Customer Experience Management: A Concept to Manage and Assess Service Performance? - An Exploratory Study in the Telecommunication Sector

Christian Heumann¹, Florian Wangenheim² and Christoph Hummel³

¹,²Technische Universität München, Germany
³Swiss Post Solutions GmbH, Germany

The overall objective of this study is to ascertain whether customer experience management (CEM) is a capable concept to manage and assess service performance. More specifically, by conducting qualitative research interviews with CEM experts from 10 major European telecommunication firms, we explore (1) to what extent companies adopted CEM, (2) how CEM is positioned strategically and (3) how it is implemented, managed and measured from an operational perspective.

1. Introduction

Recently, the concept of customer experience management (CEM) emerged and gained considerable attention amongst practitioners (e.g., Eberwein and Luyken 2009; Nedelka 2009; Shaw 2007) and researchers (e.g., Grewal, Levy and Kumar 2009; Verhoef et al. 2009). Customer experience can be defined as "an interaction between an organization and a customer. It is a blend of an organization's physical performance, the senses stimulated and emotions evoked, each intuitively measured against customer expectations across all moments of contact" (Shaw 2007, p. 8).

Service organizations are increasingly managing customer experiences in order to advance differentiation and customer loyalty (Zomerdijk and Voss 2010). In an endeavor to make service productivity accountable, CEM can serve as an important concept to manage and assess service performance. For instance, Kwortnik and Thompson (2009) call for a new organizational function, service experience management, that melds service management (process/operations) and customer management (experience/marketing). Conceptually, this proposed functional integration of marketing and operations management is very much in line with the service productivity model of Grönroos and Ojasalo (2004). The authors define overall service productivity to be a function of (1) how effectively input resources into the service (production) process are transformed to outputs in the form of services (internal efficiency), (2) how well the quality of the service process and its outcome is perceived (external efficiency or effectiveness) and (3) how effectively the capacity of the service process is utilized (capacity efficiency). Similarly, Parasuraman (2002) proposes that service quality and productivity are determined by input and output
factors of two perspectives: the company's and the customer's view on service performance. In that sense, CEM can constitute a holistic concept for managing the customer's perspective and measuring external efficiency.

2. Objectives

Against this background, the overall objective of this research is to ascertain whether CEM is a capable concept to manage and assess service performance. More specifically, we explore (1) to what extent companies adopted CEM, (2) how CEM is positioned strategically and (3) how it is implemented, managed and measured from an operational perspective.

3. Methodology

We conduct qualitative, semi-structured research interviews with CEM experts from 10 major European telecommunication companies. Interview partners are managers being responsible for or involved in the conceptualization, implementation and performance measurement of CEM. Each interview was recorded and lasted 50 minutes on average. For analysis of the transliterated material, we use qualitative content analysis (Mayring 2007), which consists of a bundle of techniques for systematic text analysis.

4. Results

First results reveal, that the interviewed companies widely adopted CEM. While the majority of interview partners are associated with the marketing, sales or CRM department, two companies have installed separate CEM departments. Companies largely perceive CEM as a strategic concept and strive to establish a cross-functional culture, which is commensurate to CEM. Systematic changes aligned to CEM goals in operations management are made on a regular basis, in order to continuously improve processes and advance optimal service performance. CEM performance is widely measured by the use of transaction specific and global satisfaction measures. However, a number of companies affirm that the best-suited measure to assess CEM performance is the net promoter score (NPS). The NPS has been shown to be a good proxy for company performance (Reichheld 2003) and therefore could serve as an adequate controlling tool capturing the service productivity output side.
5. References


Authors:

Christian Heumann, Dipl.-Kfm.
Technische Universität München
Chair of Services and Technology Marketing
Arcisstr. 21
80333 München
christian.heumann@wi.tum.de

Florian von Wangenheim, Prof. Dr.
Technische Universität München
Chair of Services and Technology Marketing
Arcisstr. 21
80333 München
florian.wangenheim@wi.tum.de

Christoph Hummel, Dipl.-Kfm.
Swiss Post Solutions GmbH
Albert-Roßhaupter-Straße 32
81369 München
christoph.hummel@swisspost.com

Acknowledgement: This research study is part of the project PROSET (FKZ 01FL10089) funded by the German Federal Ministry of Education and Research and the German Aerospace Center.