Implementation of Customer Experience Management in a Non-Experience-Centric Service Company

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EXECUTIVE SUMMARY

An increasing number of companies started incorporating the term "Customer Experience" with their service offerings. Entertainment companies such as Walt Disney World are the pioneers in systematically managing customer experience to promote differentiation and increase customer loyalty. Interestingly, inspired by the success of businesses like entertainment companies, a growing number of traditional companies started focusing on Customer Experience, as a means to provide added values to their customers. In this situation, the acceptance of Customer Experience Management (CEM) as a new strategic approach is increasing among the service companies. Research suggests, however, that standardized approaches to managing customer experiences are still far from maturity.

Motivated by the prevailing demand of structured approaches, this study sets out to develop a CEM framework to managing customer experiences across businesses. Drawing on the relevant extant literature, this thesis presents an Integrated CEM Framework to deliver total customer experience. This framework presents four important experience strategies namely – orgware, stageware, customerware and linkware, primarily drawn from the common practices implemented by the companies for those experiences are central to their service offerings.

The conceptual CEM framework is investigated empirically by means of a single case study analysis, on a Danish construction company called, Enemærke & Petersen a/s. The main conclusion drawn from this study is that, in general CEM can be applicable to a range of companies. What is observable is that the four experience strategies vary in their degree of applicability. In other words, depending on the service context, companies need to adapt the experience strategies accordingly, to secure the differentiation in the marketplace. Increasing customer value and bottom line through CEM demands that the companies should focus on: the engagement of top management and employees, management of key touchpoints and continuous improvements based on customer insights.

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PART I – INTRODUCTION

In today's globalized world, the competitive battlegrounds of differentiators are changing than ever before (Mascarenhas *et al.*, 2006). Nowadays, customers are offered with enormous amount of product or service options on a worldwide basis. As such, change of demands in customers' tastes and preferences increases (Arnould *et al.*, 2005). With the passage of time, by examining the evolving market trends, companies have also been shifting their emphasis on various differentiators. For example, Palmer (2010) stated the evolution of competitive differentiators as: tangible features → service benefits → relationships → experiential values. It is apparent that differentiation solely based on hygiene factors such as functionality, quality are no longer a sustainable competitive advantage, rather they become fundamentals to operate in the marketplace.

To stay competitive, many companies have adopted approaches like Customer Relationship Management (CRM). However, data analysis revealed that implementing CRM did not bring the results that marketers have expected (Meyer & Schwager, 2007; Schmitt, 2003; Palmer, 2010). Given the formidable facts of rapid shifts in business environments and customers' demands pose the challenges to achieve sustainable competitive advantages in the long run (Gentile *et al.*, 2007). But how can companies develop the new sustainable differentiator, a new source of competitive advantage?

In this context, organizations are now placing the hope on the concept of "customer experience", a relatively new approach to become customer oriented. Recently, focusing on customers' wellbeing via customer experience is gaining importance in both academics and practitioners (e.g. Palmer, 2010; Schmitt, 2003; Voss *et al.*, 2008). Such vibrant enthusiasm in experience notion in consequence, proposed a new management framework to increase companies differentiation capabilities named – Customer Experience Management (hereafter, CEM).

CEM represents a whole new perspective which is broader and more comprehensive compared to other traditional marketing practices and approaches. CEM as a holistic approach ensures systematic management of customer experiences in all key touchpoints of an organization. This in effect, enables the organization to identify and subsequently minimize the gaps between customer expectations and actual customer experiences at identified key touchpoints (Meyer & Schwager, 2007). Furthermore, successful implementation of CEM strategies can create delightful customer experience which in turn can generate repeat

purchase behaviors and positive word of mouth. The study conducted on Danish companies confirm similar results, where 10% improvements in CEM results in 9% and 5% increase in differentiation and financial performance respectively (CBS-SJP report, 2010, p.11).

CEM as a new management approach creates hopes to achieve sustainable competitive advantages by creating a strong customer preference, increased customer loyalty and increased financial profitability. However, the concept also presents uncertainties and challenges on whether it will deliver the promised benefits to the companies (Palmer, 2010). Given these considerations, the thesis will focus on how and to what extent businesses benefits from experience based strategies.

1.1 Problem Discussion

The emergence of the customer experience hype, results in increasing numbers of service organizations to adopt CEM strategies, to differentiate their offerings from that of marketplace competitors. Evidence suggests that a manifold of experience-centric companies, such as theme parks, leisure businesses, retail shops etc. have recognized the importance of customer experience concept long time back (Voss *et al.*, 2008). Accordingly, an increasing number of academic scholars dedicated their work on the above mentioned experience-centric companies. For instance, Arnould & Price (1993) explore the features of extraordinary hedonic experiences on white water river-rafting, which can be categorized as extreme sports to provide unique recreation. Likewise, Voss *et al.* (2008) have defined and discussed the strategies of how the likeminded experience-based companies are working on deliberate service designs to evoke desirable emotions among targeted customers.

While a lot of vibrant scientific contributions can be found in extent literature, the CEM notion lacks standardized foundations and models primarily because of inconsistent and ambiguous experience definitions (Gentile *et al.*, 2007; Gupta & Vajic, 1999; Palmer 2010; Caru & Cova, 2003). Nevertheless, the customer experience models that exist in the literature are primarily developed in perspective of experience-centric companies' context (e.g. Voss *et al.*, 2008). As such, the ordinary non-experience-centric service organizations have largely been ignored by the experience design researchers.

Meanwhile, by looking at the counterparts of enjoying the benefits of implementing CEM, many traditional organizations also started deciding upon adopting the approach (Voss *et al.*, 2008). This is however also where potential problems might arise. Gupta & Vajic (1999) stated that despite improper understanding of the experience notion, many traditional

companies are trying to capitalize on it by following the footsteps of experience based service organizations. As a consequence, these conventional businesses might be challenged with flawed experience designs and find it inappropriate to their business context.

1.2 Reality of the Problem

With the aim of being customer focused, the Danish construction company Enemærke & Petersen a/s (hereafter, E&P) has been working on the CEM approach. Even though Pine & Gilmore (1999) advocates the applicability of experience notion to all services, conservative views can also be found stating that not all services need to be incorporated with experiential aspects to be successful (Voss *et al.*, 2008; Poulsson & Kale, 2004). As such, it draws interest on understanding of the approaches of CEM applied in E&P, since a construction company is associated with unique characteristics different from an entertainment or leisure company. Thus, the thesis will articulate the useful generalizations of the CEM phenomenon of experience-centric businesses and more importantly, will translate this knowledge to a more ordinary service business, in this particular situation – Enemærke & Petersen a/s, a Danish construction company.

Given the fact, in an effort to create competitive differentiation in the marketplace, the concept of CEM has been introduced. In today's economic environment, merely satisfying customers is not enough for companies to enjoy long term profitability. Rather, companies need to focus on generating and retaining the loyal customers. The loyal customers are more likely to come back, willing to pay more, and moreover are likely to make referrals to others (Mascarenhas *et al.*, 2006). It is important to note that customer loyalty is often considered as one of the critical sources of brand equity (Aaker, 2007). As the brand might be the most powerful asset of a company (Davis & Dunn, 2002), it is crucial to analyze how and to what extent CEM creates an impact on increasing brand equity. Therefore, it is imperative to analyze how CEM can help to achieve customer loyalty and alternatively brand equity, by creating memorable customer experiences at key touchpoints.

1.3 Research Statement

Based on above discussions, the thesis sets out to answer the following research statement:

> *How can the concept of Customer Experience Management be implemented as a strategic management approach in a non-experience-centric service company in order to increase customer value and subsequently create sustainable competitive advantage?*

The following sub-questions are set up to answer the above stated research statement.

Sub-Questions

- How can the concepts of Customer Experience and Customer Experience Management (CEM) be defined?
- How does Customer Experience increase customer satisfaction, thus influence customers' decision making process?
- How does Customer Experience influence customer loyalty and brand equity?
- How can an integrated CEM framework based on current experience-centric business practices be developed?
- How can the experience-centric CEM framework be successfully implemented in a non-experience-centric construction company like Enemærke & Petersen a/s?

1.4 General Methodology

1.4.1 Research Philosophy

This part of the thesis will now focus on explicating the overall research philosophies followed to answering the thesis's problem statement. The research philosophy helps to understand how the researcher interprets the world (Saunders *et al.*, 2009), thus has influence on the choice of methodological approaches in answering the thesis's problem statement.

1.4.1.1 Ontology

Considering the choices made in connection to the thesis's theoretical proposition for real life application, the thesis reflects on the domain of Ontology. The social constructivist paradigm views that the reality is dependent on perceptions hold by individuals and also the social interactions between them (Saunders *et al.*, 2009).

Consider for example, the concept of customer experience is primarily founded on the interactions between customers and the service providers; it is thus very situation specific and personal in nature (Caru & Cova, 2003). Customers construct the reality by interpreting and

giving meanings to the course of multiple experiences (Ibid). However, it is not unlikely that individual customers will perceive similar experiences differently as a consequence of their own view of the world. In order to understand how customers make sense of their experience with service providers, customers' internal state and the context-dependent social surroundings need to be examined, which in turn will help companies to understand customers' motivations and actions in meaningful ways (Saunders *et al.*, 2009).

1.4.1.2 Epistemology

The philosophy of epistemology deals with the specific set of knowledge that researchers consider important from their point of view (Saunders *et al.*, 2009). Furthermore, it defines the nature of knowledge, the source i.e. the context of knowledge and how the acquired knowledge can be used to find the universal truths (Gomm *et al.*, 2000).

The knowledge on CEM this thesis seeks to produce is dependent on E&P's context and thus cannot be characterized as a definite truth. This is also the case for social science that "*has not succeeded in producing general, context-independent theory and thus, has in the final instance nothing else to offer than concrete, context-dependent knowledge*" (Flyvbjerg, 2006, p.223). Furthermore, from social constructivism perspective the constructed knowledge reflects the perception of reality which is dependent on interaction between individuals (Berger & Luckmann, 1966). Therefore, the foundations of this thesis's findings are influenced by the author's subjective interpretation of the reality.

1.5 Delimitations

Working towards answering the aforementioned research statement, this thesis focuses only on service companies from the business-to-business (B2B) as opposed to business-to-consumer (B2C) perspective. Evidence suggests that an increasing number of service companies are moving towards the paradigm of delivering customer experiences (Zomerdijk & Voss, 2009). It has thus become interesting to analyze whether and how these service companies can be benefited by incorporating experience notion into their business situation.

Usually in a B2B environment, the organizational customer groups represent diverse individuals, thus the decision making process offers greater complexity as opposed to a B2C situation (Arnould *et al.*, 2005). As such, this thesis holds the view that analyzing service companies in B2B setting would give greater opportunity for data on complex interactions among customer groups. Even though many research works can be found relating the concept of experience in B2C situations, the impact of experience in B2B context has largely been

ignored (Biedenbach & Marell, 2010). By realizing the gap, this thesis will focus on exploring the effects of customer experience in a B2B service setting.

Furthermore, taking consideration of theoretical delimitation, the thesis will be focusing on experience management, consumer behavior and brand management theories. As the theoretical discussion will move on, justifications for using each of these theories will be presented in respective sections. But for the moment, it will be explained very briefly which sub-sections that are not focused of the three broad theories.

From experience theories, this thesis will not look at experiential marketing (Schmitt, 1999) mainly because it is not directly relevant with the focus of this thesis. Usually experiential marketing includes marketing communications such as advertisements, websites, co-branding, packaging of products, etc. (Schmitt, 1999). As such, its applicability is narrow focused, takes in the form of a more tactical and functional level i.e. by marketing department (Voss *et al.*, 2008). Instead, this thesis will focus on the strategic guidance of designing and delivering total customer experience which needs to be incorporated throughout an organization.

The study of consumer behavior covers a wide range of topics such as customers' motivations and goals to buy products or services, their learning process etc. However, covering such theories is out of this thesis's context, thus will not be reviewed. Mainly the formation of customer perception and customer satisfaction will be analyzed in connection with customer experience.

From the brand management, the study does not cover aspects of product branding, which share common premises as experiential marketing. Instead, to answer the research statement, this paper looks at the perspective of service branding, which share common fundamentals as corporate branding.

1.6 The Case Company – Enemærke & Petersen a/s

To rationalize the conceptual CEM framework derived from the predominant theories to the real business situation, Enemærke & Petersen a/s (E&P) is chosen as the case company. The main criteria for choosing a non-experience-centric service company like E&P is, the company has been working to be customer focused for last five years. It provides opportunity to analyze whether and how E&P applied the same strategies as other experience-centric services, to promote differentiation and increase customer loyalty along with financial performance.

1.6.1 The Background of E&P

E&P started its journey in 1975, aiming to fulfill the niche demands of replacing the old roofs of the homeowners and housing associations. By the early 1990s, E&P mostly worked as a sub-contractor of changing the building roofs, however, in the following years the company became a pioneer in this specialized area and operated overseas markets such Germany, England, and France.

In the year of 2000, E&P was taken over by Denmark's largest construction company MT Højgaard a/s (SJP report). Nowadays, E&P is operating as a 100% owned subsidiary with its own profile strategy and business model. Currently E&P employs 530 employees distributed with 380 construction workers within the areas: carpenters, bricklayers, roofers, plumbers, painters, scaffold workers and unskilled workers and 150 office workers (SJP report). E&P is today engaged in new construction, renovation, restoration and building maintenance for housing associations and both public and private developers. The renovation segment within the housing association buildings and public buildings is the main activities.

PART II – THEORITICAL FOUNDATION

2.1 THE CONCEPTS

Discussion of this section will focus on analyzing and defining some important concepts that will be used throughout the paper.

2.1.1 History of Customer Experience

The notion of Customer Experience was first brought into focus by Holbrook and Hirschman in mid-1980s. Since then consumer researchers have extended their view from the mainstream approach which considered customers primarily as rational decision makers. Recently, the experience notion has become an important element to understand consumer behavior (Addis & Holbrook, 2001). Furthermore, the concept also has been working as a beacon for many significant literatures in marketing arena. Most notably, Pine and Gilmore's book on the Experience Economy (1999) gives a good overview on how experience emerged as the forth economic offering after prior economic offerings - commodities, goods and services. Moreover, in the following years, various literatures can be found recognizing the importance of experience as a way to create value for both companies and their customers. Along these lines, a number of marketing experts have contributed in the sector in connection with experience, e.g. Bernd Schmitt (1999), LaSalle & Britton (2003), Shaw & Ivens (2002), and Gentile, Spiller & Noci (2007) to name a few.

Despite of various contributions, it has been found that the concept of customer experience lacks solid foundation, mainly because the notion of "experience" is ill-defined (Caru & Cova, 2007). Definitions of experience carry distinct meanings depending on various scientific disciplines such as, philosophy, sociology, psychology and etc. Even, consumer behavior and marketing disciplines hold separated meanings of experience (Caru & Cova, 2003). Thus, before dealing with customer experience and CEM concepts, it is essential to look at definitions of experience to highlight some important dimensions of experience implacable for this paper. Furthermore, the section will be followed by defining other necessary terms such as "customer experience" and "customer experience management".

2.1.2 Defining Experience

According to consumer behavior study "*an experience is above all a personal occurrence, often with important emotional significance, founded on the interaction with stimuli which are the products or services consumed*" (Holbrook and Hirschman, 1982; cited by Caru & Cova, 2003.p.270). This definition acknowledges that experience is subjective and personal in nature. Here, subjectivity refers to a personal psychological state, for example, consumers' emotions during consumption experience are subjective, which changes according to change in environments (Addis & Holbrook, 2001). Moreover, the above definition also recognizes the roles of emotions as important features of experience, which have been neglected before (Ibid).

The marketing discipline views experience from a more objective point of view, where marketers aim to create unforgettable experiences at various interactions that take place between service providers and their customers (Caru & Cova, 2003). Such kind of experiences is termed as extraordinary experiences (Ibid). In order to make an experience memorable or extraordinary, creating positive emotions are crucial. From this perspective, marketing literatures can be found emphasizing emotions in creating experiences (e.g. Shaw, 2007). Despite differences, both consumer behavior and marketing studies have given importance to the roles of emotion to create superior value for customers through experience.

Elaborating on the marketing aspects of experience, several researchers have focused on extraordinary experiences (e.g. Arnould & Price, 1993; LaSalle & Britton, 2003). Arnould and Price (1993) define extraordinary experiences as those characterized by a sense of newness of perception and process, triggered by unusual events and high levels of emotional intensity and experience (Arnould & Price, 1993.p.25). The basic premise of this definition is

the assumption that customers cannot predict the outcomes of an event due to vague expectations, dynamic interactions with other customers, and changes of contexts. Nevertheless, the definition given by Arnould and Price (1993) emphasizes solely on emotional aspects of customer experience and thus might limit its application to specific industries such as entertainment industry e.g. theme park, extreme sports e.g. river rafting, leisure business and the like (Voss, Roth & Chase, 2008). A study conducted by Gentile *et al.* (2007) on some well-known and remarkably successful products found out that both functional and emotional values scored almost similar and even in some cases functional value scored higher than emotional value (Gentile *et al.*, 2007, p.404). Therefore, from the holistic perspective it is important to balance between both rational and emotional experiences.

In summary, combining the above discussed views on experience from consumer behavior and marketing perspective, this paper draws on three distinguished characteristics of experience - internal and subjective phenomenon, highly context dependent and combines both rational and emotional aspects of experience.

2.1.3 Defining Customer Experience

Having looked at characteristics of experience, this section will analyze some notable definitions of customer experience that can be found in existing customer experience literatures.

One of the recent Customer Experience definitions proposed by Gentile, Spiller and Noci in 2007: ''*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**. *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**'' (Gentile *et al.*, 2007, p.397).

This definition gives a rather broad view on the concept of customer experience. Firstly, the definition conceptualizes that customer experience is multidimensional, which means that it includes sensory, cognitive, affective, physical and relational components (Gentile *et al.*, 2007). Secondly, it recognizes the importance of both rational and emotional aspects of customer experience, which correlates with one of the distinguished feature of experience that was mentioned in the previous section. Thirdly, *moments of contact or touchpoints* notion

consider all stages of customer experience specifically - pre-purchase, purchase and post-purchase experiences (Davis & Dunn, 2002). Finally, the above definition also sheds light on customer experience measurement by comparing customers' prior expectations with the actual experience in various touchpoints.

Another important and related definition of customer experience is presented by Meyer and Schwager (2007). According to the authors "*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 representatives of a company's products, service or brands and takes the form of word-of-mouth recommendations or criticisms, advertising, news reports, reviews and so forth.*" (Meyer & Schwager 2007, p.118).

Both of the above presented customer experience definitions share some common premises. Specifically, experience is characterized as internal and subjective to the customer. However, the second definition provides enriched dimension by extending the range of touchpoints by considering both direct and indirect contacts. Identification of all touchpoints is crucial in order to deliver total customer experience because the brand can impact and be impacted by both direct and indirect touchpoints. It is important to note that not all touchpoints are important for a company. For that reason, a company needs to identify the key touchpoints and this particular issue will be addressed in a later part of the thesis.

It can be seen, the concept of *context* is rather implicit in both of the aforementioned customer experience definitions. One might argue the various touchpoints can be regarded as context. However, by abiding the line of thoughts of many others scholars (e.g. Pullman & Gross, 2004; Haeckel *et al.*, 2003; Pine & Gilmore, 1999), this thesis puts emphasize on the context notion in delivering customer experience. A definition on customer experience emphasizing on context states that "*an experience occurs when a customer has any sensation or knowledge acquisition resulting from some level of interaction with different elements of a context created by a service provider*" (Gupta & Vajic, 1999; stated in Pullman & Gross, 2004, p.553). Gupta and Vajic (1999) here define context as the physical and relational settings, where customers interpret and make sense of the physical environment and the interactions with service facilitators and other customers in a given service setting. Building on this

definition, deliberate design of contexts can evoke emotions which can engage customers in unique, memorable and meaningful ways (Pine & Gilmore, 1999).

Following this review on customer experience definitions, some important aspects emerge as critical and workable for this thesis's context. Given the fact that, customer experience mainly originates from all moments of contacts between a company and its customers, this paper accentuates the notion of touchpoints. The importance of touchpoints is twofold, both from customer and company perspective. In general, customers' current perceptions of the service quality of a company are blend of their prior experiences and the actual delivered service at the contact point (Boulding *et al.*, 1993). This statement clarifies that customers use touchpoints as a means of evaluating company's performance. On the other hand, from the company's side - properly executed experiences through touchpoints can create total customer experience and thus can encourage loyalty (Pullman & Gross, 2004). From this perspective, this thesis focuses on the concept of Total Customer Experience. The implementation of CEM is crucial to ensure total customer experience in key touchpoints, which leads on to the next section that focuses on defining CEM, in perspective of this thesis.

2.1.4 Defining Customer Experience Management (CEM)

Similar to Customer Experience, many definitions of Customer Experience Management can be found in literature.

Schmitt (2003) defined "*Customer Experience Management is the process of strategically managing a customer's entire experience with a product or a company*" (Schmitt, 2003, p.17). Schmitt emphasized on integrating different elements of customers' experience across a variety of touchpoints. However, the above definition does not vividly recognize integrating rational and emotional aspects into the CEM framework.

In this respect, CEM definition provided by Carbone and Haeckel (1994) adds value to the overall CEM concept. As mentioned by them, managing customer experiences is an integrated approach to create distinctive customer value through systematic design and implementation of various context clues. These clues emanate from the product or service itself; behaviors of people i.e. service providers and other customers and the physical environment in which the service is being offered. Given the fact that understanding of the concept of clues which emanate from a range of contexts are of crucial importance for successful implementation of CEM, discussions on contexts will be returned to later.

By synthesizing the definitions above, a workable definition on CEM in context of this thesis – *Customer Experience Management is a strategic approach which can be characterized as an **ongoing process** to create **sustainable competitive advantage**, by combining both **rational and emotional experiences** and managing a company's' **touchpoints wheel** effectively.*

2.1.5 The Concept of Touchpoints

As seen in the earlier section, the notion of touchpoints is found to be interwoven in both customer experience and CEM concepts. Especially, the thesis's working definition of CEM has emphasized the importance of managing touchpoints wheel effectively; hence, this section will take account of explicating the notion of touchpoints and its impact on customer experiences and alternatively increasing customer loyalty and brand equity.

On a general level, touchpoints refer to the interactions between a company or a brand and all its stakeholders e.g. customers, employees, channel partners etc. (Davis & Longoria, 2003; Jenkinson, 2007). This definition expresses a broad view on considering every possible interaction between a company and all the stakeholders the company has. However, given the focus is on customer experience, the thesis will conceptualize the definition of touchpoints as interactions between a company and its customers. It is interesting to come across many synonyms of touchpoint in the literature e.g. "moments of contact", "moments of truth", "service encounter" etc. (Jenkinson, 2007), however, the paper mostly will use touchpoint or service encounter referring to the company and/or employee-customer interactions.

2.1.6 Categorization of Touchpoints

Analysis on various literature leads to three distinct categories of touchpoints and those are: pre-purchase touchpoints, purchase touchpoints and post-purchase touchpoints (Davis & Longoria, 2003; Davis & Dunn, 2002; Shaw & Ivens, 2002). Combined together, these three types of touchpoints can be named as Touchpoints Wheel.

Given the complexity and importance of direct interactions between employees and customers in service context, the dimensions of purchase touchpoints will be addressed in the following.

2.1.6.1 Pre-Purchase Touchpoints

Pre-purchase touchpoints include those touchpoints which has vital influence on customers' purchase decisions and future activities. Ranges of touchpoints such as advertising, company website, word-of-mouth etc. are included in pre-purchase touchpoints. Emphasized by Shaw & Ivens (2002), these pre-purchase touchpoints are of critical importance in formulating and shaping perceptions and expectations of the service, which is then evaluated at purchase

stage. Nevertheless, customer's past experiences with the service is another important aspect of the decision making process, which can usually be put in the pre-purchase stage (Ibid).

2.1.6.2 Purchase Touchpoints

Purchase touchpoints starts from the moment when a customer decides to buy and start interacting with the service provider. Typical purchase touchpoints include interactions between customers and service employees, the physical stores etc. (Davis & Dunn, 2002). Service based brands have distinct characteristics e.g. inseparability of production and consumption, therefore the interactions between service employees and customers are imperative (Klaus & Maklan, 2007; Palmer, 2010; Meyer & Schwager, 2007).

2.1.6.3 Dimensions of Purchase Touchpoints

The purchase touchpoints are at the heart of customer experience (Shaw & Ivens, 2002). As such, it is worthwhile to analyze and recognize the importance of dimensions having an impact on purchase touchpoints. In this perspective, Price *et al.* (1995) put forward three dimensions of service encounters as: duration, affective content and spatial proximity, in influencing service satisfaction.

Depending on *duration,* service encounters can be classified into two distinct types – *brief duration* e.g. bank teller service and *extended duration* e.g. long-term health care facilities - cancer treatment (Price *et al.*, 1995). The brief service encounters usually lasts for few minutes, transaction specific and perhaps employees perform in specific scripted manner. On the contrary, extended service encounters create avenue for both employees and customers to show emotions and create interpersonal relationships.

Spatial proximity is about the accepted distance between individuals in a given service atmosphere. The spatial proximity is dependent on specific service concepts, for example, in online purchase situation customers may stay remote, in contrast, in a retail business environment employee-customer interaction might takes place in close proximity. It needs to be remembered that this spatial proximity is culturally depended and as such, no standardized spatial rule may be applicable to all touchpoints in general.

By *affective content*, Price *et al.* (1995) refer to the arousal of emotions (e.g. pleasure, anger) in connection with service encounters. The emotional reactions among customers is dependent on other two dimensions of service encounter i.e. duration and spatial proximity. In general, extended and brief encounters are likely to produce high and low emotional

responses respectively. On the other hand, encounters that take place in close-distance and long-distance, are likely to produce high and low emotional responses respectively.

The above three mentioned dimensions demonstrate their significance on purchase touchpoint. It can be seen, Price *et al.* (1995) solely point towards the interpersonal relationship between service staffs and their customers at the point-of-sale. However, the presence of other customers in a service environment is yet another important aspect in influencing the customer perception. Pullman & Gross (2004) found that both customer-employee and customer-customer interactions impact on customer loyalty. More specifically, the presence of other customers can influence customers experience positively and negatively. In retailing for example, the shopping experience is a way of enjoying oneself (Caru & Cova, 2007), which can be disturbed by close spatial proximity in a crowded space. On the contrary, the opportunity to interact with fellow customers might enhance the sense of belongingness to a collective group might make the experience unique for individual customer (Zomerdijk & Voss, 2009). Therefore, depending on the aforementioned dimensions, companies should design their purchase touchpoints accordingly.

2.1.6.4 Post-Purchase Touchpoints

Typical post-purchase touchpoints consist of customer service, customer satisfaction surveys, maintenance of products or services (Davis & Dunn, 2002). Davis & Longoria (2003) claimed that many companies under value the importance of maintaining experiences at the post-purchase touchpoints, which however should not be the practice. This is the stage where customers combine all the evaluations and form a combined perception about the service; thereby need to be followed up regularly. Companies often forget that customer experience is also about the product or service usage, which is a continuous process. Depending on specific case, companies can either choose to close the experience or carry it forward for potential future repeat purchase. Stressing on this, Chase and Dasu (2001) state that, service process should end with a strong note. According to them, in general customers cannot remember all the moments of service encounters in a sequential manner. Instead, they remember some specific moments of high and low points of pleasure and pain, and the ending. In this circumstance, companies can utilize the post-purchase touchpoints to leave customers with a positive feeling about the service.

2.2 CONSUMER BEHAVIOR PERSPECTIVE

Pertaining to this thesis, this chapter is structured around discussing some important concepts from the study of consumer behaviors, such as perception and satisfaction. Later on, the discussion will be followed by presenting and analyzing models explicating the fundamental role of customer experience in influencing increased customer satisfaction and customer loyalty.

2.2.1 Formation of Customer Perception

Customer perception can be defined as "*the way [customers] sense and interpret the world around them*" (Arnould *et al.*, 2005, p.299). At a service encounter, customers are exposed to numerous stimuli, which are usually emitted from the physical environment, interactions with service providers and performance of the core service (Haeckel *et al.*, 2003). With the help of five senses – sight, smell, hearing, touch and taste, customers interpret and give meanings to the stimuli that they experience at service encounter (Arnould *et al.*, 2005).

Among all these, customers pay attention to "… *only a small portion of the stimuli…*" which can be referred as *perceptual selection* (Arnould *et al.*, 2005, p.309). The stimuli evaluation process takes place in both customers' conscious and subconscious level (Berry & Carbone, 2007) and primarily depends on two aspects. First, customers are more likely to pay attention to stimuli which relate to their goal of current need fulfillment (Arnould *et al.*, 2005). Second, the attractiveness of the stimulus itself, means, stimuli which surprise or threat customers thus crossing the boundary of expectations have a higher chance to be selected (Ibid).

Finally, based on prior knowledge derived from past experiences, customers categorize and make evaluative judgments of the new experience stimuli collected from purchase and post-purchase touchpoints (O'Neill & Palmer, 2003). As such, experiences influence the formulation of the overall perceptual judgment about services. In this perspective, Bitner (1992) suggests the overall perception of service environment leads to arousal of emotions, influence beliefs and physiological sensations, which ultimately influence customer behaviors.

In a similar vein, the study conducted by Pullman & Gross (2004) proved that, customers formulate their overall service perceptions based on elements of physical environment and their interactions with the service providers as well as other customers, which in turn generates emotions leading to influencing customer loyalty behaviors.

2.2.2 Customer Satisfaction

In a world of fierce competition, understanding the concept of customer satisfaction is of growing concern to companies. In several empirical studies, customer satisfaction is found to be an important determinant of customer loyalty and the financial profitability (Johnson & Fornell, 1991; Martensen *et al.*, 2000). Recognizing the importance of customer satisfaction, this section of the paper will analyze the antecedents of customer satisfaction and more importantly, what role the customer experience plays to increase satisfaction.

In the words of Oliver (2010) "*Satisfaction is the consumer's fulfillment response. It is a judgment that a product/service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under or overfulfillment.*" (Oliver, 2010, p.8). According to the dominant disconfirmation of expectations paradigm, satisfaction is judged against the expectations and the actual performance (Arnould *et al.*, 2005). In this perspective, expectations serve as one standard, based on which customers form their satisfaction judgments. Even though for many years scholars alike have discussed the concept of expectation, the concept is still proved to be difficult to grasp (Kristensen *et al.*, 1999). In order to understand the drivers of customer satisfaction a review of satisfaction literatures is undertaken in the following.

Johnson and Fornell (1991) studied customer expectations and perceived quality as antecedents of customer satisfaction and customer loyalty (figure 1). Even though the model suggests that expectation and perceived quality work as the primary antecedents of customer satisfaction, depending on situations the influence of these two antecedents may vary. In order to understand how the role of expectation and perceived quality change depending on different situations will now be discussed briefly.
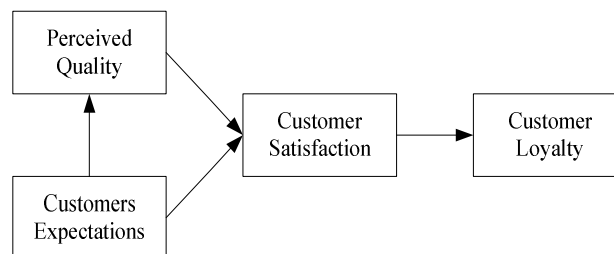
Figure 1: Customer Satisfaction Model (Source: Johnson & Fornell, 1991)

Consider a new product or service for example; where a customer does not have any previous experience, therefore information on the performance quality is not available to the customer.

As a result, the basis for forming any expectation will be vague and indirect. In such situations, customers are more likely to use their basic needs fulfillment and the actual product or service experiences to make their satisfaction judgments (Johnson & Fornell, 1991).

On the contrary, expectations may dominate the satisfaction judgments in situations where customers have prior experience and have available performance information of a product or service. The fundamental premise here is that customer's past experience with products or services help to formulate expectations for the future (Johnson & Fornell, 1991). Because of repeat purchases with time, customers' product or service related expectations and confidence will grow and slowly the perceived quality will become the primary determinant of customer satisfaction (Ibid). In other words, with increased experiences, customers will rationalize their expectations, consistent or even identical with the perceived quality of the product or service.

As the brief discussion above suggests, expectations do not play a fundamental role neither in case of new product category nor in situations where customers have increased experience with the product category. Apparently, it is the perceived quality that acts as a direct antecedent of customer satisfaction. As such, it becomes important to understand what constitutes perceived quality of a product or service.

Nevertheless, it is also important to note that customer satisfaction is likely to vary between individuals and across industries (Johnson & Fornell, 1991; Arnould *et al.*, 2005). According to Arnould *et al.* (2005) customer satisfaction is highly subjective in nature, which means that an experience can satisfy one customer and at the same time might dissatisfy another customer. One of the reasons for this variation is the expectations hold by individuals (Ibid), which eventually coincides with the perceived quality as discussed before.

On the contrary, the bases of perceived quality are highly likely to vary depending on product or service attributes. Due to the very nature of service offering e.g. intangibility, inseparability the concept of perceived service quality will differ from perceived product quality (Klaus & Maklan, 2007). However, because of delimitation, this thesis will focus on understanding the dimensions of service quality.

2.2.3 Explicating Service Quality Concept

Varieties of conceptualizations and models can be found devoted to service quality research, e.g. Perceived Service Quality (PSQ) model (Grönroos, 1984), SERVQUAL model (Parasuraman *et al.*, 1988) and Hierarchical Service Quality (HSQ) model (Brady & Cronin, 2001). Review on the mentioned models reveals, the HSQ model presented by Brady & Cronin (2001) is the most relevant for this thesis's context. Besides, the HSQ model adopts the important views of both PSQ and SERVQUAL model. Thereby, to find out how perceived service quality impacts on customer satisfaction and customer loyalty, the HSQ model will be analyzed in the following.

2.2.3.1 The Hierarchical Service Quality (HSQ) Model

Brady & Cronin (2001) conceptualize service quality as a multidimensional and hierarchical construct. The basic premise of this model is that customers form an overall service quality perception based on the service performance evaluations at multiple levels. The service quality construct constitutes of three primary dimensions – interaction, physical environment and outcome quality. Furthermore, each of these primary dimensions has three sub-dimensions. As described by the authors, first, customers combine their perceptual evaluations of the sub-dimensions to form perceptions of each of the primary dimensions. Second, the aggregated perceptions of the three primary dimensions then lead to the formation of an overall service quality perception.

Briefly describing, in a service context, the interpersonal interfaces between employee-customer are included in the *interaction quality*. Attitude, behavior and expertise of service employees are identified as the three sub-dimensions of interaction quality. Ambient conditions (e.g. noise, temperature), facility layout of a service environment and the presence and behaviors of other customers influence the perception of service *environment quality*. Finally, the *outcome quality* can be defined as the actual service product that customers can evaluate after the service delivery. The outcome quality is also a combination of three sub-dimensions – waiting time before the actual service, tangible attributes of the service product and the valence of the service encounter.

From the aforementioned discussion, it is apparent the HSQ model (Brady & Cronin, 2001) solely focuses on conceptualizing service quality construct. Interestingly, the three dimensions of service quality coincide with the "service experience" construct presented by Grace & O'Cass (2004). Through the conceptual model Grace & O'Cass (2004)

conceptualizes that customers' service experience is a combination of three service elements – core service (i.e. outcome quality), employee service (i.e. interaction quality) and servicescape (i.e. environment quality). As both "service quality" and "service experience" share the three common dimensions, this thesis holds the view these two concepts can be used interchangeably. This means the thesis will use the term "service quality" onwards when discussing Grace & O'Cass's (2004) model. Now focusing on Grace & O'Cass's (2004) actual conceptual model, which explains the dimensions of service quality influence on customers in terms of generating emotional response (i.e. arousal of feelings) and satisfaction.

2.2.4 Integrated Customer Satisfaction Model

As a way forward to arrive at a single appropriate customer satisfaction model for this thesis, a comprehensive model is developed by incorporating the common views from the aforementioned three models e.g. Johnson & Fornell (1991); Brady & Cronin (2001) and Grace & O'Cass (2004) (see figure 2).
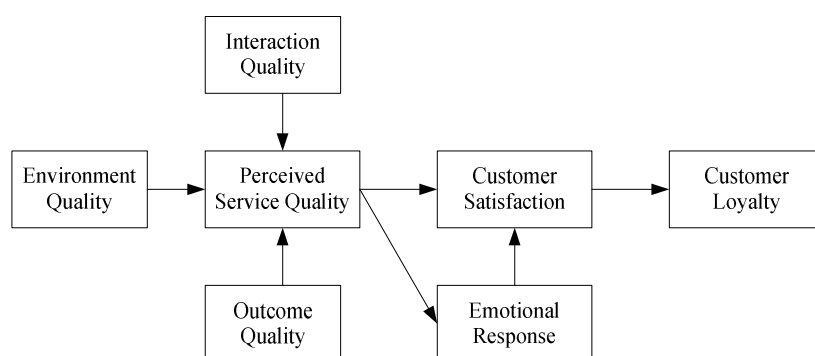
Figure 2: Integrated Customer Satisfaction Model – Own Elaboration

The basic assumption of the model is based on the view that perceived service quality is the primary antecedent of customer satisfaction, which in turn acts as a determinant of customer loyalty (Johnson & Fornell, 1991). To add further detail, the model adopts Brady & Cronin's (2001) view that customers' overall perception of service quality is a blend of interaction, environment and outcome quality. Pertaining to the presented model (figure 2), many other seminal works can be found conceptualizing relationship between the dimensions of perceived service quality and their impact on customer satisfaction and loyalty (e.g. Kristensen, 1999; Bitner, 1992).

Adding on to the standard relationships, i.e. perceived quality impacts customer satisfaction and customer loyalty, the above model recognizes the emotional response at the time of service encounter leading to customer satisfaction, in line with Grace & O'Cass's (2004)

thought. This perspective is supported by Westbrook & Oliver (1991), where they found the emotions (e.g. happiness, delight) elicited at service encounters act as antecedent to higher levels of satisfaction. The study on a service setting, conducted by Pullman & Gross (2004) found significant relationship between customers' evoked emotions and formation of satisfaction influencing loyalty behaviors.

2.3 SERVICE BRAND MANAGEMENT

The previous section has discussed about the influence of service experience on increasing customer satisfaction and loyalty. Now, the discussion will take place from service brand management perspective, analyzing the relationship between offering total experiences to customers and its plausible impact on increasing customer loyalty and brand equity.

2.3.1 The Concept of Service Branding

Brand represents the valuable asset for companies regardless of whether they sell products or services. Nowadays, the concept of branding is regarded as a strategic activity (Davis & Dunn, 2002), thus numerous dedicated work on branding can be found (e.g. Aaker, 1991; Keller, 2008). As such, many definitions of brand can be found in literatures. One of the mostly used definitions of brand is a *" name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of the competition" (*Keller, 2008, p.2). The existing brand literatures are subject to criticisms because of their narrow focus on product branding (Hatch & Schultz, 2003; De Chernatony, 1999; Berry, 2000). The central tenet of product branding is about leveraging the brand name with product, package and logo designs through advertising (Berry, 2000). Moreover, the classical branding models are generally biased towards the brand-customer interactions and fail to capture the role of employees in the branding process (De Chernatony, 1999).

Even though the concept of branding holds similar significance in both products and services, until recently the branding in service sectors has been overlooked. Some differences among product and service brands are observable. First and most obviously, typical products such as cars, computers hold tangible features, thereby, customers can see or touch and sometimes even give a trial before the actual purchase (Grace & O'Cass, 2004). On the contrary, due to the inherent characteristics – intangibility, inseparability of production and consumption, heterogeneity and perishability, customers have difficulties in evaluating a service (Zeithaml *et al.*, 1985). Secondly, the product itself acts as the primary brand for tangible goods,

whereas, the company acts as the primary brand for service brands (Berry, 2000). As services are produced and consumed simultaneously, service employees play the crucial role in providing the brand's values to the customers at the service encounters, which has been ignored by the product branding.

The brief discussion above leads to the rationale that the concept of product branding cannot be directly applicable to service branding. De Chernatony *et* al. (2006) also stress on the limitations of product branding and further elaborate on the argument that for service brands customer experience plays the central role. The concept of service branding departs from the argument that employees of a service organization contribute significantly in service brand building process (Berry, 2000; De Chernatony, 1999; De Chernatony *et al.*, 2006). Specifically, at the purchase touchpoints, the contact personnel as providers create emotional attachments with the customers. These points indicate that the formation of a strong service brand requires different approaches than the traditional marketing.

Having described the unique characteristics of service branding, De Chernatony *et al.* (2006) argue that the concept of "*corporate branding*" is more likely to be applicable to service brands as service organizations e.g. financial companies, airline industry, telecommunication sector adopted the corporate branding notion. Many similarities are plausible among corporate branding and service branding, however, this thesis will primarily emphasize on the fact that corporate branding put employees at the core of the customer value creation process (Ibid), as does the service branding. As services inherently put employees at the forefront of customer experiences, the values held and demonstrated by employees at service encounters should be incoherent with the company's value (Ibid). The discussion on corporate branding will be returned to later. For the moment, the following section will stretch on the importance of safeguarding the brand equity by creating customer experience in service brand context.

2.3.2 The Concept of Service Brand Equity

The importance of branding in service context is just as important as for products. Having said this, the formation and sustainability of brand equity are of great importance for companies to be able to achieve competitive advantage in the marketplace (Biedenbach & Marell, 2010). High levels of positive brand equity motivate customers to pay premium price, increase marketing communication effectiveness and support brand extensions, which in turn, can lead to enhanced revenue, lower costs and greater profits (Keller, 1993).

Until recently, marketers have focused on achieving brand equity through classical marketing activities e.g. advertising, promotional activities and neglected the significance of customer experience. In this perspective, authors such as Berry (2000), Biedenbach & Marell (2010) have analyzed and showed the interrelations between customer experience and brand equity. However, creating sustainable brand equity has always been a challenge for marketing managers. Thus, this section of the paper is keen on analyzing and establishing the relationship between customer experience and brand equity.

Before starting the discussion of the interrelationships between customer experience and brand equity, it is worth to conceptualize the brand equity notion. According to Aaker's classical conceptualization, brand equity can be referred as "*... a set of brand assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers*" (Aaker, 1991, p.15). In this definition the essential brand assets are identified as brand awareness, brand associations, perceived quality and brand loyalty (figure 3). This viewpoint suggests that, these brand assets create added value for customers, which subsequently generate cash flows for the firm. *Brand awareness* is described as the strength of brand familiarity in customers' memory. *Brand association* is a crucial dimension of brand equity, which helps a brand to be differentiated from its competitors. *Perceived quality* deals with quality perceptions of a brand. The final dimension, *brand loyalty* is a measure of the commitment of customers to a particular brand.
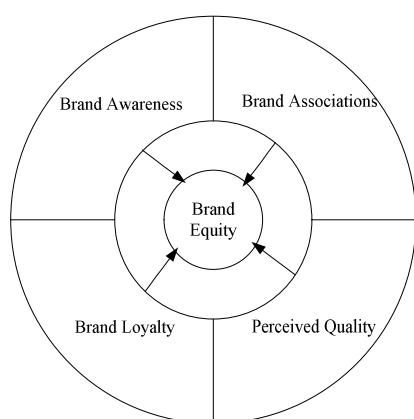

Figure 3: Sources of Brand Equity (Source: Aaker, 1991)
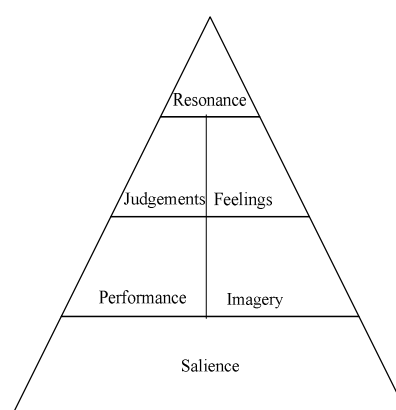
Figure 4: Customer Based Brand Equity (Source: Keller, 2008)

Brand equity is also defined as "*the differential effect that brand knowledge has on consumer response to the marketing of that brand*" (Keller, 2008, p.48). This second definition underlines the significance of "customers' brand knowledge" as the foundation of brand

equity. According to Leone *et* al. (2006), this knowledge is not mere facts about the brands, but rather a blend of "*... thoughts, feelings, perceptions, images, experiences...*" in connection to the brand (Leone *et al.*, 2006, p.126).

Since brand knowledge is the cornerstone of creating positive brand equity, Keller (1993) put forth the Customer-Based Brand Equity (CBBE) model, explicating ways of building, measuring and managing brand equity. Moreover, the CBBE model recognizes two dimensions of brand knowledge: brand awareness and brand image. *Brand awareness* is customer´s capability to recall and recognize a brand, whereas *brand image* is the perceptions of a brand that is composed of strong, favorable and unique brand associations (Ibid). The central tenet of this model is that "*... the power of a brand lies in what customers have learned, felt, seen, and heard about the brand as a result of their experiences over time*" (Keller, 2008, p.48). As such, the model takes accounts of both rational and emotional aspects of experiences which reside in the customers' minds.

The CBBE model presents four sequential steps in a form of a pyramid, as ways to build a strong brand (figure 4). Briefly overviewed, *brand salience* represents the awareness of a brand. *Brand performance* refers to the fulfillment of customers' functional needs whereas, *brand imagery* relates to the fulfillment of customers' psychological or social needs. *Brand judgments* measure upon customers' opinions based on brand performance and imagery. *Brand feelings* are described as the customers' emotional responses and reactions towards a brand. *Brand resonance,* the final step of CBBE pyramid, describes the relationship of customers with a brand.

The two briefly overviewed brand equity models reveal that Keller's CBBE model (figure 4) is made in light of Aaker's brand equity model (figure 3) and therefore, both the models share some common premises. Even though Aaker's model gives a good overview on the sources of brand equity, Keller's CBBE model is more detail oriented and presents it in four vertical sequential steps in a form of a pyramid. Furthermore, Keller (2008) argued the requirements of lower level need to be fulfilled in order to move to higher level.

Focusing on simplicity, the thesis will adopt a combined conceptualization of both Aaker's and Keller's brand equity models. Which means, by adopting Keller's sequential manner of increasing brand equity, the thesis will use Aaker's mentioned sources of brand equity as: brand awareness → brand associations → perceived quality → brand loyalty. Based on this

statement, the following section will analyze and establish the importance and impact of customer experience on building service brand equity.

2.3.3 Customer Experience Impact on Service Brand Equity

Departing from the perspective that customer experience has a direct impact on brand equity, this section will review a related conceptual framework presented by Biedenbach & Marell (2010). It will therefore increase the understanding of increasing brand equity by means of providing positive customer experience through various touchpoints.

2.3.3.1 The Hierarchical Customer Experience-Brand Equity Model

In seeking to illustrate the impact of customer experience on the formation of brand equity, Biedenbach & Marell (2010) have developed a Hierarchical Customer Experience–Brand Equity Model (figure 5), which takes the combined perspective of Aaker and Keller's brand equity models as explained in the previous section. Nevertheless, important to note that this conceptual model is based on B2B service setting, is based on two interrelated principles.
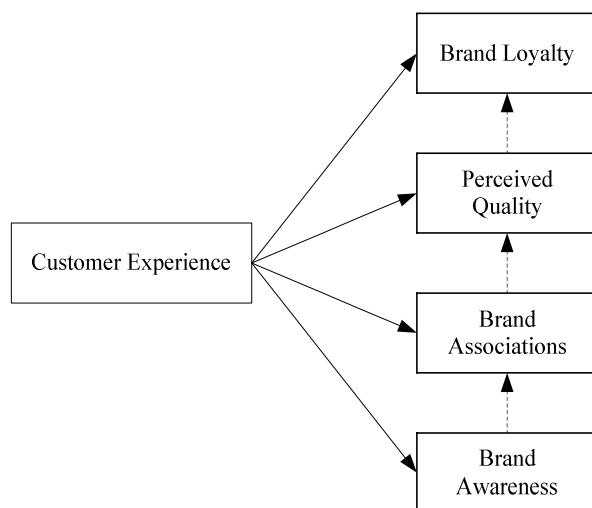
Figure 5: Hierarchical Customer Experience-Brand Equity Model (Source: Biedenbach & Marell, 2010)

First of all, the authors illustrate that customer experience has a direct positive effect on all four dimensions of brand equity such as brand awareness, brand associations, perceived quality and brand loyalty (shown in bold-line). Secondly, the indirect impact takes place on overall brand equity following the hierarchical manner (shown in dotted-line). In other words, the interaction between customer and service provider results in brand awareness as being the first, which establish necessary conditions for brand associations in customers' memory, and thus the chain of effect, goes on as: customer experience → brand awareness → brand associations → perceived quality → brand loyalty.

The fundamental premise of this theory is that the direct interactions between customers and service providers act as the basis for the formation of brand equity. Putting such emphasis indeed provides good insights on the significance of direct customer experience as a means to influence on creating and sustaining brand equity. A single touchpoint can often belong to more than one place on the wheel (Davis & Dunn, 2002), and the direct interactions between customers and service employees might take place in all three phases of touchpoints wheel. However, it needs to be remembered that customer experience is a holistic concept and thus include other indirect forms of influence e.g. word of mouth, corporate website which typically takes place on pre-purchase stage. As such, it can be assumed the model presented by Biedenbach & Marell (2010), does not explicitly consider the whole touchpoints wheel in defining customer experience. Indeed, this can be regarded as a limitation of the model, which to some extent, limits its applicability to a broader perspective, where pre-purchase touchpoints play a vital role in influencing the total customer experience and subsequently the brand loyalty and brand equity.

In conclusion, it can be stated that although Biedenbach & Marell (2010) present good insights on direct customer-employee interactions in increasing brand equity, they do not relate indirect form of customer experience. With the purpose of overcoming the above discussed limitations, a new framework will be presented in the following section, providing a holistic approach to explain the interrelationships of total customer experience and brand equity.

2.3.4 Integrating Customer Experience Touchpoints Wheel with Brand Equity

As discussed in above, the existing brand equity literatures do not relate the holistic view of customer experience in increasing brand equity. Having identified the gap, an integrated framework is presented below explaining the influence of customer touchpoints wheel in increasing brand equity.
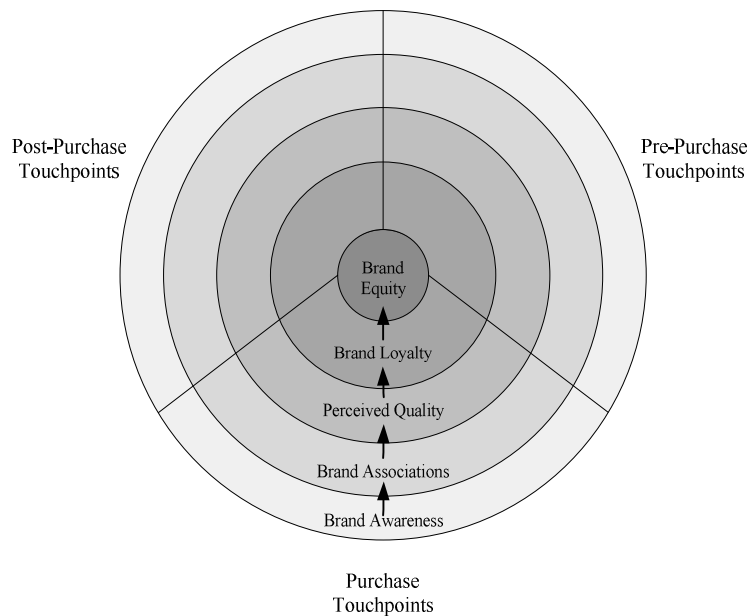
Figure 6: Experience Oriented Brand Equity Model – Own Elaboration

The above model recognizes all of the different touchpoints a brand has, through which the brand interacts with and leaves an impression in the customers' memory. The integrated framework is presented based on the predominant brand equity theories (e.g. Aaker, 1991; Keller, 2008; Biedenbach & Marell, 2010). The focus of this framework is on illustrating the influence of customer touchpoints wheel on increasing brand equity. As like Biedenbach & Marell's (2010) model (figure 5), the presented brand equity framework (figure 6) does not differentiate between categories of touchpoints. It identifies with the cumulative contribution of all touchpoints (pre-purchase, purchase and post-purchase) to influence on brand equity.

The main rationale behind this is that despite an attempt to categorizing touchpoints into three distinct phases, many touchpoints can overlap (Davis & Dunn, 2002). One can assume that purchase and post-purchase touchpoints are the moments when customers have a direct interaction with the service provider, however, which might not be the standard practice. Moreover, there can be industry specific touchpoints, where customers need to be in contact with staffs in the pre-purchase stage.

Having considering all these facts, this thesis holds the view that whether or not to include direct and indirect customer experiences is somewhat an insignificant argument. As such, the paper place importance on the whole touchpoints wheel. Nevertheless, one might argue that not all touchpoints are important for a company. Identifying the key touchpoints is a matter of another discussion, which will take part in a later section (2.4.3.3).

By portraying the layers of circles, this revised model adopts the view that customer experience impacts on brand equity dimensions (awareness, associations, quality and loyalty) in a sequential manner (Biedenbach & Marell, 2010; Keller, 2008). Although the model puts its emphasis on increasing brand equity through managing total customer experience, brand loyalty is the prerequisite of achieving higher brand equity. Having a strong base of loyal customers group has always been the prime goal for a company.

According to the Integrated Customer Satisfaction model (figure 2), to generate and retain loyal customers, companies need to make their customers satisfied, which is of dependent on the high perceived service quality (Johnson & Fornell, 1991; Brady & Cronin, 2001). On the basis of the above theoretical argumentation, it can be stated the total customer experience has direct influence on increasing brand loyalty[1] and brand equity.

2.4 THE CEM FRAMEWORK

This chapter tries to develop an integrated CEM framework based on current experience-centric service practices. The proposed framework will further be applied to a non-experience-centric service company.

2.4.1 The CEM Framework in Experience-Centric Services

Noted earlier that a trend is apparent where increasing number of service organizations are trying to capitalize on the notion of experience. Many of these companies are trying to engage customers emotionally so that they become loyal to the service and spread the positive words about their experiences to others (Pine & Gilmore, 1999).Voss *et al.* (2008) conceptualized the term "experience-centric services", which refers to the services in which firms offer customer experience at the core of the service offerings. Primarily, this chapter is structured around Voss *et al.*'s (2008) conceptual framework on experience-centric services paradigm. Their framework set out to create and deliver a realized total customer experience for the customers of experience-centric services. Review on the framework will function as the foundation knowledge on designing customer experiences in light of experience-centric

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[1] This thesis uses customer loyalty and brand loyalty concepts interchangeably.

services. Furthermore, the framework will be analyzed to find its implications on a non-experience-centric service like a construction company.

2.4.2 Characteristics of Experience-Centric Services

One of the main characteristics of experience-centric services is that they offer memorable and extraordinary customer experiences through engaging customers. Depending on the environment and the level of customers' participation, engagement can be of different types – emotional, physical, intellectual and sometimes spiritual (Zomerdijk & Voss, 2010). Emotions play the critical role in engaging customers in memorable and meaningful ways (Pullman & Gross, 2004). The common practices followed by experience-centric companies shows that they focus on such experience design choices that enable them to evoke customer emotions (Voss *et al.*, 2008). The evoked emotions in turn ensure greater value derivation from the memorable experiences. Here, Zomerdijk & Voss (2010) argue that experience-centric services offer high experience values to their customers, which normally surpass the combined value derived from the service attributes and the price.

For experience-centric companies the experience itself is the core offer for the customers (Poulsson & Kale, 2004). Research suggests that experience-centric firms provide extraordinary experiences. Noted earlier in section (2.1.2), the extraordinary experiences are those that create high levels of emotional intensity, generally activated by unpredictable events. In addition, customers cannot be sure of the outcome because of unclear expectations, ever changing contexts and unpredictable behavior of other customers (Arnould & Price, 1993). Interestingly, what experience-centric companies do is that they deliberately add unpredictability and excitement to the service offering so that customers can enjoy a sense of newness of perception and process in each visit.

The Disney theme park is a prime example of an experience-centric service. Disney creates memorable experiences and explicitly evokes "wow" responses among customers through the design of contexts and sensations (Voss *et al,* 2008). Analysis on other experience-centric companies, such as American Girl Stores, Build-A-Bear Workshops reveals that they have systematically and consistently been working on management and design of customer experiences (Zomerdijk & Voss, 2010).

2.4.3 Service Operations Strategy

Consistent delivery of experiences requires an appropriate set of strategies. Voss *et al.* (2008) stress the companies who want to be experience-centric, require adoption and integration of

customer experience notion into the service delivery system. In this perspective, authors adopted the fundamental conceptualization of service operations strategy. *Service operations strategy* refers to the integrated transformation process, through which a company can put together various resources for example, human resources, technology etc. to deliver the right offers to the right customers at the right times (Metters *et al*., 2003; Roth & Menor, 2003), which eventually allows the company to provide customer experiences at various touchpoints.

By observing a trend of common practices of experiential strategies among the studied experience-centric businesses, Voss *et al.* (2008) put forward the "Experience Strategy Framework". The framework identifies four experience strategy choices which are coined as stageware (bricks and mortar), orgware (management systems), customerware (customer touchpoints) and linkware (integration systems). The chain of effects for implementing the experience strategies can be demonstrated as: *experience operations strategy → total customer experience at various touchpoints → evokes customer emotions and responses → results in purchase, loyalty and engagement behaviors*.

As pointed out earlier, CEM lacks standardized and structured approaches (Gentile *et al.*, 2007). In this situation, analysis of the experience strategies practiced by experience-centric companies may shed light on CEM, since; these strategies are found to be successful in delivering the intended customer experiences thus increase customer loyalty. The following section will discuss the four experiential strategy choices and their impact on customer experience formation.

2.4.3.1 Orgware

In the words of Voss *et al.*, (2008) orgware is the management systems of creating and maintaining an organizational culture to create engaging customer encounters. Drawing on this definition, orgware primarily contains two dimensions: the leadership and the human resources (HR) systems and policies of a company. The involvement of senior management is identified to play the critical role of driving the experience regarded strategies throughout the organization (Shaw & Ivens, 2002). CEO and other senior members need to show the genuine commitment regarding customer orientation through their actions. While implementing the new approaches of CEM, companies might face challenges to make it successful. As such, without top management involvement it is rather difficult to achieve the intended goal.

A variety of HR strategies can be harnessed, such as recruitment, training, retention and rewarding, so that the employees can accept and internalize the values of customer orientation

inside the organization and also their interactions with customers (Voss *et al.*, 2008). Shaw & Ivens (2002) emphasized that "empathetic employees" are vital to create positive customer experiences. In this perspective, HR can utilize the recruitment process to find the talented and well-matched personnel of whose values congruent to the brand values (De Chernatony *et al.*, 2006).

Research suggests that companies often focus on functional and rational aspects of employee skills like quality of technical expertise, answering a phone call within the specified time, etc. (Mosley, 2007; Shaw, 2007). This type of operational consistency is necessary but not enough to achieve sustainable customer loyalty and advocacy. The interpersonal dimension of customer experience needs to be brought into focus. As such, employee education and training can play the vital role to enable a company to deliver consistent customer experience throughout the touchpoints wheel.

Disney, the classic example of experience-centric company, arranges many months of employee training programs so that their employees can connect emotionally with the visitors at service interactions (Pullman & Gross, 2004). Nevertheless, an appropriate performance appraisal system and motivating employees in connection with customer orientation should be present.

Apart from the above discussed orgware practices, Voss *et al.* (2008) claim that in order to have a successful execution of experience design, the role of Customer Experience Officer (CXO) is required. The person in charge can facilitate the strategic management of customer experience throughout the organization. For example, CXO can assist coordinate resources and talents for collecting and analyzing customer insights, which need to be acted upon to deliver consistent and distinctive customer experiences. However, merely appointing a CXO-type role may not secure success in CEM implementation. Instead, the leadership of a company together with HR practices needs to be aligned with the organizational culture to reinforce customer experience (Shaw & Ivens, 2002).

2.4.3.2 Stageware

In general, stageware refers to the strategic aspects of planning and designing the physical context (Pullman & Gross, 2004) or servicescape (Bitner, 1992) of a service setting. In the delivery of customer experience, the degree of importance of physical surroundings is significant because services are created and consumed simultaneously (Bitner, 1992).

People use their five senses (sight, sound, taste, smell and touch) to sense and interpret the world around them (Arnould *et al.*, 2005). Similarly customers use their sensory system to form perceptions of the service environment. The senses also serve a direct medium for customers to be engaged emotionally with the experience (Zomerdijk & Voss, 2009). The more emotionally engaged customers are with the experience, the more memorable that experience will be (Pine & Gilmore, 1999; Berry & Carbone, 2007).

The surrounding environments also transmit various clues to customers and in consequence form customers' beliefs regarding the company's service capabilities and quality, which subsequently play a significant role in customers' loyalty behaviors (Bitner, 1992). For example, Wakefield & Blodgett (1996) demonstrated a positive relationship between stageware design and customers' repatronage behaviors.

If a firm can control and design the environmental features properly, it can evoke particular emotions and can influence behaviors of both customers and employees. In the conceptual framework of servicescape, Bitner (1992) suggests that the servicescape constitutes a complex mix of tangible and intangible environmental elements. The author presents three dimensions – ambient conditions, spatial layout and signs, symbols and artifacts of servicescape.

Ambient conditions refer to the background elements of a service environment, which includes temperature, noise, music, scent and lighting (Bitner, 1992). Because of the importance of influencing customers' senses, the usage of these ambient elements is widely practiced. For instance, music and pleasant odors is commonly been used to increase customers' time spent in retail stores (Arnould *et al.*, 2005; Zomerdijk & Voss, 2009).

Spatial layout is about the arrangement of necessary machineries, equipments and furniture of those is necessary to perform the successful service delivery. In the case of a restaurant, the layouts of chairs, tables need to be arranged in such a way that it can facilitate the waiter's movement with plates full of food.

Signs, symbols and artifacts communicate both implicit and explicit signals to the customers. Usually customers combine all the signals to set the first impression about a company's image. Again taking the restaurant example, the quality of materials used in the decoration e.g. interior design, quality of table cloths, cutlery, pictures hanging on the wall etc. may communicate certain cues about the restaurant and can create an overall aesthetic impression.

The design of physical environment is one of the key factors in creating experience and can have a direct impact on customer satisfaction and customer loyalty as it was briefly touched

upon in section (2.2.3.1). Thus, the stageware strategy is essential for companies to create unique and memorable customer experiences.

2.4.3.3 Customerware

The strategy of customerware deals with management of the touchpoints wheel. Referring back to the discussions on touchpoints wheel in section (2.1.6), touchpoints can be categorized into three distinct types, namely – pre-purchase, purchase and post-purchase. To start with, mapping out all the possible customer touchpoints should be the fundamental task under customerware strategy. Identification of key touchpoints needs to be pursued, once all the existing touchpoints are defined. Typically, it is the purchase touchpoints that are defined as critical touchpoints. However, several techniques e.g. service blueprinting, customer activity cycles, process mapping etc. can be adopted to map-out touchpoints (Frow & Payne, 2007; Payne *et al.*, 2008).

Identification of specific customer touchpoints enables a company to find out areas of failure, opportunities for differentiation, allocate resources and etc. In addition, mapping out of touchpoints also gives good overview on exploring opportunities for customer engagement in the co-creation of value (Payne *et al.*, 2008). Since the more engaged customers are the more memorable an experience will be (Pine & Gilmore, 1999), the mapping of touchpoints should be executed well by the organizations those who are interested in providing superior customer experience through co-creation.

Dialog is recognized as an important element of co-creation (Prahalad & Ramaswamy, 2004). Through dialog, companies can collect inputs about the touchpoints that customers consider important and the sort of experiences they want to have.

Furthermore, the strategy of customerware should also specify both rational and emotional aspects of customer experience for each critical touchpoint (Pullman & Gross, 2004; Shaw & Ivens, 2002). For instance an online travel agent can define "easy to order" as rational experience and "relaxed", "trust" as emotional experience for "online booking" touchpoint.

Usually for service delivery system, the interactions between customers and employees are face-to-face and straightforward in nature. Mentioned in section (2.1.6.3), depending on service type, service encounters show three distinct dimensions – duration, affective content and spatial proximity (Price *et al.*, 1995). Depending on these dimensions employees' roles will vary, for example, the extended service encounters are likely to be more challenging for service providers to deliver consistent customer experiences. Hence, the customer-employee

interactions need to be planned and executed according to the dimensions of service encounters. At Disney World, employees stay in contact with customers for extended period of time. There is no single touchpoint, rather it is seen as if they perform "on stage" as "actors" at every moment (Gupta & Vajic, 1999). In such context, the decision of extensive employee training (i.e. orgware) is imperative.

The successful experience design should not only facilitate customer-employee interactions. It should preferably also create opportunities for customer to customer interactions (Voss *et al.*, 2008; Gupta & Vajic, 1999). In this perspective, research done by Pullman & Gross (2004) proved that the interaction opportunity with other customers can foster the identification process and hence increase the loyalty behavior. Through such social interactions customers establish emotional connection and relate themselves to a broader group (Ibid).

2.4.3.4 Linkware

The strategy of linkware can be referred as the integration of systems that take account of both internal and external aspects of an organization (Voss *et al.*, 2008). Internal integration can be defined as the collaboration and coordination among various functional departments of an organization e.g. marketing, human resources, and finance (Ibid). On the other hand, the external integration is about maintaining ongoing relationship across multi-channel stakeholders outside of the organization like external suppliers (Roth & Menor, 2003).

Voss *et al.* (2008) argue that, the more an organization wants to be experience oriented the more integration it requires. Organizations who wish to incorporate the experience notion into marketing activities i.e. experiential marketing (Schmitt, 1999), will require less integration. In that sense, the experiential marketing would primarily work on marketing communications (e.g. advertisements, websites), design of brand identity (e.g. name, signage), co-branding and sort like (Schmitt, 1999). In the case of experiential marketing being planned and executed, the integration should not be as demanding as it would be for a situation where the approaches of CEM needs to be incorporated throughout an organization.

Maintaining consistent communication both inside and outside of an organization is another important aspect of linkware strategy. However, the explanation on linkware by Voss *et al.* (2008) does not provide in-depth insight in terms of the communication of experiential values to employees and customers. Hence, to shed more light onto communication part of linkware, this thesis acknowledges three primary types of communication – management, marketing and organizational, as discussed by De Chernatony *et al.* (2006). Among these three forms of

communication, organizations mainly use management and organizational communication to communicate internally to employees. On the contrary, the combination of marketing and organizational communication is used to communicate about brand values to external stakeholders e.g. customers.

Briefly overviewed, *management communication* can be referred as the management originated messages to employees inside the organization (De Chernatony *et al.*, 2006). Typical management communication takes in the form of verbal face-to-face communication, as well as email, videoconferencing etc. (Cornelissen, 2008). Besides such direct forms, management communication can also take place indirectly. In other words, the visible behaviors of senior management team, especially the CEO, function as a role model for employees. To ensure the successful implementation of CEM, the behaviors of senior management should fit well with what they preach.

Organizational communication includes both internal communication (e.g. newsletter), external communication (e.g. relations with media) (De Chernatony *et al.*, 2006). Especially the internal part of organizational communication is important to implement the changes that CEM would require. Finally, *marketing communication* is about communicating to customers through tools such as advertising, sales promotions etc. Pertaining to the thesis's focus, among the three forms of communication, only management and organizational communication will be used in the analysis section.

2.4.4 Limitations of Experience Strategy Framework

Taken together, the four strategies portrait a holistic approach by taking account of internal as well as external aspects of providing total customer experience. Generally, stageware, customerware have direct impact, on the other hand, orgware and linkware have indirect impact on the formation of total customer experience. Despite the categories, the four experience strategies are interconnected and interdependent, thus, operational excellence would require thorough planning and coordination of the extent strategies. Moreover, Voss *et al.* (2008) stress on the point of continuous gap assessment between the intended and realized customer experiences across touchpoints wheel.

The four experiential strategies are based on the common practices of 28 experience-centric service companies and thus may undergo the problem of narrow applicability. Having said this, the apparent question arises – to what extent this model can be applicable to non-experience focused companies? Furthermore, the authors briefly outlined that the realized

experience need to be in alignment with the overall brand values and customers' brand perceptions but do not explicate how.

Drawing on the points discussed so far, in order to overcome the above discussed limitations of the Experience Strategy Framework (Voss *et al.*, 2008) the following section will suggest the Corporate Branding Toolkit (Hatch & Schultz, 2001) as a way forward to provide strategic guidance in CEM implementation. Remember, for service brand building the thesis has addressed the approaches of corporate branding. In this perspective, the corporation itself moves into the center stage of differentiation strategies (Hatch & Schultz, 2003). The decision of implementing CEM project in an organization can be regarded as achieving differentiation in the marketplace. Therefore, the implementation of this new strategic approach needs to be incorporated throughout the organization. In such a case, the notion of corporate branding can work as a bridge between corporate identity and strategic change management i.e. implementation of CEM.

In the following, the beginning of section will elaborate on the concept of Corporate Branding Tool Kit (Hatch & Schultz, 2001), which will later be incorporated with Experience Strategy Framework (Voss *et al.*, 2008). Building on the disciplines of corporate branding and experiential strategies, the thesis offers a conceptual framework for CEM implementation, which will further be used to analyze the case company for this thesis.

2.4.5 Elements of Corporate Branding Toolkit

The corporate branding toolkit is elaborated to help secure alignment between a company's three essential, interdependent strategic stars – vision, organizational culture and image (Hatch & Schultz, 2001). These three strategic elements form the foundation of a strong corporate brand, are discussed below.

2.4.5.1 Strategic Vision

Strategic vision refers to the top managements' aspirations and involvement in the process of future achievement of a company (Hatch & Schultz, 2003). The top management includes leaders, especially the C-suite e.g. CEO of a company. The leadership in a company plays the critical role in formulating and articulating the vision throughout the organizational culture. Companies who want to build great customer experience often formulate vision focusing on experience, which can be expressed as "*customer experience statement*" (Shaw & Ivens, 2002). According to them customer experience statement is "*a description of the customer experience which contains the elements that have been chosen for delivery, written in a way*

that can be easily understood and will inspire people into action" (Shaw & Ivens, 2002, p.89). By "*elements*" the authors mean both rational and emotional aspects of customer experience which need to be articulated throughout the culture of an organization.

2.4.5.2 Organizational Culture

The second strategic element is the culture of an organization. The culture manifests the internal values, behaviors and attitudes of employees (Hatch & Schultz, 2001). Top management as well as employees influence on formulating and shaping the organizational culture. Behaviors of the employees are intensely influenced by the embedded culture; therefore, the culture has a significant impact on customer experience (Hatch & Schultz, 2003; Shaw & Ivens, 2002).

2.4.5.3 Corporate Image

Hatch & Schultz (2001) define the corporate image as the overall impression of an organization prevailing among the whole range of stakeholders e.g. customers, media etc. The corporate brand plays a critical role in forming and shaping the image of a company. A wide range of factors such as company generated marketing communications; previous experiences with the company, word-of-mouth and so on facilitate formulating and shaping the brand image. In this way, the brand creates promises to the customers (Shaw & Ivens, 2002) and thus influences the customer experience at the touchpoints.

2.4.6 The Gap Analysis

Of particular relevance to CEM implementation, the organization needs to identify where the three strategic elements fall out of line. In this perspective the corporate branding toolkit offers to reveal potential misalignments in corporate vision, culture and image (figure 7). The gap analysis will help a company to know:

- Whether the implementation of CEM is in alignment with the strategic vision of the company.
- Whether this new strategic direction is supported or understood by the employees.
- What is the brand perception among stakeholders especially customers after the execution of CEM strategies.
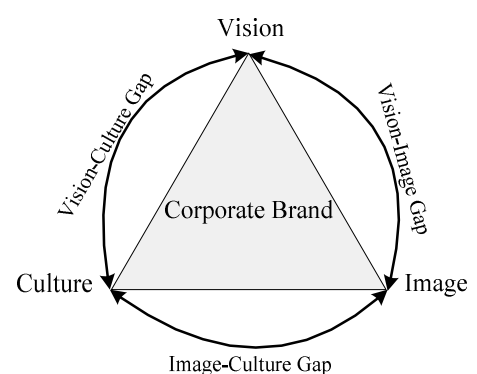
Figure 7: Corporate Branding Toolkit
(Source: Hatch & Schultz, 2001)

2.4.6.1 Vision–Culture Gap

The misalignment between an organization's strategic vision and the culture emerges if the top managements' attempt to move the company towards a new strategic direction is not understood or supported by the employees (Hatch & Schultz, 2001). Top management might establish such an overly ambitious vision, which might not match the organizational reality. By implication, vision and culture are strongly linked, as such, an ambitious vision need to be matched with the organizational reality. Literature suggests that the concept of experience is subjective and emergent phenomenon, mainly created during an interaction. Practitioners and academics are still far from the level of success to develop structured CEM approaches. In such context, companies who aim to implement CEM require dedication, involvement of senior management and extensive employee training (i.e. orgware) to reduce vision-culture gaps.

2.4.6.2 Image–Culture Gap

An image-culture misalignment can take place when customers are confused regarding what the company stands for. In forming perceptions about brand image, people use collective information sources such as marketing communication (e.g. advertising), organizational communication (e.g. public relations) (De Chernatony *et al.*, 2006). However, the thesis contends that among many channels, the brand values communicated to customers through employees at the time of service encounter is significant to maintain alignment between corporate image and organizational culture. If the company does not live up to the brand promises in critical touchpoints e.g. customer-employee interaction, a gap will emerge and consequently will impair the company image. Thus from the CEM perspective, companies can fine tune stageware and customerware strategies to ensure consistent customer experiences i.e. to minimize image-culture gap.

2.4.6.3 Vision–Image Gap

The alignment between management's strategic vision and stakeholders (e.g. customers) image is the third vital aspect of corporate branding toolkit. A potential gap arises when customers' expectations or wants do not match with management's strategic vision. With the purpose of engaging customers emotionally, increasing number of companies started working on customer experience concept, which might not be expected or appreciated by the customers. For instance, typical customers of purely transactional, automated teller machines may not want to be emotionally evoked, as they would rather prefer safe and continuous

transactions (Voss *et al.*, 2008). Additionally, companies those who are working on vision of being customer-focused should communicate the inspiring vision to external stakeholders.

2.4.7 Developing an Integrated CEM Framework

With the aim of developing a holistic conceptual CEM framework, the thesis proposes to combine both Corporate Branding Toolkit (Hatch & Schultz, 2001) and Experience Strategy Framework (Voss *et al.*, 2008).
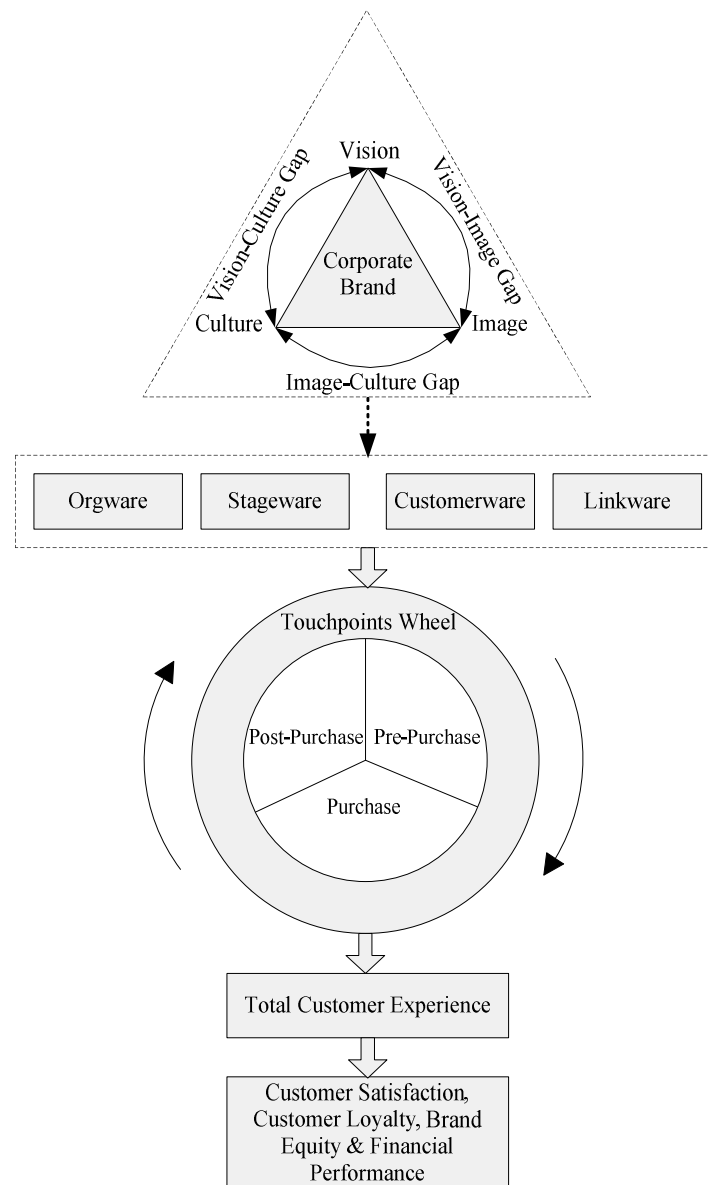

Figure 8: A Conceptual Framework for Customer Experience Management–Own Elaboration

The above presented framework can be explained around the following areas:

1. The principles of gap analysis between three strategic elements (vision, culture and image) work as a guideline to implement the experiential strategies (orgware, stageware, customerware and linkware)

2. Successful implementation of the four strategies throughout the touchpoints wheel contribute to formation of total customer experience, and thus

3. Increase customer satisfaction, loyalty, brand equity and financial performance of the company by securing differentiation in the marketplace.

The proposed integrated framework takes account of both strategic foundation and tactical aspects of implementing CEM in an organization. From the strategic point of view, the corporate brand of an organization act as a focal point and facilitate a strong alignment between three corporate elements - vision, culture and image of the organization. The decision of implementing CEM taken by top management needs to be in alignment with the holistic concept of the corporate brand of the company. From this perspective, the three gap analysis principles work as guiding beacons which are connected with the four experiential strategies, as shown in figure-8.

One might think that the integrated CEM framework can establish a direct link between each gap analysis with a particular experience strategy. For instance, strategies such as orgware and customerware can be directly applicable to decrease vision-culture and image-culture misalignment respectively. However, the attempt to connect in this direct way might pose limitations on the applicability of the CEM framework. Remember that Voss *et al.* (2008) explained linkware as a combination of internal and external communication mechanisms. Contrarily, the vision-image gap primarily involves communicating the new strategic vision to outsiders (Hatch & Schultz, 2001); the internal part of communication remains excluded. As such, the thesis does not want to focus too sharply on the aforementioned links, rather proposes to utilize the overall concept of corporate branding toolkit as a guiding beacon.

It is important to note that the corporate branding toolkit might pose non-flexibility if an organization focuses intently on the three alignments. In other words, the toolkit model might prevent an ordinary non-experience-centric company from implementing the new customer experience approach. In the marketplace where previously used differentiators like functionality and quality now have become hygiene factors. Thus to stay competitive companies should be flexible enough to adopt new management approaches like CEM. In such situations, as contended by Hatch & Schultz (2003), the new strategic changes demand the comprehensive effort from the whole organizational level.

Moving on to the touchpoint wheel of the CEM framework, which is about translating and operationalizing the customer experience strategies into all the phases to create a consistent

total customer experience. As the previous section discussed some of the tactical aspects of implementing experiential strategies, for example - ways to identify key touchpoints, this section will not go into detail on the tactics.

Furthermore, the CEM framework illustrates that the execution of experiential strategies through touchpoints wheel results in the actual total customer experience. This in turn expects an increase in customer satisfaction, customer loyalty, brand equity and ultimately high financial profitability. As such, from theoretical perspective, this CEM model establishes a relationship with previously discussed Integrated Customer Satisfaction model (figure 2) and Experience Oriented Brand Equity model (figure 6).

Presenting backwards, organizations wishing to enhance financial profitability need to focus on increasing brand equity and customer loyalty, where achieving higher level of customer satisfaction is imperative. On the basis of theoretical argumentation presented in the thesis, customer satisfaction can be secured by focusing on both rational and emotional aspects of customer experience. In order to do so, this thesis proposes implementation of four experiential CEM strategies in alignment with three corporate elements, targeted to provide consistent total customer experiences throughout the touchpoints wheel. Nevertheless, continuous measurement of realized customer experience should be in place to find out whether the company is successfully delivering the intended customer experiences.

PART III – RESEARCH METHODOLOGY

This chapter will elaborate on the applied scientific research methodology used to answer the research statement pertaining to the specific case of Enemærke & Petersen a/s.

3.1 Research Design – The Case Study Methodology

This thesis takes into consideration of the implementation of CEM strategies; in this regard a case study methodology is employed. The case study research method is chosen because of the nature of the research statement. As it is the case of this thesis that the research statement focuses mainly on "how", and therefore provides valuable insights on the phenomenon being studied (Yin, 2009). Furthermore, Yin (2009) argues that case studies "… *tries to illuminate a decision or set of decisions: why they were taken, how they were implemented, and with what result.*" (Yin, 2009, p.17). Likewise, as the major focus of the study, with the help of relevant theories the thesis tries to understand the relevance and importance of implementing CEM and thus outline the outcomes in E&P's context.

Defining appropriate unit of analysis is important to answer the research question (Yin, 2009). Naturally, the main unit of analysis of this thesis is the construction company, E&P as a whole - representing the *single case study* design (Yin, 2009). However, investigating CEM implementation in all the possible E&P's construction project scenarios is unrealistic and time consuming. More importantly, the attempt to cover the whole range of construction projects will likely result in potential problems of insufficient detailed analysis. Hence, the approaches of an *embedded case study* design (Yin, 2009) will be employed as a means to focus on the inquiries of this study. The thesis has chosen "renovation of andelslejligheder"[2] as the subunit of analysis. As such, it will provide significant opportunities to carry an extensive analysis on the chosen subunit level, which in turn will enhance the insights of the holistic single case i.e. the E&P.

3.2 The Analytic Strategy

It is seen that depending on the research inquiry, the case study method can use both an explanatory and exploratory approach (Yin, 2009; Saunders *et al.*, 2009). In terms of this thesis, the case method adopted exploratory investigations to seek insights on – why and how E&P decided to implement CEM, how E&P successfully enacted CEM strategies throughout the whole organization, how the leaders and general employees engaged themselves in the process, and finally how CEM enabled E&P to increase customer value and thus increase the bottom line.

Furthermore, in choosing to explore the successful operationalization of CEM strategies at E&P, the deductive approach is followed. In accordance with deductive approach, the study examined the applicability of experience-centric CEM strategies in context of a construction company i.e. E&P, which is non-experience-centric in its nature. As such, examination of the specific outcomes will enable the author to verify and confirm usage of experience strategies in a broader perspective (Saunders *et al.*, 2009).

3.3 Analytic Technique

The analytic technique pursued for evaluating the case data is a special form of pattern matching called *logic model* (Yin, 2009). Conceptually, this particular logic model will trace sequences of events of E&P's CEM project and the related outcomes. To illustrate, this analytic technique will show the actions followed by E&P's management (*intervention*), its effect on E&P employees internalizing the customer focused concept (*immediate outcome*),

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[2] See section-4.2 for in-depth discussion on "renovation of andelslejligheder".

followed by an increased customer satisfaction, loyalty and increased bottom line (*final outcome*) in context of "renovation of andelslejligheder" unit of analysis (Yin, 2009).

3.4 Collection of Case Study Data

Typically the case study methodology uses multiple methods and tools to collect comprehensive and in-depth data on the case of interest (Yin, 2009). As a means of primary data collection method for case study, conducting interviews is identified as one of the most essential sources (Yin, 2009). In this case a semi-structured in-depth interview was conducted with the CEM expert, Peter Jensen from SJP A/S consulting company. As SJP consulted E&P to implement CEM, Peter Jensen has firsthand insights into the actions that E&P followed. The interview was open ended and face-to-face in nature, conducted in the form of a conversation rather than structured inquiries so that the explorative nature of the interview can be enhanced (Yin, 2009). The interview was conducted on 25th June, 2010 at SJP's office building and lasted for app. 1 hour.

For this thesis's context, Peter Jensen can be identified as the key respondent because he has provided the author of this thesis with the related documents on E&P's CEM implementation process. Interviewing Peter Jensen can be regarded as a primary source of data collection method. However, important to note that conducting interview of the persons, who were directly involved in CEM implementation, could have given more in-depth insights on the matter. Since E&P administration discarded the idea of being interviewed, the case study analysis is heavily dependent on the documentations, which is secondary in nature (Saunders *et al.*, 2009).

In order to strengthen the construct validity and reliability of E&P case study evidence, data triangulation – "*rationale for using multiple sources of evidence*" approach is adopted (Yin, 2009, p.114). For multiple sources of evidence this research uses data collected from the aforementioned interview, documentation as well as other forms of information sources such as E&P's corporate website and published newspaper articles.

PART IV – THE CASE ANALYSIS

Up to this point the thesis has concentrated upon presenting the Integrated CEM Framework based on analysis of relevant and significant theories of experience, consumer behavior, brand management and corporate branding. Now, this section will see how the experience-centric CEM Framework can be successfully implemented to a real life non-experience-centric business case - Enemærke & Petersen a/s.

4.1 From Production Focus to Customer Focus

The Danish construction industry is characterized as a dynamic industry, evolving around the tough competition and the new opportunities (Kristiansen *et al.*, 2005). Currently, some new trends are apparent in the Danish construction industry – customer orientation is one of the new trends (Ibid). Despite the trend of becoming customer focused, the industry is termed as "technocratic", by which Kristiansen *et al.* (2005) means that the industry is primarily driven by competitiveness, productivity etc. Due to this, the majority of the players compete on price[3] (SJP report) – the rational aspect of decision making process.

Currently, E&P is one of the leading companies in the building maintenance and renovation sector in Sjælland. However, in order to maintain this position until today and increase the current growth with regards to an increasingly demanding market and tight competition, the company needed to consider some approaches, being more customer oriented. As such, E&P came to realize that the above mentioned rational factors could not provide continuous superior customer value and sustainable competitive advantage. Considering all these facts, E&P decided to be "Kundefokuseret", which means Customer Focused. With the top management's strong determination to be customer focused lead them to undertake and incorporate the new notion of Customer Experience Management (CEM) into all parts of the company.

4.2 Defining the E&P Case

As noted earlier that E&P operates in a wide range of construction areas. However, this thesis will solely focus on "renovation of andelslejligheder" as the subunit of analysis (Yin, 2009). In Danish context, the housing association in the form of "andelslejligheder" means a building, where the individual owns a part of the housing association i.e. their apartments including a share of the assets and debts of the association. The association has a board of representatives of apartment owners, who are in charge of common building costs like heat

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[3] Price is seen as the rational aspects of decision making process in perspective of consumer behavior.

and maintenance of the building, such as changing of the old roofs. Officially all the residents have individual voting power of taking major decisions; however, in practice many residents may remain inactive. And thus the residents group might rely upon the board to make purchase decisions e.g. choosing a construction company for changing the building roof.

Other possibilities of subunit of analysis could be "newly built apartments" for example. As it will be seen in the following, the "renovation of andelslejligheder" represents a complex group of customers than the other unit of analysis. This thus provides a greater opportunity to analyze the complex interrelationships among the customers in light of managing consistent customer experience. Nevertheless, to portray the holistic picture of the CEM implementation and its outcomes, the whole organization will be covered regardless of different unit of analysis.

Arnould *et al.* (2005) argue that in a B2B setting, the buyer encompass a small number of individuals to fulfill the needs of the end users. The decision of choosing a construction company as presented in this paper coincides with this B2B definition. This thesis defines the case as a business-to-business (hereafter B2B) setting.

4.2.1 The Customers of E&P

As a part of defining the context for the case study, it is now important to identify the customer groups of E&P. E&P's customer base can be divided into three distinctive groups:

1. **The Clients:** Clients can range from public to private sectors. Usually they are the building owners, but for this study's specific context, the client is the board of a housing association and thus represents a formal group of residents.
2. **The Consultants:** The consultant group represents architects and engineers. Usually, the architects are responsible for the design of the roof. On the other hand, engineers might engage in the inspection of the progress of the whole project. Depending on the complexity of the building projects, the roles of architects and engineers may be different.
3. **The Residents:** The residents are the actual users of the apartments i.e. those who are living in the building.

4.2.2 Roles of the Customers

From the information above, it is evident that the customers of E&P consist of numerous individuals and groups, representing diverse and complex relationships. Understanding consumer decision making process has always been at the center of consumer behavior study;

because it enables a company to deploy the right strategy at the right time to strengthen the loyalty behaviors of customers (Percy & Elliott, 2009). In order to understand the decision process of choosing the right construction company, it is thus imperative to comprehend the roles different customers play. The basic framework provided by Arnould *et al.* (2005) can be helpful to understand these roles:

- **The Initiator**: The individual or group of individuals who identify the needs to be fulfilled. In this case, the client i.e. the board of a housing association can be regarded as the initiator of the need to change the building's roof. Even though the client can influence the purchase decision, the client does not necessarily directly determine the work arrangements with a construction company like E&P (Jensen, SJP). In such context, the client may be dependent on consultants.

- **The Influencer**: Encompasses either individual or group, who may have the necessary technical and practical knowledge about the product or service. The consultant i.e. architects and engineers are the main influencer in this study's context. In most of the situations, the client may lack the knowledge of technical and organizational expertise. Thus the client is dependent on consultants to carry out the construction projects.

- **The Decider**: Makes the final purchase decision; here the consultants are the main decider.

- **The Purchaser**: The board of association i.e. the client does the actual purchasing.

- **The User**: The actual service consumer, residents of apartments represents this group. The residents have relatively little influence in deciding upon the final construction company.

To understand how customers make the purchase decision, solely describing customer roles is not enough. Rather, it is also necessary to know how each of the defined roles participates in the purchase decision, leading up to the usage of the construction service. Taking inspiration from the Decision Making Model offered by Percy & Elliott (2009), the table-1 below illustrates the roles E&P's customers play in different stages of the decision process.

Decision Stages	Roles Played by Customers				
	Initiator	Influencer	Decider	Purchaser	User
Need Recognition	Client				
Information Search	Client	Consultants			
Evaluation of Alternatives	Client	Consultants			
Purchase Decision			Consultants	Client	
Post-purchase Evaluation	Client	Consultants			Residents

Table 1: Decision Making Model for E&P's Customer Groups

The stages of decision process can be categorized in accordance with stages of the Touchpoints Wheel. As an elaboration, "need recognition", "information search" and "evaluation of alternatives" fall in pre-purchase touchpoints. In addition, "purchase decision" and "post-purchase evaluation" fall in purchase and post-purchase touchpoints respectively.

From the table-1 above, it can be seen that the same customer group can play more than one role, as well as can take part in more than one decision stage. Take for instance the consultants who play both the roles as "influencer" and "decider", and stay active throughout the decision stages. In the case of the "renovation of andelslejligheder", the consultants have direct influence, and both clients and residents have indirect influence in the final purchase decision. Since consultants influence strongly on the decision, satisfying them should be one of the main focuses for E&P. However, the satisfaction of the consultants is not formed in isolation; rather it is dependent on clients and residents being satisfied as well.

Revisiting the Integrated Customer Satisfaction Model (figure 2) might be helpful here to understand how the satisfaction of all the E&P's customers is interrelated. In general, for clients and consultants, all three types of service quality (interaction, environment and outcome quality) are important. The outcome quality, such as the actual construction quality, deadline, and price may have a dominant impact on their satisfaction. In contrast, residents living in an apartment might not care so much about the level of quality work done on roof, unless if something severely goes wrong. For residents' satisfaction, it is mostly the interaction quality (e.g. behaviors of construction workers) and the construction environment quality (e.g. sound of construction work) that play a critical role.

The level of involvement is high for both client and consultants in deciding upon a construction company. Involvement can be defined as the "*level of perceived personal importance and/or interest evoked by a stimulus within a specific situation*" (Blackwell *et al.*, 2001, p.91). Specifically, for consultants i.e. architects and engineers, the level of personal involvement is high because recommending the right construction company for their customer i.e. the client will be perceived as enhancing their self-image (Ibid). As such, if client and residents are satisfied, the chances that the consultant group will choose E&P for future businesses are higher: Increase of loyalty amongst E&P's customers.

4.3 Analysis of E&P's CEM Implementation Strategies

After having defined the customers of E&P and their roles in the decision making process, this section will now look into detail of how E&P implemented the four experiential strategies throughout the organization.

4.3.1 The Strategies of Orgware – Preparing E&P to be Customer Focused

Orgware strategies primarily focus on leaders' involvement and human resources policies with regards to CEM implementation (Voss *et al.*, 2008). The figure-9 below shows series of initiatives were implemented from 2005 to 2009; the following discussion will be based on all the initiatives.

2005	**2006**	**2007**	**2008**	**2009**
Leader workshops	Leader workshops	Employees workshops	Education of all employees	Employees workshops
Action plan	Analysis	Role play	in customer focus	Customer workshops
	Action plan	Video production	Pixibooks	Newsletter
				Customer analysis
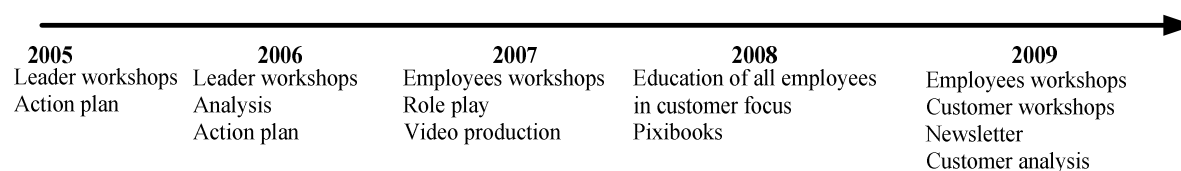
Figure 9: E&P's CEM Implementation Process (Source: SJP report)

4.3.1.1 Leader Workshops

As it can be seen from the process timeline in figure 9, in the year of 2005 and 2006, E&P held leader-workshops. It is not clear exactly what happened in these workshops and who participated. But most probably the CEO and other top leaders participated in these workshops making the action plans for the CEM project. It is highly likely that one of the outcomes of these leader-workshops formulated the Customer Experience Statement "*The Good Construction Experience*". Captured in few words, the experience statement works as the foundation for combining all the experience elements enacted through experiential strategies to deliver total customer experience (Haeckel *et al.*, 2003).

4.3.1.2 Employee Workshops

In order to embed the notion of customer focus into the organizational culture, E&P repetitively held employee-workshops. These workshops can be characterized as some kind of training programs, probably employees were presented with the understanding of customer experience concept, followed by discussions and future action plans (De Chernatony *et al.*, 2006). Whether representatives from the senior management team attended in the employee-workshops is not clear from the case documentation. Surely, the presence of CEO and other senior executives to the employee workshops sends strong message of commitment to rest of

the employees of making CEM successful (De Chernatony *et al.*, 2006). Therefore, the presence of senior management is highly recommendable for the future employee-workshops.

4.3.1.3 Role Play

In the year of 2007, E&P took a creative initiative, "role play" to communicate customer focused values to the employees especially to the construction workers. The role play can be described as a day-long event, where E&P invited theater people to play real life scenarios based on construction workers-customers interactions (Jensen, SJP). In the words of Peter Jensen, the role play carried out in two phases. In the first phase, the actors played actual scenario based on construction workers' actual behaviors - probably getting into an apartment with dirty shoes, use strange words while communicating with customers and sort like. Common sense holds that workers' not so good behaviors made the customers i.e. residents unsatisfied with E&P's service, which was portrayed in the first play.

After the first play, the audience i.e. the construction workers had in-depth discussions of finding out the causes of negative emotions and what can be done differently to minimize the aroused negative emotions among residents. Based on the suggested construction workers' ideas, the second role play took place portraying the positive impact of workers actions on making apartment residents satisfied.

It can be seen that the interactive nature of role play allowed the customer experience notion to be internalized and remembered among the workers. Such engaging types of training ensure resolving the uncertainties among employees about a new strategic direction (De Chernatony *et al.*, 2006); in this case, customer orientation. Furthermore, the interactive approach can be identified as one of the main reasons for this role play to be successful. In the second role play, the construction workers could see the big difference in the residents' emotional experience, based on their feedback. Thus employees' involvement in the role play can be considered a success. As such, if E&P workers can successfully internalize the values communicated through the role play, the positive change in their behaviors is likely to be noticed by the residents at service encounters.

In short, E&P successfully enacted the orgware strategies from top to bottom level of the organization. Subsequently, this serves as the building-block for other experiential strategies to be implemented successfully in all parts of the company.

4.3.2 The Strategies of Stageware – Physical Surroundings of Construction Site

It is usual that in a given construction site, varieties of physical elements constitute the whole service environment which subsequently influence the customer's satisfaction with the service (Bitner, 1992). The available case information does not unveil what sort of environment related strategies E&P followed for any given construction site. Therefore, this particular section will be discussed based on common assumptions, mostly in light of the environmental dimensions put forth by Bitner (1992).

4.3.2.1 Ambient Conditions at Construction Site

Varieties of ambient elements such as temperature, noise, scent, etc. affect the five senses (Bitner, 1992). Common sense holds that construction works are highly likely to produce loud noise. Furthermore, it is often seen that while working, the construction employees play radio. Interestingly, due to the noisy nature of the construction job itself, the workers tend to play loud music throughout the working time. As such, in summer time with open windows for example, the continuous loud noise might be a reason for irritating some residents. Certainly, playing loud music is a good source of entertainment for E&P workers; however, E&P needs to find a balance between employee preferences and customer satisfaction. It is worthwhile to remember that these scenarios are very context specific. No standard rules can be set; however, in the customer-workshops (it will be discussed in section 4.3.3.2) E&P can discuss these possible issues and set the customers' expectation level accordingly.

4.3.2.2 Employee Dress and Behavior

Employee dress and behavior are also identified as important elements of physical service environment that send implicit cues about the firm's image to the customers (Pullman & Gross, 2004; Bitner, 1992). Depending on the nature of the construction work, it is likely that workers need to work in close proximity with customers, for example, entering into a resident's house to change windows. As these types of direct encounters are identified as key touchpoints, small but important details such as the cleanliness of employee work-clothes and the overall appearance need to be incorporated into stageware design decisions.

4.3.2.3 Layout of Construction Equipments

Due to the very nature of construction works, construction companies need heavy machineries and equipments. As a normal practice, these big containers loaded with construction materials are piled-up close to the construction site i.e. the apartment building. Logic holds that residents living in that apartment are likely to face some temporary problems e.g. difficulty to

walk around the building, limited car parking space. Again, it is important to note that customers facing problems due to construction works are likely to vary across projects.

To summarize on the stageware strategies, the discussed environmental elements do not work separately; therefore, E&P should consider the holistic configuration of elements of the construction environment. These elements include, how noisy it can be, how long it will take to finish the construction project, etc. so that customers try to accept what is happening around them. Through the careful and creative implementation of stageware strategies, E&P can position and convey their distinctiveness from other construction competitors (Bitner, 1992).

4.3.3 The Strategies of Customerware – Managing the Key Touchpoints
4.3.3.1 Identification of E&P's Key Touchpoints

The process of identifying key touchpoints for a firm begins with mapping the stages of all the existing customer touchpoints. In literature, several techniques can be found to map-out customer journey process e.g. service blueprinting, process mapping, activity mapping etc. (Payne *et al.*, 2008). However, available E&P's case documentation does not reveal how and by following what technique E&P listed down all existing touchpoints and further identified some touchpoints as the key touchpoints.

According to the knowledge of Peter Jensen from SJP, E&P did not define key touchpoints as the literature would suggest. In this perspective, among many ways, a company can list down and identify the key touchpoints by arranging cross-functional workshops representing participants from different departments e.g. marketing and sales, customer service, operations etc. (Payne *et al.*, 2008). Moreover, stressed by the authors, the team should also represent various organizational levels e.g. top management, employees those who are working at the front line etc. As such, to identify critical customer touchpoints, E&P can organize workshops comprised of representatives from senior management e.g. CEO, office employees from different departments e.g. sales, HR and also the construction employees. In addition, while forming this team, E&P can focus on employee's length of work experience in construction industry and also include the employees those who work in close contact with customers i.e. construction workers.

Particularly, for the usage of this thesis a collection of E&P's existing customer touchpoints is identified. Further, based on literatures e.g. Davis & Dunn (2002); Shaw & Ivens (2002) the

identified touchpoints are categorized into three groups – pre-purchase, purchase and post-purchase stages, see figure 10 below.
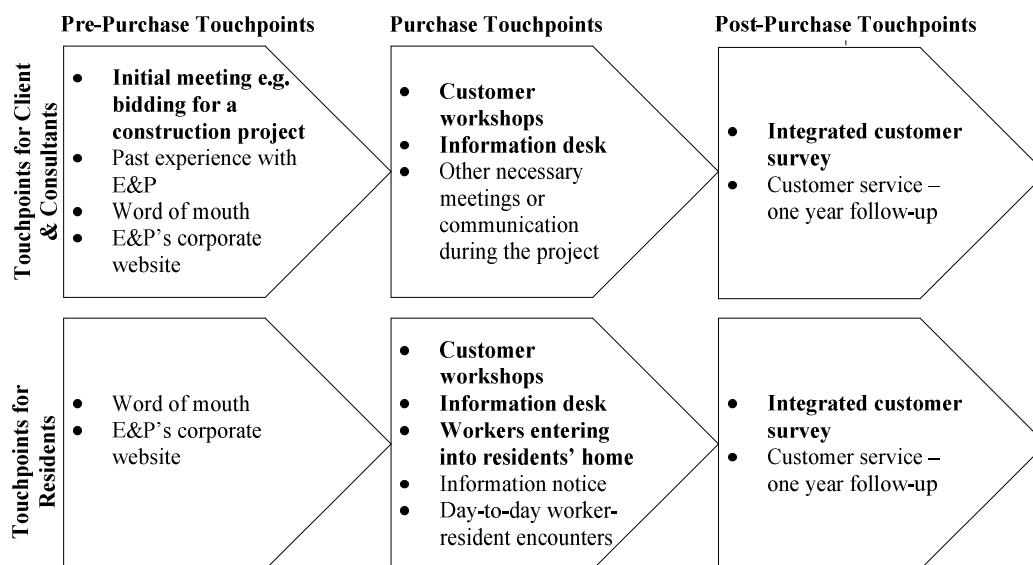
Figure 10: E&P's Key Customer Touchpoints – Own Elaboration

Usually, three separate touchpoints wheels can be made according to three distinct customer groups e.g. clients, consultants and residents. However, this thesis only presents two different touchpoints wheels; one for client, consultants and the other one is for residents. Particular roles played by different customers are used as the main rationale behind developing two separate ones. Even though consultants play the crucial role of influencing and deciding upon a construction company, the previously discussed Decision Making Model (table 1) suggests the touchpoints for client and consultants do overlap to a great extent. Hence, this thesis will use the above presented two touchpoints wheels.

Regardless of the number of touchpoints identified and the category, a company needs to prioritize some touchpoints over others to ensure proper investment of time and resource on key touchpoints (Davis & Longoria, 2003; Davis & Dunn, 2002). Interestingly, it can be argued that E&P implicitly adopts similar strategies as of the theory. Analysis of available E&P case documentation leads to the fact that E&P primarily focused on purchase and post-purchase touchpoints. Direct interfaces between E&P employees and their customers may be chosen as one of the main criteria of identifying key touchpoints. In figure-10, the key touchpoints are shown in bold form.

From the theoretical perspective, this thesis acknowledges the significance of pre-purchase touchpoints having an impact on the holistic customer experience. Logic suggests that before choosing over a final construction company, the client together with consultants have some meetings with few construction companies operating in the industry. These meetings are of crucial importance for E&P to set the first impressions and also to present their capabilities with regards to resources, cost and time.

Given the observations on purchase and post-purchase touchpoints in figure-10, some of the touchpoints e.g. "customer workshops", "integrated customer analysis" do overlap among various categories of customers. Thereby, the thesis identifies four key touchpoints in total, irrespective of customer segments. The four key touchpoints are - customer workshops, information desk, entering into residents' home and integrated customer survey.

In the following, in-depth analysis will take place on each of the four key touchpoints. Important to note that despite the importance of pre-purchase touchpoints (e.g. initial meetings with customers to bid for a construction project) will not be discussed in depth. The main reason for not considering pre-purchase touchpoints is the lack of data. As such, this thesis will focus on purchase and post-purchase touchpoints.

4.3.3.2 Customer Workshops

Taking the consideration of "renovation of andelslejligheder" context, E&P conducted several workshops with architects, engineers, clients and also representatives from the residents living in a given community building, both at the beginning and end of a construction project (Jensen, SJP). It can be assumed that by arranging these workshops, E&P presented the important information to their customers. The information can be about the project duration, explanation of the construction process, answering project related questions and the like. Furthermore, the open discussions help to formulate expectations from each other on how to make the project successful (Jensen, SJP).

The benefits of conducting these interactive workshops are manifold from both customers' and E&P's perspective. First of all, it brings unique opportunity for both sides to have interactive dialogs with each other. Dialog is identified as an important element of co-creation, which further encourages customers' deep engagement with the process (Prahalad & Ramaswamy, 2004). By asking for customers inputs and at the same time providing them with effective feedbacks, E&P enhances customers' engagement (Poulsson & Kale, 2004), which in turn results in increased customer value (Payne *et al.*, 2008). As such, through

personal engagement E&P provides unique and memorable experiences to their customers (Pine & Gilmore, 1999). Furthermore, customers' active participation in the workshops, especially the residents can be identified as a way to increase their sense of control over the uncertain situations. The perceived control over a service encounter leads to increased positive emotional experiences and thus highly likely to increase satisfaction among the participant residents (Hui & Bateson, 1991).

Moreover, customer workshops also facilitate two important types of interactions, between E&P employees-customers and customers-customers. This can be seen as a unique opportunity to know about the construction company as well as the other residents. In a given workshop, both E&P employees and the board members of apartment building can explain to residents about the benefits of changing building roofs as well as the temporary problems and risks associated with the construction work. Also, the workshop might act as a place to socialize and create a bond among residents, thus establishing a sense of belongingness with the apartment community and making the experience more enjoyable (Pullman & Gross, 2004; Zomerdijk & Voss, 2009).

4.3.3.3 Information Desk at Construction Site

Information desk at construction site is another key touchpoint for E&P. This is basically a kind of customer service, aimed at providing construction related information to the customers especially to the building residents (Jensen, SJP). The information booth normally stays open around one or two days in a week for some particular hours. If people living in the apartment have questions, are faced with any kind of construction related problems, they can visit the information desk and talk about their complaints.

The information desk is very critical for E&P to provide positive experiences to their customers. The employees presenting at the booth should take account of the fact that dealing with customer complains is a routine task for them, which may not be an ordinary situation for the customers coming to the booth. Therefore, to be able to make this touchpoint memorable, E&P employees should show *extra attention* to the problem (Price *et al.*, 1994). The ability of E&P employees to give logical explanations of the questions asked by a resident, as well as taking necessary actions with regards to the complaints, will directly influence the resident's satisfaction level (Bitner, 1990). This implies that E&P needs to take account of both emotional and functional aspects of customer experience, respectively by giving attention to residents' feelings, as well as solving their presented complaints

efficiently. This touchpoint also can be taken as an opportunity to receive direct feedbacks from residents on improving future situations.

4.3.3.4 Entering Residents Home

It is often required for construction workers to enter into residents home for various construction works in connection with changing the building roofs. For example, sometimes the windows of the top floor need to be changed together with roofs. In that specific situation, E&P construction workers need to go into the apartment. Usually, it requires several steps. First, E&P send "information notice" to residents. Typically these notices are about asking for permissions to enter into residents' home. Workers can enter into home by two ways: they can make a duplicate key of the house with resident's consent or workers can come when residents are at home. In either situation reliability or trustworthiness of E&P workers are crucial to drive customer satisfaction (Shaw, 2007). Under these circumstances, E&P can try to utilize "customer workshops" as an opportunity to communicate their trustworthiness and reliability to all the customers present. Besides that the "information notice" can be used in a similar manner.

4.3.3.5 Dimensions of Purchase Touchpoints

Keeping in mind that purchase touchpoints are at the center of customer experience (Shaw & Ivens, 2002). Thus, customerware strategies should also take account of the dimensions e.g. duration, emotional content and spatial proximity of service encounters (Price *et al.,* 1995). On a general basis, a construction project can be termed as an extended service because it takes several months to be finished. Throughout the whole project timeline, direct interactions between E&P employees and clients, consultants and residents are numerous. Depending on *duration*, these touchpoints or encounters can be categorized as *extended* and *brief* encounters (Price *et al.,* 1995). Extended and brief encounters are those that last for thirty minutes or more and ten minutes or less respectively (Price *et al.*, 1994).

Logic suggests, from the beginning of a particular construction project until the end, E&P employees and clients, consultants need to work closely for several months. Therefore, it can be characterized as extended encounters with close proximity. In this regard, Price *et al.* (1995) argue that this kind of extended encounters are highly likely to "… *lead to emotional dissonance, role stress and role conflict*" (Price *et al.*, 1995, p.86). In such situations, as the authors suggest to reinforce the satisfaction of clients and consultants, E&P should focus on

building good relationships with them through continuous communication and orchestrating a mutual understanding of each other.

On the contrary, the interactions between E&P employees and residents can both be extended (e.g. entering residents' house) and brief (e.g. information desk). Interestingly, even though employee-resident interactions can be extended, the spatial proximity between them might not be as intimate as employee-consultants. What is observable from this discussion is that most likely touchpoints tend to show unique characteristics depending on the aforementioned three dimensions. As a result, strategies of customerware need to be planned and executed by focusing into details of each key touchpoint.

4.3.3.6 Integrated Customer Survey

Integrated customer survey is another key touchpoint that theoretically belongs to the post-purchase touchpoints stage. On a continuous basis E&P conducts surveys of clients, architects, engineers and residents. The integrated survey enables E&P to identify customers' satisfaction level in connection with E&P's provided service. Suppose the customer satisfaction level did not reach to the target. In that situation E&P needs to follow up on the unsatisfied customers. Among many ways, E&P can utilize the opportunity of the touchpoint "one year follow up". In general, by law or contract a construction company needs to follow up the quality of construction work after one year. As such, by utilizing this opportunity E&P can try to improve the previously held customers' perception.

Literature indicates that conducting customer survey is crucial to collect in-depth customer insights of the customer's past interactions with the company (Davis & Dunn, 2002). In case of E&P, the knowledge gained from the "integrated customer survey" can be utilized in other renovation projects.

What is apparent from the above discussion is that, despite the category, each of these key touchpoints is interlinked and portrays distinct characteristics. In order to provide good construction experience to their customer groups, E&P needs to focus on the touchpoints wheel from a holistic perspective. Nevertheless, attention to detail on each key touchpoint needs to be ensured. As such, mapping out of touchpoints is highly recommendable to E&P, which further will enable E&P to specify rational and emotional experiences for each key touchpoint (Shaw, 2007).

4.3.4 The Strategies of Linkware – Maintaining Internal and External Communication

As a construction company, E&P were challenged to maintain ongoing internal communication with their employees, since most employees' workstations are scattered in different construction sites (SJP report). Moreover, most employees do not have continuous access to e-mail. In order to give employees updated information and also to involve them in the CEM implementation process, E&P came up with customized communication mechanisms such as publishing newsletters, pixibooks, arranging roadshows and meetings on construction sites (SJP report).

4.3.4.1 Roadshows and Meetings on Construction Sites

Roadshows and meetings on construction sites can be regarded as the *management communication* (De Chernatony *et al.*, 2006). Throughout the whole CEM project roadshows and meetings were arranged in various construction sites. Roadshows can be referred as "*one-off events … where employees are typically gathered together to listen to a presentation about the corporate brand or some specific brand initiative, can also be used to convey values to employees*" (De Chernatony *et al.*, 2006, p.824). As a part of the roadshows, the CEO Svend Hartmann together with other senior leaders went out to different construction sites, presented the reasons for being customer focused, its importance and what to expect from employees to make the CEM project successful (Jensen, SJP). Participation of CEO in roadshows and other meetings most likely added the sense of importance to employees about CEM.

4.3.4.2 Newsletters, Pixibooks

In order to communicate customer focus values to employees, E&P used newsletter, pixibooks as channels of *organizational communication* (De Chernatony *et al.*, 2006). In newsletters, E&P publishes all the best practices and stories collected from different construction sites (Jensen, SJP). For example, once in one of the construction site, the construction workers found a bird nest on the building's roof. Instead of destroying it, they replaced the bird nest carefully on a tree just besides the building, which apparently was appreciated by the people living in that apartment building (Ibid). There is no doubt that this action gave E&P good reputation on the site.

Communicating brand values to employees through newsletters proved to be an effective medium (De Chernatony *et al.*, 2006). By publishing the aforementioned exceptional stories E&P genuinely can articulate the experiential values among their employees throughout the

company. Together with newsletter, E&P also published pixibooks[4] such as "The Good Customer Experience" and "The Hottest Contractor on Sjælland".

Analysis on the available data reveals that E&P did not follow the whole concept of linkware as the theory would suggest. The information on E&P's initiative to integrate various functional departments like marketing, HR is rather implicit. Especially, by looking at the CEM implementation process (figure 9), it does not support the linking of various cross-functional activities. In this situation one argumentation for E&P is that CEM implementation is at the early stages, the internal communication mechanisms are prioritized in order to send a positive message about CEM to employees (Cornelissen, 2008). Communicating about the importance of CEM implementation can be regarded as the first step. But in order to execute the knowledge to deliver total customer experiences, the next step would be to make sure the integration among different functional departments is solid (Voss *et al.*, 2008; Frow & Payne, 2007).

As the chapter now moves on, E&P's implementation of experiential strategies will be analyzed in light of the principles of corporate branding toolkit.

4.4 The Role of Corporate Branding Toolkit in CEM Implementation

The corporate branding toolkit serves as a guiding beacon for implementing CEM strategies. From the E&P case analysis, it is evident that the company implicitly implemented the principles of corporate branding toolkit throughout the CEM implementation process. The discussion will take place analyzing how E&P's vision, culture and image were aligned to implement CEM strategies successfully.

4.4.1 The Vision of CEM and E&P's Culture

As history shows, like other competitors of the construction industry, E&P was not customer oriented. Common sense holds that the working culture of the construction industry is different from other service industries, such as the bank. Moreover, the practiced subculture i.e. shared values and behaviors of construction workers are assumed to be different from subcultures of typical functional areas like marketing, human resources. It is not unlikely that these construction workers' verbal communication method among themselves and also to customers might not be well accepted by outsiders (Jensen, SJP). As such, E&P were challenged to articulate the values of CEM into the organizational culture.

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[4] Pixibooks can be described as small and easy to read picture books.

In order to be successful in the CEM implementation project, E&P needed to break down the long practiced organizational cultural values. In this perspective, employees of E&P need to be persuaded that focusing on customer experience is crucial for increasing customer value, subsequently the company's sustainable profitability. If employees do not understand this new strategic direction to be more customer focused, they will neither appreciate top management's intentions nor will support it through their behavioral actions (Berry, 2000). And if this is the case for instance, then the misalignment between vision and culture will emerge, leading to failure of the CEM project.

Realizing the importance that organizational culture needs to be aligned with the new customer focused direction; E&P initiated various numbers of strategies. To be able to provide customers with "*The Good Construction Experience*", E&P conducted leader-workshops, employee-workshops, role play etc. Despite the vibrant enthusiasm, it is unlikely that all organizations can be successful in communicating the brand values to their employees (De Chernatony *et al.*, 2006).

In order to minimize the potential vision-culture gap, E&P's senior management functioned as a role model for the whole organization. From the E&P data analysis it can be seen that the senior management team, especially the CEO, Svend Hartmann had committed himself throughout the CEM implementation process. As noted earlier, implementing CEM is a complex process; top managements' involvement, commitment and engagement are required to reinforce the implementation process throughout the organization (Shaw, 2007). Similar actions can be evident in E&P's case. Svend Hartmann actively took part in company arranged roadshows and onsite meetings. It is highly likely that through such practices, E&P's leaders aligned the aspired CEM vision with the practiced culture (De Chernatony *et al.*, 2006).

The available E&P data does not constitute a full description of employees' reaction to the changes. Following the start-up of CEM project, E&P conducted integrated analysis on their employees both in 2008 and 2009. In the year of 2008 and 2009, the internal loyalty and commitment was respectively 84 and 80 (E&P presentation). One might point out that the employee loyalty and commitment of year 2009 became lower than the previous year. In this situation, E&P can argue that even though employee loyalty and commitment index of 2009 is lower, it is insignificant and more importantly it reached the targeted goal which was the index of 80.

Solely by looking at the employee loyalty and commitment result, it can be said that E&P succeeded in internalizing the CEM. Objectives in the beginning for 2009 were therefore to raise customers' satisfaction and loyalty through capitalizing on the very high internal loyalty and commitment (SJP report).

4.4.2 The Practiced Culture and Changed Image of E&P

According to Peter Jensen from SJP, E&P has progressed quite far in the process of embedding CEM approaches into the organizational culture. In the case of E&P, this thesis presented the direct interactions between employees and their customers as the key touchpoints (section 4.3.3.1). By the same token authors such as De Chernatony *et al.* (2006), Hatch & Schultz (2001) contend that for a service firm, employee behaviors play the most critical role in communicating values to the customers.

It is not evident whether and how much the CEM strategies helped E&P to change their image as a technocratic company, who mainly focuses on productivity and competitiveness (Kristiansen *et al.*, 2005). Nevertheless, the integrated analysis shows a significant improvement on customer satisfaction and loyalty from the year 2008 to 2009. The average satisfaction and loyalty for clients, architects and engineers increased from 60 to 71, and for residents, it increased from 49 to 63 (E&P presentation). Evidently, this survey result supports the statement that customer satisfaction is highly likely to correlate with employee satisfaction (Cook *et al.*, 2002).

Based on the above discussed survey data it can be said that E&P succeeded in their efforts to communicate the values of customer orientation to the employees and throughout the organization. The increased customer satisfaction and loyalty demonstrate that the newly adopted values were communicated and also noticed by the customers at various touchpoints.

4.4.3 The Vision of CEM and Changed Image of E&P

Even though employees are identified as the most critical channel in communicating brand values to stakeholders especially to customers, they are not the sole medium. There can be other indirect touchpoints, such as a company's corporate website, media etc. that can have substantial influence on building the corporate image (Hatch & Schultz, 2003; De Chernatony *et al.*, 2006). It is likely that E&P did not follow the vision-image alignment notion strategically, as the theory would suggest. However, various secondary data analysis reveals that E&P initiated some communication efforts, which in turn can create the alignment between the new strategic direction and the images held by key stakeholders.

E&P uses their corporate website as a medium of communicating about vision, mission and the values to their stakeholders. Most likely, as a part of CEM implementation, E&P modified the old corporate vision, mission and values. As an example, E&P's old vision was documented as "*... be a construction company which significantly expands its business scope under strict restraint of its mission statement and its core competencies*." whereas, the old mission statement was "*... intensive development of own production can deliver respectable results*" (Freely translated from SJP report, p.76). Taken together, neither the old vision nor the old mission statement provides their positions regards to customer orientation and are rather more profit focused.

The current vision, on the other hand is stated as" ... *users [residents], clients [builder], partners, employees and owners will experience us as the construction company in Sjælland, which is best at carrying out new constructions and renovation.*"[5]
And the mission statement is "*... perform new construction and renovation in Sjælland. We fulfil the client's [builders] need for a completed building by taking the user [resident] into account, by working effectively with all parties of the build and by having a high degree of self-production.*"[6]

Taken the new vision and mission statement together, they address both internal and external stakeholders. More importantly, they also reflect on providing good construction experiences, by fulfilling the needs of various customers group.

E&P's approach of being customer orientated is also evident from their corporate website. The website presents numbers of brochures exemplifying various construction projects. In general, these brochures communicate about vision, mission, project based achievements, and also their efforts of becoming customer focused throughout the service.

Moreover, a newspaper article taking interview of CEO Svend Hartmann can be found in the Danish business newspaper, Børsen. In the article, Hartmann provided a good overview of what E&P has been doing to give "*The good construction experience*" to their customers by – training the front line employees, treating different customer groups according to their needs, etc. (Tholstrup, 2009). Theory suggests, telling good stories about new strategic focus can create emotional connections with a diverse group of stakeholders, thereby strengthening the

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[5] Freely translated from E&P's corporate website: http://www.eogp.dk/da/pages/profil_vision_og_mission
[6] Freely translated from E&P's corporate website: http://www.eogp.dk/da/pages/profil_vision_og_mission

corporate image held by external stakeholders by minimizing the vision-image gap (Hatch & Schultz, 2003; Cornelissen, 2008).

From the beginning of CEM implementation, E&P was awarded with Integration Award of 2008, 2010 and Boligfonden Kubens ProcesPris for "efficient controlling, development culture and good craftsmanship" (SJP report). Logic suggests that these awards enhanced E&P's image on providing superior experience to their customers.

It has not been evaluated, how much of the above discussed initiatives became successful in communicating E&P's new strategic vision to outsiders. Especially in the short term, it might be challenging for E&P to find out how much of the initiated activities changed their previously held images among external stakeholders. In this circumstance, it can be suggested to E&P to measure the images held by stakeholders, by conducting personality metaphor testing for example (Hatch & Schultz, 2003; De Chernatony, 1999).

PART V – DISCUSSION

In the following chapter, the discussion will take place on some important findings that have surfaced in establishing an Integrated CEM Framework, and in studying the applicability of the framework empirically.

5.1 Revisiting the Integrated CEM Framework

As a case study analysis technique, this thesis adopted the logic model (Yin, 2009). The outcomes of implementing the conceptual CEM framework (figure 8) in the E&P case is analyzed and presented in a sequential manner.

It is apparent that, E&P's activities in connection with CEM implementation coincide with the four experienced focused strategies (orgware, stageware, customerware and linkware). In this implementation phase, the corporate branding toolkit (vision, culture and image) serves as a strategic guideline to create alignment throughout the implementation process. One of the important findings of the case analysis is that, the four strategies are interconnected and interdependent. As such, none of the four experience strategies can be successful without the support of one another.

As an elaboration, in order to teach customer focused values to employees, E&P arranges employee training (orgware-HR action) where the presence of top management is crucial to motivate the employees (orgware-management action). By attending the training programs,

among many other important aspects, employees learn about how not to put construction equipments in an unorganized way by the apartment (stageware), which may create inconvenience for residents. However, in order to show value congruence behaviors, employees also need to be specified about the touchpoints that are crucial to provide good customer experience. In this situation, identification of key touchpoints (customerware) should take place before E&P start conducting employee trainings. Furthermore, the ongoing internal communication mechanisms, e.g. publishing newsletters (linkware) should be in place to reinforce the customer focus values for the entire organization. What is observable from this example is that, many plausible situations might arise depending on requirements. In other words, there might be some situations where one strategy is dependent on another one, and/or some of the strategies need to be carried out parallel. As such, the four strategies need to be articulated holistically, by involving the entire organization, which is also observable in the E&P case.

Taken together, the outcomes of all the four strategies can be interlinked. Firstly, E&P top management initiated activities as employee workshops, role play and roadshows to communicate and institutionalize customer focus behaviors among E&P employees. These activities assisted E&P employees to internalize and crystallize the customer focus values. Secondly, the successful internalization of CEM values being articulated at various key touchpoints (e.g. customer workshops, information desk, etc.) lead to increased customer satisfaction, followed by customer loyalty. Even though E&P did not survey the impact of implementing CEM in increasing their brand equity, theories suggest that good experiences create strong emotional connection with the service providers. The chances for good experiences to share among other customers are highly likely, thus resulting in strengthening the brand equity (Berry, 2000; Biedenbach & Marell, 2010; Keller, 2008; Aaker, 1991).

And finally, the statement given by E&P's CEO Svend Hartmann showed the relationship between customer focus and the bottom line. According to Hartmann, "*Despite the crisis in the construction business, with the [CEM] project as a main reason E&P in the past years has been able to generate positive economic results ... [CEM] project has created lasting changes and greater competitiveness, and it will be a project with an interesting ROI*" (SJP report, p.78).

The impact of undertaking CEM strategies on increasing customer value and financial performance is evident in the E&P case. Throughout the whole project and increasingly

throughout the years, the presented economic figures of E&P outperformed the rest of the construction companies. This includes gross margin, operating margin and return on investment. The financial result at the end of 2008 is documented as the company's best ever[7] (SJP report).

It would also be interesting to consider the result of a study conducted by Copenhagen Business School (CBS) and SJP A/S on Danish companies, with regards to implementing CEM. The study shows, 10% improvements in CEM results in 9% increase in differentiation and 5% increase in financial performance (CBS-SJP report, 2010, p.11). The CEM strategies that these researched Danish companies follow cannot be confirmed, which can be a potential topic for future studies. However, the study results support the link between CEM implementation and the financial performance, as it is the situation for E&P.

As the chapter now moves on, the following will discuss whether the strategies of CEM can be applicable to a wider range of companies.

5.2 Is CEM for Everyone?

Today the concept of experience is no longer classified as exclusive for the typical entertainment business like theme parks. Over the past years the realm of experience has moved to other business areas such as tourism, retailing etc. According to Voss *et al.* (2008), the commonality among these experience-centric companies is that the experience itself is the main product and hedonic in nature. Research suggests that the experience-centric services offer extraordinary experiences by means of deliberate excitement, spontaneity and authenticity (Voss *et al.*, 2008). Discussed in the previous section (2.1.2), the attributes of extraordinary experiences are that the service offerings are unpredictable to customers because of frequent changes of physical contexts, behaviors of other customers and unclear expectations (Arnould & Price, 1993). As such, it can be seen that the uniqueness or the newness is key to offer extraordinary customer experience. Moreover, to deliver the extraordinary customer experience, experience-centric services applies four experience strategies (orgware, stageware, customerware and linkware).

It is apparent that with passage of time, the experience notion also managed to get the attention of hardcore rational businesses, where the construction company Enemærke & Petersen a/s is a solid example. The in-depth analysis in Part-IV revealed that the lessons

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[7] The available case documentation is from the year around 2009, thus, updated E&P's financial performance is not analyzed in this thesis.

learned from experience-centric services can be applicable to E&P, the non-experience-centric construction company. However, depending on the nature of service, the implementation of the four experience strategies require modification. In context of the experiential services, the design of physical environment (stageware) plays a major part in stimulating all the senses and delivering newness to their customers (Voss *et al.*, 2008). Through tangible and aesthetic environmental choices, experience services offer refreshing experiences on every customer visit.

Consider the Danish theme park Tivoli for example, depending on themes e.g. Halloween or Christmas, the decorations inside of the park get changed. Therefore, the customers usually will find the physical environment inside Tivoli, unique and new compared to their last visit. Following the same footsteps as Tivoli, E&P may not need to create refreshing experiences to their customers. It may not be important for E&P's customers to be offered a novel experience every time they encounter E&P. It is questionable whether residents living in an apartment want to be surprised by the construction workers. Common sense suggests residents would expect E&P to follow a more of a balanced approach. Similarly, the consultants would prefer not to be surprised or face any uncertain situations, which is opposite of the normal definition of extraordinary experience.

Moreover, not all customers look for experiences which are designed to evoke engaging emotions in all touchpoints (Voss *et al.*, 2008; Poulsson & Kale, 2004). For experience-centric companies, the service delivery systems are designed and executed in such a manner, which results in creating greater emotional values than the utilitarian values (Voss *et al.*, 2008). On the contrary, it is apparent from the E&P case that the company adopted a balanced approach of providing both rational and emotional values with the construction service. Unlike experience-centric services' customers, the E&P customers may not want to be bombarded by all different kinds of evoked, engaging emotions.

At this point to put it simply, one might argue that the concept of experience is not for all. In this perspective, varieties of arguments can be found both for and against the statement, that experience cannot be applicable to all services. However, based on the case analysis, the thesis showed that those experience strategies are applicable to experience-centric services can also be applicable to a hardcore construction company. Therefore, the author of this thesis presents that regardless of the nature of a business, any organization who wishes to

differentiate and position their products and services based on experience concept can deploy the four strategic options over time.
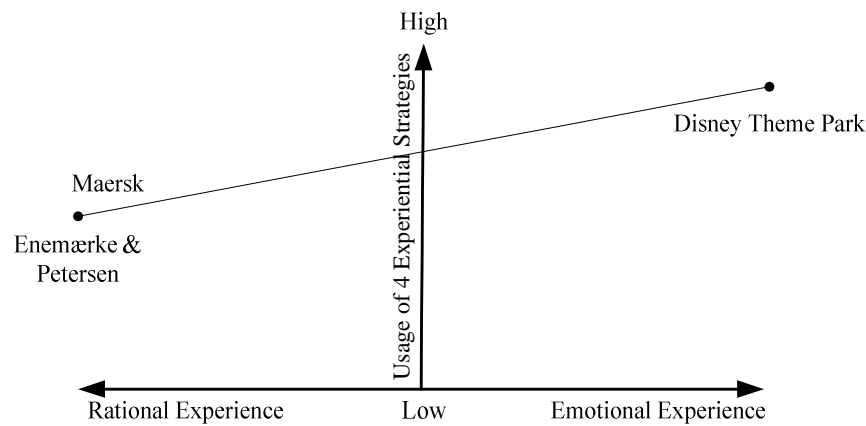

Figure 11: Usage Degree of Experiential Strategies

Figure-11 summarizes the preceding discussion by hypothetically plotting two extreme kinds of examples of experiences – E&P (rational service) and Disney theme park (emotional service). As figure-11 suggests, even though both E&P and Disney use the same experiential strategies, the depth of usage of the strategies vary. In general, for experience-centric companies, the degree of usage of experiential strategies is high. On the other hand, for E&P the degree of usage of experiential strategies is somewhat moderate.

This is the reason why this thesis contends, depending on the nature of a service, the applicability of experience changes. To be more precise, companies should clearly define the appropriate customer experience that they wish to deliver to their customers (Shaw & Ivens, 2002). In practical life more examples of hardcore business implementing CEM can be found. Danish company Maersk, one of the world's largest shipping companies started working on CEM. They have defined their customer experience statement as "*Ease of doing business*" (Jensen, SJP). More importantly, with the aim of differentiating themselves in the marketplace, Maersk also codified the emotional experiences "*Pleased, Trust, Cared for*" (Ibid).

Finding out the process and systems of CEM that Maersk implements is not the focus for this thesis. To introduce briefly, Maersk is a global company involved in a wide range of business

activities such as shipping, energy, and currently employing about 115,000 people in around 130 countries[8].

Despite the differences in size of business, both the construction (E&P) and shipping (Maersk) companies can be characterized as hardcore, operating in B2B settings. Based on this argument, it can be presumed the four experiential strategies are applicable for E&P, will most likely also be applicable for a company like Maersk. Logic holds that in comparison with E&P, the CEM implementation at Maersk will take place on a bigger scale. For instance, in order to be consistent in delivering the stated emotional experiences as "*Pleased, Trust, Cared for*", Maersk needs to integrate internal and external communication mechanisms (i.e. linkware) across the enterprise globally. As such, the degree of linkware implementation at Maersk will most likely be higher than E&P. E&P as a medium sized company, operating mainly in Sjælland, may not need to focus heavily on external integration. To illustrate, Maersk is positioned hypothetically close to E&P on the line in figure-11.

The articulation of useful generalization of CEM strategies across businesses is a challenging task. However, the brief discussion on comparisons between E&P and Maersk indicates that CEM is applicable to a wide range of service companies, irrespective of how rational the business is. To deliver total customer experience, a company should ideally employ all the four strategies of CEM. Interestingly, exceptions can also be observable where companies can choose to focus more on some strategies than others and still can manage to improve their delivered customer experience, as it is observable in the E&P case. For example, E&P did not fully implement linkware strategy, as the theories suggest (section 4.3.4). Based on the evidence of E&P it can be stated, companies can adopt the four experiential strategies according to their business context. As such, it supports figure-11 that depending on the nature of service, the depth of four experiential strategies will vary.

Finally, the discussion on "*Is CEM for everyone?*" can be concluded by stating that the opposite question – "*Are there companies that CEM is not relevant for?*" If a company deals with customers, the customers will always have an experience with the company. The outcome of the above discussions can be stated as, "Regardless of rational or experiential companies, CEM is relevant ranging from small to larger degree."

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[8] http://www.maersk.com/AboutMaersk/WhoWeAre/Pages/WhoWeAre.aspx

PART VI – RECOMMENDATIONS FOR E&P

Being the first to implement CEM, E&P secured the first movers advantage in the Danish construction industry (Jensen, SJP). It took almost five years for the company to launch the CEM project and get the final benefit out of it. In general, the findings from the case analysis indicate that E&P did not follow the strategic steps of implementing CEM as the theory would suggest. Therefore, one might wonder and raise the question, "What is the point of following a systematic approach if an arbitrary approach creates the same good result?"

The thesis counter argues by saying that E&P may have followed the trial and error approach, instead of following the exact footsteps presented by the CEM theories. It is noteworthy to remember that CEM is at an embryonic stage and thus lacks standardized approaches to be implemented across business. Despite all the limitations, the implementation of CEM in the E&P case is shown to be a success. It is now recommended for E&P, that with their knowledge and experience gained from their informal implementation of CEM, they should develop a more systematic and concrete approach which can be applied across various construction projects, across years and throughout the organization. Drawing upon the case study, the thesis suggests that E&P should focus on the following issues:

Identify the Key Touchpoints – Remember the fact that E&P did not identify all the touchpoints, therefore; first and foremost they should identify all of the existing touchpoints, which in turn will enable to define the key touchpoints. Effective management of customer touchpoints is identified as one of the core activities of CEM. Mapping out the key touchpoints will ensure understanding and identifying the opportunities for future improvements by making appropriate use of time, effort and available resources. In this situation, together with using various techniques e.g. service-blueprinting, E&P can also involve their customers (e.g. engineers, architects) to find out the key touchpoints that their customers consider important. Theory indicates that, engaging customers in the form of co-creation can enhance positive customer experience, thus provide greater customer value (Prahalad & Ramaswamy, 2004; Frow & Payne, 2007).

Gain Customer Insights – Through Integrated Customer Analysis, E&P collects information on customer satisfaction and customer loyalty. From the case documentation, it can be assumed that the surveys conducted on customers are quantitative in nature. It is well acknowledged in the literature that experience is a subjective phenomenon; therefore different people will have different meanings for similar experiences. In order to achieve a

comprehensive understanding of dynamic and contextual nature of customer experience, it is advisable to E&P to use qualitative together with quantitative methods of collecting data (Schembri & Sandberg, 2002). Moreover, it is also suggested to E&P to develop scale based on various contextual factors (Pullman & Gross, 2004). As an elaboration, E&P can find out the variables of physical context (e.g. sound of construction work, arrangements of construction machineries, etc.) and their connection with emotional responses (e.g. happy, satisfied, angry, etc.). This will enable E&P to establish the relationship between design of different service elements and their impact on total customer experience and loyalty behavior (Ibid).

Appoint a Customer Experience Manager – Literature suggests that successful execution of CEM approaches may require key personnel, in charge of the strategic use of experience throughout the organization (Voss *et al.*, 2008). Initially it was the CEO, Svend Hartmann who committed and involved himself directly to push the CEM project forward. Now at this stage, to ensure a consistent customer experience within and across the organization, appointing a dedicated experience manager is recommendable to E&P. Such a person can help facilitate the strategic as well as tactical aspects of managing experience throughout the entire chain of touchpoints. For instance, case analysis suggests that E&P did not integrate different functional departments, which is identified as significant to deliver consistent customer experience over the years (Voss *et al.*, 2008; Frow & Payne, 2007). This sort of initiatives can be planned and implemented by customer experience manager.

Employee Motivation – The long success of a company demands a balance between customers, employees and other stakeholders (De Chernatony, 1999). The integrated survey result shows that from year 2008 to 2009 the customer satisfaction and loyalty increased significantly. On the contrary, the employee loyalty and commitment decreased slightly (E&P presentation). E&P claims the employee loyalty and commitment is within the targeted goal, however, E&P must balance the needs of both customers and employees. Further, as the initial hype of CEM reduces with time and where the CEO may no longer be active to push CEM forward on a daily basis, to keep employees' high commitment towards customer focus, appropriate monitoring and reward system should be in practice (De Chernatony *et al.*, 2006).

PART VII – CONCLUSION

Inspired by the emergence of a new paradigm – Customer Experience Management, this thesis has set out to study the paradigm and its successful implementation regardless of the nature of any business. While answering this, it was found that the concept of customer experience presents ambiguities and challenges to both academic scholars and practitioners alike. One of the main reasons for such ambiguity is the lack of understanding of the deeper nature of experience. Based on a thorough analysis on predominant literature, the thesis outlined three important characteristics of total customer experience, which is:

- Personal and subjective in its nature
- Originates from the entire set of touchpoints wheel
- Combine both rational and emotional experience

In the perspective of business application, managers need to understand that customers create their own personal experience through interaction with the context e.g. the physical environment, interaction with service facilitators and other customers. As a consequence, to create memorable and engaging experiences for customers, the experience design i.e. the implementation of CEM should be service specific. This thesis identifies that standardized approaches is dependent on development of an appropriate CEM definition. As such this thesis presents the definition as:

*"Customer Experience Management is a strategic approach which can be characterized as an **ongoing process** to create **sustainable competitive advantage**, by combining both **rational and emotional experiences** and managing a company's' **touchpoints wheel** effectively."*

Even though a growing number of companies started adopting the perspective of CEM, many companies are still lagging behind in the process of implementing CEM successfully. In this case, possible two reasons can be identified. First, companies may lack understanding of how customer experience can increase customer value by influencing customer satisfaction, customer loyalty, brand equity and financial performance. Second, the lack of standard CEM approaches to implement across businesses.

From the theoretical as well as empirical perspective, the thesis addressed both the above mentioned issues. The theoretical discussion indicates that customer experience is crucial for both consumer behavior and service brand management perspective. Theory suggests that experience plays an important role in customers' decision making process. In terms of

forming service quality perception, customers combine experiences acquired from purchase and post-purchase touchpoints as well as taking into account of their past experiences. Moreover, it is found the three elements of perceived service quality (core service, interactions with service employees and other customers; and service environment in which the service is offered) have direct influence on customer satisfaction, which subsequently influences customer loyalty (figure 2).

Thorough review of predominant literature on brand management reveals the fact that the notion of customer experience in terms of increasing brand equity has been overlooked. The traditional branding activities include the company's own marketing communications e.g. advertising, promotion etc. However, this thesis argues that customer's actual experience has the primary influence in increasing brand equity for a service company. In addition, through a conceptual model (figure 6), it is presented that customer experience have a hierarchical impact on brand equity.

Furthermore, by considering the aforementioned CEM definition as the foundation, the thesis also sets out to formulate a standardized CEM approach, which can strengthen a firm's ability to differentiate itself in the marketplace and increase customer loyalty and brand equity along with financial performance. While formulating a standardized CEM model, the thesis acknowledged the four CEM strategies proposed by Voss *et al.* (2008) namely – orgware, stageware, customerware and linkware. It is important to remember that these four experience strategies are grounded on experience-centric services and thus might be challenging to implement to other service sectors. However, it seems that the isolated four experience strategies might not be enough to obtain the desired outcome from CEM implementation. The movement towards a new strategic direction, i.e. customer focus needs to be aligned inside and outside of an organization. As such, the holistic CEM framework (figure 8) presented in this thesis incorporates the concept of three critical strategic elements e.g. vision, culture and image, which will work as a guiding beacon for successful implementation of experience strategies.

Contrary to what one might expect, the in-depth analysis of experience-focused strategies is applicable to a construction company named Enemærke & Petersen a/s, which is non-experience-centric and rational in its nature. From the E&P case documentation, it cannot be confirmed whether the E&P's management implemented these strategy choices in accordance

with the experience theories, however, the tactical practices executed are in alignment with the strategic views of experience strategies proposed by Voss *et al.* (2008).

The insights gained from the empirical case analysis supported the conceptual CEM framework that was established in the thesis. In the construction industry, the players mainly compete with each other on the basis on hygiene factors e.g. price, quality, meeting deadline etc. E&P's effort to be customer oriented through CEM implementation has helped the company to increase customer satisfaction followed by increased customer loyalty. By incorporating emotional dimension together with the rational one, E&P offered a total balanced experience to their customers. In other words, increasing customer value has helped the company to stand out from other competitors.

Even though E&P did not measure upon how much the brand equity has enhanced, the theory suggests that customer loyalty is the prerequisite for brand equity. Moreover, CEM strategies enabled E&P to enjoy increased financial performance even in the time of financial crisis.

Remember that CEM is an ongoing process where rational and emotional experiences need to be managed throughout the touchpoints wheel. As such, based on the learning from this thesis, some essential findings can be outlined as:

- Engagement of top management is crucial to make the customer experience program successful.
- Employees need to understand and internalize the concept of being customer focused.
- A company must identify and create synergies across the key touchpoints.
- For continuous improvement of customer experience, a systematic approach of collecting customer insights should be implemented.
- Alignment between company's brand promise and actual customer experience must be well executed.

Finally, the thesis argues that the concept of customer experience is applicable to a wide range of industries. In doing so, companies should keep in mind that the delivered experiences need to be in alignment with the target market and the overall brand experience. And companies can realize the full benefit of increasing customer value and securing competitive advantage, when they combine functional and emotional experiences in their offerings.

PART VIII – FUTURE PERSPECTIVES

Although based on a single case scenario, this thesis boldly stated that by following necessary adaption, the approaches of CEM can be applicable to a wide range of service companies. Further work is needed to confirm the applicability of the four CEM strategies to other kinds of rational companies, representing diverse industries. Given the international context, Maersk can be an interesting case company to investigate since they started implementing CEM. Furthermore, a more complex sample of companies can be investigated to find out whether it is possible to classify the four experience strategies according to industries.

This thesis also highlights that in general, one size may not fit to all. That is why it can be argued that depending on the context, the four discussed strategies may need to be adapted or even excluded. It is also likely, depending on specific situations some companies may not need to apply all the four CEM strategies to deliver total customer experience. Among possibilities, these strategies can be related to the size of a company. To explain hypothetically, consider a privately owned painting company comprised of 10 employees, applying linkware: the external integration might be insignificant. As such, future research is needed to explore whether the intended total customer experience can be provided to customers by excluding one or more of the four strategies.

From the E&P case findings, it is now well documented that CEM strategies generate increased differentiation followed by increased customer loyalty and financial profitability. Yet to be answered is how sustainable the benefits of CEM strategies will be in the future competitive landscape. For instance, further studies can find out whether CEM offer continued differentiation and profitability to E&P or whether the benefits become stagnant after a certain limit. Future studies need to find out whether CEM is a new important management approach or merely a management fad like CRM. In that respect, future research needs to be carried out on the long-term performance of those companies who embark on the Customer Experience Management journey.

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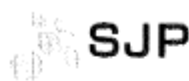http://www.eogp.dk/da/pages/profil_vision_og_mission

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PART X – APPENDICES

10.1 Appendix A – SJP Report

SJP

SJP A/S

Enemærke & Petersen a/s

Enemærke & Petersen A/S

Den gode Byggeoplevelse

Om Enemærke & Petersen

Enemærke & Petersen a/s blev etableret i 1975 med det formål at tilbyde villaejere og boligforeninger udskiftning af deres gamle tage med nye. Enemærke & Petersen a/s blev i 2000 – efter at have været ejerledet i 25 år – overtaget af Danmarks største entreprenørselskab MT Højgaard A/S og er i dag et 100% ejet datterselskab med egen profil, strategi og forretningsmodel.

Enemærke & Petersen a/s beskæftiger sig i dag bredt med nybyggeri, renovering, restaurering og bygningsvedligeholdelse for boligselskaber og offentlige og private bygherrer. Renoveringssegmentet inden for boligselskabsbyggeri og offentligt byggeri er den væsentligste aktivitet.

Enemærke & Petersen a/s beskæftiger i dag 530 medarbejdere, fordelt med 380 håndværkere inden for områderne tømrer, murere, tagdækkere, blikkenslagere, malere, stilladsarbejdere og ufaglært arbejdskraft samt 150 funktionærer inden for tilsvarende områder.

Opgavens særpræg og unikke karakter

Følgende elementer adskiller i særlig grad denne konsulentopgave fra andre:

- I 2004/5 befandt byggebranchen sig i en situation, hvor den væsentligste del af branchen fokuserede på pris alene, og kun få aktører også på kundernes behov og forventninger

- E&P besluttede primo 2005 – i forbindelse med implementering af strategiplan SP 2007 – at skille sig ud fra konkurrenterne, blandt andet ved at være først og bedst til at indfri kundernes og brugernes behov og forventninger. Endvidere blev det besluttet, at dette "Kundefokus" skulle indarbejdes i alle led i virksomheden

- I 2005 fik E&P en fornem anerkendelse af, at vi allerede er nået langt med arbejdet i forhold til vores vision. E&P blev tildelt Boligfonden Kubens ProcesPris for "effektiv styring, udviklingskultur og godt håndværk"

Om Enemærke & Petersen

Vision
"Enemærke & Petersen a/s' vision er at være en byggevirksomhed, som markant udvider sit forretningsområde under stringent fastholdelse af sit idégrundlag og sine kernekompetencer"

Mission
"Enemærke & Petersen a/s viser, at intensivt udviklet egenproduktion kan levere respektable resultater"
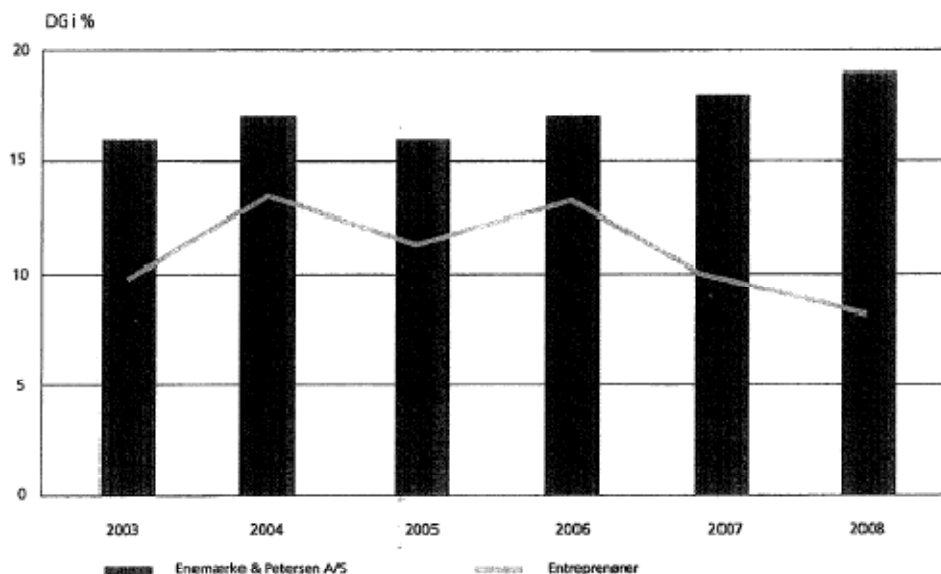
Passionen
"Vor indre drivkraft er glæden ved at samles om at skabe gode oplevelser for kunder, medarbejdere og ejere"

Ambitionen
"Dobbelt op i forhold til 2010-omsætningen i løbet af 3–5 år, dog ikke hurtigere end hvad fastholdelse af overskudsgrad på mindst 5% tillader"

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Udvikling i dækningsgrad ... set i forhold til branchen generelt

Kilde: Dansk Byggeri

* E&P er lykkedes med at involvere alle medarbejdere i udviklingsprocessen, lige fra funktionærstaben til alle håndværkerne, idet alle medarbejdere har været dybt involveret i hele udviklingsforløbet herunder forskellige kundefokusevents og omfattende uddannelsesforløb

* E&P er lykkedes med at involvere alle eksterne stakeholders i form af kunder, rådgivere, beboere og brugere

* E&P er lykkedes med at involvere særlige beboergrupper – unge med indvandrerbaggrund uden arbejde og uddannelse – og dermed opfyldt et uerkendt behov, som rækker ud over det egentlige produkt

* Det er lykkedes E&P som den første entreprenørvirksomhed at opbygge og implementere et integreret kunde-, beboer-, medarbejder- og ledermålesystem, der løbende indsamler viden om tilfredsheden med byggeriet. Analysesystemet er unikt i sin art og evaluerer alle stakeholders "rundt om kunden". Systemet giver E&P en løbende evaluering af byggeprojekter og mulighed for at foretage justeringer

* Det er lykkedes for E&P at sætte innovationsprocessen i system, således at alle stakeholders involveres i og driver udviklingsprocessen

* E&P har udnyttet krisen i byggebranchen til at skabe den udvikling, der skal sikre, at virksomheden står

endnu stærkere, når krisen klinger af. Herunder sikret, at beskæftigelsen blandt håndværkerne holdes stabilt, og at der anvendes endnu flere ressourcer på at opbygge stærke byggeteams
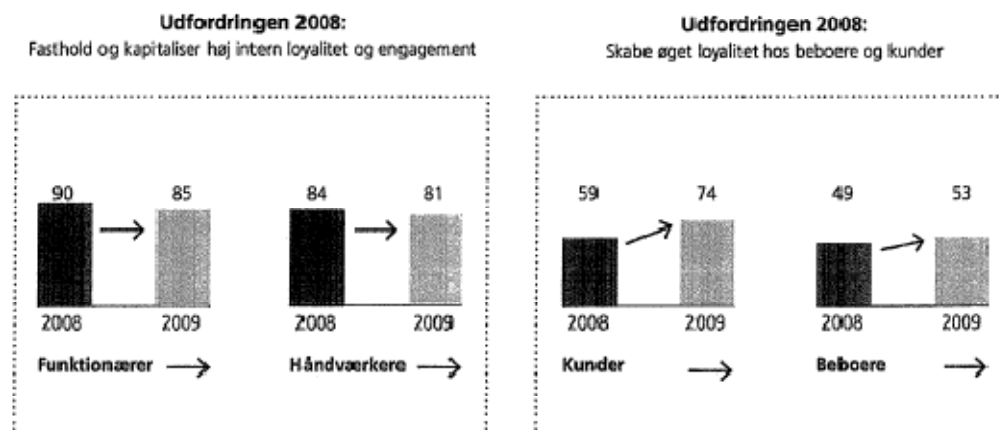
* Det er lykkedes E&P og SJP i fællesskab at overføre viden til organisationen der gør, at E&P selv kører processen videre herunder selv gennemfører løbende kunde- og beboermålinger.

Effekten af konsulentopgaven

* E&P har igennem hele projektforløbet og stigende gennem årene præsteret økonomiske nøgletal, der outperformer resten af byggebranchen. Det gælder bl.a. dækningsgraden, overskudsgraden og afkastningsgraden. Resultatet ved udgangen af 2008 var virksomhedens hidtil bedste

* Fra projektets start i 2005 lykkedes det E&P, gennem en intensiv involvering og kommunikation til alle medarbejdere, at skabe meget stor loyalitet og engagement omkring virksomheden og strategien

* I 2008 implementerede E&P et integreret analysesystem, hvor der blev målt på funktionærer, håndværkere, kunder og beboere. Den første analyse i 2008 viste, at den interne loyalitet og engagement var meget højt og væsentligt højere end hos lignende benchmark

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Integreret analyse - Udvikling i beboer,- kunde,- håndværker- og funktionærloyalitet

Byggeri

Udfordringen 2008:
Fasthold og kapitaliser høj intern loyalitet og engagement

Udfordringen 2008:
Skabe øget loyalitet hos beboere og kunder

- Det viste sig imidlertid, at loyaliteten og tilfredsheden hos kunder og beboere var væsentlig lavere

- Der blev gennemført en integreret analyse og rapportering, som pegede på konkrete områder inden for de fire analyser, hvor det ville have en forretningsmæssig effekt at skrue enten op eller ned for tilfredsheden med konkrete indsatsområder. Målsætning for 2009 var derfor at hæve kunde- og beboerloyalitet og tilfredshed gennem at kapitalisere på den meget høje interne loyalitet og engagement

- Det lykkedes E&P at skabe øget loyalitet hos kunder og beboere og fastholde det meget høje interne niveau

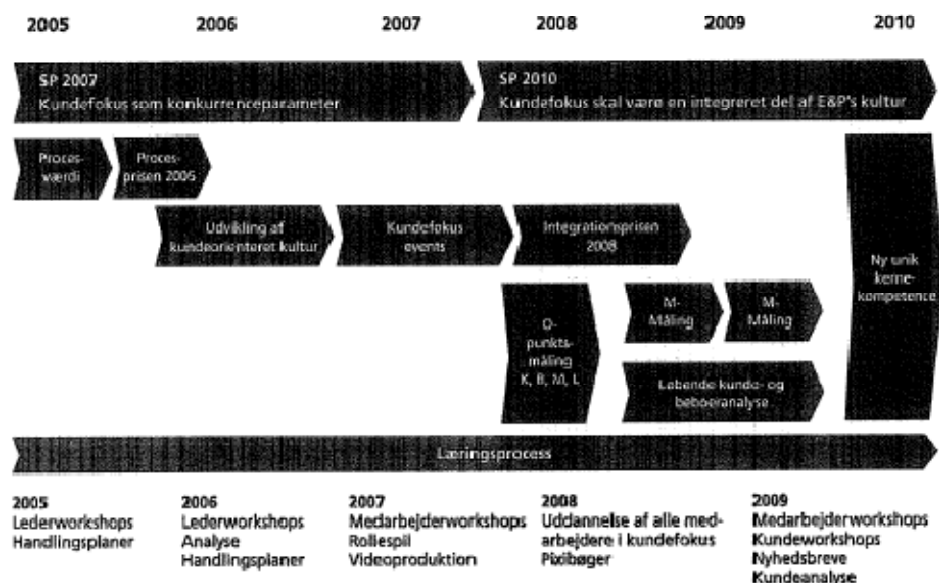- E&P har i projektperioden modtaget Integrationsprisen 2008.

"Med projektet som en væsentlig årsag og på trods af krisen i byggebranchen har E&P igennem de sidste år været i stand til at skabe positive økonomiske resultater. På væsentlige nøgletal performer vi bedre end de nærmeste konkurrenter. Konsulentprojektet har skabt varige forandringer og en bedre konkurrenceevne, og det vil blive et projekt med en interessant ROI."

Adm. direktør Svend Hartmann, Enemærke & Petersen a/s

Opgaveløsningens faglighed
Følgende værktøjer og kompetencer er anvendt:

1. Strategiproces SP 2007
   Lederworkshops
   Medarbejderworkshops
   Analyser/fokusgrupper
   Handlingsplanarbejde

2. Projekt kundefokus
   Lederworkshops
   Rollespil
   Kundeevents
   Videoproduktion

3. Strategiproces SP 2010
   Lederworkshops
   Handlingsplaner
   Integrationsprisen

4. Beboer-, kunde-, håndværker- og funktionæranalyser
   Forespring™Business Simulation
   Integreret analyse
   Workshops
   Kundefokusgrupper
   Train the trainer
   Confirmit analysesoftware skræddersyet til E&P
   Pixibøger

5. Analyser 2009
   Løbende kunde- og beboeranalyser
   Medarbejder- og funktionæranalyser
   Train the trainer
   Handlingsplaner

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Processkitse

2005
Lederworkshops
Handlingsplaner

2006
Lederworkshops
Analyse
Handlingsplaner

2007
Medarbejderworkshops
Rollespil
Videoproduktion

2008
Uddannelse af alle med-
arbejdere i kundefokus
Pixibøger

2009
Medarbejderworkshops
Kundeworkshops
Nyhedsbreve
Kundeanalyse

6. Uddannelse
   Uddannelse af medarbejdere i kundefokus
   Medarbejderworkshops
   Kundeworkshops
   Nyhedsbreve
   Kundevideo

7. Læringsloops
   Erfaringsudveksling mellem afdelinger og team

8. Customer Experience Management (CEM)
   Plan for 2010

Samarbejdsform mellem konsulent og kunde

Projektet er gennemført med et team fra E&P bestående af:

* En styregruppe bestående af topledelsen

* Skiftende projektgrupper bestående af repræsentan-
  ter for funktionærer og håndværkere

Projektet er gennemført med et team af specialistkonsu-
lenter fra SJP:

* Adm. direktør Stig Jørgensen har været gennemgåen-
  de projektleder i alle årene

* Han har guidet både E&P og resten af konsulent-
  teamet sikkert gennem alle proceselementerne
  Der har været involveret i alt seks konsulenter med
  forskellige kompetencer i gennemførelsen af opgaven
  (proceskonsulent, HR-konsulent med erfaring fra le-
  delsesudvikling, analysekonsulent med erfaring fra
  kundemålinger, analysekonsulent med erfaring fra

medarbejder- og ledermålinger og integreret analyse-
kompetencer)

* Det er lykkedes at overføre en så stor mængde viden
  fra SJP til E&P, at virksomheden nu selv kan videre-
  føre store dele af den implementerede viden og de an-
  vendte værktøjer.

Projektets gennemførelse
Projektet er blevet gennemført efter den fastlagte tids- og
budgetplan

* Samarbejdet mellem E&P og SJP har været forbilled-
  ligt, og der har været en meget stor synergi mellem
  SJP's generelle projektlederkompetencer, specialist-
  kompetencerne og E&P's dedikerede topledergruppe
  og de entusiastiske projektgrupper og ledere og hånd-
  værkere i almindelighed

* Den løbende kommunikation med alle medarbejdere i
  en organisation som E&P er en udfordring, som hele
  byggebranchen lever med. De fleste medarbejdere ar-
  bejder rundt omkring på byggepladser, og virksom-
  hedens forskellige enheder er lokaliseret forskellige
  steder. De fleste medarbejdere har ikke kontinuerlig
  adgang til e-mail. Derfor har det igennem hele projek-
  tet været vigtigt at holde medarbejderne løbende in-
  formeret og involveret, hvilket er sket gennem:
  - Roadshows og møder i skurvogne og på byggepladser
  - Publicering af Pixibøger "Den gode Kundeoplevel-
    se" og "Den lækreste entreprenør på Sjælland"
  - Nyhedsbreve

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"Årsagen til at E&P er lykkedes i en sådan grad, at de økonomisk outperformer resten af branchen, er topledelsens, her specielt Svend Hartmanns, daglige engagement og direkte involvering i projektet. Svend har været den overordnede arkitekt, som har forstået at involvere eksterne kræfter i det omfang, de interne kompetencer ikke var til stede. Svend har formået at etablere en projektentusiasme i alle dele af organisationen og er selv gået foran og har vist vej, også når det drejdede sig om at holde road-shows i skurvogne på arbejdspladserne"

<p style="text-align:right">*Adm. direktør Stig Jørgensen, SJP A/S*</p>
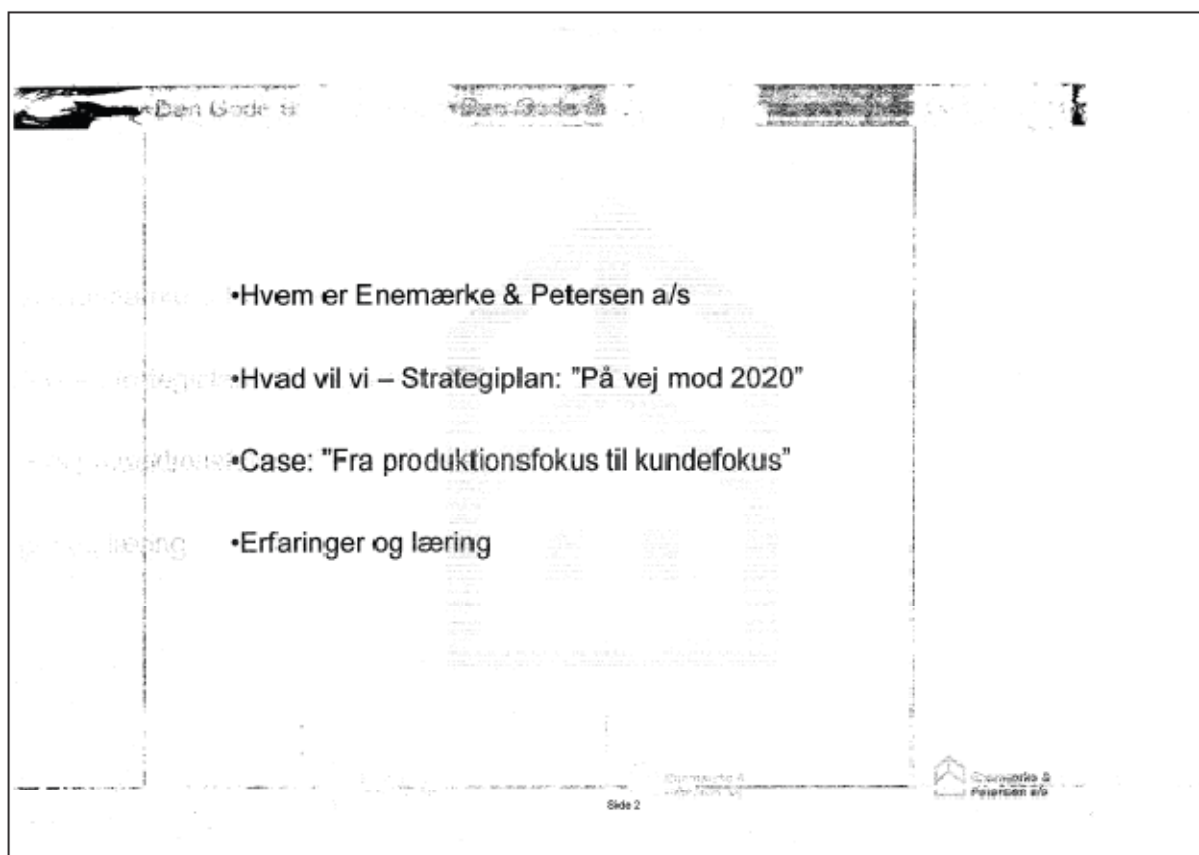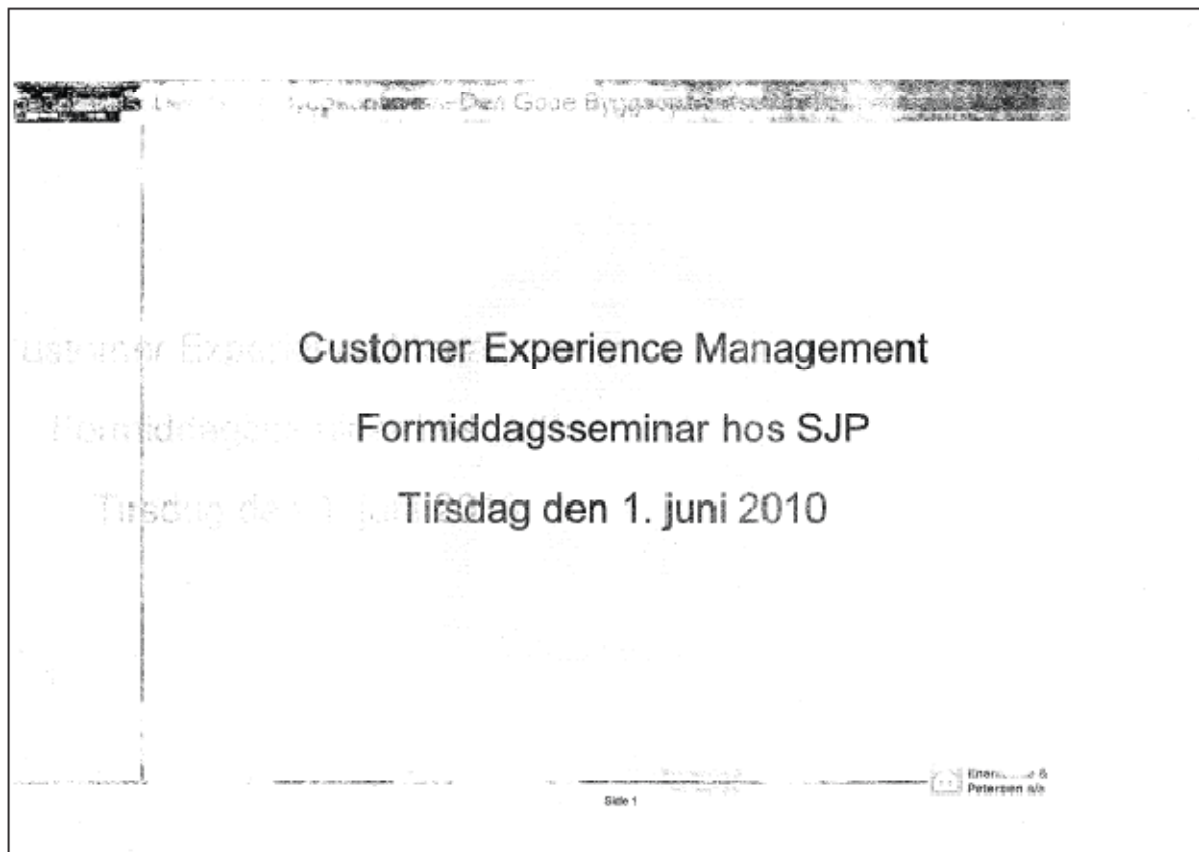
Videnoverførsel mellem konsulent og kunde

- Det var vigtigt for os i valg af konsulentvirksomhed, at det blev en virksomhed der kunne dokumentere, at de vidensmæssigt var i front. Vi ønskede at implementere den sidste nye forskningsmæssige viden på de områder, vi skulle berøre

- SJP blev valgt bl.a. på baggrund af deres tætte samarbejde med CBS og deres mangeårige arbejde med at være på forkant

- Vi ønskede at være på forkant inden for bl.a. måling af kunde- beboer-, medarbejder- og ledelse. Specielt sammenkædningen af disse analyser herunder simulering af de mest effektfulde resultatskabende indsatser samt link til økonomisk performance spillede en væsentlig rolle

- Som eksempler på metoder til videnoverførsel kan nævnes:
  - Coaching på lederniveau
  - Lederworkshops
  - Train the trainer uddannelse
  - Analyse- og e-learningsystemet Confirmit
  - Analysesystemet Forespring™Business Simulator

- E&P ønsker at fortsætte rejsen hen imod en endnu større differentiering i markedet med en deraf følgende vækst der gør, at virksomheden om 3-5 år har en omsætning, der er dobbelt så stor som i dag

- Det kræver en fortsat fokus på beboerne, kunden, håndværkerne og funktionærerne og en fortsat kundeorientering af hele organisationen

- Projektet hos E&P har inspireret SJP til at igangsætte et forskningsprojekt i samarbejde med CBS, Institut for Afsætningsøkonomi. Projektet har til formål at undersøge, hvordan danske virksomheder kan vinde markedsandele gennem differentiering og kundefokus. Forskningsprojektet har i november måned 2009 gennemført en analyse af ca. 500 danske virksomheders implementering af Customer Experience Management og effekten på bundlinjen

Forskningsprojektet viser fire interessante resultater:
- Der er en økonomisk sammenhæng mellem de mest "Customer Experience Management"-fokuserede virksomheder og deres finansielle resultater. Undersøgelsen viste endvidere, at over halvdelen af virksomhedernes differentiering kan forklares af:

  - Topledelsens kundefokus
  - Eksekvering af kundefokus i alle kundens Touch Points
  - Konkretisering af kundens emotionelle og rationelle oplevelser

Resultaterne fra forskningsprojektet vil blive publiceret i foråret 2010 og indgå i næste fase af projektet hos E&P.

10.2 Appendix B – E&P Presentation

Customer Experience Management

Formiddagsseminar hos SJP

Tirsdag den 1. juni 2010

•Hvem er Enemærke & Petersen a/s

•Hvad vil vi – Strategiplan: "På vej mod 2020"

•Case: "Fra produktionsfokus til kundefokus"

•Erfaringer og læring

Den Gode Byggeoplevelse

•Hvem er Enemærke & Petersen a/s

•Hvad vil vi – Strategiplan: "På vej mod 2020"

•Fra produktionsfokus til kundefokus

•Erfaringer og læring

Side 3

Mennesker, der bygger for mennesker

Enemærke & Petersen a/s har siden 1975 bygget og renoveret for en lang række vidt forskellige mennesker. Løsninger spænder fra kæmpesager i offentligt regi til helt små renoveringer for private bygherrer – og omvendt...

Fællesnævneren gennem alle årene har været fokus på mennesket – både dem, der bygger og dem, der bygges for.
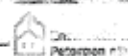
Side 4

E&Ps historie 1975 - 2000

1975:	Enemærke & Petersen a/s etableres af Jørgen Petersen og Gunnar Enemærke med følgende idegrundlag: "Specialfirma med egne tømrere, murere og tagdækkere til udførelse af nye tagkonstruktioner for privatboligmarkedet og mindre boligforeninger".
1978:	Jørgen Petersen bliver eneejer.
1975 – 85:	Tag- og facaderenoveringsopgaver i fagentreprise.
1985 – 95:	Fra fagentreprenør til hoved- og totalentreprenør. Pioner på området for tagboliger på flade tage inkl. udland Tyskland — England — Frankrig.
1995:	Nybyggeri
2000:	Overtages af MTH Oms. ca. kr. 300 mio., med resultat før skat på ca. kr. 10 mio.
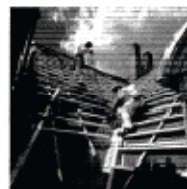
Enemærke & Petersen a/s

Side 5

E&Ps udvikling 2000 - 2009

SP 2002:	Effektivisering	Tagboliger på tørrelofter
	Bundlinie 4 %	
	Ledelsesudvikling	
SP 2004:	Produktivitetsforbedring	Store tag- og facaderenoveringer
	Bundlinieforbedring til 5 %	Modtager ProcesPrisen 2005
	Medarbejderudvikling	
SP 2007:	Nye produkter og nye kunder	Etablering af Bygningsvedligehold
	Balanceret vækst i top og bund	Køber Smedeland (6000 m² værksteder)
	Omsætning/RG: 600 mio./6%	Overtagelse af A.V.Andersen
	Fra produktionsfokus til kundefokus	
SP 2010:	Markedslederposition	Overtagelse af Bendix Træ & Glas ApS
	Udvikling af Bygningsvedligehold	Modtager Integrationsprisen 2008
	Øget egenproduktion	Overtagelse af Bode Byg A/S
	Kundeværdiskabelse	Modtager Seniorpraksis Prisen 2009
	Omsætning/RG: 1 mia./6,5%	
2009/10:	Visionen er realiseret	

Enemærke & Petersen a/s

Side 6

Hvor er Enemærke & Petersen a/s i dag

- E&P har i løbet af de sidste 10 år realiseret vores vision:

"Enemærke & Petersen a/s vil af brugere, bygherrer, samarbejdspartnere, medarbejdere og ejere opleves som den entreprenørvirksomhed på Sjælland, der er bedst til at gennemføre nybyggeri og renovering"

- Vi er lykkedes med:

Økonomi: Omsætning 300 mio. til 1 mia.
                                                                      Resultatgrad 3 % til 6 %

Beboer-, kunde- og medarbejdertilfredshed: 60 – 70 – 80

Positionæring: Største af de mellemstore entreprenører
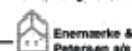
Enemærke & Petersen a/s

Den Gode Byggeoplevelse

•Hvem er Enemærke & Petersen a/s

•Hvad vil vi – Strategiplan: "På vej mod 2020"

•Fra produktionsfokus til kundefokus

•Erfaringer og læring

Enemærke & Petersen a/s

Strategi

På vej mod 2020.

Vedvarende vækst inden for eksisterende og nye forretningsområder, og samtidig fastholdelse af høj indtjening.

November 2009

Enemærke & Petersen a/s

Side 9

Idegrundlag

Mission.

Enemærke & Petersen a/s viser, at intensivt udviklet egenproduktion kan levere respektable resultater.

Vision.

Enemærke & Petersen a/s´ vision er at være en byggevirksomhed, som markant udvider sit forretningsomfang under stringent fastholdelse af sit idegrundlag og sine kernekompetencer.

Passion.

Vor indre drivkraft er glæden ved at samles om at skabe gode oplevelser for kunder, medarbejdere og ejere.

Ambition.

Dobbelt op i forhold til 2010-omsætningen i løbet af 3 – 5 år, dog ikke hurtigere end hvad fastholdelse af overskudsgrad på mindst 5 % tillader.

Enemærke & Petersen a/s

Side 10

Værdier og kultur

Værdier i hverdagen.

Vi tager alle ansvar
Vi er socialt og menneskeligt ansvarlige, vi er synlige og inspirerende og vi holder aftaler.
Vi samarbejder
Vi samarbejder på alle niveauer, vi har tillid til hinanden, og vi tænker i helheder.
Vi deler vores viden
Vi stiller vores viden og erfaring til rådighed, vi kommunikerer rettidigt og relevant, og vi sikrer nødvendig uddannelse og support.
Vi er alle sælgere
Vi afdækker forventninger og behov, vi leverer den aftalte kvalitet til tiden, vi skaber reel kundeværdi og positiv kundeoplevelse, og vi fastholder og udbygger relationer.
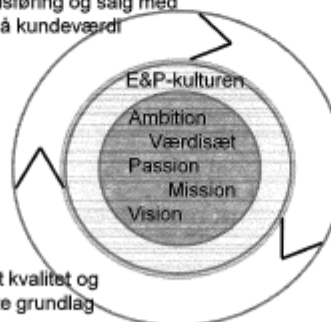
E&Ps kultur:
- Helhed
- Enkelthed
- Kvalitet
- Nærhed
- Håndværk

Enemærke &
Petersen a/s

Side 11

Forretningsmodel - Svinghjulet

Forretningsproces
for marked A

Markedsføring og salg med
fokus på kundeværdi

E&P-kulturen

Ambition
Værdisæt
Passion
Mission
Vision

Kulturelt og
metodemæssigt
veludviklet
egenproduktion

Dokumenteret kvalitet og
læring på dette grundlag

E&Ps svinghjul: Altid at gøre det samme,
men alligevel på hver sin måde

Enemærke &
Petersen a/s

Side 12

Den Gode Byggeoplevelse

•Hvem er Enemærke & Petersen a/s

•Hvad vil vi – Strategiplan: "På vej mod 2020"

•**Case: "Fra produktionsfokus til kundefokus"**

•Erfaringer og læring

Enemærke &
Petersen a/s

Side 13

Den Gode Byggeoplevelse

•**Rejsen mod en kundefokusorienteret kultur:**

–Analyser og lederworkshops 2005 - 2007

–Kundefokusevent efterår 2007

–Medarbejderworkshops 2008

–Pixibøger

–Beboer-, kunde- og medarbejdermåling: 0-punkts-måling i efterår 2008

Enemærke &
Petersen a/s

Side 14

Analyser og lederworkshops 2005 - 2007

Figur 3. Oversigt over forventninger og ønsker E&P bør opfylde/overgå. Inspiration: Kotler (2000; 394)

Side 15

Kundefokusevent efterår 2007

Kundefokus 2007

link

Side 16

Medarbejderworkshop 2008

link

Side 17

Pixibøger

Den lækreste entreprenør på Sjælland
Den lille bog om kundefokus

Side 18

0-punkts-måling i efteråret 2008

Index 2008 ← Beboere 49 ← Kunder 60 ← Medarbejdere 84

Side 19

Enemærke &
Petersen a/s

Den Gode Byggeoplevelse

•Kundefokusorienteret kultur i dag:

—Beboer- og kundeworkshops ved opstart og afslutning

—Kommunikation, information og dialog

—Integreret analyse

—Roadshow

—Nyhedsbreve

—Innovative tiltag

Side 20

Enemærke &
Petersen a/s

Side 21

Enermærke &
Petersen a/s

Kommunikation, information og dialog

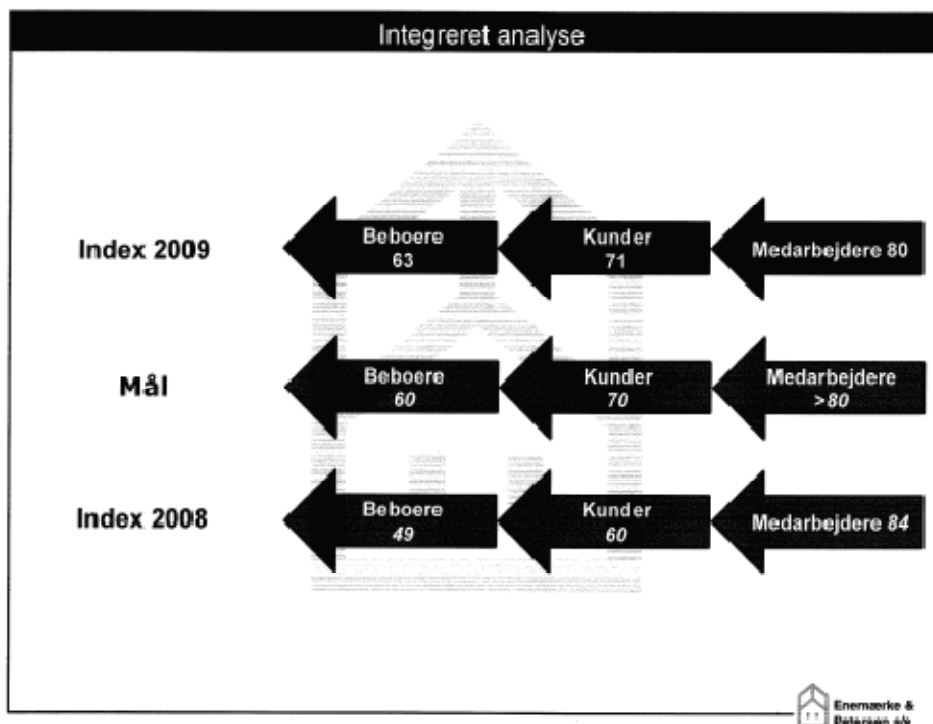*Målene for "de tre Index" er: 60 – 70 – 80:*
- Beboerindex skal hæves til min. 60
- Kundeindex skal hæves til min. 70
- Medarbejderindex skal fastholdes på min. 80

Indsatstemaer:
- Den gode byggeoplevelse (eksternt)
    - Beboer: Bedre information & kommunikation
    - Kunde: Bedre samarbejde & kommunikation

- Den gode teamoplevelse (internt)
    - Håndværkere: Bedre faglig- og personlig udvikling - delegering og involvering
    - Funktionærer: Bedre udviklingssamtaler (MUS) - delegering og involvering

Side 22

Enermærke &
Petersen a/s

Integreret analyse

Side 23

Roadshow

Side 24

Kundetilfredshedsmåling - Tuborg Havnevej

Enemærke & Petersen a/s

Sagsdata:
Kontorrenovering i nyere kontorhus, placeret i det nye Tuborg Havn miljø.
Hovedentrep. af kontorer for vores advokatfirma Rønne & Lundgren, der flyttede fra nr. 10 til nr. 19.
Kontraktsummen var på kr. 5.000.000,- og der kom tillæb i perioden for ca. kr. 300.000,-.

Kundetilfredshedsmåling:	på sagen	målt 2009	måling 2008
Loyalitets indeks:	94	70	69
Sikre dialog og forventningsafstemning:	92	66	61
Aflevering uden fejl og mangler:	83	75	68
Gode til konstruktivt samarbejde på alle niveauer:	100	77	71

Gode erfaringer:
Bygherren havde en meget stram tidsplan. Alt var planlagt ned i mindste detalje, hvorfor det var væsentligt, at E&P's team spillede med på samme metode. Vi holdt et opstartsmøde (workshop light) med alle interessenter i sagen og fik afstat fælles mål og afstemt forventninger og samarbejdsforhold. Og vi fik ved afleveringen anerkendelse fra bygherre og rådgiver for, at vi havde lært noderne rigtigt.
Projektlederen valgte pga. den stramme tidsplan, at kontrahere alle tekniske fag med samme UE, selv om det kostede lidt ekstra, men opnåede dermed en procesmæssig fordel.

Dette vil vi ændre til næste gang:
Uanset tidspunktet for opgavens gennemførelse, og opgavens kompleksitet mv., vil vi have mere fokus på at få tildelt de rette ressourcer og dette i tide.
Der er jo i øvrigt altid plads til forbedringer, men stort set vil vi gentage processen.

Evaluering med håndværkerne om byggeprocessen og det interne samarbejde:
Da byggeledelsen besluttede at indrette kontor midt på etagen, der blev ombygget, blev der en tæt og god dialog mellem byggeledelse og alle håndværkere, der således dagligt fik evalueret på byggeprocessen. Selv om meget arbejde blev udført "oven i hovedern" gav det hverken utilfredshed eller arbejdstids- og sikkerhedsmæssige problemer.

Ringsted, september 2009

Enemærke & Petersen a/s

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Kundetilfredshedsmåling
Amstue Allé og Zahlesvej

Enemærke & Petersen a/s

Sagsdata: Hovedentreprise Amstue Allé og Zahlesvej
Entreprisesummen for/i begge sager i alt kr. 24.400.000 – enshåndsentrepriser betalan op til kr.
5.000.000
•Opgaven bestod i ombygning for Ringsted kommune af 20 ældreboliger (rækkehuse), renovering
•og ombygning af servicecenter, samt terrænarbejder.
•Opgaven blev løst i et godt samarbejde med bygherren, og med 2 forskellige rådgiverteam's.

Kundetilfredshedsmåling:	på sagen	m-ål 2009	måling 2008
Loyalitetsindeks:	58	70	60
Sikre dialog og forventningsafstemning:	60	66	61
Aflevering uden fejl og mangler:	53	75	68
Gode til konstruktivt samarbejde på alle niveauer:	67	77	71

Gode erfaringer:
- LPS har været et godt værktøj i planlægningen
- Godt at Jan Buur var med til at "skubbe" LPS i gang, og give det struktur
- Synergi i at sammenlægge 2 byggesagers udførelse, når geografien tillader det
- Opstartsworkshop med bygherre og rådgivere

Det vil vi ændre til næste gang:
- Opstartsworkshop skal opdeles i hhv. proces og samarbejde, samt i projektforståelse
- Fastholde fokus på at projektløsninger skal være afklaret inden igangsætning
- Projektændringer og ekstraarbejder skal formulere præcist i tegninger og notater.
- Rekvirering og accept af ekstraarbejder skal foregå kontinuerligt!
- Evalueringer med både håndværkere og bygherre.

Evaluering med håndværkerne om byggeprocessen og det interne samarbejde:
- Ej gennemført!

Ringsted den 30. juni 2009

Enemærke & Petersen a/s

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Innovative tiltag

—Beboervarslinger

—Serviceskranke

—Beboerhåndtering link

Side 27

Enemærke &
Petersen a/s

Den Gode Byggeoplevelse

•Hvem er Enemærke & Petersen a/s

•Hvad vil vi – Strategiplan: "På vej mod 2020"

•Fra produktionsfokus til kundefokus

•**Erfaringer og læring**

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Enemærke &
Petersen a/s

Den Gode Byggeoplevelse

Erfaringer og læring:

- Ledelsesinvolvering

- Dokumentation

- Incitamentsaftaler

Bygherrecitat:
"Forstå din bygherre – gør ham bedre – bliv selv bedre"

Enemærke &
Petersen a/s

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