



Pre-purchase customer experience

Multiple case study of leading service providers in Norway

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Abstract

The theory of experience economy presents customer experience as a form of new economic offering and stresses the importance of customer experience for companies that are trying to differentiate from the competitors. Many service providers are increasing their focus on customer experience by putting the customer in the center of their business. This study investigates how experience centricity and customer centricity can be enhanced at pre-purchase level.

Nowadays, customer and experience centricity are concepts that are becoming highly popular among many different service companies. This master thesis expands on theory of customer experience and value by linking them in the context of pre-purchase stage of service consumption.

The purpose of this study is to connect concepts of customer experience and customer value and provide innovative solutions for improving company performance at pre-purchase stage. Customer experience at pre-purchase can be a crucial factor that can influence customer decision-making process.

The research design used in this study is qualitative design. We have constructed an interview guide consisting of three themes: pre-purchase, experience and value. In total, five in-depth interviews were conducted with managers of leading service companies in Norway. After the interviews, the data was transcribed and coded to facilitate the analysis process. The findings of the study show that experience is considered as an added value in the pre-purchase stage. The study presents a conceptual framework that introduces a new theme that connects customer centricity with experience and value at pre-purchase stage. After analyzing the data from the interviews, we have identified a new theme of ideation at pre-purchase phase.

The findings of this study provide practical implications that are relevant to managers in service industry. Findings reveal new ways how to approach pre-purchase stage through actively co-creating and ideating solutions together with potential customers.

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1. Introduction

In this introduction chapter we will discuss the theoretical background of the study, state the problem being investigated and form our research question. We will elaborate on the significance of the study and discuss literature gaps.

1.1 Background of the study

Vargo and Lusch (2004) present the evolution in marketing in accordance to a new dominant logic. For a long time tangible output and transactions have taken the center stage but in recent decades, dominant logic has shifted from goods to services (Vargo and Lusch, 2004). Service dominant logic was a big breakthrough in the world of business and it has brought many changes, especially how companies were approaching their customers.

The motivation to conduct this study comes from the need to observe innovative ideas companies can use to approach their customers. The literature introduces us to different concepts, which can provide companies competitive advantage and improve performance. Pine and Gilmore (2011) in their discussion about experience economy argue how goods and services are becoming less and less sufficient in sustaining the economy. Many service providers are struggling to sustain their business in the markets that are becoming highly saturated and leave little room for differentiation. One of the solutions suggested by Pine and Gilmore (2011) is that experiences can be considered as an economic output and the facilitation of experiences can be a source of value creation and differentiation. A number of scholars advocate that in order to create long lasting competitive-advantage, companies should have a stronger focus on its customers (Gentile, Spiller and Noci, 2007). Many service organizations are putting customer experience in the focus of the service offering and these organizations are recognizing the significance of customer experience for customer loyalty, satisfaction and differentiation (Zomerdijk and Voss, 2010).

Following the trends in recent studies, customer centricity, experience centricity, and value in experience are becoming increasingly popular topics. Our motivation to conduct this study came from service providers that are looking for ways to improve customer experience and identify points of interaction at pre-purchase stage.

Marketing and consumer research shows that experiences take place when consumers search and shop for products, receive service and consume (Brakus et al., 2009). Assuming that experiences occur during all phases of purchase, we want to focus on pre-purchase as an

important stage for companies to improve their experience and customer centricity. Consequently, we want to consider pre-purchase as an important stage where customers form first impressions and experiences.

In the pre-purchase stage customers are still in their decision-making phase and every interaction with service provider matters in forming experiences. Pre-purchase can be viewed as the starting point of customer journey, which makes it a highly valuable factor for companies trying to take a holistic approach to customer centricity. Thus, it is vital for companies to design the pre-purchase stage in a way that draws most benefits for both the customer and the company. Companies should provide great experiences not only to their customers but also to their potential customers. Focusing on providing great experiences in the first stages of purchase can be a turning point in customer decision-making process.

1.2 Problem statement

The problem this study addresses is customer experience and customer value in the pre-purchase stage. This study aims to get an insight into how service companies can improve customer and experience centricity at the pre-purchase stage of service consumption through providing great customer experience and by creating more value for the customer.

It is important to note that the concepts of pre-purchase, value, and experience are well studied in previous literature but there is a lack of research on combining these concepts.

Thus, the objective is to see how these different concepts are connected to each other.

Previous research is not explaining how experience-centricity can be enhanced already at the pre-purchase stage and this makes the topic very interesting to research on. Furthermore, this study addresses gaps in the literature on customer experience and customer value by connecting these concepts to pre-purchase stage.

The work of Pine and Gilmore is emphasizing the importance of experiences for modern businesses. According to Pine and Gilmore (2011) services and goods are not sufficient for supporting competitive advantage while creating memorable experiences is becoming increasingly popular differentiation point. Service providers are shifting from product centricity to customers and customer experiences. The progression of economic value implies that staging customer experiences is beneficial to both customers and companies (Pine and Gilmore, 2011). By staging desirable experiences companies will meet the needs of modern customers and also separate themselves from competitors. This study aims to broaden this view of staging customer experiences and clarify how staging experiences in

the pre-purchase stage can deliver value to potential customers and help service companies to differentiate.

Experience-centric services are increasingly in the interest to practice but the empirical operations management research provides only little strategic guidance for the design and delivery of experience-centric services (Voss et al., 2008). Voss et al. (2008) argue that services should progress towards being more dynamic and incorporating multiple experiences. Voss et al. 2008 also state that this is particularly beneficial for traditional services, which are services that do not offer experiential content. This study is focusing particularly on this type of traditional services that do not possess experiential content. Adding experiences to traditional (non-experiential) services will have positive effect on organization's performance (Voss et al., 2008). This study aims to enrich the literature by introducing element of pre-purchase and investigating how experiences can be added in pre-purchase stage.

The need for this study is rooted in the concepts of value creation and finding ways companies can use these concepts to improve their performance. Payne et al. (2008) discuss how customers play a major role in co-creating value in services. Payne et al. (2008) explain that value can be created and captured only through service consumption, but experiences and perceptions are crucial in determining value. In the conceptual framework of Payne et al. (2008), the value co-creation process is divided into three components: customer value-creating process, supplier value-creating process, and encounter process. The authors introduce the encounter process along with possibilities for value co-creation by designing the encounter. Our study seeks to expand on this topic and reveal how encounter process at pre-purchase stage can be used to co-create value through customer experiences.

“The customer's total travel experience will be the result of the fit between the content and execution of different encounters and resulting customer experiences” (Payne et al. 2008, p. 91). Payne et al. (2008) state that in the early stages of encounter process, more value can be created by enabling customers to have more understanding about opportunities that are available to them.

A small part of this study also touches upon the problem of value destruction. In order to get the full understanding of how value is being captured and created, we find it necessary to look into elements that contribute to value destruction. Bowman and Ambrosini (2010) explore the matter of value destruction and value destroying activities. Bowman and Ambrosini (2010) suggest that firms that are seeking to be profitable will look for possibilities to eliminate value-destroying activities. The problem of value destruction is

somewhat obscure in the literature, and this study aims to address the gap in the knowledge by contributing findings on value destruction at pre-purchase.

1.3 Statement of purpose

Based on our research problem, this study mainly focuses on exploring new approaches in the service industry. We explore significance of customer experiences and investigate different forms of value. The study focuses on the stage of service consumption where customers are in the decision-making process between different alternatives.

Our objective is to gain better understanding of customer and experience centricity, and how companies can put the customer in the center even if the customer is still in decision process. This study aims to provide solutions for improving customer experience and customer value at the pre-purchase stage. We investigate concepts of experience and value in order to identify how these concepts manifest at pre-purchase stage.

1.4 Research question

Based on the above-mentioned reasons, following research question is formulated:

How traditional service companies can improve customer experience and value creation at pre-purchase stage?

Based on our main research question we present two additional sub-questions that serve to help us find better answers to our research problem:

1. *What are the main elements that create added value at pre-purchase?*
2. *What are the main elements that create good experiences at pre-purchase?*

1.5 Significance of the study

This study is significant from both practical and theoretical point of view.

Our research aims to contribute to theory on customer experience by exploring how service design can be used in pre-purchase environment. The findings of this study also contribute to the literature on value creation. The findings reveal possible ways of how value creation can

be improved at pre-purchase stage. This study presents findings that are also relevant to pre-purchase theory. Our conceptual framework presents a concept of “ideation at pre-purchase stage” that can help companies provide better experiences and more value to their customers from the beginning of the service consumption.

The study is significant for future research on service design and customer experience.

Future researchers have an opportunity to expand on the topic of service design in pre-purchase and make an actual customer journey map for pre-purchase stage.

Practical significance of this study is relevant for managers who work in service industry.

The findings of the study have the potential to improve company performance through enhanced customer experience and value creation.

1.6 Scope of the study

The research explores three different service providers from different industries. We have chosen to narrow down the focus on the Norwegian market since otherwise the viewpoint can be too broad for this study. In addition, the study focuses only on business-to-consumer market. There are many elements that can affect the pre-purchase stage but in this research the goal is to find out the main factors that traditional service providers need to take into account when trying to be customer- and experience-centric already at the pre-purchase stage. Finally, this master thesis explores the topic from marketing and strategy perspective.

1.7 Case introduction

Our study consists of three cases of companies that fit the traditional service provider profile. Voss et al. (2008) define traditional services as service providers that provide no or little experiential content in their service delivery. The reason for investigating traditional service providers is that they are facing challenges and they need to innovate in order to be able to meet customers’ growing expectations and provide good experiences from the beginning of the customer journey. Due to the growing trend of experience economy, the market drift affects traditional service providers too.

In order to be able to answer these questions we will combine theories of pre-purchase, customer experience and value. We want to identify ways of how service design can create positive experiences and value starting from pre-purchase stage. By finding out what factors

create positive experiences we also want to discover which factors might lead to experience and value destruction.

Due to disclosure issues, the identities of companies and managers will be concealed in this study. Although, we are allowed to reveal industries of these companies. In total, three companies participated in our study: delivery service company, telecommunications service company, and financial services company.

All three companies fit the profile of traditional services by providing services that demand more functionality rather than experiential content. Even though they are top service companies in their industries, they are still looking for ways to be innovative and express customer centricity.

1.8 Structure of the thesis

Our study is divided into six chapters with numerous chapter sections.

Our introduction chapter gives information about the essence of our study and presents the cases.

Theoretical background and literature review chapter explains in detail the background theories and provides reasoning behind our conceptualization.

Methodology chapter introduces the research design used in this study. It provides detailed explanations of methods used to collect and analyze the data.

Findings chapter summarizes the most relevant discoveries of the data analysis.

Analysis and discussion chapter elaborates more on the findings and presents revised conceptual framework along with the new theme derived from the data.

Conclusion chapter intends to draw the most important implications of our findings. It serves to provide insights and possible solutions for companies that are striving to achieve experience centricity.

1.9 Key term definitions

We present concise definitions of the main key terms we use in this study in Table 1.

Table 1. Key term definitions

Term	Definition	Literature
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Traditional service provider	Providers that deliver services that are purely functional and contain almost no experiential content	Voss et al. (2008)
Experience centricity	Putting the customer in the heart of service delivery and designing services to engage and delight the customers	Zomerdijk and Voss (2010)
Pre-purchase	Decision-making process of service consumption where customers discover and evaluate alternatives	Tsiotsou and Wirtz (2012)
Value	Benefits customers receive when interacting with service providers and consuming services	Gronroos and Voima (2012)

2. Theoretical background and literature review

In this chapter, we will present theory relevant for finding an answer to our research question and finding out more about how service companies can improve customer experience and value creation at pre-purchase level.

While prior research has examined each of these concepts individually, we attempt to connect and relate these constructs in order to provide a theoretical foundation for this study. This chapter is organized into five sections that present detailed literature review of concepts of value, experience, and pre-purchase.

The first section summarizes the most important literature we used in this study. The review table (Table 2.) provides a clear overview of the guiding theories and the authors we chose to refer. The first section is followed by sections of value, experience and pre-purchase, respectively. We will present how value, experience and pre-purchase have been defined in current literature. We will summarize different forms of value in order to find value definition that is most relatable to the concept of experience. We focus on more recent academic works, which emphasize value in experience as a form of a new type of offering in services. Our intention was to organize these sections in a way that would provide a logical and clear flow of reasoning towards our conceptual model.

The conceptual framework is presented in the final section, and it is a product of literature summary, and authors' own conclusion drawn from the theory.

Table 2. Literature summary

Guiding theory	Main characteristics	Literature
Value	Creation of value, value from organization/customer perspective, customer value constellation, co-creation, value capture	Voss et al. (2008), Gentile et al. (2007), Payne et al. (2008), Turnbull(2009), Patricio et al. (2011) Gronroos and Voimio (2012), Priem (2007), Heinonen et al. (2010), Bowman and Ambrosini

		(2010)
Brand experience and engagement	Four dimensions (cognitive, affective, sensational, behavioral), internal subjective response, leads to loyalty and satisfaction	Brakus et al. (2009), Gentile, et al. (2007), Voss et al. (2008), Meyer and Schwager (2007), Verhoef et al. (2009)
Experience centric services	Managing customer experience, designing experience	Zomerdjik and Voss (2010)
Service design	Management tools, operations strategy, six disciplines	Voss et al. (2008), Manning and Bodine (2012)
Pre-purchase & Pre-purchase in services	Decision making process, “moments of contact”, search as an experience Intangible nature of services, perception of service quality, relying on intangible cues	Tsiotsou and Wirtz (2012), Hansen (2005), Shaw and Ivens (2002), Davis and Longoria (2003), Maity and Arnold (2013) Parasuraman et al. (1985)

2.1 Traditional services and experience economy

This section explains the link between theories of traditional services and the experience economy, and how these concepts connect to pre-purchase, experience and value. Before we describe the main themes of pre-purchase, experience and value, it is important to understand the context, which consists of the traditional services and the experience economy. The section helps us to explain why so many traditional service providers are striving to move towards more experience-centricity.

In our study, we focus on traditional services. Based on reviewed literature, we conceptualize traditional services as type of services whose main offering is not experiential content (Voss et al., 2008). The authors suggest that traditional service providers that incorporate experiences along with their main offering will result in better performance. We assume that experiential content will provide value added to traditional services.

By introducing the concept of value in experience we will need to clarify the connection between experiences and value.

It is suggested that selling goods and services is insufficient and that customers now desire experiences (Pine and Gilmore, 2011). “Experiences can offer enjoyment, knowledge, diversion, and beauty, but more than desire for such memorable qualities drives the Experience Economy” (Pine and Gilmore, 2011, p. 243). Pine and Gilmore (2011) argue that experiences leave lasting impression on the customers and can be used as a form of value.

Pine and Gilmore (2011) state:

Experiences have necessarily emerged to create new value. Such experience offerings occur whenever a company intentionally uses services as the stage and goods as props to engage an individual. Whereas commodities are fungible, goods are tangible, and services are intangible, experiences are memorable. (p. 17)

The authors claim that experiences carry great value within them by providing customers with well-being and happiness.

According to Voss et al. (2008) traditional services tend to be more standardized and avoid variance in their service delivery. This approach is in contrast with the fact that experiences and especially memorable experiences come from situations that are a combination of multiple attributes, which result in perception of joy and spontaneity.

Voss et al. (2008) point out that:

A growing number of traditional businesses, like their counterparts in the entertainment sector, now recognizes the importance of experience in the development of their service concept and uses it proactively to differentiate and position their products and service in a wide variety of contexts such as destinations, portfolios of experiences, and experience based marketing. (p. 249)

The authors argue that service design elements can be used to move traditional services to a more experience-centric approach. They identify psychological aspect of service design as one of the key factors contributing to more experience-centric operations.

Finally, we explain the link between experiences and pre-purchase. Based on the literature reviewed so far, we assume that consumers create experiences already at the pre-purchase stage. The pre-purchase stage environment consists of many points of contact and the customer experience is built on these points of contacts. Furthermore, the search process itself can be seen as an experience that can affect negatively or positively the actual purchase decision. The pre-purchase points-of contacts are same in the experience-centric services and thus closely linked to one another.

2.2 Value

“Value is perhaps the most ill-defined and elusive concept in service marketing and management” (Gronroos and Voima, 2012, p. 2). In order to fully grasp the concept of value we need to understand value from the company and customer perspectives. It is challenging, yet important for the company to know what the consumer considers to be the main elements of value. Our study examines value from company’s perspective and how it can be used alongside customer experience as a form of competitive advantage. In order to be able to gain value and competitive advantage, companies need to innovate within their customer service processes. The literature tells us that experiences create value for customers or, in other words, experiences become a valuable offering (Pine and Gilmore, 2011).

Gentile et al. (2007) argue that value proposed by the company will be perceived by customers based upon customer experiences. The authors propose that value can be viewed as hedonic or utilitarian. Hedonic value is considered to be connected to experiential aspect of value and it draws upon emotional dimensions of experience. Functional (utilitarian) value refers to practical aspect of a product. The authors conclude that experiential content will have a profound influence on how customers perceive value proposed and that hedonic and utilitarian values are equally important in creating a balanced product (Gentile et al., 2007).

The study of Gentile et al. (2007) focuses on value delivered by product consumption but in this study we assume similar mechanisms will apply to service consumption. Adding experiential content to services can enhance value proposition and appeal not only to customers’ cognitive side but also their emotional side. This can prove to be especially useful for the pre-purchase stage when customers are evaluating different service providers and different value propositions.

2.2.1 Value creation

By engaging customers in memorable ways with service offerings company creates value for its customers and itself (Voss et al., 2008). In their article, Voss et al. (2008) examine customer experiences as core of the business and source of value creation. Voss et al. (2008) suggest that by manipulating strategy of operations in experiential services, companies can evoke desired behavior in customers. In this way customers receive not only desired service but also an experience as an economic offering (Gentile et al., 2007). These claims are particularly relevant for our study where co-creation of value cannot take place through consumption of service. Showcasing value through experiences might be the only option available to companies at pre-purchase stage.

Customer experiences can be considered as attributes and could result in many benefits for the consumer including value (Voss et al., 2008). Voss et al. (2008) suggest that using experiences to evoke desired reactions and emotions in customers can also be used as a tool for differentiation from competitors. By adding experiential content to traditional services the company will improve its performance (Voss et al., 2008).

“Marketing should be viewed as a set of processes and resources with which a company seeks to create value propositions” (Payne et al., 2008, p. 85). These processes that occur aid the co-creation of value. In services customers play an important role because they are co-creators of value. “There is no value until an offering is used-experience and perception are essential to value determination” (Payne et al., 2008, p. 84). Payne et al. (2008) conceptual framework of value co-creation consists of three components: customer value creating process, supplier value-creating process and encounter process. For the purpose of our study we are mainly interested in encounter process. It is proposed that encounter process needs to be carefully managed to achieve full potential of value co-creation opportunities. Service providers can use different service design tools and create a completely delightful experience for the customer. In this way customers gain value not just from consuming a service but also from being a part of service delivery. Every service touch-point will engage a customer in some way and leave an impression. This is very relevant for pre-purchase stage where customers are involved in a lot of interaction with different touch-points of a service provider.

Payne et al. (2008) claim that:

An important concept is that the value proposition exists in order to facilitate the co-creation of experiences. Creating customer experiences is less about the product and

more about relationships which the customer has vis-à-vis the total offering. It focuses on “value in use” instead of mere product features. (p. 86)

If we assume that experiences have major influence on customers’ perceptions of value, we can say that having good customer relationships can be considered as a differentiation point. These can be viewed as more traditional approaches to value but in the recent literature there is a lot of talk about value from experience itself. Experience as value is mentioned in Turnbull (2009) where value as experience is being added to traditional views on value like value in possession and value in transaction. Turnbull (2009) suggests that just as customer experience is developing in every stage of purchase so does the value. The author claims that the traditional perspectives on value fail to capture value from anticipation and memory of purchase and consumption experience. Customer value in experience is defined as customer’s perception of value through the total experience a customer goes through during service consumption (Turnbull, 2009). Turnbull (2009) summarizes previous literature and connects anticipated consumption with pre-purchase. This concept of anticipated experience does not possess value in use, transaction or possession but only value in experience (Turnbull, 2009).

Patricio et al. (2011) in their study about multi-level service design (MSD) conclude that value does not necessarily need to be limited to only consumption of services. “Value is no longer embedded in tangible offerings but is co-created with customers through relational exchanges in interaction experiences” (Patricio et al., 2011, p. 2). Considering that customers have many points of contact with service providers the authors identify customer value constellation (CVC).

“Customer value constellation represents the set of service offerings and respective interrelationships that enable customers to co-create their value constellation experience for a given customer activity” (Patricio et al., 2011, p. 6). Understanding CVC is crucial in service design that is aimed to facilitate memorable experiences.

The general idea of value creation is that customers will increase their well being by the process of value creation (Gronroos and Voima, 2012). The authors also argue that value can also have a negative effect (destruction of value) depending on provider’s actions. Gronroos and Voima (2012) explain that value and value creation are complex concepts that are best described as all-encompassing concepts that include both providers and consumers. Value can be characterized not only by goods and services that are exchanged for a price but also as a process that is based on customer experiences, logic, and ability to extract value (Gronroos and Voima, 2012).

“Value is created in user’s accumulated experiences (individual and collective/social) with resources, processes and/or their outcomes and contexts accumulating from the past, current and envisioned future experiences in the customer’s life” (Gronroos and Voima, 2012, p. 5).

The authors also suggest that value can be co-created only through direct interactions and they define interactions as a base for co-creation. “The quality of interactions becomes fundamental for customer value creation, as does the firm’s understanding of the customer’s independent value creation outside the direct interaction”(Gronroos and Voima, 2012, p. 9).

Gronroos and Voima (2012) conclude that value can be transferred to the customer directly or indirectly and that the value will be determined by the customer. “Before value is determined or assessed by the customer or by any other beneficiary, it must be perceived or experienced; otherwise, there is nothing to assess” (Gronroos and Voima, 2012, p. 14).

2.2.2 Value capture

Value creation and value capture in the pre-purchase stage is a concept that is left almost undescribed in the literature. The theory describing value creation and value capture leads us to believe that pre-purchase environment is unfitting for creating conditions necessary for value transfer.

When it comes to customer value, the customer themselves are the ones who determine how much value is being transferred to them (Priem, 2007). If we assume that the customers personally determine how much value is captured we can say that value is highly individual experience, depending on the customer.

The literature explaining value creation and value capture, distinguishes use value and exchange value (Heinonen et al., 2010; Priem, 2007). Use value is defined as value or benefits gained from using a product/service and exchange value is determined by the monetary amount paid for the product/service (Heinonen et al., 2010; Priem, 2007). Priem (2007) argues that value is consumer benefit experienced (CBE) and it is highly important for customer satisfaction and company success. According Priem (2007), customers will seek offers that increase consumer surplus and will be willing to pay more and buy larger quantities if the use value increases. According to CBE perspective, consumers establish value through their experiences and monetary transactions. Also according to this perspective, value is non-existent when the service is not consumed.

The literature still supports the fact that value is created from experiences. Customer experiences present a continuum that stretches from the pre-purchase to post-purchase stage

and thus there has to be some kind of value creation and value capture during customer pre-purchase stage.

Priem (2007) gives propositions how CBE can be increased through various strategies. One of the strategies is to increase “knowledge” and information. Creating this knowledge can intensify subsequent experience and reinforce it. If we assume this, use of marketing, pre-purchase touch points and service design in the pre-purchase can actually reinforce eventual experience and service consumption, thus creating value or benefits at pre-purchase. Even though use value and exchange value do not exist in the pre-purchase stage, companies can employ strategies at pre-purchase stage that can be created through combining good customer experiences (Priem, 2007).

Heinonen et al. (2010) explain that most of the value-in-use creation occurs in everyday customer’s practice that are invisible to the company.

Heinonen et al. (2010) claim that:

Value is experienced before, during and after the service and as such it is not only related to service but it is also applicable to goods. Hence, value-in-use is not only linked to the service process, but extends beyond interactive process.
(p. 539)

Heinonen et al. (2010) claim that value-in-use can be created not only through interaction but also through activities that occur in customer’s mind. This would mean that value does not need to be created and captured only during the moment of service but it can also exist in the pre-purchase stage, where the customer spends a lot of time evaluating the potential benefits of a service.

We have exposed many ways of creating and capturing customer value but some company activities can had adverse effect where value is being destroyed. According to Bowman and Ambrosini (2010) profit seeking companies will strive to balance the ratio of use value and exchange value, and control value creating activities in order to bring benefits to the customers. The authors also mention that companies also face value-destroying activities. These activities can be caused by inadequate management and result in inadequacy to deliver revenues, decrease costs, and destroy shareholder benefits (Bowman and Ambrosini, 2010). Bowman and Ambrosini (2010) postulate that profit-seeking firms will strive to minimize value-destroying activities.

2.3 Experience

For our paper it is important to understand the basic meaning of customer experience since it is the base for understanding the concept of experience-centricity later on. In regards to our thesis, it is worth to note that experiences happen in all service stages and they can either enhance or destroy the interaction between the customer and the service provider. We also present the concept of consumer brand engagement because it differs from the experience concept. After describing experience and engagement concepts the paper goes further into experience-centric services, service design and the six disciplines for managing customer experiences.

2.3.1 Brand experience and brand engagement

According to Brakus et al. (2009) brand experience consists of feelings, sensations, cognitions and behavioral responses elicited by brand-related stimuli (brand-identifying colors, typefaces, shapes, background design elements, brand characters, mascots and slogans). In order to identify the four dimensions, Brakus et al. (2009) reviewed essential work in cognitive science, philosophy, and applied writing on management and experiential marketing. Marketing and consumer research shows that experiences take place when consumers search and shop for products, receive service and consume (Brakus et al., 2009). According to Brakus et al. (2009), brand experience can vary in intensity and strength, and it can be positive or negative. The long-lasting brand experience stored in consumer memory has an impact on consumer loyalty and satisfaction (Brakus et al., 2009).

Gentile et al. (2007) write that despite the differences of various models and perspectives, one can recognize some common core characteristics of customer experience: it has a temporal dimension, originating from different contact points between the company, the company's offer and the customer. According to Voss et al. (2008) the experience is captured in terms of loyalty, purchasing and engagement behaviors. "Customer experience is the internal and subjective response customers have to any direct or indirect contact with the company" (Meyer and Schwager 2007, p. 2). According to Meyer and Schwager (2007) direct contact takes place in the course of service, purchase and use and indirect contact occurs when the customer encounters with the company's services, brands and products unexpectedly from advertisement, word-of mouth or news reports. Verhoef et al. (2009) claim that prior customer experience has an influence on future customer experiences and in the multi-channel environment, experience in one particular channel, for example in-store

experience, can be affected by another channel, for example Internet.

According to Hollebeek et al. (2014) engagement is a multidimensional concept consisting of emotional, cognitive and behavioral dimensions. Hollebeek et al. (2014) view engagement and experience representing different theoretical entities, because brand experience does not assume a motivational state and brand experience is not seen as an emotional relationship concept (Hollebeek et al., 2014). The exploratory qualitative research shows that the research subject equate engagement with a selected brand to particular brand interactions (Hollebeek et al. 2014). The research by Hollebeek et al. (2014) shows that if the subjects are very engaged with the brand, they are willing to put a lot of emotional, behavioral and cognitive activity in the brand interaction and this conveys the core interactive nature of the engagement concept. On the contrary, if the brand is not engaging, the subjects have a considerably lower willingness to use emotional behavioral and cognate activity in the brand interaction (Hollebeek et al. 2014).

Also Zomerdijk and Voss (2010) claim that it is an engagement that creates emotional connections and fosters positive word-of-mouth and repeat purchase. According to Zomerdijk and Voss (2010), merely satisfied customers are more likely to look for a convenient offering or better price. Voss et al. (2008) claim that providing customer-engaging experiences is a way to differentiate service offerings, support the brand and build new business models. The experience-centric paradigm proposes that evoked emotions and engaging customers in a meaningful and memorable way are central to the offering of the service (Voss et al., 2008).

2.3.2 Experience centric services

From the previous parts of the thesis we can say that experience centricity combines the concepts of customer experience and customer engagement. In order to engage customers faster, it is vital for experience-centric service providers to communicate the experience-centric approach at the pre-purchase stage already. Engagement also links to experience centricity by creating emotional connections between the service provider and the customer. According to Zomerdijk and Voss (2010) service organizations are paying more and more attention to customer experiences to further customer loyalty and differentiation by putting the customer experience into the core of service offerings. The experience-centric service companies craft the customer experience insightfully and these kinds of services are designed to engage customers, meaning that the customer connects with the service in a

memorable and personal way (Zomerdijk and Voss, 2010).

Zomerdijk and Voss (2010) develop six different propositions reflecting the experience-centric service design principles and these contextual elements include the physical environment, service employees, the service delivery process, fellow customers and back-office support.

The first proposition claims that, “the design of experience-centric services involves designing a series of service encounters and cues”(Zomerdijk and Voss, 2010, p.68). The cues designed for the customer-centric service can occur at different times, which include the pre- and the post purchase stages (Zomerdijk and Voss, 2010). Hence, designing experience-centric services involves handling of a chain of moments of truth or service counters that are surrounded by the service delivery experience (Zomerdijk and Voss, 2010). According to Zomerdijk and Voss, (2010) this proposition reinforces the idea that designing of customer journeys and their related touch points represent a useful design perspective. Service encounters and cues reflect the firms’ plans for a customer; journeys and touch points represent what really occurs from the customer’s perspective (Zomerdijk and Voss, 2010).

Second proposition presented by Zomerdijk and Voss, (2010) sensory design, raises the importance of the physical environment where the experience is created and the service delivered. Sensory design is usually considered an important variable influencing customer behavior and perceptions as well as social interaction among and between the customers and employees (Zomerdijk and Voss, 2010). The design that stimulates all the senses (sound, sight, touch, smell and taste) can be addressed to have an impact to customers’ emotions (Zomerdijk and Voss, 2010).

The third proposition by Zomerdijk and Voss (2010) claims that the design of experience-centric services compasses requiring front-line personnel to engage with customers. Employees can be a valuable resource for forming emotional connections with customers (Zomerdijk and Voss, 2010). When the relation between customers and service providers goes beyond the transnational exchange of information, the customers will more likely to be more satisfied, loyal and give word-of mouth recommendations (Zomerdijk and Voss, 2010). Fourth proposition of Zomerdijk and Voss (2010) states that the design of experience-centric services requires paying attention to the structure of events. In most cases, customers do not remember all the moments of an experience (Zomerdijk and Voss, 2010). Instead, they remember the trend in sequence of pleasure and pain, the low and high points and the ending (Zomerdijk and Voss, 2010). In addition, previous research has shown that the end of an experience has bigger impact on the perceptions of the customer than the beginning

(Zomerdijk and Voss, 2010).

Fifth proposition presents that the experience-centric design requires the management of the presence of other customers (Zomerdijk and Voss, 2010). Customers' experiences are influenced by the interaction with the service provider and by other customers that are present and the presence of other customers can damage or enhance customer experience (Zomerdijk and Voss, 2010). It is easier to focus on the controllable elements such as service employees, physical environment and the service delivery processes (Zomerdijk and Voss, 2010).

The last proposition states that the experience-centric design requires coupling backstage employees to the experience occurring at the front stage (Zomerdijk and Voss, 2010). In experience-centric services, back-stage personnel help develop the contextual elements of the experience thus, connecting the backstage jobs with the front stage experience is important (Zomerdijk and Voss, 2010).

2.3.3 Service design

This part explains the main operations and management tools for experience-centric services. Service design together with the six management disciplines reinforce one another and form a cohesive whole. Good service design creates a base for delivering experiences that is highly important at the pre-purchase stage due to consistency of experiences and first impressions. Service design helps service providers to create cohesive and memorable experiences from the beginning of the company-consumer interaction.

Voss et al. (2008) describe four content areas of operations strategy that assure the continuity of the customer experience and organizational learning: stageware, orgware, customware and linkware. The first set of choices is stageware and these choices provide environmental and tangible aesthetics, signaling the customers about how people should behave and what experiences they might expect (Voss et al., 2008). Second set of choices is orgware and it involves the infrastructural management policies and systems, for instance, how to train and organize people for experience and create a culture and an environment for engaging customers (Voss et al., 2008). This area also includes how the management and leadership is structured in the firm (Voss et al., 2008). One of the important questions is that is there a need for a chief experience officer, who is responsible for the customer experience (Voss et al., 2008).

Customerware choice set includes the management and creation of customer touch-points (Voss et al., 2008). Organization and the customer can interact directly or virtually, when the interaction is direct, employees have a central role in delivery of experiences (Voss et al., 2008). Voss et al. (2008) also claim that customers can also have interactions with one another. Fourth set of choices, linkware, includes the integration of systems and processes communicating information across the organization down to all levels. (Voss et al., 2008) For our thesis the following operations are highly important. We are not taking linkware into account because we are not focusing on communication mechanisms. Stageware is one of the most important elements of pre-purchase because many pre-purchase touch-points can be categorized as stageware. Stageware is the stage where the potential customer forms expectations and thus this stage should be planned carefully. Second stage, orgware, is the stage where the organization should be trained and prepared to respond to the expectations built in stageware. Orgware does not have direct influence on pre-purchase experiences but company organization and philosophy can have an impact on how customers will be treated, how services will be designed and who will be the employees. Customerware is important at the pre-purchase phase because it is closely linked to customer journey and customer interactions, including direct and indirect contact points. Service provider employees act as representatives of the organization itself, thus they can be seen as an important part of first impressions and customer experiences. When customers interact with service provider employees they create experiences that can be either positive or negative, leading to purchase or stopping the whole service process. For potential customers, this means that either the process continues or it ends with the service provider. Also, virtual interaction should be easy for the potential customer at the pre-purchase stage since convenience and simplicity most likely lead to purchase.

2.3.4 Six disciplines of experience management

According to Manning and Bodine (2012) companies need to perform a set of standard practices in order to produce good customer experiences and these practices can be encapsulated into six disciplines that represent important areas of customer experience. We have collected and summarized the six disciplines by Manning and Bodine (2012) in Table 3.

Table 3. (Manning and Bodine, 2012) summary of six disciplines of customer experience management

Strategy	<p>It is important to align the customer experience strategy with the overall corporate strategy and to define the intended customer experience. Strategy needs to be shared with all employees so that everyone has a common vision of customer experience and how to interact with customers.</p>
Customer Understanding	<p>For customer understanding discipline it is crucial to know what customers want instead of assuming what they want. It is necessary to understand the consumer behavior in order to create good experiences. Hence, it is important to collect feedback from customers and front-line employees who deal with customers.</p>
Design	<p>Design is a problem-solving process that needs to be followed when introducing or modifying experiences. It is necessary to include customer insight to the process and also engage customers, employees and partners as a part of the design process. Design also defines how employees interact with customers or how the company web-site functions.</p>
Measurement	<p>Measurement of customer experience keeps customer experience on track and informs the service provider how customers perceive the experiences. The company needs a measurement framework in order to determine which customer experiences are necessary to measure and how to measure them. Measurement tools are for decision-making processes.</p>
Governance	<p>It is necessary to define the standards for the customer experience and make customer experience governance part of basic job responsibilities in the company. This requires including customer experience to policies, technology, communications and processes for business decisions.</p>
Culture	<p>Organizational culture has the potential to drive customer experience. This discipline brings up the importance of creating a system for shared</p>

	behaviors and turning all of the five disciplines into habits and customer-centric values. This includes training and rewarding employees for customer-centric behaviors.
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2.4 Pre-purchase

This section explains the pre-purchase concept, which is highly relevant for our research since we are specifically exploring the pre-purchase stage of the service processes. This section explains the pre-purchase concept itself and also how it appears in the service context. We present the theory of pre-purchase last because we conceptualize pre-purchase as a small part of total customer experience and customer value. Pre-purchase stage is a decision making process that is affected by cognitive and affective information processing and perceived value. There are many articles that investigate pre-purchase using search and decision-making theories but in our paper we take a slightly different approach to the pre-purchase concept. Instead of looking at pre-purchase as a decision making process we want to investigate this stage as a service consumption environment where consumers create experiences.

2.4.1 Pre-purchase concept

Tsiotsou and Wirtz (2012) introduce us with a 3-stage service consumption model where consumers go through 3 stages: pre-purchase, encounter and post-purchase. According to Tsiotsou and Wirtz (2012), the pre-purchase stage of service consumption starts the moment a consumer creates the need to look for information and evaluate alternatives before deciding on a particular service. It is stated that pre-purchase stage in services requires more decision-making than pre-purchase stage for products (Tsiotsou and Wirtz, 2012). This is mainly due to the fact that services are being created and consumed at the same time and also due to unavoidable participation of consumers themselves (Tsiotsou and Wirtz, 2012). Tsiotsou and Wirtz (2012) also mention that pre-purchase stage is important because consumer purchase intention will be based on the information gathered in the pre-purchase stage. The information search in the pre-purchase stage is considered to be more extensive because by obtaining the information the consumers are trying to reduce perceived risk and also price uncertainty (Tsiotsou and Wirtz, 2012). While the customers are engaging in information

search they will come into contact with many service touch-points and inadvertently create experiences. “Service consumers do not usually confine themselves to a single source of information, but employ multiple sources of information depending on their orientation (multichannel orientation), their tendency to innovate and the perceived pleasure of the shopping experience.” (Tsiotsou and Wirtz 2012, p. 151). “During the search process, consumers form their consideration set and learn about the service attributes they should consider, in addition to forming expectations of how firms in the consideration set perform on those attributes. Once the consideration set and key attributes are understood, consumers typically proceed to making a purchase decision” (Tsiotsou and Wirtz 2012, p. 153).

In article about perspectives on consumer decision-making, Hansen (2005) discusses how both cognitive and affective factors can influence consumers’ purchasing behavior. Hansen (2005) suggests that consumers buying intention is affected by both cognitive and affective evaluation. Hansen (2005) implies that pre-purchase decision-making stage must account for both emotional and informational perspective in order to fully understand how customers make buying decisions. Hansen (2005) suggest that consumer emotions also have significant influence on decision-making. “Emotions are based on the appraisals consumers make of stimuli in the environment” (Hansen, 2005, p. 432). Also, one of the most important factors in the decision making process is perceived benefit the customers hope to gain from making a purchase and perceived consequences of purchasing (Hansen, 2005). Although value is an important factor, the results of his study have confirmed that consumers do not make decisions solely based on the value perspective. The area that needs further research is the environment consumers face when making a decision and how it interacts with emotional, cognitive and value perspective.

2.4.2 Pre-purchase touch-points

The environment consumers face in the pre-purchase can presented by various points of contact that customers encounter. Shaw and Ivens (2002) describe how customer experience relies heavily on “moments of contacts” where customers come into actual contact with the company. Shaw and Ivens (2002) divide these “moments of contacts” into a wide range of interaction points and to make it more clear, the authors then categorize these “moments of contact” by stages of customer experience. According Shaw and Ivens (2002), same touch-points can be found in different stages, for example, sales force will play a big role in both pre-purchase and purchase stage. The points of contact that are typical for pre-purchase are:

sales force, telephone sales, mail shots and shops (Shaw and Ivens, 2002). Davis and Longoria (2003) mention pre-purchase brand touch-points as a very important factor on customer experiences. Davis and Longoria (2003) name several common touch-points customers encounter during pre-purchase stage: advertising, company web site, word-of-mouth and samples. These touch-points are relevant because they communicate to consumers the benefits of the brand over competitor brand, increase brand awareness, drive brand relevance and brand consideration (Davis and Longoria, 2003).

In study of Maity and Arnold (2013) the pre-purchase stage is observed from perspectives of search as an “expense and search as an “experience”. Searching for information about a service and evaluation of alternatives demands time and sometimes money, and it is considered to be the “cost-of-search” (Maity and Arnold, 2013). The authors suggest that consumers do not only consider search as a cost but also they seek to achieve payoffs from their search in forms of experiences. Maity and Arnold (2013) imply that when consumers perceive search as an experience their search and purchasing behavior will change. “It appears that the positive affect of search as an experience may transfer, at some level to general feelings toward the purchase” (Maity and Arnold, p. 584)

2.4.3 Pre-purchase in services

Pre-purchase in services differs from pre-purchase of products on several levels. According to Parasuraman et al. (1985) customers purchasing products can rely on tangible cues like color, label, feel, package, and other, when evaluating the product. Due to intangible nature of services, customers have to rely on other cues to evaluate services (Parasuraman et al., 1985). Customers buying a service engage in interaction (experience) with the company, its employees, image and profile and evaluate service based on that (Parasuraman et al., 1985). Based on this we can say that customer experiences in pre-purchase stage become vital to perception of service quality and value offered.

Literature about pre-purchase in services is very scarce and many questions about which roles experiences and value take in pre-purchase are left unanswered. Palmer (2010) discusses how customer experiences are connected to perception of quality and consumer satisfaction. Palmer (2010) suggests that customer experience in services is very hard to control and measure due to combination of factors that take place during service delivery. Stimuli, context of stimuli, situational variables are some of the factors that are assumed to have an impact in forming customer experiences (Palmer, 2010). Some of these factors are

uncontrollable and this makes customer experience very hard to manage and measure (Palmer, 2010). Nevertheless, focusing on customer experience bears great benefits like delivering value for the customers in very effective ways and Palmer (2010) also recognizes interpersonal relationships as a factor that has the strongest influence in service context. Palmer (2010) suggests that good interpersonal relationships in service context can contribute to lowering uncertainty and creating memorable experiences. This might prove to be very relevant for the focus of our study where we assume that value to the customers in the pre-purchase stage can be transferred only through experiences.

2.4.4 Summary of literature

This study's aim is to connect two very broad concepts of customer value and customer experience in the pre-purchase context. In order to understand concepts of value and experience we conducted broad literature review.

Different forms of value

Value has been extensively researched and described in many different ways by many different authors. Value can be observed differently from company perspective and customer perspective. For the purposes of our study, we took upon observing customer value from provider's perspective. From the literature, we identify the two basic delineations of customer value, which are functional and hedonistic. Value can be further differentiated based upon different customer needs and based on the stage of service or product consumption the customers are experiencing. Value for the customer can be found in the usage of services and product, the monetary worth of services and products, and the experiences from using services or products. Our study focuses strictly on services and the pre-purchase phase of service consumption. According to more recent literature, value in services is heavily based on value in use and value in experiences, especially in the pre-purchase context.

Customer experience as part of customer value

Experience is a very broad concept by itself and, like the concept of value, it has been extensively researched in the literature. The literature has determined dimensions of customer experiences, which are cognitive, affective, intellectual and sensory. Customers experience services across these four dimensions and form attitudes and attachments. The companies use customer experiences as ways to engage their customers and achieve loyalty and satisfaction. In order to stage desired experiences, companies are starting to use service

design as a valuable tool. Service design also helps the companies coordinate front and back stage operations in order to provide outstanding service to its customers. The literature tells us that companies are starting to use experiences as a form of differentiation and competitive advantage. The goal is to create exceptional customer experience at each stage of service consumption from pre-purchase to post-purchase.

Pre-purchase environment

In most of the literature, pre-purchase has been observed as a decision making process, through context of customer behavior. In this study we observe pre-purchase as a part of customer experience journey.

We want to observe pre-purchase stage of service consumption as a small part of customer experience journey and also observe customer experience journey as one of the ways to deliver value to the customers.

2.5 Conceptualization of theory

According to Miles et al. (2014) a conceptual framework explains the main constructs to be studied and their assumed interrelationships in the research. The framework helps the researcher to be selective and guides the researcher to collect and analyze the data (Miles et al., 2014). The framework can be seen as a visual representation of the main concepts and together with the research question it works as a good defense against information overload (Miles et al., 2014).

Our conceptual framework is theory driven since we have selected and reviewed previous literature to guide our research and do develop our interview guide. Based on the purpose of the study and the research question, this conceptual model provides an overview of the different concepts selected for the study. The model gives a structure that facilitates to get insights into the elements that are important from each separate concept and how the concepts are connected to one another.

2.5.1 Conceptual framework

The concepts of value, experience and pre-purchase have been explored in the past many times from different points but we still lack sufficient theory of these three concepts combined together. After following the recent literature on these three concepts we intend to create a conceptual framework that represents a common realm of pre-purchase, experience

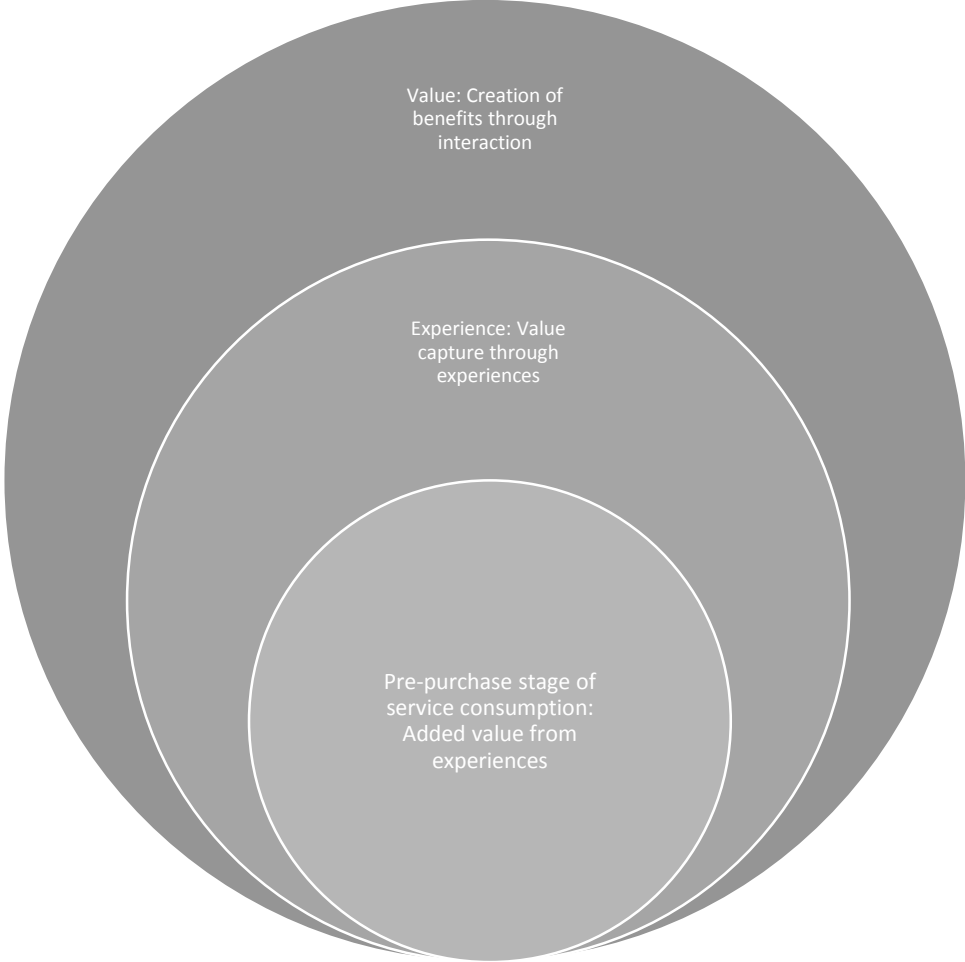
and value in service context.

We have conceptualized value as a concept that entails both customer experience and pre-purchase stage of service consumption (hence, value is the biggest circle in our conceptual framework). The intersection realm between customer value and customer experiences is reflected in the benefits customers receive from exceptional experiences during service consumption. The other way value can be connected to experiences on the service level is that good experiences can signal potential value to the customer. This is particularly important for the pre-purchase stage where use value does not exist. Value can be created through benefits of interaction and experiences of those interactions.

We have conceptualized experience to be part of customer value that takes place at every stage of service consumption from pre-purchase to post-purchase (hence, experience is the middle circle in our conceptual framework). For the purpose of our study, we conceptualize experience at pre-purchase stage to be a set of interactions between the service provider and the customer. Each interaction is a touch-point at which customers form some kind of experiences. The customers experience these interactions across four different experiential dimensions and contribute to value capture at pre-purchase stage. Pre-purchase in this study is not conceived as a decision making process but more like a consumption stage where companies have an opportunity to communicate values and experiences to their customers. Pre-purchase is small part of overall customer experience and value but it still has its own significance (hence, pre-purchase is the smallest circle in our conceptual framework).

Customer value at pre-purchase has less impact, as does customer value at consumption or post-purchase. We conceptualize that customer value at pre-purchase stage is reflected in customer experience, linking these three concepts together. Transferring value and great experiences to customers at pre-purchase stage can be viewed as a form of added value to the service.

Figure 1. Conceptual framework (Authors' own contribution)



3. Methodology

This chapter describes the methodology used in this research paper. The first section gives detailed information about the research design and presents the research approach and research purpose followed by the research method and research strategy. The second section continues describing the data collection methods, sampling techniques and the interview process. The third section includes the data analysis processes consisting of classification and coding of the interviews. The last part of the chapter describes the validity and reliability of the findings together with ethical concerns.

3.1 Research design

According to Saunders et al. (2009) research design is a general plan for how to answer the research question and structure the study. In the following section we will describe the research design of our study, starting from the research context until the ethical guidelines.

3.1.1 Research context

The context of the study is traditional service providers that aim to be more experience and customer centric. The study limits to three well-known service providers in Norway. All of these service providers operate in international markets but our research is limited to local markets. Due to the confidentiality requirements, the names of the managers or the companies are not revealed.

3.1.2 Research purpose

The classification of the purpose of the research is either descriptive, explanatory or exploratory and the way the research question is asked results in descriptive or/ and explanatory answers (Saunders et al., 2009).

Saunders et al. (2009) claim that for descriptive research it is important to have an understanding of the phenomena prior to the data collection processes and the goal of descriptive research is to show an exact profile of events and situations. Explanatory research, on the other hand, looks into causal relationships between variables (Saunders et al., 2009). According to Saunders et al. (2009) an exploratory study is a valuable by means of finding out ‘what is happening’ and to seek new insights. It is particularly useful if one

wishes to clarify the understanding of a problem (Saunders et al., 2009). Even if the exploratory research is very flexible, the focus becomes progressively narrower as the research progresses (Saunders et al., 2009).

The nature of the research question and our approach to the topic indicates that we are conducting an exploratory study. The results of our study will not explain relationships between experience, pre-purchase and value. The purpose of our study is to get deeper understanding on how the pre-purchase, experience and value themes appear together.

3.1.3 Reserch approach

We have chosen an inductive approach over deductive approach for the purpose of our study. The decision was based according to the guidelines of Saunders et al. (2009).

Saunders et al. (2009), describe deductive approach being relevant when the researchers wish to test theory. The main characteristic of deductive approach is to explain causal relationships between variables by positing claims (Saunders et al., 2009).

Considering the nature of our research topic and research question we chose to conduct the research using inductive approach. According to Saunders et al. (2009) the inductive approach is used when researchers need to gain better understanding of the problem in hand and when theory needs to be formulated. Experience, pre-purchase and values are well defined in the literature but they have not been investigated together. This research approach is suitable with qualitative data analysis.

3.1.4 Research method and time frame

According to Saunders et al. (2009) quantitative research method predominantly uses or generates numerical data by, for example, creating questionnaires and analyzing them with statistics. On the contrary, qualitative research uses or generates non-numerical data in a form of words, video clips and pictures (Saunders et al., 2009). The techniques for collecting data can include interviews and the analysis part can be done by categorizing the data (Saunders et al., 2009). The time frame of the research can be longitudinal or cross-sectional and longitudinal study lasts longer and has a “diary” perspective and the “snapshot” time horizon refers to be a cross-sectional study (Saunders et al., 2009).

Qualitative research method is suitable for our research because the data comes in a form of words and our aim is to understand the phenomenon, not to measure it. We collect data through interviews and after we categorize it. All of these methods are suitable for

qualitative research. This method allows us to find out what managers know, feel and think about pre-purchase, experience and value themes.

3.1.5 Case study as a research strategy

The goal of this study and the chosen method of research are in accordance with Yin (2009), who suggests that case study approach is appropriate choice when we want to find more in-depth information about a certain phenomenon. Yin (2009) explains that case studies are ideal for investigating a phenomenon in a real life context in order to find clear boundaries between the context and the phenomenon.

Yin (2009) identifies various types of research designs: single case holistic, single case embedded, multiple case holistic, and multiple case embedded. Yin (2009) suggests that single case study is relevant to apply when the researchers are dealing with a unique or extreme case. Our study does not apply to this type of case because we want to examine the phenomenon inside the normal, every-day environment. Another rationale for conducting single case study is when the case in question is representative or typical of all the organizations inside an industry (Yin, 2009). This is also one reason more why we decide to dismiss single case study as our method. We want to observe same phenomenon across different industries. The final rationale for conducting single case study is to collect information over a long period of time (Yin, 2009). This rationale does not apply to us because we want to examine current situation. Our study is a multiple case-study because the goal of our study is to find similar and/or contrasting results inside different industries. Multiple units of analysis applied to multiple cases make research study a multiple case embedded (Yin, 2009). We will be using three different units of analysis observed across three different cases, which makes our study multiple case embedded.

According to Yin (2009) case studies are the preferred strategy when “why” and “how” questions are being posed, when the focus is on a current phenomenon within a real-life context and when the investigators have only little or no control at all over the events.

This research strategy is suitable for our study because we are investigating an organizational process where the focus is to further service providers’ customer and experience centricity. Through the case study it is possible to explain the processes behind the phenomenon and thus it fits well with the research design, answering the “how” question.

Instrumentation

Miles et al. (2014) suggest that in multiple case studies, where there is a specific goal to the study, the researchers need to conduct a lot of prior instrumentation. This is relevant to our study because we have already developed the conceptual framework and determined research question. One of the most important arguments for conducting a lot of prior instrumentation is that instrumentation helps improve explanations and predictions of the study (Miles et al., 2014).

Based on the literature, we can assume that the best option for the purpose of our study is to conduct a lot of prior instrumentation. Interview guide, transcription procedure and privacy agreements were all prepared before the actual interviews were conducted.

3.2 Data collection

Qualitative data has been advocated to be the best strategy for exploring a new area, discovery and developing hypotheses (Miles and Huberman, 1994).

Because the aim of the research is to get deeper understanding of the customer- and experience-centricity, we decided to look for an inclusive primary data by interviewing company managers. Collecting qualitative data through interviews provides insights to managers' experiences and thoughts and thus is suitable for our research question.

3.2.1 Collecting data through interview and interview guide

“The quality of the information obtained during an interview is largely dependent on the interviewer” (Patton, 2002 p. 341). There are three different approaches to collect qualitative data through interviews and these approaches include the informal conversational interviews, the general interview guides and the standardized open-ended interviews (Patton, 2002). An interview-guide is prepared to assure that the basic line is followed with each interviewee (Patton, 2002). The interview guide includes subject areas or topics within which the interviewer can probe, ask and explore questions in each particular areas (Patton, 2002). Patton (2002) claims that interview guide helps in using the limited time available efficiently and making the interviews systematic with different participants while allowing individual experiences and perspectives to emerge. According to Saunders et al. (2009), semi-structured interviews fit with exploratory studies and the author also claims that probing questions are used to explore responses significant to the research and request a particular direction or focus.

In our research we are using an interview guide instead of conversational interviews because this approach is more structured and hence it is easier to analyze the data later on. Even if conversational interviews are more flexible it might be challenging to organize different questions and responses. In addition, our interview guide helps us to be cohesive when collecting data and thus we have a better overview of the situation and interview duration. The guide also helps us to notify which topics should be investigated more deeply according to interviewee's occupation and tasks in the organization. Furthermore, semi-structured interviews fit well with our research purpose, thus making the research consistent.

Our interview guide consists of pre-purchase, customer- and experience-centricity and value themes, which are derived from the previous literature. The questions are divided into pre-determined themes, so it later it is easier to identify common factors in one particular theme. We chose pre-purchase as the first theme in our interview guide because it is the main focus of our study. It was essential to establish what kind of view and understanding the managers had about pre-purchase before continuing to experience and value. This was done with an intention to extract as much valuable material as possible from our respondents.

Experience is the second topic of the interview guide. The section starts with the question of how the respondents define the concept of customer-experience. The aim is to find out how company representatives see the concept and what they wish to signal to the potential customers at the pre-purchase stage. This interview section also aims to gain more understanding on how to take experience-centricity into account in the organization, what are the challenges of being more experience-centric and how to further develop it in the future.

Value is the last topic of the interview guide. The questions are related to the definition of the customer value and value creation, its key drivers and how value can be created at the pre-purchase stage. The last question is about the other side of the coin, namely, what factors destroy value. Furthermore, all the respondents were asked the 14 core questions stated in the interview guide and also varying number of follow-up questions depending on the responses that we were given. In addition to the themes, the interview guide is also structured based on the six disciplines of the customer experience presented by Manning & Bodine (2012).

3.2.2 Sampling and interview process

Unlike quantitative research methods, in qualitative research sampling tends to be less random and with more purpose (Miles et al., 2014). The informants need to be knowledgeable of the subject in order to be able to examine the context in-depth (Miles et al., 2014). It is also considered that qualitative sampling is theory-driven and it is set inside the boundaries of what is relevant to the research question (Miles et al., 2014). For the purposes of our research we chose dimensional sampling frame because. “The aim is to find people who are more knowledgeable, reliable, and accurate in reporting events that are usual, frequent, or patterned” (Miles et al., 2014 p. 29).

The sample used in our research study consists of five managers from three different service companies. All of the service companies are partners with CSI at NHH and through CSI we also acquired managers' contact information and proceeded to send out email requests to conduct interviews. All the managers that were selected to be part of our research are experts on the topics investigated in our study. Two managers that were interviewed hold a position of customer service/experience director. We have also interviewed two managers who are leaders of strategy departments in their companies. In addition, we have also managed to interview one manager who was in charge of service design project. Thus, five interviews is an adequate size for the study. The biggest criteria for selecting the participants come from the partnership between the organizations and the CSI.

The interview process started with e-mails sent by CSI and after that we were directly in contact with the company representatives. Three out of five interviews were conducted face-to-face, while remaining two were conducted using communications programs Skype and AppearIn. All the interviews lasted approximately 40 to 60 minutes. For two face-to-face interviews we flew to Oslo and one face-to-face interview was held in Bergen. We used Skype and AppearIn for two interviews since we could not fit four interviews to one day in Oslo.

The interviewees were provided with our interview guide and confidentiality agreements via e-mail before the interviews. All the interviews were recorded by using a voice-recording program on mobile phone or computer. The tape recordings were subsequently transcribed in MS Word and printed out to make the data analysis easier. All of the tape recordings were destroyed upon transcription, in order to protect sensitive data provided by the managers who agreed to participate in this study.

3.3 Data analysis

Miles and Huberman (1994) organize data analysis activities into four phases: data collection, data reduction, data display and conclusion drawing and verification. All four phases are interactive and together they make analysis process cyclical (Miles and Huberman, 1994).

According to Miles and Huberman (1994), during data reduction phase, the researchers shift through the data and decided which patterns, relationships and codes are most relevant for the purposes of the study. Data reduction can be performed in many different ways including summarizing, creating larger patterns, paraphrasing (Miles and Huberman, 1994).

Data display phase is possibly the most important phase because the researchers organize reduced data in a way that will prepare it for drawing of conclusions and verification and the most frequent way of displaying data is through entered text (Miles and Huberman, 1994).

Miles and Huberman (1994) suggest that a researcher who draws conclusions from collected data should keep open mind and be somewhat skeptic. The preliminary conclusions might trigger a new idea and restart the process of analysis again (Miles and Huberman, 1994). By making the analysis process cyclical the researchers have an opportunity to reflect more and refine their methods, which results in higher quality of the research itself (Miles and Huberman, 1994).

After data collection we transcribed the data and summarized it into main codes. Then we organized the codes into different themes so that it was easier to start drawing conclusions and recognize patterns. The process is described below.

3.3.1 Analytic strategy

Yin (2009) proposes four different analytic strategies appropriate for case studies. We chose to follow strategy that relies on theoretical propositions. Yin (2009) explains that this is the most preferred analytic strategy because it is based on the research questions and theoretical propositions. Our conceptual framework relies heavily on theoretical background and literature review. Following the theoretical proposition strategy during data analysis, we will have a clear understanding which data is relevant for our study and which is not.

Transcription

The process of transcribing the interview is a matter of transforming spoken word to written word (Howitt and Cramer, 2007). After conducting the interviews we have transferred the audio data to computer. The audio data was then loaded into program ExpressScribe and

played at slow speed to make transfer to written words easier and more efficient.

Classification and coding

Coding in qualitative research is a part of analysis where the researchers are starting to make sense of the data by interpreting, indexing and categorizing the text (Gibbs, 2007). Gibbs (2007) explains that in the mechanics of coding the researcher needs to carefully read the text and truly understand what is happening and what the respondent is saying.

The coding applied in our study was somewhat theoretically driven. The background literature and established concepts, served as inspiration for creating codes when we analyzed the text. Theoretically driven coding tends to be highly connected to the theory used in the research, making it slightly harder to develop new concepts (Howitt and Cramer, 2007). One of the goals of this study is to find new concepts, consequently we have also applied data driven approach to coding. Even though we found inspiration for our codes in the theory we still wanted to get the most out of the data from the interviews. In order to achieve this we have also used data driven approach to coding.

Combining the theories of Howitt and Cramer (2007) and Gibbs (2007), we have combined theoretically driven and data driven approach to creating codes.

The coding process started by first preparing the material for coding. All the transcripts were printed out on hard copies on which we were able to jot down our observations. This coding technique is called manual coding (Saldana, 2008). Following Saldana (2008) we have also employed the pre-coding technique, where we highlighted, circled, underlined and made notes about the data on the hard copy of the transcripts. After the pre-coding we have split the rows of text and created codes for every three rows of text data. The coding effort was done by both authors of this study, making the coding process collaborative.

Themes

Our analysis is based on themes derived from theory and keywords from data. Data-driven coding and concept-driven coding can be used interchangeably, where researchers can get inspirations and ideas from the clear theoretical framework (Gibbs, 2007). Our research study is more of a thematic analysis than grounded theory. Grounded theory has a purpose of discovering new theories while thematic analysis has an intention to bring a better understanding of the data and concepts and possibly later contribute to development of new theories (Gibbs, 2007).

In our case, theories surrounding pre-purchase, experience and value are so extensively developed that applying grounded theory analysis would be quite an effort. Thematic

analysis is ideal for our purpose of discovering more information about connections between concepts of value, experience and pre-purchase.

Analytic display of data

According to Miles et al. (2014) data can be displayed in two different ways: matrices and networks. We chose to conduct our data display by using a matrix. Miles et al. (2014) define matrices as lists of rows and columns that enable a researcher to have an overall view of the data.

The matrix used for our study was constructed using MS Excel program, and it consists of three columns of codes, categories, and themes, combined with numerous rows of different codes gathered from the data.

The matrix has helped us organize and summarize the data better. The clear overview of the data was very useful for making conclusions that contributed to our final solution.

3.4 Credibility of research findings

According to Saunders et al. (2009), it is necessary to pay attention to reliability and validity of the research because it is crucial to reduce the possibility of getting incorrect answers. In this section we present the reliability, generalizability and validity of the thesis.

Reliability

The goal of reliability is to reduce the biases and errors of the study (Yin, 2009). Reliability means that the data analysis or data collection techniques should produce consistent findings (Saunders et al., 2009). Saunders et al. (2009) note that, on the other hand, specific answers from reality are hard to replicate due to the changes in the environment and thus it is important to be as clear as possible about the research process and design.

In order to avoid the reliability danger, we have clearly reported the steps of the research process, supporting it with theory and specific data analysis techniques. We also try to be as consistent as possible by interviewing people from traditional organizations, who work in similar positions and follow the same interview guide. Even the follow-up questions that support the interview guide are the same.

Saunders et al. (2009) bring up the threats that affect reliability, namely, biases related to the interviewer and interviewees. Interviewer bias can occur when the interviewer imposes own beliefs through the questions that are being asked, in addition, non-verbal behavior, tone and the comments of the interviewer can create bias to interviewees responses (Saunders et al., 2009). There is also responds or interviewee bias where the interviewee may provide partial

answers or gives ‘socially desirable’ answers (Saunders et al., 2009).

During the interviews, we try to be as natural as possible and be consistent with the interview guide, so that we are not affecting the interviewees with our own beliefs or behaviors. Off course, we cannot be sure about the interviewee bias. In order to get reliable answers, we try to make our questions very understandable and avoid being too theoretical.

Validity

Long and Johnson (2000) write that validity in quantitative terms, looks into whether a measurement instrument measures what it is intend to measure. For a qualitative study, an account is true or valid if it represents precisely the phenomena or feature that it is supposed to explain, theorize or describe (Long and Johnson, 2000). According to Golafshani (2003) the validity concept is rather vague in qualitative research and some qualitative researchers argue that the validity concept is not applicable for qualitative research. Still, there is a need for a measure or check for the research and, for example, in qualitative research it is the researcher's perception of the validity and the researcher's choice of paradigm assumption (Golafshani, 2003). Golafshani (2003) claims that researchers have their own validity concepts that are adopted or generated from what the researchers consider to be appropriate when it comes to research quality, trustworthiness and rigor. It has been argued that the idea of finding out the truth through validity and reliability is replaced by the concept of trustworthiness, which establishes confidence in the research findings (Golafshani, 2003). By reporting the steps of the research and explaining our research choices, our goal is to conduct a valid and trustworthy research. Since we are two persons researching, interviewing and analyzing, our research responses to trustworthiness even better. Also, our interviewees are specialists in their area, so the answers can be considered trustworthy.

Generalizability

Saunders et al. (2009) state that generalizability of findings might be a worry especially when talking about case studies that are conducted in a small number of organizations. One advantage of studying multiple cases is to add generalizability and to reassure that processes and events in one setting are not completely idiosyncratic (Miles et al., 2014). The goal is to see outcomes and processes of many cases and hence develop more powerful explanations and more sophisticated descriptions. Because this research is focusing on three cases, it is clear that the findings are not generalizable to the entire population. On the other hand, the research still goes beyond one case, and this makes the research a little more generalizable. Also, three different cases provider deeper understanding of the phenomenon and allows us to investigate the responses, their differences and similarities.

3.4.1 Ethical guidelines

For the purpose of our study, we need to collect data from managers that work in the Norway's biggest service companies. This also means that we are working with confidential information and it is our responsibility to consider the ethical concerns that might arise from the course of the study. We have followed ethical guidelines proposed by Saunders (2009) and made sure that the material of the research does not harm or embarrass the research participants in any way.

All the interviews were conducted with consent from the managers. We made a confidentiality agreement (Appendix 2) that was given to the participants before the interviews. The interviews were recorded, but the material was deleted after the recordings were transcribed into text. After the main quotes were picked, the quotes were sent to our participants for a check. In this way we want to make sure that everything is correct in the study and the parties agree with the information. We also make sure that no one can be identified in our study thus, we secure the anonymity of the subjects and their organizations. In addition, the codes and quotes (Appendix 4) are mixed so that no one knows which code or quote belongs to which participant. Finally, it is important to note that all of the participants had the opportunity to withdraw from the study at any moment.

4. Findings

This chapter presents the findings from the interviews with the company representatives. The results were coded and structured as described in the methodology part. With regards to the literature review and the interview guide, the data is divided into three major parts: (1) Pre-purchase (2) Experience and (3) Value, which creates a logical structure and clear overview for the chapter.

Before presenting the quotes, we provide three tables with summaries of the main interview findings. These summaries also form a base for the fifth chapter, which is the discussion chapter.

First table (Table 4.) of the findings is related to the pre-purchase topic. This part includes the definition of pre-purchase, its measurements, improvements and competitors.

Second table (Table 5.) is related to the experience topic and the main focus is on how service providers define customer experience, how they can take potential customer experiences into account when designing services and how their organizational strategy aligns with the intentions to be more customer and experience centric. Other questions are related to the company culture, challenges and improvements of being more customer and experience-centric company.

Third, and the last table (Table 6.) of findings cover the value-topic, where the participants describe customer value and value creation. Remaining questions are related to the key drivers for creating value, taking the pre-purchase stage also into account. Last question is about the other side of the value creation, namely, what are the factors that destroy value.

Table 4. Pre-purchase findings

Topic: Pre-purchase	Main findings
Definition of pre-purchase	The answers reveal that all managers see pre-purchase as some form of search activity. The customer has a challenging task of deciding which service/product to choose to satisfy a need or solve a problem in the best possible way.
Measuring pre-purchase performance	We noticed that companies are not very

	<p>clear on the measurement methods when it comes to the pre-purchase stage. It was insinuated that pre-purchase measurement is something that can be done more in the future. The methods the companies are currently using rely more on marketing performance of the company, more specifically brand awareness and conversion rates.</p>
<p>Company focus on customers at pre-purchase stage</p>	<p>The quotes point out that many different strategies can be used to focus and approach customers at pre-purchase stage. It is evident that marketing is not the only action companies take to reach their customers, but they also try to understand customer behavior and make adjustments that will enable better performance.</p>
<p>Outperforming competitors at pre-purchase stage</p>	<p>The interviews reveal that one of the biggest advantages over competitors at pre-purchase level is the brand strength. The customers are not able to experience the service and compare different companies based on that. The customers tend to rely on the company reputation.</p>

Table 5. Experience findings

Topic: Experience	Main findings
<p>Definition of customer-experience</p>	<p>From the quotes it is clear that the respondents have similar views of the customer experience definition, including decisions, customer journeys, feelings and functionalities. It is also clear that the</p>

	service providers cannot give one unified definition for the concept.
Customer-experience in service design	The interviews reveal that the use of service designers, customer and employee feedback are the main players when designing services. Hence, these players are important when incorporating the customer experience with the service design.
Alignment of company strategy and customer-experience	We notice that the overall alignment of company strategy and customer-centricity is good and the organizations are constantly working on it. It is also clear that there is need for more structured way to make the alignment, especially when it comes to combining the front- and backstage operations so that the customers can have cohesive experiences.
Company culture and customer-experiences	The quotes show that company culture is one way to make experience-centricity stronger in the organization. The managers also say that it is not an easy task to do in a big organization. Committed management, communicating the strategy in the organization and rewarding people are important factors when bringing the company culture and customer experience together.

<p>Challenges of being more experience- and customer centric</p>	<p>This question really brings up the challenges that the service providers face when trying to be more customer-centric. The quotes reveal that the main challenges are related to the understanding of the concept and its worth. Also changing company culture and policies can be seen as a challenge.</p>
<p>Further developing customer- and experience- centricity</p>	<p>The development question gives us many interesting insights about the cross-functional collaboration inside of the organization and outside of the organization. The interviews reveal that innovation is an important player in developing customer-centricity together with service design. It is also very clear that it is almost “a must” to be a customer-centric company in the future.</p>

Table 6. Value findings

<p>Topic: Value</p>	<p>Main findings</p>
<p>Definition of customer value and value creation</p>	<p>The answers show that the people, who are in contact with customers, create value. For many respondents keeping the promise and exceeding the customer expectations are the factors that create value. The responses also show that value is subjective, something in customer’s own mind.</p>

Key drivers for creating value	The answers show that keeping promise, both in functional and emotional aspects are the drivers for value creation.
Value creation at the pre-purchase stage	Managers tell us that in the pre-purchase stage it is crucial to communicate trustworthiness, simplicity and convenience to the potential customers. Also a well-known brand helps the organizations at the pre-purchase stage.
Value destruction	This last sections show that there are similarities in manager's answers when talking about value destruction. The main points are related to: transparency, meeting the customer expectations, being simple and handling social media well.

4.1 Quotes

In the following sections we will present the topics of pre-purchase, experience and value alongside with the main quotes gained from the interview.

4.1.1 Pre-purchase quotes

Definition of pre-purchase

The aim is to find out how managers define pre-purchase in their own words.

“The stages include all stages from where the customer starts to think about something or has an idea, you have a problem that you want to solve, a dream you want to fulfill and then you start searching for information, talking to friends and relatives, searching internet, paper and magazines”

(Respondent 4, personal communication, April 28, 2015)

“From my point of view, it starts with the customer need and follows through with how the customer then tries to orientate him or herself in order to fulfill that need by using different channels: WOM, advertising, going online to check and so forth”

(Respondent 5, personal communication, April 30, 2015)

Measuring pre-purchase performance

The goal is to gain better insight on how companies measure pre-purchase performance.

“What we do today, what we measure systematically, is the brand awareness and the brand preference”

(Respondent 2, personal communication, April 10, 2015)

“For digital channels they use conversion rates: how many have seen the offer, actually purchase a product/service. We also have measurements on the affect of advertising”

(Respondent 4, personal communication, April 28, 2015)

Company focus on customers at pre-purchase stage

Here we want to see how companies actually handle potential customers.

“The point to be impressive is that you create the buzz, so you create a viral effect and you will have this positive WOM going around, because you don’t know actually where your potential customers are”

(Respondent 3, personal communication, April 22, 2015)

“I think the only way of doing that is by understanding customer needs and customer behavior. One part of it is to listen to the customers that have been in the process, and see what is working and what is not working and knowing why one didn’t become a customer, why they choose someone else instead of us”

(Respondent 4, personal communication, April 28, 2015)

“Service design methodology always studies the behavior and the emotions of the customer and tries to meet them. I think that is the base and foundation of improving the pre-purchase stage because then the company could see more easily how to make all the touch-points work together”

(Respondent 5, personal communication, April 30, 2015)

Outperforming competitors at pre-purchase stage

The last question regarding to the pre-purchase stage is about how the companies compare themselves to their competitors.

“Our brand, it is very emotional because it is a historical brand. It has been here forever. There are a lot of emotion about our company so we use that in our communication”

(Respondent 1, personal communication, April 10, 2015)

“In Norway it’s more straightforward than elsewhere actually. In Norway we are kind of the biggest players and we have a good brand”

(Respondent 3, personal communication, April 22, 2015)

The pre-purchase stage is highly influenced by brand perception and reputation, especially for a well-known company as ours. Consumers have more rational reasons to choose us, but I think it’s also emotional in the sense that almost everyone has been in contact with our customer service or has some sort of relationship with our company. Also the previous experience or the service experience they have had influences”

(Respondent 5, personal communication, April 30, 2015)

4.1.2 Experience quotes

Definition of customer-experience

The definition part aims is to find out how traditional service providers define the concept and also how they take the pre-purchase stage into account.

“Customer experience, it is not limited to what we offer; customer experience is the complete experience of the job we want to get done. So, if we can add trust, security and simplicity to our customers’ value proposition, then we have done a good job”

(Respondent 2, personal communication, April 10, 2015)

“We want to provide experiences that make our customers to tell other customers that they can go to company X”

(Respondent 4, personal communication, April 28, 2015)

“I would define it as a sum of all experiences that the customers encounter over time, functionally and emotionally, through all the touch-points in the customer journey”

(Respondent 5, personal communication, April 30, 2015)

“In the pre-purchase phase it is important that the company has that reputation and trust. Company easily accessible, providing the descriptions of the services and so forth”

(Respondent 5, personal communication, April 30, 2015)

Customer-experience in service design

The second question is about how customer-experience has been taken into account when designing services.

“The trick with the pre-purchase, I would say, is that you don’t really know when it starts. So you are not present when the customer decides that now I’m going to look for something. It’s a weakness that we have currently in the pre-purchase phase that we are not communicating our value propositions very well”

(Respondent 3, personal communication, April 22, 2015)

“Service design is a holistic approach to designing services from customers needs. This fall we did a service design academy, a wider training for marketers and product managers and so forth. So, now we actually have marketers and product managers actively using customer design/mapping as a tool and be able to do a lot on their own when developing and improving services”

(Respondent 5, personal communication, April 30, 2015)

“Service development teams are using Facebook/ social media in order to collect ideas from customers and ideate and collaborate with customers in an early phase”

(Respondent 5, personal communication, April 30, 2015)

Alignment of company strategy and customer-experience

The aim is to find out how company strategy supports customer and experience centricity.

“Strategy is spot on. How managers pick up the strategy and how employees pick up on the strategy, take it to the heart and start living it or working towards it. That varies a lot in any big companies

(Respondent 5, personal communication, April 30, 2015)

“If you think about the intended strategy of how it should be, and the alignment with experience- or customer-centric organization, I think it is a real match. But as you know, there will always be unintended strategy as well in big organizations”

(Respondent 4, personal communication, April 28, 2015)

“I would say that the strategy aligns very well and in company X, our mission statement says that we are here to help our customers. So already in the mission statement you have the purpose and the customer focus. Our ambition is to be loved by customers. Which is fairly hard for this industry”

(Respondent 5, personal communication, April 30, 2015)

Company culture and customer-experiences

The goal is to see how company culture can foster customer and experience-centricity in the organization.

“We have something called the employees with a heart for the customer. It is a reward kind of thing: You can nominate someone that you think is doing something good for the customer. So that is a cultural thing we do”

(Respondent 2, personal communication, April 10, 2015)

“Our company culture should be built on our company values which fits very well with the whole customer-centricity theme or customer-experience theme it is like: make it easy, be respectful and be inspiring. Everybody knows these values but not everybody lives according to them so the culture is not totally reflecting this”

(Respondent 3, personal communication, April 22, 2015)

“I think the most important piece in this is the top management commitment, because if top management doesn't talk about it, it's not going to be important.

“We have also integrated an assessment of customer impact in the decision papers and in the top management teams”

(Respondent 5, personal communication, April 30, 2015)

Challenges of being more experience- and customer centric

The goal is to explore the challenges that the service providers face when they try to be more customer and experience-centric.

“It is a cultural and political thing. Cultural thing because you need to change your mindset; from inside out and outside in. The other part is about the politics and power, because if you change to that customer- centric organization, you need to redistribute power a little bit in the organization”

(Respondent 2, personal communication, April 10, 2015)

“You need actually training for a longer period of time to understand how these things work: how we are going to do the business maximizing the value through customers, through customer-experience. Holistically creating services that are impressive and bring the emotional part into the game”

(Respondent 3, personal communication, April 22, 2015)

“There are also changes in training because customers are different from before, customers are more proactive”

(Respondent 4, personal communication, April 28, 2015)

“I would say two things from my point of view. The first one, providing the link to profitability and financial drivers. Isolating the value of different experiences and calculating the effect of doing improvement initiatives, especially on isolated cases. The second challenge is linked, but has to do with short-term vs. long-term focus in the organization. Becoming truly customer-centric takes commitment over time, and providing profitability even longer”

(Respondent 5, personal communication, April 30, 2015)

Further developing customer- and experience- centricity

The goal is to find out how the managers would further develop customer and experience-centricity.

“I think CSI is one important tool because when big companies are doing the same thing, we kind of work on this together, sharing experiences, creating tools to use and making the shift. You go from the brand and advertising industry being the one who knows everything about the customer”

(Respondent 1, personal communication, April 10, 2015)

“Customer experience and centricity has a new definition today compared to what it had few years ago. Now it is more holistic approach, it is not company by company anymore, it is companies together, across silos”

(Respondent 2, personal communication, April 10, 2015)

“I think, what we have found now is the tool. Service design is the tool. We have the close feedback loop, which is kind of bringing the voice of the customer, bringing that in to our organization, get the recognition that we need to do something and drive action based on that”

(Respondent 3, personal communication, April 22, 2015)

“Customers are used to social media, they are used to immediate response. We can already see this from organizations that are different from traditional ones. When the company gives advice online or by mobile phone, those customers are much more in interaction with the organization than traditional ones”

(Respondent 4, personal communication, April 28, 2015)

“I don’t think it’s expensive. We use the people we have, off course, we need some design people and IT resources to help out, building good solutions that are making it possible for us to take action and be proactive. I think it’s more expensive to not to be customer-centric”

(Respondent 4, personal communication, April 28, 2015)

4.1.3 Value quotes

Definition of customer value and value creation

The goal is to see how the respondents understand the customer value and value creation.

“It is the total experience because we are not going to be the best at price, we are not going to be the cheapest. We are not managing that one so we have to give something else. Good experience. I think people are willing to pay for that or at least they don’t want to change if something seems easy and good”

(Respondent 1, personal communication, April 10, 2015)

“It is in a customer's mind. Only the customer can decide what is valuable for them and the company can have an idea of what value we want the customer to experience. It is a single customer who can really respond to this from his own point of view”

(Respondent 4, personal communication, April 28, 2015)

“Delivering on the expectations of the customer and even beyond. For us, it is about finding the valued customer and then delivering according to those customer’s needs and exceeding their expectations”

(Respondent 5, personal communication, April 30, 2015)

Key drivers for creating value

The aim is to see what are the key-drivers that create value.

“You can’t get away from the functional. You have to deliver basic functional services. But I think the biggest drivers for the value are the emotional needs and emotions of the customer. Understanding the emotions and adapting the value proposition to the emotional part of the customer”

(Respondent 3, personal communication, April 22, 2015)

“Key driver is the experience with the service itself. By providing subscriptions and services that fit the customer needs. Also, the key driver is the service experience: how does the customer experiences our touch-points”

(Respondent 5, personal communication, April 30, 2015)

Value creation at the pre-purchase stage

This question aims to find out what are the main selling points when the company is interacting with the potential customers.

“We can certainly take a position on being the one who gives a lot of trustworthy information, simplicity and convenience”

(Respondent 1, personal communication, April 10, 2015)

“We can give to the customers more insight into situations, making their options clearer, have them to identify the needs they have. A lot of it is to give more better information that is valuable in the choice or situation the customers are in”

“I think in the pre-purchase stage the people are important. People who work in the shops and people who work in customer service. How they are trained, how they are creating value through giving good advice and really understanding what the customer needs”

(Respondent 5, personal communication, April 30, 2015)

Value destruction

This question aims to get an insight to the factors that destroy value.

“Lack of transparency. Because if you expect something and you get something different, then you destroy value for the customer. Disappointment is negative in a purchasing process. We also destroy value if we add too much complexity”

(Respondent 2, personal communication, April 10, 2015)

“I think treating own customers badly is also destroying value for new customers. Negative buzz, there is nothing worse. It’s simply so hard to get rid of that. I think that bad customer stories are very destroying and at some point it escalates to Facebook or some social media”

(Respondent 3, personal communication, April 22, 2015)

“Value is destroyed when we do not deliver what we have promised. Or if we do not listen to our customers and then provide them with services or products that they don’t want ”

(Respondent 4, personal communication, April 28, 2015)

5. Analysis and discussion

Pre-purchase stage is generally considered as a purchasing stage where customers are involved in extensive decision-making process and companies use marketing tools in order to make themselves more visible to customers. The aim of our study was to find possible ways in which pre-purchase stage can be used more than just a phase where customers are being targeted by advertising.

We have started with assumptions that pre-purchase stage is part of customer journey where companies try to deliver exceptional experiences to increase customer value delivery and improve overall customer journey. We have started with theories by Pine and Gilmore (2011), Voss et al. (2008) and Payne et al. (2008) on experience economy, customer experience and value. The goal of this study was to expand on the frameworks presented in these articles and consider pre-purchase phase as an environment where companies can find ways to differentiate themselves and provide their customers with additional benefits. Our research question covers the essence of our study and we have formed our interview guide with objective to find appropriate answers and solutions to our research question:

How traditional service companies can improve customer experience and value creation at pre-purchase stage?

This chapter will provide discussion of findings, along with reflection on the theory presented in chapter 2. We will compare and elaborate the data we have acquired from our respondents and summarize the findings along with our revised conceptual framework. The main finding of “pre-purchase ideation” theme provides answers to our research question and indicates how companies can take an innovative approach to pre-purchase and improve customer experience, value creation and value capture.

5.1 Pre-purchase theme discussion

Following the format of our interview guide and the codes we have extracted from the data, we start by discussing general understandings about pre-purchase. The findings of our study have discovered both some similarities and discrepancies between how pre-purchase stage is defined, what are the drivers, and which advantages companies use to outperform competitors.

We have collected these codes into category “pre-purchase drivers” to better explain what motivates customers to initiate pre-purchase phase and how they go about evaluating different companies.

5.1.1 Definition of pre-purchase

We have found that all the managers we have interviewed have a similar understanding of pre-purchase stage. They have described it as a form of customer market orientation, where customers make choices from a wide range of options and possibilities. This point of view is also in accordance with the theory we have presented earlier (Tsiotsou and Wirtz, 2012). We have found that even though all the managers have the same general idea of what the pre-purchase stage is, not all of them have the same point of view on how to approach it. In the data, pre-purchase was explained as an ideal moment to impress the customer. Using service design tools and marketing, pre-purchase can be set in such a way that customer is rewarded with exceptional experiences. This approach is very marketing focused and it relies mostly on the fact that one of the responding companies has strong brand and high awareness among Norwegian population. Companies use pre-purchase stage as a form of promotional stage to make their brand and attributes known to the customers. We have found that repeating codes like brand awareness, popularity, trust, and reputation are one of the most relevant pre-purchase drivers (Appendix 4). Even though certain companies are more marketing oriented, they are making a true effort to observe pre-purchase as a part of a holistic customer path. Customer path was also described in the data as “customer lifecycle” and pre-purchase stage has to be considered as a part of it. It was also noted that there is a lot of uncertainty at pre-purchase because it is a very difficult stage to control due to high customer volatility.

It is important not to look at pre-purchase as an opportunity to do more marketing but as a way to extend customer journey. We can notice a similarity between cases, in sense that pre-purchase is becoming more important for the overall service performance in customer journey. We have noticed that through staging experiences, companies can signal a good service quality throughout customer journey and show that they are a caring company. We observed from the data that pre-purchase stage is a way to engage more with the potential customers. Pre-purchase can be viewed as an opportunity to proactively reach out to customers and provide customer support even before service consumption starts. By

providing information and advice to potential customers at pre-purchase stage, companies have an opportunity to do more than just promote themselves.

We have observed that looking for solutions for the customer is one of the most important service provider assignments in the pre-purchase stage. We know from the theory of Tsiotso and Wirtz (2012) and also from our analysis that “need”, is one of the biggest drivers for pre-purchase. Observations from the interview tell us that there is a true potential in using pre-purchase stage as a way to both delight and serve the potential customer through staging experiences. Nowadays, customers are looking to gain something more than just have their needs satisfied, and problems solved. It is becoming necessary to provide something more from the beginning of customer journey in order to differentiate from the competition.

One of the solutions that entails both functional expectations of customers and the need to have a memorable experience is ideation at pre-purchase stage. There is a true potential to engage with the customer in this solution search process.

5.2 Experience theme discussion

This research has shown that experience-centricity is an important part of service providers’ operations. However, it is also a challenge to communicate experience-centricity at the pre-purchase stage, before the actual service. Nonetheless, the findings of the study show that the companies are familiar with the experience centricity and its importance.

5.2.1 Definition of experience

Responses that are presented in our findings show that the company representatives define customer experience quite similarly. They talk about the customer experience being a total meeting with the brand and they see it as a complete experience that every customer experiences when interacting with the company at different touch-points.

One of the topics that was reoccurring across cases was that customer experience is something that the company cannot fully control. Thus, it is crucial to remember that the experience is not occurring only when the customer is interacting with the company, but also in between the touch-points where other customers and social media can influence the customer experience. In addition, Zomerdijk and Voss (2010) mention that customer experiences can be influenced by other customers. It was also mentioned in the interviews

that it is important to provide experiences that spread positive word-of-mouth and this can be connected to the external players that can affect potential customers' experiences positively. The interviews tell us also that customer experience consists of a sum of experiences that are subjective. This fact was also stated in the literature by Meyer and Schwager (2007) that customer experience is subjective and internal. When it comes to pre-purchase stage and potential customers, one of the respondents especially highlighted the importance of having good reputation and easily accessible services.

5.2.2 Experience and service design

From the interviews we can see that the respondents link customer journey and service design together. Overall, the findings show that the use of service designers in the organizations is more common nowadays. We have found across the cases, that the companies want to focus more on service design in the future and acknowledge the fact that it requires collaboration within the organization and outside of the organization. It was said that customer journey is widely used as a tool for designing services and, in addition to service designers, product and marketing managers are trained to develop services. From this we can conclude that the organization is learning to design services and by educating the managers, it makes the service design process more efficient. The answers related to customer experiences and service design emphasize that it is important to communicate the company's value propositions better to potential customers. Also the importance of customer and employee feedback was brought up when talking about designing services. Many of our interview questions cover how the pre-purchase stage develops between the company and the customer. The data we have collected suggest that customers come into contact with many different touch-points and form experiences based on pre-purchase interactions. All our respondents have agreed that experience is becoming a valuable asset and the pre-purchase stage needs to be simple and convenient for potential customers.

5.3 Pre-purchase value theme discussion

The last theme of our interview guide concerned the concept of value and how value can be delivered to the customers at pre-purchase stage. The data has revealed that all the respondents have a similar understanding what value means to customers. Interesting finding was that the opinions about value have differed from what we have observed in the literature.

The literature emphasizes value of usage and monetary value of service or a product (Payne et al., 2008; Heinonen et al., 2010; Priem, 2007), while our respondents have focused more on customer experiences.

We have also noticed that all our respondents had difficulties determining what value at pre-purchase is and how it can be explicitly transferred to customers.

5.3.1 Value definition

From the data we have analyzed we notice that customer value is considered something that customers are already expecting to get from the company. Customers have a perception of what they are expecting to get for the money they are paying for the service and it is company's duty to fulfill these expectations. We can conclude that customers anticipate the value (Turnbull, 2009) and that level of expected total value depends on the value in exchange (Heinonen et al., 2010; Priem, 2007).

This point of view is similar across all of the cases with small differences. We have observed that every customer has their own individual perception about value and it is very hard for a company to cater to every individual request. Even though this is the case, companies still need to have a fixed set of values that satisfy the requirements of most customers.

We also need to note an observation that contrasts conception of customer value as something that customer already expects. A completely different perspective emerged, stating that value is something additional and unexpected from the customers. Delivering customer value can be done through exceeding customer expectations. This claim brings us closer towards unraveling what is considered as value delivery at pre-purchase.

5.3.2 Value at pre-purchase

Our respondents have identified customer experience as one of the key drivers of value at pre-purchase. Across all cases, we can see that providing functional value is absolutely necessary, and experience can be considered as a form of added value. Delivering functionality is necessary but not enough. Emotional needs of a customer play a big role in value and it is crucial to "play on emotions" and use experience as a value driver.

All our respondents have described experience as one of the most important factors influencing value delivery at pre-purchase stage. We found that pre-purchase needs to be easy and convenient. All other respondents reply in the similar way, also pointing out that customers need to be provided reassurance in form of trustworthiness and reliability.

We can conclude that companies have a very difficult task in determining and delivering value at pre-purchase stage. They need to understand individual customer needs, provide additional value through great experiences, and show that they reliable.

5.4 Pre-purchase ideation theme

After discussing the data about pre-purchase, experience, and value we move to expand these concepts towards using them to make suggestions how to improve pre-purchase as a whole. From the interviews we have noticed repeating patterns of service design, measurement, company culture and strategy. Based on this, we were able to draw conclusions on how a combination of these patterns can influence and optimize experiences and value creation at pre-purchase stage. We have grouped all the codes concerning service design at pre-purchase, measurement and company strategy into category “pre-purchase improvements” (Appendix 4).

One relevant observation is that even though companies have the knowledge and resources, they do not dedicate much to the pre-purchase stage comparing to consumption stage.

In order to improve customer experiences at the pre-purchase stage, it is first necessary to know what kind of customer experiences the service providers want to communicate to their customers at pre-purchase stage. After that, it is important to know how to take potential customers into account when designing services.

Further, it is crucial that the company strategy is aligned with the intentions to be more experience-centric and that the company culture fosters it. We can also see this from the literature review where Manning and Bodine (2012) claim that organizational culture is the base where all the customer-centricity disciplines can be turned into habits in the organization.

After analyzing the data, we can say that the companies are trying to engage the customer more, including the pre-purchase stage. It seems that is not enough just to know customer needs and cater to their demands. It is also being suggested that customer and companies can work together in finding solutions to customer problems. By being proactive and approaching to customers, instead of waiting for them to find the company, companies reach out to find the right customer. By co-creating solutions with the customers at pre-purchase stage companies not only create value for the customer but also create great experience that is sure to pay off in form of loyalty and satisfaction.

5.4.1 Use of service design

Our findings indicate that use of service design tools are becoming a widespread phenomenon, across different service industries. We have interviewed respondents from different service industries, and it was interesting to see that in spite of different nature of service provided, use of service design tools is emphasized as one of the best ways to improve customer experience. It was pointed out that service design tools are excellent resource for designing the usage stage, but some challenges might exist in applying these tools in the pre-purchase.

We observed that service design at the pre-purchase stage is still a challenge for organizations because they cannot be sure when the customer starts considering the service provider. If the pre-purchase journey is mapped out properly, then it might be easier to design services for this stage, by using different social media channels and feedback provided by customers and employees. One of the respondents talks about mapping emotions, meaning that in addition to customer journey maps, there are also emotional maps that show the customer reaction. This could be useful for the pre-purchase stage, since it shows how the customer feels during the orientation process. For the pre-purchase stage it is important to get positive reaction from potential customers in order to win them to actual customers. It is good to take a step back and remember that the reason why companies are motivated to be more experience-centric is to have happy customers. Also Zomerdijk and Voss (2010) in the literature review state that service organizations focus more on customer experiences in order to further customer loyalty and differentiation.

5.4.2 Use of measurements

Measurement methods seem to be something that is truly lacking in the pre-purchase stage. The respondents have stated that they use help of customer satisfaction surveys, Net Promoter Score, and web-site traffic, but no measurement tools that are specifically designed for evaluating pre-purchase performance. An interesting method of pre-purchase measurement emerged from one of our respondents. The method is to directly ask the customers that chose a different service company about the reasons behind their decision. This method might seem radical but it is probably the best way to find out more about the customer behavior and needs.

5.4.3 Significance of company culture and strategy

We have already concluded from the literature review that the economy and customer preferences are changing, and companies need to keep up with the trends (Pine and Gilmore, 2011). From the data we have analyzed we can see that all the managers we have interviewed agree on the fact that both company culture and company strategy need to be compatible when it comes to being customer oriented. Customer centricity is a concept that is well known among our respondents. They gave us an extensive insight how company culture and company strategy can be used to express customer centricity and consequently improve overall customer experience and value.

Changing the culture to a more customer-centric is an important task that needs to be performed as fast as possible. This is necessary to be done, not just to be able to compete with other companies in the market but to stay ahead of the competition. We observed that company culture is derived from the values a company presents and it needs to be practiced by all employees, from top management all the way to front line employees. Across the cases it was stated that in order to truly live up to the demands of having customer-centric culture, the employees need to go through training and nurture customer-centric culture. We link this to theory of Voss et al. (2008) where the importance of employees is emphasized as the central role in delivering experiences to the customers. All the respondents agree that employee propensity to be customer-centric is always rewarded.

The significance of company culture for pre-purchase might be greater than what is generally considered. We have observed that all the respondents realize the benefits of being customer centric and providing their customers with good experiences and value.

Maintaining a customer centric culture creates a certain sense of urgency where all the employees deliver the best to the customer across all stages of customer journey, including the pre-purchase stage.

We have found that across all interviews the strategies that companies strive to implement tend to be highly related to company values and culture. The only difference that we have observed was the level of how the strategy matches with what companies are aiming to achieve.

Companies look at the strategy as a proof that company is really doing what it preaches and stands for. It is essential that strategy stays current with market trends and customer demands. The danger lies in the fact that companies are reluctant to change if their business is doing well. This is not an ideal strategy because companies can lose the opportunity to

innovate and provide their customers with something new and exciting but also use their forward strategy to differentiate from the competition.

5.4.4 Pre-purchase challenges

The interviews show that there are challenges that complicate to achieve experience-centricity in service organizations. Partly, this is because the concept of experience-centricity is quite new. Hence, it is possible that service providers can have nice plans for being more customer-centric but then forget what needs to be done in order to actually be experience-centric. This means that big plans for being experience-centric are not enough, the company has to be able to live the plan too. It was stated in the interviews that it takes time before the organization actually understands the experience-centricity, and how to maximize the value through the experience for the customer. From this we can conclude that the concept is known in companies but it is still in its infancy when it comes to its execution. Also, this links back to the company culture and requires changes in employees' mindsets and power distribution inside the organization.

It is a challenge to connect the financial numbers with the real value of the customer experience, as claimed in one of the interviews. This means that there is a need for measures that link experience centricity with financial drivers that show how much the experience is worth to the valued customer and how profitable it is for the company. In addition, there is a need for measures that focus on the pre-purchase stage and the experiences. Only then it is easier to measure the experience centricity at the pre-purchase stage.

As the pre-purchase stage is a scattered stage, where it is hard to capture the starting moment of it, is challenging to link experience centricity with the pre-purchase stage. Furthermore, consumers have changed during the past years and that can also be seen as a challenge.

Nowadays, the consumers are not only reacting to company offers but are also proactive. The interaction between the service provider and the consumer is changed, meaning that the consumer is an important player when creating experiences. Since the companies of this study are all traditional and well-known service providers, they need to be flexible and ready for changes in order to keep up with the market trends.

5.4.5 Further developing customer experience at pre-purchase

We asked the respondents to give some ideas how to further develop customer and experience centricity. Over all, the responses are closely linked to the previous questions

about the challenges of experience centricity and customer centricity. The development ideas are related to the challenges and how to overcome them. The main points that came out are about the collaboration inside and outside of the organization, innovation, understanding the concept of customer- and experience-centricity in the organization, use of service design and social media. All of the respondents mention that it is more expensive to not to be customer-centric organization than to be.

One of the respondents says that it is vital to move from the brand and advertising industry to a company that knows everything about the customer. This means that the development of experience centricity should focus even more on customer insights and customer feedback. Furthermore, innovation has to be in the company strategy since innovation furthers new way of thinking, also when it comes to designing services. This links back to the question of challenge, the company has to have it clear what they really need to do in order to be customer-centric. A plan by itself is not enough and as we have observed in one of the cases, there is room for improvements in this area. Service providers need to understand the difference between what they do and actually should do. The interviews also revealed that nowadays experience and customer centricity has a holistic approach meaning that the companies collaborate with each other when looking for best solutions for consumers. The data brings up that service design is the tool together with customer journey for developing experience and customer centricity. As it was mentioned earlier, the customers nowadays are different and expect different things. Thus, the data shows that it is important to be available and have a proactive relationship with customers. Here we can conclude that the use of social media and other digital channels is growing since people demand immediate response and fast solutions.

One of the respondents describes experience and customer centricity being a part of company DNA. This way of thinking signals that the company really roots this concept to the strategy. However, it is important to remember that this is something that requires a lot of time.

5.5 Value destruction at pre-purchase

We did not limit ourselves to only asking questions how value is being created. One part of our interview had the purpose of shedding light on how value is destroyed at pre-purchase. We have found that although respondents had different opinions on value, their answers about value destruction were quite similar. We managed to group the codes concerning value

destruction into “value destruction at pre-purchase” category and suggest what factors have to be avoided at pre-purchase.

We have noted a pattern matching across cases of “being non-transparent” as one of the factors that hurt the value for the customer, especially in the pre-purchase. In the stage when customer are evaluate prices and attributes it is important that they know what the price covers. According to our respondents, value is being destroyed if customers feel that companies are hiding something from them

It was indicated that not delivering what was promised to the customers is highly value destroying. This is relevant to pre-purchase because companies need to pay attention to what potential customer need and want and deliver accordingly.

The most important value-destroying factor that was mentioned by almost all the respondents was making pre-purchase stage complicated. The respondents conveyed that making it hard for potential customers to become actual customers is a real obstacle that needs to be removed.

5.6 Revised conceptual framework

In this section we will present our revised conceptual framework (Figure 2.) and summary of the answers to our research question, as well as our sub-questions (Table 7.). We have previously presented a conceptual framework where we linked the concepts of value and experience in the pre-purchase context.

Table 7. Summary of solutions to research question and sub-questions

Research question	Solutions
How traditional service companies can improve customer experience and value creation at pre-purchase stage?	Ideation at pre-purchase stage
Sub-questions	
What are the main elements that create added value at pre-purchase?	Benefits from good experiences Benefits from better identifying needs Benefits from finding optimal solution to problems
What are the main elements that create good experiences at pre-purchase?	Service design, simplicity, convenience, engagement

Our main assumption was that due to the lack of value in use and monetary value, customer value is reflected through experiences. We assumed that this value from experiences in the pre-purchase stage is a form of added value.

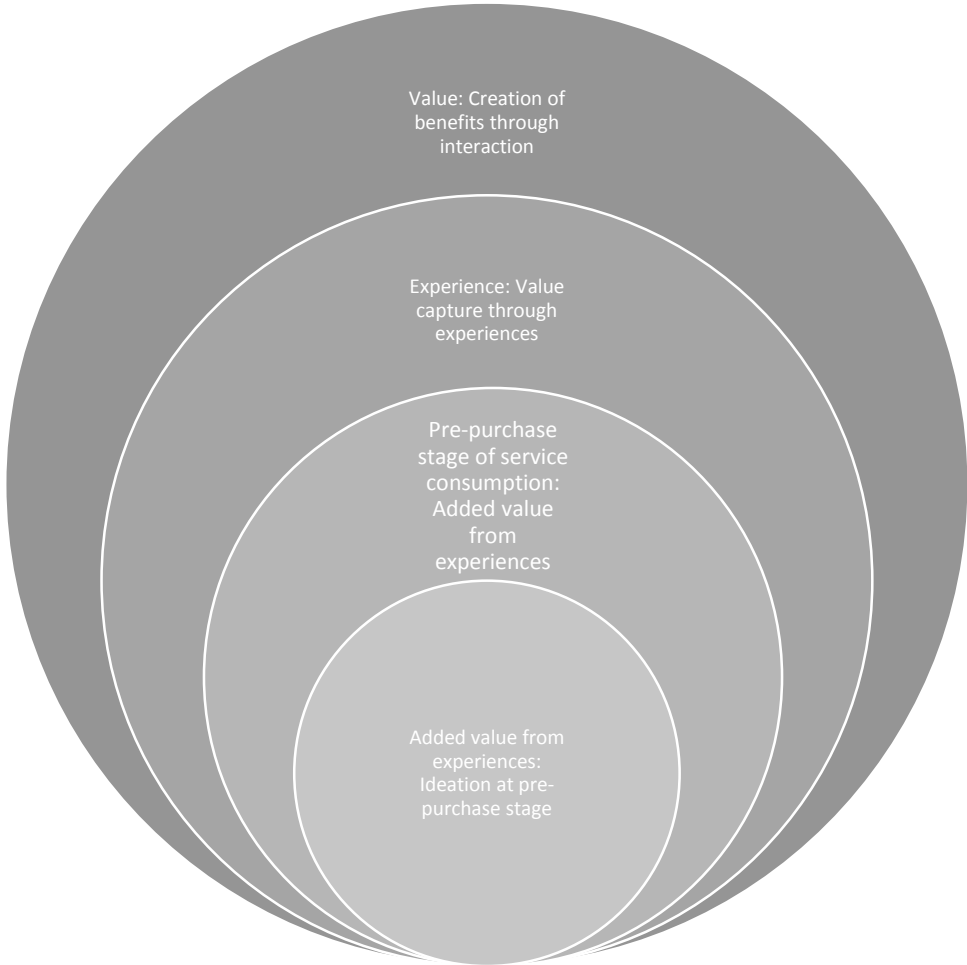
After analyzing and discussing the data from the interviews we were able to confirm that it is possible to transfer added value to the customer in the pre-purchase stage through ideation at pre-purchase. Ideation at pre-purchase helps the customers identify their needs better and benefit from finding the optimal solution for their problem. We conclude that in this way customers receive added value in the pre-purchase stage.

One way to deliver added value at pre-purchase is through providing good customer experience. In order to deliver good experiences, the companies are working hard on identifying and predicting customer needs. Companies use service design tools to stage experiences and make pre-purchase stage more convenient for the customers. We have found that across all interviews, simplicity, information, and convenience have been pointed out as the most important elements of good experience at the pre-purchase stage.

We have concluded that companies need to be more proactive and approach customers at pre-purchase stage by offering the customers advice and cooperation. The companies can offer advice, information, and support to the customers, which in turn creates memorable experiences. We have found that in this way experiences can serve as a form of value. By going through the process of pre-purchase together with the customer, companies not only create value through experiences but also form a bond with the customer by being engaged in the decision making process. We have named this concept “ideation at pre-purchase stage”. We conclude that “ideation at pre-purchase stage” improves both customer experience and customer value at pre-purchase. Consequently, through improved experience and value, companies can improve their overall performance.

The circle representing “ideation at the pre-purchase stage” is only a small part of the overall pre-purchase process, hence it is a smallest circle inside the whole framework.

Figure 2. Revised conceptual framework (Authors' own contribution)



6. Conclusion

The purpose of this study was to connect concepts of customer experience, customer value, and pre-purchase. To achieve this goal, we made a literature review of theories related to each concept and built a conceptual framework to illustrate the theory review. In addition to the review, we also conducted five in-depth interviews with managers from Norway's leading service companies in attempts to answer our research question:

How traditional service companies can improve customer experience and value creation at pre-purchase stage?

Both, the existing literature and the interviews show that customer and experience centrality is an important part of service companies and their importance is growing in the future. As Pine and Gilmore (2008) have explained, the market is changing and companies are seeking new ways to differentiate and deliver value through customer experiences. For the most part the interview findings confirm the existing literature, however, we also gained new insights that enrich the literature. The interviews provided interesting points on how companies perceive pre-purchase and what they think about value delivery at that stage. For instance, in addition to marketing activities, the right targeting of the potential customers is needed so that the service providers can define the customer needs more precisely. Hence, focusing on the pre-purchase stage, the companies can provide better experiences and more precise value offering to their customers from the beginning. Also Heinonen et al. (2010) mention that value can be experienced before, during and after the service. This statement supports the fact that it is important to focus on value creation at the pre-purchase stage. When it comes to value, we have found out that good experience, information and guidance are factors that are contributing value to customers at pre-purchase stage. It is becoming evident that companies are putting the customer in the heart of their business and shaping the service offerings accordingly. As Voss et al. (2008) state, traditional service without experiential content can add experiences to improve their performance and this is something we could also see from the data.

6.1 Implications

The results from the research help to explain that it is possible to provide value to customers at the pre-purchase stage already. Since service providers need to find innovative ways to create and signal value to customers in the pre-purchase stage, our suggestion for the issue is the “ideation at pre-purchase stage”. The additional concept of “ideation at the pre-purchase stage” was added to the original conceptual framework after the interviews (chapter 5). The added concept we have presented is enriching the original conceptual model, adding to both theoretical and practical knowledge.

Theoretical implications

Even though, we came across an abundance of articles on these topics, the literature still lacked a clear connection of customer experience and customer value in pre-purchase context. Our study shows that there is a connection between these topics. For instance, Payne et al. (2008) mention value co-creation through interactions during service consumptions but the theory does not extend on the pre-purchase interactions. Our research shows that it is necessary to extend this view in order to improve experience and customer centric approach. Furthermore, our research shows that it is possible to create value through experiences at pre-purchase stage, thus providing good basis for other researchers to explore deeper value creation at the pre-purchase stage.

Managerial implications

The findings of our study are relevant for service providers that are striving to become more customer-centric and wish to use experiences as a source of value and differentiation. The study shows that companies should focus more on pre-purchase steps when designing services for potential customers. If the managers understand how experiences can serve as a form of value, they can focus on that when designing services for potential customers. As the managers have described pre-purchase as a stage, where customers are facing decision-making in a market place, one of the best ways to provide great experiences and value at this stage is to help the customers to find solutions. By adding the “ideation at pre-purchase stage” to managers’ tasks, service providers would be able to provide better advice regarding the target customer’s needs at the right moment. Thus, companies can engage with the customer in the decision-making process and find solutions together. By finding solutions together with the customer, the companies are bonding with the customers, delivering great experiences and value. Hence, value is being delivered not only by interacting with the customers and creating favorable experiences, but also through better

understanding of customer needs and delivering almost custom-made solutions.

Furthermore, if service providers wish to be more efficient in designing services, managers could educate themselves so that there are more knowledgeable service providers inside the organization, in addition to service designers.

6.2 Limitations and suggestions for future research

Our research has its limitations, as all other research projects. Firstly, the largest limitation of the study is related to the small sample size. Our study focuses only on three different cases and in total, only five in-depth interviews were conducted. This means that it is hard to generalize the findings to a larger extent. Furthermore, since the cases are all about traditional service providers operating in the Norwegian market, we cannot be sure if the findings are applicable to other contexts. Moreover, the study is only about business-to-consumer markets, hence leaving out the perspectives of business-to-business markets. Thus, the research context together with a small sample size is limiting our study. In addition, it is important to remember that qualitative research is somewhat subjective from the interviewer and also from the interviewee side. Lastly, the research is limited to six months since it needs to be in accordance with the deadline for thesis submission.

Future research could focus on extending our master thesis. Our study provides a good starting point for other researchers on topics of service design, customer-experience and pre-purchase. Since we have investigated only a small number of cases, there are many other service providers and industries that remain uninvestigated. For instance, instead of investigating traditional and big companies, the focus could be in start-ups. Also, wider sample size would give more generalizable results. In addition to a bigger sample size, this study could be conducted as a longitudinal study, where the researchers could gather data over a longer period of time. In this way, it would be possible to explore the changes within the organizations. Because our research was focusing on business-to-consumer market, future research could investigate business-to-business markets.

As our findings show that service design is an important tool when forming customer experiences, it would be great if future research could find good ways on how to extend the tool to the pre-purchase stage. In this way it would be possible to design intended customer experiences from the beginning by visualizing the pre-purchase process and mapping out the steps of customer journey.

Further, as this study took qualitative approach, it still lacks quantitative affirmation. Hence, future research can take quantitative approach to this same topic and explore relationships between value and experience at the pre-purchase stage. We also found out from the interviews that there could be a need for a measurement tools that are specifically focused on evaluating pre-purchase performance. Thus, future research could design proper measures for pre-purchase stages. Finally, it would also be interesting to find out more about value destruction at the pre-purchase stage, as it has been only a small part of our thesis.

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Appendix

Appendix 1

Email

Dear Respondent X,

We are Lisanna and Marija, two students from the Norwegian School of Economics (NHH). We are conducting our thesis in cooperation with Center for Service Innovation (CSI). Our research aims to understand how service providers can enhance customer experience in the pre-purchase stage. Our research is based on case studies of leading service providers in Norway.

We are planning on conducting semi-structured, qualitative interviews with managers. The interviews will be conducted according to the interview guide prepared in advance. The purpose is to gain better understanding of how service providers can deliver great experiences from the start of customer interaction.

The expected duration of the interview is 45-60 minutes. We wish to record the interview and later transcribe it for analysis purposes. After our thesis has been finalized we will provide you with transcribed version of the interviews.

If you have any questions regarding the interview, please don't hesitate to contact us by phone or e-mail.

Thank you in advance!

Best regards,

Lisanna Carolina Kujala and Marija Citic

Appendix 2

Confidentiality agreement

CONFIDENTIALITY AGREEMENT

You have been invited to participate in a master research study conducted by NHH students, Lisanna Carolina Kujala and Marija Citic. The purpose of this study is to explore how service companies can improve customer experience and value creation at pre-purchase level.

What will you be asked to do?

You will be requested to respond to questions from the interview guide, which will be provided to you before the beginning of the interview. All the questions will follow the themes mentioned in the interview guide.

Confidentiality

Your name will stay confidential and it will not appear in our study or any other documents. Pseudonym will be used instead of your real name in order to protect your identity.

The interview will be audiotaped for research purposes only. The tape recordings will be destroyed after transcription is completed (no later than June 20th 2015). Two above-mentioned students will take full responsibility for ensuring the safety of the records. Only students Kujala and Citic, and their thesis supervisor Mohammad Touhid Hossain will access the recordings and transcripts.

Contact information

If you have any further questions or concerns please feel free to contact

Lisanna Carolina Kujala- lisanna.kujala@gmail.com

Marija Citic – mciti001@odu.edu

Date:

Name:

Sig

nature:

Appendix 3

Interview guide

Interview Guide

The purpose of the study is to understand how service companies can improve customer experience and value creation at pre-purchase level.

The interview is divided into three broad themes: Pre-purchase, Experience and Value. All the questions will follow the themes mentioned in the interview guide. The expected length of the interview is approximately 45-60 minutes. For details about confidentiality, please refer to our confidentiality agreement sent to you beforehand.

Theme 1- Pre-purchase

1. How would you define pre-purchase stage?
2. How do you measure pre-purchase performance?
3. How can you improve your focus on potential customers?
4. Why do you think customers choose you compared to the competitors at this stage?

Theme 2- Experience

1. How would you define customer experience?
2. How do you take potential customer experiences into account when designing services?
3. How does your organization strategy align with intentions to be more experience/customer-centric?
4. In what ways does your company culture foster customer experiences?
5. What are the challenges of becoming more experience/customer centric organization?
6. How to further develop experience/customer centricity?

Theme 3- Value

1. How would you describe customer value/value creation?
2. What are the key drivers for creating value?
3. Can you give an example of how you create value for customers at pre-purchase stage?
4. What factors destroy value?

Appendix 4.

Codes table

<u>CODES</u>	<u>CATEGORIES</u>	<u>THEMES</u>
Planning	PRE-PURCHASE DRIVERS	pre-purchase
Need		
Emotions		
Tradeoffs		
Empathy		
Awareness		
Consideration		
Discovery		
Memorable		
Expectations		
Company size		
Caring company		
Good service		
Good Price		
Functionality		
Reputation		
Trust		
Popularity		
Choice		
Word of mouth		
Brand preference		
Channels		
Contact		
Marketing	PRE-PURCHASE EXPERIENCE	experience
Interaction		
Viral marketing		
Customers as promoters		
Customer interface		
Clear offerings		
Technology		
Advice		
Front stage employees		
Media platforms		
Transparency	PRE-PURCHASE VALUE	value
Holistic		
Simplicity		
Convenience		
Make it easy		
Company maturity		
Functionality		
Willingness to admit problems	PRE-PURCHASE IMPROVEMENTS	pre-purchase ideation
Top management involvement		
Sense of urgency		
Service design		
Playing on emotions		
Creativity		
Delivering customer value		
Addressing emotional needs		
Analyzing data		

Addressing emotional needs		
CJM		
Innovation		
Service design tools		
Change		
Predicting needs		
Clear target market		
Customer feedback		
Structure change		
Reward system		
Customer insight		
Segmentation		
Co-creation		
Willingness to change		
Mindset change		
Seamless service		
Back stage employees		
IT solutions		
Emotional map		
Employee training		
Measurement tools		
Competition		
Costs	VALUE DESTRUCTION AT PRE- PURCHASE	value destruction
Gaps		
Inadequate communication		
Cost of not being customer centric		
Creating hassle		
Cost cutting		
Non-transparency		
Frustration		
Disappointment		
Breaking promises		
Ignorance about customers		
Negative WOM		