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The Customer Experience: A Road Map for Improvement

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Structured abstract

Purpose: This paper attempts to respond to the call to help organisations systematically engineer their customer experiences. Its objective is to investigate how organisations actually go about designing and improving their customer experiences.

Design/methodology/approach: Four organisations were chosen for this exploratory study; one business-to-business company, one business-to-consumer company, one utility and one public sector organisation. This longitudinal study over a period of four years collected data from participant observation, discussions, internal reports and from secondary data.

Findings: Despite the differences between the four organisations they appear to have taken, independently, the same approach to bring about improvements to their customer experiences. This paper proposes a ten stage 'road map' to improvement which develops the existing models.

Contribution: The study makes four theoretical contributions including a definition of a customer experience and its difference to a service, it provides some empirical support for the existing stage models which it has develops and extends into a ten stage model. It has also identified the 'triple bottom line' as the outcome of customer experience design not simply an improved experience.

Practical implications: This study identifies the critical importance of mindset change in the design of customer experience improvement programmes and the ways in which customers can be directly engaged in the design and improvement process. Importantly it provides a road map which organisations can use as a base for improving their customer experiences. It also suggests that it is useful to have clear objectives in three areas: customer, staff and cost efficiency and use them to assess the benefits of improving the customer experience.

Originality/value: The study organises the current literature on the customer experience, distinguishes between 'service' and 'experience', and provides a research-based road map for improving the customer experience.

Research limitations: Main limitations were that the in-depth, longitudinal study covered just four organisations and from a mix of sectors. Further work is needed to further test the findings in more organisations**.**

Research Paper

The Customer Experience: A Road Map for Improvement

Introduction

Pine and Gilmore (1998 and 1999) were some of the first writers to address the notion of the customer experience (see also Carbone and Haeckel 1994 and Johnston 1999). In their paper in 1998; "Welcome to the Experience Economy" and their book the following year; *The experience economy – Work is theatre and every business a stage,* Pine and Gilmore observed that as services are becoming more commoditised leading-edge companies are competing on experiences.

The idea of the customer experience appears to have resonated with practitioners and academics alike and many managers and service researchers now talk about the customer experience. However, research on the customer experience appears to be in its infancy, certainly compared to service related topics such as service quality and loyalty. Furthermore, the customer experience is sometimes seen only as an issue for 'entertainment' type organisations such as theme parks (experience-centric organisations – see Zomerdijk and Voss 2010). However the literature suggests that whatever the service (or indeed product) a customer is buying or receiving, that customer *will* have an experience; good, bad or indifferent, i.e. a service always comes with an experience (Carbone and Haeckel 1994) and that all service encounters provide an opportunity for emotional engagement, however mundane the product or service might be (Berry and Carbone 2007, Voss and Zomerdijk 2007).

A challenge that seems to be emerging from the literature is how can organisations systematically engineer their customer experiences (Carbone and Haeckel 1994) in order to achieve the 'triple bottom line' i.e. to make them not only better for the customer but also better for the organisation's staff and better for its 'bottom line' i.e. cheaper and more efficient (Bate and Robert 2007, H.M. Government 2007). This paper attempts to respond to this challenge. While there is a literature on service quality improvement focused primarily on delivering better service for the customer, the customer experience literature appears, in the main, to be limited to coverage about the nature of the experience and the provision of a number of operational tools and techniques. There appears to be a knowledge gap about how, at a more strategic level, organisations can go about improving specifically their customer experiences to try to achieve a triple bottom line. Thus the objective of this paper is to take a grounded approach to customer experience design and improvement and investigate how organisations actually go about designing and improving their customer experiences.

The Customer Experience Literature

There appear to be three main areas covered in the current literature; why is the customer experience important? What is a customer experience? And importantly for this paper: how do organisations go about designing a better customer experience?

The importance of the customer experience

Several authors (see for example Pine and Gilmore 1998 and 1999, Shaw and Ivens 2002, Voss 2003, Prahalad and Ramaswamy 2004, Meyer and Schwager 2007), have made the point that the customer experience may provide a new means of competition. Providing a good experience is also important because it affects customer satisfaction (Liljander and Strandvik 1997), delivers customer loyalty (Yu and Dean 2001, Pullman and Gross 2004, Mascarenhas *et al.* 2006), influences expectations (Johnson and Mathews 1997, Flanagan *et al.* 2005), instils confidence (Flanagan *et al.* 2005), supports the brand (Grace and O'Cass 2004 Berry and Carbone 2007) and also creates emotional bonds with customers or, conversely, leads to emotional scarring (Pullman and Gross 2004).

However, despite these benefits, the limited amount of research in this area suggests that good customer experiences are not prevalent. For example, a recent survey by Bain & Co. of 362 companies, across several industries and their customers, found that 80 per cent of the senior executives interviewed said they provided a superior customer experience, but just eight per cent of their customers agreed (Coffman and Stotz 2007).

Customer Experience

There appears to be a good deal of confusion in the literature about the definition of an experience and its difference to a service. The first step is to try to clarify this, starting with the definition of a service.

There is an enormous range of services available from a vast range of organisations, including business-to-business, business-to-consumer, the public sector and voluntary organisations. It is therefore perhaps not surprising that there appears to be no single, agreed and comprehensive definition of what a 'service' is (Haywood-Farmer and Nollet 1991, Sampson and Froehle 2006). Services are sometimes defined as something intangible (see for example Gummesson 1987), however many services also include some tangible elements (Johnston and Bryan 1993). While there is as yet no agreed definition of service there are the beginnings of an emerging consensus. A product is a thing whereas a service is an activity - a process - which involves the treatment of a customer (or user) or something belonging to them, where the customer performs some role in the productive activity, i.e. the steps in the service process (Wild 1977, Sampson 2005, Sampson and Froehle 2006). Defined as such, 'service' is much more than the point of staff-customer interaction, sometimes referred to as customer contact (Chase 1981) or the moment of truth (Normann 2000).

To make sense of the existing literature it is helpful to consider two perspectives on service, the service provided from the operation's point of view and the service received from the customer's point of view (see Figure 1) (Ding *et al.* 2010, Johnston and Clark 2008).
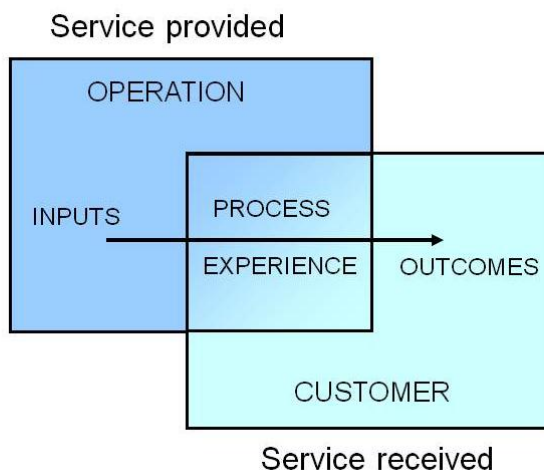
Service provided

Service received

Figure 1   The operations and customer perspectives on service (adapted from Johnston and Clark 2008)

The operation uses its input resources, such as labour, materials, information, technologies, equipment, and customers (or something belonging to them), to design, create and enact the service together with the customer (the service process). (This is sometimes referred to as the transformation process, Slack *et al.* 2010 or resource integration, Lusch *et al.* 2007). From the operation's point of view, services are those processes (activities) which are created and enacted by organisations into which the customer provides an input and takes some part (from limited to significant) in the service process itself. Services are therefore 'co-created' or 'co-produced' along with the customer (Brudney and England 1983, Eiglier and Langeard 1987). Thus the service provided occurs, or is enacted, where the operation and the customer (as an input) meet as represented by the overlap in Figure 1.

Value is created for the organisation from the sale of the service for which the customer or some other agency pays (value-in-exchange, Lusch *et al.* 2007).

From a customer's point of view (sometimes referred to as the service-dominant logic perspective, Lusch *et al.* 2007) value is created for the customer in the service received; their experience of it (value-in-use, Lusch *et al.* 2007) and the outcomes of the service including the benefits they get from it (Carbone 2004, Edvardsson and Olsson 1996).

While a service is the process or activity, the customer's experience is their personal interpretation of the service process and their interaction and involvement with it during their journey or flow through a series of touch points, and how those things make the customers feel (Csikszentmihalyi 2000, Ding et al. 2010, Johnston and Clark 2008, Meyer

2007, Pullman and Gross 2004, Shaw and Ivens 2002). The experience (and value, Vargo and Lusch 2004) is perceived purely from the point of view of an individual customer and is inherently personal, existing only in the customer's mind. Thus, no two people can have the same experience (Pine and Gilmore 1998).

Experiencing a service results in the customer feeling emotions (powerful, subjective feelings and associated physiological states, Purves *et al.* 2001), of which there are many hundreds. The main ones being happiness, surprise, love, fear, anger, shame and sadness, and those feelings may range from, for example, discomfort to depression or warm to intimate or at ease to ecstatic (see for example Goleman 1996).

The benefits the customer gets from using and experiencing the service includes how they perceive they have 'profited' or gained from the service provided and their experience of it, i.e. how well their requirements and needs have been met. Another outcome of the service from a customer's point of view will be their conscious or unconscious assessment of the service provided (Zomerdijk and Voss 2010), the perceived value of the service received (Bitner and Hubbert 1994, Oliver 1997) and their overall satisfaction or dissatisfaction (an emotion) (Carbone 2004). These judgments, good, bad or indifferent, will result in intentions, such as the intention to repurchase or not, the intention to recommend it to others, or the intention to complain or not. These intentions may or may not result in action.

The outcomes outlined above are from a customer perspective. There are also important outcomes from the organisation's perspective. Organisational outcomes will be concerned with meeting operational and strategic objectives and financial targets for example (Johnston and Clark 2008).

Incidentally, the quality of the service (service quality) can also be defined from these two perspectives; operational service quality and customer perceived quality. Operational service quality is the operation's assessment of how well the service was delivered to its specification (as defined in operational procedures, training manuals etc, see Pinto and Johnston 2004). Customer perceived quality is the customer's judgement of the quality of the service; their experience and the perceived benefits (compared to their needs and expectations). The operational service quality and perceived service quality can be assessed in terms of the quality factors or dimensions of service quality (attributes and variables) (such as reliability, empathy, responsiveness, etc, see for example Parasuraman et al. 1985). Importantly while the operation may deliver to specification this does not mean that what is perceived by the customer is satisfactory, since a) their expectations will be influenced by a host of factors including their prior use, the cost of the service, word of mouth, advertising, brand etc, and b) perceptions are personal, idiosyncratic etc and not just based on the service process but their personal experience of the service process and the benefits gained.

Customer experience design

While much operations management research has focused on service design, experience design has received only limited attention (Pullman and Gross 2004). However, there has been some work in this area. Several 'operational' tools have been developed to help both design and assess the customer experience, including creating experience clues (Berry and Carbone 2007), designing the 'servicescape' (Bitner 1992), customer journey mapping (Shaw and Ivens 2002, Zomerdijk and Voss 2010), service transaction analysis (Johnston 1999), customer experience analysis (Johnston and Clark 2008), walk-through audits (Fitzsimmons and Fitzsimmons 1994), and sequential incident technique (Stauss and Weinlich 1997).

Stuart and Tax (2004) argued that the customer experience can be enhanced by designing the service system to encourage greater active customer participation. Bate and Robert (2007) introduced an approach which involves customers in the design of the experience; experience-based design. Pickles *et al.* (2008) developed this methodology to demonstrate how three theoretical components of good design: functionality, engineering and aesthetics can be used as a framework to improve performance, safety and governance.

In terms of taking a more strategic and holistic approach to experience design, Carbone and Haeckel (1994) divided experience design into four phases; 1) acquisition of service experience design skills, 2) data collection and analysis, 3) service clue design, and 4) implementation and verification. Later Carbone (2004) suggested five steps; 1) build a diverse design team, 2) drill down to the experience core, 3) focus on clues, 4) develop the experience narrative or story line, and 5) prioritise implementation opportunities. In 2007 Berry and Carbone proposed a five step approach; 1) identify the emotions that evoke customer commitment, 2) establish an experience motif, 3) inventory and evaluate experience clues, 4) determine the experience gap, and 5) close the experience gap and monitor execution. Carbone also recommended that to transform an organisation to an experience-based one requires; 1) vision and strategy (clear experience statements), 2) leadership such as a CXO (chief experience officer), and 3) transfer of skills and knowledge by getting employee to think in terms of experience clues. These somewhat differing approaches (by the same author) do not appear to be supported by research-based evidence about what organisations have actually done and the impact of so doing. Thus the objective of this paper is to investigate and how organisations have gone about designing and improving their customer experiences.

Method

Flynn *et al*. (1990) encouraged OM academics to undertake empirical and field-based methodologies to examine changes in organisations. Although less reliable than narrow modelling research methods, field-based methodologies can produce rich insights into important issues, though may require, as in this case, a substantial time commitment.

The chosen method for this paper is a grounded multiple case study, appropriate for exploring a relatively new topic area in order to provide descriptions to help generate theory in previously under-investigated areas (see for example Eisenhardt 1989; Gummesson 2000 and Yin 2008). While many studies recommend the use of longitudinal studies, this work employs such an approach because it concerns the implementation of a change process which takes place over a period of several years (Karlsson 2009). A longitudinal study was also chosen because asking questions at the end of an improvement process may lead to post hoc rationalisation. For example, while there may not have been a clear approach or strategy at the start, it may have become clear by the end. Further, post hoc assessment may not necessarily reflect or capture all the stages that actually took place.

Multiple cases were used to see if the approach taken was different in different contexts, where the individual cases act not as representations of populations (samples) but as replications. Four cases were selected to provide four different sector contexts; one private for-profit organisation (B2C) – a bank, one for-profit servicing business customers (B2B) – an international courier and parcels company, one public sector organisation – a hospital, and one regulated utility – a water company. Constraints of both time and opportunity precluded a voluntary organisation from being included in the set of cases.

The organisations were chosen because; firstly, they fitted into one of the chosen sectors, secondly, they had declared that they were about to embark on improving their customer experience, and thirdly, and importantly, they agreed to allow the researcher access to the organisations over a period of several years to observe how that organisation went about designing and improving the customer experience.

The unit of analysis was the organisation (not a department or unit). Being a grounded study there were no prior assumptions about how the organisations would go about their change processes.

The research was carried out over a period of four years during which time all the organisations planned and completed some substantive changes. The research design involved a combination of methods and multiple sources of evidence (suggested by Flynn *et al.* 1990); historical archive analysis (from public records, newspapers and management reports, consultancy documents published and unpublished reports), participant observation (observing management discussions and meetings with executives and team members), and unstructured, ethnographic interviews (discussions) with executives and team members. Four main sub-questions provided the broad structure for the data collection:

1. Why did they want to improve the experience?
2. What is the customer experience they were trying to provide?
3. How did they go about improving it?

4. What was the impact of the changes?

The analysis of the wide variety of qualitative data collected involved several steps including; familiarisation, reflection, data reduction, writing narratives of the changes, coding, conceptualisation, sorting and cataloguing activities and outcomes, and re-evaluation (Easterby-Smith *et al.* 2008, Karlsson 2009).

Findings

From the analysis eight broad stages emerged that captured the approaches taken by all four organisations to improve the customer experience, although the way they carried out the stages were slightly different. The eight stages of the improvement 'road map' were; instigation and objective setting, coordinate and oversee the changes, undertake customer research, define the experience, undertake action research, prioritise areas for development, develop and pilot the changes, and change the support systems. The following sections take each of the stages in turn and briefly explain how the organisations carried them out. These findings are summarised in Table 1.

1. Instigation and objective setting

The motivation for improvement varied across the organisations. For the courier company improving the experience was an opportunity to differentiate the company in a relatively mature and commoditised market. Energised after attending an event run by a firm of consultants specialising in the customer experience, senior managers claimed that they had 'discovered' that for many of their customers their service was quite an emotional experience and that their customers wanted to feel more engaged with the company. An important backdrop for this organisation was that it had told shareholders it wanted to improve its return on sales by ten per cent and the directors hoped that this initiative might contribute to that. In the bank, managers also saw an opportunity to differentiate the company. While they had spent some years developing their culture, values and processes they were looking for a next step. Again after being exposed to the work of a firm of consultants, they recognised they had the capability to provide quite a different experience than that of the competition. For both of these organisations there was no underlying 'business plan' that suggested or expected these initiatives to reduce costs but it was done simply in the belief that they might at least maintain revenue levels and even increase them.

For the utility this was the third phase in a major transformation programme which was started in response to major problems. Indeed the regulator had threatened to remove their operating license. While the first two phases were part of the initial 'recovery' plan, this third phase emerged, again in response to an input from consultants, as a natural progression to their emerging objective to be the best in the industry. While in essence the motivation was differentiation (i.e. better than the rest of the industry) there was a clear objective to make it a better place to work for the staff, to increase their pride and job

satisfaction. It was also felt that there may be opportunities for cost reduction. Again there was no business plan for the activity, just a belief that it was the right thing to do.

The hospital's approach was instigated by psychology academics and a health service improvement body spurred on by the NHS Improvement Plan 2005 and later by the Public Sector Transformation Programme 2007.   Both of these government documents encourage public sector organisations to improve the experience they delivered to 'customers' and also reduce costs. Again, no business plan existed.

Not only did no organisation have a business plan, there was also no clear strategy as to how they would go about improving the experience. The people leading these activities were allowed to develop it as they went along.

2. Coordinate and oversee the changes

In terms of coordination and overseeing the changes, all the organisations took a very similar approach.   They all created small high powered teams (referred to here as Experience Teams) based centrally (at HQ) in the multi-site organisations to oversee, encourage, and coordinate the programme. With the exception of the hospital, the teams did not see themselves responsible for making the changes but for overseeing the changes and encouraging involvement. However, they did take responsibility for communication and strategic planning. The hospital was a smaller operation and the team was actively involved in bringing about the changes. The courier company appointed a Chief Experience Officer (CXO) to head the team which reported directly to the board. For the bank the remit was given to the Chief Operating Officer (COO). The responsibility in the utility was given to the Head of Customer Service and the hospital set up a high level advisory group which comprised a number of the most senior managers.

3. Undertake customer research

All the organisations' Experience Teams undertook customer research to help inform their improvement approaches and activities.   Two reasons were given for this activity, one explicit and the other was not stated to staff. The first reason was to gather data from customers primarily so that the organisation could better understand the experience their customers both currently received and would appreciate (see next section). The second reason was to change the mindset of the staff and managers. The Experience Teams in all the organisations believed that the biggest barrier to change was not a lack of resources but getting their people to see their services from the point of view of the customer, outside-in (Price and Brodie 2001 and Johnston 2008), i.e. the customer experience.   The customer research was therefore not conducted by the Experience Teams.   Instead managers and staff were encouraged to hold customer forums and interviews, and undertake journey (touch point) mapping. Typical questions asked of customers included; what do you need, how would you like us to behave, what would make the experience excellent, how well are we doing, what's not quite right, and what

works well. The focus was on getting anecdotal data including emotive statements, positive and negative, from customers to help galvanise the need for change in the organisations. The hospital also involved patients and offered them video cameras, still cameras and paper to capture and then share their experiences with the Experience Team. All the organisations' Experience Teams supplemented their research using external agencies to collect industry-wide data. The courier and the utility companies, for example, commissioned external organisations to undertake consumer research, across sectors, to better understand the experience and emotions that consumers in general expected from service providers and the relative importance of each of them. The utility, for example, found two sets of factors (corresponding to satisfiers and dissatisfiers - see Johnston 1995) which they called physical and emotional. The physical factors being things like reliability, value for money, responsiveness and problem solving – with reliability being the most important) and the emotional aspects being trust, assurance, care, valued, for example, with trust recognised as the most important.

4. Define the experience

Based on the data collected from the previous stage, all the Experience Teams then developed 'customer experience statements' (Shaw and Ivens 2002) articulating the nature of the customer experience their organisations should be providing from the customer's point of view at the various touch points during the customer's experience. These statements included the emotions that the organisations agreed they wanted their customers to feel. Developing these statements were significant tasks and all the organisations made a point of holding facilitated sessions with the Experience Teams, senior managers and in the case of the hospital, patients as well, to generate the statements. The courier company used a two-day management team meeting, the other organisations held a series of meetings, often over a period of months. The techniques employed included the teams undertaking journey mapping themselves, emotion mapping (see Johnston and Clark 2008), listing and voting for the desired/required feelings (using yellow stickies). The sets of emotions that the organisations felt they should engender in their customers included, in one organisation, empathy, trust and understanding and in another special, valued, understood and assured. Discussing emotions did not come easy in any of the organisations. One Experience Team leader admitted that he would previously have dismissed as mad any notion of him talking about creating feelings in customers with his fellow senior managers. One example of an experience statement, in the case of the utility company, was; always receive proactive communication, always treated as special and valued, given a personalised service, never suffer from disruption due to road works, with high levels of trust. In all cases the experience statements were written from the point of view of the customer (outside-in) and not from the point of the organisation (inside-out) i.e. "the customer will get/see/feel" rather than "the organisation will provide".

5. Prioritise areas for development

Based on their learning from the customer research and the development of experience statements the Experience Teams then set about identifying areas for change, assigning priorities (with senior managers) and also agreeing how the projects and work streams would be managed. In all cases the Experience Teams set up project teams employing project management methods. Their remit was not to redesign processes but to undertake action research to enable the redesign to happen 'bottom-up' by getting ideas from the people involved in service delivery (step 6) then help them develop and implement the changes (step 7). One piece of action research in the courier company, for example, found that if a driver was expecting to be say 20 minutes late for a pick up or drop-off s/he had to ring their control to report it. The controller would then contact customer services, who would then contact the customer. By which time the driver would be at the company being berated for being late. This process also undermined the, usually, long-standing relationship the driver had with the staff at the company. The process was changed so that the drivers could contact the company directly and as soon as they knew they might be delayed.

6. Undertake action research

In line with the implicit objective outlined in step 3, to change the mindset of the staff and managers to outside-in, the Experience Teams recognised that to bring about the desired improvements the ideas had to be driven from the people involved themselves, encouraged by the Experience Teams and facilitated by the project teams. The objective of this phase, undertaken by all four organisations, was to help staff/providers understand the experience they were delivering, and their customers were actually receiving, and then involve them in finding ways to improve those experiences. The key tools that the Experience Teams provided to support the project teams were customer journey mapping, observation, walk-through-audits and emotion mapping. The intention was not to focus on internal flows but the processes and experiences from the customer's point of view. There was a realisation that many of these flows cut across traditional functional boundaries and project teams were adjusted to bring in a wider set of expertise and responsibilities in order to focus on problem solving through collaboration with others. The intention here was not upon obtaining information from customers but rather allowing staff and managers to 'experience' the customer's experience. Emotion mapping was particularly helpful here, also referred to as behavioural mapping, which asks staff to map out the customer journey then add how they think the customer feels at each point in the process. In the case of the hospital, staff realised that at various stages patients would feel embarrassed (when part of their treatment took place in the waiting room in full view of other patients), out of control, when they were told what would happen to them, and anxious, cross and upset when they had to wait, without explanation or indication of the length of time, in the waiting room for critical test results. Three of the organisations (not the hospital) also encouraged staff and managers to look at the experiences provided by other (quite different) organisations. In the courier company and the utility this comprised of management benchmarking tours. In

the bank small groups of staff were given tasks to 'mystery shop' other organisations and report back. This latter method was reported to be highly successful in changing mindsets because by assessing other organisations first staff were better equipped, more able and more open-minded) to critique their own organisation.

Table 1   Road Map for Improving the Customer Experience

	Courier	Bank	Utility	Hospital
1. Instigation and objective setting				
Trigger	Consultants			Academics Government
Objective	Differentiation		Differentiation Better staff experience Reduce costs?	Improve service Reduce costs
Business plan	None			
2. Coordinate and oversee the changes				
Responsible person	CXO	COO	Head of Customer Service	Advisory Group
3. Undertake customer research				
Explicit purpose	Understand the experience received and desired.			
Implicit purpose	Change the mindset to outside-in			
Internal research	Focus groups, interviews, journey mapping			
External research	Consumer experience	None	Consumer experience	None
Expert advice	Yes			
4. Define the experience				
Developed by	Experience team			
How	Facilitated sessions			
Emotions-based	Yes			
5. Prioritise areas for development				
Areas for change	Identified			
Implementation	Project teams			
6. Undertake action research				
Objective	Bottom up mindset change and ideas for improvement			
Key tools	Observation, journey mapping, emotion mapping and walk-through audits			
External 'benchmarking'	Management benchmarking tours	Staff mystery shopping expeditions	Management benchmarking tours	None
7. Develop and pilot the changes				
Idea generation	Project team			
Pilot testing	Project team			
Assessment	Staff and customers			
Implementation	Experience team			
8. Change the support systems				
Responsibility	Experience team			
Changes	Training, measures, reward systems			

7. Develop and pilot the changes

These two activities were closely linked and iterative, and essentially one single stage. The project teams encouraged and collected ideas to deal with the issues the managers and staff identified and then helped them test them out in their own areas/departments and obtain feedback from staff and customers. If the changes were judged successful by the project teams, after any adjustments, the Experience Team would then take responsibility for coordinating the changes across the organisation/department and ensuring that appropriate training was provided by the appropriate department. The bank, for example, after a trial in several branches, changed its process for dealing with customers wanting to open a new account. Instead of this task being allocated to one individual (who was often not available – on break, on the phone etc) everyone was trained to deal with account openings so that there was no delay in signing someone up. "Come back later" was not the right experience for the customer.

8. Change the support systems

Many small but significant changes resulted, some of which required wider and deeper infrastructural changes in the organisation.   The Experience Teams recognised that besides sharing the changes across the organisation they had to change organisational systems and processes, in particular revise training plans to take account of the changes but more importantly to change to customer-based measures to reflect the new customer focus, and then align measures and reward systems to support them. The water company, for example, relied on 'percentage of non-major problems fixed within eight days' as a measure of its response to customers with a non-urgent problem. On the face of it this is similar to many organisations' repair measures but it is inside-out. While it might, at first glance, appear more efficient for the company to have a longer time period in which to schedule their work, it is quite unhelpful to the customer who has no idea over the next eight days when the operative is likely to arrive. So s/he either has to stay in for up to eight days or go out or to work and risk missing the operative (thereby making the process inefficient for the company as resources were frequently allocated to jobs where access could not be gained). The company introduced an integrated computerised scheduling system which enabled the operator to make specific promises with a narrow time window.

Assessment of the impact of the changes

Because the organisations did not have business or financial plans underlying the customer experience improvement activity, there were no pre-agreed measurable targets or outcomes against which they were measured or required to perform. Probably because of this none of the Experience Teams had agreed or created metrics at the start against which they would compare themselves at the end. As a result, the impact of these improvement activities was mainly anecdotal.

In the case of the courier company, the Experience Team leader (the CXO) claimed that

the greatest outcome was an increase in understanding of the business from a customer's point of view. Also there was a belief that the cost of poor quality had reduced as staff were making fewer mistakes as they better understood their role in creating the experience and also the impact of their making a mistake on the customer. As a result people started taking more of an end-to-end view of their processes. The leader also believed the company had become more efficient and effective as a result of the work, allowing the company to deal with higher volumes, primarily as a result of fewer mistakes and reduced rework. The company also achieved its desired ten per cent increase in return on sales and there was a view that this work had played a significant part in achieving it. There was also a belief that the work had greatly improved the customer's experience and also had made things much better and easier for staff.

The bank's Experience Team firmly believed the work had had a significant impact on the staff and therefore also on the customer. The staff, through the experience training they had undertaken, appeared to be much more engaged and were much more able to see things from the customer's point of view. As a result there was a view that the customers experience must have improved. There was also a view that efficiency had improved but there was no evidence to back up this assertion. The organisation believed that such information would be available within the next 18 months (after the end of the current study).

The utility company did have some metrics to substantiate the impact of their customer experience work. In one pilot area customer satisfaction had increased from 85 per cent to 97 per cent and the level of trust (one of the emotions they wanted to improve) had increased from 71 per cent to 81 per cent. They also had a reduction in complaints over the four year period of 25 per cent. They won several national awards not only for their customer service but also for staff satisfaction. The organisation also achieved 100 per cent compliance with legal and regularity standards but this was in part due to successes in the earlier parts of their transformation programme. There was a view that costs had been reduced though no hard evidence was available. However, the company had increased its profitability in non-regulated parts of the business which was believed to be due to the change in attitudes in the organisation.

The hospital saw a large number of small changes implemented in their processes. The Experience Team, which included patients, reported that the changes had vastly improved the customer's experience. In terms of the staff, they felt it had helped create a greater pride and also had built a sense of community. There was agreement that costs had been reduced, paperwork had been simplified, and better use had been made of professionals' time.

In all cases it was clear that there were three main outcomes, though in most cases they were unsubstantiated. By working at improving the customer experience the organisations believed that not only had the experience improved for the customers but the nature of the job had improved for the employees. Importantly improving the customer experience had

broader business and financial implications for the organisations with a range of improvements in costs and efficiency.

Discussion and contribution

It may sometimes be assumed that 'customer experience' is predominantly concerned with 'entertainment' type organisations. This study has demonstrated that the customer experience and its improvement were being taken seriously by a range of organisations, none of which were entertainment organisations. This supports the view in the literature that all customers, whatever the type of organisation or indeed sector, will have an experience; good, bad or indifferent. Furthermore that managers of all types of organisations need to consider the design of not only the service they deliver but also the experiences they provide.

There were three main themes in the literature; the importance of the customer experience, the nature of the experience versus the service and, importantly for this paper, how do organisations go about delivering a better customer experience.

1. Importance of the customer experience.

The literature suggested that the main reasons for improving the experience were concerned with increasing customers' satisfaction, and therefore loyalty, increasing confidence or trust, creating emotional bonds with customers and providing competitive advantage. These reasons focus primarily on benefits to the customer and as a result bring benefits to the organisation through retention. A good customer experience was also believed to create competitive advantage. This study has suggested that there were three areas of perceived benefit; the customer, the staff and the organisation, i.e. the 'triple bottom line'. The benefits to the staff have not been mentioned previously in the literature but were an important outcome for these organisations. Underpinning these staff benefits appeared to be a mindset change, a better understanding by staff of the customer experience delivered and desired, and the impact of their work on it. This generated greater commitment to their work, pride in it and greater satisfaction from their work. Benefits for the organisations included cost reductions and efficiency gains (not previously mentioned in the literature); these, together with the improved experience, were seen to provide the basis for competitive advantage.

2. Nature of the experience

All four organisations described the experiences they were trying to create from the customer's point of view (outside-in) focusing on their interaction and participation during the various touch points with the organisation, often stating the emotions they wanted their customers to feel. These statements were not only used to capture the nature of the experience they were trying to provide but also to act as a template or specification against which they could assess their efforts. Developing these statements appeared to

take considerable time and effort.

3. Delivering a better experience

The stages of their improvement programmes were similar across these four very different organisations, although there were some differences in terms of execution. The broad eight stages fit with, and provide support for, the existing literature, in particular Berry and Carbone's (2007) five step approach (see Table 2).

Importantly, this study has provided an evidence-based approach to experience design documenting how organisations have actually gone about developing their customer experiences. There are some important differences between the results and the existing models that are worthy of some discussion.

Table 2   The Eight Stage Road Map Compared to Earlier Stage Models

The eight stage road map	Carbone and Haeckel 1994	Carbone 2004	Berry and Carbone 2007
Instigation and objective setting		Vision and strategy	
Coordination		Build a diverse team Leadership	
Customer research	Acquisition of experience design skills Data collection and analysis		Identify the emotions that evoke customer commitment
Define the experience	Service clue design	Drill down to the experience core Focus on clues Develop the experience narrative	Establish an experience motif
Prioritisation		Prioritise implementation opportunities	Determine the experience gap
Action research			Inventory and evaluate experience clues
Develop and pilot the changes	Implementation and verification		Close the experience gap
Change support systems			

The instigation and objective setting stage (only touched on by Carbone 2004 as vision and strategy) appears to have been critical in terms of deciding whether or not the change process will happen. It was also important in terms of recognising there may be different triggers and in setting broad objectives and putting the activity in the context of other activities in the organisation. Also important was action research which involved both staff and customers in the activity. The primary objective of this stage, though usually not

explicit, was concerned with changing the mindset of the staff so that they can better see the opportunities, i.e. getting them to see outside-in. Tools and activities that encouraged staff to see the process from the customer's point of view played a key role here. Customers were used not just indirectly to provide information but more actively in developing and testing ideas in customer forums and in one case as members of the Experience Team. Changing the support systems was not covered by any of the stage models in the literature. The four organisations all recognised the importance of changing the broader systems and processes, such as reward and measurement systems, training activities etc and indeed organisational culture, to embed the changes in the organisation. Without so doing it is possible that the changes and the benefits from them might have been short-lived.

Further, with hindsight, the organisations would have included two additional stages. The senior management of all four organisations agreed that they had allowed the programmes to go ahead without any road map in place, and importantly no means of assessing success. With the benefit of hindsight it was felt that in future they would expect an additional stage at the start – build the business case - which would require the development of a business case with the purpose of getting the senior management team on board and setting up staging points and success criteria based on the broad objectives set out in the first stage. The other additional, and related, stage would be at the end, assessing the impact of the change programme against the success criteria and the stages set out in the business case. (This was suggested by Berry and Carbone (2007) as 'monitor execution'.) As a result we propose a ten stage road map which is summarised in Table 3.

Table 3   Ten stage road map for improving the customer experience
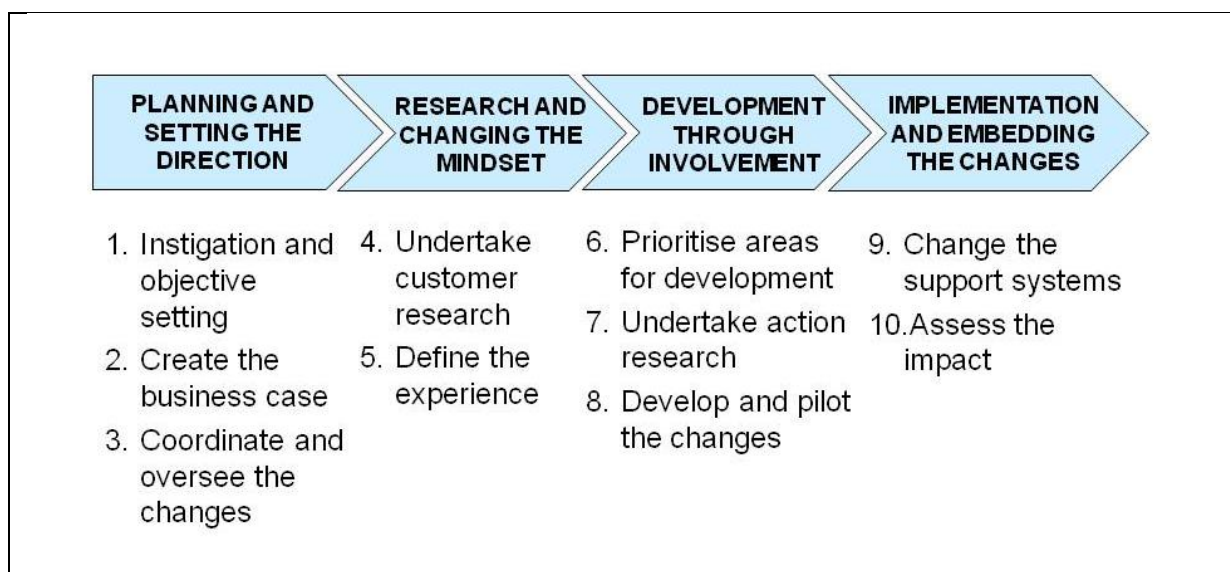
The stages also fit with the broader literature on service improvement and appear to follow the expected stages in change programmes; visionary thinking and the creation of a clear strategic aim, high level support, a structured programme of work, coalition building, and

achieving action including motivating people, using team activities, getting commitment and creating a feeling of ownership, using problem solving approaches and getting people to solve the problems for themselves (see for example Carnall 2007, Kotter 1988, 1995). Interestingly, the organisations did not have a well defined 'change programme' at the start and none of them had laid out even the broad stages of this activity. However, some Experience Teams, at the end of the programme claimed they had road maps in mind at the start. This leads to the question – are change management programmes a normal intuitive management approach thus there is no need to have such a programme mapped out from the start? Maybe managers tend to follow, intuitively, a change management structure.

The literature also identified a range of tools that could be used to improve the customer experience including; focus groups, emotion mapping, process mapping, service transaction analysis, customer experience analysis, walk-through audits, journey mapping etc. It was clear that all of these tools were applied (in some form) by all of the organisations with emotion mapping being particularly powerful.

Conclusions

This paper has attempted to respond to the call to help organisations systematically engineer their customer experiences. Its objective was to take a grounded approach to customer experience improvement and investigate how organisations actually go about designing and improving and their customer experiences.

This research has provided a number of important contributions to the literature. Firstly it has defined an experience and its difference to a service. Secondly it has provided some empirical support for the existing customer experience change models. Thirdly it has developed the existing stage models to provide a more detailed and underpinned ten stage road map. Fourthly, it has identified that the benefits for such change programmes are not simply about an improved experience for the customer (leading to enhanced loyally and competitive advantage etc) but also importantly, cost reduction and efficiency gains and also an improved experience for staff, i.e. the 'triple bottom line'.

There are also several contributions for practitioners. Firstly it has identified the critical importance of mindset change in customer experience design (see also Johnston 2008) and shown how some organisations have gone about achieving this. Secondly it has highlighted the importance of involving customers in the change programmes, not simply as providers of information but through active engagement in forums and panels and in one case direct involvement as part of the Experience Teams, indeed sometimes leading the teams. And thirdly and importantly, this study has provided a road map which organisations can use as a base for improving their customer experiences. It is also suggested that it is useful to have clear objectives in three areas: customer, staff and cost efficiency and use them to assess the benefits of improving the customer experience.

This work has many limitations. While this research has followed four organisations over a period of about four years, there were only four organisations, and each was from a different sector. Furthermore the methodology was not based on any easily reproducible questionnaire but based on a range of activities including discussions, and internal and external reports. It would be therefore useful to create a more robust methodology for expanding this work into many other organisations to test the stages and also obtain more robust information on the real impacts of the changes. There are also many related topics that could be studied including the role of, and for service engineers, experience research and development and innovations in customer experiences.

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