

Pareto Analysis of Antecedents for Customer Experience, through Literature Review

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ABSTRACT

Customer Experience is considered as the base for customer satisfaction and customer retention in any organization. Due to this it has gained attention from industry and as well as academicians since last decade. Therefore the main aim of this paper is to propose a list of “Vital few” and “Useful Many” antecedents of customer experience identified through extensive literature review. Thirty nine research papers were reviewed to recognize the antecedents of customer experience as reported by different researchers. A quality tool “Pareto Analysis” was used to sort and position the antecedents of customer experience according to the order of criticality. The finding of the study will suggest a few vital antecedents for customer experience. The result of the study will help the managers to have a better understanding of the antecedents which are responsible for building the experience of the customers.

Keywords-- Customer Experience, Antecedents, Pareto Analysis

I. INTRODUCTION

Today in a multi-dimensional observation of the brutal circumstances, customer experience has revolved as one of the core point in the expansion sequence of any business. It is due to the elaboration in expanded and modified requirements of customers and power of competition in conditions of regularized offerings, empirical features of products and services have turn into innermost to the customers. Today in almost sector, customer experience has become one of the very important measurements of organizations. The dimensions of customer experience are Sensory, Affective, Cognitive, Behavioral and Relational. Under every dimension many antecedents are lying which helps in knowing customer experience. So, marketing managers in organizations need to expertise tempting and long-lasting customer experience for their customers.

Some definitions on Customer Experience:

- Hogan *et al.*, (2005) “A brand is the sum of the customer’s experiences with the product of a company ... An effective customer experience programme analyses rich customer feedback to determine not just what customers say, but also what they do”.
- Mascarenhas *et al.*, (2006) Total Customer Experience “is a totally positive, engaging, enduring, and socially fulfilling physical and emotional customer experience across all major levels of one’s consumption chain and one that is brought about by a distinct market offering that calls for active interaction between consumers and providers”.
- Sundbo and Hagedorn-Rasmussen’s (2008), The customer experience is “a mental journey that leaves the customer with memories of having performed something special, having learned something or just having fun”.
- Walter *et al.*, (2010), “A customer experience is defined as the customer’s direct and indirect experience of the service process, the organization, the facilities and how the customer interacts with the service firm’s representatives and other customers. These in turn create the customer’s cognitive, emotional and behavioral responses and leave the customer with memories about the experience”.

Customer Experience is a base to know and understand about customer satisfaction and customer loyalty. For the same, the above five mentioned important dimensions of customer experience should be studied with different antecedents.

Pareto Analysis: Pareto analysis is statistical method used for decision making process. It is one among the 7 quality tools named after the famous economist *Vilfredo Pareto* – an Italian economist. It selected the things which have considerable overall impact. It is a simple and effective statistical method which ranks the items in decreasing order of their frequency. The total frequency is summed up to 100. The antecedents are

divided into two categories vital few and useful many as per the 80/20 rule developed by Vilfredo *Pareto*. The antecedents having significant amount (80 percent) of cumulative percentage are called as “Vital few” where as those having occupying remaining part (20 percent) are called as “Useful many”. This results of the analysis is presented in form of a graph in which there is clear understanding of the “Vital few” and “Useful many”. The graph represents the various factors in descending order and a clear pointer which overlays the line graph which separates 80 percent cumulative percent and also helps in finding out the remaining 20 percent which are least important.

To carry out the Pareto analysis for Antecedents of Customer Experience a detailed literature review was carried out and out of many such studies, 39 research papers who have listed the antecedents of customer experience were listed as shown in Table no. 1. In the table the details such as author’s name, number of antecedents and antecedents of Customer Experience were mentioned. The Pareto analysis of these antecedents is shown through Figure 1, Table No. - 2 and Table No. 3.

It was noticed during the literature review that most of the antecedents of Customer Experience having

same meaning are named differently by different researchers. Therefore the antecedents having common meaning are grouped into one and are given a common name (Refer Table No. 2). After grouping the antecedents it was observed that from 39 research papers 34 antecedents of customer experience were identified with 257 frequency of occurrence. They were arranged in the descending order of their frequency of occurrence and Pareto analysis was done with them.

After pareto analysis it was found that 14 factors were listed under “Vital few” which accounted for the 80 percent are *Convenience, Physical Environment, Employees, Interpersonal Services, Service Process, Speed, Trust, Presence of other customers Incentives, Marketing Mix, Affordability, Usefulness, Challenges, Emotional Aspect*. And remaining 20 antecedents were listed under “Useful many” and are accountable for the 20 percent are *Service Quality, Value Addition, Tele Presence, Product Variety, Technology, Behavioral intentions, Involvement, Customization, Problem Resolution, Novelty, Recovery, Courtesy, Lifestyle, Choice, Facilities available, Encouragement, Security, Tangibles, Credibility, Age*.

Table No. 1 – Antecedents of Customer Experience as identified from literature.

Author	No. of Antecedents of CE	Antecedents of CE
Rowley (1994)	4	Number of copies available, speed of service, number of study places, facilities available.
Johnson & Mathews (1997)	11	Security, Tangibles, Communication, Competence, Courtesy, Credibility, Reliability Access, Knowing the customer, Recovery, Responsiveness
Tseng et al. (1999)	4	Physical environment, other customers, service personnel, service process
Rowley (1999)	10	Speed of service delivery, Convenience, Age, Choice, Lifestyle, Discounting, Value adding, Customer Service, Technology, Quality
Novak et al. (2000)	7	Challenge, control, focused attention, interactivity skill, telepresence, time distortion, involvement.
Constantinides (2004)	5	Usability, interactivity, trust, aesthetics, marketing mix

O'Cass and Grace (2004)	6	Core service, interpersonal service, advertising servicescape, publicity, word of mouth and brand aroused feelings.
Knutson and Beck (2004)	5	Functional-emotional, pleasure-arousal, novelty-communality, mass-produced-customized, interaction-alone
Flanagan et al. (2005)	11	Accessibility, Availability, Communication, Speed of Response, Empathy, Attentiveness, Courtesy, Competence, Commitment, Action taken, Encouragement
Arnold et al. (2005)	5	Salesperson, other customers, product, atmosphere, customer timing or mood
Knutson et al. (2007)	7	Environment, benefit, accessibility, convenience, utility, incentive, trust.
Takatalo et al. (2008)	11	Spatial, action, attention, arousal, challenge, personal relevance,

Table No. 1 – Antecedents of Customer Experience as identified from literature. (Cont.....)

Author	No. of Antecedents of CE	Antecedents of CE
Roos and Edvardsson, (2008)	4	Contact person; occurred problems during the contact; assessment; outcome; and effect on the relationship.
Bridges and Florsheim (2008)	7	Skill, control, interactivity, importance telepresence, time distortion, arousal and challenge
Knutson et al. (2009)	4	Benefit, convenience, incentive and environment
Hollyoake (2009)	4	Integrity, Trust, Interdependence, Communication
Verhoef et al. (2009)	5	Social environment, Service interface, Atmosphere, Price, Assortment, Channel, Past customer experience,
Jain and Bagdare (2009)	5	Ambience, design, customer service, convenience, value added service.
Constantinides et al. (2010)	5	Usability, and interactivity, trust, aesthetics and marketing mix.

Ferguson et al. (2010)	5	Information adequacy, pain and discomfort, patient-to-patient interaction, patient-to-personnel interaction, and recovery outcomes.
Dorwart et al. (2010)	5	Nature oriented details, scenic values, management influences, presence of other people, and depreciative behavior.
Ballantine et al. (2010)	6	Product display features, color, space, layout, lighting, sound, design features, comfort features, employees and crowding
Walter et al. (2010)	5	Social interaction, The core service of the restaurant, The physical environment, Price and payment procedure, The guest, The occasion
Wu and Liang (2010)	5	Skill, challenge, control, focused attention, time distortion
Slatten et al. (2010)	5	ambience (light, sound, and smells), participation in activities, interaction with other customers. Interactions between customers and

Table No. 1 – Antecedents of Customer Experience as identified from literature. (Cont.....)

Author	No. of Antecedents of CE	Antecedents of CE
Kim et al.(2011)	7	Environment, benefit, accessibility, convenience, utility, incentive and trust.
Su (2011)	5	Ambient conditions: for example, weather, temperature, air quality, noise, music and odors, Spatial layout and functionality: for example, the way in which equipment and furnishings are arranged, and the ability of those items to facilitate consumers' enjoyment, Signs, symbols and artifacts: for example, signage and decoration used to communicate and enhance a certain image or mood, or to direct customers to desired destinations.
Ding et al. (2011)	7	Service quality, Process feature, Product variety, focused attention, Interactivity, Behavioral intentions, Time

Garg et al. (2011)	19	Functionality Offline: Service Process, Customer interaction, Speed, Employees, Core service, Customization, Convenience Online: Skill, Control, Interactivity, Involvement Psychological Offline: Presence of other customers, Value addition Online: Arousal, Challenge, Telepresence, Time distortion, Trust Content Offline: Servicescape, Marketing mix Online: Online aesthetics, Marketing-mix	Factors
Rose et al. (2011)	8	Information Processing, Perceived Ease of- Use, Perceived Usefulness, Perceived Benefits, Perceived Control, Skill, Trust Propensity, Perceived Risk	
Teixeira et al. (2012)	6	Affordability, Engagement, Convenience, Reliability, Reward, speed.	
Garg et al. (2012)	10	Convenience, Employees, Online functional elements, Servicescape, Service process, Core service, Speed, Marketing mix, Customer interaction, Value addition, Online Aesthetics, Customization, Presence of other customers, Online hedonic elements	
Rose et al. (2012)	8	Interactive Speed, Telepresence, Challenge, Skill, Ease of use,	

Table No. 1 – Antecedents of Customer Experience as identified from literature. (Cont.....)

Author	No. of Antecedents of CE	Antecedents of CE
Lee (2013)	5	Appearance and attire, cleanliness, pleasant atmosphere, comfort of interior design, easy access of amenities, and convenience of human movement
Fawcett et al. (2014)	4	Competency, Problem resolution, Perform to promise, Honesty
Fatma , (2014)	5	Brand performance, multichannel interaction, service interface, physical environment, social environment, price, promotions
Garg et al. (2014)	12	Convenience, servicescape, employees, online functional elements, presence of other customers, online aesthetics, customization, value addition, speed, core service, marketing-mix, service process, online hedonic elements and customer interaction

Sharma and Chaubey (2014) 6

Positive Outlook, Convenience, Responsiveness, Technological Support, Ambiance, Marketing Support Services, Professionalism

Chauhan and Manhas (2014) 4

Novelty, Safety, Recognition, Comfort

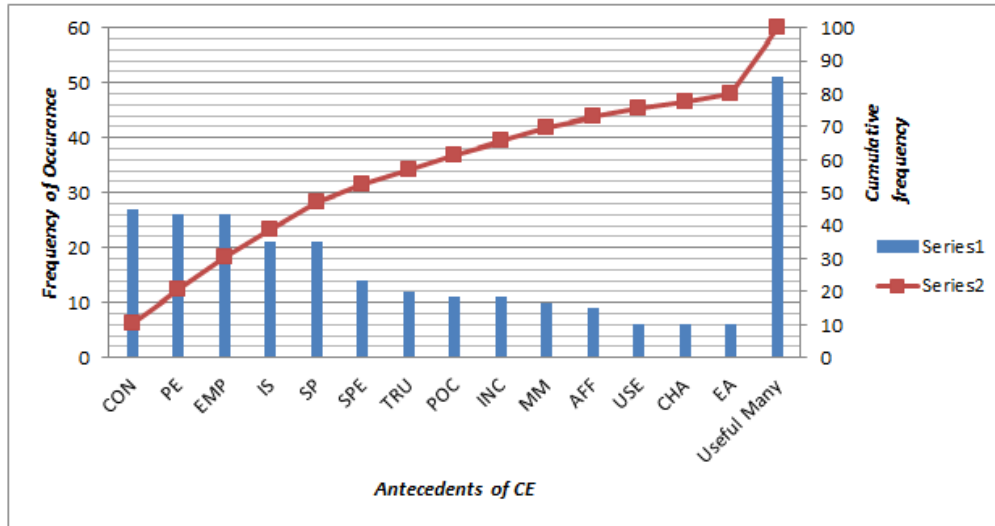


Figure No. 1: Pareto Analysis of Antecedents of CE

Table No. 2: List of Antecedents "Vital Few" (80 Percent)

S. No.	Antecedent	Symbol	Frequency of occurrence	Percentage of frequency of occurrence	Cumulative Percentage
1	Convenience (Accessibility, Availability)	CON	27	10.51	10.51
2	Physical Environment (Ambience, layout, aesthetics, Service Scape)	PE	26	10.12	20.63
3	Employees (Responsiveness, Attentiveness, Skill, Competency, Commitment)	EMP	26	10.12	30.75
4	Interpersonal Services (Interactive, Knowing the customer, Communication)	IS	21	8.17	38.92
5	Service Process (Information Processing, Customer Service, Control)	SP	21	8.17	47.09
6	Speed (Time Distortion)	SPE	14	5.45	52.54
7	Trust (Reliability, Honesty)	TRU	12	4.67	57.21
8	Presence of other customers	POC	11	4.28	61.49
9	Incentives (Benefit, rewards, discounting)	INC	11	4.28	65.77
10	Marketing Mix	MM	10	3.89	69.66

11	Affordability	AFF	9	3.50	73.16
12	Usefulness	USE	6	2.33	75.49
13	Challenges	CHA	6	2.33	77.82
14	Emotional Aspect	EA	6	2.33	80.15

Table No. 2: List of Antecedents “Useful Many” (20 Percent)

S. No.	Antecedent	Symbol	Frequency of occurrence	Percentage of frequency occurrence	Cumulative Percentage
1	Service Quality	SQ	5	1.95	1.95
2	Value Addition	VA	4	1.56	3.51
3	Tele Presence	TP	4	1.56	5.07
4	Product Variety	PV	4	1.56	6.63
5	Technology	TEC	4	1.56	8.19
6	Behavioral intentions	BI	4	1.56	9.75
7	Involvement	INV	3	1.17	10.92
8	Customization	CUS	3	1.17	12.09
9	Problem Resolution	PR	3	1.17	13.26
10	Novelty	NOV	3	1.17	14.43
11	Recovery	REC	2	0.78	15.21
12	Courtesy	COU	2	0.78	15.99
13	Lifestyle	LIF	2	0.78	16.77
14	Choice	CHO	2	0.78	17.55
15	Facilities available	FA	1	0.39	17.94
16	Encouragement	ENC	1	0.39	18.33
17	Security	SEC	1	0.39	18.72
18	Tangibles	TAN	1	0.39	19.11
19	Credibility	CRE	1	0.39	19.5
20	Age	AGE	1	0.39	19.89

II. CONCLUSION

From the above analysis, we can say Customer Experience can be considered as the base for customer satisfaction and customer retention in any organization. Because the significant factors of different dimensions for Customer Experience are really indispensable to make any decision regarding customer related issues. Due to this it has increased attention from industry and as well as academicians since last 15 years. In the above Pareto Analysis, from 39 research papers 34 antecedents of customer experience were identified with 257 frequency of occurrence. They were arranged in the descending order of their frequency of occurrence. In the analysis, it was found that 14 antecedents were listed under “Vital few” and are accountable for 80 percent of result and the remaining 20 antecedents were listed under “Useful many” and are accountable for 20 percent of result. From the identified antecedents, the major antecedents under “Vital few” are Convenience, Physical Environment, Employees, Interpersonal Services and Service Process and the major antecedents under “Useful many” are Service Quality, Value Addition, Tele Presence, Product Variety, Technology and Behavioral Intentions.

Through Literature Review, a list of “Vital few” and “Useful Many” antecedents of customer experience identified with percentage and proportion. A quality tool “Pareto Analysis” was used to sort and position the antecedents of customer experience according to the order of criticality. The result of the study will help the managers to have a better understanding of the antecedents which are responsible for building the experience of the customers. This research is only the preliminary step towards the generation of a systematic study of Antecedents for Customer Experience in service industry.

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