Customer experience: a literature review.

Heitor Salles de Araujo [a].

[a] Faculty of Business Administration, Fluminense Federal University, Volta Redonda, Brazil, heitorsalles@id.uff.br.

Abstract. In the experience economy, customer experience (CX) can create value and differentiate companies in a given sector. This article brings a recent definition of CX and what has recently been studied by researchers. Although not yet well defined, CX can be understood as the customer's spontaneous reaction to offering-related stimuli along the customer journey. Some topics studied are new technologies and their impact on CX, the impact of CX on customer loyalty, commitment, engagement and behavioral intention, CX driven business model, and CX on online shopping.

Keywords. Customer Experience, Literature Review.

1. Introduction

In the experience economy[1], companies can differentiate and succeed through the experience they provide for their customers. The customer experience (CX) literature seeks to study and understand this experience. Correct management of CX has the potential to bring a competitive advantage to the company, especially in certain sectors such as retailing and tourism. In this article, we will look at a recent definition of CX and what has recently been most relevantly studied.

2. Methodology

As recommended by vom Brocke et al.[2], the process for conducting the literature review was divided into 4 phases. In the first phase, the scope of the review was defined (see Tab 1). In the second phase, the main terms were defined. In the third phase, the string used in the search engine was refined and the relevant articles for the review were collected. Finally, in the fourth phase, the articles collected in the previous phase were analyzed.

Tab 1 - Scope of the Literature Review adapted from Cooper[3]

Element	Scope
Focus	Research Outcomes
Goal	Synthesis
Coverage	Representative
Organization	Conceptual

2.1 Defining the scope

To define the proper scope of the review, Cooper's[3] taxonomy of Literature Review was used, which is also recommended by Brock et al.[2]. Since the main goal of this review is to identify what is recently been researched in the CX literature, was chosen to focus on research outcomes. The goal is to make a synthesis of the articles studied. The coverage of the review is representative as it addresses only the most relevant articles that represent a large part of the literature.[3] The review is conceptually organized, which means the works are separated and grouped by their concepts.

2.2 Defining main terms

To find the definitions and meanings of the main terms used, were searched for literature review articles on the cited CX topic.

2.3 Search process

The Scopus database was used to search for the articles. It was searched for articles and literature reviews that contained in their keywords the phrase "Customer Experience". Next, was filtered the most cited ones posted in the last 2 years (2020-2022).

3. Definitions

In the last 2 years, some articles have tried to unify the literature and bring light to the discussion of CX research.

Becker & Jaakkola[4] after a total literature review identified 4 important premises. The first premise is that "customer experience comprises customers' non-deliberate, spontaneous responses and reactions to offering-related stimuli along the customer journey" and "ranges from ordinary to extraordinary representing the intensity of customer responses to stimuli."[4 p638]. In premise two, concerning the stimuli, they affirm that "customer experience stimuli reside within and outside firm-controlled touchpoints and can be viewed from multiple levels of aggregation" and "their interconnections affect customer experience in a dynamic manner."[4 p639]. Third, they pointed out that "customer experience is subjective and context-specific, because responses to offering-related stimuli and their evaluative outcomes depend on customer, situational, and sociocultural contingencies."[4 p640]. Finally, the fourth premise is that "firms cannot create the customer experience, but they can monitor, design, and manage a range of stimuli that affect such experiences."[4 p641].

De Keyser et al.[5] introduced the touchpoints, context, qualities (TCQ) nomenclature. They have also conducted a total literature review and considered the definition brought by Becker & Jaakkola[4] . The contribution of this review was a more atomistic view of the CX. The CX is composed of 3 building blocks: touchpoints, context, and qualities. Each of these has different components. In the touchpoints, we have the control (firm-controlled and non-firm-controlled), the nature (human, digital, physical), and the stage (pre-purchase, purchase, and post-purchase) components. In the context, we have the individual, social, market, and environmental contexts. Last, in the qualities, we have the participation level (low or high), the dimensionality (emotional, cognitive, sensorial, social, and behavioral), the valence (negative or positive), the ordinariness (ordinary or extraordinary), and the timeflow (short/monotone and long/dynamic) components.

Concerning the TCQ nomenclature, the authors proposed future research for each building block. For example, future touchpoints studies could explore more the non-firm-controlled. According to the authors, a sharing platform like Airbnb could benefit from the advance of non-controlled touchpoints. In the context building block, future research may focus more on marketing and environmental contexts. For future opportunities in qualities, searchers will contribute a lot by exploring more about the ordinariness and timeflow components.

4. Discussion

In this section, it will be synthesize the topics explored by CX research in the most cited articles of the last 2 years (2020-2021) bringing the key findings and potential future research.

4.1 New technologies

The topic that promptly brings attention is the area of new technologies. This seems to happen because new technologies are transforming the customer experience [6]. This led to research relating customer experience with them.

Hoyer et al.[6] search provides two frameworks. First, a framework to help managers dealing with technologies such as Internet of Things (IoT), Augmented Reality (AR), Virtual Reality (VR), Mixed Reality (MR), virtual assistants, chatbots, and robots, and their possible impact in the CX dimensions. Second, a framework to understand the role of such technologies in the customer journey. They recognized the importance that these new tools had in the research stream thus calling for more interdisciplinary research, specific in three domains: service science, information systems, and management and organizational science.

Holmlund et al.[7] recognized the recent developments in big data analytics (BDA) and the

rise of CX as a source of competitive differentiation, thus they proposed a framework for CX management (CXM) based on customer experience insights derived from BDA. The authors defined CX insights "as knowledge about customers attained through BDA with the purpose of continuously improving CX"[7 p358]. The framework involves categorizing the type of CX data, choosing the BDA method of analysis, generating the CX insights (attitudinal/psychographic, behavioral, and market), and finally deciding the best actions for continuously improving the CX. For future research, they propose more study of CX insights, judged by them as a fundamental part of their research, and to explore to what extent this data collected really relate to what the CX is.

Pleyers & Poncin[8] study the impact of using non-immersive VR technologies in the CX in the real state context. For then, non-immersive VR is a virtual content displayed without additional equipment, for example, the 360° picture of the place used in the study. They find that a VR experience (360° dynamic image vs static image) positively impacts the feeling of presence and playfulness. Behavioral intention (intention to visit the real place) and attitude toward the product and the service provider was also positively affected by the use of VR.

4.2 Loyalty, commitment, engagement, and behavioral intent

The topics most explored are those related to the outcome of the experience (loyalty, engagement, commitment, behavioral intention, etc).

Rather[9] explores, in the tourism context, the effect of customer engagement (CE) dimensions (cognitive, affective, and behavioral) on customer experience (CX) and customer identification (the connections between brand and customer identity), followed by the mediator effect of these two on customer behavioral intention. He also explores the difference between these effects in fist-time and repeat-visitors. The results supported these relations thus confirming the positive effect of CE dimensions on CX and customer identification, also confirming the mediator effect between CE and behavioral intention. He also finds that repeat-visitors (vs first-time) are slightly more engaged, experienced, and loyal. The author proposes that future research could study these relations in different sectors and that the study could be expanded by investigating the impact of CX dimensions (act, feel, sense, think, and relate) in customer behavioral intentions.

In Khan et al.[10] research, their purpose was to study the impact of CX on customer brand commitment and loyalty while also testing the moderator effect of age (27 years and below was considered as younger). This study was conducted in India. They find a positive relationship between them with a stronger effect of CX on the affective commitment. More interesting, regarding the moderator effect of age, they also find that the effect of CX on affective customer commitment is stronger in younger customers (vs older). For future research, they proposed, among other things, testing the relationship in other groups of different demographic profiles (e.g. gender) and testing the relationship in other countries.

Rather & Hollebeek[11] explore the link between CE dimensions (cognitive, affective, and behavioral) and CX. The study was conducted in India in a tourism context. Was proposed a framework that considers CE as an important CX driver. CE and CX also exert an important impact on customer behavioral intent. One of the finds is that cognitive CE has a stronger effect on younger visitors and a negligible effect on older. Another find is that affective and behavioral CE effects on CX increase with the customer age. Finally, they also find that CX has an important role in predicting behavioral intention. Some paths of future research are conducting this study in different markets and cultures, and different contexts (besides tourism). They also suggested a longitudinal study checking the relationship after some time.

Molinillo et al.[12] search aims to explore the impact of affective and cognitive app experience on customer satisfaction and trust, followed by the impact on customer loyalty. They also study the effect that affective experience has on cognitive experience. The finds support the positive impact that affective and cognitive app experience has on customer satisfaction and trust with a stronger effect of the affective experience. The positive relationship between customer satisfaction and trust with customer loyalty was also supported. Finally, the interrelationship between dimensions was also supported as affective experience influences the cognitive experience. As the authors propose, opportunities for future research lie in expanding the dimensions used (e.g. using a relational dimension to evaluate the impact of social interactions) and comparing the result with first-time vs repeat customers.

Tyrväinen et al.[13] aim to analyze the effect of hedonic motivation and personalization on customer cognitive and emotional experience. Also was analyzed the loyalty outcome of positive word of mouth (WOM) and repeat purchase intention (RPI). All of that in an omnichannel context. The authors' contribution was that CX has an important role in determining consumer behavior in the omnichannel context thus positively impacting customers' loyalty outcomes. The effect of hedonic motivation and personalization on CX was also supported. They proposed as future research a longitudinal study exploring the dynamic of CX.

In the field of customer loyalty, Pekovic & Rolland[14] research explores the combinations of different dimensions of CX (emotional, cognitive, sensorial, social, behavioral, and technological) that best result in loyalty towards the firm. The first find was that no single dimension alone provides enough conditions for enhancing loyalty. Next, they find that 2 combinations of dimensions are the most effective

in improving customer loyalty. Combination 1 is cognitive, social, and technological dimensions. Combination 2 is cognitive, social, and emotional dimensions. Thus the authors also conclude that firms do not necessarily need to invest in all dimensions to attain customer loyalty. They also explored the combinations of different dimensions across generations (Y, X, and Baby Boomers), also finding different combinations for achieving customer loyalty.

Rather et al.[15] recently have studied the effect of CE dimensions (cognitive, emotional, and behavioral) on CX, cocreation, and revisit intent focusing on first-time versus repeat tourists. Their finds confirm the importance of CE, CX, and cocreation in affecting the customer revisit intent. Regarding the status of tourists, they find out that first-time tourists are more cognitively engaged with the destination and that repeat tourists are more emotionally and behaviorally engaged. They also have found differences in CX. First-time visitors cognitive CX is higher and repeat visitors affective, behavioral, and social CX is higher. They recommended that future research should focus on the correlative nature of CE, CX, and cocreation while considering the customer and employee perspective.

Stein & Ramaseshan[16] explored the dynamics of different touchpoints with CX and the posterior effect on loyalty intentions and total spend while moderated by different motivations (utilitarian and hedonic). The first interesting find is that employee-customer touchpoints have the strongest effect on the overral CX. Another find is that hedonic motivation makes the positive effect of CX on customer loyalty and total spend stronger. For future research they proposed the basics: different countries, different B2C businesses, different motivations (e.g. social), test the model in the B2B context, test in the digital context, and compare negative experiences with positive ones.

4.3 Business Model

Keiningham et al.[17] search the literature of business model innovation (BMI) and customer experience. From the review, the authors identify the lack of a customer-driven BMI. Thus, they proposed a framework for CX driven BMI that aligns customer values and the firm's strategic needs. This is a three-step framework wherein step one the manager defines the CX profile from the CX dimensions (cognitive, physical, sensory, emotional, and social), in step two defines the strategic orientation profile (cost leadership, differentiation, focus, price based, and hybrid), and in step three the dynamic alignment between those two profiles. The authors acknowledge that they have focused only on the dimensionality aspect of CX, then they suggested that future research could approach other elements such as the purchase stage (pre-purchase, purchase, and post-purchase) and temporality (long or short duration).

4.4 Online Shopping

Barari et al.[18] work compares a negative online shopping experience with a positive one. The motivation to search was due to the scant literature exploring the impact of a negative experience on the customer buying process. They studied specifically the impact that those experiences have on the customer cognitive and affective experience. Their finds are that in a negative context cognitive experience has more impact on customer dissatisfaction and negative word of mouth (WOM) and in a positive context, affective experience has more impact on customer satisfaction and positive WOM. For future research, the authors emphasize the importance of testing the customer experience destruction in different industries (e.g. tourism, banking, etc) and different stages of the purchase, since they only considered the purchase itself.

5. Contexts

In the CX literature of the last two years some contexts bring attention. The first one is the study of CX in the context of Tourism [9,11,15,19]. This may be justified because customers' experience has a key role in reaching a competitive advantage in this area [9].

Next, we have the retailing context [13,18,20,21]. As the competitive retail context requires more than just low price and innovation, managing customer experience can lead a firm to successfully compete in this environment [22].

The context of B2B was also explored. Witell et al.[23] created a framework to delineate the customer experience management in the B2B setting. This is important since, according to the authors, the relations in this context create experiences.

6. Conclusion

As said before, in the experience economy[1], companies can differentiate and succeed through the experience they provide for their customers. This is especially true in the tourism and hospitality industry which considers customer experience as a key role for achieving competitive advantage [9]. But not only this industry is exploring this advantage, other areas are also seeking to benefit from learning and managing customer experience.

7. References

[1] Pine BJ, Gilmore JH. The Experience Economy: Work is Theatre & Every Business a Stage. Boston: Harvard Business School Press; 1999.

[2] vom Brocke J, Simons A, Niehaves B, Niehaves B, Reimer K, Plattfaut R, et al. Reconstructing the Giant : on the Importance of. Proc. 17th Eur. Conf. Inf. Syst. (ECIS 2009), 2009, p. 1–12.

[3] Cooper HM. Organizing knowledge syntheses: A taxonomy of literature reviews. Knowl Soc

1988;1:104–26. https://doi.org/10.1007/BF03177550.

[4] Becker L, Jaakkola E. Customer experience: fundamental premises and implications for research. J Acad Mark Sci 2020;48:630–48. https://doi.org/10.1007/s11747-019-00718-x.

[5] De Keyser A, Verleye K, Lemon KN, Keiningham TL, Klaus P. Moving the Customer Experience Field Forward: Introducing the Touchpoints, Context, Qualities (TCQ) Nomenclature. J Serv Res 2020;23:433–55. https://doi.org/10.1177/1094670520928390.

[6] Hoyer WD, Kroschke M, Schmitt B, Kraume K, Shankar V. Transforming the Customer Experience Through New Technologies. J Interact Mark 2020;51:57–71. https://doi.org/10.1016/j.intmar.2020.04.001.

[7] Holmlund M, Van Vaerenbergh Y, Ciuchita R, Ravald A, Sarantopoulos P, Ordenes FV, et al. Customer experience management in the age of big data analytics: A strategic framework. J Bus Res 2020;116:356–65. https://doi.org/10.1016/j.jbusres.2020.01.022.

[8] Pleyers G, Poncin I. Non-immersive virtual reality technologies in real estate: How customer experience drives attitudes toward properties and the service provider. J Retail Consum Serv 2020;57:102175. https://doi.org/10.1016/j.jretconser.2020.102175.

[9] Rather RA. Customer experience and engagement in tourism destinations: the experiential marketing perspective. J Travel Tour Mark 2020;37:15–32. https://doi.org/10.1080/10548408.2019.1686101.

[10] Khan I, Hollebeek LD, Fatma M, Islam JU, Riivits-Arkonsuo I. Customer experience and commitment in retailing: Does customer age matter? J Retail Consum Serv 2020;57:102219. https://doi.org/10.1016/j.jretconser.2020.102219.

[11] Rather RA, Hollebeek LD. Customers' service-related engagement, experience, and behavioral intent: Moderating role of age. J Retail Consum Serv 2021;60:102453. https://doi.org/10.1016/j.jretconser.2021.102453.

[12] Molinillo S, Navarro-García A, Anaya-Sánchez R, Japutra A. The impact of affective and cognitive app experiences on loyalty towards retailers. J Retail Consum Serv 2020;54:101948. https://doi.org/10.1016/j.jretconser.2019.101948.

[13] Tyrväinen O, Karjaluoto H, Saarijärvi H. Personalization and hedonic motivation in creating customer experiences and loyalty in omnichannel retail. J Retail Consum Serv 2020;57. https://doi.org/10.1016/j.jretconser.2020.102233.

[14] Pekovic S, Rolland S. Recipes for achieving customer loyalty: A qualitative comparative analysis of the dimensions of customer experience. J Retail Consum Serv 2020;56:102171. https://doi.org/10.1016/j.jretconser.2020.102171.

[15] Rather RA, Hollebeek LD, Rasoolimanesh SM. First-Time versus Repeat Tourism Customer Engagement, Experience, and Value Cocreation: An Empirical Investigation. J Travel Res 2021. https://doi.org/10.1177/0047287521997572.

[16] Stein A, Ramaseshan B. The customer experience – loyalty link: moderating role of motivation orientation. J Serv Manag 2020;31:51–78. https://doi.org/10.1108/JOSM-04-2019-0113.

[17] Keiningham T, Aksoy L, Bruce HL, Cadet F, Clennell N, Hodgkinson IR, et al. Customer experience driven business model innovation. J Bus Res 2020;116:431–40. https://doi.org/10.1016/j.jbusres.2019.08.003.

[18] Barari M, Ross M, Surachartkumtonkun J. Negative and positive customer shopping experience in an online context. J Retail Consum Serv 2020;53:101985. https://doi.org/10.1016/j.jretconser.2019.101985.

[19] Mehraliyev F, Kirilenko AP, Choi Y. From measurement scale to sentiment scale: Examining the effect of sensory experiences on online review rating behavior. Tour Manag 2020;79:104096. https://doi.org/10.1016/j.tourman.2020.104096.

[20] Le ANH, Nguyen-Le XD. A moderated mediating mechanism of omnichannel customer experiences. Int J Retail Distrib Manag 2020;49:595–615. https://doi.org/10.1108/IJRDM-02-2020-0054.

[21] Bhattacharya A, Srivastava M. A Framework of Online Customer Experience: An Indian Perspective: An Indian Perspective. Glob Bus Rev 2020;21:800–17. https://doi.org/10.1177/0972150918778932.

[22] Grewal D, Levy M, Kumar V. Customer Experience Management in Retailing: An Organizing Framework. J Retail 2009;85:1–14.

https://doi.org/10.1016/j.jretai.2009.01.001.

[23]   Witell L, Kowalkowski C, Perks H, Raddats C, Schwabe M, Benedettini O, et al. Characterizing customer experience management in business markets. J Bus Res 2020;116:420–30. https://doi.org/10.1016/j.jbusres.2019.08.050.