition, in the assessment of value derived from the experience, Tynan and McKechnie (2009) point to customers' judgments being made and accumulated throughout the consumption process and not merely at the point of exchange.

In contrast to the post-experience evaluation perspective, scholars have argued that to be able to gain a true insight into consumers' 'lived' experiences, customer experience assessments should be made at the time of the experience, that is, in 'real-time'. This is because customers' memories of encounters with a company fade rapidly and are often biased by whether or not a transaction occurred (Macdonald, Wilson, and Konus 2012). Macdonald, Wilson and Konus (2012) emphasise the importance of using real-time measures by explaining that once a customer has made a transaction, he/she is has a tendency to remember his/her experience of the purchase more positively in order to justify their purchase. The authors contend that real-time assessments of customer experience suffer less from these problems because feedback is captured during or almost immediately after the encounter, before the memory fades or becomes biased. Furthermore, over time, there is a

tendency for customers to forget selectively the elements of a total experience (Palmer 2010). Drawing from the cognitive psychology literature, an individual's perception is selectively interpretative in nature, and thus, their judgments may not be stable over time. For instance, Abercrombie (1967, p. 32) points out that, "with the passage of time, experiences which at first were defined and separate from each other tend to become associated and confused. It is not so much that we actually forget things, but that we misremember them".

It has been noted also that post-experience evaluations may be overstated as customers have a tendency to look back at an encounter more favourably through what has been described as 'rose-tinted spectacles' (Palmer 2010). This can be explained through cognitive dissonance theory (Festinger 1957), which suggests that individuals are likely to rationalise away unfavourable experiences over time. With this being said, post-experience evaluations may provide inaccurate accounts of how the customer felt at the time of the experience. While customers may 'come to terms' with a poor experience over time, it is important for companies to receive customer feedback that highlights aspects of the encounter that require improvement to ensure that future customers do not experience similar problems and issues. Thus, for the purpose of this research, the researcher adopts the viewpoint that customer experience should be measured at individual touch points and, thereby, places importance on measuring customer experience in real-time.

A summary of the existing research on customer experience is presented in Table 2.4.

Table 2.4 Summary of existing customer experience research

Author	Methodology	Touch point/ overall experience	Real-time/ post-experience	Antecedents	Consequences	Moderators	Key findings
Baker et al. (2002)	Empirical investigation in a retail context	Overall experience	Post-experience feedback	Store employee perceptions, store design perceptions, store music perceptions	Merchandise value perceptions, store patronage intentions	-	Find design cues to have a more pervasive influence on customer perceptions of the store than do store employee and music cues.
Naylor et al. (2008)	Field study and experiment	Overall experience	Post-experience feedback	Transformational advertising appeals	-	Prior experience	The results suggest that transformational advertising appeals affects consumers' initial experiences, but are not effective when a consumption experience is already defined.
Verhoef et al. (2009)	Conceptual paper	Overall experience	-	Social environment, service interface, atmosphere, assortment, price, alternative channel experiences, retail brand, past customer experiences	-	Situational moderators, consumer moderators	A conceptual model is proposed, in which the determinants and moderators of customer experience are discussed.
Grewal, Levy, and Kumar (2009)	Conceptual paper	Overall experience	-	Macro factors, promotion, price, merchandise, supply chain, location	Customer satisfaction, shopping visits, share of wallet, profit	-	An organising framework is presented, identifying the role of macro factors in the retail environment and their influence on customer experience and subsequent behaviours.
Puccinelli et al. (2009)	Conceptual paper	Overall experience	-	Memory, attitudes, affective processing, atmospherics, attributions and choices	-	Goals, schema and information processing, involvement	Seek to enrich the understanding of customer experience, the authors provide an overview of existing literature. The authors indicate that specific aspects of consumer behaviour play important roles at various stages of the consumer decision process.

Author	Methodology	Touch point/ overall experience	Real-time/ post-experience	Antecedents	Consequences	Moderators	Key findings
Lemke, Clark, and Wilson (2011)	Repertory grid technique in a B2C and B2B context	Overall experience	Post-experience feedback	Communication encounter, service encounter, usage encounter	Value-in-use Commitment Purchase Retention Word of mouth	Hedonism of product, involvement, product complexity, relationality	Customer experience quality is judged with respect to its contribution to value-in-use. In assessing experience quality in a B2B context, customers place a greater emphasis on firm practices that focus on creating and delivering value-in-use.
Otnes, Ilhan, and Kulkarni (2012)	Depth interviews and participant observation	Overall experience	Post-experience feedback (interviews)	Marketplace rituals	Customer satisfaction, perceived risk, connectedness, customer complaining	-	The authors take a focused approach to the study of language within the marketplace ritual. The findings show that the language during provider/customer interactions may differ within different types of marketplace encounters.
Rose et al. (2012)	Empirical investigation in an online context	Overall experience	Post-experience feedback	Interactive speed, skill, telepresence, challenge, ease of use, customisation, connectedness, perceived control, aesthetics, perceived benefits	Online shopping satisfaction, trust in online shopping, online repurchase intention	-	The study provides an empirical investigation of the relationship between antecedents and outcomes of online customer experience. The authors find that online customer experience contains both cognitive and affective experiential states.
Macdonald, Wilson, and Konus (2012)	Empirical investigation	Touch point experience	Real-time feedback	-	Purchase likelihood Brand selection	-	The authors present a mobile-phone-based experience tracking tool that can supply instant customer feedback. Using this tool, touch points can be closely correlated with individual customer behaviours, such information requests or repurchase intentions.
Jüttner et al. (2013)	Sequential incident laddering technique in hospitality contexts	Overall experience	Post-experience feedback	Various company stimuli (e.g., choice of food and beverage, ambiance, amenities, fresh and high quality food, information, personalisation etc.)	-	Personal values	Customers have cognitive and emotional responses to company stimuli that occur across several episodes of the service interaction process. Personal values play an important role in the customer experience creation process.

2.4 Research contribution

After a thorough review of the extant literature on customer experience, it is evident that several significant research gaps exist. In an attempt to move forward the body of knowledge on customer experience, the intention of the researcher is to explore identified gaps in order to make a substantial theoretical and methodological contribution to the customer experience discipline as well as to the broader marketing literature.

2.4.1 Gaps in the extant customer experience literature

Although scholars have begun to recognise customer experience as an important topic worthy of research, the 'newness' of the construct leaves several areas unexplored. Specifically, a review of the pertinent work on customer experience reveals several theoretical and methodological gaps in the literature.

2.4.1.1 Theoretical research gaps

Scarce investigations on customer experience 'touch points'

The existing work on customer experience identifies that customers form evaluations of their experience at different touch points. Prior studies have identified different types of stimuli that influence customer experience at different touch points. However, these stimuli only reflect something that a company orchestrates and, thus, fails to take into account aspects that customers encounter from a subjective customer perspective. Up to the present time, there have been no attempts to identify, categorise and define the distinct elements that occur during customer experiences at different touch points.

Limited holistic models of customer experience that take into account the antecedents to, consequences of, and moderators of customer experience

While various studies have explored the antecedents to, consequences of, and moderators of customer experience, these areas have been explored predominantly in isolation. For example, some studies consider the antecedents to and consequences of customer experience, but do not examine consumer or situational moderators that could influence customer experience

assessments (e.g., Grewal, Levy, and Kumar 2009; Rose et al. 2012). Of the existing work in the customer experience literature, very few studies have proposed a holistic theoretical model that 'pieces together' the antecedents to, consequences of, and moderators of customer experience (see Table 2.4 above).

In addition, the academic attention paid to the holistic customer experience is predominantly conceptual. While it is acknowledged that empirical work on customer experience has been conducted, both qualitatively and quantitatively, these studies have examined different areas of customer experience in isolation. Up to the present time, there have been limited attempts to develop and empirically test a holistic model of customer experience that takes into account the antecedents to, consequences of and moderators of customer experience.

Limited empirical evidence to show support for whether customer experience enhances firm value

Practitioners and academics alike emphasise that positive customer experiences enhance firm value; however, very few studies have attempted to quantify this. Moreover, in the studies used to assess the influence of customer experience on firm outcomes (e.g., Macdonald, Wilson, and Konus 2012; Rose et al. 2012) there has been a reliance primarily on 'soft' metrics (i.e., consumer intentions). To the researcher's knowledge, to date, there has been no attempt to assess the influence of customer experience on 'actual' firm value through hard financial metrics (e.g., actual purchases and sales), which will indicate the true financial impact of customer experience.

2.4.1.2 Methodological research gaps

Scant assessments of customer experience in real-time

A review of pertinent empirical literature related to customer experience reveals that the post-experience evaluation approach is the dominant method for collecting feedback on customer experience. However, to be able to gain a true insight into consumers' 'lived' experiences, customer experience

assessments should be made at the time of the experience (in real-time). With the exception of Macdonald, Wilson, and Konus (2012) no studies to date have investigated customer experience empirically at individual touch points in real-time.

2.4.2 Significance of gaps in the customer experience literature

Understanding to enable the enhancement of the customer experience sits atop most marketing and chief executives' agendas, both in services and retailing fields and remains a critical area for academic research (Grewal, Levy, and Kumar, 2009). Academic thought leaders in the marketing field have supported this notion by publishing special issue journals and calling for research in the area. For instance, the Marketing Science Institute (MSI) called for research on the customer experience in both the 2010-2012 and the 2012-2014 Research Priorities booklet. The 2012–2014 MSI Research Priorities emphasised the demand for research in this area, declaring that "what matters are the moments of truth, understanding how to capture, research, and assess these moments in the customer purchase journey will make us smarter marketing scientists" (Deighton, Rizley, and Keane 2012, p. 3). Thus, it can be seen that further exploration into the 'moments of truth' (touch points) is a noteworthy topic that requires further research. In addition, an empirical assessment of customer experience at different touch points is required to develop rich insight into the customer experience construct.

2.4.3 Contributions of the research

In an effort to extend the body of knowledge on customer experience, the researcher's intention is to address the identified theoretical and methodological research gaps, thereby making a contribution to the customer experience discipline.

2.4.3.1 Theoretical contributions

Identification, scope and definitions of the distinct elements that comprise customer experience touch points

Much is yet to be known about the distinct elements that encompass touch points. In this research, the intention is to identify, categorise and define the distinct elements that occur during customer experiences at different touch

points. A comprehensive understanding of customer experience touch points will enable deeper insight into the distinct components that shape the customer experience.

Offer a theoretical model of customer experience that encompasses the antecedents to, consequences of, and moderators of customer experience

Drawing from the prior customer experience propositions and findings, and from new insight on the touch point elements in the research (see above theoretical contribution), the intention is to contribute to the body of knowledge on customer experience by proposing a theoretical model of the customer experience. Through a holistic conceptualisation, the researcher will develop and test a theoretical model that encompasses the antecedents to, consequences of, and moderators of customer experience.

Quantify the affect that customer experience has on firm value (through customer intentions and actual purchase behaviour)

The value creating role that customer experience plays for a firm continues to be discussed by practitioners, yet research support for this claim is comparatively slight. In this study, the intention is to contribute to customer experience research by empirically examining the influence of positive customer experiences on firm value using both soft (customer intentions) and hard (actual purchase behaviour) metrics.

2.4.3.2 Methodological contributions

Quantitative real-time assessment of customer experience at individual touch points

Given the importance of capturing customer experience assessments in at the 'time of the experience' and the lack of studies employing real-time measures, the intention is to provide a methodological contribution to the customer experience research by developing a tool to capture customer experience feedback instantaneously at individual touch points. A real-time assessment mechanism that collects data on the customer experience (including the antecedents to, consequences of, and moderators of customer

experience) will enable the researcher to quantify the effects of potential relationships among the constructs.

A summary of the identified research gaps and research contributions is presented in Table 2.5.

Table 2.5 Summary of research contributions

	Research Gap	Research Contribution
Theoretical	Scarce investigations on customer experience 'touch points'.	Identification, scope and definitions of the distinct elements that comprise customer experience touch points.
	There has not been a 'complete' examination of customer experience that takes into account the antecedents to, consequences of, and moderators of customer experience.	Develop and empirically test a holistic model of customer experience that encompasses the antecedents to, consequences of, and moderators of customer experience.
	Limited empirical evidence to show support for whether customer experience enhances firm value.	Quantify the affect that customer experience has on firm value (through customer intentions and actual purchase behaviour).
Methodological	Scant assessments of customer experience in real-time.	Provide a quantitative real-time assessment of customer experience at individual touch points.

2.5 Conclusions and chapter summary

In this chapter, the researcher has scrutinised critically the extant work and literature pertaining to the emerging concept of customer experience. The chapter began with a review of the origins of the 'customer experience' phenomenon. While it was discovered that customer experience is a relatively novel concept, customer experience is rooted in the works of experiential consumption, the experience economy and experiential marketing, which dates back to the early 1980s.

The researcher explored the customer experience construct by highlighting the different definitions, perspectives and dimensions of the concept. Given the ambiguous manner in which the customer experience construct has been applied, customer experience was compared, contrasted and distinguished from other

marketing constructs. The review of the customer experience literature indicated that emotions play a large role in customer experience and also emphasised the importance of customer experience in enhancing firm value. In addition, 'touch points' and the 'customer journey' were introduced as important concepts for understanding customer experience.

In an effort to comprehend the current body of knowledge on customer experience, the researcher reviewed seminal studies to identify the antecedents to and consequences of customer experience. The researcher also discovered that customer experience is contextual in nature, which lead the researcher to identify various consumer and situational moderators that can influence customer experience evaluations. In addition, it was found that various methodological approaches and perspectives for measuring customer experience exist in the literature.

Finally, the review of the pertinent work on customer experience revealed several theoretical and methodological gaps in the literature worthy of future investigation. Accordingly, the researcher determined to contribute to the customer experience research by addressing the identified research gaps in Study 1 and 2, as described in the following chapters.

CHAPTER 3

STUDY 1: IDENTIFYING CUSTOMER EXPERIENCE TOUCH POINT ELEMENTS

3.0 Introduction

Presented in Chapter 3 is the initial study in this research, which is aimed to address the first research question, 'What are the distinct elements of customer experience touch points?' Based on the extensive literature review in Chapter 2, it is evident that the phenomenon of 'customer experience touch points' is a relatively new concept and has not received much attention from marketing academics. Therefore, Study 1 was conducted solely to identify the elements that encompass customer experience touch points. The chapter is begun with a discussion on customer experience touch points. Next, the methodology employed in this study is detailed, which involves a qualitative research design and the sequential incident technique. Finally, the results of the qualitative data analysis are presented.

3.1 Customer experience touch points

Customer experience develops throughout all touch points and episodes encountered during the service delivery process (Jüttner et al. 2012; Frow and Payne 2007). These touch points may exist pre- and post-purchase (e.g., Meyer and Schwager 2007; Zomerdijk and Voss 2010; Tynan and McKechnie 2009) and occur in different retail channels (Verhoef et al. 2009). Meyer and Schwager (2007) point out that touch points may not be linked necessarily or directly to a company, suggesting that indirect interactions also emerge during unplanned encounters with representatives of a company's products, service or brands (e.g., recommendation or criticism conversations, news reports, reviews etc.). Touch points occur whenever a customer 'touches' any part of the product, service, brand or organisation, across multiple channels and at various points in time (Zomerdijk and Voss 2010). The customer journey, therefore, is formed by a series of touch points. From this perspective, touch points occur at all stages of the customer journey including the search, evaluation,

purchase and after-sale phases of the experience (Verhoef et al. 2009). Past studies that have examined customer responses during particular episodes or events have relied predominantly on using cues, stimuli and service encounters (Baker et al. 2002; Bitner 1992; Brakus, Schmitt, and Zarantonello 2009; Brocato, Voorhees, and Baker 2012; Jüttner et al. 2012; Rose et al. 2012). Whereas cues, stimuli and service encounters reflect something that a company orchestrates for the customer, touch points represent what actually happens from the customer's perspective (Zomerdijk and Voss 2010). Thus, an in-depth understanding of customer experience touch points can only be comprehended through a subjective customer perspective (Lemke, Clark, and Wilson 2011).

3.2 Methodology

Investigating customer experience touch points requires rich insights into the specific elements that form the distinct 'moment of truth' interactions. In this study, a qualitative research approach was employed to build a complex and holistic understanding of a situation (i.e., touch point) through an in-depth analysis of recalled accounts of customer experiences from informants.

3.2.1 Exploratory research design

Considering the discovery-oriented goal in this study (Wells 1993), the research design is primarily exploratory in nature. Exploratory research provides insights into a problem situation confronted by the researcher (Malhotra 1999) and is conducted to clarify ambiguous situations, define the research problem more precisely, or discover new ideas that may open up potential opportunities for further research. An exploration into the customer experience touch points phenomenon requires a qualitative approach to unveil an in-depth understanding of the area.

3.2.2 Qualitative approach

Qualitative research is an inquiry process of understanding based on distinct methodological traditions of inquiry that explore a social or human problem (Creswell 1998). In qualitative research, the investigator is able to build a complex and holistic understanding of a situation through analysis of words, reports and detailed views of informants in a natural setting (Creswell 1998). Customer experience is subjective and perceptual in nature, and may hold a different meaning

to each customer (Lemke, Clark, and Wilson 2011). Thus, in order to gain such in-depth customer insights, researchers are required to put themselves into the customers' shoes to describe and interpret customers' experiences using qualitative methods for data collection (Fournier 1998). In addition, since this study is concerned primarily with understanding the distinct elements that encompass customer experience touch points, which may vary with different industries and contexts, a qualitative research approach is deemed most suitable.

3.2.3 Sequential incident technique

The sequential incident technique (SIT) is a qualitative interviewing technique that is process-oriented and facilitates the collection of incidents perceived by customers during the service delivery process (Stauss and Weinlich 1997). The technique is based on the critical incident technique (CIT) (Gremler 2004), which is a qualitative interview procedure that "facilitates the investigation of significant occurrences (events, incidents, processes, or issues) identified by the respondent, the way they are managed, and the outcomes in terms of perceived effects" (Chell and Pittaway 1998, p. 56). The SIT adopts the 'incident telling' concept of CIT, while also considering the normal, uncritical incidents that may take place during an event (Jüttner et al. 2012). The benefit of using such a technique is that it enables researchers to focus on a very specific phenomenon by defining the specific aim of the study which, in turn, helps to identify important thematic details and examples to support the findings (Gremler 2004). Both the SIT and CIT have been used extensively to explore the service delivery process (e.g., Chell and Pittaway 1998; Grace 2007; Jüttner et al. 2012; Keaveney 1995; Van Dolen et al. 2001). These techniques employ a story telling approach, which enables informants to use their own words when describing and evaluating all events they recall from the particular service encounter.

Using the SIT, informants are guided on the basis of a visualised customer path through all episodes (touch points) that customers typically follow during the customer journey (see Figure 3.1). Within each episode (touch point) informants are asked to report any incidents they remember and describe them as precisely as possible (Jüttner et al. 2012). For the purpose of this study, SIT is used to elicit the descriptions of the touch points a customer encounters in the course of their customer

journey. The SIT is adopted to capture the dynamic, procedural nature of the customer experience, which is subjective and perceptual to the individual customer.

Figure 3.1 Application of the sequential incident technique to touch point research
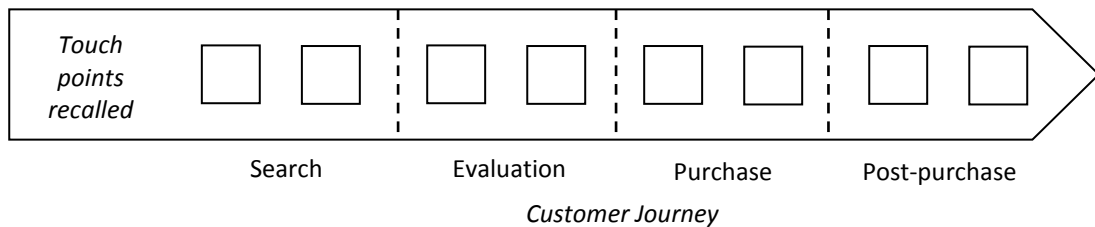
3.2.4 Selection of sample informants

To unearth the distinct elements that encompass customer experience touch points in a business-to-consumer context, the study was not designed to focus on one particular industry; instead, several retail and service industries were explored. This approach enabled data collection from varying industries that offer their products or services through several channel formats (e.g., in-store, online, telephone etc.) and provided a representation of a wide array of customer experiences (Konus, Verhoef, and Neslin 2008). A critical aspect of the current research is that the informant (i.e., customer) can recall the distinct incidences (touch points) across the customer journey and provide a descriptive account of these incidences. Therefore, this study required detailed interview narratives from customers who had had a recent experience of any retail and service industry. To ensure that the informants represented varying age groups and gender, purposive sampling was employed. Purposive sampling, as opposed to random sampling, is most suitable for exploratory research designs as it enables the researcher to capture information from informants with varying demographics (Miles and Huberman 1994).

3.2.5 Semi-structured interview schedule

At the start of the interview, informants were asked to think of a recent experience they had had with a retailer or service provider of their choice. Then they were asked to name the retailer/service provider and present a brief description of their experience. This was aimed at providing the informants with comfort and freedom to

describe their experience with ease (Arksey and Knight 1999). In addition, the informants were asked what they were trying to achieve during the experience (i.e., to make a purchase, search for information, browse etc.) and how much familiarity they had with the particular retailer/service industry to provide further context to the experience. Next, in line with SIT research, the informants were asked to recall and describe any incidents that they remembered. In accordance with the conceptualisation of customer experience touch points, the incidents are not necessarily critical but comprise any distinct interaction that the customer recalls. In order to assess the relative importance of the incident in their experience, informants were asked which previously recalled incident had the greatest impact on their overall experience. During the interview, informants were probed for further insights into the incidents they encountered at each stage of the customer journey (i.e., search, evaluation, purchase and post-purchase). All probing questions were designed for the interviewer to use with judgment to probe the informant if they didn't naturally discuss the issues. Table 3.1 provides the schedule that was used to guide the researcher during the semi-structured interviews.

Table 3.1 Semi-structured interview schedule

Interview Questions
Please think of an experience that you recently had with a retailer or service provider of your choice.
1. What is the name of the retailer or service provider?
2. Please briefly describe your experience.
3. What were you trying to achieve during this experience?
4. How familiar are your with [retailer/service provider]?
5. Please recall and describe the incidents that occurred during your experience with [retailer/service provider].
6. What incident had the greatest impact on your overall experience with [retailer/service provider]?

Probing Questions
Search phase
1. How did you find out about [retailer/service provider]?
2. What particular incidents occurred while you searched for [retailer/service provider]?
Evaluation phase
1. Why did you choose [retailer/service provider]?
2. What particular incidents occurred while you were considering [retailer/service provider]?

Purchase phase
1. Did you make a purchase during your experience with [retailer/service provider]?
2. What particular incidents occurred while you were making a purchase [retailer/service provider]?

Post-purchase phase
1. Did you do anything in relation to [retailer/service provider] after your experience that you described?
2. What were the incidents that occurred at this time?

3.2.6 Conducting the interviews

A purposive sample of 35 potential informants was identified by the researcher from personal contacts. The researcher initially contacted the potential informants via email to invite them to participate in the study. The email (see Appendix 1) assured the informants of their confidentiality and emphasised the voluntary nature of participation in the study. Of the potential informants who were contacted, 24 (69%) responded to the email and consented to being interviewed. Upon receiving emailed consent, the researcher organised a suitable time, date and location for the interview to be conducted with each of the informants.

A total of 22 semi-structured interviews were conducted. Some of the informants chose to report multiple experiences with different retailers/service providers during the interview. Therefore, a total of 28 customer experience narratives were revealed. The researcher stopped at the 22nd semi-structured interview as the researcher realised that the findings from the interviews appeared to be generating information saturation (Guest, Bunce, and Johnson 2006). The thematic analysis of the 28 customer experience narratives from 22 semi-structured interviews revealed repetitive themes, which lent support for the information saturation decision when themes converged (Eisenhardt 1989). A cross-case analysis of the repetitive themes revealed that no new themes arrived after the 18th interview. Yet, it was decided to conduct additional semi-structured interviews in order to assure that no further themes were revealed. The average duration of the interviews was approximately 35 minutes. All interviews were recorded using an audio recording device and were transcribed by the researcher.

3.2.6.1 Informant demography

The demographics of the sample informants are presented in Table 3.2. Of the 22 informants, 9 (41%) were male and 13 (59%) were female. The age of informants ranged from 19 to 62 years and the average age was 38 years. The informants also varied in terms of occupation. Given that the industry context was not pre-defined, informants could choose to discuss any retailer or service provider with whom they had had a recent experience. This resulted in customer experience narratives from a range of retailers and service providers. Of the 28 customer experience narratives, 15 narratives related to retail industries, including: hardware stores, book stores, electronics stores, fashion apparel retailers, online retailers, department stores, supermarkets and gift stores. Furthermore, 13 narratives related to service industries, including: hotels, travel agencies, cafés, restaurants, airlines, health clubs, banks, hairdressers, telecommunications providers and bars.

Table 3.2 Demographic characteristics of the sample informants

No.	Gender	Age	Occupation	Retailer/Service Provider
1	Female	26	Student	Hotel, travel agency
2	Male	48	Business manager	Hardware store
3	Female	51	Homemaker	Book store
4	Male	47	Teacher	Electronics store
5	Male	39	Lecturer	Fashion apparel retailer
6	Female	49	Finance officer	Café
7	Female	22	Human resources	Online retailer, restaurant
8	Female	30	Administrator	Department store
9	Male	36	Information technology	Electronics store
10	Female	49	Administrator	Department store
11	Female	28	Human resources	Fashion apparel retailer
12	Female	33	Human resources	Café
13	Female	19	Student	Fashion apparel retailer
14	Male	42	Lecturer	Airline
15	Female	21	Student	Café, fashion apparel retailer
16	Male	38	Labourer	Health club
17	Male	54	Business manager	Bank, gift store
18	Female	52	Homemaker	Supermarket
19	Female	26	Financial consultant	Hairdresser, department store
20	Male	41	Small business owner	Telecommunications provider
21	Female	62	Retired	Restaurant
22	Male	23	Student	Bar, supermarket

3.2.7 Validity

In order to ensure validity of the qualitative data four procedures were employed. First, the researcher sought expert opinion from three marketing academics to assess the wording and flow of the semi-structured interview questions. Second, the interview questions were pre-tested with two informants to evaluate whether the wording and flow of questions made sense to the informants. The semi-structured interview schedule was adjusted according to the suggestions received from both the experts and informants from the pre-tests. Third, to avoid possible contamination of the extracted data (Colgate et al. 2007), the research avoided using any specific marketing literature terminology or jargon (e.g., touch points, customer journey etc.) during the interviews. Fourth, the informants were screened prior to the interview to ensure that they were suitable for the research; e.g., that they had had recent retailer/service provider experiences.

3.2.8 Recording, transcribing and analysing the semi-structured interviews

All interviews were recorded with a digital voice recorder to provide accuracy in transcribing the interview. Voice recording is necessary for qualitative research as it does not alter the conversation between the interviewer and informant, and provides the researcher with a record of all words spoken during the interview (Patton 1990). The recorded interviews were transcribed within one day after each interview to ensure that the interviews could be thoroughly recalled by the researcher, thereby, guaranteeing accuracy of transcriptions (Biernacki and Waldorf 1981). Furthermore, to avoid the dilution of data quality, the researcher did not conduct more than one interview in a day. A sample transcript of a semi-structured interview is provided in Appendix 2.

3.3 Data analysis and results

3.3.1 Thematic qualitative analysis

For the purpose of Study 1, an inductive thematic analysis technique (Braun and Clarke 2006) was employed. Thematic analysis is a method for identifying, analyzing and reporting patterns or themes within data (Braun and Clarke 2006). Such qualitative analysis technique enables researchers to organise, describe and interpret the data set in rich detail relevant to the research topic (Boyatzis 1998).

Thematic analysis focuses on the recurring 'themes' within the data. A theme captures an important aspect of the data in relation to the research question, representing some level of patterned response or meaning (Braun and Clarke 2006). The themes within data can be identified in one of two primary ways in thematic analysis: inductively (e.g., Frith and Gleeson 2004) and deductively (e.g., Boyatzis 1998). Inductive thematic analysis identifies themes that are strongly linked to the data themselves (Patton 1990). Specific research questions evolve through the coding process of inductive analysis. In contrast, deductive thematic analysis is driven by the researcher's theoretical or analytical interest area; meaning that the themes identified are based on whether the topic captures something important to the overall research framework (Braun and Clarke 2006). Given that this study was conducted to identify the distinct elements of customer experience touch points through qualitative data, the researcher used an inductive process to work from the words of each participant's responses to identify and code themes related to the specific elements of customer experience touch points.

3.3.2 Data analysis process

The data obtained from the qualitative interviews were analysed thematically using NVivo. NVivo is a qualitative data analysis software program that assists researchers in undertaking an analysis of qualitative data (Bazeley and Jackson 2013). Nvivo supports thematic analysis by providing researchers with a tool to code data into themes. In this study, NVivo helped the researcher to (i) manage, organise and keep track of the qualitative data records, (ii) provide rapid access to theoretical knowledge generated in the course of the study and the data that supports it, (iii) query data through questions as part of an ongoing enquiry process, (iv) visualise the data by showing the content and structure of cases, and concepts, and (v) report the data using contents of the qualitative database, including information about the data sources, the knowledge developed and the process by which the outcomes were reached. The thematic qualitative analysis in this study followed the recommended approach from Braun and Clarke (2006), proceeding in six steps (see Table 3.3).

Table 3.3 Steps of thematic analysis

Step	Description of the process
1. Data familiarization	• Data was transcribed and read by the researcher. • Initial ideas were noted. • Transcripts were uploaded to NVivo.
2. Initial code generation	• NVivo was used to automatically and manually detect patterns in the data that are relevant to the research question and collated data applicable to each code.
3. Searching for and identifying themes	• NVivo was used to collate codes into potential themes, gathering all data relevant to each theme.
4. Reviewing themes	• Refinement of themes. • Checking if the themes work in relation to the entire data set. • Cross-case analysis.
5. Defining and naming themes	• Refining the specifics of each theme, generating clear definitions and names for each theme.
6. Reporting the themes	• Selections of vivid and compelling extracts from the data set. • Analysis of extracts, relating back to the research question and literature.

First, the researcher became familiar with the data by transcribing the interviews and reading over the interview transcripts. During this process, the researcher made initial notes based on the interviews and uploaded the transcripts to NVivo to start the analysis. Second, to determine recurring themes and patterns from the data, an initial set of codes were generated. Codes identify a feature of the data that appears interesting to the researcher (Braun and Clarke 2006). The main purpose of coding is to organise the data into meaningful groups (Tuckett 2005). NVivo allows the researcher to use an automatic pattern detecting function or manual detection to code the data. For the purpose of this study, the researcher used a combination of these NVivo methods to apply suitable codes to the data, making sure that all codes were within the context of the research question and developed from the actual words used by informants. Third, the codes (identified in Step 2) were collated into potential themes. This step requires the researcher to re-focus the analysis at the broader level of themes, rather than at the individual coding level (Braun and Clarke 2006). This

involves sorting the different codes into potential overarching themes and collating all the relevant coded data extracts within the identified themes. The researcher employed NVivo to organise the codes (identified in Step 2) into potential themes, gathering all data relevant to each theme. Fourth, the researcher reviewed the themes by conducting a cross-case analysis (Miles and Huberman 1994). This process involves matching themes across interview transcripts in order to identify the frequency of repeated themes across informants. Nvivo assisted the researcher with identifying recurring patterns and themes across the entire data set to review and confirm the initially identified themes (Step 3). Fifth, the scope and content of each theme were further refined. This enabled the researcher to generate clear definitions and titles for each theme. The labels of the identified themes were driven by both the existing literature as well as derived from the data (Saunders, Lewis, and Thornhill 2009). The themes, their respective codes and sample extracts are presented in Table 3.4, while the definition of each theme is presented in Table 3.5. Finally, Step 6 involves reporting the themes, along with extract examples from the data, to provide a concise, coherent, logical, non-repetitive and interesting account of the story that the data tells (Braun and Clarke 2006). All extracts and discussion should align with the research question and relate back to prior literature. The results from the final qualitative thematic analysis (Step 6) are reported in Section 3.3.3.

Table 3.4 Themes and codes from the thematic analysis

Theme	Code	Example
Atmospheric elements	Amenities	"My gym has these quiet rest areas with lounges and sofa, which is a great place to go to and chill after doing a long workout."
	Ambience	"It's always quite busy, which is good. The bar has a pretty good feel from the dim lights and pumping music."
	Store attractiveness	"It's always a great place to shop at, I always safe as well and it's reasonably tidy at all times during the year, especially the clothing area because a lot of people dump things all over the place."
	Store layout and design	"Zara [fashion apparel retailer] has this fantastic store design, the shop is really attractive so the moment you enter Zara it gives you a feeling of high-end fashion but is yet affordable."
	Store display	"The way they display the shoes is great. They show a wide range of products, styles and colours on the shelves

		in a really stunning area, and there's always a lot to choose from."
Technological elements	Technology - ease of use	"I bought it from the online store because it's so easy to do. It's really user friendly, their payment methods are really secure so I don't have to worry all the fraud and all of that."
	Technology - convenience	"I usually buy my books online because it is way more convenient than going to the book store and have to wait in lines and all of that."
	Self-service technology	"I used the self-service kiosk at the Virgin [airline] terminal to check-in mine and my family's flights. It was easy to use and I could even select our seats on the touch screen."
Communicative elements	Promotional message	"I got an email from hardtofind.com.au [gift store] that said that they've got 10% off storewide until midnight."
	Informative message	"It had lots of information on the [hotel] website that I guess made us feel more comfortable about booking the hotel online."
	Advertisement	"I always see ads on TV for Myer [department store]. Last night I was watching TV and saw a Myer commercial that said that the midseason sale is on now."
Process elements	Waiting time	"We had to wait at least about fifteen minutes for someone to come and take an order and when they did they went away and then we had to wait for another half an hour to receive our coffee."
	Navigation	"It's quite easy to find things in the store, regardless of which location you go to, they all are set out the same. So it's always user friendly in relation to finding things where they're situated."
	Service process	"The returns process was just too complicated. I also think that the slow delivery or poorly estimated delivery time put me off as well, which made me think that it would take like another month for me to receive the correct size."
Employee-customer interaction elements	Helpful employee	"When I was coming back from New Zealand at Auckland airport, the airline employee who gave me the boarding pass was so helpful."
	Personalised service	"The chef actually coming out personally and asking how we enjoyed the meal and explained how he made some of the creations because it was vegan food, which is something that we weren't really used to."

	Friendly greeting	"I walked into Bunnings [hardware store] and they have quite a good meet and greet person who basically welcomes you to the store."
	Argumentative employee	"The staff member was arguing with me about returning a $7 item. I felt extremely frustrated and it became quite insulting that I would lie over a few dollars where obviously the error was made by the store."
Customer-customer interaction elements	Customer reviews	"When I read so many positive comments about the store it definitely put me at ease, making me much more confident to shop with them."
	Word-of-mouth	"I heard some good things about it from my friends who said it is quite quirky, which I'm totally in to, so I thought I'd give it a try."
	Direct customer interactions	"I spoke to my friend about how the bikinis fit and what size she got so that made me more comfortable knowing what size to choose when I bought my bikinis online."
	Indirect customer interactions	"When I was waiting in the line to pay for my items at the checkout there were a lot of kids running and screaming around me, and it was so annoying."
Product interaction elements	Product quality	"The quality of the bikini was great it was what I expected. It came in a great pouch made of the material of the bikini, which was cool."
	Product assortment	"I always find Myer [department store] a great place to shop because they have a good variety of products whether it be electrical, clothing, shoes, handbags, or cosmetics."
	Direct product interactions	"The product itself in terms of food and coffee was really nice, I would definitely go back there for the food."
	Indirect product interactions	"I first saw the laptop that I wanted to buy in the JB Hifi [electronics store] catalogue that was delivered in the mail to my house. I knew that the laptop was perfect for me straight after I saw it."

Table 3.5 Definitions of the touch point elements

Touch point elements	Definition
Atmospheric	The physical characteristics and surrounding customers observe when interacting with any part of the retailer/service provider.
Technological	A customer's direct interaction with any form of technology during an encounter with a retailer/service provider.
Communicative	One-way communication from the retailer/service provider to the customer, including both promotional and informative messages.
Process	The actions or steps customers need to take in order to achieve a particular outcome with a retailer/service provider.
Employee-customer interaction	The direct and indirect interactions customers have with employees when interacting with any part of the retailer/service provider.
Customer-customer interaction	The direct and indirect interactions customers have with other customers when interacting with any part of the retailer/service provider.
Product interaction	The direct or indirect interactions customers have with the core tangible or intangible product offered by the retailer/service provider.

3.3.3 Data analysis results

The transcripts of the 22 interviews, comprising 28 customer experience narratives, were analysed to identify the distinct elements that encompass customer experience touch points. In the following section, the results from the qualitative thematic analysis are presented. The words within the statements that highlight the findings are underlined. The analysis reveals seven distinct themes relating to the elements of customer experience touch points, including: atmospheric, technological, communicative, process, employee-customer interaction, customer-customer interaction and product interaction elements.

3.3.3.1 Atmospheric elements

The thematic analysis of the qualitative data highlights various atmospheric elements at different touch points, which occur in various retail channels and across all stages

of the customer journey. For instance, when evaluating whether or not to book a hotel, an informant viewed the hotel's website, noticing certain design elements:

Their <u>website looked quite good</u> and from there they had like a kind of <u>3D walk through of the hotel</u> and it was just yeah, really <u>well presented</u>, gave us the imaging of the room, what the room would look like, and just like the general ground map and stuff like that.

[Informant No. 1, Female]

Another informant described a department store's mobile application design and features during their discussion of their experience with the department store:

I love using the Target [department store] *mobile app. Its very user friendly and I can <u>easily find what I am looking for</u> using the search page. <u>The colours and design on the app are bold, bright and large</u> making it easy for me to see when I am looking for things.*

[Informant No. 10, Female]

Both of the above extracts provide examples of atmospherics in digital retailer and service provider channels. The atmospherics in physical in-store environments also play a significant role during the touch point experience. For instance:

Going to my hairdresser always puts me in a good mood. You know they <u>light candles and have the latest music playing and have all these large paintings on the walls, which really creates a good vibe</u>... The hairdressers all dress in the latest fashion and keep up to date with the latest hair trends... I tend go to my hairdresser mostly for, yeah, really the cool vibe rather than for the hair service.

[Informant No. 19, Female]

In the above extract, the informant states that the atmospherics such as the sensory elements (candles and music) and visual aspects (paintings and hairdresser look) are a very important component in her experience. Atmospherics may also feature in an experience, but not be very important to a customer. For example:

I don't really care too much about how <u>pretty the displays look</u> or how friendly the service is, as long as I can get in and out of IGA [Supermarket] *quickly and can find everything, then I'm happy.*

<div align="right">[Informant No. 22, Male]</div>

In this case, the store atmospherics are evident during the experience at the touch point; however, the given utilitarian shopping motivation of the customer, the atmospheric aspects, other than the store layout, do not have a large affect on the customer's evaluation of the retailer.

While the majority of informants discussed atmospherics in the search, evaluation and purchase stages of the customer journey, atmospherics were also considered during post-purchase touch points. For instance:

When I received my new dress [online purchase] *in the mail I was so excited. I cut open the parcel and found a <u>beautiful box with the store's logo</u> on it. The box was really nice - it opened upwards with a magnetic clasp ... I was not expecting this. Inside the box my new dress was wrapped in pink tissue paper and there was a note handwritten from the store addressed to me that thanked me for shopping here and hoped that I enjoy the dress ... They also put a \$50 off voucher in the box. I couldn't believe how much <u>detail they put into the design and packaging</u>, it's amazing. Yeah like I'm definitely going to use the voucher soon.*

<div align="right">[Informant No. 7, Female]</div>

From the above extracts, it is clear that customers encounter various atmospheric elements during different stages of the customer journey and in different retail and service channels. Atmospheric elements cover the physical characteristics and surrounding that customers observe when interacting with any part of the retailer/service provider. The interviews highlight that in physical channels, atmospheric aspects such as the layout, colours, lighting, music and scents provide visual and sensory stimuli that customers use to interpret the situation. While in

digital settings, atmospheric aspects include the colours, graphics, music, layout and design of the website or technological interface.

3.3.3.2 Technological elements

Technological elements appear to be playing an important role during customers' encounters with a retailer/service provider, as is evident from an informant who indicated that she now purchases books from an online website instead of going into a physical store:

> *I used to like going into bookstores and browsing, but now <u>I find it easier to go online</u>. I like to shop online at the Book Depository* [book store]*, it's an online site and they've made it very <u>user friendly to operate their website</u> and it's an absolute pleasure to order a book from them.*
>
> *[Informant No. 3, Female]*

She continues,

> *I've purchased numerous books from them and most of my books I purchase take just a few days to be delivered. If they don't have the book I'm looking for they will either request another site or they will pre-order it for me and as soon as it arrives they will send it ... It's <u>very easy to use</u> and as they have all my details there's not much else I have to do other than <u>press purchase</u> ... It's very easy and so <u>convenient for me</u>.*
>
> *[Informant No. 3, Female]*

Another informant described how technology (website) helped him to pay for his mobile phone bill:

> *I just went to the <u>Optus</u>* [telecommunications provider] *<u>website</u>, logged into my account and clicked on the 'my bill' tab. This directed me straight to my latest bill and had a break down of all my charges. Usually there are never any issues with my bills; they are always the same price, which is good. From here, I clicked on 'pay my bill' and my credit card details are saved so all I have to do is click 'pay'. It's as easy as that <u>... I used to have to wait for my</u>*

bill in the mail and take it to the post office but now I can pay for it in literally 2 minutes.

<div align="right">*[Informant No. 20, Male]*</div>

The above extracts emphasise how technology (website) facilitated the transactions in an 'easy' and 'convenient' manner. In both online examples, technology is a core component of the touch point. In addition to online channels, in physical environments customers are increasingly using technology, such as point-of-sale terminals, tablets and kiosks in their day-to-day transactions (Giebelhausen et al. 2014). The data from the semi-structured interviews highlight that customers use technology in physical retail and service settings:

I go to a 24-hour gym and I usually go at odd hours so when I get there a lot of the time it's not manned. To get in all I have to do is swipe my access card and the door will open … They have cameras there so they know if you bring anyone else in with you, which could get you a fine ... I've never had any issues getting into the gym.

<div align="right">*[Informant No. 16, Male]*</div>

Another informant described how she used self-service technology to pay for her groceries at the supermarket:

I only had about six items in my basket and didn't want to wait in the long line so I used the self-service checkout at Coles [supermarket]. I usually go to the staffed checkout, but because I only had a few things I thought I'd give it a try ... At first it wasn't too bad, all I had to do was scan the items and place it in the bagging area. But when I went to do the two lemons I had, I had to fumble around because there was no barcode. When I finally worked out that I had to search for the lemons on the touch screen the weigher didn't work. I think it's because the lemons are very light, I don't quite know but this was really starting to agitate me. I then had to leave my stuff and try find someone to help me. The girl who worked there sorted out the problem by scanning her card and pressing a few buttons on the system. But by the time I had finished checking out the few groceries that I needed, I thought to myself that

I might as well have waited in the line to get actual service! ... I was <u>quite</u> <u>frustrated by the whole process</u>.

[Informant No. 18, Female]

From the above extracts it is evident that technological elements relate to a customer's direct interaction with any form of technology during an encounter with a retailer/service provider and can have a beneficial (e.g., easy and convenient) or detrimental (e.g., frustrating and agitating) impact on the customer experience. Customers may interact with retailer/service provider facilitated technology (e.g., self-service technology, company mobile applications, company websites, ATMs, kiosks, point-of-sale technology, etc.) or with unaffiliated technology (e.g., other websites and social media), which may influence the customers' experience. Such technological elements may feature at various touch points across the different stages in the customer journey and in different retail contexts.

3.3.3.3 Communicative elements

The results from the thematic qualitative analysis indicate that consumers regularly observe content and messages provided by the retailer/service provider. Such content or messages are one-way communication, sent from the retailer/service provider to the customer. Retailers and service providers may send promotional or informative one-way communication to customers throughout the customer journey using a number of retail channels. For example, promotional or informative messages from the retailer/service provider may be sent via email, SMS, direct mail, television advertisements, telephone calls and other communication channels. The data from the semi-structured interviews highlight that promotional communication plays a large role in the search and evaluation stages of the customer journey. For instance, an informant stated that the promotional emails from an online fashion apparel retailer influence her to go the online retailer's website and browse/purchase:

I get <u>constant email updates from ASOS</u> [fashion apparel retailer]. So yeah direct emails from ASOS I get at least every two to three days, I get an email from them saying what they've got going on or if they have a <u>sale of 20% off</u> <u>or free shipping</u> is a big one that I get quite often. So that's always good, and

I tend to go to the ASOS website more and buy more based on the fact that I get emails from them constantly reminding me, so that's always good.

[Informant No. 15, Female]

She continues,

I'll usually shop on ASOS about once a month purely because yeah it's so easily to access because they're constantly emailing me and browsing would be weekly I'm always on there having a look.

[Informant No. 15, Female]

Another informant indicated that he went to the hardware store (Bunnings) because he saw the specials on some products that he wanted to buy:

I usually browse the catalogues at home to see what the latest specials are ... Last weekend there was a Bunnings [hardware store] catalogue on my coffee table at home and it said that Bunnings had a sale on some of the tools I need. Yeah and that's why I went to the store.

[Informant No. 2, Male]

Informative messages are also observable at the channel where the experience is taking place. For instance, an informant indicated how the synopsis (information provided by the retailer) of the books helped her to choose a book to purchase online:

When I was browsing the Book Depository [online book store] they had a little synopsis about each book ... If there's a specific type of book that I like they usually put a few more of the same author or something that's similar at the bottom of the page. Take for example if its an art book that I'm looking at, they'll find art either from the same author or something that's very similar that I might like; this is very helpful. If it's abstract art or surreal art or something and then I'll have a look at the synopsis and I'll usually order that book too.

[Informant No. 3, Female]

She then discussed how an informative email notified her that the book was dispatched from the store, which assured her of the delivery process:

> *I got an email today around midday to say that my books that I ordered had been dispatched. I purchased the books on Sunday and then I got an email today saying that they're coming, so I'm pretty sure it'll come by the end of this week or early next week but I'm pretty sure end of this week.*
>
> *[Informant No. 3, Female]*

Another informant stated that they received an informative email, notifying him of the booking confirmation, which gave him confidence in the purchase process and provided him with peace of mind:

> *I received the email confirmation shortly after making the booking and of course it made me feel that everything is in order, everything is in line and I didn't make a mistake. I think it reinforced my purchase decision plus it reinforced that the process that I went through was right. It's kind of mental satisfaction of course. Confidence as well, confidence not only in the company but also in my expertise. It gave me some peace of mind that I didn't make a mistake.*
>
> *[Informant No. 14, Male]*

From the above examples it is evident that communicative elements, which involve one-way communication from the retailer/service provider to the customer (including both promotional and informative messages), are viewed as an important aspect of the experience at different touch points. While communication plays a large role during the search and evaluation stages of the customer journey, the extracts highlight that communicative elements are also dominant throughout the purchase and post-purchase stages of the customer journey.

3.3.3.4 Process elements

The process that customers take in order to achieve a particular outcome was found to play an important role in shaping their perceptions and evaluations of retail and service provider encounters. In physical retailer or service provider settings, the

process involves aspects such as the checkout waiting time, the service process and the manner in which customers move around the store; while in digital environments, process elements encompass the way customers navigate the site or technology platform. For instance, an informant indicated that the manner in which she moved around the store was frustrating during her experience at a department store:

> *I was at Myer* [department store] *and I find that it is really spaced around the place, so the checkouts are harder to find and the one that's normally there I think was taken over by a Santa thing so I had to then try to find another one. When I finally did, there was no staff available so I actually had to take my toys to the make-up area to pay for them, which was quite frustrating.*
>
> *[Informant No. 8, Female]*

Another informant indicated that the long waiting time, caused by the service delivery method, made her annoyed and left her not enjoying her meal at the restaurant:

> *The way they do the food is that they have a set menu and they come out with different things and they ask you 'do you want it or you don't want it' and if you do they give it to you and if you don't they just carry on. I got really annoyed with the waiting time between each dish and because of that I didn't enjoy it at all so I didn't like waiting for my food. I would have preferred to have ordered one meal when I could enjoy it slowly than just eat a little bit of something and you don't want to eat too much because then you get full so you wait for the next but then you're starving and that really annoyed me, could have been quicker.*
>
> *[Informant No. 7, Female]*

Similarly, another informant described the way in which she ordered her food and beverages at a café (service process). While this was not her preferred method for placing an order at a café, she indicated that the service process was quick and easy:

> *At Mrs S* [café] *you basically have to go up and order, which is fine but I usually prefer for waiters to come and take my order. It was really quick and*

easy; we ordered cakes and coffee, which is just listed on the board so you pick whatever coffee you prefer. The cakes also came quite quickly to our table after ordering.

<div align="right">

[Informant No. 15, Female]

</div>

In digital settings, customers predominantly base their evaluations of the digital processes on the ease of use (Kim and Stoel 2004), and the responsiveness and timeliness of the technology (Yang and Jun 2002). For instance, an informant described how they had difficulty paying for the products from an online electronics retailer due to the long wait for the page to load and the responsiveness of the website:

I've had a couple <u>difficulties with them</u> [online electronics retailer] *in terms of once you purchase products it goes to straight to PayPal but it just <u>takes such a long time to load that it doesn't work properly</u>. I ended up giving up and will just have to go the store next time I go to Garden City* [shopping centre].

<div align="right">

[Informant No. 4, Male]

</div>

Another informant described how the process of using their bank mobile application facilitates easy and timely banking transactions:

I usually use my ANZ app [bank mobile application] *to pay my bills and transfer money between my accounts. It's <u>really easy to use and is handy</u>. My phone's in my pocket whereever I go so if I remember at the very last minute that I have to pay a bill I don't need to worry<u>, it takes literally 30 seconds to make a transaction</u>.*

<div align="right">

[Informant No. 17, Male]

</div>

Based on the above discussion, it is evident from the interview transcripts that 'process' is a critical element of customer experience touch points that occurs at different stages across the customer journey. The above discussion also highlights that various process aspects (e.g., waiting time, service delivery process and navigation) feature across various physical and digitals retail channels.

3.3.3.5 Employee-customer interaction elements

The findings from the semi-structured interviews demonstrate that customer interactions with employees of the retailer/service provider are an important aspect of customers' encounters at different touch points. The direct interaction between employees and customers was found to be critical, especially during in-store purchases. The informants described that they felt comfortable relying on advice from experienced and knowledgeable employees to help them choose particular products. Some informants even explained that their positive experiences at the particular touch point were contributed to the quality of their interaction with the employee. As one interviewee stated:

> *When I was in Hong Kong shopping for my kids clothing a beautiful red dress came to my attention … I liked it and I also liked a pair of jeans for my daughter, but I wasn't sure which one to buy, so I had a chat with one of the in-store assistants, asking her opinion on what she would think would suit a nine year old girl.*
>
> *[Informant No. 5, Male]*

He continues,

> *And she had this amazing insight because I was really confused about a red and a blue dress and jeans and a pair of shoes but of course I couldn't afford it all at the same time so I asked her a simple question, that if you were me, step in to my shoes, which one would you buy for your little girl who's about nine years old? She said I'd certainly buy the red dress and subconsciously I was aiming for the red dress and I really liked it and so I really went for the red dress and I also really wanted her opinion on the pair of shoes that matches with the red dress. And surprisingly again there were a bunch of shoes you know like seven, eight pairs with different designs and different colours but she pointed out to the pair that I liked the most and I did you know tell her explicitly that I wanted those pair of shoes. So I guess that's a positive experience in a way.*
>
> *[Informant No. 5, Male]*

Based on the above response, the interviewer then asked the informant whether the sales assistant reduced his confusion in the purchase. His response confirmed that the employee interaction played a significant role in his purchase:

> *With the point of purchase information I had almost made up my mind like 80% and there was a little gap there and kind of filled in that. <u>With her inputs I was more motivated and it closed the deal</u>.*
>
> *[Informant No. 5, Male]*

Employee-customer interactions are not limited to direct face-to-face encounters in-store; rather, employees interact with customers through many retail channels such as telephone, email and online chat forums. For instance, when describing the search and evaluation stages of the experience, an informant described how employees assist her via email or telephone:

> *If let's say an item doesn't actually have my size, <u>there's an email page where I can email them and ask them if this size is available</u> and they'll usually respond within a couple of days … one day's about 24 hours. After which if they tell me they don't have my size, what I usually would do <u>is I'll call up the different retail boutiques</u> in eastern states because in Perth there's only a couple of them and in the eastern states they stock most of the styles that I like. And <u>if I call up they're usually very friendly with me</u> and they will check the stock for me even if it's a sale item because most places if it's a sales item they usually do not check the stock for me. Once if they do not have the stock, they tell me 'you might want to call this other boutique, this other Leona Edmiston* [fashion apparel retailer] *outlet might have it.' So they are pretty good with responding with my request and also they will tell me what's the charge.*
>
> *[Informant No. 11, Female]*

Employee-customer interactions also can have a detrimental influence on the experience, causing customers to negatively evaluate their encounter. For instance, an informant explained that she had a negative experience at a café when having to

wait a significant amount of time for someone to acknowledge her and take her order:

> *We went in there to order a coffee and we had to <u>wait at least about fifteen</u>*
> *<u>minutes for someone to come and take an order</u>.*
>
> *[Informant No. 6, Female]*

She continues,

> *I mean for someone to be passing numerously, I mean it was not just one staff*
> *member it was one waiters, it's like a couple of them, taking turns and going*
> *around and checking everybody has their food. But none of them has come up*
> *and said you know 'have you all got your order?' <u>To me that is very poor</u>*
> *<u>customer service.</u>*
>
> *[Informant No. 6, Female]*

She continues to discuss how she felt about the staff members at the café,

> *The <u>staff were not being trained properly and they were ignorant</u>, they have*
> *no sense of customer service, they don't know what customer service means.*
> *It's very poor, very appalling.*
>
> *[Informant No. 6, Female]*

Thus, it can be seen that the employee-customer interaction can both positively and negatively influence customer evaluations of their experience. This interaction is not limited to in-store interactions alone, employees interact with customers through other channels such as telephone, email and online chat. Furthermore, using the sequential incident technique, the analysis highlights that the employee-customer interaction occurs at different touch points across different stages of the customer journey.

3.3.3.6 Customer-customer interaction elements

The analysis of the interview transcripts has shown that in retail and service exchanges, customers interact directly or indirectly with other customers. Such social

interactions and/or presence of other customers were found to impact on customer experience. This was found to be especially common in the pre-purchase stage, when customers are searching for and/or evaluating a particular retailer or service provider, as often customers rely on word-of-mouth feedback from personal and familiar sources or seek feedback from individuals who have prior experience with the retailer or service provider. For instance, when searching for a hotel to stay at an informant read online blogs and reviews:

> *I looked at a couple of blogs, TripAdvisor was another one I looked at, and then just some general reviews like on Google. Like if I Googled the hotel, reviews and people were putting up photos and comments. Being a special occasion for my mum I wanted to make sure that we were getting the right price and the right experience that we were looking for.*
>
> *[Informant No. 1, Female]*

The interviewer followed up on this response by asking the informant how important the reviews were in her forming the decision to book a hotel. Her response confirmed that the customer reviews played a significant role in whether or not she would book a hotel:

> *I definitely think that it makes a huge difference in whether I will go ahead and make a hotel booking. It influences me more mainly I think if you get negative feedback.*
>
> *[Informant No. 1, Female]*

She continues to discuss how negative reviews have a stronger impact on her decision to not book a hotel,

> *Even if there's a variation in the good reviews like some people saying "it was amazing and out of this world" and then others saying "it was just good". But I think when you get a negative review or a couple of negative reviews, which I've had experiences with other hotels where I was thinking of booking it and then I read back to back bad reviews and then that straight*

away just puts you off. Especially if it's saying something about "this hotel looks like this on their website but it doesn't look like that in real life".

<div align="right">

[Informant No. 1, Female]

</div>

During the purchase stage of the customer journey, especially in physical store environments, customers come into contact with other customers directly through specific interpersonal encounters or indirectly as part of the retail environment (Bitner 1992). Interaction with other customers, whether direct or indirect, can have a large affect on the customer experience. For instance, an informant indicated that the indirect interaction with other customers at a restaurant spoiled her dining experience:

We went to a restaurant for dinner to celebrate our wedding anniversary. The restaurant was quite pricy so I was expecting high quality food and service ... The dinner was great except for the people at the table next to us. They were so loud, shouting, singing and getting quite drunk, which was very inappropriate in this formal dining area. I was struggling to hear my partner who was sitting next to me, that really frustrated me ... This ruined what would have been a wonderful evening.

<div align="right">

[Informant No. 21, Female]

</div>

Customer-customer interactions were also found to occur post-purchase. An informant described a conversation they had with another customer at the Apple store (electronics store) when they went to the store to return a faulty product:

I went to the Apple store [electronics store] *to take back my Apple TV because it had stopped working ... I made a Genius appointment so I didn't have to wait too long for service. When I was waiting another customer came up to me and asked what the problem with my Apple TV was. I told them that the remote was not responding when I clicked certain buttons. They told me that the same issue happened to them a few months ago and they brought the Apple TV back and Apple replaced it with a new one free of charge. By the time the Apple employee came to discuss my issue, I had a pretty good idea of*

what to expect based on the <u>conversation I had just had with the other</u>
<u>customer.</u>

<p align="right">*[Informant No. 9, Male]*</p>

Based on the above discussion, it is evident from the analysis that customer-customer interactions occur during different stages across the customer journey. The analysis also shows that customer-customer interactions feature across different physical and digitals retail channels.

3.3.3.7 Product interaction elements

Product interactions involve the direct or indirect interactions customers have with the core tangible or intangible product offered by the retailer/service provider. At various touch points, it was found that customers interact with the core tangible or intangible product offered by retailers and service providers. For example, as pointed out by an informant (Informant No. 12), product interactions at cafes involve the food and beverages offered, while product interactions at Internet service providers include the tangible hardware and the intangible Internet service provided (e.g., internet speed and reliability of the internet connection). As illustrated by the following extracts, product interactions can take place in both physical and digital channels. For instance, an informant (Informant No. 13) indicated that the indirect product interaction in a digital channel (social media – Instagram) influenced her to buy the product from the online store:

When I ordered the top and shorts, the reason why I got it was because they have really <u>amazing pictures on their Instagram</u> and I think that's what really sells their products. The <u>pictures pretty much shows the fabrics and the</u> <u>designs</u> and then I saw a couple of things come up in my Instagram that I really liked the top then I was looking for summer denim shorts so from there I just went on my Instagram and then went straight to their website and then selected in the order of tops and bottoms what I wanted, put it in the cart that they have on their website and ordered it.

<p align="right">*[Informant No. 13, Female]*</p>

This example clearly shows how an indirect experience with a product in an online channel can influence future purchases. Another informant described their direct experience with the product in a physical channel (café) during the consumption stage of the customer journey:

> *Once our <u>food came out we were horrified</u>. It was gross. I ordered a freshly squeezed juice but it looked so poorly juiced the water started to separate, it looked like old or something ... Then my sister's toast, in which they're meant to specialise in, was as hard as a rock, smeared with a bit of butter. I was so angry like basically furious, I want to complain so badly but I was too hungry to complain. I'll never go back and <u>I'll tell anyone I know not to go there</u>!*
>
> *[Informant No. 12, Female]*

She continues,

> *We were so disgusted like not only was the service shocking but the food; a simple piece of toast was inedible. How hard is it to make a piece of toast? <u>Their actual core product, what they're named after was horrible.</u> I could have done a better job with my toaster at home.*
>
> *[Informant No. 12, Female]*

In this instance, the direct product encounter not only caused negative emotions during the experience at the touch point, but also caused unfavourable customer intentions that may carry over to the next stage of the customer journey, with the customer intending to spread negative feedback by word-of-mouth.

During experiences with service providers, customers also encounter product elements that contribute to the evaluation of their experience at the touch point. For instance, during the airline consumption stage (i.e., the in-flight experience), customers encounter numerous tangible features such as the seats and entertainment systems. An informant described their direct encounter during their in-flight experience with two airlines, Virgin Australia and Air New Zealand during his codeshare flights, stating:

I travelled from Auckland to Melbourne on Air New Zealand and Melbourne to Perth on Virgin Airlines ... The quality of the seats on Virgin was great; even economy class had leather seats. Air New Zealand had standard material type seats.

[Informant No. 14, Male]

He continues to describe the entertainment system on both airlines,

The entertainment system on the Air New Zealand flight was really horrible because it was taking time to start the movie or when you press enter it's like at least 20 or 30 seconds to perform the action. It's really very slow. I kind of gave up a number of times. Literally I could not enjoy the entertainment system at all on the Air New Zealand flight. Virgin Australia, the partner, was perfect, excellent. It had a touch screen and you have a remote still, but the touch screen is much more convenient and prompt. You touch anything and straight away it goes to the action so it was a very good experience flying with Virgin Australia.

[Informant No. 14, Male]

From the above extracts, it is evident that interactions with products, including both direct and indirect encounters, play a significant role in the retail/service provider experience at different touch points across the customer journey.

3.3.3.8 Summary of the touch point elements

Overall, the data analysis provides sufficient support for recognising distinct elements of customer experience touch points. The use of the sequential incident technique enabled the researcher to identify touch points (episodes) at various retail channels and at different stages along the customer journey. Through the qualitative thematic analysis, the researcher identified seven distinct elements of customer experience touch points (Figure 3.2), including – atmospheric, technological, communicative, process, employee-customer interaction, customer-customer interaction and product interaction elements.

Figure 3.2 Customer experience touch point elements
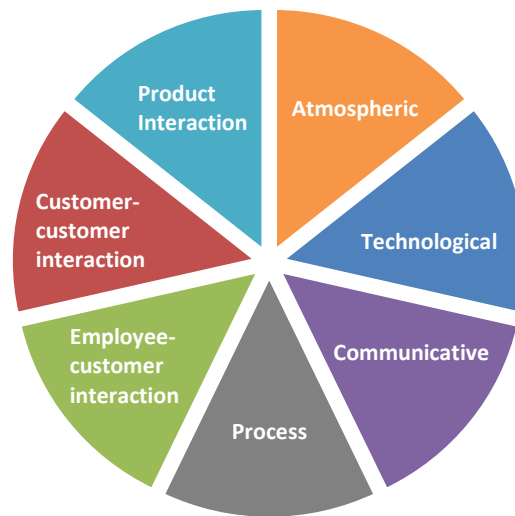
The frequency of accounts for each touch point element by stage in the customer journey and by retail channel is presented in Table 3.6 and Table 3.7 respectively. Table 3.6 illustrates that all touch point elements arise during the customer journey, including the search, evaluation, purchase and post-purchase stages. The analysis of the semi-structured interview data highlights that the purchase stage in the customer journey is comprised of the largest total number of touch point elements.

Table 3.6 Touch point element accounts across the customer journey

Touch point elements	Customer Journey				Total
	Search	Evaluation	Purchase	Post-purchase	
Atmospheric	13	8	27	7	55
Technological	15	6	17	9	47
Communicative	14	5	15	10	44
Process	7	4	18	3	32
Employee-customer interaction	9	7	23	6	45
Customer-customer interaction	8	4	14	3	29
Product interaction	11	13	26	8	58
Total	77	47	140	44	310

In addition, Table 3.7, below, indicates the frequency of touch point element accounts in relation to different retail channels (i.e., in-store, online/mobile application/mobile site, email, mail/catalogue and telephone).

Table 3.7 Touch point element accounts across the retail channels

Touch point elements	Retail Channel					Total
	In-store	Online /mobile	Email	Mail/ catalogue	Telephone	
Atmospheric	26	19	3	6	1	**55**
Technological	18	22	5	0	2	**47**
Communicative	10	14	9	8	3	**44**
Process	14	11	2	0	5	**32**
Employee-customer interaction	27	3	5	0	10	**45**
Customer-customer interaction	20	5	0	0	4	**29**
Product interaction	33	13	6	5	1	**58**
Total	**148**	**87**	**30**	**19**	**26**	**310**

It is evident from the findings in this study that different touch points comprise distinct elements, which may vary based on the retail channel of the touch point and the stage in the customer journey where the touch point occurs. In addition, not all elements arise at each touch point; touch points are made up of varying combinations of the identified elements. For example, when a customer views a promotional catalogue from a retailer/service provider, they are exposed only to atmospheric, communicative and product interaction elements. Touch points may comprise as little as one or as many as all of the touch point elements. Hence, only the elements relevant to a particular touch point combine to form the overall touch point.

3.4 Conclusions and chapter summary

In this chapter, the first research question (i.e., what are the distinct elements of customer experience touch points?) was addressed. The study was based on a qualitative research approach, using a sequential incident technique to guide the data collection. A total of 28 customer experience narratives provided by 22 informants was collected through semi-structured interviews. After conducting an inductive thematic analysis of the data, the researcher identified seven distinct elements of customer experience touch points - atmospheric, technological, communicative, process, employee-customer interaction, customer-customer interaction and product interaction elements. The qualitative analysis helped the researcher to gain an in-depth and complex understanding of customer experience touch points, which was used to develop and test a holistic model of customer experience as described in the next chapter.

CHAPTER 4

STUDY 2: MEASURING REAL-TIME

CUSTOMER EXPERIENCE

4.0 Introduction

Chapter 4 presents the second study in this research, which was aimed to address the second, third and fourth research questions of the study. Utilising the findings of Study 1, which outlined the specific elements of customer experience touch points, this chapter is used to present a holistic model of customer experience, covering the theoretical background and hypotheses. The research methodology, data analysis and results of the study are also presented in the chapter.

4.1 Theoretical background and hypotheses

In order to understand the psychological process that drives customer experience, the researcher has drawn on cognitive appraisal theory (Lazarus and Folkman 1984) as a theoretical underpinning. Prior research in the psychology and communication literature identifies cognitive evaluations and affective responses to be central components in measuring human experience (Forgas 2000). According to cognitive appraisal theory, emotional responses are caused by a person's interpretation of a given situation (Roseman 1991; Smith and Ellsworth 1985). Central to the notion of cognitive appraisal theory is that a person is "an active agent in the construction of meaning" (Elliott 1997, p.285). While researchers have proposed several distinct appraisal theories of emotion, they all contend "emotions are responses to a person's interpretation or appraisals of the environment and its relevance to goals" (MacInnis and de Mello 2005, p. 1).

Cognitive appraisal theory is specifically relevant for understanding customer behaviour as it offers a complete explanation of consumers' behavioural responses to emotions (Johnson and Stewart 2005). Prior studies examining consumer behaviour have used cognitive appraisals theory to study consumption emotions and the subsequent influence on post-purchase behaviours (e.g., Machleit and Eroglu 2000;

Nyer 1997). For instance, Machleit and Eroglu (2000) found shopping environments to evoke emotional responses in consumers which, in turn, influence shopping behaviours and outcomes. Conversely, Nyer (1997) demonstrates that appraisals and emotions of anger increase likelihood of consumers to engage in complaining and negative word-of-mouth behaviour. In the context of consumer behaviour, cognitive appraisal theory suggests that emotions are the underlying motivational and evaluative root, which cause subsequent consumption related behaviours (Watson and Spence 2007). From this perspective, the inherent evaluation of a situation (e.g., touch point) combines to elicit specific emotions which, in turn, affect consumer behaviour. In marketing contexts, Bagozzi, Gopinath, and Nyer (1999) offer cognitive appraisal theory as a promising avenue to elucidate; (i) the underlying characteristics inherent in events that are evaluated, (ii) emotions that are experienced as a result of this appraisal process, and (iii) the behavioural responses to the experienced emotions.

The way in which an individual construes an event shapes their emotional and behavioural responses (Lazarus and Folkman 1984). Appraisals are interpretations of characteristics of events that combine to cause particular emotions (Watson and Spence 2007). According to Lazarus (1991), it is neither the characteristics of the event nor the stimulus that determines the emotional response; rather, it is the subjective appraisal of the stimulus in a particular context that determines the emotional responses. The cognitive appraisal of the event, therefore, results in a subjective experience which consequently causes behavioural tendencies and physiological responses (Nyer 1997). Furthermore, critical encounters among customers, employees and physical facilities (touch points) can occur through multiple channels - at the physical in-store setting, by telephone, through new digital technology and through the Internet (Bitner, Brown, and Meuter 2000). Thus, in the context of customer experience, appraisals of events and stimuli (touch point elements) in the environment (retail channel) cause specific emotional reactions (customer experience) which, in turn, affect subsequent actions and behaviour (customer behaviour).

Figure 4.1 Theoretical model of customer experience
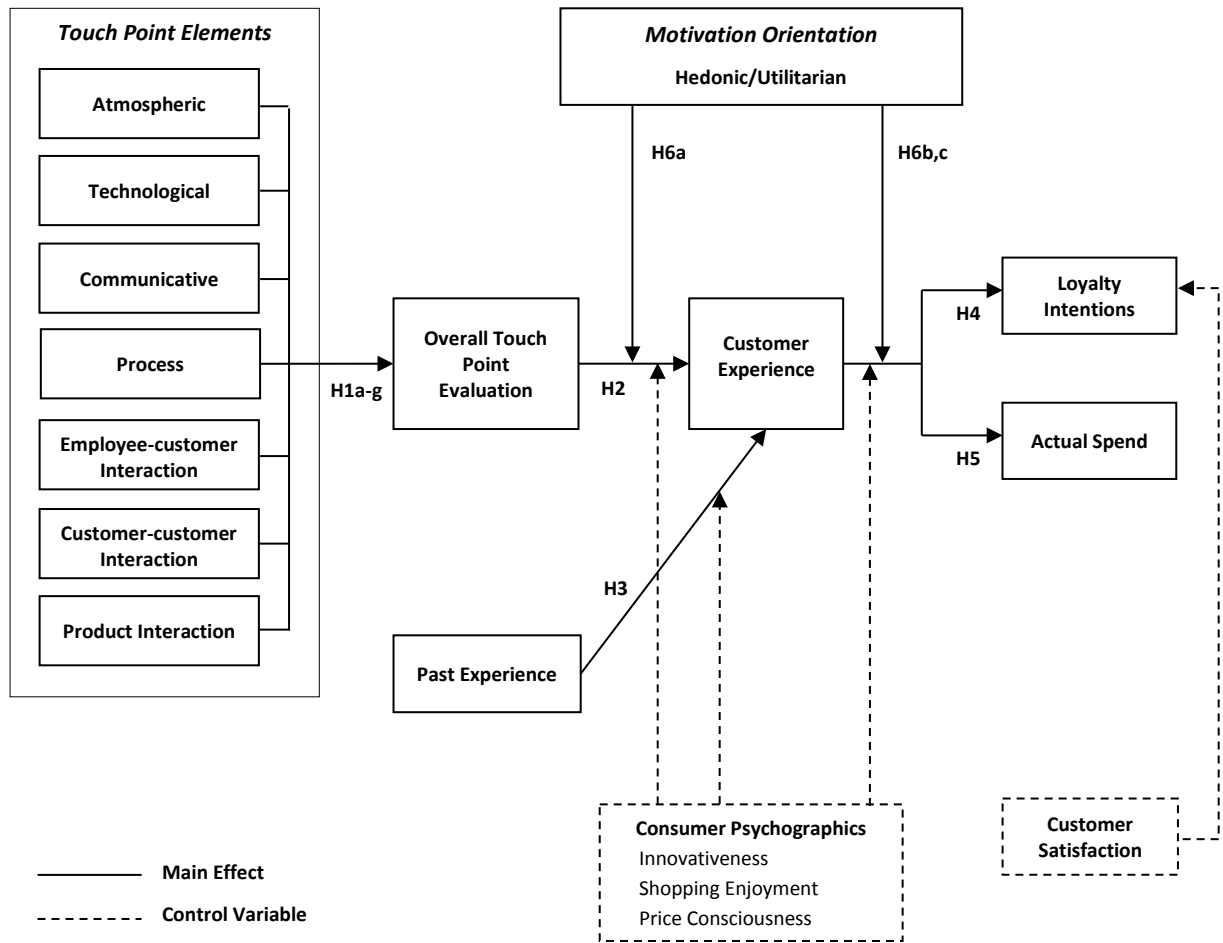
4.1.1 Proposed model and hypothesis development

Figure 4.1 presents the proposed theoretical model. The model primarily serves to test customer experience at each touch point in physical and digital channels. In the model, consumers form an overall evaluation of the touch point based on atmospheric, technological, communicative, process, employee-customer interaction, customer-customer interaction and product interaction assessments in physical channels, while atmospheric, technological, communicative, and process factors shape overall touch point evaluations in digital channels. The model has a dynamic approach that takes into account the fact that current customer experience is influenced by past customer experiences (Verhoef et al. 2009). Customer experience, therefore, is an emotional response derived from both the overall touch point evaluation and past experience. The model proposes that positive customer

experiences are likely to influence firm value in the way of loyalty intentions and actual spend at the time of the experience. The relationships between overall touch point evaluation and customer experience, and, in turn, loyalty intentions and actual spend, could vary based on the consumer's motivation orientation (hedonic and utilitarian). Consumers search for, consume and evaluate products/services differently depending on whether their motivations are primarily utilitarian, for efficiency or recreation, or hedonic, for enjoyment and fun (Babin, Darden, and Griffin 1994). In addition to the hypothesised relationships, the model also includes control variables that are likely to influence the customer experience process (consumer psychographics) and consequences (customer satisfaction) in physical and digital contexts and is used to test the robustness of the conceptualisation underlying the core model.

4.1.2 Touch point elements

For consumers, the assessment of a retailer or service provider depends on the evaluation of the 'encounter' at the period of time when the customer interacts directly with the firm (Bitner 1990). Berry, Carbone and Haeckel (2002) assert that to comprehend the holistic nature of customer experience, all elements and touch points need to be taken into account. This requires a comprehensive understanding of the interactions customers have with different contacts (e.g., employees, self-service technology and other customers) and environments (e.g., retail channels). From this perspective, customer experience provides a systematic representation of the experience context by considering the physical artifacts, the technology systems and the actors involved in each interaction (Teixeira et al. 2012). Verhoef et al. (2009) argue that customer experience is shaped not only by those elements that the retailer can control (e.g., atmosphere, technology, products), but also by elements that are outside of the retailer's control (e.g., customer- customer interactions).

Consumer responses are based primarily on an overall appraisal or evaluation of a situation (Watson and Spence 2007). The overall evaluation encompasses how positive or negative a situation is relative to an individual benchmark, which is driven by the assessments of individual characteristics of an event or situation (Ruth, Brunel, and Otnes 2002). Thus, assessments of the individual elements involved in a particular interaction form the overall evaluation of the event (touch point). From

Study 1, results indicated that customer experience touch points comprise several distinct elements including: atmospheric, technological, communicative, process, employee-customer interaction, customer-customer interaction and product interaction elements.

Atmospheric elements

The physical environment, experienced by customers at the point of interaction, influences consumers' evaluations and responses (Turley and Milliman 2000). In traditional retailer and service provider contexts, atmospheric cues such as the layout, colours, lighting, music and scents provide sensory stimuli (Eroglu, Machleit, and Davis 2003) and influence consumer behavioural intentions (Baker, Levy, and Grewal 1992). Digital retail environments, such as mobile applications and online stores, also provide aesthetic cues such as colour, graphics, layout and design (Rose et al. 2012), which inform perceptions of the overall retailer/service provider image. A growing body of literature has investigated the role of different atmospheric cues in enhancing consumers' affective states in various types of physical contexts such as restaurants, supermarkets and department stores (e.g., Bitner 1992; Chebat, Gélinas-Chebat, and Filiatrault 1993; Dubé, Chebat, and Morin 1995). Recently, studies in online shopping environments have considered a variety of atmospheric cues such as navigation cues (e.g., Dailey 2004), graphics (e.g., Koo and Ju 2010), layouts and colours (e.g., Gorn et al. 2004) to influence consumer evaluations and responses to the online environment (Eroglu, Machleit, and Davis 2001). Thus, the following hypothesis is proposed:

> **H1a:** Atmospheric elements positively influence the overall touch point evaluation in *physical* and *digital channels*.

Technological elements

Information technology advancements have revolutionised the retailing and service landscape, allowing companies to engage customers in service co-production electronically in lieu of interaction with service employees (Lin and Hsieh 2011). Interpersonal exchanges between customers within retail and service environments increasingly involve the use of technology, such as point-of-sale terminals, tablets and kiosks (Giebelhausen et al. 2014). From bank transactions to supermarket self-

checkouts, retailers and service providers are now employing a wide range of technologies, in particular self-service technologies, as a core component of the service delivery in both physical and digital channels. The prevailing thought in the marketing literature suggests that technology should enhance service encounters by making them more expedient, efficient, smooth and, thus, pleasing (Bitner, Ostrom, and Meuter 2002; Meuter et al. 2000). On the other hand, technology failures in service encounters are likely to provoke negative consumer reactions (Curran, Meuter, and Surprenant 2003). Thus, it is evident that the infusion of technology in the service delivery process plays a critical role in shaping service encounter evaluations (Giebelhausen et al. 2014). On these grounds, the following hypothesis is proposed:

H1b: Technological elements positively influence the overall touch point evaluation in *physical* and *digital channels*.

Communicative elements

Consumers regularly observe content and messages relating to products and services from retailers and service providers. Such communication is predominantly one-way: from the retailer/service provider to the customer. The quality of the communication reflects the accuracy, completeness, presentation and format of the information (Elliot et al. 2013; Nelson, Todd, and Wixom 2005), and forms the basis for both online and offline customer evaluations. Overall evaluations of encounters also may depend on the ease with which information relevant to a particular customer can be obtained (Oliva, Oliver, and MacMillan 1992). With more relevant information, customers make better decisions leading to positive evaluations of their encounter (Shankar, Smith, and Rangaswamy 2003). Shankar, Smith, and Rangaswamy (2003) suggest that digital mediums further enhance the positive affect of information access on overall evaluation by making the information obtained more actionable in influencing choice, thereby involving less cognitive effort. Thus, the following hypothesis:

H1c: Communicative elements positively influence the overall touch point evaluation in *physical* and *digital channels*.

Process elements

Process plays an important role in shaping customer perceptions and evaluations of retail encounters (van Riel et al. 2012). As discussed in Study 1, process is defined as "the actions or steps customers need to take in order to achieve a particular outcome with a retailer/service provider". In physical retail stores, the process may include aspects such as check-out waiting time and the manner in which customers move around the store. For instance, in grocery stores, the duration of the waiting time at checkout impacts on customers' service evaluations (Kumar 2005). In digital settings, process elements encompass the manner in which customers navigate the site (e.g., website or mobile application) (Rose et al. 2012). Customers positively evaluate technology that is easy to use (Kim and Stoel 2004), and expect the service process to be instantaneous and responsive, and timely (Yang and Jun 2002). Thus, the following hypothesis is proposed:

> **H1d:** Process elements positively influence the overall touch point evaluation in *physical* and *digital channels*.

Employee-customer interaction elements

In retail and service environments, interactions between customers and front-line employees are likely to affect customer perceptions of the encounter during the shopping experience (Brown and Lam 2008). Customers perceive front-line employees as direct representatives of the company, and their attitudes expressed verbally and non-verbally during customer interactions may leave a lasting impression that affects customer responses, repeat buying and loyalty behaviour (Magi 2003). Brown and Lam (2008) infer that high quality interactions with front-line employees in physical settings often result in positive customer responses and evaluations of the encounter, whereas dissatisfying experiences with front-line employees have the potential to ruin otherwise pleasant encounters. A rich body of literature exists on the role frontline employees play in shaping customers' evaluations of service encounters (e.g., Brady and Cronin 2001; Hartline and Ferrell 1996; Price, Arnould, and Tierney 1995). For instance, Brady and Cronin (2001) identified that employee's attitude, behaviour and expertise influences customer perceptions of the quality of interaction in service encounters. Although employee-customer interactions are beginning to arise in online contexts (e.g., online agents

and virtual employees) (Köhler et al. 2011), employee-customer interactions are relatively limited across digital environments. Accordingly, the following hypothesis is proposed:

> **H1e:** Employee-customer interaction elements positively influence the overall touch point evaluation in *physical channels*.

Customer-customer interaction elements

During most consumer exchanges, particularly in service and retailing settings, the presence of other customers can have a profound impact on customer experiences (Brocato, Voorhees, and Baker 2012). Whether these 'other customers' are either familiar to, or are unknown/strangers to, the focal customer may enhance or detract from an individual's evaluations of, and experience with, a retailer or service provider (Wu 2007). Customers may affect other customers directly through specific interpersonal encounters or indirectly as part of the retail environment (Bitner 1992). Specifically, the nature of the interaction between the individual customer and other customers who are in close proximity in the same commercial environment impacts on the customer's overall evaluation of the retailer (Grove and Fisk 1997; Martin and Pranter 1989; Martin 1996). For instance, Söderlund (2011) found that presence of other customers who respect social norms in customer-customer interactions produces a higher level of evaluations of the retailer than others who violate social norms in retail environments. While it is acknowledged that customer-customer interactions exist in digital environments (e.g., social media and customer reviews) (Libai et al. 2010), experiences in retailer/service provider sponsored digital channels (i.e., retailer/service provider website and mobile application) typically do not include customer-customer interactions. Based on the preceding discussion, it is expected that in physical channels, customer interactions influence overall touch point evaluations. Thus, the following hypothesis:

> **H1f:** Customer-customer interaction elements positively influence the overall touch point evaluation in *physical channels*.

Product interaction elements

Customer interactions with the core product/service offering influence overall evaluations of the retailer/service provider (Bitner 1990; Bolton and Drew 1991). Brakus, Schmitt and Zarantonello (2009) suggest that consumers have product experiences when consumers interact with products, such as when they search for, examine and evaluate products (Hoch 2002). Consumers' experiences with a product vary in a spectrum from indirect (e.g., viewing an advertisement, seeing product displays) to direct (e.g., product trials and usage), depending on their level of interaction with a product (Hamilton and Thompson 2007). These experiences can take place in both physical and digital channels. Prior studies have found that direct and indirect consumer interactions with products influence product judgments, attitudes, preferences and purchase intent (e.g., Hoch and Deighton 1989; Hoch and Ha 1986; Huffman and Houston 1993). Furthermore, consumers assess the attributes of products and services to justify their purchase judgments and choices (Brakus, Schmitt, and Zhang 2014). The particular product/service attributes that consumers experience during an encounter influence their overall evaluation (Shankar, Smith, and Rangaswamy 2003). Hence, the following hypothesis:

> **H1g:** Product interaction elements positively influence the overall touch point evaluation in *physical channels*.

4.1.3 Overall touch point evaluation and customer experience

Cognitive appraisal theory posits that whether an event or situation will elicit a positive affective response depends on an individual's cognitive appraisal of the encounter (Lazarus 1991). Cognitive appraisals have been employed to assess consumption emotions (e.g., Ruth, Brunel, and Otnes 2002), showing that specific combinations of antecedent appraisals elicit invariant emotions which, in turn, affect consumer behaviour. Appraisal is the overall evaluation of how positive or negative a situation is relative to a personal benchmark, whether driven by goals or more general evaluations of pleasantness (Watson and Spence 2007). The key assumption is that, rather than the event itself, it is the individual's interpretation of situations, based on a number of aspects, which creates emotional responses (Kiffin-Petersen, Murphy, and Soutar 2012). Thus, the individual's overall evaluation (appraisal) of an event is theoretically distinct from the event and the feelings experienced. Applying

this logic to customer experience, a positive overall evaluation of the touch point (i.e., appraisal of the event) creates positive emotional responses in customers. In contrast, negative emotional responses emanate from unfavourable overall evaluations of the touch point. Given that customer experience is holistic in nature and is assessed through the customer's emotional, cognitive, affective, social and physical responses to the retailer (Nambisan and Watt 2011; Verhoef et al. 2009), overall touch point evaluations should influence the customer experience. Furthermore, prior studies in the marketing literature also provide empirical support for the link between evaluations of the holistic environment and affective consumers' responses (e.g., Babin and Darden 1996; Donovan and Rossiter 1982; Wakefield and Baker 1998). Based on the preceding discussion, the following hypothesis is proposed:

> **H2:** A positive overall touch point evaluation will positively influence customer experience in *physical* and *digital channels*.

4.1.4 Past experience

Prior studies suggest that customer evaluations of specific encounters are influenced by customers' past experience with a retailer/service provider (e.g., Bitner 1990; Smith, Bolton, and Wagner 1999; Tax, Brown, and Chandrashekaran 1998; van Doorn and Verhoef 2008; Verhoef et al. 2009; Zeithaml, Berry, and Parasuraman 1993). Adaptation-level theory (Helson 1971) on which the expectation-disconfirmation paradigm is based (Oliver 1980) provides support for this intertemporal link (Mittal, Kumar, and Tsiros 1999). According to adaptation-level theory, prior judgments act as anchors for future judgments and intentions. In other words, prior customer experience evaluations and judgments are not absolute but are made relative to current customer experience judgments and behavioural intentions. Thus, current real-time customer experience should not only be a function of attribute-level evaluations, but also of prior customer experience evaluations. This argument is consistent with earlier studies that have taken a dynamic approach to examine how prior attribute evaluations, experiences and satisfaction influence current evaluations and current satisfaction (e.g., van Doorn and Verhoef 2008). Hence, the following hypothesis:

H3: A positive past experience will positively influence customer experience in *physical* and *digital channels*.

4.1.5 Outcomes of customer experience

According to cognitive appraisal theory (Lazarus and Folkman 1984), emotions are the underlying motivational and evaluative root, which cause subsequent actions and behaviour. Drawing from this theory, emotional customer responses, which form the customer experience, should influence subsequent consumption related behaviours (Watson and Spence 2007). Researchers have applied cognitive appraisal theory to demonstrate that negative consumer emotional responses lead to consumption-related behaviours, such as complaining and negative word-of-mouth (Nyer 1997), while positive consumer emotional responses result in repurchase intentions (Folkes et al. 1987). It has been suggested also that favourable customer experiences can significantly increase the chances that customers will return to the same retailer, spend more money and spread positive word-of-mouth (Gentile, Spiller, and Noci 2007; Grewal, Levy, and Kumar 2009; Maklan and Klaus 2011). For instance, Maklan and Klaus (2011) found a positive link between customer experience quality and positive word-of-mouth. Moreover, customers' emotional affective and cognitive responses are linked to their purchase and behavioural intentions (Voss, Spangenberg, and Grohmann 2003). Given that customer experience is a subjective and emotional response by customers to a firm (Verhoef et al. 2009) it can be argued that positive customer experiences may lead to stronger loyalty intentions and actual spend at the time of the experience. Thus, the following hypotheses:

H4: A positive customer experience will positively influence loyalty intentions in *physical* and *digital channels*.

H5: A positive customer experience will positively influence actual spend in *physical* and *digital channels*.

4.1.6 The moderating role of motivation orientation

According to Lazarus (1991), an individual's cognitive appraisal of the situation and consequent subjective experience depends on conditions both internal (e.g., personal motivations and goals) and external (e.g., product performance, responses of other

people). The extent to which an event or an outcome is (i) personally relevant to the individual (goal relevance) and (ii) congruent or incongruent with an individual's wants or desires (goal congruence), influences the way in which individuals evaluate appraisals to form emotional responses (Nyer 1997). MacInnis and de Mello (2005) infer that emotions are responses to an individual's interpretation (appraisal) of the environment and its relevance to individual goals. Bagozzi, Gopinath, and Nyer (1999 p.185) posit that goal relevance and goal congruence are crucial for forming emotions and state that "a necessary condition for an emotional response to an event or happening is that a person has a personal stake in it and at the same time judges the event or happening to facilitate or thwart this stake". Thus, in order to assess consumer appraisals, emotional responses and consequent behavioural outcomes, it is important to consider the motivation pertaining to individual consumer motives and goals.

The extant literature shows that two fundamental motivational orientations underlie the different customer motives: hedonic and utilitarian motivation orientations (Babin, Darden, and Griffin 1994). Consumers search for, consume and evaluate products/services differently depending on whether their motivations are primarily utilitarian, for efficiency or recreation, or hedonic, for enjoyment and fun (Babin, Darden, and Griffin 1994). Consumers with utilitarian motivational orientation typically engage in shopping out of necessity to obtain needed information, products, or services with no intent to derive satisfaction from the shopping activity itself (Kaltcheva and Weitz 2006). On the other hand, hedonic motivational orientation arises when consumers engage in shopping to derive inherent satisfaction from the shopping activity itself. In this case, the shopping activity is motivated by experiential benefits derived from the experience, such as fun or excitement (Lunardo and Mbengue 2009). Consumers with utilitarian motivational orientation focus on efficiently completing the shopping activity (the acquisition of the needed product, service or information) and obtaining its outcome with minimum expense of energy (Kaltcheva and Weitz 2006). In high-arousal environments, Kaltcheva and Weitz (2006) suggest that task-orientated consumers require more effort to complete the shopping activity and, therefore, find such environments to be unpleasant. Conversely, consumers with hedonic motivational orientation desire rich experiences from shopping and, therefore, find high-arousal environments to be pleasant.

Drawing from Kaltcheva and Weitz (2006), it can be argued that the affect of overall touch point evaluations on customer experience should be stronger for customers with hedonic motivation orientations than for consumers with utilitarian motivation orientations. Thus, the following hypothesis:

H6a: The affect of overall touch point evaluations on customer experience is significantly stronger for *hedonic motivation orientations* than for *utilitarian motivation orientations* in *physical* and *digital channels*.

Given that consumers with utilitarian motivations view shopping primarily as a means for obtaining a needed outcome and wish to complete their shopping as efficiently as possible whereas consumers with hedonic motivations derive inherent satisfaction from the high arousal retail environments that create rich shopping experiences (Kaltcheva and Weitz 2006), the influence of customer experience on customer intentions and behaviours is likely to vary between motivational orientations. For example, a grocery store consumer with a list of specified items to purchase (utilitarian motivation orientation) typically would purchase the listed items to achieve their shopping goal (to purchase groceries) and intend to return to the same store due to familiarity and convenience. In this case, the degree of customer experience is less likely to influence loyalty intentions and actual spend at the particular touch point. In contrast, when the shopping activity is freely chosen, and there is no need to engage in it (hedonic motivation orientation), a positive customer experience is likely to have a large impact on loyalty intentions and purchases. For instance, Sherman, Mathur, and Smith (1997) found that arousal has a positive affect on purchasing intentions and spending in mall-based fashion stores. Hence, the following hypotheses:

H6b: The affect of customer experience on loyalty intentions is significantly stronger for *hedonic motivation orientations* than for *utilitarian motivation orientations* in *physical* and *digital channels*.

H6c: The affect of customer experience on actual spend is significantly stronger for *hedonic motivation orientations* than for *utilitarian motivation orientations* in *physical* and *digital channels*.

4.1.7 Control variables

To test the robustness of the conceptualisation underlying the core model, several consumer psychographic control variables that are likely to influence the customer experience process and consequences in physical and digital contexts were considered in this study. Additionally, customer satisfaction was conceptualised as a control variable in the theoretical model to enable an examination of the 'true affects' of customer experience on loyalty intentions.

4.1.7.1 Customer satisfaction

It is widely recognised in the marketing literature that customer satisfaction influences customer loyalty intentions (e.g., Agustin and Singh 2005; Anderson and Sullivan 1993; Chandrashekaran et al. 2007; Cronin, Michael, and Hult 2000; Gustafsson and Johnson 2004; Johnson, Herrmann, and Huber 2006; Kumar, Pozza, and Ganesh 2013; Mittal, Kumar, and Tsiros 1999; Seiders et al. 2005). However, considering that the focus in this study is customer experience, customer satisfaction has been included in this research as a control variable to restrict the affects that it might have on the customer experience-loyalty intentions relationship.

4.1.7.2 Consumer psychographics

Prior research suggests three predominant psychographic variables that are likely to influence consumer behaviour and channel preference (e.g., Ailawadi et al. 2001; Konus, Verhoef, and Neslin 2008), which are based on economic and hedonic benefits and costs (Ailawadi et al. 2001). These psychographic characteristics include: innovativeness, shopping enjoyment and price consciousness.

Innovativeness refers to the degree to which a person is willing to or prefers to try new and different products and seek out new experiences (Midgley and Dowling 1978). Prior research has found individual differences in the consumers' level of innovativeness to influence consumer perceptions of retail environments and service design elements, including employee performance, process design, channel preference and shopping experience (Fowler and Bridges 2010; Konus, Verhoef, and Neslin 2008). Thus, it could be inferred from the above that inherent differences between consumers with low innovativeness and high innovativeness may influence the relationships in the proposed theoretical model.

Shopping enjoyment is strongly related to hedonic value (Ailawadi et al. 2001) as it provides customers with entertainment and emotional benefits. Consumers who derive enjoyment from shopping intrinsically tend to have more favourable attitudes towards shopping, are not concerned by the extra time required to engage in extensive shopping search, and use multiple channels for search and purchase shopping phases (Konus, Verhoef, and Neslin 2008). Therefore, the consumers' degree of shopping enjoyment could influence their behaviour and channel preference (e.g., Ailawadi et al. 2001; Konus, Verhoef, and Neslin 2008).

Price-conscious consumers seek to minimise the price paid for an item for an economic benefit of saving (Ailawadi et al. 2001; Konus, Verhoef, and Neslin 2008). Price consciousness has been found to contribute to varying consumer shopping attitudes and behaviours (e.g., Ailawadi et al. 2001; Konus, Verhoef, and Neslin 2008; Verhoef, Neslin, and Vroomen 2007). For example, Konus, Verhoef, and Neslin (2008) assert that price-conscious customers perceive benefits from searching through several channels, as they believe it pays off when the time comes to purchase, while customers who are not price conscious recognise little benefit to searching. Such differences between price-conscious and non-price-conscious customers may elicit different benefits and costs from searching and purchasing, and, therefore, could impact channel preference, customer experience and customer behaviour.

4.2 Methodology

Investigating the hypothesised relationships identified in the theoretical model (Figure 4.1) requires rich insights into the phenomena of customer experience. In Study 2, a mixed method research approach was chosen to gain a deeper understanding of individual customer experiences in different channels and contexts. Whilst the study is predominantly quantitative in nature, qualitative research complemented this approach by providing illustration, elaboration and clarification of the results from the quantitative analysis (Greene, Caracelli, and Graham 1989).

In order to capture customer experience at different touch points at the time of interaction (i.e., real-time), a micro-longitudinal repeated measure design was

employed using an Experience Sampling Methodology (ESM). This method is geared towards investigating micro-level processes at the daily level where the content of and patterns surrounding experiences and behaviours as they unfold in real-time in daily life can be revealed (Conner and Lehman 2012).

Part of the appeal of ESM research is the ability to use technology to capture lived consumer experience (Conner and Lehman 2012). In this study, three research instruments were developed and deployed using online (web-based) technology and mobile phone application technology. Over a two-week period, 1695 touch point experiences were recorded from 227 customers. Customers recorded their experiences every time they interacted with any supermarket, bank, cafe or department store using a mobile application survey on their personal device. Prior to and after the study respondents were also requested to complete static online surveys to capture constant attitudes and behaviours, and to collect individual demographic and psychographic characteristics of respondents.

4.2.1 Mixed method research design and approach

There are two primary types of approach to research – quantitative and qualitative research. Quantitative research is designed empirically to identify the presence and magnitude of relationships and differences between individuals and/or groups of individuals through numeric data (Weathington, Cunningham, and Pittenger 2012). While quantitative observations can be tremendously useful to quantify an effect or difference between groups, there are times when the goal of research is, rather, to explain or qualify a phenomenon (Weathington, Cunningham and Pittenger 2012). In this instance, a qualitative approach may be more suitable. Qualitative methods focus more on rich descriptions of phenomena than on quantification and may bring a new perspective to existing research in areas that have been dominated by quantitative methods (Weathington, Cunningham, and Pittenger 2012). However, when a qualitative approach is combined with quantitative techniques, qualitative strategies often help researchers to support their research findings and final inferences (Shaw 2003).

Mixed method research combines quantitative and qualitative research methods in the same research inquiry to help develop rich insights into various phenomena of

interest that cannot be fully understood by using only a quantitative or a qualitative method alone (Venkatesh, Brown, and Bala 2013). In this study, a mixed method methodology was employed to understand a phenomenon of interest within a single research inquiry as described by Teddlie and Tashakkori (2009). The benefits of such an approach were in having the value of both quantitative and qualitative worldviews to develop a deep understanding of the phenomenon of interest (Venkatesh, Brown, and Bala 2013), having the ability to address confirmatory and exploratory research questions simultaneously (Tashakkori and Teddlie 2003), providing stronger inferences than a single method (Teddlie and Tashakkori 2009), and allowing opportunities for a greater assortment of divergent and/or complementary views (Tashakkori and Teddlie 2003).

According to Creswell and Clark (2007) there are four major types of mixed method research design: (1) triangulation - merging qualitative and quantitative data to understand a research problem; (2) embedded - using either qualitative or quantitative data to answer a research question within a largely quantitative or qualitative study; (3) explanatory – employing qualitative data to help explain or elaborate quantitative results; and (4) exploratory - collecting quantitative data to test and explain a relationship found in qualitative data. In the current study, a mixed method approach was used with both qualitative and quantitative data collected from a panel of respondents using Experience Sampling Methodology (ESM) (to be discussed in Section 4.2.4). The mixed method design is predominantly embedded in nature (Creswell and Clark 2007), which allowed the researcher to combine the collection and analysis of both quantitative and qualitative data within a traditional quantitative research design or qualitative research design (Caracelli and Greene 1997; Greene 2007). Through this design, the researcher was able to add a supplemental qualitative strand within a quantitative design to enhance the overall research (Creswell and Clark 2011). In Study 2, the researcher concurrently collected qualitative data through open-ended comments and pictures of the individual customer experience, embedded into the quantitative research instrument. The purpose of collecting a strand of qualitative data in this study was to complement the quantitative data by providing illustration, elaboration and clarification of the results from the quantitative analysis (Greene, Caracelli, and Graham 1989).

4.2.2 Determining the research context

In order to gain comprehensive insights of customer experiences across a variety of touch points, both retailers and service providers within a B2C context were examined in this study. The research context comprised of four different types of retailers and service providers. Specifically, two retail industries: supermarkets and department stores, and two service industries: banks and cafes were selected for the purpose of the study. These retail industries are commonly used in marketing studies as (i) they offer their products/services through several channel formats (e.g., in-store, online, telephone etc.), and (ii) the incidence of customers' interactions are high (e.g., Chandon, Morwitz, and Reinartz 2004; Furrer, Liu, and Sudharshan 2000). The intention by using such approach was to capture a wide array of experiences through different interactions, contexts and channels.

Supermarkets

According to a recent report by market research firm, Roy Morgan[1], the Australian supermarket industry is worth around $82 billion annually. It is a highly concentrated industry with its top four players controlling over 90% of the market share. The industry is dominated primarily by four main supermarkets; Woolworths (39% market share), Coles (33.5% market share), Aldi (10.3% market share), IGA (9.5% market share). Other local supermarkets hold the remaining 7.7% market share of the supermarket industry (Roy Morgan 2014). Given the oligopolistic nature of the Australian supermarket industry, the players in this market consistently strive to maintain a loyal consumer base (Dwivedi et al. 2012). The Australian supermarket industry is a growing multichannel sector, with most dominant supermarkets now offering online stores, mobile applications and self-service checkouts. Recently, Australia's leading retailer, Woolworths, outlined their major multichannel ambition, which includes investment into new technology that will enable consumers to shop from their smartphone, roll out of a new supermarket online platform, and the development of new and updated mobile applications (Woolworths Limited 2011).

Department Stores

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[1] Roy Morgan (Australia), latest 12 months to December 2013; Article: *Market share narrows between Coles and Woolworths, while ALDI makes important gains;* publish date 12/02/2014

Australian consumers spend more than $18 billion a year in more than 1,000 department stores[2]. According to the Australian Government Productivity Commission Inquiry Report[3] on the economic structure and performance of the Australian retail industry, five retailers dominate the Australian department stores industry: Big W (25% market share), Target (22% market share), Kmart (21% market share), Myer (19% market share) and David Jones (12% market share). Of these retailers, Big W, Target and Kmart are discount department stores, while Myer and David Jones are upscale retailers. Australian department stores offer several channel formats including in-store, online, telephone and mobile applications. Additionally, most of the discount department stores have introduced self-service checkouts to streamline the in-store shopping experience.

Banks

Australia has a strong, profitable, sophisticated and well-regulated banking sector. Australia's retail banking sector is relatively concentrated, with twenty-one banks (12 domestic banks, 9 foreign owned subsidiaries) providing the bulk of banking services to consumers[4]. There are four major domestic banks that have the largest market shares in the retail and commercial banking sectors: the Australia and New Zealand Banking Group (ANZ), Commonwealth Bank of Australia (CBA), National Australia Bank (NAB) and Westpac Banking Corporation (WBC). These four major banks make up over 80% of the market and have delivered combined underlying cash earnings of $14.8billion in the past year[5]. The Australian retail bank payments systems continue to undergo change designed to increase competition and innovation (Australian Trade Commission 2011). Australian banks are early adopters of new technology, as reflected in the significant growth in electronic payments, EFTPOS, ATMs and mobile applications. For instance, Australia's first cardless cash service was launched recently, enabling customers to use the CommBank mobile application to withdraw cash without a card across CommBank's national ATM network[6]. This

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[2] IBIS World: *Department Stores in Australia: Market Research Report;* publish date March 2014
[3] Australian Government Productivity Commission Inquiry Report: *Economic Structure and Performance of the Australian Retail Industr*y; publish date 04/11/2011
[4] Australian Trade Commission; Australia Unlimited; *Australia's Banking Industry*; publish date May 2011

[5] PwC's Major Banks Analysis; *Banking on change;* publish date May 2014

[6] *Commbank Launches Australian-First Innovations To Continue Its Lead In The Mobile Banking And Payments Space*; publish date 30 April 2014

demonstrates that Australia's retail banking sector is a prime illustration of an innovative multichannel service industry.

Cafes

A robust coffee culture has driven the success of the Australian Cafes and Coffee Shops industry over the past five years[7]. According to a recent report by IBIS World (IBISWorld 2014a), the Australian café industry has generated over $4billion in revenue in the past year. The industry's success has been driven by resilient consumer demand for quality, convenient food and drink offerings. While most cafes have an online presence in the form of a website or a listing page to provide customers with general contact information, there is an increasing online café presence in social media and consumer review sites. Most cafes opt for using Social Media, most commonly, Facebook, to display images, advertise specials and provide contact information as a cost effective form of advertising. Additionally, consumers are frequently viewing review websites such as Urbanspoon or TripAdvisor to find information about a café.

4.2.3 A real-world and real-time perspective

Given the highly complex and subjective nature of individual human experience (Holbrook and Hirschman 1982), the current study was designed to examine lived customer experience from a real-world (Reis 2012) and real-time (Conner and Lehman 2012) perspective. A real-world perspective allows the researcher to examine behaviour and cognitive processes within their natural 'lived' contexts (Reis 2012). Such daily life protocols are intended to "capture life as it is lived" (Bolger, Davis, and Rafaeli 2003, p.580) and consider behaviour as it occurs within its typical, spontaneous setting. In real-world research, generalisability of settings and conditions is inherently less of an issue than in laboratory research as behaviour is studied within its natural, spontaneous context demonstrating ecological validity (Brewer 2000).

Predominantly, the extant research on customer experience has relied on collecting data from traditional post-purchase surveys and qualitative insights from focus

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[7] IBIS World: *Cafes and Coffee Shops in Australia: Market Research Report;* publish date March 2014

groups and interviews (e.g., Brocato, Voorhees, and Baker 2012; Lemke, Clark, and Wilson 2011; Maklan and Klaus 2011; Rose et al. 2012). However, these types of research suffer from a fundamental flaw: the delay between an experience and its report necessarily means a loss of customers' recollections of the encounter (Robinson and Clore 2002). Real-time assessments of lived experience are considered to be more accurate than memory-based reports (e.g., Macdonald, Wilson, and Konus 2012; Mitchell et al. 1997). There is evidence in the literature that suggests retrospective reports of past emotions, beliefs and behaviour can be "contaminated by memory errors, availability, recency, salience, implicit theories, and current affect" (Fisher and To 2012, p.2). For example, Mitchell et al. (1997) found that individual evaluations of their vacation enjoyment several weeks after the fact were consistently inflated compared with the effect experienced in real-time during the vacation. Thus, for the purpose of this study, a real-time, real-world assessment was considered to be essential to gain a true understanding of the individual lived experience, which is possible through using the experience sampling methodology.

4.2.4 Experience sampling methodology

The experience sampling methodology (Hektner, Schmidt, and Csikszentmihaly 2007) was employed to collect data on customer experience and behaviour at different touch points in a real-time setting. Experience sampling methodology (ESM) research elicits repeated reports and measurements of immediate experiences from the same sample of people as they go about their daily lives for several days or weeks, with a focus on assessing variables that fluctuate over the short term (Fisher and To 2012). Using this methodology, participants are encouraged to report their current or very recent effect, behaviour, thoughts and/or situational context several times per day for one or more weeks.

The past decade has seen a rapid increase in the use of the experience sampling methodology by researchers. This method was almost unheard of in organisational research 15 years ago (Fisher and To 2012). This is due to recent technology and online developments enabling such a research methodology to be made possible. In a recent article by Fisher and To (2012) on the use of experience sampling methodology in organisational behaviour, the authors point out that experience

sampling methodology provides several benefits for researchers. Firstly, the method is helpful in studying dynamic within-person processes involving effect, behaviour, interpersonal interactions and events over time. Secondly, the approach assesses participants in their normal environments and activities, which is rather 'ecological' in comparison to more artificial setting such as a laboratory. Finally, measuring cross-level affects of traits or other constant features on within-person processes and reactivity is possible with experience sampling methodology data. Moreover, organisational researchers give preference to experience sampling as it can help reduce the bias and error that is inherent in global retrospective reporting of transient experiences (Beal and Weiss 2003).

The experience sampling methodology has grown in popularity by marketing researchers due to the increasing realisation that there could be meaningful individual variation over short periods of time on a number of constructs. Individuals vary on different constructs and phenomena from moment to moment or 'touch point to touch point'. With the recent developments in interactive communication technologies, collecting consumers' experiential data has become more effective and efficient for market researchers and academics alike. For instance, in a recent study by Macdonald, Wilson, and Konus (2012, p. 103) the authors recognise fundamental flaws in using traditional surveys or qualitative insights from focus groups and interviews to capture in the moment touch point data; "they rely on customers' memories, which decay rapidly". Using ESM through an SMS-based survey paired with an online diary, the authors collect real-time experience feedback from customers. Similarly, Baines et al. (2011) applied ESM to evaluate how different communication channel experiences influence voters during a general election. In another marketing study, Andrews, Russell-Bennett, and Drennan (2011) examined the Short Message System Experience Sampling (SMS-ES) method which enables repeat measures of consumers' affective experiences occurring over a period of time.

4.2.4.1 Conducting experience sampling methodology research

There are a number of key considerations that need to be taken into account when conducting an ESM study. These involve (i) determining schedules for data collection, (ii) developing research instruments and measures, (iii) selecting the technological platform if one is required, and (iv) recruiting, training and motivating

research participants (Conner and Lehman 2012). The following sections detail the first three steps of conducting ESM research, while the last step will be discussed later in this chapter (Section 4.2.9).

4.2.4.1.1 Schedules for data collection

Planning for sampling moments of experience is a key decision researchers need to make in ESM studies (Fisher and To 2012). There are several options for sampling experiences, including interval-contingent reporting, signal-contingent reporting, event-contingent reporting and combinations of these approaches (Bolger, Davis, and Rafaeli 2003).

Interval-contingent reporting requires responses from participants at prescribed times that do not vary from day to day. For example, responses might be collected at 9:00 a.m. and 3:00 p.m. each day over the study period. *Signal-contingent* reporting calls for responses at varying times each day. This form of reporting often uses stratified schedules (e.g., with one time chosen randomly within each two-hour block). *Event-contingent* reporting requests participants to initiate a report each time a distinct event of a particular type occurs (Fisher and To 2012). This type of sampling experience requires participants to be carefully trained to recognise what is and what is not a reportable event (Moskowitz and Sadikaj 2011). The fourth alternative is a combination of these approaches. For instance, event-contingent reports combined with a time-based schedule could be used to capture the temporal antecedents or consequences of acute events (Shiffman 2007).

For the purpose of the current research event-contingent reporting is most appropriate as the time of interaction at a different touch point for each individual is unknown by the researcher. Conner and Lehman (2012) infer that from a strict phenomenological perspective, momentary emotional experience can only be assessed using real-time self-report methods such as event-contingent sampling in ESM. Event-contingent reporting has most commonly been used in research on social interactions and could also be helpful for research on interpersonal feedback or opinion seeking (Fisher and To 2012). This approach is most suitable for use when separate events of interest have a clear onset and are neither too rare nor too common. Event-contingent reporting has several advantages for the research

including that it provides specific focus on the type of event of interest to the researcher, provides a large sample of those events, and provides data obtained at the time of the event to avoid memory errors (Fisher and To 2012).

In the current study, participants were asked to initiate a report every time they had an experience with any firm from the prescribed industries. The research instrument guided participants with their reporting (e.g., asked them to select the industry, channel, etc.). The research instrument was designed in such a way as to exclude experiences from industries that do not fall into the predefined categories of supermarkets, banks, cafes and department stores.

For event-contingent studies, the frequency of occurrence of the targeted events directs the duration of data collection (Fisher and To 2012). Given the frequent interactions that consumers generally have with the selected industries, the respondents were requested to record their experiences over a two-week period to be able to capture approximately 10 experiences (5 per week) for each customer. Also the two-week time period was set by taking into account the fact that long study durations cause respondent burden and fatigue (Stone, Kessler, and Haythornthwaite 1991), particularly because of the high level of involvement required from participants in this study.

4.2.4.1.2 Research instruments

Experience sampling methodology studies commonly use at least one longer questionnaire to measure constant personal or environment variables (e.g., demographic variables) along with shorter questionnaires for momentary repeat-measure reports (Fisher and To 2012). For the purpose of this research, three separate research instruments were used to collect data at different stages of the study (see Figure 4.2). The research instruments comprised of an *Introduction Online Survey*, *Mobile Application Survey* and *Final Online Survey*.

1. *Introduction online survey* – Respondents were asked to complete this survey at the start of the study before they commenced the mobile application surveys. The purpose of this survey was to collect data relating to the attitudes and behaviours towards the retailers/service providers, and to collect

individual characteristics of respondents (i.e., demographic and psychographic variables).

2. *Mobile application survey* – Respondents were asked to complete the mobile application survey every time they had an experience with any supermarket, bank, cafe or department stores over a two-week period. The purpose of this survey was to collect real-time experiences respondents had with the chosen retailers and service providers at different touch points.

3. *Final online survey* - Respondents were asked to complete this survey at the end of the study after they had completed the mobile application surveys. The purpose of this survey was to collect data relating to the attitudes and behaviours towards the retailers/service providers, and to assess the changes, if any, as a result of the exposure to the mobile application survey.

Figure 4.2 Research instruments at different stages of the study

START OF STUDY	THROUGHOUT STUDY	END OF STUDY
Complete the **introduction online survey** prior to commencing the study	Report real-time experiences using the **mobile application survey** over the study period	Complete the **final online survey** at the conclusion of the study
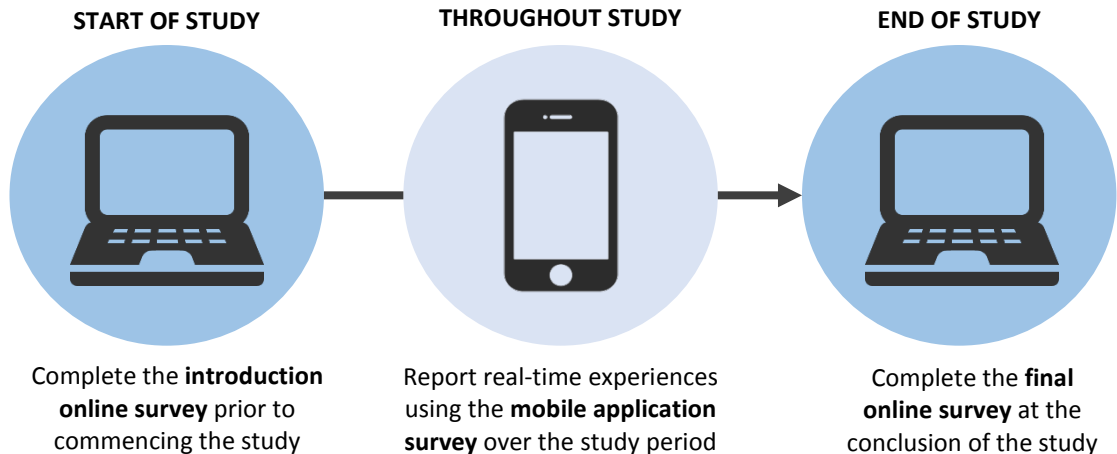
4.2.4.1.3 Research instruments: Technology considerations

An important consideration for ESM research is the technological advances that can be implemented to answer a particular theoretical question in a particular population (Conner and Lehman 2012). A common approach to ESM research is the use of digital research instruments such as PDAs (personal digital assistants), personal computers, mobile phones and tablets (e.g., iPad) to prompt and collect data responses. These research instruments allow time stamping of reports, direct input of

data to analysis programs and, in some cases, real-time monitoring of compliance. With the advent of Internet technology, questionnaires can now be delivered and downloaded to personal devices and responses can be uploaded automatically. Furthermore, with such technology, respondents are not constrained geographically (Andrews, Russell-Bennett, and Drennan 2011). For the purpose of this research, online surveys were used to capture stable responses (i.e., introduction and final survey), while a mobile application survey was used to capture the repeat-measure reports. The following section provides a discussion about the research instruments and their applicability to the study population (i.e., Australian consumers).

4.2.4.1.3.1 Online surveys

Online surveys (web-based surveys) are commonly employed by researchers to collect data in marketing studies (e.g., Jasmand, Blazevic, and de Ruyter 2012; Völckner et al. 2010). The introduction of online surveys in research methods has provided several advantages compared to more traditional methods of data collection (Wright 2005). Online data collection is typically a less costly and timely avenue for gathering basic human attitudes, opinions and behaviours (Fisher and To 2012). In addition, because of the Internet's worldwide nature, online surveys have global participant reach, enabling for a more worldly view of the construct being studied. Such data collection from vast numbers and geographical regions of people can aid in establishing better convergent and divergent validity of the constructs under study. Another advantage of online survey research is the programming services and software involved, which helps assure reliability and validity of surveys. Generally, online survey instruments are created and deployed through various Web-based programs and software packages; a system requiring participants to respond to particular questions in the survey. Therefore, this can decrease the likelihood of missing data and response errors, making the response set more reliable and valid (Yun and Trumbo 2000). Additionally, upon response submission, data can be automatically collated into a database, eliminating the need for manual data entry.

4.2.4.1.3.2 Mobile application surveys

With the widespread diffusion of mobile phones into modern society, researchers are now able to use mobile devices for data collection (Andrews, Bennett, and Drennan 2011). Mobile (cell) phones have become increasingly popular in ESM research. The

first uses of mobile phones in ESM research required participants to encode and text answers back to the researcher in response to SMS alerts or event occurrences (e.g., Andrews et al. 2011). For instance, Macdonald, Wilson, and Konus (2012) asked respondents to SMS a four-character message whenever they came across any of the brands over the course of their research project. However, the rapidly evolving field of mobile computing sees new technology, devices and operating systems emerging (Kubiak and Krog 2011). Smartphones with touch screens and wireless connectivity are making mobile phone ESM research much more effective for researchers. Specifically, mobile applications, (computer programs designed to run on smartphones, tablet computers and other mobile devices) are a new technology that can be used for ESM research. Mobile applications designed for questionnaire deployment and collection enable users to download the survey instrument onto their own phones by using the phone's wireless application protocol. The mobile application runs the survey, which can be completed by the respondent at any time (and repeated) over the study period. The growth and spread of the wireless community's Global Positioning System (GPS) tracking allows for the immediate upload of participant responses through wireless communication (Conner and Lehman 2012).

Mobile phone research offers several additional benefits to researchers above those of traditional research instruments. The main advantage of any research carried out on personal mobile phones is that participants usually own their own phones already, know how to use them, and carry them everywhere (Kubiak and Krog 2011). Collins, Todd and Gollnisch (2003) propose several advantages of mobile research: (i) mobiles provide a more flexible way to collect the data; (2) there is stronger compliance with the research requirements, as well as the ability to monitor the recency of participation through time stamps; and (3) mobiles can provide immediate corrective feedback to participants if required. In relation to mobile application surveys, responses can be traceable to each individual mobile device and GPS location detentions report the precise location from where the survey was taken. Responses are collected instantaneously, providing researchers with real-time collection and feedback. Unlike SMS surveys, mobile application surveys do not require respondents to encode their answers using a survey card; instead a respondent can follow a logical flow sequence of questions (similar to the online survey

approach). Mobile application surveys are also able to use a variety of scales and measures in relation to questions, and collect additional information from respondents such as voice memos, comments and photos.

4.2.4.1.3.3 Australia's digital economy

According to ACMA's 2012–13 Communications report (Chapman 2013) the Australian mobile phone market appears to be reaching saturation level, having been driven by the rapid take up of smartphones and tablets. Australians appear to be adapting to an Internet-enabled world confidently and seamlessly, despite the extraordinarily rapid rate of change. The report reveals that by May 2013 over 14.24 million Australians had access to the Internet in their home (Chapman 2013). Additionally, Smartphones are increasingly core to communications within Australia, with 11.19 million smartphone users in Australia (Chapman 2013). Of the Australian smartphone users, over 7.5 million users access the Internet via their mobile phones (Chapman 2013). In Australia, increasing numbers of smartphone and tablet users are downloading mobile apps, which is a reflection of the growth of the online economy. During June 2012, 4.45 million smartphone users aged 18 years and over downloaded a mobile application (Chapman 2013). Given the above discussion on Australia's mobile and digital economy, both research instruments (i.e., online survey and mobile application survey) are considered to be appropriate for use in this study.

4.2.5 Developing the survey instruments

As mentioned earlier, three separate survey instruments were employed for this study; Introduction Online Survey, Mobile Application Survey and Final Online Survey. All survey instruments followed ESM procedure for selection of scale items and measures (Fisher and To 2012) and were developed specifically to suit the respective technology platform.

4.2.5.1 Introduction and final online survey

The introduction and final online surveys were developed using Qualtrics software. Qualtrics is the world's leading survey insight technology provider and is commonly used to capture customer insights for industry market research and academic research (Qualtrics 2014). Separate survey links were created for the introduction and final

online survey. The surveys were designed to be clear, easy to use and visually appealing. In addition to the survey questions/items, the surveys included the following:

1. *Introduction page* - Information on the ethical considerations for the study, prize draw entry details, approximate duration of the survey, contact details of the researcher and thanking respondents for taking part in the study.

2. *Participation consent* – Respondents were asked whether or not they agreed to participate in the study.

3. *Prize draw entry* – The final page of the survey asked respondents to enter their email address if they wanted to be in the running for the prize draw.

4.2.5.2 Mobile application survey

The mobile application survey was developed using existing mobile survey software provided by iSurvey. iSurvey was found to be the most suitable technology provider for this study as it is a professional market research tool that enables real-time mobile survey data collection. iSurvey can be used on any iOS operated device (e.g., iPhone) or Android device. A major benefit of the iSurvey software is that an Internet connection is not required while conducting the surveys in the field as offline results can be stored on the device and can be uploaded when an Internet connection becomes available.

The mobile application survey was created online using the advanced iSurvey Web interface. The survey question flow and skip logic of the questions were arranged before the survey was pushed out to a test device to trial the application on a mobile device interface. The researcher made several iterations to the design, flow and layout before it was ready to be pre-tested.

4.2.5.3 Scale items and measures

In any type of academic research it is important to identify constructs of interest and create or use measures that accurately assess these constructs. EMS research requires researchers to use measures that reflect the desired time frame over which respondents report their answers (Fisher and To 2012). Additionally, items from scales developed for single reflective reporting often need to be reworded to suit a

shorter time context. In this study, where appropriate, items were adjusted and re-worded to suit the 'present moment' context.

4.2.5.3.1 Single-item Scale Considerations

Consistent with ESM research (Fisher and To 2012), several measures in the research were used with single-item scales. Often in ESM research, respondents are asked to rate conventional unidimensional constructs to reflect their current experience, current state of emotions etc. When single items hold face and content validity and correlate with other variables, construct validity is achieved and the item is thereby considered acceptable (Fisher and To 2012). Further, Bergkvist and Rossiter (2007) inferred that constructs with concrete singular objects and concrete attributes should be measured with single-item scales. They resolve that practitioners in the marketing research field have always used single-item measures for constructs such as these, and academic researchers can now follow without concern about losing validity (r) or explanatory power (R2) (Bergkvist and Rossiter 2007). Since this questionnaire was aimed to elicit responses predominantly on concrete singular objects and measure constructs falling into Bergkvist and Rossiter's (2007) definition of concrete attributes, single-item scales were appropriate to measure unidimensional constructs. To reduce the statistical problems of extreme skewness and to discriminate sufficiently between single-item response categories, all items were measured on 7-point and 10-point rating scales to enable customers to make better discriminations (Bergkvist and Rossiter 2007; Fornell et al. 1996).

4.2.5.3.2 Introduction and final online survey

The introduction online survey was designed to understand respondents' attitudes and behaviours towards the chosen retailers/service providers containing the following variables: *evaluation of touch point elements, relative importance of touch point elements, customer experience, customer satisfaction and loyalty intentions*. In addition, it contained questions on the demographic and psychological characteristics of respondents. On the other hand, the final online survey was a shorter version of the introduction survey, containing only questions relating to the following variables: *evaluation of touch point elements, customer experience, customer satisfaction* and *loyalty intentions*.

Evaluation of touch point elements: To measure customer evaluations of each touch point element identified in Study 1, respondents were asked to indicate on a 7-point semantic differential scale (anchored 1 = extremely poor, 7 = excellent) how they felt about each of the elements based on their past experiences with their most frequented provider; "Based on your past experiences with your most frequented [industry], please rate the following factors…" This scale was adapted from Gensch and Recker (1979). The semantics of the statements were adapted to suit different retailer/service provider contexts. For instance, in the 'bank section' respondents were asked to evaluate the 'bank atmospherics', while the 'department store section' asked respondents to evaluate the 'department store atmospherics'. In addition to the evaluation of all relevant touch point elements, respondents were also asked to indicate their 'overall experience' with their most frequented provider.

Relative importance of touch point elements: Following Golder, Mitra, and Moorman (2012), the respondents were asked to rank the importance of each touch point element for each of the retailers/service providers. To measure the relative importance, respondents were asked; "please rank the order of importance for each factor in your overall [industry] experience". In the online survey, respondents were able to drag and drop items up and down to re-order based on the level of importance (1 = most important, 7 = least important).

Customer experience: As discussed in the theoretical background and literature review (Chapter 2), customer experience is a multidimensional construct that comprises consumers' cognitive, affective, social and physical responses (Verhoef et al. 2009). To measure these responses, items were selected from Voss, Spangenberg, and Grohmann (2003) and Nambisan and Watt (2011) and measured using a 7-point semantic differential scale. Given the constraints of the length of the survey for ESM research, one item was selected to represent each of the four dimensions. The item for each response was selected based on: (i) the results of the qualitative study (Study 1) on customer responses and emotions, and (ii) the item's suitability to the respective industries. The selection criteria resulted in the following items as a response to the initial statement: "Your past experiences with your most frequented [industry] have usually been: "unhelpful/helpful" (*cognitive*);

"unenjoyable/enjoyable" (*affective*); "not friendly/friendly" (*social*); and "difficult/easy" (*physical*).

Customer satisfaction: Overall customer satisfaction was measured by a summary question, as in Anderson and Sullivan (1993), Colgate and Danaher (2000), Fornell (1992), Maxham III and Netemeyer (2002), and Mittal, Ross, and Baldasare (1998). The question was presented as; "Your past experiences with your most frequented [industry] have usually been: very dissatisfying/very satisfying", measured on a 7-point semantic differential scale.

Loyalty intentions: In line with Vogel, Evanschitzky, and Ramaseshan (2008) loyalty intentions were measured using two items adapted from Zeithaml, Berry and Parasuraman's (1996) behavioural intention battery. These items include; "based on your experiences at your most frequented [industry], how likely are you to recommend this [industry] to a friend?" and "based on your experiences at your most frequented [industry], how likely are you to repurchase from this [industry]?" These items were measured on a 10-point semantic differential scale, anchored at 1 = extremely unlikely, 10 = extremely likely.

Psychographics: Psychographic variables relevant to different stages of the consumer decision process, multichannel contexts and retail/service customers were drawn from Konus, Verhoef and Neslin (2008). The psychographic variables include; innovativeness, shopping enjoyment and price consciousness. Each psychographic variable contained several items and all were measured on 7-point Likert scales (1 = strongly disagree, 7= strongly agree).

Innovativeness refers to the degree to which a person prefers to seek out new experiences and try new and different products (Midgley and Dowling 1978). In line with Konus, Verhoef, and Neslin (2008), four items were drawn from Goldsmith and Hofacker (1991) to measure innovativeness. These items include; "I regularly purchase different varieties of a product just for a change", "I am one who likes to try a new product first, just after the launch", "I find it boring to use the same product (or brand) repetitively" and "I like to try new and different products".

Shopping enjoyment refers to the entertainment and emotional benefits (hedonic utility) consumers receive from shopping (Ailawadi et al. 2001). In line with Konus, Verhoef, and Neslin (2008), two items were adapted from Babin, Darden and Griffin (1994) and Dawson, Bloch and Ridgway (1990) to measure shopping enjoyment; "I like shopping" and "I take my time when I shop".

Price consciousness is the degree to which consumers seek to minimise the price paid for an item, which relates to saving (Lichtenstein, Netemyer, and Burton 1990). Two items drawn from Lichtenstein, Netemyer and Burton (1990) and Sproles and Sproles (1990) were used to measure price consciousness; "It is important for me to have the best price for the product" and "I compare the prices of various products before I make a choice".

Demographics: Several demographic variables were collected in the introduction online survey. These include; gender, age, education, income and number of people in household. All demographic variables used standard measurement and items (e.g., Rose et al. 2012). See Table 4.5 below for the list of all demographic items.

4.2.5.3.3 Mobile application survey

Respondent fatigue is a well-recognised issue in Experience Sampling Methodologies, which leads to problems with retention rates and data quality in the responses provided (Andrews, Bennett, and Drennan 2011). To reduce this burden on participants, Scollen et al. (2003) suggest that the survey needs to be completed quickly (i.e., in less than five minutes, ideally around two or three minutes) due to the repeated measures taken during the ESM study. This is recognised also in mobile Internet surveys (Okazaki 2007) and in commercial market research, where it is recommended to keep the length of time needed to complete the survey short. In order to avoid irritating respondents with what could appear to be redundant questions and to remain in line with these time recommendations, it is common practice to shorten existing academic scales for ESM use (Fisher and To 2012). Fisher and To (2012) point out that the constructs measured in ESM research are more concrete and usually simpler than related constructs that are rated globally. They justify the use of shorter measures by suggesting that measurement errors due to individual interpretations of questions or to different response sets are minimised

when measuring constant within person variables. To decide on which items to include in a shortened scale, researchers must use their own discretion and judgment as only few validated multi-item scales exist for use in ESM. Furthermore, Fisher and To (2012) recommend that the actual text of ESM questions should be kept short and simple (while remaining true to the construct), especially if items will be presented on the small screens of mobile phones. The following sections provide a detailed account of the items and scales that were included in the final version of the mobile application survey.

Industry: Participants were asked to identify the industry (i.e., "Supermarket", "Bank", "Café" and "Department Store") with which they were about to commence the evaluation of their experience.

Retail channel: To identify the retail channel of the touch point, respondents were asked to specify the retail channel ("in-store", "online", "telephone" and "mobile application") of their interaction.

Motivation orientation: To recognise whether each individual touch point experience was driven primarily by hedonic or utilitarian motivations, the Kaltcheva and Weitz (2006) system was followed in this study. Consumers were asked to indicate their motivation at the time of experience by selecting an answer to the following question: "During this encounter, I primarily want to: browse, socialise, shop for fun, purchase specific items, make a transaction, search for information, or seek help".

Evaluation of touch point elements: To measure customer evaluations of each touch point element as identified in Study 1, respondents were asked to indicate on a 7-point semantic differential scale (anchored 1 = extremely poor, 7 = excellent) how they felt about each of the elements they encountered during their experience. The scale was adapted from Gensch and Recker (1979) who asked respondents to mark a 7-point scale with descriptors ranging from "excellent" to "extremely poor" for each store on each attribute. Given that different touch point elements are distinct to each retail channel, the survey was developed with flow logic to move to touch point element questions relevant to the specific retail channel (see Table 4.1). All touch

point elements (atmospheric, technological, communicative, process, employee-customer interaction, customer-customer interaction and product interaction) were relevant to physical channel experiences (i.e., in-store and telephone), while only atmospheric, technological, communicative and process elements were relevant for digital channels (i.e., online and mobile applications). In addition to the evaluation of all relevant touch point elements, respondents were also asked to rate their 'overall experience'.

Table 4.1 Items by retail channel for the evaluation of touch point elements

Retail Channel	Item	Touch Point Element
Physical channels	*The following statements relate to your experience.*	
	1. Please rate the atmosphere.	Atmospheric
	2. Please rate your interactions with the technology.	Technological
	3. Please rate the communication provided by [Company X].	Communicative
	4. Please rate the service process.	Process
	5. Please rate your interactions with employees.	Employee-customer interaction
	6. Please rate your interactions with other customers.	Customer-customer interaction
	7. Please rate the products/services offered.	Product interaction
	8. Please rate your overall experience.	
Digital channels	*The following statements relate to your experience.*	
	1. Please rate the atmosphere.	Atmospheric
	2. Please rate your interactions with the technology.	Technological
	3. Please rate the communication provided by [Company X].	Communicative
	4. Please rate the service process.	Process
	5. Please rate your overall experience.	

Customer experience: The real-time cognitive, affective, social and physical responses were measured using the statements:

"How helpful is this experience?" (anchored at 1= unhelpful, 7= helpful);

"How enjoyable is this experience?" (anchored at 1= unenjoyable, 7= enjoyable);

"How friendly is this experience?" (anchored at 1= not friendly, 7= friendly); and

"How easy is this experience?" (anchored at 1= difficult, 7= easy).

Customer satisfaction: The global single-item measure "Overall, how satisfied are you with this experience?" was employed to measure customer satisfaction (e.g.,

Anderson and Sullivan 1993) on a 7-point scale (anchored at 1 = very dissatisfied, 7 = very satisfied).

Actual spend: Given the real-time nature of the questionnaire, it was possible to capture the actual amount spent by the respondent during each encounter, coinciding with the experience. Respondents were asked if they made a purchase during the encounter; if the respondent stated, "yes", they were then requested to specify how much they spent, by typing in the amount in dollars. This approach is in line with Stilley, Inman and Wakefield (2010).

Loyalty intentions: Loyalty intentions were measured using two items adapted from Zeithaml, Berry and Parasuraman (1996); "On a scale from 1-10, how likely are you to recommend this retailer?" and "On a scale from 1-10, how likely are you to purchase from this retailer again?" In line with Keiningham et al. (2007), these items were measured on a 10-point semantic differential scale (anchored at 1 = extremely unlikely, 10 = extremely likely).

Additional information: Respondents were requested to provide additional information (comments and photos), if any, in relation to their experience. The mobile application gave respondents the ability to type a short comment and upload a photo. At the end of the survey respondents were asked; "Please add any comments about your experience that you would like to share." This was an open-ended question that enabled respondents to type (up to 44 characters) about their experience. The next screen stated; "Please add any photos of your experience that you would like to share". On this screen respondents could use their mobile camera to take a photo relating to their experience.

4.2.6 Pilot test

A pilot test of the *Introduction Online Survey*, *Mobile Application Survey*, *Final Online Survey* and the *Participant Instruction Guide* was conducted among 15 participants selected using the convenience sampling technique. The pre-test participants were asked to complete the introduction online survey, use the participant instruction guide to download the mobile application onto their personal device, and rate their experiences over a two-day period, before completing the final

online survey. Following this, the participants were requested to provide feedback, comments and suggestions on all the research instruments. The research instruments were finalised after taking into account the comments and feedback received from the pre-test (see Appendix 3 for details). The final version of the online survey research instruments (introduction online survey and final online survey) are presented in Appendices 4 and 5 respectively. An illustrative example of the final mobile application survey research instrument is presented in Appendix 6.

4.2.7 Ethical considerations

To adhere to ethical guidelines, the researcher applied for ethics approval for Research with Low Risk (Form C). Curtin University's Human Research Ethics Committee approved the project for a period of 1 year (12/3/2014 to 12/3/2015). The ethics approval number is *SOM2014004*. Further ethical considerations were addressed in the study, including: informed consent, protection of privacy and confidentiality of records, data storage and research incentives - competitions.

Informed consent

Respondents must be able to provide consent to participate in a study; i.e., they must be confident that they are fully informed of all the relevant aspects of the research to be undertaken. In line with the NHMRC National Statement on Ethical Conduct in Human Research an information sheet and consent form were provided to all participants. To eliminate information overburden to the respondent, the information sheet content was integrated into the initial email and the consent to participate in the study was provided by the respondent emailing their contact details to the researcher. Consent was confirmed when participants continued with the study and completed the surveys.

Protection of privacy and confidentiality of records

The individual's privacy and the confidentiality of data were ensured in this study. In the study, direct links to the respondents (i.e., names and email addresses) were recorded for the purpose of matching up data records and for the prize draws. However, special care was taken to protect the privacy and confidentiality of all the subjects and data obtained in the study. Once the data were uploaded, corresponding

cases were matched and examined; the researcher applied ID codes to the cases and removed all personal details from the dataset (i.e., names and email addresses).

Data storage

The data collected during the study will be stored in a secure location in the School of Marketing, Curtin University for 5 years. Access to the data is restricted to the researcher and the supervisor. The data will only be used for purposes as described in the information sheet.

Research incentives – prize draw

In order to increase the response rate, participating respondents were included in a prize draw. In accordance with Curtin University's Human Research Ethics Committee guidelines, the prize draw was registered with the Department of Racing, Gaming and Liquor for providing a reward via a draw. Additionally, the researcher devised a set of prize draw Terms and Conditions which complies with the prescribed conditions associated with a trade promotion lottery, as per the *Gaming and Wagering Commission Act 1987* Section 104. The Terms and Conditions of the prize draw were included in the *Participant Instruction Guide* so that all participants in the study were appropriately informed about the prize draw terms.

The prize draws were conducted in School of Marketing, Curtin Bentley campus a week after the collections of survey data closed. Email addresses were provided by participants who consented to enter into the prize draw at the end of the Introduction and Final online surveys. These email addresses were compiled into a list in separate spread sheets (for Prize Draw 1 and 4) and each email address was assigned a number. Additionally, the researcher examined the responses from each week of the mobile application study. Only participants who provided 5 or more responses were included in the list in separate spread sheets (for Prize Draw 2 and 3) and each respondent was assigned a number. The Head of School, with the researcher and supervisor present, conducted the four prize draws. The draws were randomly drawn using www.random.org from all eligible entries received with the first entry drawn being the prize winner. The prize winners were contacted within seven days of the draw by using the email address supplied by the entrant when they consented to participate in the study.

4.2.8 Selection of sample respondents

The unit of analysis for the study is the customer experience at individual touch points. The data relating to individual experiences were obtained from a sample of Australian customers who are above 18 years of age and have access to, and are able to use, the technologies required for this study, as recommended by Conner and Lehman (2012). To obtain an adequate customer sample required for this study, the researcher procured a database of 7,000 randomly selected Australian consumers from a direct marketing company. In this study, a randomised control group of 1,000 was drawn from the initial sample of 7,000 respondents to examine if participation in the main study (mobile application study) had resulted in any awareness bias or had any influence on the attitudes and behaviour of consumers. Participants in this group completed only the introduction and final online survey two-weeks apart. Thus, the sample consisted of two groups: (i) main group, consisting of 6,000 individuals who were requested to respond to all stages of the study, and (ii) control group, consisting of 1,000 individuals who were requested to complete only the introduction and final online surveys. Random assignment of respondents in each group (i.e., main group and control group) was employed to reduce systematic bias (Hair et al. 2010).

4.2.9 Conducting the data collection

The data collection proceeded in several stages (see Figure 4.3 below). First, participants were recruited through an email sent to email addresses randomly selected from the database. Second, participants were provided with information on how to participate in the study and were trained on how to use the mobile application. Third, the survey instruments were administered to the participants. Finally, participants were engaged and motivated to participate in the research through a communications strategy. The following sections detail these four stages of conducting the data collection.

Figure 4.3 Schematic view of the data collection process
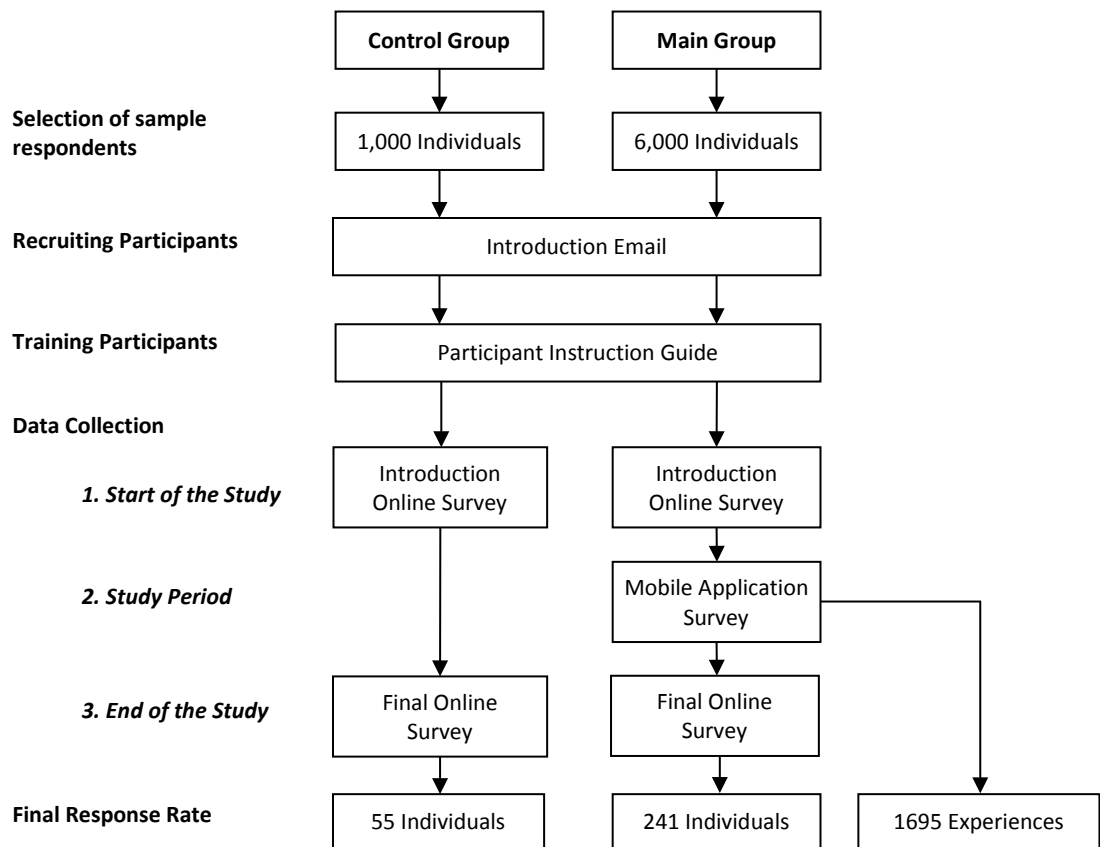
4.2.9.1 Recruiting participants

To recruit respondents for the study an introduction email for the main group (see Appendix 7) was sent out to 6,000 randomly selected email addresses, while an introduction email for the control group (see Appendix 8) was sent out to 1,000 randomly selected email addresses from the database. In order to ensure an adequate response rate, a financial incentive consisting of prize draws for different stages in the study, was offered to participants. The introduction email included the following:

1. Introduction about the research
2. What the research is about
3. Prizes to be won
4. A brief description of what's involved from the participant
5. A statement on confidentiality and ethical considerations
6. How to consent to take part in the study
7. Contact details of the researcher

The introduction email clearly indicated the technology requirements for participation in the study. The addressees, who expressed their interest to participate in the study, were asked to provide their full name, preferred email address and mobile number. Those who responded were sent the *Participant Instruction Guide* and the links to the *Introduction Online Survey* and *Final Online Survey*. A confidential database of the names, email addresses, mobile numbers and the response (consent) date was compiled from the responses received.

4.2.9.2 Training participants

Training is an important part of implementing an ESM study (Fisher and To 2012). Individuals need to understand what is required from their participation in the study. For instance, participants should be aware of when they should respond (e.g., what kind of event is reportable), how to operate the technology, and whom to contact if issues arise. Given that this was a national, large-scale study, in-person training was not possible. Therefore, the researcher developed a *Participant Instruction Guide* (see Appendix 9 for the main group; Appendix 10 for the control group) that detailed the following points to train and inform participants about the study:

1. *Brief introduction* – An outline of what participants will be doing in the study (i.e., "Over the next few weeks you will be asked to share any experiences you have with supermarkets, banks, cafes and department stores").

2. *Prizes* – A section detailing the prizes that can be won for taking part in the different stages of the study.

3. *What's involved* – A detailed section describing what is involved in the study that is split into 3 steps: 1) start of the study, 2) throughout study, and 3) end of the study.

4. *Mobile application download guides* – Two separate guides for downloading the iSurvey and droidSurvey applications was developed for (1) iPhone users, and (2) Android device users. Each guide contained 6 steps to help participants download the application from the iTunes (iPhone) or Google Play (Android) store, authenticate the device, load the survey onto their device, and start using the application.

5. *Researcher contact details* – Contact details of the researcher were provided in case any participants had some questions or needed help with the study.

6. *Prize draw terms and conditions* – In line with ethical guidelines, the terms and conditions of the prize draw were included in the Participant Instruction Guide.

4.2.9.3 Administering the surveys

The participants were asked to commence the study after receiving the survey links and the Participant Instruction Guide. The Qualtrics survey link directed respondents to the introduction online survey. On completion of the introduction online survey, respondents were required to download the iSurvey (iPhone users) or droidSurvey (Android users) mobile application onto their personal devices. The respondents could download the iSurvey and droidSurvey mobile applications free of charge from the iTunes (iPhone) or Google Play (Android) stores. To distribute the mobile application survey, the researcher sent the survey (via the online software) to the authenticated devices. Once the mobile application was authenticated, participants could start using the mobile application to evaluate their experiences over the two-week study period. On completion of the two-week study, respondents were asked to complete the final online survey.

4.2.9.4 Communication strategy

Throughout the study the researcher sent out SMSs and emails to remind, encourage, engage and thank the respondents to continue participating in the study. This approach was very suitable for the study since respondents were participating in the study using the internet (emails) and their mobile phones (SMSs). The SMS communication did not require responses from respondents; therefore, there was no financial burden for respondents. Given the large number of SMSs required to contact the respondents at several points throughout the study, SMS software was employed to send out bulk SMSs. SMS Central, an online SMS software provider, was used to send large numbers of SMSs to respondents from a computer program. SMS Central's Web SMS portal is designed to make it simple, fast and easy to send SMS. The SMS communication schedule is provided in Appendix 11. The researcher kept track of the progress for each respondent through a dashboard and regularly communicated with the respondents at different stages across the study.

4.2.9.5 Response rate

As mentioned earlier, emails with the request to participant in the study were sent to a total sample of 7,000 individuals, which consisted of two groups: (i) main group, consisting of 6,000 individuals, and (ii) control group, consisting of 1,000 individuals. The number of undelivered emails was found to be 48 in the main group and 20 in the control group. This is lower than the undelivered rate of past studies (e.g., Yang and Peterson 2004). In the main group 2,989 individuals opened the email, while 494 individuals opened the email in the control group. Although a total of 312 (main group) and 83 (control group) individuals replied to the email and consented to participate in the study, only 241 (main group) and 55 (control group) individuals were active in the study and completed at least one survey. Thus, the effective response rate is 8.1% and 16.8% for the main group and control group respectively (Ganesh, Arnold, and Reynolds 2000). This response rate is consistent with prior ESM research, which is characterised by smaller numbers of participants, due to the extensive participation requirements and repeated measures causing respondent attrition (Bolger, Davis, and Rafaeli 2003).

From the main group, 1695 mobile application surveys were completed, all of which were complete and usable responses. Thus, approximately 8 mobile application surveys were completed per respondent. Of the mobile application surveys, 448 were supermarket experiences, 258 were bank experiences, 659 were café experiences and 328 were department store experiences. Furthermore, 1222 experiences were completed in physical channels, while 473 experiences were from digital channels. Given that the unit of analysis was the *experience* rather than the *individual*, the repeated measures (i.e., mobile application surveys) provided a sufficient number of responses for further analysis (Bolger, Davis, and Rafaeli 2003).

4.3 Data analysis

4.3.1 Tools and methods of data analysis

Various statistical tools and techniques were employed in analysing the study data to establish the plausibility of the theoretical model and to estimate the degree to which the various exogenous variables influenced the endogenous variables. First, the data was retrieved from the data collection programs (Qualtrics and iSurvey) and

converted into appropriate file formats. Next, the data analysis program, SPSS version 20, was used to screen, edit and code the data, as well as treat missing data. Tests also were conducted to confirm the absence of nonresponse bias, common method bias and respondent awareness bias. The demography of the respondents was examined through frequency distributions. Following this, variance-based partial least squares (PLS-SEM) tests were employed to estimate the theoretical model using the software application SmartPLS (Ringle, Wende, and Will 2005). Finally, an explanatory qualitative analysis was conducted through Nvivo, examining the qualitative data (i.e., comments and images) that were collected through the real-time mobile application surveys.

4.3.2 Data editing, coding and screening

On completion of the data collection, the researcher downloaded the online survey data from Qualtrics and mobile application data from iSurveysoft.com in the SPSS file format. This resulted in three SPSS data spreadsheets (introduction online survey, mobile application survey and final online survey). Table 4.2, below, contains details of the initial responses received and completely usable responses for all of the research instruments: introduction online survey, final online surveys and mobile application survey.

Table 4.2 Survey responses by research instrument

	Main Group			Control Group	
	Intro Online Survey	**Final Online Survey**	**Mobile Survey**	**Intro Online Survey**	**Final Online Survey**
Initial Responses	238	156	1695	55	51
Usable Responses	227	143	1695	50	50

To ensure respondent anonymity when analysing the data, the researcher assigned an ID code to each respondent. After a thorough check that the codes matched across all the spreadsheets, the researcher deleted all personal information. Following this, each of the three SPSS data spreadsheets was screened for editing purposes to ensure that the data was complete (no omissions) and consistent. In all surveys the researcher included a force validation, which compelled respondents to fill in the

entire questionnaire before they were able to submit the response. This minimised the chances of receiving missing data. However, in the Qualtrics online surveys, some respondents may have closed the webpage before submitting the filled-in questionnaire.

Before data can be analysed, a researcher has to code the data for analysis. Coding involves assigning tags or labels for allocating units of meaning to the descriptive or inferential information collected during a study (Basit 2003). In this study, all of the question items were pre-coded automatically by Qualtrics and iSurveysoft.com prior to the administration of the surveys. Finally, data in each of the SPSS spreadsheets were screened to detect outliers. Detection of outliers enables the researcher to identify errors and remove any contaminating affects on the data set in order to purify the data before the analysis. The researcher detected and omitted all anomalous observations from the data before the data was analysed.

4.3.2.1 Treating missing data

Missing data are a very common problem in empirical survey research (Downey and King 1998) and can cause a negative impact on statistical power and may result in biased estimates (Roth et al. 1999). This requires a means of treating missing data. According to Kline (1998), there are three common techniques for dealing with missing data: (i) to delete them, (ii) to replace the missing data with estimated scores and (iii) to model the distribution of missing data and estimate them based on certain parameters. For the purpose of this study, missing data were replaced with estimated scores using the hot-deck imputation technique. The hot-deck imputation method requires the researcher to replace missing values with the actual score from a similar case in the dataset (Tsikriktsis 2005). This technique is recommended when data are missing in certain patterns, which occurred when respondents exited the survey before completion.

4.3.3 Other data considerations

To be able to generalise findings to a wider population, the sample quality should be thoroughly assessed. As suggested by Blair and Zinkhan (2006) in evaluating sample quality, researchers should be cognizant of all sources of sample bias. Considering the importance of the generalisability of results is a substantial issue in academic

research, in the current research three forms of bias were considered and assessed to evaluate the sample quality; nonresponse bias, common method bias and respondent awareness bias.

4.3.3.1 Nonresponse bias

Nonresponse bias occurs when the answers of respondents differ from the potential answers of those who did not answer the survey (Dillman 2007). Nonresponse bias could cause distortions with regard to the generalisability of the study findings. To avoid this, a test was conducted to ensure absence of nonresponse bias in the study. This involved a comparison of the mean values of selected variables from the first 50 responses with those of the last 50 responses from the introduction online survey through a paired sample t-test (Armstrong and Overton 1977). The results, presented in Table 4.3, demonstrate absence of non-response bias.

Table 4.3 Paired sample t-test: Testing for nonresponse bias

Pair	Variable		Mean	Mean Difference	t	df	P
	Supermarkets						
Pair 1	Overall Touch Point Evaluation	First 50	4.55	-.18	-1.19	49	.24
		Last 50	4.74				
Pair 2	Customer Experience	First 50	5.22	-.07	-.44	49	.66
		Last 50	5.29				
Pair 3	Recommendation Intentions	First 50	67.80	-2.96	-.83	49	.41
		Last 50	70.76				
Pair 4	Repurchase Intentions	First 50	87.58	-1.26	-.39	49	.70
		Last 50	88.84				
	Banks						
Pair 5	Overall Touch Point Evaluation	First 50	4.97	-.15	-.74	49	.46
		Last 50	5.13				
Pair 6	Customer Experience	First 50	5.53	.03	.11	49	.91
		Last 50	5.50				
Pair 7	Recommendation Intentions	First 50	67.52	-4.30	-.84	49	.41
		Last 50	71.82				
Pair 8	Repurchase Intentions	First 50	83.90	3.24	.91	49	.36
		Last 50	80.66				
	Cafes						
Pair 9	Overall Touch Point Evaluation	First 50	4.65	-.07	-.48	49	.64
		Last 50	4.72				
Pair 10	Customer Experience	First 50	5.67	-.02	-.10	49	.92
		Last 50	5.69				
Pair 11	Recommendation Intentions	First 50	73.30	-3.14	-.78	49	.44
		Last 50	76.44				
Pair 12	Repurchase Intentions	First 50	84.00	4.06	1.08	49	.28
		Last 50	79.94				

	Department Stores						
Pair 13	Overall Touch Point Evaluation	First 50	4.61	-.07	-.32	49	.75
		Last 50	4.68				
Pair 14	Customer Experience	First 50	4.98	-.31	-1.46	49	.15
		Last 50	5.29				
Pair 15	Recommendation Intentions	First 50	69.52	-4.52	-1.12	49	.27
		Last 50	74.04				
Pair 16	Repurchase Intentions	First 50	79.82	-1.38	-.33	49	.74
		Last 50	81.20				

4.3.3.2 Common method bias

Common method bias is a potential problem in behavioural research (Podsakoff et al. 2003). Common method bias arises when both dependent and independent variable data are collected from a single informant (Podsakoff and Organ 1986). Method biases are a problem in survey research because they are one of the main sources of measurement error that can threaten the validity of the conclusions about the construct relationships (Bagozzi and Yi 1991).

In order to minimise the effects of common method bias, several approaches were employed in the survey instruments. First, the scale and anchor designs were varied in both the online surveys and the mobile application survey to reduce potential artifactual covariation produced by the use of the same scale or anchor format (Podsakoff et al. 2003). Second, some constructs were measured through data from two distinct research instruments. For example, overall touch point evaluations (collected through the mobile application survey) were weighted using the relative importance scores from a different research instrument and measured at a different point in time (i.e., introduction online survey). This minimises the impact of artifactual covariance in the data that is caused by (i) constructs measured on the same research instrument and (ii) constructs measured at the same point in time. Finally, the introductory email and introduction page of the online surveys assured respondents of their anonymity in the study, which was aimed at reducing respondents' apprehension and thereby helped to control possible sources of common method bias (Podsakoff et al. 2003). While it is difficult to identify the exact source(s) of method bias (Podsakoff et al. 2003), the procedural remedies adopted in this study helped to minimise common method bias.

In order to examine the prevalence of common method bias in the data, one of the most widely used techniques is Harman's one-factor (or single-factor) test (Podsakoff and Organ 1986). This technique assumes that if common variance is present, one general factor would account for the majority of co-variance in the variables used (Podsakoff et al. 2003). A principal component factor analysis was conducted to examine the prevalence of common method bias in the data. The test revealed that the measurement items employed in the study generated more than one factor. The presence of several distinct factors and a relatively low variance explained (18.57%) by the first factor provided evidence that the dataset was not susceptible to common method bias (Podsakoff and Organ 1986; Podsakoff et al. 2003).

4.3.3.3 Respondent awareness bias

Participation in repeated measure surveys (i.e., mobile application study) inevitably raises respondents' awareness of the retail industries in this study and their experiences with these retailers during the study period. The purpose of the final online survey was to unearth the relative changes in respondents' perception, attitudes and behaviour with the retail industries under study. To deal with the potential bias respondents may have when taking part in the main study (i.e., mobile application surveys), Macdonald, Wilson, and Knous (2012) suggest selecting a randomised control group from the initial sample to be compared to the main group. In this study, a randomised control group was drawn from the initial sample. This method is similar to a pretest-posttest control group experimental research design, in which an experimental group is tested before and after exposure to the treatment and a control group is tested at the same time without being exposed to a treatment (Zikmund et al. 2012). For the purpose of this study, the control group enabled the researcher to detect whether the participation in the mobile application study caused respondent bias (i.e., higher awareness due to participation in the study). This was done by examining for shifts in attitudes and key behaviours from the introduction online survey (t_0) to the final online survey (t_1) to examine differences (if any) between the main group and control group.

To test for the differences between two or more independent groups whilst subjecting participants to repeated measures, a 2x2 mixed effects analysis of variance analysis (Morris 2007) was used: 2-levels in the repeated measure (t_0, t_1) and the between subjects effect has two groups (i.e., main group and control group). To assess the relative change between respondent attitudes and behaviours over the two-week study period the following variables were examined for each industry separately: *overall touch point evaluation* (composite score), *customer experience* (composite score), *past experience*, *customer satisfaction*, *recommendation intentions* and *repurchase intentions*. The results, presented in Table 4.4, show that there is no significant difference between the main group and control group between the two time periods (t_0, t_1) for each industry used in the study. This demonstrates absence of respondent awareness bias attributable to the mobile application study.

Table 4.4 Mixed effects analysis of variance analysis:
Testing for respondent awareness bias

Variable		Main Group Mean	SD	Control Group Mean	SD	Within-Subjects Effects Mean Square	F	Sig.
Supermarkets								
Overall Touch Point Evaluation	t_0	4.65	.89	4.95	.71	.62	2.66	**.11**
	t_1	4.90	.84	5.00	.88			
Customer Experience	t_0	5.25	.86	5.33	.67	.28	.82	**.36**
	t_1	5.16	.96	5.37	.99			
Past Experience	t_0	4.82	.95	4.8	.88	.48	1.01	**.31**
	t_1	4.64	.92	4.8	.91			
Recommendation Intentions	t_0	62.68	22.47	69.41	27.62	16.99	.10	**.75**
	t_1	62.91	24.05	68.59	21.99			
Repurchase Intentions	t_0	87.00	14.60	91.56	11.23	28.98	.40	**.52**
	t_1	88.99	13.74	92.18	10.34			
Banks								
Overall Touch Point Evaluation	t_0	5.17	1.00	5.11	.89	.01	.01	**.94**
	t_1	5.13	.92	5.08	.94			
Customer Experience	t_0	5.52	1.04	5.37	.94	.03	.07	**.79**
	t_1	5.42	1.04	5.31	.86			
Past Experience	t_0	5.21	1.12	4.92	1.24	.01	.01	**.96**
	t_1	5.09	1.16	4.82	.99			
Recommendation Intentions	t_0	67.94	24.72	63.23	28.80	3.44	.02	**.89**
	t_1	68.55	25.03	63.36	28.87			
Repurchase Intentions	t_0	81.52	20.37	83.92	19.06	22.65	.17	**.68**
	t_1	85.58	18.46	86.77	18.38			

Cafes								
Overall Touch Point Evaluation	t_0	4.81	.84	4.83	.93	.05	.18	**.67**
	t_1	4.94	.90	5.02	.98			
Customer Experience	t_0	5.64	.88	5.74	.87	.01	.04	**.85**
	t_1	5.70	.92	5.76	.89			
Past Experience	t_0	5.27	1.04	5.27	1.10	.56	1.08	**.30**
	t_1	5.16	.96	5.35	1.03			
Recommendation Intentions	t_0	74.64	20.46	75.49	20.95	2.76	.02	**.90**
	t_1	75.04	18.87	75.46	23.49			
Repurchase Intentions	t_0	83.28	17.64	81.46	18.16	17.94	.12	**.73**
	t_1	84.39	16.02	81.46	19.27			
Department Stores								
Overall Touch Point Evaluation	t_0	4.61	.95	5.11	.95	.01	.04	**.85**
	t_1	4.74	.94	5.21	.92			
Customer Experience	t_0	5.09	1.06	5.51	.82	.16	.33	**.57**
	t_1	5.05	1.12	5.40	.83			
Past Experience	t_0	4.79	1.08	5.18	1.07	.33	.53	**.47**
	t_1	4.67	1.22	5.21	.92			
Recommendation Intentions	t_0	59.75	25.99	69.05	26.61	31.90	.15	**.70**
	t_1	60.26	25.22	71.00	26.72			
Repurchase Intentions	t_0	79.47	18.65	87.26	13.15	9.97	.08	**.78**
	t_1	81.07	17.65	88.05	11.90			

4.3.4 Descriptive statistics: Respondent profile

A summary of the descriptive statistics of respondents is shown in Table 4.5. Of the total respondents in the study, a majority (72.6%) was aged between 18 years and 35 years, which is in line with ESM studies (Fisher and To 2012). The overrepresentation of the younger consumers could be attributed to the greater Internet and mobile technology penetration and use by these consumers (Völckner et al. 2010). Furthermore, the prevalence of mobile-device use in survey taking is generally skewed towards younger age groups (Cook 2014). A younger sample for this study was inevitable due to the technology capabilities required by participants to use and answer the online surveys and mobile application surveys. Additionally, of the total respondents, 58.5% were female and most of the respondents were highly educated, holding an undergraduate degree (43.7%) or postgraduate degree (24.5%). The average annual personal income before tax for each respondent was approximately $48,000 and most respondents had 4-5 people living in their household. The demographic profiles of respondents were similar across the main group and control group.

Table 4.5 Respondent demography

Variable	Items	All Responses (n=277)		Main Group (n=227)		Control Group (n=50)	
		No.	%	No.	%	No.	%
Gender	Male	115	41.5%	96	42.3%	19	38.0%
	Female	162	58.5%	131	57.7%	31	62.0%
Age	18-24	105	37.9%	85	37.4%	20	40.0%
	25-35	96	34.7%	77	33.9%	19	38.0%
	36-45	44	15.9%	38	16.7%	6	12.0%
	46-55	25	9.0%	20	8.8%	4	8.0%
	56-65	7	2.5%	7	3.1%	1	2.0%
Education	High school graduate	54	19.5%	47	20.7%	7	14.0%
	Tafe/College	34	12.3%	30	13.2%	4	8.0%
	Undergraduate degree	121	43.7%	103	45.4%	18	36.0%
	Postgraduate degree	68	24.5%	47	20.7%	21	42.0%
Income	Less than $25,000	87	31.4%	67	29.5%	20	40.0%
	$25,000 to $49,999	37	13.4%	26	11.5%	11	22.0%
	$50,000 to $69,999	47	17.0%	41	18.1%	6	12.0%
	$70,000 to $90,000	36	13.0%	32	14.1%	4	8.0%
	More than $90,000	70	25.3%	61	26.9%	9	18.0%
Household	1 person	27	9.7%	22	9.7%	5	10.0%
	2 to 3 people	114	41.2%	93	41.0%	21	42.0%
	4 to 5 people	118	42.6%	97	42.7%	21	42.0%
	More than 5 people	18	6.5%	15	6.6%	3	6.0%

4.3.5 Operationalisation of the constructs

The scale items and measures of the research instruments employed in this study were discussed earlier in Section 4.2.5.3. However, the discussion was merely related to the survey data collection rather than the operationalisation of the scale items and measures for the purpose of the analysis. The following Section and Appendix 12 provide details of how the constructs employed in the data analysis were operationalised.

Retail channels

To determine the type of retail channel, respondents were asked in the mobile application survey to specify where the encounter was taking place. Encounters that took place in-store and over the telephone were considered physical channels, while online and mobile application encounters were grouped into digital channels.

Overall touch point evaluation

For the purpose of this study, each touch point element evaluation was aggregated into a weighted average using (i) the real-time rating for each of the touch point elements (captured in the mobile application survey), and (ii) the relative importance of each touch point element by context (collected from the introduction online survey). This is in line with Golder, Mitra, and Moorman (2012, p. 19) who suggest aggregating evaluations of attribute quality into a "weighted average using customer's relative importance of each attribute".

Past experience

Past experience was captured using a single-item global scale. In the introduction online survey, respondents were asked to evaluate their past overall experience with their most frequented retailer in each industry.

Customer experience

Customer experience was measured at each touch point using the real-time mobile application survey. At each touch point, respondents reported their experience through cognitive, affective, social and physical responses.

Loyalty intentions

Customer loyalty intentions were measured at each touch point through two items relating to recommendation intentions and repurchase intentions. In the mobile application survey, respondents were asked to indicate how likely they were to recommend and repurchase from the retailer based on their experience at that particular point in time.

Actual spend

In the mobile application survey, respondents were first asked if they made a purchase during the encounter, and if they selected 'yes' they were then asked to indicate how much they spent by entering in the number (through text) to the full dollar amount.

Moderating variable: Motivation orientation

To determine whether the respondents' motivation at the time of experience was mainly hedonic or utilitarian, respondents were asked in the mobile application survey to specify what they primarily wanted to do during the encounter. If respondents indicated that they wanted to: browse, socialise, or shop for fun, their experience was considered to be motivated hedonically. On the other hand, if respondents indicated that they wanted to: purchase specific items, make a transaction, search for information, or seek help, their experience was considered to have a utilitarian motivation orientation.

Control variables

In addition to the core constructs in the conceptual model, control variables, customer satisfaction and consumer psychographics, were collected from different survey instruments during the study.

Customer satisfaction was captured using a single-item global scale (e.g., Anderson and Sullivan 1993) in the mobile application survey, which asked respondents to indicate how satisfied they were with their experience during the encounter.

Consumer psychographic variables were collected during the introduction online survey. For the purpose of the two-group analysis, the continuous items for each variable were first converted into composite scores. Following this, the continuous composite variables were dichotomised from the median score into a low and high group (Irwin and McClelland 2003).

Explanatory (qualitative) variables

Qualitative data was also collected in the mobile application survey. Respondents were asked to add any *photos* or *comments* about their experience that they would like to share.

4.3.6 Analysis and results

4.3.6.1. Analysis method

The quantitative data pertaining to this study were analysed using variance-based partial least squares (PLS-SEM), which is a structural equation modeling approach. Structural equation modeling (SEM) has become increasingly popular among marketing researchers in recent years (e.g., Ernst, Hoyer, and Rübsaamen 2010; Harmancioglu, Droge, and Calantone 2009; Lam et al. 2010; Mathwick, Wiertz, and de Ruyter 2008). This is because it allows authors to test complete theories and concepts (Rigdon 1998), with the ability to assess latent variables at the observation level (outer or measurement model), and test relationships between latent variables on the theoretical level (inner or structural model) (Bollen 1989). There are two types of SEM methods that researchers should consider: covariance-based techniques (CB-SEM; Jöreskog 1978, 1993) and variance based partial least squares (PLS-SEM; Lohmöller 1989; Wold 1985). While both methods share the same roots (Jöreskog and Wold 1982), they have distinct differences. Hair et al. (2012) contrasts these methods by stating that CB-SEM estimates model parameters so that the discrepancy between the estimated and sample covariance matrices is minimised, while PLS-SEM maximises the explained variance of the endogenous latent variables through estimation of partial model relationships in an iterative sequence of ordinary least squares (OLS) regressions.

The PLS-SEM approach was considered to be most suitable for the purpose of this study, for several reasons. First, the measurement model (see Section 4.3.6.2 *Measurement model evaluation*) comprises both reflective and formative measures (e.g., Köhler et al. 2011). CB-SEM is only applicable for formative outer model specifications under certain conditions, whereas PLS-SEM almost unrestrictedly can handle both reflective and formative measures (Hair et al. 2012). Second, PLS-SEM has minimum demands regarding sample size and generally achieves high levels of statistical power (Reinartz, Haenlein, and Henseler 2009), while CB-SEM involves constraints regarding the number of observations and small sample sizes often leading to biased test statistics inadmissible solutions, and identification problems in complex model set-ups (Hair et al. 2012). Third, PLS-SEM's main purpose is the prediction in research contexts with rich data and weak theory (Wold 1985) in a

predominantly exploratory driven study, as opposed to a theory-testing study. Finally, PLS-SEM relaxes the assumption of multivariate normality required for maximum likelihood–based SEM estimations (Fornell and Bookstein 1982; Wold 1982), meaning that PLS-SEM does not presume that the data are normally distributed and, therefore, can be used on non-normal data. PLS-SEM was employed to estimate the theoretical model using the software application SmartPLS (Ringle, Wende, and Will 2005). The results of the PLS analysis are presented in the following sections.

4.3.6.2 Measurement model evaluation

An assessment of the latent variables at the observation level (i.e., the outer or measurement model) is required to evaluate the measurement of the PLS-SEM model. Outer model assessments include an examination of the individual indicator reliabilities, internal consistency reliability (i.e., reliabilities for each construct's composite of measures) and the constructs' convergent and discriminant validities (Hair et al. 2012). To determine how well constructs are measured by their indicator variables, researchers need to distinguish between reflective and formative measures (e.g., Diamantopoulos and Winklhofer 2001). Reflective measures use indicators that are highly correlated, interchangeable and are the defining characteristics of the construct (Diamantopoulos and Siguaw 2006). A less common, but equally plausible, approach is to use a formative measure which combines a number of indicators to form a construct without any assumptions as to the patterns of intercorrelation between these items (Coltman et al. 2008). The theoretical model for this study included both reflective and formative measures. Specifically, reflective indicators were used to measure the constructs including: past experience, customer experience, loyalty intentions and actual spend, while the overall touch point evaluation construct was measured through formative indicators.

For the assessment of the outer measurement model, PLS permits freedom with respect to the specification of measures and is suitable to models with both reflective and formative indicators (Fornell and Bookstein 1982). However, it is important to note that formative and reflective measures require different criteria of measurement. While measurement criteria such as indicator reliability and internal consistency reliability are commonly used to measure reflective measures, such internal

consistency assessment is inappropriate for assessing formative indicators (Diamantopoulos and Winklhofer 2001). Diamantopoulos (2006, p. 11) points out that reliability becomes "an irrelevant criterion for assessing measurement quality" in formative measurement. Additionally, the formative indicators' convergent and discriminant validities cannot be assessed (Hair et al. 2012). Assessment of reflective models involves determining indicator reliability (squared standardised outer loadings), internal consistency reliability (composite reliability), convergent validity and discriminant validity (Hair et al. 2012). The main criteria for assessing formative indicators are evaluations of the indicator weights with an examination of their significance by means of resampling procedures (Hair et al. 2012). Additionally, formative models should consider multicollinearity in measurement assessment to detect and omit highly correlated indicators (e.g., Diamantopoulos and Siguaw 2006).

4.3.6.2.1 Formative outer model assessment

A test for multicollinearity among the formative indicators was conducted (Diamantopoulos and Winklhofer 2001) as formative indicators can become redundant due to high levels of multicollinearity in the measurement model and thus cause indicators to be nonsignificant (Hair, Ringle, and Sarstedt 2011). The correlations among the formative indicators of the overall touch point evaluation construct for both physical and digital experiences, as presented in Table 4.6, reveal an absence of multicollinearity. All statistics were found to be below the common cut-off threshold (VIF <5 / tolerance > 0.20; condition index <30) as recommended by Hair, Ringle, and Sarstedt (2011) and the correlations were below .80 as suggested by Cenfetelli and Bassellier (2009). Furthermore, Diamantopoulos and Winklhofer (2001, p. 272) advise correlating each formative indicator with "a global item that summarizes the essence of the construct that the index purports to measure". Therefore, the overall touch point evaluation indicators were correlated with the global evaluation 'overall experience' item (see Section 4.2.5.3.3 and Table 4.1 for the item description). All correlation coefficients were found to be positive and significant ($p <.01$) and, thus, the items were considered for further analysis.

Table 4.6 Correlations matrix of formative measurement items

Item	VIF	Tolerance	CI				Correlation Matrix				
				1	2	3	4	5	6	7	OE
Threshold	<5	>.20	<30				<.80				
Physical Channels											
1. Atmospheric	1.88	.53	11.19	1	.39	.35	.50	.49	.40	.60	.68
2. Technological	1.52	.66	13.00		1	.50	.42	.34	.41	.35	.45
3. Communicative	1.53	.65	13.73			1	.41	.41	.42	.32	.45
4. Process	1.71	.58	14.20				1	.53	.41	.45	.71
5. Employee-customer	1.69	.59	16.11					1	.44	.46	.66
6. Customer-customer	1.47	.68	18.63						1	.38	.51
7. Product interaction	1.74	.57	21.63							1	.65
Digital Channels											
1. Atmospheric	1.19	.84	4.19	1.0	.09	.07	.17				.27
2. Technological	1.15	.87	4.25		1.0	.05	.35				.38
3. Communicative	1.02	.97	5.17			1.0	.15				.29
4. Process	1.03	.96	13.01				1.0				.33

Note: All correlations are significant (p < .05); CI = Condition Index; OE = Overall Experience

Following the assessment of multicollinearity, each indicator was tested to see whether it contributes to forming the overall touch point evaluation index in accordance with its intended contents. Hair, Ringle and Sarstedt (2011) suggest examining each indicator's weight (relative importance) and loading (absolute importance) with bootstrapping (with a minimum number of bootstrap samples of 5,000) to assess its significance. Both the weight and loading need to be significant to provide empirical support for the indicator's relevance in providing content to the formative index (Cenfetelli and Bassellier 2009). The results of the analysis, presented in Table 4.7, reveal that all indicator weights and loadings are significant ($p <.01$), making a significant contribution (i.e., critical t-values for a two-tailed test are 2.58 at 1 percent significant) to the overall touch point evaluation construct for both the physical and digital channels. Of the touch point elements in physical channels, the atmospheric ($\beta = .36, p <.01$), process ($\beta = .40, p <.01$) and employee-customer interaction ($\beta = .43, p <.01$) elements were found to have the strongest affects on the overall touch point evaluation, while atmospheric ($\beta = .76, p <.01$) and technological ($\beta = .71, p <.01$) elements had the strongest affects on the overall touch point evaluation in digital channels.

Table 4.7 Formative indicators' relative contribution to the construct

Item	Weight	Loading	t-value	Standard Error
Physical Channels				
Atmospheric	.36	.50	14.78**	.023
Technological	.25	.22	11.19**	.025
Communicative	.27	.24	13.11**	.020
Process	.40	.50	19.28**	.021
Employee-customer interaction	.43	.60	20.82**	.021
Customer-customer interaction	.23	.25	11.19**	.021
Product interaction	.31	.62	13.00**	.024
Digital Channels				
Atmospheric	.76	.37	17.87**	.042
Technological	.71	.43	16.14**	.044
Communicative	.50	.38	11.35**	.044
Process	.56	.40	14.74**	.038

Note: bootstrap samples = 5,000; ** = $p < 0.001$

From Table 4.7, it is clear that atmospheric, technological, communicative, process, employee-customer interaction, customer-customer interaction and product interaction elements contribute positively and significantly to overall touch point evaluations in physical channels, while atmospheric, technological, communicative and process elements contribute positively and significantly to overall touch point evaluations in digital channels, thereby providing empirical support for Hypotheses 1a-g.

Table 4.8 Correlations matrix of the measurement items

| Items | Mean | SD | \| Correlations | | | | | | | | | | | | | | | | |
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Physical Channels																			
1. Atmospheric	27.27	9.25	1	.39	.35	.50	.49	.40	.60	.29	.31	.46	.40	.29	.38	.23	.12	.39	.05
2. Technological	14.17	8.95		1	.50	.42	.34	.41	.35	.15	.22	.13	.13	.17	.20	.21	.16	.18	.10
3. Communicative	9.80	6.91			1	.41	.41	.42	.32	.21	.21	.20	.14	.15	.20	.16	.17	.17	.08
4. Process	23.25	9.46				1	.53	.41	.45	.21	.38	.33	.34	.39	.35	.30	.15	.39	.07
5. Employee-Customer Interaction	22.59	8.98					1	.44	.46	.31	.41	.44	.50	.41	.37	.31	.16	.45	.08
6. Customer-Customer Interaction	9.29	5.91						1	.38	.10	.17	.19	.20	.15	.12	.08	.10	.18	.07
7. Product Interaction	34.35	8.65							1	.26	.41	.53	.44	.42	.53	.43	.15	.51	.04
8. Past Experience	5.24	.95								1	.50	.49	.47	.46	.44	.38	.05	.30	.09
9. Unhelpful/Helpful	5.06	1.16									1	.70	.67	.64	.64	.49	.23	.66	.10
10. Unenjoyable/Enjoyable	5.06	1.28										1	.75	.63	.69	.53	.27	.68	.11
11. Unfriendly/Friendly	5.20	1.26											1	.63	.68	.52	.25	.63	.14
12. Difficult/Easy	5.50	1.23												1	.61	.55	.18	.61	.12
13. Recommendation Intention	7.43	1.95													1	.68	.19	.67	.05
14. Repurchase Intention	8.20	1.84														1	.17	.61	.04
15. Actual Spend	35.33	40.32															1	.16	.10
16. Customer Satisfaction[1]	5.31	1.27																1	.04
17. Motivation Orientation[2]	1.38	1.17																	1
Digital Channels																			
1. Atmospheric	15.14	6.39	1.0	.09	.07	.17				.16	.14	.34	.32	.16	.27	.15	.14	.39	.04
2. Technological	13.22	6.79		1.0	.05	.35				.09	.35	.24	.15	.35	.28	.23	.24	.38	.09
3. Communicative	7.89	4.64			1.0	.15				.15	.28	.25	.24	.19	.28	.10	.23	.26	.07
4. Process	14.62	6.29				1.0				.06	.26	.18	.26	.33	.20	.20	.10	.31	.06
8. Past Experience	5.24	1.04								1	.26	.26	.26	.36	.26	.20	.10	.50	.09
9. Unhelpful/Helpful	5.19	1.23									1	.66	.51	.63	.59	.48	.26	.64	.14
10. Unenjoyable/Enjoyable	4.92	1.27										1	.64	.62	.62	.44	.13	.65	.12
11. Unfriendly/Friendly	5.01	1.17											1	.54	.58	.36	.12	.59	.13
12. Difficult/Easy	5.57	1.29												1	.60	.55	.17	.68	.12
13. Recommendation Intention	7.54	1.80													1	.68	.21	.66	.07
14. Repurchase Intention	8.19	1.79														1	.15	.57	.08
15. Actual Spend	38.03	37.28															1	.20	.11
16. Customer Satisfaction[1]	5.37	1.23																1	.05
17. Motivation Orientation[2]	1.48	.50																	1

Note: All correlations are significant ($p < .05$); [1] Control Variable; [2] Moderating Variable; (1= Hedonic motivation orientation, 2= Utilitarian motivation orientation).

4.3.6.2.2 Reflective outer model assessment

Table 4.8 presents a correlation matrix of all measurement items included in the theoretical model (Figure 4.1). All the correlations are less than .70 (Cenfetelli and Bassellier 2009), positive and significant, demonstrating absence of multicollinearity. The reflective measurement items were assessed further in regard to indicator reliability, internal reliability and convergent validity (Table 4.9). The indicator reliability, measured by the squared standardised outer loadings, ranged from .70 to .89, which meets the indicator reliability threshold of .70 or above (Hulland 1999). The composite reliability values for all the constructs range from .90 to .93, which meets the .70 or over criteria suggested by Bagozzi and Yi (1988). In addition, the convergent validity for all constructs was confirmed through the average variance extracted (AVE) estimates, which ranged from .70 to .85, thus meeting the recommended cut off of .50 or over recommended by Bagozzi and Yi (1988).

Table 4.9 Reliability and validity of the reflective measurement items

Item	Indicator reliability	Internal reliability	Convergent validity
	Standardised Indicator loadings	*Composite reliability*	*AVE*
Threshold	≥0.70	≥0.70	≥0.50
Physical Channels			
Customer Experience		.93	.75
Unhelpful/Helpful	.75		
Unenjoyable/Enjoyable	.81		
Unfriendly/Friendly	.78		
Difficult/Easy	.70		
Loyalty Intentions		.92	.85
Recommendation Intention	.89		
Repurchase Intention	.83		
Digital Channels			
Customer Experience		.90	.70
Unhelpful/Helpful	.72		
Unenjoyable/Enjoyable	.76		
Unfriendly/Friendly	.70		
Difficult/Easy	.71		
Loyalty Intentions		.91	.84
Recommendation Intention	.88		
Repurchase Intention	.80		

Discriminant validity of the latent variables in the PLS model was tested using the criterion of Fornell and Larcker (1981) who infer that a latent variable should share more variance with its assigned indicators than with any other latent variable. A reflective measurement model containing latent variables is generally considered to have acceptable discriminant validity if the square root of the AVE for each latent variable is higher than any of the bivariate correlations involving the latent variables in question (Fornell and Larcker 1981). As demonstrated in Table 4.10, all latent variables included in the reflective measurement model meet the requirements for demonstrating discriminant validity (Fornell and Larcker 1981).

Table 4.10 Discriminant validity analysis

Variables	1	2	3	4	5	6
Physical Channels						
1. Overall Touch Point Evaluation	-					
2. Past Experience	.51	-				
3. Customer Experience	.83	.55	**.87**			
4. Customer Satisfaction[1]	.77	.46	.84	-		
5. Loyalty Intentions	.71	.42	.74	.75	**.92**	
6. Actual Spend	.17	.03	.21	.20	.20	-
Digital Channels						
1. Overall Touch Point Evaluation	-					
2. Past Experience	.45	-				
3. Customer Experience	.76	.54	**.84**			
4. Customer Satisfaction[1]	.70	.50	.81	-		
5. Loyalty Intentions	.60	.47	.70	.68	**.92**	
6. Actual Spend	.10	.04	.19	.16	.19	-

Note: Boldface values on the diagonal show the square root of the AVE; numbers below the diagonal represent bivariate correlations of latent variables.

[1] Control Variable

4.3.6.3 Testing the hypotheses

To test the hypothesised relationships in the theoretical model (Figure 4.1) a PLS-SEM algorithm was run with the following settings: the starting value for weights for initial approximation of the latent variable scores was set at an uniform value of 1 as an initial value for each of the outer weights (Henseler 2010); a path weighting scheme was applied (Henseler 2010; Henseler, Ringle, and Sinkovics 2009); the sum of the outer weights' changes between two iterations was set to <10−5 (Wold 1982); the maximum number of iterations was set to 300 (Ringle, Wende, and Will 2005). Additionally, a nonparametric bootstrapping procedure was applied (5000 subsamples) to evaluate the significance of the path coefficients (Davison and

Hinkley 1997; Henseler, Ringle, and Sinkovics 2009). In PLS-SEM the primary criteria to evaluate the structural model are the R² measures and the level and significance of the path coefficients (Hair, Ringle, and Sarstedt 2011). Because the aim of the PLS-SEM approach is to explain the endogenous latent variables' variance, the endogenous latent variables' level of R² should be high. The individual path coefficients of the PLS-SEM also need to be observed. In addition to the indicator weights and loadings, each path coefficient's significance needs to be assessed through a bootstrapping procedure (Hair, Ringle, and Sarstedt 2011).

The results of the PLS-SEM analysis are presented in Table 4.11. The results show a very strong relationship between overall touch point evaluation and customer experience, with the path estimates from overall touch point evaluation to customer experience in physical channels (β = .75, *p* <.01) and digital channels (β = .65, *p* <.01) being both positive and significant. The results also indicate a positive and significant affect of past experience on customer experience in physical channels (β = .17, *p* <.01) and digital channels (β = .25, *p* <.01). Furthermore, overall touch point evaluation and past experience substantially contribute to 72% and 64% of explained variance (R^2 values) for customer experience in physical and digital channels respectively. Thus, the results provide full support for Hypothesis 2 and 3.

Table 4.11 Results of the PLS-SEM analysis

Structural Path			Estimate	t-Value	R^2
Physical Channels					
Overall Touch Point Evaluation	→	Customer Experience	.75	49.414**	
Past Experience	→	Customer Experience	.17	8.91**	**.72**
Customer Experience	→	Loyalty Intentions	.37	7.66**	
Customer Satisfaction[1]	→	Loyalty Intentions	.43	8.30**	**.60**
Customer Experience	→	Actual Spend	.21	9.44**	**.05**
Digital Channels					
Overall Touch Point Evaluation	→	Customer Experience	.65	20.38**	
Past Experience	→	Customer Experience	.25	6.73**	**.64**
Customer Experience	→	Loyalty Intentions	.43	6.35**	
Customer Satisfaction[1]	→	Loyalty Intentions	.33	5.05**	**.53**
Customer Experience	→	Actual Spend	.19	5.72**	**.04**

Note: bootstrap samples = 5,000; **= p < 0.001; [1] Control variable

To estimate the true affects of an independent variable on a dependent variable, it is important to control for variables that potentially could account for some of the target construct's variation (Stock and Hoyer 2005; Hancock and Mueller 2006). Accordingly, the true affects of customer experience on loyalty intentions was estimated after controlling for 'customer satisfaction', which has been found to influence to customer loyalty (e.g., Kumar, Pozza, and Ganesh 2013). After controlling for customer satisfaction, the results indicate that the affect of customer experience on loyalty intentions is positive and significant for both physical channels (β = .37, p <.01) and digital channels (β = .43, p <.01). Further, customer experience explains 60% and 53% of the variance in loyalty intentions in physical and digital channels respectively. This indicates that customer experience influences loyalty intentions even after controlling for customer satisfaction. Thus, Hypothesis 4 is supported.

The findings also show that customer experience has a positive and significant affect on actual spend for both physical channels (β = .21, p <.01) and digital channels (β = .19, p <.01). The R^2 values of .04 and .05 show that customer experience contributes to 5% and 4% of explained variance in actual spend for physical and digital channels respectively, supporting Hypothesis 5. A lower R^2 value is acceptable considering the fact that not all interactions result in purchases (e.g., visiting a store to make an enquiry, seek information, or return a product). This is particularly the case in the context of banks, where customer experience involves using the service (e.g., checking balances and support services) rather than purchasing. Therefore, a further analysis at the specific industry level was conducted, as detailed in the subsequent section.

4.3.6.4 Robustness check

To test the robustness of the model, a separate analysis was conducted for each of the four industries - supermarkets, banks, cafes and department stores. The results of the PLS-SEM analysis by industry are presented in Table 4.12.

Supermarkets

The findings from the analysis in the supermarket context indicate that all touch point elements significantly influence overall touch point evaluations for both

physical and digital channels. For physical supermarket channels, process elements (β = .42, *p* <.01) were found to have the strongest affect on the overall touch point evaluation, while product interaction elements (β = .26, *p* <.01) had the least affect. On the other hand, for digital channels, atmospheric elements (β = .70, *p* <.01) had the strongest affect on the overall touch point evaluation, while the communicative elements (β = .45, *p* <.01) were found to have the least affect. The results also show that overall touch point evaluation and past experience substantially contribute to 69% and 58% of explained variance in customer experience in physical and digital channels respectively. Additionally, the findings indicate that customer experience has a significantly positive affect on loyalty intentions in both physical channels (β = .39, *p* <.01), and digital channels (β = .30, *p* <.01), after controlling for customer satisfaction. Also, customer experience contributes to 9% and 21% of the explained variance in actual spend for physical and digital channels respectively.

Banks

The results from the analysis in a banking context show that all touch point elements significantly influence overall touch point evaluations for both physical and digital channels. For physical bank channels, employee-customer interaction elements (β = .51, *p* <.01) were found to have the strongest affect on the overall touch point evaluation, while customer-customer interaction elements (β = .14, p <.01) were found to have the weakest affect. On the other hand, for digital channels, technological elements (β = .70, *p* <.01) had the strongest affect on the overall touch point evaluation, while process elements (β = .55, *p* <.01) had the least affect. The findings also indicate that overall touch point evaluations and past experience contribute substantially to the explained variance in customer experience in physical (67%) and digital (73%) channels respectively. The results also demonstrate that customer experience positively and significantly influences loyalty intentions in physical channels (β = .42, *p* <.01) and in digital channels (β = .52, *p* <.01), after including the affect of the control variable - customer satisfaction. Given that no actual purchases were made in bank experiences, the 'actual spend' variable was not included in the analysis for banks.

Cafes

The results show that all touch point elements significantly influence overall touch point evaluations in both physical and digital café channels. In physical café channels, employee-customer interaction elements (β = .46, p <.01) were found to have the strongest affect on the overall touch point evaluation, while technological elements (β = .14, p <.01) had the least affect. For digital café channels, the process elements (β = .58, p <.01) showed the strongest affect on the overall touch point evaluation, while communicative elements (β = .33, p <.01) had the least effect. The findings indicate that 73% and 67% of explained variance in customer experience is accounted for by overall touch point evaluations and past experience in physical and digital channels respectively. Additionally, the results show that customer experience positively and significantly influences loyalty intentions in physical channels (β = .31, *p* <.01) and in digital channels (β = .40, *p* <.01), after controlling for customer satisfaction. Finally, in the café context, the findings demonstrate that customer experience significantly influences actual spend, contributing to 12% and 16% of explained variance in actual spend in physical and digital channels respectively.

Department Stores

For department stores, the results from the analysis show that all touch point elements significantly influence overall touch point evaluations for both physical and digital channels. Of the touch point elements in physical channels, process elements (β = .48, *p* <.01) demonstrated the strongest affect on overall touch point evaluations, while atmospheric elements (β = .21, *p* <.01) had the least affect. On the other hand, for digital channels, atmospheric elements (β = .66, *p* <.01) were found to have the strongest affect on the overall touch point evaluation, while the communicative elements (β = .49, *p* <.01) had the least affect. The findings also show that overall touch point evaluations and past experience substantially contribute to 79% and 58% of explained variance in customer experience in physical and digital channels respectively. Additionally, the results indicate that customer experience has a significantly positive affect on loyalty intentions in physical channels (β = .69, *p* <.01) in digital channels (β = .50, *p* <.01), after controlling for customer satisfaction. Finally, the findings demonstrate that customer experience significantly influences actual spend, contributing to 29% and 9% of explained variance in actual spend in physical and digital channels respectively.

Table 4.12 Results of the PLS-SEM analysis: Examining differences between industries

Physical Channels		Supermarket			Bank			Cafe			Department Store		
Structural Path		**Estimate**	**t-Value**	**R^2**	**Estimate**	**t-Value**	**R^2**	**Estimate**	**t-Value**	**R^2**	**Estimate**	**t-Value**	**R^2**
Atmospheric	→ Overall TP Evaluation	.37	8.16**		.46	5.96**		.26	7.17**		.21	4.62**	
Technological	→ Overall TP Evaluation	.29	6.78**		.35	3.56**		.14	4.75**		.26	5.32**	
Communicative	→ Overall TP Evaluation	.30	7.49**		.50	5.57**		.20	6.78**		.31	6.37**	
Process	→ Overall TP Evaluation	.42	9.77**		.33	4.20**		.37	12.17**		.48	10.51**	
Employee-Customer Interaction	→ Overall TP Evaluation	.38	8.70**		.51	6.06**		.46	14.53**		.32	7.03**	
Customer-Customer Interaction	→ Overall TP Evaluation	.34	7.31**		.14	1.60*		.17	5.38**		.26	5.74**	
Product Interaction	→ Overall TP Evaluation	.26	4.99**		.39	4.56**		.29	8.21**		.32	5.65**	
Overall TP Evaluation	→ Customer Experience	.73	26.99**		.65	7.70**		.80	41.97**		.74	22.21**	
Past Experience	→ Customer Experience	.16	4.81**	**.69**	.24	2.80**	**.67**	.12	4.20**	**.73**	.21	5.23**	**.79**
Customer Experience	→ Loyalty Intentions	.39	5.72**	**.54**	.42	2.61**	**.55**	.31	4.74**	**.64**	.69	6.45**	**.67**
Customer Satisfaction[1]	→ Loyalty Intentions	.36	4.96**		.39	1.87*		.52	7.48**		.14	1.20	
Customer Experience	→ Actual Spend	.29	6.56**	**.09**				.35	11.05**	**.12**	.53	16.36**	**.29**

Digital Channels		Supermarket			Bank			Café			Department Store		
Structural Path		**Estimate**	**t-Value**	**R^2**	**Estimate**	**t-Value**	**R^2**	**Estimate**	**t-Value**	**R^2**	**Estimate**	**t-Value**	**R^2**
Atmospheric	→ Overall TP Evaluation	.70	6.32**		.62	7.83**		.57	7.44**		.66	8.43**	
Technological	→ Overall TP Evaluation	.66	6.70**		.70	10.76**		.53	5.93**		.58	6.39**	
Communicative	→ Overall TP Evaluation	.45	4.42**		.65	8.84**		.33	3.27**		.49	5.02**	
Process	→ Overall TP Evaluation	.55	5.45**		.55	8.53**		.58	7.05**		.55	7.52**	
Overall TP Evaluation	→ Customer Experience	.62	9.76**		.69	11.07**		.69	14.32**		.65	10.84**	
Past Experience	→ Customer Experience	.26	3.25**	**.58**	.28	4.52**	**.73**	.21	3.51**	**.67**	.20	2.73**	**.58**
Customer Experience	→ Loyalty Intentions	.30	3.97**	**.47**	.52	3.91**	**.48**	.40	2.44**	**.50**	.50	4.85**	**.68**
Customer Satisfaction[1]	→ Loyalty Intentions	.42	4.86**		.20	1.57		.34	1.96*		.36	3.50**	
Customer Experience	→ Actual Spend	.46	7.95**	**.21**				.40	6.00**	**.16**	.30	4.34**	**.09**

Note: Bootstrap samples = 5,000; **= p < 0.01, * = p < 0.05; [1] Control variable; TP = Touch Point

4.3.6.5 Testing the moderating effect: Motivation orientation

To test whether consumer hedonic/utilitarian motivation orientations moderate the relationships between the overall touch point evaluation and customer experience and, in turn, loyalty intentions and actual spend, a two-group PLS-SEM analysis was performed. To conduct the two-group PLS analysis, the theoretical model was first estimated for each group (hedonic motivation orientation/utilitarian motivation orientation) and then a multigroup comparison was performed to assess whether the group specific path coefficients differ significantly (Sarstedt, Henseler, and Ringle 2011). The multigroup comparison is assessed by the t-statistic; a significant t-statistic indicates that there is a significant difference between groups. The results of the two-group PLS analyses are presented in Table 4.13, below.

The results of the two-group PLS analysis show that the relationship between overall touch point evaluation and customer experience is moderated significantly by consumer motivation orientations for physical channels (t-statistic = 1.95, p <.05). This finding indicates that the positive affect of overall touch point evaluations on customer experience is significantly stronger for consumers with hedonic motivation orientations (β = .77, p <.01) than for consumers with utilitarian motivation orientations (β = .70, p <.01) in physical channels. In digital channels, however, the results empirically demonstrate that there is no significant difference between consumers with hedonic motivation orientations and consumers with utilitarian motivation orientations (t-statistic = .15, ns). Thus, Hypothesis 6a is only supported for physical channels.

The findings also show that the relationship between customer experience and loyalty intentions is moderated significantly by consumer motivation orientations for digital channels (t-statistic = 1.98, p <.05). This finding indicates that the positive affect of customer experience on loyalty intentions is significantly stronger for consumers with hedonic motivation orientations (β = .38, p <.01) than for consumers with utilitarian motivation orientations (β = .25, p <.01) in physical channels. However, in physical channels, the results indicate that the relationship between customer experience and loyalty intentions is not significantly different for consumers with hedonic and utilitarian motivation orientations (t-statistic = .86, ns). Hence, Hypothesis 6b is only supported for digital channels.

Finally, the results indicate that the relationship between customer experience and actual spend is moderated significantly by consumer motivation orientations for both physical (t-statistic = 3.04, *p* <.01) and digital channels (t-statistic = 3.75, *p* <.01). This finding shows that the positive affect of customer experience on actual spend is significantly stronger for consumers with hedonic motivation orientations (*physical channels*: β = .28, *p* <.01; *digital channels*: β = .30, *p* <.01) than for consumers with utilitarian motivation orientations (*physical channels*: β = .15, *p* <.01; *digital channels*: β = .07, *p* <.01) in both physical and digital channels. Thus, the results provide full support for Hypothesis 6c.

Table 4.13 Results of the two-group PLS-SEM analysis: Motivation orientation

Physical Channels		Hedonic Motivation Orientation			Utilitarian Motivation Orientation			t-Statistic
Structural Path		β	t-Value	R^2	β	t-Value	R^2	
Overall Touch Point Evaluation	→ Customer Experience	.77	42.42**		.70	28.91**		1.95*
Customer Experience	→ Loyalty Intentions	.40	6.20**	.63	.35	5.01**	.56	.86 ns
Customer Experience	→ Actual Spend	.28	10.78**	.08	.15	3.84**	.02	3.04**

Digital Channels		Hedonic Motivation Orientation			Utilitarian Motivation Orientation			t-Statistic
Structural Path		β	t-Value	R^2	β	t-Value	R^2	
Overall Touch Point Evaluation	→ Customer Experience	.65	16.63**		.66	13.36**		.15 ns
Customer Experience	→ Loyalty Intentions	.38	4.49**	.55	.25	2.39**	.50	1.98*
Customer Experience	→ Actual Spend	.30	6.21**	.09	.07	2.08*	.01	3.75**

Note: bootstrap samples = 5,000; * = p < .05; **= p < 0.01

4.3.6.6 Testing for potential interaction effects: Consumer psychographics

Typically, PLS-SEM applications are based on the assumption that all data are derived from a single population (Hair et al. 2012). However, in many real-world applications, this assumption of homogeneity is unrealistic. This is because different population parameters are likely to occur for different subpopulations, such as segments of consumers, firms, industries or countries (Hair et al. 2012). For the purpose of this study, the categorical moderating variables of innovativeness, shopping enjoyment and price consciousness were employed to observe heterogeneity in the sample (Sarstedt, Henseler, and Ringle 2011). Separate two-group PLS analyses were performed. The indicator weights were examined to determine if the paths were influenced by (observed or unobserved) heterogeneity and result in significantly different group-specific coefficients. Prior to conducting the two-group PLS analyses, the reliability and validity of the consumer psychographic measurement items were assessed. The results, presented in Table 4.14, demonstrate satisfactory indicator reliability ranging from .70 to .83 (Hulland 1999). Internal reliability was assessed through the composite reliability values, which ranged from .86 to .90, above the recommended threshold (Bagozzi and Yi 1988). Convergent validity was examined though the average variance extracted (AVE) estimates, which were all above .50, ranging from .69 to .82 (Bagozzi and Yi 1988). In addition, discriminant validity of the latent variables was tested using the criterion of Fornell and Larcker (1981). As demonstrated in Table 4.15, discriminant validity is confirmed for all latent variables (Fornell and Larcker 1981).

To dichotomise the continuous predictor variables into groups for the subsequent two-group PLS analyses, the data was split at the sample median, thereby providing two equal groups (Irwin and McClelland 2003). The resultant groups include low innovativeness/high innovativeness, low shopping enjoyment/high shopping enjoyment and low price consciousness/high price consciousness.

Table 4.14 Reliability and validity of consumer

psychographic measurement items

Item	Indicator reliability	Internal reliability	Convergent validity
Threshold	≥0.70	≥0.70	≥0.50
Physical Channels			
Innovativeness		.90	.70
I regularly purchase different varieties of a product just for a change.	.70		
I am one who likes to try a new product first, just after the launch.	.71		
I find it boring to use the same product (or brand) repetitively.	.72		
I like to try new and different products.	.74		
Shopping Enjoyment		.90	.82
I like shopping.	.82		
I take my time when I shop.	.83		
Price Consciousness		.87	.77
It is important for me to have the best price for the product.	.75		
I compare the prices of various products before I make a choice.	.80		
Digital Channels			
Innovativeness		.90	.69
I regularly purchase different varieties of a product just for a change.	.70		
I am one who likes to try a new product first, just after the launch.	.71		
I find it boring to use the same product (or brand) repetitively.	.76		
I like to try new and different products.	.73		
Shopping Enjoyment		.90	.82
I like shopping.	.82		
I take my time when I shop.	.83		
Price Consciousness		.86	.76
It is important for me to have the best price for the product.	.74		
I compare the prices of various products before I make a choice.	.77		

Table 4.15 Discriminant validity analysis of consumer

psychographic measurement items

Item	Innovativeness	Shopping Enjoyment	Price Consciousness
Physical Channels			
Innovativeness	**.84**		
Shopping Enjoyment	.27	**.90**	
Price Consciousness	.28	.26	**.88**
Digital Channels			
Innovativeness	**.83**		
Shopping Enjoyment	.19	**.90**	
Price Consciousness	.15	.39	**.87**

Note: Boldface values on the diagonal show the square root of the AVE; numbers below the diagonal represent bivariate correlations of latent variables.

To perform the two-group PLS analysis, the conceptual model was first estimated for each group and then a multigroup comparison was performed to assess whether the group specific path coefficients differ significantly (Sarstedt, Henseler, and Ringle 2011). The multigroup comparison is assessed by the t-statistic; a significant t-statistic indicates that there is a significant difference between groups. The results of the two-group PLS analysis for innovativeness, shopping enjoyment and price consciousness are presented in Tables 4.16, 4.17 and 4.18 respectively.

Table 4.16 Results of the two-group PLS-SEM analysis: Innovativeness

Physical Channels Structural Path			Low Innovativeness β	t-Value	R^2	High Innovativeness β	t-Value	R^2	t-Statistic
Overall TP Eval	→	Customer Exp	.74	40.25**		.71	30.65**		.99 ns
Past Experience	→	Customer Exp	.19	8.82**	.71	.21	7.56**	.71	.68 ns
Customer Exp	→	Loyalty Intentions	.74	34.58**	.55	.75	36.30**	.56	.57 ns
Customer Exp	→	Actual Spend	.24	8.62**	.06	.18	4.90**	.03	1.24 ns

Digital Channels Structural Path			Low Innovativeness β	t-Value	R^2	High Innovativeness β	t-Value	R^2	t-Statistic
Overall TP Eval	→	Customer Exp	.62	13.53**		.64	15.04**		.32 ns
Past Experience	→	Customer Exp	.28	5.74**	.63	.23	4.41**	.58	.72 ns
Customer Exp	→	Loyalty Intentions	.69	12.07**	.48	.72	20.55**	.52	.49 ns
Customer Exp	→	Actual Spend	.10	2.06*	.01	.30	6.22**	.09	3.10**

Note: bootstrap samples = 5,000; **= p < 0.01; TP Eval = Touch Point Evaluation; Exp = Experience

Table 4.17 Results of the two-group PLS-SEM analysis: Shopping Enjoyment

Physical Channels		Low Shopping Enjoyment			High Shopping Enjoyment			t-Statistic
Structural Path		**β**	**t-Value**	**R²**	**β**	**t-Value**	**R²**	
Overall TP Eval → Customer Exp		.72	31.08**		.73	39.45**		.42 ns
Past Experience → Customer Exp		.19	6.83**	.68	.21	8.85**	.73	.60 ns
Customer Exp → Loyalty Intentions		.73	31.15**	.53	.76	39.73**	.57	.98 ns
Customer Exp → Actual Spend		.24	6.76**	.06	.19	6.34**	.04	.92 ns

Digital Channels		Low Shopping Enjoyment			High Shopping Enjoyment			t-Statistic
Structural Path		**β**	**t-Value**	**R²**	**β**	**t-Value**	**R²**	
Overall TP Eval → Customer Exp		.58	10.56**		.65	16.99**		1.14 ns
Past Experience → Customer Exp		.30	4.98**	.57	.27	6.17**	.64	.42 ns
Customer Exp → Loyalty Intentions		.67	11.71**	.45	.72	18.99**	.52	.74 ns
Customer Exp → Actual Spend		.23	4.48**	.05	.16	3.26**	.03	.93 ns

Note: bootstrap samples = 5,000; **= p < 0.01; TP Eval = Touch Point Evaluation; Exp = Experience

Table 4.18 Results of the two-group PLS-SEM analysis: Price Consciousness

Physical Channels		Low Price Consciousness			High Price Consciousness			t-Statistic
Structural Path		**β**	**t-Value**	**R²**	**β**	**t-Value**	**R²**	
Overall TP Eval → Customer Exp		.73	29.83**		.72	37.08**		.30 ns
Past Experience → Customer Exp		.19	7.11**	.69	.21	7.97**	.71	.51 ns
Customer Exp → Loyalty Intentions		.74	31.31**	.55	.74	37.42**	.55	.03 ns
Customer Exp → Actual Spend		.22	7.07**	.05	.21	6.36**	.04	.72 ns

Digital Channels		Low Price Consciousness			High Price Consciousness			t-Statistic
Structural Path		**β**	**t-Value**	**R²**	**β**	**t-Value**	**R²**	
Overall TP Eval → Customer Exp		.63	11.01**		.63	16.06**		.06 ns
Past Experience → Customer Exp		.27	4.21**	.59	.28	6.45**	.63	.15 ns
Customer Exp → Loyalty Intentions		.68	9.68**	.46	.71	19.00**	.51	.45 ns
Customer Exp → Actual Spend		.13	2.00*	.02	.21	5.58**	.05	1.18 ns

Note: bootstrap samples = 5,000; **= p < 0.01; TP Eval = Touch Point Evaluation; Exp = Experience

The findings from the two-group PLS analysis for innovativeness indicate that consumers with low levels of innovativeness do not significantly differ from consumers with high innovativeness in physical channels for all latent variable structural paths. In digital channels, the results empirically demonstrate that there is no significant difference between consumers with low innovativeness and consumers with high innovativeness for all latent variable structural paths, with the exception of the path from customer experience to actual spend (t-statistic = 3.10, p <.01). This finding indicates that the positive affect of customer experience on actual spend is significantly stronger for consumers with high innovativeness (β = .30, p <.01; R^2 = .09) than for consumers with low innovativeness (β = .10, p <.05; R^2 = .01) in digital channels. This affect could be explained by the Konus, Verhoef, and Neslin (2008) finding that innovative consumers are more likely to use multiple channels formats for searching and purchasing, while consumers with low innovative psychographics are likely to use single channels when shopping (e.g., in-store).

In relation to consumer shopping enjoyment, the results from the two-group PLS analyses empirically indicate that there is no significant difference between consumers with low shopping enjoyment and high shopping enjoyment for both physical and digital channels. Additionally, the findings provide evidence that no significant difference exists between low price consciousness consumers and high price consciousness consumers for physical and digital channels. Thus, the results of the two-group PLS and multigroup comparison analyses show that the structural paths are not influenced by heterogeneity in the sample with regard to varying levels of shopping enjoyment and price consciousness.

4.3.7 Explanatory qualitative analysis

Within the repeat-measure research instrument (mobile application survey), a qualitative design was embedded to collect concurrently any open-ended comments and images of the individual momentary customer experience. The qualitative data was examined to determine whether or not they illustrate, elaborate or clarify results from the quantitative analysis (Greene, Caracelli, and Graham 1989).

4.3.7.1 Open-ended comments

The open-ended comments obtained regarding the experience (in real-time) from the mobile application survey were analysed by means of the NVIVO qualitative data analysis program. The researcher extracted comments by identifying key words and sentences relating to the phenomena under study (Goulding 2005), and found that the comments provide exemplary support for the hypothesised relationships across all industries considered for the study. The examples of open-ended comments supporting the hypothesised relationships are presented in Table 4.19. The comments relate to both positive and negative evaluations of the experience.

Table 4.19 Examples of open-ended comments supporting the hypotheses

Hypotheses		Industry	Open-ended comments
H1a	Atmospheric elements positively influence the overall touch point evaluation in *physical* and *digital channels*.	Café	*"The environment is very noisy and not comfortable. It is quite messy with unarranged tables and chairs but not dirty."*
		Department store	*"I liked how the store was clean and organised. I found what I was looking for very easily."*
H1b	Technological elements positively influence the overall touch point evaluation in *physical* and *digital channels*.	Bank	*"I love using the application however there was an error with it working so I could not access the information I needed."*
		Supermarket	*"Self-service check-out is very user friendly, easier than one at Coles* [supermarket competitor]*."*
H1c	Communicative elements positively influence the overall touch point evaluation in *physical* and *digital channels*.	Bank	*"NAB [bank] emailed me informing me a statement was now available for viewing for one if my accounts. Plain text, not very exciting to look at."*
		Supermarket	*"Really easy to search for information on phone app, but the thing is there is no price showing for each item, I want to know the price when searching for items on my phone."*
H1d	Process elements positively influence the overall touch point evaluation in *physical* and *digital channels*.	Café	*"Take away lines are long and it is packed for dining in."*
		Department store	*"Product appeared discounted on website but when I got to the checkout, it showed up at original price. Had to restart the process, including providing billing and delivery details again."*
H1e	Employee-customer interaction elements positively influence the overall touch point evaluation in *physical channels*.	Bank	*"Staff not very helpful in understanding the customers' requirements and history I felt like I was another number."*
		Supermarket	*"I forgot to put some of my purchases in the trolley after paying, and the staff ran towards me to make sure I don't miss anything, which was very helpful."*

H1f	Customer-customer interaction elements positively influence the overall touch point evaluation in *physical channels*.	Café	*"It was very good especially because I shared the experience with good company!"*
		Supermarket	*"My experience was ok, however other customers were rude and pushing in which made it less enjoyable."*
H1g	Product interaction elements positively influence the overall touch point evaluation in *physical channels*.	Café	*"The products available to purchase are amazing I've never had a bad experience with anything I've bought, I go there at least twice a week it never lets me down."*
		Department store	*"Not enough selection and variety of Mother's Day items on the website compared to in store."*
H2	A positive overall touch point evaluation will positively influence customer experience in *physical* and *digital channels*.	Café	*"The quality of food and experience has fallen significantly since my last visit. Not sure I will come back again."*
		Café	*"Coffee meeting, no queue as not busy this occasion, but can be ... Have previously had poor experience here, hence less likely to recommend even though actual experience on this occasion was positive."*
H3	A positive past experience will positively influence customer experience in *physical* and *digital channels*.	Supermarket	*"Good atmosphere, friendly staff, technology was useless, but overall it was easy and I was able to get what I needed."*
		Department store	*"Browsing for a new party dress online was so easy n helpful, the pictures were very realistic and size chart helped me picked what size I am."*
H4	A positive customer experience will positively influence loyalty intentions in *physical* and *digital channels*.	Bank	*"I used the mobile application to find out information for a possible future purchase."*
		Department store	*"My experience was terrible I would never return or recommend."*
H5	A positive customer experience will positively influence actual spend in *physical* and *digital channels*.	Supermarket	*"I made a purchase that was made easy because of the easy store layout and product location and sufficient number of checkout points and staff on checkouts."*
		Department store	*"My purchase of a dress I wanted for a birthday was very enjoyable. It was quick and easy, as I've been looking at the dress for quite some time and was deciding whether to buy it, I was very happy with my overall experience."*
H6a	The effect of overall touch point evaluations on customer experience is significantly stronger for *hedonic motivation orientations* than for	Supermarket	*"Good atmosphere, staff not friendly, tech useless, but overall I was able to get what I needed."* *"A small purchase that was made easy because of convenient store layout and product location, and sufficient number of checkout points and staff on checkouts."*

	utilitarian motivation orientations in *physical* and *digital channels.*	Bank	*"Not very exciting experience but it did what it needed to do."*
H6b	The effect of customer experience on loyalty intentions is significantly stronger for *hedonic motivation orientations* than for *utilitarian motivation orientations* in *physical* and *digital channels.*	Supermarket	*"The main reason I would be extremely likely to purchase from this store again is based on location and convenience, rather than the experience."*
		Cafe	*"Delish Café - great atmosphere and friendly service. I've already recommended it* [café] *to all my friends."*
H6c	The effect of customer experience on actual spend is significantly stronger for *hedonic motivation orientations* than for *utilitarian motivation orientations* in *physical* and *digital channels.*	Department store	*"I wanted to see what products they had. Went for a browse around the store. The staff was helpful and friendly and I landed up buying a lot more than intended."*
		Cafe	*"Organic raw food bar. Pristine clean and sleek with a great vibe - happy to pay expensive prices. Always a treat to eat there."*

4.3.7.2 Images

Images illustrating the customer experience were captured in the mobile application survey. The images highlight the specific elements of customer experience touch points in physical and digital channels for each industry. Figures 4.4, 4.5, 4.6 and 4.7 provide some example images that illustrate key touch point elements experienced by customers at the time of experience in each of the retail contexts. The images provide further support to the quantitative data analysis and qualitative comments. For example, in Figure 4.4, the respondent who added the 'process: waiting in line image' selected a poor rating for the 'process' touch point element and indicated in the comments that they didn't have a pleasant experience due to the long queue. The images are also explanatory in the way that they provide a visual representation of what is happening in the moment. For instance, in the 'atmospheric: store display' image (Figure 4.7), the ambience, displays and lighting in the department store can be viewed. This illustrates that the atmospheric elements in this particular moment, forms part of the overall touch point evaluation which influenced customer experience.

Figure 4.4 Real-time illustrations of supermarket experiences

Process: Waiting in line

Atmospheric: Product display

Product interaction: Products purchased

Figure 4.5 Real-time illustrations of bank experiences
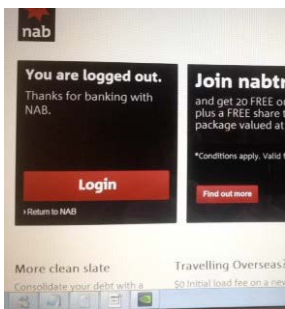
Communicative: Informative website

Process: Using the ATM

Technological: ATM

Figure 4.6 Real-time illustrations of cafe experiences

Atmospheric: Café atmosphere

Product interaction: Café food

Employee-customer Interaction: Payment

Figure 4.7 Real-time illustrations of department store experiences
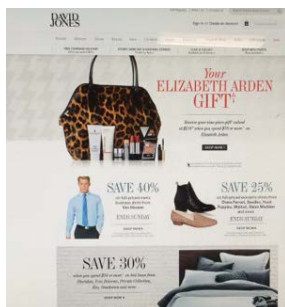
Technological: Online store

Communicative: Promotional message

Product interaction: Purchased products

4.4 Conclusions and chapter summary

In this chapter, the second, third and fourth research questions of the study were addressed: What are the real-time antecedents to customer experience? Does customer experience influence customer intentions and actual behaviour in real-time? Does consumer motivation orientation moderate the links between customer experience and its antecedents and consequences in real-time?

In the study, a mixed method research approach was undertaken to gain a deeper understanding of individual customer experiences in different channels and contexts. To capture customer experiences at different touch points in real-time, a micro-longitudinal repeated measure design was employed using an Experience Sampling Methodology (ESM). The data, collected through three research instruments (introduction online survey, mobile application survey and final online survey), were comprehensively analysed and the hypotheses were tested using variance-based partial least squares (PLS-SEM). A summary of the results from the tested hypotheses is presented in Table 4.20.

Table 4.20 Summary of the tested hypotheses

Hypotheses				Supported/ Rejected
H1a	Atmospheric	→	Overall Touch Point Evaluation	Supported
H1b	Technological	→	Overall Touch Point Evaluation	Supported
H1c	Communicative	→	Overall Touch Point Evaluation	Supported
H1d	Process	→	Overall Touch Point Evaluation	Supported
H1e	Employee-customer interaction	→	Overall Touch Point Evaluation	Supported
H1f	Customer-customer interaction	→	Overall Touch Point Evaluation	Supported
H1g	Product interaction	→	Overall Touch Point Evaluation	Supported
H2	Overall Touch Point Evaluation	→	Customer Experience	Supported
H3	Past Experience	→	Customer Experience	Supported
H4	Customer Experience	→	Loyalty Intentions	Supported
H5	Customer Experience	→	Actual Spend	Supported
Moderation: Hedonic/Utilitarian Motivation				
H6a	Overall Touch Point Evaluation	→	Customer Experience	Supported in physical channels only
H6b	Customer Experience	→	Loyalty Intentions	Supported in digital channels only
H6c	Customer Experience	→	Actual Spend	Supported

An in-depth discussion on the findings of the study is discussed in the following chapter.

CHAPTER 5
GENERAL DISCUSSION

5.0 Introduction

In this study, the researcher set out to explore the real-time impact of the customers' touch point evaluations on customer experience and the subsequent impact on loyalty intentions and actual spend in multichannel retail and service environments. Also examined was the moderating role of consumer motivation orientations (hedonic and utilitarian motivation orientation) on the relationships between (i) the customers' touch point evaluations and customer experience, (ii) customer experience and loyalty intentions and (iii) customer experience and actual spend, for each touch point encounter. To demonstrate the robustness and improve the generalizability of the findings, a theoretical model was tested in different retail and service contexts by taking into account a multichannel perspective; viz., physical and digital channels. The basic research questions as outlined in Chapter 1, were as follows.

> **RQ1:** What are the distinct elements of customer experience touch points?
>
> **RQ2:** What are the real-time antecedents to customer experience?
>
> **RQ3:** Does customer experience influence customer intentions and actual behaviour in real-time?
>
> **RQ4:** Does consumer motivation orientation moderate the links between customer experience and its antecedents and consequences in real-time?

To investigate the research questions, two studies were designed and conducted. Study 1 was focused on identifying and defining the distinct elements of customer experience touch points. Utilising the findings from Study 1, Study 2 was pursued to examine empirically the relationship in the theoretical model (Figure 4.1).

The key findings from Study 1 and Study 2 relating to each of the research questions are detailed in this Chapter.

5.1 Distinct elements of customer experience touch points

In Study 1, an inductive qualitative research approach was employed to build a complex and holistic understanding of different touch points. This was done through an in-depth analysis of the recalled accounts of customer experience narratives from a number of informants. Based on the thematic analysis of the semi-structured interviews, seven distinct elements of customer experience touch points were identified. These include: atmospheric, technological, communicative, process, employee-customer interaction, customer-customer interaction and product interaction elements. Each of these elements is discussed below.

Atmospheric elements

Atmospheric elements cover the physical characteristics that customers observe in their surroundings when interacting with any part of the retailer/service provider. In physical retailer and service provider channels, atmospheric aspects such as the layout, colours, lighting, music and scents provide visual and sensory stimuli that may influence customer appraisals of the retail environment (Eroglu, Machleit, and Davis 2003). In digital environments the colours, graphics, music, layout and design provide atmospheric features (Eroglu, Machleit, and Davis 2003; Rose et al. 2012) that facilitate the formation of experience impressions (Gentile, Spiller, and Noci 2007). The identification of atmospheric elements is consistent with past research that suggests that the physical environment experienced by customers influences consumer evaluations and responses (Turley and Milliman 2000).

Technological elements

Technological elements relate to a customer's direct interaction with any form of technology during an encounter with a retailer/service provider. Technological aspects were identified as important elements in customers' encounters at different touch points. This could be due to the fact that recent technological innovations have revolutionised the retailing and service landscape, thereby enabling retailers and service providers to engage customers in service co-production electronically in lieu of interaction with frontline employees (Lin and Hsieh 2011). Most notably, the Internet has transformed the way in which consumers search for, evaluate, purchase, seek help and share feedback about products and services.

Communicative elements

Communicative elements involve one-way communication from the retailer/service provider to the customer, including both promotional and informative messages. Consumers regularly observe content and messages relating to products and services from retailers and service providers and it is the quality of the communication that forms the basis for both online and offline customer evaluations. This could be explained by the fact that with quality information that is relevant to the customer, customers make better decisions leading to positive evaluations of their encounter (Shankar, Smith, and Rangaswamy 2003).

Process elements

Process elements relate to the actions or steps customers need to take in order to achieve a particular outcome with a retailer/service provider. In the current research the process elements were found to play a large role in customer assessments of their experience at various touch points. This finding is in line with past research that suggests that the process customers take in order to achieve a particular outcome plays an important role in shaping their perceptions and evaluations of retail and service provider encounters (van Riel et al. 2012).

Employee-customer interaction elements

Customer interactions with employees of the retailer/service provider were identified as being an important aspect of customers' encounters at different touch points. This is in line with past research that points out that the interaction between customers and front-line employees plays a significant role in the customer experience in retail and service environments (Brady and Cronin 2001; Brown and Lam 2008; Hartline and Ferrell 1996; Price, Arnould, and Tierney 1995).

Customer-customer interaction elements

Customer-customer interactions refer to the direct and indirect interactions customers have with other customers whilst interacting with any part of the retailer/service provider. In the context of retail and service settings, other customers within the exchange venue are observable (Brocato, Voorhees, and Baker 2012). Such social interactions and/or presence of other customers can have a profound impact on customer experience during the encounter at the touch point. In the current research,

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this was found to be common, especially in the pre-purchase stage when customers are searching for and/or evaluating a particular retailer or service provider; often customers rely on word-of-mouth feedback from personal and familiar sources or seek feedback from individuals who have prior experience with the retailer or service provider.

Product interaction elements

Product interactions involve the direct or indirect interactions customers have with the core tangible or intangible product offered by the retailer/service provider. At various touch points, it was found that customers interact with the core tangible or intangible product offered by retailers and service providers. This is in line with Hoch (2002) who pointed out that customers experience the product when they search for, examine, consume and evaluate products and services. In the current research it was identified also that a customer's experience with a product may vary in a spectrum from direct (e.g., product usage) to indirect (e.g., seeing product displays) encounters, depending on their level of interaction with a product.

Results from the study show that touch points comprise a combination of different elements. Not all elements arise at each touch point; rather touch points are made up of varying combinations of the identified elements. In addition, touch points may comprise as little as one or as many as all of the touch point elements. For example in the context of a café customer journey (see Figure 5.1), a customer who is searching for a café online may interact with atmospheric (website design), product interaction (images), technological (online), customer-customer interaction (customer reviews of the café) and communicative elements. Once the customer finds a café that he/she would like to visit, he/she may call the café to make a reservation, which includes process and employee-customer interaction elements. When the customer dines at the café, atmospheric, product interaction, process, employee-customer interaction, customer-customer interaction and communicative elements form the touch point. Further, on receiving an automatically generated 'thank you' email after dining at the café the customer is exposed to communicative elements only. Thus, drawing from the findings of the study it can be seen that the elements which are relevant to the customer at a particular touch point, together form the basis for the overall touch point experience of the customer.

Figure 5.1 Touch point elements: Cafe example
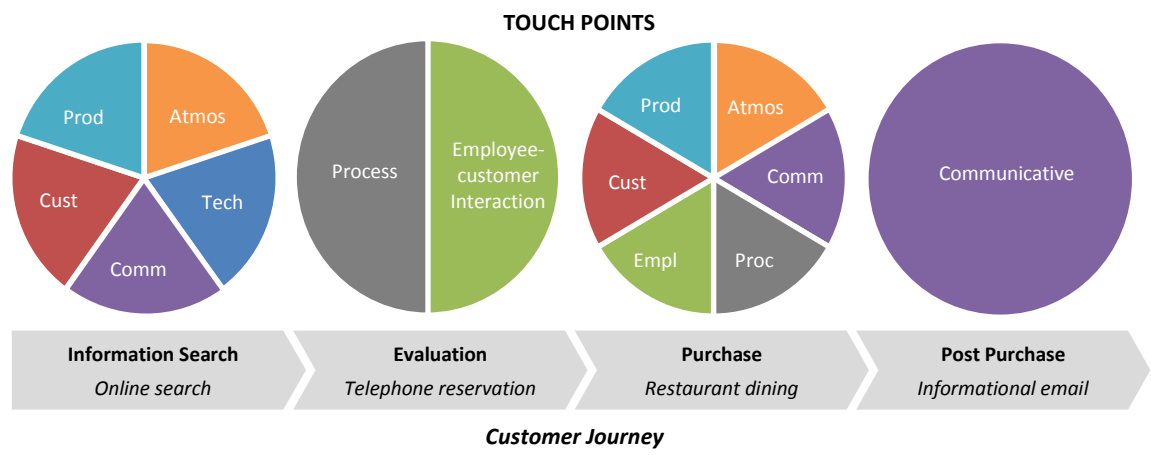
5.2 Antecedents to customer experience

In Study 2, a theoretical model of customer experience was conceptualised by incorporating the touch point elements that were identified in Study 1. The model also took into consideration the influence of past customer experiences on the current customer experience. In addition, the model was assessed separately for physical and digital channels. The empirical analysis revealed that customer experience assessments are influenced by both the past customer experience and the overall touch point evaluation, which are based on the individual touch point elements (i.e., atmospheric, technological, communicative, process, employee-customer interaction, customer-customer interaction and product interaction elements). The finding was found to be consistent for both physical and digital channels and across different retail and service contexts.

5.2.1 Touch point elements influence overall touch point evaluations

The empirical analysis confirms that all the touch point elements, viz., atmospheric, technological, communicative, process, employee-customer interaction, customer-customer interaction and product interaction, contribute positively and significantly to overall touch point evaluations in physical channels. In the context of digital settings, the relevant touch point elements found to contribute positively and significantly to the overall touch point evaluation were atmospheric, technological, communicative and process. These findings can be explained through cognitive appraisal theory (Lazarus and Folkman 1984) which suggests that assessments of the

individual elements involved in a particular interaction form the overall evaluation of the event.

The relative importance of the individual touch point elements were found to vary across physical and digital channels and among industries - supermarkets, banks, cafes and department stores. For instance, for physical supermarket channels, process elements were found to have the strongest impact on customers' overall touch point evaluations, while product interaction elements were found to have the least influence on customers' overall touch point evaluations. This could be explained by the fact that, generally, consumers are task-orientated when they shop for groceries at a supermarket (Kaltcheva and Weitz 2006). This means that the way in which customers move around the store and waiting time (e.g., check-out lines) are critical factors that influence whether or not the customers can achieve their intended task in an efficient manner. On the other hand, the products (e.g., the groceries observed and/or purchased) offered by the supermarket remain relatively unchanged in physical settings and, therefore, have little impact on whether or not customers achieve their shopping task, other than when a product is out of stock.

In digital supermarket channels, the atmospheric elements (e.g., colours, design, layout and other sensory aspects) were found to have the strongest affect on overall touch point evaluations, while communicative elements (e.g., promotional or informational messages) were found to have the least influence. An explanation for this result could be the fact that in digital channels, customers rely on visual and sensory elements to project the overall image of the retailer.

In physical bank channels, employee-customer interactions were found to have the greatest impact on the consumers' overall touch point evaluations, while customer-customer interaction elements were found to have the least affect. This could be due to the fact that customers rely heavily on bank employees because of the high involvement nature of information sought by customers and bank transactions performed. In comparison, other customers tend to play a less significant role in the customer experience, although they do feature in the physical branch setting.

In digital bank channels, technological elements were found to have the strongest affect on the overall touch point evaluation, while process elements (e.g., the way in which customers navigate the website) were found to have least affect. This finding could be explained by the fact that, nowadays, consumers rely heavily on technology (e.g., mobile applications, online, ATMs) to perform banking transactions, acquire information, set up new accounts and make enquiries. This finding highlights that the process of making the transaction, while necessary, is not as important as having access to the technology that facilitates the transaction. Therefore, in digital bank settings, customers may not care necessarily about how long the website takes to load and how many pages they have to navigate through, as long as they can achieve their transaction using the technology.

5.2.2 Customer experience is shaped by overall touch point evaluations and past experiences

In the proposed theoretical model (Figure 4.1), two antecedents to customer experience were considered; viz., overall touch point evaluation and past experience. The findings from the empirical analysis indicate that the real-time overall touch point evaluation does influence customer experience. Zomerdijk and Voss (2010) offer a theoretical explanation for this affect. The authors suggest that context of the experience environment (including the physical environment, social actors, social interactions and other service facilitators) can be used to intensify engagement and emotional connections. The context, therefore, sends signals to customers that create and influence their experience. This finding also is in line with prior studies that link evaluations of the holistic environment to affective consumers' responses (e.g., Babin and Darden 1996; Donovan and Rossiter 1982; Wakefield and Baker 1998).

Results from the study also indicated that real-time customer experience is not only a function of overall touch point evaluations, but is shaped by prior evaluations of customer experience. This finding is consistent with prior studies that have found that past attributed evaluations, experiences and feelings of satisfaction influence present evaluations (e.g., van Doorn and Verhoef 2008). In addition, this affect could be explained by adaptation-level theory (Helson 1971), which suggests that prior judgments act as anchors for future judgments and intentions. In other words, real-

time customer experience assessments are shaped relative to customers' past experiences with the particular retailer or service provider.

5.3 Outcomes of customer experience

A key objective in the thesis was to examine the real-time affects of customer experience on firm value as measured through customer loyalty intentions and actual spend. While practitioners and academics alike emphasise that positive customer experiences enhance firm value, very few studies have attempted to quantify this influence. In addition, of the studies that have assessed the affect of customer experience on firm outcomes (e.g., Macdonald, Wilson, and Konus 2012; Rose et al. 2012) there has been a primary reliance on consumer intentions, thereby failing to capture actual customer actions and behaviour that indicates the true impact of customer experience on firm value. Grewal, Levy, and Kumar (2009) suggest that in addition to collecting and examining 'soft' metrics such as customer loyalty and referral intentions, managers should collect and assess 'hard' marketing and financial metrics. Accordingly, in Study 2, the researcher developed and tested a model of customer experience that considered two key outcomes of customer experience: loyalty intentions (a soft metric) and actual spend (a hard metric), both of which were captured at the time of the experience.

5.3.1 Positive customer experience enhances customer loyalty intentions

The results of the study show that favourable customer experience evaluations positively influence customer loyalty intentions. This was found to be consistent across different retailer and service contexts and for multiple channels (i.e., physical and digital channels). This could be explained by cognitive appraisal theory (Lazarus and Folkman 1984) which suggests that emotions are the underlying motivational and evaluative root, in as much as they cause subsequent actions and behaviour. In other words, customer experience evaluations form the basis for decisions on whether the customer intends to repurchase or recommend the retailer/service provider. The findings in this study are in line with extant studies that have examined the affect of customer experience on customer behavioural intentions (e.g., Maklan and Klaus 2011; Voss, Spangenberg, and Grohmann 2003).

5.3.2 Positive customer experience influences actual spend

Most studies that examine the link between customer attitudes and purchase behaviour employ measures of purchase intent rather than actual behaviour (Gupta and Zeithaml 2006). Although prior studies have demonstrated a strong relationship between these constructs, they do not establish the relationship with actual purchase behaviour, which is a direct indicator of firm value. In the current research, the relationship between real-time customer experience (customer attitudes) and real-time actual spend (actual purchase behaviour) was investigated in multiple channels of retail and service contexts. The results from the empirical analysis indicates that customer experience positively influences actual spend for both physical and digital channel touch points. In other words, a favourable customer experience is likely to increase customers' spend at the time of the touch point encounter.

Furthermore, customers generally shop for different purposes and not all shopping activities necessarily result in a transaction. This is the case particularly in the context of banks, where customer activities involve using the service (e.g., checking balances and support services) rather than making a purchase. Therefore, a further analysis at the specific industry level was necessary. The results of the industry level analysis demonstrate that customer experience significantly influences actual spend in supermarket, café and department store contexts, for both physical and digital channel touch points.

5.4 The moderating role of consumer motivation orientation

The results highlight that consumers search for, consume and evaluate products/services differently depending on whether their motivations are primarily utilitarian, for efficiency or recreation, or hedonic, for enjoyment and fun. It is important to point out that consumers have different motivations depending on the intended task or goal that the consumer is trying to achieve. For instance, a supermarket consumer who has a list of specified items to purchase will have a utilitarian motivation orientation. The same customer may go into a department store with the purpose of browsing and, therefore, in that situation would have a hedonic motivation orientation. This implies that a consumer's motivation orientation is relevant to customers' tasks, situations and goals at different touch points. Therefore,

it was important to assess whether the effects of key relationships in the model differ based on the two consumer motivation orientations; utilitarian or hedonic.

The results from the study demonstrate that (i) the affects of overall touch point evaluation on customer experience, and (ii) the influence of customer experience on firm value (loyalty intentions and actual spend) significantly differ for utilitarian and hedonic motivation orientations. However, the differences were found to vary across retail channels (i.e., physical or digital channels). A general discussion on these findings is provided in the following sections.

5.4.1 The moderating role of consumer motivation orientation in customer experience assessments

As pointed out earlier, the real-time affect of overall touch point evaluation on customer experience significantly differs for utilitarian and hedonic motivation orientations. However, the affect was found only for physical channels. Specifically, for physical channels, the findings indicate that the positive affect of overall touch point evaluations on customer experience is significantly stronger for consumers with hedonic motivation orientations than for consumers with utilitarian motivation orientations. This could be explained by the fact that utilitarian orientated consumers view shopping primarily as a means for completing a task or obtaining a needed outcome (e.g., product, service or information) and wish to complete their shopping as efficiently as possible; therefore, their encounters with different touch point elements (e.g., interactions with employees, product interactions) which form the overall touch point evaluation, do not necessarily have a strong influence on the customer experience. Conversely, hedonically motivated consumers derive inherent pleasure from the shopping activity itself and, therefore, positive evaluations of the touch point elements and hence overall touch point evaluation leads to enhanced customer experience. This finding is in line with Kaltcheva and Weitz (2006) who found that high arousal produced by a store environment has a positive affect on consumer evaluations of pleasantness when consumers have a recreational motivational orientation, but when consumers have a task-oriented motivational orientation, high arousal decreases pleasantness. In addition, a theoretical explanation for this affect is provided by cognitive appraisal theory (Lazarus and Folkman 1984) which suggests that an individual's cognitive appraisal of the

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situation and consequent subjective experience depend on their motivations and goals. Specifically, it has been pointed out that the extent to which an event or an outcome is relevant to the individual's goals and congruent or incongruent with an individual's wants or desires, influences the way in which individuals evaluate appraisals to form emotional responses (Nyer 1997).

With regard to digital channels, no significant differences were found between hedonically motivated consumers and utilitarian motivated consumers. This means that in digital channels, a consumer's motivation to engage in the digital shopping activity or task does not influence the overall touch point evaluation on customer experience. This could be explained by the fact that although customers engage in enjoyable activities (with hedonic motivation orientations) in digital settings, they still derive utilitarian value through easy navigation and selection, prompt transactions and responsive sites (Childers et al. 2002). Similarly, Bridges and Florsheim (2008) found hedonic motivations to be unrelated to online shopping.

5.4.2 The moderating role of consumer motivation orientation on the relationship between customer experience and firm value (loyalty intentions and actual spend)

The results from the study demonstrate that the influence of customer experience on firm value (loyalty intentions and actual spend) significantly differs for utilitarian and hedonic motivation orientations. Specifically, for digital channels, the affect of customer experience on loyalty intentions was found to be significantly stronger for consumers with hedonic motivation orientations than for consumers with utilitarian motivation orientations. On the other hand, for physical channels, the relationship between customer experience and loyalty intentions was not found to be significantly different for consumers with hedonic and utilitarian motivation orientations. This means that, in physical contexts, a consumer's motivation to engage in the shopping activity or task does not necessarily influence customer experience on loyalty intentions. This could be explained by the Jones, Reynolds and Arnold (2006) argument that consumers whose experiences are utilitarian driven are motivated by a sense of accomplishment from the experience. For these consumers, achieving their task (e.g., obtaining sought-after goods, services or information) means that they have had a successful encounter and, hence, a positive experience. Such consumers

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will remember their success (i.e., positive experience) and, therefore, will be more likely to consider this retailer/service provider for future purchases. Also, when consumers who are hedonically motivated have a positive experience, they are more willing to repeat this positive experience in the future (Kaltcheva and Weitz 2006).

From the results, the point is highlighted that the positive affect of customer experience on actual spend is significantly stronger for consumers with hedonic motivation orientations than for consumers with utilitarian motivation orientations; this is evident in both physical and digital channels. The result could be explained by the fact that consumers with hedonic motivations derive inherent pleasure from rich shopping experiences (Kaltcheva and Weitz 2006), and such experiences are likely to impact on real-time purchase behaviour. In contrast, in purchase situations, consumers with utilitarian motivations are likely to be driven more by convenience and price factors, rather than by positive experiences.

5.5 Conclusions and chapter summary

In Chapter 5, a general discussion has highlighted and indicated the key findings from Study 1 and Study 2 relating to each of the research questions. Theoretical arguments and findings from the extant marketing and psychology literature were compared and contrasted with the results of the studies. This enabled a more comprehensive understanding of the customer experience creation and outcomes at individual touch points. In addition, in this chapter a general discussion was provided on the moderating role of consumers' motivation orientation when assessing customer experience based on overall touch point evaluations, and when reacting to customer experience evaluations in different retail channels. The findings from Study 1 and Study 2 provide key theoretical, methodological and managerial contributions and implications. The research contributions and implications are discussed in the following Chapter 6, along with the overview of the thesis, limitations and directions for future research.

CHAPTER 6

CONCLUSION

6.0 Introduction

Although scholars have begun to recognise customer experience as an important topic worthy of research, the 'newness' of this domain has left several areas unexplored. Up to the present time, there have been limited attempts to examine empirically the holistic customer experience, so this study was designed to contribute to the current research on customer experience by identifying the distinct elements of touch points and by empirically assessing a holistic model of real-time customer experience in multichannel retail and service environments. In this chapter, an overview of the thesis is presented and the theoretical, methodological and managerial research contributions are discussed. The chapter is concluded by outlining the constraints of the study and suggesting directions for future research.

6.1 Overview of the research

The study was set out to explore the research questions and objectives presented in Chapter 1. In an attempt to address and answer these research questions, two successive studies were conducted – viz., Study 1 and Study 2. Prior to conducting these studies, the researcher scrutinised and critically reviewed the pertinent literature on customer experience. The literature review, presented in Chapter 2, enabled the researcher to gain an in-depth understanding of the existing research on customer experience and to identify theoretical and methodological gaps in the literature from which the direction of the current study was proposed.

Study 1 was aimed at identifying and defining the elements that encompass customer experience touch points from a customer perspective, as presented in Chapter 3. Based on 28 customer experience narratives revealed from 22 semi-structured interviews, seven distinct elements of customer experience touch points were identified - atmospheric, technological, communicative, process, employee-customer interaction, customer-customer interaction and product interaction elements. An

inductive thematic analysis of the data enabled the researcher to gain an in-depth understanding of customer experience touch points that was employed in Study 2 to develop and test a holistic model of customer experience.

Utilising the findings from Study 1, Study 2 was conducted to explore the real-time impact of touch point evaluations on customer experience and the subsequent impact on firm value in multichannel retail and service environments as presented in Chapter 4. The study also took into account the inherent differences that exist between customers by examining how customer experience evaluations and outcomes vary for customers with a hedonic motivation orientation versus a utilitarian motivation orientation for each touch point experience. To capture real-time lived consumer experience in a natural context, an Experience Sampling Methodology (ESM) was employed. Over a two-week period, 1695 touch point experiences from supermarket, bank, cafe and department-store contexts were recorded from 227 customers using a mobile application survey on their personal smartphone device. The mobile application survey enabled data to be captured across multiple retail and service channels (i.e., digital and physical channels) and at the time of the experience (i.e., in real-time). Such real-time data collection also enabled customers to report an accurate account of actual purchase data (customer spend) and facilitated the collection of explanatory qualitative data (i.e., photos and comments) that illustrated and clarified of the results from the quantitative analysis.

The results of Study 1 and Study 2 were outlined and discussed in Chapter 5. From Study 1, seven distinct elements of customer experience touch points were identified and defined. These include atmospheric, technological, communicative, process, employee-customer interaction, customer-customer interaction and product interaction elements. In Study 2, the empirical analysis confirmed that real-time customer experience assessments are driven by both past customer experience and the overall evaluation of the touch point. The results also indicate that positive customer experience evaluations influence customer loyalty intentions and actual spend in real-time. The robustness of these findings was verified across retail channels (i.e., physical and digital) and in different retail and service settings. Further, an interaction affect of hedonic and utilitarian consumer motivation orientations on the relationships between the overall touch point evaluation and

customer experience and the relationship between customer experience and loyalty intentions and actual spend was demonstrated. However, these results were found to be applicable only in certain retail channels.

In Chapter 6, the conclusions of the research study are presented. In this chapter, the theoretical, methodological and managerial contributions of the research are outlined and discussed. The focus, then, turns to the challenges and constraints of the research along with the directions for future research. Overall, the dissertation has generated evidence to answer the research questions outlined in Chapter 1. A summary of the answers to the research questions, which were guided by several research objectives, is presented in Figure 6.1.

Figure 6.1 Summary of the answers to the research questions

MAJOR RESEARCH QUESTION
What is impact of customer experience on customer intentions and actual behaviour in multichannel retail and service settings?

Research Question 1	Research Question 2	Research Question 3	Research Question 4
What are the distinct elements of customer experience touch points?	What are the real-time antecedents to customer experience?	Does customer experience influence customer intentions and actual behaviour in real-time?	Does consumer motivation orientation moderate the links between customer experience and its antecedents and consequences in real-time?

Research Objective 1	Research Objective 2
Identify and define the distinct elements that encompass customer experience touch points.	Develop a theoretical model of customer experience that encompasses the antecedents to, consequences of, and moderators of customer experience.

Research Objective 3
Empirically test the theoretical model (RO2) using real-time customer data.

Answer to Research Question 1	Answer to Research Question 2	Answer to Research Question 3	Answer to Research Question 4
The distinct elements of touch points include: Atmospheric, Technological, Communicative, Process, Employee-customer Interaction, Customer-customer Interaction and Product Interaction	Real-time overall touch point evaluations and past experience influence real-time customer experience.	Customer experience influences customer loyalty intentions and actual spend in real-time.	The links between customer experience and its antecedents and consequences is significantly stronger for consumers with hedonic motivation orientations that for consumers with utilitarian orientations.

6.2 Research contributions

In an attempt to move forward the body of knowledge on customer experience, the researcher explored the gaps in the extant literature (identified in Chapter 2; also see Appendix 13). The results from the research provide several theoretical, methodological and managerial research contributions, which offer implications for both academics and practitioners. A summary of the contributions of the research is presented in Table 6.1

Table 6.1 Summary of research contributions

	Research Contribution
Theoretical Contributions	1. Identification and definition of the distinct elements that comprise customer experience touch points
	2. Development of a theoretical model of customer experience that includes the antecedents to, consequences of, and moderators of customer experience
	3. Quantitative assessment of customer experience that includes the antecedents to, consequences of, and moderators of customer experience
	4. Examination of the consequence of customer experience on actual customer spend
	5. Application of cognitive appraisal theory to customer experience assessments
	6. Investigation of the role of motivation orientation in customer experience
	7. Examination across different retail channels and retail/service contexts
Methodological Contributions	1. Investigation of customer experience through real-time touch point evaluations
	2. Use of experience sampling methodology (ESM)
	3. Assessment of customer experience through mobile application technology
Managerial Implications	1. Recognise touch point elements
	2. Apply real-time customer experience assessment
	3. Enhance customer experience to improve firm value

6.2.1 Theoretical contributions

1. *Identification and definition of the distinct elements that comprise customer experience touch points*

   To understand the aspects that may influence customer experience, prior work has predominantly considered company-driven stimuli, failing to recognise the distinct aspects that customers encounter at touch points from a subjective customer perspective. Through a thematic analysis of customer experience narratives revealed from several customers, the distinct elements that occur during customer experiences at different touch points were identified, categorised and defined in this research. Such a comprehensive understanding of customer experience touch points enables a deeper and more complex insight into the distinct components that shape the customer experience.

2. *Development of a theoretical model of customer experience that includes the antecedents to, consequences of, and moderators of customer experience*

   Drawing from prior customer experience propositions and findings, and from insights on touch point elements resulting from Study 1, this research extends the current body of knowledge on customer experience by developing a holistic theoretical model of customer experience that 'pieces together' the antecedents to, consequences of, and moderators of customer experience. Specifically, the holistic model considers the overall evaluation of the touch point and past experiences as antecedents to customer experience, loyalty intentions and actual spend as consequences of customer experience, and hedonic and utilitarian consumer motivation orientations as moderators on the relationships in the model. In addition to the core relationships, the model also includes control variables that are likely to influence the customer experience process (consumer psychographics) and consequences (customer satisfaction).

3. *Quantitative assessment of customer experience that includes the antecedents to, consequences of, and moderators of customer experience*

   Previously, the academic attention paid to the holistic customer experience has been predominantly conceptual. Also, the extant limited empirical work on customer experience is fragmented. To date, there have been limited attempts to develop and test empirically a holistic model of customer experience that encompasses the antecedents to, consequences of and moderators of customer experience. This research, therefore, contributes methodologically to the body of work on customer experience by providing a quantitative assessment of customer experience that includes a complete examination of the antecedents to, consequences of, and moderators of customer experience.

4. *Examination of the consequence of customer experience on actual customer spend*

   Practitioners and academics alike emphasise that positive customer experiences enhance firm value, yet empirical support for this claim is comparatively slight. Thus far, studies that have assessed the influence of customer experience on firm outcomes have relied primarily on 'soft' metrics (i.e., consumer intentions). To date, there has been no attempt to assess the influence of customer experience on 'actual' firm value through hard financial metrics (e.g., actual customer behaviour). In this research, the consequence of positive customer experiences was measured through actual customer spend; thereby providing a realistic insight into financial impact of customer experience.

5. *Application of cognitive appraisal theory to customer experience assessments*

   Cognitive appraisal theory has been applied in past consumer research to explain consumer emotions and subsequent consumer actions (e.g., Nyer 1997; Ruth, Brunei, and Otnes 2002). Scholars recognise the relevance of cognitive appraisal theory for understanding customer behaviour as it offers a complete explanation of consumers' behavioural responses to emotions (Johnson and Stewart 2005). However, to date no studies have harnessed the

theory to explain customer experience which, essentially, is a reflection of emotional responses. In this research, cognitive appraisal theory enabled a deeper understanding of how customer experience evaluations are formed at individual touch points and the subsequent consumer behaviours that result from the customer experience. Specifically, the application of the theory provided a significant theoretical contribution to the customer experience literature by revealing that appraisals of events and stimuli (touch point elements) in the environment (context and retail channel of the touch point) cause specific emotional reactions (customer experience) which, in turn, affect subsequent consumer intentions and behaviour.

6. *Investigation of the role of motivation orientation in customer experience*

   While it is widely understood that consumers search for, consume and evaluate products/services differently depending on their specific shopping activity motivation and goal (Babin, Darden, and Griffin 1994), no study to date has investigated the role of consumer motivation orientations as a moderator on relationships between the antecedents to and consequences of customer experience. Considering that consumer motivation orientation plays a significant role in the consumer decision process, this research has examined the role of hedonic and utilitarian consumer motivation orientations to assess the differential effectiveness of the relationships in the customer experience model.

7. *Examination across different retail channels and retail/service contexts*

   Nowadays, consumers use a number of different channels to search for, consume and evaluate products/services (Verhoef, Neslin, and Vroomen 2007). In recognition of this, several scholars have argued that the multichannel context of the encounter should be taken into account when examining customer experience (e.g., Puccinelli et al. 2009; Verhoef et al. 2009). However, empirical work investigating customer experience across different retailer channels is sparse. This research contributes to the existing work on customer experience by examining empirically the holistic model of customer experience separately for physical and digital channels. Through such an examination, the researcher was able to gain insights of the customer

experience process among different channels. In addition, the holistic model of customer experience was assessed across different B2C retail and service industries (e.g., supermarkets, department stores, banks and cafes). The examination of the model across different physical and digital channels and across various retail service contexts enabled a wide assessment of the model and added to its robustness.

6.2.2 Methodological contributions

1. ***Investigation of customer experience through real-time touch point evaluations***

   This research contributes to the work on customer experience through the assessment of customer experience at individual touch points in real-time. Customer evaluations of individual touch point encounters, collected at the point of occurrence, provided realistic and rich insights into the distinct 'moment of truth' between the customer and any part of the company. This enabled a rich understanding of the experience, including 'what happened', 'where it happened' and 'how it happened' at the particular moment in time.

2. ***Use of experience sample methodology (ESM)***

   This research was unique in the way that it employed an Experience Sampling Methodology (ESM) to capture customer experience assessments at different touch points in real-time. Although social researchers have applied ESM for many years to investigate the daily lives of humans, this methodology is very novel to marketing and organisational scholars (Fisher and To 2012). The application of this method in the research enabled an investigation into the micro-level processes at the daily level where the content of and patterns surrounding experiences and behaviours of consumers unfolded in real-time.

3. ***Assessment of customer experience through mobile application technology***

   The surge of innovations and new technologies and the widespread diffusion of mobile phones into modern society was recognised in this research and mobile application technology was employed to collect data in real-time.

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While mobile phones have been used in ESM research to gather data through SMS coded messages, to date no academic study has employed a smartphone mobile application to collect real-time data on the customer experience. By comparison with traditional research instruments, mobile applications have been shown to be easy to use by the respondents, offered a more flexible way to collect data and enabled each respondent instantaneously to provide real-time feedback in a variety of formats including, voice memos, comments and photos.

6.2.3 Managerial implications

1. *Recognise touch point elements*

   This research provides managers with an understanding of the distinct touch point elements that occur along the customer journey and the relative importance of each of these elements in enhancing customer experience. Accordingly, managers should be able to identify touch point elements that are relevant to various retail channels. To gain a complete end-to-end understanding of the customer journey, managers will be able to draw from these insights and conduct 'touch point mapping' (e.g., see an example in Appendix 14); mapping being a technique that is commonly used by practitioners to identify key 'moments of truth' between the customer and a company (Zomerdijk and Voss 2010). Customer journey maps incorporate the view of (i) the customer journey process, (ii) retail channels and (iii) relevant elements at each touch point. Managers will be able to shift their attention from examining touch points to understanding the customer's complete end-to-end journey. Mapping of key touch points and identifying the distinct elements at each touch point will provide managers with a deeper insight into the entire customer journey.

   The findings from this research emphasise that touch point identification and measurement should be assessed from a customer perspective. In other words, companies should view the experience from outside in. Customers are not exposed to the web of organizational processes that operate behind the scenes to deliver their experiences. They only view a series of interactions

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from the outside in. Therefore, companies should manage customer experience by understanding the customer's point of view. In doing so, the identified touch point elements should be considered by managers to gain a more holistic and complex understanding of customer experience throughout the customer journey.

2. *Apply real-time customer experience assessment*

This research has provided marketers with an innovative methodology that can be used to capture instantaneous customer feedback, is not too intrusive to customers, is flexible in the way in which data is collected and can be used to assess all direct and indirect encounters with any part of a company. The ESM mobile application survey used in this research is a new approach that can be used to supply real-time feedback from customers at all touch points. This not only allows for self-reported customer data, but also allows for the collection of other important aspects of the experience such as photos, videos, voice memos, open-ended comments and can track the GPS location of the place where the experience occurs. This research approach has the ability to provide a real-life snapshot of the lived customer experience.

Marketing researchers should embrace this method to collect insight of the real-time customer experience from a panel of customers. Such a rich real-time insight of the customer experience will enable marketing researchers to monitor the customer experience, measure the real-time causes and impact of the experience and understand the actual financial value created from the experience. In addition, instantaneous customer experience feedback allows managers to respond promptly to service failures and other issues that may affect the experience. The research approach can be used to help marketers design and enhance the customer experience by identifying underperforming touch points, where additional resources should be employed and attention should be paid. Overall, the research has evidenced a valuable research method and tool that marketers could adopt to improve the customer experience.

3. *Enhance customer experience to improve firm value*

The research has demonstrated clearly that delivering positive customer experiences leads to higher customer loyalty intentions and increased customer spend. This means that by delivering outstanding customer experiences, firms receive value from their customers through the likes of repeat business and positive word-of-mouth, and through increased sales revenue. Therefore, companies should aim continually to deliver exceptional customer experiences. It is recommended that managers continually monitor the experience from a real-time customer perspective to ensure that customers are delighted by the current experience. Also, managers should have mechanisms in place to detect underperforming touch points along the customer journey, where experiences are unsatisfactory to customers. Adequate management attention and resources should be applied to improve the customer experience at the underperforming touch points.

In their efforts to enhance customer experience, managers must recognise that there is no 'one size fits all' solution. The findings from the research clearly demonstrated the interaction effect of hedonic and utilitarian motivation orientations. This requires managers to develop strategies specific to different types of customer goals to derive the benefits of enhancing customer experience.

6.3 Limitations and directions for future research

This research has provided a deeper insight into customer experience. However, as with all research, a number of limitations remain. Some of these constraints point to fruitful avenues for further research.

First, this research only included data from Australia. To improve the global generalisability of the holistic model of customer experience, future research should replicate the study in other Western countries and, even, focus on non-Western economies such as Turkey and India (e.g., Burgess and Steenkamp 2006). This may help to unearth cross-cultural consumer differences that are important to global companies.

Second, although the theoretical model of customer experience was examined across four different retailing and service contexts (i.e., supermarkets, banks, cafes and department stores) to confirm the robustness of the model, the industries used in the research were all limited to B2C settings. Given that relational firm behaviours are more prevalent in B2B contexts than B2C settings (Coviello et al. 2002), it would be worthwhile for future research to examine whether or not the findings of the current research are applicable in B2B contexts.

Third, because this research uses ESM and a longitudinal design to strive for a sufficiently large number of responses, single-item measures were employed. Although recent results regarding the predictive validity of single-item measures are sufficient (Bergkvist and Rossiter 2007), justifications for their use in marketing research remains a continuous debate. Future research could expand the single-item measures into a multi-item scale to capture a more detailed account of the touch point. This is especially in the case of the touch point elements' measures; a multi-item scale could be adapted to the context of the touch point to capture specific details of the touch point elements (e.g., cleanliness, scents and store layout of the retailer for atmospheric elements), rather than an overall evaluation measure.

Fourth, mobile application surveys are confronted with limited access to particular demographic groups, as certain populations may not have access or the capabilities to use smartphones or mobile applications. This was reflected in the research with the majority of respondents aged between 18 years and 35 years. However, as younger generations age, access to and comfort with technology will be less of an issue (Conner and Lehman 2012).

Fifth, the customer experience narratives revealed from the informants in Study 1 were solicited and self-reported, which could have resulted in fragmented accounts of the experience. Recent technological advances offer customers new channels and platforms that they can use to provide solicited and unsolicited qualitative feedback in textual and unstructured formats (Ordenes et al. 2014). Future studies may focus on collecting qualitative customer experience feedback from unstructured textual data from solicited and unsolicited sources such as online reviews and social media conversations.

Sixth, this research only considered the positive affects on customer experience. While a customer may have both positive and negative experiences with a company (Jüttner et al. 2013), assessing the negative impact of customer experience was outside the scope of the research. Future research could examine whether there are asymmetric affects for positive and negative experiences on different outcome variables (e.g., word-of-mouth behaviour and customer spend).

Other research directions move beyond the limitations that have been identified. One potential research direction is a further understanding of the affects of customer experience on other 'hard' outcome variables such as customer retention and cross-buying behaviour using actual transaction data and company records. While this research has extended the current knowledge on the link between customer experience and actual customer behaviour, it would be interesting to determine whether customer experience also influences other firm value metrics.

On a similar note, in this research it was considered how different hedonic and utilitarian consumer motivation orientations moderate the relationship between customer experience and its antecedents and consequences. Future research may consider other consumer factors such as consumer expertise (e.g., Naylor et al. 2008) and budget/nonbudget shoppers (e.g., Van Ittersum et al. 2013) to moderate these relationships.

Finally, due to the absence of a universally accepted scale for measuring customer experience, the researcher obtained scale items from prior studies to reflect the dimensions of customer experience (i.e., affective, cognitive, social and physical) as recommended by Verhoef et al. (2009). Although the development of a scale to measure customer experience was beyond the scope of this research, future research could focus on a developing an alternative scale to measure customer experience.

6.4 Thesis conclusion

This research offers a robust understanding of the customer experience; one that will help retailers and service providers to effectively design, monitor and assess real-time customer experience at individual touch points. The research contributes to the customer experience literature and offers an innovative methodology for capturing customer feedback.

Looking forward, with the increasing use of smartphone innovations that enable consumers to track many different aspects of their lives, marketers undoubtedly will continue to embrace new technologies to capture real-time customer experience insights.

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APPENDICES

Appendix 1
Informant invitation email

Dear [insert name],

I am undertaking a Doctor of Philosophy at Curtin University. As part of my PhD I am conducting a study to investigate customer experience during various interactions with retailers and service providers.

Information for the study will be gathered during a face to face interview and will provide crucial insights for academics and practitioners. I appreciate if you could take 30 to 40 minutes of your time to participate.

A summary of our findings will be sent to all participants upon request. All responses will remain anonymous and any information provided by you will be treated in strict confidence. Your name or the firm's name of which you are a customer at will not be revealed in this study and all information will be aggregated, therefore your response will remain anonymous. Furthermore, there will be no link made between you and the company.

All data will be stored in a safe place at Curtin University in accordance with the national protocol guidelines for ethical research available from Curtin Office of Research and Development http://research.curtin.edu.au/ or (08) 9266 7863. The Curtin University Ethics Committee has cleared the interview structure in line with the Curtin University policy on research with low risk involving human participants. The approval registration number is: **SOM2013011**

Please note: You have a choice to participate in this study and may end the interview at any stage without giving justification. In this instance, any data given by you will be removed. Verbal consent before the interview will be taken as evidence of consent to participate in this study.

If you are interested in participating in this research, please respond to this email to schedule the interview.

Thank you for considering and I hope to hear from you soon.

Kind regards,
Alisha Stein

E: alisha.stein@hotmail.com
M: 0423 627 497

Appendix 2

Sample transcript from the semi-structured interview

Interviewer: Hi [informant], the purpose of this interview is to gain an understanding your interactions from a recent encounter with a retailer or a service provider of your choice. Please think of an experience that you recently had with a retailer or service provider of your choice.

Informant: Well I recently went to the Four Elements in Bali, which is a hotel. And so, it was for my mum's 50th birthday, so there were quite a lot of expectations that we wanted the hotel and the room to be. You know, appropriately put together and that everything was going to go smoothly.

Interviewer: Could you please recall and describe the incidents that occurred during your experience with the hotel.

Informant: Ok so we initially saw the hotel on Agoda and so that sort of a third party online setting. And I think the reviews during that time were quite important so you know it had a high ranking in terms of customer review and the images looked really good on that site, as well as they had like a 70% off. So something like it was $450 down to $170 a night, so I guess having that sort of price point image on Agoda made it feel like okay, this could be an opportunity. But I like to kind of go from being on a third party to then actually going to the official website of the company. So we went to the official website of the company and I was working with my sister because it was sort of a dual um decision because it was for my mum's birthday, which was kind of a surprise. Um and yeah, then their website looked quite good and from there they had like a kind of 3D walk through of the hotel and it was just yeah, really well presented, gave us the imaging of the room, what the room would look like, and just like the general ground map and stuff like that. So it had lots of information on the website that I guess made us feel more comfortable about booking the hotel online. And then my sister wanted to make a specific request and rather than going through the third party we actually wanted to contact the hotel upfront. So we emailed their information contact, you know whatever it was an email address, and then they responded, I think it was in about a few hours, four hours I think we go a response. It was like 'dear madam, we've notified your request to have flowers in the room so we will be taking care of this and on top of that we will actually you know give you a free birthday cake at our restaurant on the day of your mum's birthday'. So it was like these extra things that they were then directly speaking to us on email.

From that point we ended up booking on Agoda because it was cheaper than going through the actual hotel [website] and booking. So we booked that, everything was confirmed through Agoda, they sent us the email. And then pretty much the next contact, knowing that they had got our special request was when we arrived at the hotel. So we obviously had high expectations. We rocked up in the taxi and there wasn't really anyone to greet us at the portal. And also the sort of drive up to where you sort of get out at the reception was um, I don't know, maybe not what we would have expected, I've been to other hotels and you know, they've got this sort of big grand entrance and because I knew this was a five star hotel I kind of expected something that was little more low key. Um so we got our bags out and then think they finally realized that someone's here and they came. Yeah, then their reception desk was you know, they sat us down, there was music, you know the sort of Bali music, and it was just very straight away you felt like you were in a spa. You know relaxing and there was candles and incense going and um you sat down at reception so it wasn't a

standing at a bar, like they were sitting at a wooden desk. So we sat down and they brought us a welcome drink so all of a sudden the mood changed from being rushing in the car to being at their reception and just you know sort of getting into this vibe. We got a personal walk through of the grounds and they took us to our room, showed us everything inside the room. Yeah and then we basically got our key and et cetera and yeah that was the whole lead up from buying, deciding to buy and purchasing it and arriving and then consuming the product, which was the hotel.

Interviewer: What was the hotel like? What were the facilities like? What did you do at the hotel? Was there anything that stood out?

Informant: So the room was beautiful and like they had put the flowers in, so that was as per our request. The view of the room and I guess you know also just them going through all the different little details of what the room offered was amazing. When we went to the pool area there was actually someone there taking photos, like professional photos for the hotel, so had kind of like um pulled some umbrellas out and so it kind of looked a little more like a working space, than a place you know where you'd be at a hotel. So that kind of, I don't know, maybe took away from the experience a little bit, because that was our first interaction with the swimming pool area.

The restaurant was completely amazing, it wasn't very busy but I guess it was the food and the presentation. And the chef actually coming out personally and asking how we enjoyed the meal and explaining how he make some of the creations because they were vegan food, which was something that we weren't really used to. So I thought having that personalized experience was good.

In terms of the hotel layout, I mean the gardens and everything, were pretty much well presented and it did have like a holistic feel. It pretty much was what they had advertised, and the photos linked up with the experience in the place. So sometimes I think you know hotels they put up these glamorous photos online but it was very easy to link up 'ok that was the photos and this is the place'. They look pretty much the same.

Interviewer: Great, and so your stay, was that pleasant? How did you feel during your stay?

Informant: Definitely the vibe of the place, which was you know spa, holistic, healthy living, was the vibe that we got. They didn't have any alcohol on premise; it was just really quiet at the night. So it wasn't just guests you know running around, or it's not really a family place either. They had like a music channel in the room, which was um you could link up your iPod but it was the music going sort of from the spa, so that kind of gave the room a little vibe. And sort of the whole place linked up with this spa vibe so you definitely felt like you were away from home and it was really relaxing. Yeah and just like the lighting was always kind of dim along the pathway, its kind of like jungley and really beautiful lighting. In the room they had the bath that changes lights as well um to like set the mood. It was right next to a river so the sound of the river. It was just overall, like the whole vibe of it was very low key it wasn't 5 star glam, it was more like people who want to escape and be in a peaceful setting. And that was kind of all the elements of it, being five elements, it all came together in that way - great food, great ambience, good quiet music, smell of incense, that kind of thing.

Interviewer: And can you describe your check out experience? What were the incidents that occurred at this time?

Informant: Um so checking out, I mean because there were the same people at the reception were the same people who had kind of been there during our stay so they sort of

knew us and you know they knew us by name. They ended up giving us a little kind of take away present and they were especially interested to hear if my mum had enjoyed her birthday and the food. I mean they printed out the bill. It was relatively an easy check out, similar I guess to the check in. They sat us down, brought us a drink and a cold towel, and you know you looked through the bill and paid. They actually went a little above and beyond because we had a last minute boat that we wanted to catch and they actually called around for us to make sure that one was leaving in the afternoon, organized the driver of the hotel to take us for a lower price than what the hotel normally offers. So they kind of went above and beyond my expectations. But again, the setting of the place was in the same place that we checked in so it was sort of familiar.

Interviewer: Now would you say that you received value for money in terms of this hotel?

Informant: Yeah, I mean with it being, I guess maybe that's a psychological thing of it originally being priced at like $450 a night and then you paying $170 a night. In terms of like the room itself, it was probably from my other experiences being at other places it was one of the top rooms that I've stayed in, like villa style. And the level of service, you could tell that they're used to dealing with kind of customers who expect high service or expected privacy so they were very conscious of that with their guests. But yeah, I would definitely say that it was value for money.

Interviewer: You mentioned that you had lots of interactions in terms of ambient factors, dealings with the service staff and the hotel itself, what factors do you think had the greatest impact on your overall experience with the hotel?

Informant: I guess the product itself, so the hotel and the room would be I guess the most important because that's the thing you're using. But the service has to come to a close second because with a hotel you don't want to be like chasing staff and the smallest things that don't go wrong, like if they hadn't given us the birthday cake or they hadn't done the flowers then that would have made our experience a lot less satisfactory. So I think you know the product [hotel] and the service being second.

Interviewer: You mentioned that you booked online, are there any other ways that you could have booked the hotel stay?

Informant: Well I guess we could have gone through an agent, um like a travel agent or you know over the phone, ringing the actual hotel itself. I guess it's an overseas hotel so probably advanced booking, your not going to maybe walk into the hotel although that is an option I guess with places closer to home. Yeah, or even directly online with the hotel rather than through the third party. So I guess there are a few options that would be available.

Interviewer: Why specifically did you choose to go through Agoda online?

Informant: They are just a platform I've used many times and I get sort of reward points by using by using that third party. I know that they generally do offer better price points than the hotels do themselves. I feel like it's you know reliable, like I've never had a case where I've paid for a hotel and haven't been able to stay there or the confirmation wasn't properly done. So I think the rewards and just the facilities itself, like it's easy to use, they've already got my name on it. So all those types of things come into play, like you just have to sign in and they've already got all of your details even your credit card stuff. So it's just an easy platform to work with and it's familiar.

Interviewer: You mentioned that read some reviews before you made the booking, where did you find these reviews? Was it on Agoda itself? Or did you search external forums?

Informant: Um, I actually did have a look online, I'm a bit of a Nazi when it comes to making decisions. Yeah, I looked at a couple of blogs, TripAdvisor was another one I looked at, and then just some general reviews like on Google. Like if I Googled the hotel, reviews and people were putting up photos and comments. Being a special occasion for my mum I wanted to make sure that we were getting the right price and the right experience that we were looking for.

Interviewer: How important was it to hear from these reviews in terms of making up your mind. Were you convinced solely from the information that you received from the hotel? Or did the information from unbiased parties (such as external review sites) play a big role in making up your mind?

Informant: Yeah, I mean I definitely think that it makes a huge difference in whether I will go ahead and make a hotel booking. It influences me more mainly I think if you get negative feedback. So even if there's a variation in the good reviews like some people saying "it was amazing and out of this world" and then others saying "it was just good". But I think when you get a negative review or a couple of negative reviews, which I've had experiences with other hotels where I was thinking of booking it and then I read back to back bad reviews and then that straight away just puts you off. Especially if it's saying something about "this hotel looks like this on their website but it doesn't look like that in real life". So anywhere where there's any sort of difference, because obviously you can't go and see the product before you buy it, then you are relying on those images and the hotels you know kind of platforms where people are saying that it does look like that. Or the location isn't really where they said it is, it's really far away from you know if they say it's quite close to the town or something, then that makes you think twice about how the hotel is portraying itself to be perceived.

Interviewer: Would you tell anybody about your stay? Would you provide a recommendation to others? Or would you even go onto one of these forums and provide feedback?

Informant: Yeah, I mean my friend arrived in Bali a couple of days after we'd left, and I said for her to definitely go there. They had already booked a hotel stay, but in terms of the restaurant, I mean for me the restaurant was the sort of 'make' of this hotel besides the amazing rooms. The food was amazing and my friend being vegan, I said you have to go there to try the food. So I actually did recommended. Yeah and another friend that was going to be in Bali, I actually told him to go if he wanted to have like a chilled spa or a really good healthy meal or like yoga, he should definitely go there. I mean the restaurant itself was probably the most memorable meal I've had in ages. Just because it was something different and the service was good, but the food itself was amazing so that's what made me I guess recommend it to other people.

Interviewer: Would you go back to that restaurant or would you stay at that hotel ever again if you were to visit Bali?

Informant: I definitely would go back to the restaurant. The hotel, I don't know um because I'm someone who likes to be in different places, but I would stay there again. If someone booked a room I definitely wouldn't have any issues being there, but the restaurant I would go out of my way to go there because that was one of their special factors of the hotel.

Participant instruction guide	Feedback from the pilot test	Changes to the participant instruction guide
Was the instruction guide helpful?	*"The instruction guide was extremely helpful - it offered step-by-step instructions to ensure there was no confusion during the required process."*	− No changes required.
Did you face any challenges accessing the mobile application and survey?	*"The app was fine to find and download. A slight challenge presented when I tried to complete the first survey as it directed me to the demo survey."*	− New screenshots of the app (for both iPhone and android user devices) were added to the User Download Guide. − Extra text was added to step 6: "Click on Run Current Survey to start rating your experience."
Was there anything that you didn't understand in the instruction guide?	*"I am just curious whether the password for the app (740118) is the same for everyone?"* *"Is there a minimum/maximum amount of times you need to rate your experience throughout the study?"*	− The text in Step 3 of the User Download Guide was edited to include "the survey code" in brackets after to 740118. − It was decided that the respondents should rate a minimum of 5 experiences per week. This was added to the 'What's involved' section of the Participant Instruction Guide.
Was the instruction guide easy/difficult to understand?	*"It was easy to understand."* *"Extremely easy to understand and follow."*	− No changes required.
What improvements to the instruction guide do you suggest?	*"A possible improvement would be to include instructions to resolve the issue of the first survey/demo survey."*	− See response to Question 2.
Introduction online survey	Feedback from the pilot test	Changes to the participant instruction guide
How long did it take you to complete the survey?	Most respondents stated that the survey took between *10 to 15 minutes* to complete.	− The approximate time required to complete the survey was added to the introduction page of the survey.
What did you like about the survey?	*"User friendly and easy to follow. Questions were brief and to the point."*	− No changes required.
What didn't you like about the survey?	*"It is a little long and due to its nature repetitive. This is not a major issue as it is testing four different segments and the answers and experiences are quite different for each."*	− Survey length could not be reduced;, however the survey time was added to the introduction page of the survey to give respondents a clear indication of the survey length before they started.
Was there anything that you didn't understand in this survey?	*"Nothing presented as an issue as I progressed through the questions."*	− No changes required.
Was the survey easy/difficult to complete?	*"I found it to be very easy- the sections were clearly separated, the questions were worded well and it was user-friendly."*	− No changes required.
What improvements to the survey do you suggest?	*"If the answer to use is never this should redirect the user to the end of that section of the survey."* *"As the survey had quite a few elements, it would be great to have a completion status bar so that we can be aware of*	− Skip logic was added to take the respondent to the next section if they selected 'never' as their answer for the question: *On average, how often do you shop at X?* − A completion status bar was added

Mobile Application Survey	Feedback from the pilot test	Changes to the participant instruction guide
	how much of the survey we have left to complete.”	to both the Introduction and Final Online Surveys.
How long did it take you to complete the survey?	Most respondents stated that the survey took between *2 to 5 minutes* to complete.	− No changes required. − Informed the researcher that the survey was short enough to be completed at each touch point.
What did you like about the survey?	*“Quick and easy. I liked the photo at the end.”* *“The survey is short with questions that can easily be answered on-the-go (as I did for my recent café experience).”*	− No changes required. − Informed the researcher that the survey could be completed at the *point of experience*.
What didn't you like about the survey?	*“Some of the wording regarding options or selections was hidden behind the sliding scale rule in some of the questions, which made these slightly confusing”*	− Font size of the question and answer text was reduced so that it was clear for all the questions. This was tested on several different devices.
Was there anything that you didn't understand in this survey?	*“Can I skip a question if it is not applicable to my experience? I don't understand how to do this.”*	− Questions that may be not applicable for certain experiences - edited to 'skip'. The instruction text for these questions was also edited to state '*Next to skip*'.
Was the survey easy/difficult to complete?	*“The survey was very easy to complete - questions are worded well and the measurement scales are easy to interpret.”*	− No changes required.
What improvements to the survey do you suggest?	*“Some of the options presented are not relevant to the particular segment. For example, in café one of the possible choices is bank transaction. This is also included in Department Store and Supermarket. While, it is unlikely this would be selected if possible this should be removed.”*	− In the question: *What are you trying to do?* The answer options were edited to be applicable for all industries. − Further reading of the questions and answer options (with all industries in mind) and testing of the app survey revealed no other issues.
Final Online Survey	**Feedback from the pilot test**	**Changes to the participant instruction guide**
How long did it take you to complete the survey?	Most respondents stated that the survey took between *5 to 10 minutes* to complete.	− The approximate time required to complete the survey was added to the introduction page of the survey.
What did you like about the survey?	*“It was easy, logical and flowed well.”* *“It has been kept, short, sharp and simple.”*	− No changes required.
What didn't you like about the survey?	*“Having just completed the introduction survey it felt repetitive but this will not be an issue when spaced over 2-weeks.”*	− No changes required.
Was there anything that you didn't understand in this survey?	*“No - everything within the survey was easy to understand.”*	− No changes required.
Was the survey easy/difficult to complete?	*“It was very easy to complete, the questions were worded well making it easy to understand and further complete.”*	− No changes required.
What improvements to the survey do you suggest?	*“Typo: 'eligable' should be 'eligible'”* *“A back button is a good idea if the person wants to review their response on previous pages.”*	− The spelling error was corrected and the rest of the survey was thoroughly checked again for spelling mistakes. − A back button was added to both of the online surveys.

Appendix 4

Research instrument: Introduction online survey

Customer Experience Study
Introduction Survey

Thank you for being a valuable participant in this study.

Please note that all information gathered throughout the study will be completely confidential. Your participation in this study is voluntary and you may withdraw from the study at any time. This study has been approved by the Curtin University Ethics Committee: SOM2014004.

Please answer the survey and <u>enter your details on the last page of the survey to be eligible for the first prize draw to win an iPod Nano.</u>

This survey should take approximately 10-15 minutes to answer.

Should you have any questions, please do not hesitate to contact me on:

Mobile: 0423 627 497
Email: alisha.stein@hotmail.com

Thank you,
Alisha

I have read and understood the above information and desire to participate in this study.

○ Yes
○ No

The following section relates to your experiences with **SUPERMARKETS**

Based on your past experiences with your most frequented supermarket, please rate the following factors:

(1 = Poor, 7 = Excellent)

	Poor						Excellent
	1	2	3	4	5	6	7
1. Supermarket atmospherics	○	○	○	○	○	○	○
2. Supermarket products	○	○	○	○	○	○	○
3. Interactions with supermarket employees	○	○	○	○	○	○	○
4. Interactions with other customers	○	○	○	○	○	○	○
5. Interactions with technology provided by the supermarket	○	○	○	○	○	○	○
6. Communication from the supermarket	○	○	○	○	○	○	○
7. Service process provided by the supermarket	○	○	○	○	○	○	○
8. Overall Experience	○	○	○	○	○	○	○

Please rank the order of importance for each factor in your overall supermarket experience.

Drag and drop items up and down to re-order (1 = most important, 7 = least important)

Supermarket atmospherics

Supermarket products

Interactions with supermarket employees

Interactions with other customers

Interactions with technology provided by the supermarket

Communication from the supermarket

Service process provided by the supermarket

Your past experiences with your most frequented supermarket have usually been:

Unhelpful	○	○	○	○	○	○	○	Helpful
Unenjoyable	○	○	○	○	○	○	○	Enjoyable
Unfriendly	○	○	○	○	○	○	○	Friendly
Difficult	○	○	○	○	○	○	○	Easy
Worse than expected	○	○	○	○	○	○	○	Better than expected
Very dissatisfying	○	○	○	○	○	○	○	Very satisfying

Based on your experiences at your most frequented supermarket, how likely are you to:

Extremely Unlikely   Extremely Likely

0   1   2   3   4   5   6   7   8   9   10

Recommend this supermarket to a friend?

Repurchase from this supermarket?

The following section relates to your experiences with BANKS

Based on your past experiences at your most frequented bank, please rate the following factors:

(1 = Poor, 7 = Excellent)

	Poor						Excellent
	1	2	3	4	5	6	7
1. Bank atmospherics	○	○	○	○	○	○	○
2. Banking products and services	○	○	○	○	○	○	○
3. Interactions with bank employees	○	○	○	○	○	○	○
4. Interactions with other customers	○	○	○	○	○	○	○
5. Interactions with technology provided by the bank	○	○	○	○	○	○	○
6. Communication from the bank	○	○	○	○	○	○	○
7. Service process provided by the bank	○	○	○	○	○	○	○
8. Overall Experience	○	○	○	○	○	○	○

Please rank the order of importance for each factor in your overall bank experience.

Drag and drop items up and down to re-order (1 = most important, 7 = least important)

Bank atmospherics

Banking products and services

Interactions with bank employees

Interactions with other customers

Interactions with technology provided by the bank

Communication from the bank

Service process provided by the bank

Your past experiences with your most frequented bank have usually been:

Unhelpful	○ ○ ○ ○ ○ ○ ○	Helpful
Unenjoyable	○ ○ ○ ○ ○ ○ ○	Enjoyable
Unfriendly	○ ○ ○ ○ ○ ○ ○	Friendly
Difficult	○ ○ ○ ○ ○ ○ ○	Easy
Worse than expected	○ ○ ○ ○ ○ ○ ○	Better than expected
Very dissatisfying	○ ○ ○ ○ ○ ○ ○	Very satisfying

Based on your experiences at your most frequented bank, how likely are you to:

	Extremely Unlikely										Extremely Likely
	0	1	2	3	4	5	6	7	8	9	10
Recommend this bank to a friend?											
Repurchase from this bank?											

The following section relates to your experiences with CAFES

Based on your past experiences at cafes, please rate the following factors:

(1 = Poor, 7 = Excellent)

	Poor						Excellent
	1	2	3	4	5	6	7
1. Cafe atmospherics	○	○	○	○	○	○	○
2. Cafe products	○	○	○	○	○	○	○
3. Interactions with cafe employees	○	○	○	○	○	○	○
4. Interactions with other customers	○	○	○	○	○	○	○
5. Interactions with technology provided by the cafe	○	○	○	○	○	○	○
6. Communication from the cafe	○	○	○	○	○	○	○
7. Service process provided by the cafe	○	○	○	○	○	○	○
8. Overall Experience	○	○	○	○	○	○	○

Please rank the order of importance for each factor in your overall cafe experience.

Drag and drop items up and down to re-order (1 = most important, 7 = least important)

Cafe atmospherics

Café products

Interactions with cafe employees

Interactions with other customers

Interactions with technology provided by the cafe

Communication from the cafe

Service process provided by the cafe

Your past experiences at your most frequented cafe have usually been:

	1	2	3	4	5	6	7	
Unhelpful	○	○	○	○	○	○	○	Helpful
Unenjoyable	○	○	○	○	○	○	○	Enjoyable
Unfriendly	○	○	○	○	○	○	○	Friendly
Difficult	○	○	○	○	○	○	○	Easy
Worse than expected	○	○	○	○	○	○	○	Better than expected
Very dissatisfying	○	○	○	○	○	○	○	Very satisfying

Based on your experiences at your most frequented cafe, how likely are you to:

	Extremely Unlikely										Extremely Likely
	0	1	2	3	4	5	6	7	8	9	10
Recommend this cafe to a friend?											
Repurchase from this cafe?											

The following section relates to your experiences with DEPARTMENT STORES

Based on your past experiences at department stores, how do you feel about the following factors?

(1 = Poor, 7 = Excellent)

	Poor						Excellent
	1	2	3	4	5	6	7
1. Department store atmospherics	○	○	○	○	○	○	○
2. Department store products	○	○	○	○	○	○	○
3. Interactions with department store employees	○	○	○	○	○	○	○
4. Interactions with other customers	○	○	○	○	○	○	○
5. Interactions with technology provided by the department store	○	○	○	○	○	○	○
6. Communication from the department store	○	○	○	○	○	○	○
7. Service process provided by the department store	○	○	○	○	○	○	○
8. Overall Experience	○	○	○	○	○	○	○

Please rank the order of importance for each factor in your overall department store experience.

Drag and drop items up and down to re-order (1 = most important, 7 = least important)

Department store atmospherics

Department store products

Interactions with department store employees

Interactions with other customers

Interactions with technology provided by the department store

Communication from the department store

Service process provided by the department store

Your past experiences at your most frequented department store have usually been:

		Helpful
Unhelpful	○ ○ ○ ○ ○ ○ ○	Helpful
Unenjoyable	○ ○ ○ ○ ○ ○ ○	Enjoyable
Unfriendly	○ ○ ○ ○ ○ ○ ○	Friendly
Difficult	○ ○ ○ ○ ○ ○ ○	Easy
Worse than expected	○ ○ ○ ○ ○ ○ ○	Better than expected
Very dissatisfying	○ ○ ○ ○ ○ ○ ○	Very satisfying

Based on your experiences at your most frequented department store, how likely are you to:

	Extremely Unlikely										Extremely Likely
	0	1	2	3	4	5	6	7	8	9	10
Recommend this department store to a friend?											
Repurchase from this department store?											

The final section is all about YOU

Please rate the extent to which you agree or disagree with the following statements:

	Strongly Disagree		Neutral			Strongly Agree	
	1	2	3	4	5	6	7
1. I regularly purchase different varieties of a product just for a change.	○	○	○	○	○	○	○
2. I am one who likes to try a new product first, just after the launch.	○	○	○	○	○	○	○
3. I find it boring to use the same product (or brand) repetitively.	○	○	○	○	○	○	○
4. I like to try new and different products.	○	○	○	○	○	○	○
5. I like shopping.	○	○	○	○	○	○	○
6. I take my time when I shop.	○	○	○	○	○	○	○
7. It is important for me to have the best price for the product.	○	○	○	○	○	○	○
8. I compare the prices of various products before I make a choice.	○	○	○	○	○	○	○

Please specify your gender:

○ Male
○ Female

What is your age? (years)

○ 18-24
○ 25-35
○ 36-45
○ 46-55
○ 56-65
○ 65+

What is your highest level of education?

○ Less than high school
○ High school graduate
○ Tafe
○ Undergraduate degree
○ Postgraduate degree
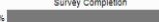
What is your annual personal income before tax?

○ Less than $25,000
○ $25,000 to $49,999
○ $50,000 to $69,999
○ $70,000 to $90,000
○ More than $90,000

How many people live in your household?

○ 1 person
○ 2 to 3 people
○ 4 to 5 people
○ More than 5 people

To enter this weeks prize draw please enter your email address:

[   ]

We thank you for your time spent taking this survey.
Your response has been recorded.

Survey Completion
0% [████████████] 100%

Appendix 5

Research instrument: Final online survey

Customer Experience Study
Final Survey

Thank you for being a valuable participant in this study.

This survey is a very similar version of the Introduction Survey. Its purpose is to examine whether your attitudes towards the retailers have changed over the course of the study.

Please answer the survey and <u>enter your details on the last page of the survey to be eligible for the final prize draw to win a $100 Hoyts Movie Voucher.</u>

This survey should take approximately 5-10 minutes to answer.

Should you have any questions, please do not hesitate to contact me on:

Mobile: 0423 627 497
Email: alisha.stein@hotmail.com

Thank you,
Alisha

I have read and understood the above information and desire to participate in this study.

○ Yes
○ No

The following section relates to your experiences with SUPERMARKETS

Based on your past experiences with your most frequented supermarket, please rate the following factors:

(1 = Poor, 7 = Excellent)

	Poor						Excellent
	1	2	3	4	5	6	7
1. Supermarket atmospherics	○	○	○	○	○	○	○
2. Supermarket products	○	○	○	○	○	○	○
3. Interactions with supermarket employees	○	○	○	○	○	○	○
4. Interactions with other customers	○	○	○	○	○	○	○
5. Interactions with technology provided by the supermarket	○	○	○	○	○	○	○
6. Communication from the supermarket	○	○	○	○	○	○	○
7. Service process provided by the supermarket	○	○	○	○	○	○	○
8. Overall Experience	○	○	○	○	○	○	○

Your past experiences with your most frequented supermarket have usually been:

Unhelpful	○	○	○	○	○	○	○	Helpful
Unenjoyable	○	○	○	○	○	○	○	Enjoyable
Unfriendly	○	○	○	○	○	○	○	Friendly
Difficult	○	○	○	○	○	○	○	Easy
Worse than expected	○	○	○	○	○	○	○	Better than expected
Very dissatisfying	○	○	○	○	○	○	○	Very satisfying

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Based on your experiences at your most frequented supermarket, how likely are you to:

	Extremely Unlikely										Extremely Likely
	0	1	2	3	4	5	6	7	8	9	10
Recommend this supermarket to a friend?											
Repurchase from this supermarket?											

The following section relates to your experiences with BANKS

Based on your past experiences at your most frequented bank, please rate the following factors:

(1 = Poor, 7 = Excellent)

	Poor						Excellent
	1	2	3	4	5	6	7
1. Bank atmospherics	○	○	○	○	○	○	○
2. Banking products and services	○	○	○	○	○	○	○
3. Interactions with bank employees	○	○	○	○	○	○	○
4. Interactions with other customers	○	○	○	○	○	○	○
5. Interactions with technology provided by the bank	○	○	○	○	○	○	○
6. Communication from the bank	○	○	○	○	○	○	○
7. Service process provided by the bank	○	○	○	○	○	○	○
8. Overall Experience	○	○	○	○	○	○	○

Your past experiences with your most frequented bank have usually been:

Unhelpful	○ ○ ○ ○ ○ ○ ○	Helpful
Unenjoyable	○ ○ ○ ○ ○ ○ ○	Enjoyable
Unfriendly	○ ○ ○ ○ ○ ○ ○	Friendly
Difficult	○ ○ ○ ○ ○ ○ ○	Easy
Worse than expected	○ ○ ○ ○ ○ ○ ○	Better than expected
Very dissatisfying	○ ○ ○ ○ ○ ○ ○	Very satisfying

Based on your experiences at your most frequented bank, how likely are you to:

	Extremely Unlikely										Extremely Likely
	0	1	2	3	4	5	6	7	8	9	10
Recommend this bank to a friend?											
Repurchase from this bank?											

The following section relates to your experiences with CAFES

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Based on your past experiences at cafes, please rate the following factors:

(1 = Poor, 7 = Excellent)

	Poor						Excellent
	1	2	3	4	5	6	7
1. Cafe atmospherics	○	○	○	○	○	○	○
2. Cafe products	○	○	○	○	○	○	○
3. Interactions with cafe employees	○	○	○	○	○	○	○
4. Interactions with other customers	○	○	○	○	○	○	○
5. Interactions with technology provided by the cafe	○	○	○	○	○	○	○
6. Communication from the cafe	○	○	○	○	○	○	○
7. Service process provided by the cafe	○	○	○	○	○	○	○
8. Overall Experience	○	○	○	○	○	○	○

Your past experiences at your most frequented cafe have usually been:

Unhelpful	○ ○ ○ ○ ○ ○ ○							Helpful
Unenjoyable	○ ○ ○ ○ ○ ○ ○							Enjoyable
Unfriendly	○ ○ ○ ○ ○ ○ ○							Friendly
Difficult	○ ○ ○ ○ ○ ○ ○							Easy
Worse than expected	○ ○ ○ ○ ○ ○ ○							Better than expected
Very dissatisfying	○ ○ ○ ○ ○ ○ ○							Very satisfying

Based on your experiences at your most frequented cafe, how likely are you to:

	Extremely Unlikely										Extremely Likely
	0	1	2	3	4	5	6	7	8	9	10
Recommend this cafe to a friend?											
Repurchase from this cafe?											

The following section relates to your experiences with DEPARTMENT STORES

Based on your past experiences at department stores, how do you feel about the following factors?

(1 = Poor, 7 = Excellent)

	Poor						Excellent
	1	2	3	4	5	6	7
1. Department store atmospherics	○	○	○	○	○	○	○
2. Department store products	○	○	○	○	○	○	○
3. Interactions with department store employees	○	○	○	○	○	○	○
4. Interactions with other customers	○	○	○	○	○	○	○
5. Interactions with technology provided by the department store	○	○	○	○	○	○	○
6. Communication from the department store	○	○	○	○	○	○	○
7. Service process provided by the department store	○	○	○	○	○	○	○
8. Overall Experience	○	○	○	○	○	○	○

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Your past experiences at your most frequented department store have usually been:

Unhelpful	○	○	○	○	○	○	○	Helpful
Unenjoyable	○	○	○	○	○	○	○	Enjoyable
Unfriendly	○	○	○	○	○	○	○	Friendly
Difficult	○	○	○	○	○	○	○	Easy
Worse than expected	○	○	○	○	○	○	○	Better than expected
Very dissatisfying	○	○	○	○	○	○	○	Very satisfying

Based on your experiences at your most frequented department store, how likely are you to:

Extremely Unlikely   Extremely Likely

0   1   2   3   4   5   6   7   8   9   10

Recommend this department store to a friend?

Repurchase from this department store?

To enter this weeks prize draw please enter your email address:

We thank you for your time spent taking this survey.
Your response has been recorded.

Survey Completion
0%   100%

Research instrument: Mobile application survey

Please rate your interactions with the technology:

Very Good

Extremely Poor · Excellent

Please rate the communication provided by the Supermarket:

Average

Extremely Poor · Excellent

Please rate the service process:

Very Poor

Extremely Poor · Excellent

Please rate your interactions with employees:

Average

Extremely Poor · Excellent

Please rate your interactions with other customers:

Very Good

Extremely Poor · Excellent

Please rate the products offered by the Supermarket:

Average

Extremely Poor · Excellent

Please rate your overall experience:

Good

Extremely Poor · Excellent

How helpful is this experience?

Neutral

Very Unhelpful · Very Helpful

How enjoyable is this experience?

Enjoyable

Very Unenjoyable · Very Enjoyable

230

How friendly is this experience?

Unfriendly

Very Unfriendly   Very Friendly

How easy is this experience?

Easy

Very Difficult   Very Easy

Overall, how satisfied are you with this experience?

Somewhat Satisfied

Very Dissatisfied   Very Satisfied

On a scale from 1-10, how likely are you to recommend this Supermarket?

8 - Likely

1 - Extremely Unlikely   10 - Extremely Likely

On a scale from 1-10, how likely are you to purchase from this Supermarket again?

8 - Likely

1 - Extremely Unlikely   10 - Extremely Likely

Did you make a purchase during this encounter?

Yes ✔

No

How much did you spend?

$ Your Answer .00

You must enter a whole number.
You must enter between 0 and 6 characters (inclusive)

1	2 ABC	3 DEF
4 GHI	5 JKL	6 MNO
7 PQRS	8 TUV	9 WXYZ
.	0	⌫

Please add any photos of your experience that you would like to share.

SUPA IGA

Please add any comments about your experience that you would like to share.

I couldn't find the product I was looking for in the store today.

You must enter between 0 and 1000 characters (inclusive)

Q W E R T Y U I O P
A S D F G H J K L
⬆ Z X C V B N M ⌫
123 🌐 🎤 space return

Appendix 7

Introduction email: Main group

Hi [insert name],

As part of my PhD at Curtin University I am conducting a study on customer experience and need assistance in gathering data to complete my research. My research aims to test a new innovative method to capture customer insight in real-time through mobile technology. The results from this study will be published and will showcase Australian thought leadership at an upcoming international forum.

My research is all about customer experience and as a shopper yourself, it would be fantastic if you could participate in this study. There are over $700 worth of prizes to be won by simply taking part in the study, including the chance to win an iPad Mini.

Participating in this research is simple and not too time consuming. If you are able to assist, an online survey starts the process. This is followed by the use of a mobile App survey on your smartphone to capture your experience while you shop at banks, supermarkets, cafes and department stores. Over a two-week period, it would be great for you to rate some of your experiences with these companies using a quick survey on the mobile App. At the end of the two-week period, you will be asked to complete a short final online survey.

The Curtin University Ethics Committee has cleared this study in line with the Curtin University policy on research with low risk. The approval registration number is: **SOM2014004**

Your participation in this study is voluntary and you may withdraw from the study at any time. In addition, all information provided by you will be treated in strict confidence. I will be pleased to send you a summary of the findings of the study at your request. If you have any questions, please contact me as per my details below.

To take part in the study, please email me your **name, email address and mobile number** (for occasional SMS notifications) and I will send you the study details.

Thank you for considering and I hope to hear from you soon.

Kind regards,
Alisha Stein

E: alisha.stein@hotmail.com
M: 0423 627 497

Appendix 8
Introduction email: Control group

Hi [insert name],

As part of my PhD at Curtin University I am conducting a study on customer experience and need assistance in gathering data to complete my research. My research aims to explore how customer experience influences customer attitudes and behaviour. The results from this study will be published and will showcase Australian thought leadership at an upcoming international forum.

My research is all about customer experience and as a shopper yourself, it would be fantastic if you could participate in this study. There are over $250 worth of prizes to be won by simply taking part in the study, including the chance to win an iPod Nano.

Participating in this research is simple and not too time consuming. If you are able to assist, you will be asked to complete two online surveys where you will be asked some questions about your past experiences with banks, supermarkets, cafes and department stores. The first survey will be completed straight away, while the second survey will need to be completed in two-week's time.

The Curtin University Ethics Committee has cleared this study in line with the Curtin University policy on research with low risk. The approval registration number is: **SOM2014004**

Your participation in this study is voluntary and you may withdraw from the study at any time. In addition, all information provided by you will be treated in strict confidence. I will be pleased to send you a summary of the findings of the study at your request. If you have any questions, please contact me as per my details below.

To take part in the study, please email me your **name, email address and mobile number** (for occasional SMS notifications) and I will send you the study details.

Thank you for considering and I hope to hear from you soon.

Kind regards,
Alisha Stein

E: alisha.stein@hotmail.com
M: 0423 627 497

Appendix 9

Participant instruction guide: Main group

Customer Experience Study

Thank you for taking part in the Customer Experience Study.

Over the next few weeks you will be asked to share any experiences you have with **supermarkets, banks, cafes** and **department** stores. Your experiences do not have to include a transaction. For instance, you may be browsing the latest specials in a supermarket catalogue or reading reviews about a new café on social media. Whatever it is, please share your experiences!

Prizes

Over $700 worth of prizes to be won during the study!

Simply participating in the surveys will make you eligible to enter the following prize draws:

Prize Draw 1:	1 x iPod Nano	for completing the Intro Online Survey
Prize Draw 2:	1 x $100 Coles Myer Gift Voucher	for rating your experiences in Week 1
Prize Draw 3:	1 x iPad Mini	for rating your experiences in Week 2
Prize Draw 4:	1 x $100 Hoyts Movie Voucher	for completing the Final Online Survey

Note: In order to be eligible for prize draw 2 and 3, please complete **at least 5** mobile app surveys each week.

What's involved…

1 A link to the **introduction online survey** will be emailed to you at the beginning of the study. Click on the link and fill in the online survey.

2 Download the **iSURVEY** or **droidSURVEY Mobile Application** onto your smartphone. Click on the App and fill out the short survey every time you have an experience (minimum 5 per week – 10 in total) with supermarkets, banks, cafes and department stores over a 2 week period.

3 A link to the **final online survey** will be emailed to you. You know the drill… Click on the link and fill in the online survey.

START OF STUDY	THROUGHOUT STUDY	END OF STUDY
5 surveys per week		
Fill out an online survey before study commences	Report experiences using Mobile App during study period	Fill out an online survey once the study concludes
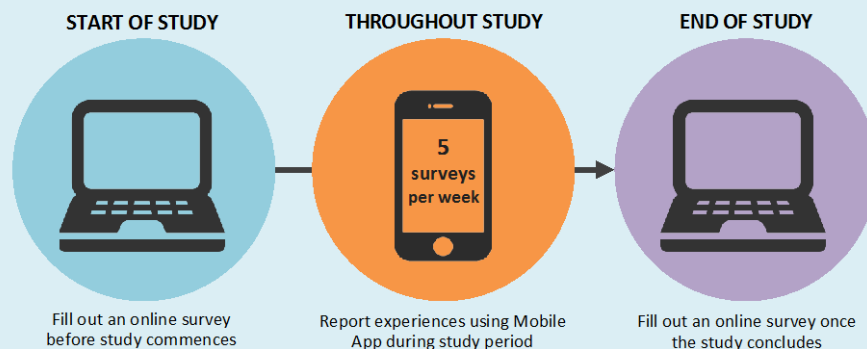
iPhone User Download Guide

STEP 1	Install the free **iSURVEY App** from the App store on your Apple iPhone.
STEP 2	Open the App and click on **Device** at the bottom of the screen.
STEP 3	Enter your **full name** as the User Name and enter **740118** (the survey code) as the password.
STEP 4	Select the **Authenticate** button. You will receive an **SMS** to notify you that your device is authenticated within 24 hours.
STEP 5	Once you receive the SMS notification, click **Download Surveys** to download the survey to your device.
STEP 6	You can now start using the iSURVEY App. Click on **Run Current Survey** to start rating your experience.

iSURVEY App

Device
User Name
Ben Smith
Password
740118
Authenticate

Current Survey (Published)
Customer Experience Survey
Run Current Survey
Select Survey
Download Surveys
Upload Results

Android User Download Guide

STEP 1	Install the free **driodSURVEY App** from the Google Play store on your Android device.
STEP 2	Open the App and click on **Device** at the bottom of the screen.
STEP 3	Enter your **full name** as the User Name and enter **740118** (the survey code) as the password.
STEP 4	Select **www.isurveysoft.com** and then click **Authenticate**. You will receive an **SMS** to notify you that your device is authenticated within 24 hours.
STEP 5	Once you receive the SMS notification, click **Download Surveys** to download the survey to your device.
STEP 6	You can now start using the driodSURVEY App. Click on **Run Current Survey** to start rating your experience.

droidSURVEY App

Device
User Name
Password
For both Android and Apple iOS devices choose www.isurveysoft.com
www.droidsurvey.com
www.isurveysoft.com
Authenticate Device

Run Current Survey
Select Survey
Download Surveys
Upload Results

Thank You

Please contact Alisha Stein if you have any queries.

Email: alisha.stein@hotmail.com

Mobile: 0423 627 497

Customer Experience Study – Prize Draw
Term and Conditions

1. Instructions on how to enter and other details contained within promotional advertisements for this competition form part of the conditions of entry.
2. By entering the competition, entrants agree to abide by these Terms and Conditions.
3. The Terms and Conditions of this competition are governed by the laws of the State of Western Australia.
4. The competition is being run by Curtin University of Technology, GPO Box U1987, Perth, Western Australia, 6845 ("Curtin").
5. The Customer Experience Study ("the competition") commences at 9am Australian Western Standard Time (AWST) on Tuesday the 22nd of April 2014.
6. The closing time for entering the competition is 5pm AWST on Sunday the 1st of June 2014.
7. Entry to the competition is limited to Australian residents who are sent an email invitation to participate in the Customer Experience Study, and who complete each survey in full before the closing time.
8. To enter the competition, the entrant must:
    a) Prize Draw 1: Complete the Introduction Online Survey, enter in their email address and submit the survey before the closing time.
    b) Prize Draw 2: Fill out and submit at least 5 responses to the mobile app survey during Week 1.
    c) Prize Draw 3: Fill out and submit at least 5 responses to the mobile app survey during Week 2.
    d) Prize Draw 4: Complete the Final Online Survey, enter in their email address and submit the survey before the closing time.
9. Entry to the competition is free. Entrants will be responsible for all costs associated with entering the competition, which may include costs associated with accessing the internet or mobile data.
10. There will be four (4) prizes. The prizes are as follows: (a) Prize draw 1 – 16GB iPod Nano (7th Gen) (b) Prize draw 2 - $100 Coles Myer voucher (c) Prize draw 3 – 16GB iPad Mini (d) Prize draw 4 – $100 Hoyts movie voucher. The prize will be issued to the winning entrant and only they can redeem the prize.
11. There will a draw for each of the prizes, a total of four (4) prize draws at 11am Australian Western Standard Time on Monday the 2nd of June 2014 at the School of Marketing, Curtin Bentley Campus. The draw will be by a random draw using www.random.org from all eligible entries received with the first entry drawn being the prize winner.
12. The prize winner will be contacted within seven (7) days of the draw by the email address supplied by the entrant in the prize draw contact details in the survey.
13. If the prize winner does not respond to claim the prize within fourteen (14) days of the draw, a re-draw will be conducted within thirty (30) days of the original draw date, in the same location, and with the same method.
14. If the prize winner is under the age of 18 years, the prize will be awarded to the winner's parent or legal guardian.
15. The prize winner, or if under the age of 18 years their parent or legal guardian, must provide photographic ID, birth certificate or current passport when collecting the prize.
16. The prize winner will be responsible for all costs associated with collecting and using the prize.
17. By entering the competition the entrant agrees that they are over the age of 18 years, of if under the age of 18 years, have their parent's or legal guardian's consent to enter the competition.
18. The prize is not redeemable for cash or an alternative prize.
19. The prize is not transferrable.
20. Curtin is not responsible in any manner whatsoever for any problems or any financial costs incurred, or any combination thereof, including any injury or damage to participants or any other persons related to or resulting from participation in this competition.
21. Curtin accepts no responsibility and shall not be held legally liable or responsible for any accident, loss, injury or damage to any individual or property whether direct or indirect, whether in contract, tort, negligence or otherwise arising out of or in connection with the competition or the prize, either during or after the competition.
22. Entry into the competition signifies acceptance of all conditions. Entrants are required to abide by the Terms and Conditions as presented.
23. Curtin's decision will be final and no correspondence will be entered into.
24. Personal information provided by an entrant to Curtin for the purpose of entering the Competition will be collected, used and disclosed in accordance with Curtin's Privacy Statement. A copy of the privacy statement is available at http://global.curtin.edu.au/legal/privacy.cfm. Personal information collected will be kept strictly confidential and will not be sold, reused, rented, loaned or otherwise disclosed to any third party otherwise than in accordance with the Curtin privacy statement and these Terms and Conditions.

Appendix 10

Participant instruction guide: Control group

Customer Experience Study

Thank you for taking part in the Customer Experience Study.

Over the next few weeks you will be asked to complete two online surveys where you will be asked some questions about your past experiences with banks, supermarkets, cafes and department stores. The first survey will be completed straight away, while the second survey will need to be completed in two-week's time.

Prizes

Over $250 worth of prizes to be won during the study!
Simply participating in the surveys will make you eligible to enter the following prize draws:

Prize Draw 1:	1 x iPod Nano	for completing the Intro Online Survey
Prize Draw 2:	1 x $100 Hoyts Movie Voucher	for completing the Final Online Survey

What's involved...

1 A link to the **introduction online survey** will be emailed to you at the beginning of the study. Click on the link and fill in the online survey.

2 A reminder to completed the **final online survey** will be emailed/texted to you. Click on the link and fill in the online survey.
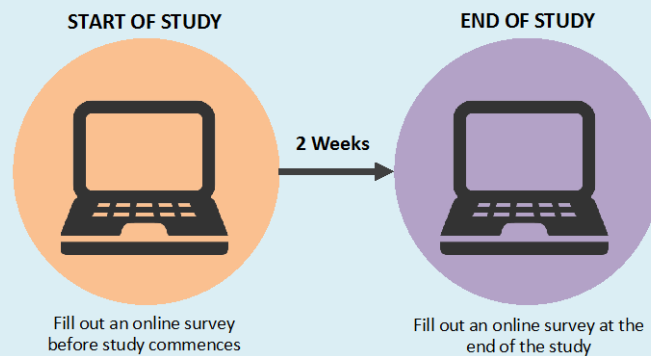
START OF STUDY   **END OF STUDY**

2 Weeks

Fill out an online survey before study commences

Fill out an online survey at the end of the study

Please contact Alisha Stein if you have any queries.
Email: alisha.stein@hotmail.com
Mobile: 0423 627 497

Thank You

Customer Experience Study – Prize Draw
Term and Conditions

1. Instructions on how to enter and other details contained within promotional advertisements for this competition form part of the conditions of entry.
2. By entering the competition, entrants agree to abide by these Terms and Conditions.
3. The Terms and Conditions of this competition are governed by the laws of the State of Western Australia.
4. The competition is being run by Curtin University of Technology, GPO Box U1987, Perth, Western Australia, 6845 ("Curtin").
5. The Customer Experience Study ("the competition") commences at 9am Australian Western Standard Time (AWST) on Tuesday the 22nd of April 2014.
6. The closing time for entering the competition is 5pm AWST on Sunday the 1st of June 2014.
7. Entry to the competition is limited to Australian residents who are sent an email invitation to participate in the Customer Experience Study, and who complete each survey in full before the closing time.
8. To enter the competition, the entrant must:
    a) Prize Draw 1: Complete the Introduction Online Survey, enter in their email address and submit the survey before the closing time.
    b) Prize Draw 2: Complete the Final Online Survey, enter in their email address and submit the survey before the closing time.
9. Entry to the competition is free. Entrants will be responsible for all costs associated with entering the competition, which may include costs associated with accessing the internet or mobile data.
10. There will be two (2) prizes. The prizes are as follows: 16GB iPod Nano (7th Gen) and $100 Hoyts movie voucher. The prize will be issued to the winning entrant and only they can redeem the prize.
11. There will a draw for each of the prizes, a total of two (2) prize draws at 11am Australian Western Standard Time on Monday the 2nd of June 2014 at the School of Marketing, Curtin Bentley Campus. The draw will be by a random draw using www.random.org from all eligible entries received with the first entry drawn being the prize winner.
12. The prize winner will be contacted within seven (7) days of the draw by the email address supplied by the entrant in the prize draw contact details in the survey.
13. If the prize winner does not respond to claim the prize within fourteen (14) days of the draw, a re-draw will be conducted within thirty (30) days of the original draw date, in the same location, and with the same method.
14. If the prize winner is under the age of 18 years, the prize will be awarded to the winner's parent or legal guardian.
15. The prize winner, or if under the age of 18 years their parent or legal guardian, must provide photographic ID, birth certificate or current passport when collecting the prize.
16. The prize winner will be responsible for all costs associated with collecting and using the prize.
17. By entering the competition the entrant agrees that they are over the age of 18 years, of if under the age of 18 years, have their parent's or legal guardian's consent to enter the competition.
18. The prize is not redeemable for cash or an alternative prize.
19. The prize is not transferrable.
20. Curtin is not responsible in any manner whatsoever for any problems or any financial costs incurred, or any combination thereof, including any injury or damage to participants or any other persons related to or resulting from participation in this competition.
21. Curtin accepts no responsibility and shall not be held legally liable or responsible for any accident, loss, injury or damage to any individual or property whether direct or indirect, whether in contract, tort, negligence or otherwise arising out of or in connection with the competition or the prize, either during or after the competition.
22. Entry into the competition signifies acceptance of all conditions. Entrants are required to abide by the Terms and Conditions as presented.
23. Curtin's decision will be final and no correspondence will be entered into.
24. Personal information provided by an entrant to Curtin for the purpose of entering the Competition will be collected, used and disclosed in accordance with Curtin's Privacy Statement. A copy of the privacy statement is available at http://global.curtin.edu.au/legal/privacy.cfm. Personal information collected will be kept strictly confidential and will not be sold, reused, rented, loaned or otherwise disclosed to any third party otherwise than in accordance with the Curtin privacy statement and these Terms and Conditions.

Appendix 11

SMS communication schedule

Activity	Reminder Time	SMS Text
Welcome	Straight after contact details received	Hi [insert name], Welcome to the Customer Experience Study. I hope you enjoy your time participating in this research. Kind regards, Alisha
Introduction online survey reminder	3 days after welcome message with no introduction online survey completion	Hi [insert name], Just a small reminder to complete the introduction online survey to be in the running to win an iPod Nano. Thanks, Alisha
Download application reminder	3 days after introduction online survey with no application download	Hi [insert name], Please download the iSURVEY or droidSURVEY application to start rating your experience. Please let me know if you need any help, Alisha
Mobile Application Authentication: droidSurvey	Within 24 hours of downloading the droidSurvey application	Hi [insert name], Your droidSurvey application is now authenticated. Please click Download Surveys and then Run Current Survey to start rating. Thanks, Alisha
Mobile Application Authentication: iSurvey	Within 24 hours of downloading the iSurvey application	Hi [insert name], Your iSurvey application is now authenticated. Please click Download Surveys and then Run Current Survey to start rating. Thanks, Alisha
Use application reminder	5 days after the application download with no ratings	Hi [insert name], Just a quick reminder to start rating your experience using the mobile application. Thanks, Alisha
Prize draw Week 1	Start of week 1	Hi [insert name], Rate at least 5 experiences this week for a chance to win a $100 Coles Myer voucher. Good luck!
Prize draw Week 2	Start of week 2	Hi [insert name], Rate at least 5 experiences this week for a chance to win an iPad Mini. Good luck!
Mobile application study completion	Final day of week 2	Hi [insert name], Thank you for rating your experiences. Please complete the final online survey to finish this study. Remember to enter your details on the last page to win a $100 Hoyts movie voucher. Thanks, Alisha
Final online survey reminder	3 days after the completion message with no final online survey completion	Hi [insert name], Just a small reminder to complete the final online survey. Please click on the link sent to you via email. Thanks, Alisha
Thank you	1 day after final online survey completion	Hi [insert name], Thank you for your participation in the Customer Experience Study. Your input in this research is most appreciated. All the best, Alisha

Appendix 12

Operationalisation of constructs and items

Construct	Measure	Item	Survey
Retail Channel			
	Physical Channels	Where is this encounter taking place? *In Store, Telephone*	Mobile App
	Digital Channels	Where is this encounter taking place? *Online, Mobile Application*	Mobile App
Independent Variables			
Overall Touch Point Evaluation	Atmospheric elements	Please rate the atmosphere.	Mobile App
		Importance for atmospheric elements in the overall experience.	Intro Online
	Technological elements	Please rate your interactions with the technology.	Mobile App
		Importance for technological elements in the overall experience.	Intro Online
	Communicative elements	Please rate the communication provided by [Company X].	Mobile App
		Importance for communication the overall experience.	Intro Online
	Process elements	Please rate the service process.	Mobile App
		Importance for process elements in the overall experience.	Intro Online
	Employee-customer interaction elements	Please rate your interactions with employees.	Mobile App
		Importance for employee-customer interaction elements in the overall experience.	Intro Online
	Customer-customer interaction elements	Please rate your interactions with other customers.	Mobile App
		Importance for customer-customer interaction elements in the overall experience.	Intro Online
	Product interaction elements	Please rate the products/services offered.	Mobile App
		Importance for product interaction elements in the overall experience.	Intro Online
Past Experience	Past Experience	Based on your past experiences with your most frequented retailer, please rate your overall experience.	Intro Online
Customer Experience	Cognitive	How helpful was this experience?	Mobile App
	Affective	How enjoyable was this experience?	Mobile App
	Social	How friendly was this experience?	Mobile App
	Physical	How easy was this experience?	Mobile App

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Dependent Variables

Loyalty Intentions	Recommendation Intention	How likely are you to recommend this retailer?	Mobile App
	Repurchase Intention	How likely are you to purchase from this retailer again?	Mobile App
Actual Spend	Actual Spend	How much did you spend?	Mobile App

Moderating Variables

Motivation Orientation	Hedonic	During this encounter, I primarily want to: *Browse, Socialize, Shop for fun*	Mobile App
	Utilitarian	During this encounter, I primarily want to: *Purchase specific items, make a transaction, search for information, seek help.*	Mobile App

Control Variables

Customer Satisfaction	Customer Satisfaction	Overall, how satisfied are you with this experience?	Mobile App
Innovativeness	Low Innovativeness	Composite score of the 4 Innovativeness items, split into two groups (low and high) at the median score.	Intro Online
	High Innovativeness		
Shopping Enjoyment	Low Shopping Enjoyment	Composite score of 2 Shopping Enjoyment items, split into two groups (low and high) at the median score.	Intro Online
	High Shopping Enjoyment		
Price Consciousness	Low Price Consciousness	Composite score of the 2 Price Consciousness items, split into two groups (low and high) at the median score.	Intro Online
	High Price Consciousness		

Explanatory (Qualitative) Variables

Comments	Please add any comments about your experience that you would like to share.	Mobile App
Photos	Please add any photos of your experience that you would like to share.	Mobile App

Appendix 13

Comparative research on customer experience

Author	Methodology			Touch point elements							Contextual factors		Firm Value	
	Empirical/ Conceptual	Real-time vs. post-experience	Overall evaluation/ touch point evaluation	Atmospheric	Technology	Communicative	Process	Employee-customer	Customer-customer	Product interaction	Single channel/ Multichannel	Motivation orientation	Loyalty Intentions	Actual Spend
Baker et al. (2002)	Empirical - Quantitative	Post-experience	Overall evaluation	x			x	x			Single Channel		x	
Naylor et al. (2008)	Empirical – Quantitative	Post-experience	Overall evaluation			x					Single Channel			
Verhoef et al. (2009)	Conceptual	-	-	x	x			x	x	x	Multichannel	x		
Grewal, Levy, and Kumar (2009)	Conceptual	-	-			x				x	Multichannel		x	x
Puccinelli et al. (2009)	Conceptual	-	-	x							Multichannel	x		

Author	Methodology			Touch point elements							Contextual factors		Firm Value	
	Empirical/ Conceptual	Real-time vs. post-experience	Overall evaluation/ touch point evaluation	Atmospheric	Technology	Communicative	Process	Employee-customer	Customer-customer	Product interaction	Single channel/ Multichannel	Motivation orientation	Loyalty Intentions	Actual Spend
Lemke, Clark, and Wilson (2011)	Empirical - Qualitative	Post-experience	Overall evaluation								-		x	x
Otnes, Ilhan, and Kulkarni (2012)	Empirical - Qualitative	Post-experience and real-time	-					x			Single Channel		x	
Rose et al. (2012)	Empirical – Quantitative	Post-experience	Overall evaluation	x	x		x				Single Channel		x	
Macdonald, Wilson, and Konus (2012)	Empirical – Quantitative	Real-time	Touch point evaluation								Multichannel		x	
Jüttner et al. (2013)	Empirical - Qualitative	Post-experience	Overall evaluation	x		x		x		x	Single Channel		x	
Current study	**Empirical – Qual and Quantitative**	**Real-time**	**Touch point evaluation**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**Multichannel**	**x**	**x**	**x**

Appendix 14

Customer journey map: Café example

Customer Journey

	Information Search	Evaluation/ Booking	Purchase	Post-Purchase
In-store	Look at menu	Walk-in reservation	Ordering at the café	Pick up order Consume meal
Online/ mobile	Online search for café	Online reservation	Online order	Make a review and post feedback online
Email	Café promotion sent via email	Email reservation/ email confirmation	Email café to place an order	'Thank you' email from café
Mail/ catalogue	Café promotion sent via mail/catalogue			Delivery of order
Telephone	Call café to make an enquiry	Call café to make a reservation	Call café to place an order	Call café to share feedback

Retail Channel

Legend:
- Atmospheric
- Product interaction
- Technological
- Process
- Employee-customer interaction
- Customer-customer interaction
- Communicative