ENHANCING MARKETING PERFORMANCE THROUGH CUSTOMER EXPERIENCE MANAGEMENT (CEM): LESSON FROM CASE STUDY IN MALAYSIA CINEMA INDUSTRY

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ABSTRACT

Traditional marketing management approach to certain extent fail to take into account the role of customer experience to improve organization performance. Due to many limitations pose by traditional marketing approach, firms have generally found it difficult to use the marketing management principles to improve their marketing performance. This paper makes a case for Customer Experience Management (CEM) as a framework to improve marketing performance. In fact, the impact of CEM on marketing performance is generally overlooked by scholars; i.e., the outcomes of enhancing experience are still ambiguous for both academicians and practitioners. Particularly in service context, there is very few if not nil empirical research on CEM and its consequences. This research employs qualitative approach (multiple-case study) to clarify the relationship between CEM and marketing performance and explore the other possible drivers that affect this relationship. The qualitative results indicates three level of CEM, namely pre-, core, and post-service experience management that is proposed to have a positive effect on marketing performance in terms of retention, acquisition, and add-on selling. Interface quality is also proposed as a moderator for this proposed relationship.

Keywords: Customer Experience Management, Experiential Marketing, Marketing Performance

INTRODUCTION

In order to overwhelm customers beyond mere features and benefits, there is an urgent need to engage customers through a more effective strategy. Scholars thus search for new
ways to study and deal with modern customer behavior. On this account, marketing scholars often stress on the importance of satisfactory experience beyond the functional values of the offerings, namely personal and emotional attachment with the brands. This development leads to the introduction of the very concept of Customer Experience Management in modern marketing literature.

In short, customer experience is the internal and subjective response that customers have in response to any direct or indirect contacts with the brand (Meyer & Schwager, 2007). Direct contact refers to the act of purchasing, consumption, and service experience, which is usually initiated by the customers. On the other hand, indirect contact usually involved unplanned encounters like word-of-mouth, advertising, and reviews. Recent studies show that customer experience is the main reason for purchasing a particular brand (see Keller, 2003; Verhoef, Lemon, Parasuraman, Roggeveen, Tsiros, & Schlesinger, 2009). In this way, customer experience gradually becomes a vital concern in marketing strategy. Thus, managing customer experience is introduced as a new source of creating competitive advantage (Brakus, Schmitt, & Zarantonello, 2009; Schmitt, 2009). CEM is thus defined as a new marketing strategy paradigm (Schmitt, 2003; Verhoef, 2009) that defines how a customer must be treated across all touchpoints (Venkat, 2005). Consequently, there is a similar stress in service industries to take the holistic view of CEM into account (Poullson & Kale, 2004; Pullman & Gross, 2004; Verhoef et al., 2009).

The prominence of CEM is its capability to deal with limitation in traditional marketing and consequently enhance marketing performance. Schmitt (2003) declared some of these key limitations. First, marketing managers still concentrate on functionality rather than ‘image and imaginative qualities’ of offering. Second, marketing misses the broader view of market and competition because of its maneuver is solely on features and benefits. Third, differentiation strategies are mainly sales-oriented, hence, they does not convey relevant experience. Finally yet importantly, offerings are typically designed, lunched, priced, and promoted without concerning customer experiential needs and firms usually follow stereotypes marketing paradigm. Hence, CEM was introduced to overcome this limitation and improve marketing outcomes in the face of modern challenges. However, there are few empirical supports for this assertion in service context.

Scholars argue that as a key evidence of effectiveness the entire marketing programs should be capable to maximize customer equity (Blattberg & Deighton, 1996). If we take
this a yardstick, CEM in this case cannot be an acceptable marketing practice unless it boosts the customer equity. This argument raises some pivotal questions. (1) Does CEM affect marketing performance in the way of boosting customer equity? (2) If yes, then, is there any sensible pattern for managing customer experience? (3) How experience should be managed to affect the marketing performance? The current study was conducted to answer these questions by shedding some lights on this context.

LITERATURE REVIEW

Experiences have emerged as a progression of economic value (Gentile, Spiller & Noci, 2007). To understand the concept of experience and its importance, gaining insight into the concepts of experience acquisition is necessary. In essence, experience is formed by learning and memorizing processes whether unconsciously or consciously. These internal processes cannot happen unless the external interaction provides enough evidences and lasts enough time. Thereby, experience is formed through combination of involvement, learning, and memorizing (Puccinelli et al., 2009). Customers then draw conclusions from the experiences, which are formed during different stages in customer life cycle (CLC) with directive impact on behavior (Fazio & Zanna, 1981; Smith & Swinyard, 1983). Therefore, experience formation associates with experience acquisition during CLC. Experience formation has concrete supports in marketing literature, therefore, it can be argued to support the CEM conceptualization as well.

Caru and Cova (2003) put forward four stages of experience formation. All stages have significant contributions in gaining experience (Tsai, 2005). Pre-purchase experience is the time that customers face a new offering, and firms find a chance to improve customer perception, provide information, and boost intention (Edvardsson et al., 2005). Then, purchase experience is a chance to bring enjoyment into the purchasing itself at affective and social level (LeHew & Wesley, 2007). Core-consumption experience associates with the core values in offering – the reason that brings customer to the firm (Gentile et al., 2007). Post-consumption experience addresses post-evaluation of experience, or experiences the post-services (e.g. club member privilege, maintenance). Clearly, positive post-consumption experience intensifies loyalty, and brand advocacy (Bennetta et al., 2005).

Before purchasing, customer expectation is indirectly shaped by competitors, word-of-mouth, and other market forces. Customers’ decision also takes effect from comparison
between pre-consumption experience and expectation (Meyer & Schwager, 2007). Pre-consumption experience also alters customer mood (Berry et al., 2006; Schwarz & Clore, 2003) and trigger emotion, intuition, and impulse that have influence on decision (Hirschman & Holbrook, 1982). Experience formation during pre-consumption is also affected by search based on the environmental and consumer factors (Chartrand et al., 2008; Duncan & Olshavsky, 1982; MacMillan & McGrath, 1997). Environmental factors shape pre-consumption experience and customer factors help to interpret this experience. Evaluation is also influenced by information and emotional memories (Costley & Brucks, 1992; Holbrook & Hirschman, 1982), which comes from pre-consumption experience (Mason & Bequette, 1998). Additionally, customers’ preferences become more stable with pre-consumption experience (Bennetta et al., 2005; Hoeffler & Ariely, 1999). Therefore, managing what customer experience in early stages of purchasing will increase customer confidence for evaluative (Duncan & Olshavsky, 1982). Customer earlier experience is effectual on how an offering will be evaluated in core experience as well (Tom, Barnett, Lew, & Selmants, 1987). Moreover, the purchasing experience is worth to note, which comes after evaluation (Puccinelli et al., 2009). It is shaped by elements such as environment, process, time, and marketing action.

Core-consumption is referred to as experiencing main attributes of an offering (Goode et al., 2005). It also associates with the main reason of purchasing and directly affects customer perception and feeling. Gentile et al. (2007) argued over the definition and pointed that, if the experience corresponds with the key expectation, it is the core consumption experience. Consequently, core-consumption experience is the experiencing of core value(s) of offering beyond the consuming per se. Attitudes toward a brand and brand loyalty are also formed after the core consumption in post-evaluation of experience (Bennetta, Härtel, & McColl-Kennedy, 2005). Post-consumption experience simply refers to the results of consuming a particular product (Walker, 1995). Besides the impacts of core-experience, post-consumption experience is also shaped when customers experience the post-service. Now, CEM can be elucidated in the respect of customer acquisition and formation in the next section.

Customer Experience Management

CEM goes beyond functional attributes and engage customer in the experiential aspects of consumption chain. In general, CEM aims to manage customers’ overall experiences with firms’ products and services and to evoke the perception of value that determines
brand preference (Berry & Carbone, 2007). By putting CEM concept in the center of attention, organizations command greater abilities to respond to the customers’ desire and provide them with highly interactive experience and relationship. CEM is thus defined as an integrated process to manage experience stimuli that affect customer’s perception during all interactions (Schmitt, 2003). In other words, CEM is a strategic approach to engage customer, deliver excellent brand experience, and achieve high customer equity. Therefore, CEM results distinctive offering and correspondingly long-lasting benefit for firms and it leads to sustainable competitive advantage (Schembri, 2006). Due to that, the consequences of CEM should be similar to the significant indicators of marketing outcomes.

Although, there are many studies argue in terms of the CEM significance in enhancing firm profit, it is necessary to gain deep understanding of the immediate outcomes of practicing CEM. Unfortunately, there are only a few empirical researches on CEM and its consequence in service context. In particular, the relationship between managing experience and customer equity is still questionable in literature (Brakus et al., 2009; Schmitt, 2009). In addition, the construct of CEM that leads to high customer equity is also underdeveloped. Therefore, methodology follows the goals of understanding the best approach to manage customer experience, and its relationship with customer equity.

**METHODOLOGY**

In general, qualitative study is recommended to overcome insufficient understanding around unfamiliar and complex phenomenon (see, Churchill, 1991). Due to that, marketing scholars mostly recommend qualitative study to clarify the various aspects of CEM and its consequences (e.g. Stuart, 2006). There are several reasons that necessitated the qualitative study: (1) the new and immature concept, (2) not empirically verified constructs, and (3) the necessity to explore and describe the phenomena more vividly. Qualitative study is also highly recommended in service and service experience context (Otto & Ritchie, 1996; Verhoef et al., 2009). In this way, inductive approach was the best solution to cope with immaturity in the concept and generate rigorous insights (Churchill, 1991; Eisenhardt, 1989; Yin, 1994). Research design was developed based on exploratory case study with following reasons: (1) investigating new domain properly, (2) verifying new emerging propositions, (3) setting priorities because of the various possible constructs, (4) gaining enough insight into the problem, and (5) putting forward
new construct (Selltiz, Wrightsman & Cook, 1981; Yin, 1994).

Research Population

Over the last few years, cinema industry has gone through deep changes. Today, an increasing competition, industry commoditization, and greater complexity of consumers’ behavior are the main issues for this industry. Hence, there is an indispensable need to run theatres with modern managerial approach to remain in the marketplace (Liponen, Jefimova, Rebelo, 2003). Gaining insight into customer experience can be a proper initiative before putting forward a new approach to enhance marketing performance (Schmitt, 2003). Indeed, people go to cinema to have a different form of experiences that are beyond watching movies per se. A comparable sensorial experience and high level of engagement are the remarkable reasons for popularity of cinema. Cinemas also provide a suitable format of social activities, especially for youths.

Cinema industry thus has a potential to be differentiated through CEM if marketers have enough understanding about the formation of cinemagoers’ experience. These facts should encourage cinema industry to employ CEM solution to boost marketing performance. Accordingly, this industry along with the main purpose of this research can provide deep insight into CEM as well as CEM applicability to enhance marketing performance. To achieve this goal, multiple-case study is conducted to indicate marketing performance incidents, customer experience blueprints, and other related practice in Malaysia cinema industry. In Malaysia, the cinema visited by approximately 44.13 million customers yearly with RM403.30 million gross takings (Finas, 2010). There are 17 cinema brands, with 485 halls (Finas, 2010). According to the latest report by National Film Development Corporation Malaysia, Cinema industry had no considerable progress in terms of admissions from 2008-2009 (less than 1%), to compare with the average rate of 28.4% from 2004-2008, as reported in Table 1.

The low admissions in spite of the growth in the number of cinemas and seats address the low performance of cinema industry, particularly in customer management that leads to low customer acquisitions. By studying the cinema admission during 2003-2009, we face a notable decline in some states, namely, Johor, Negeri Sembilan, Selangor, Perak, Penang, Sarawak, and Sabah. Among these states, Penang with 1% reduction is more considerable due to having the highest average growth rate from 2003-2008 (138%). This decline also needs more attention because of the increasing numbers of cinema, screens, and seats in the state during the recent years. This problem could not be originate from
the number of screens in compare with the demand, since Penang has only 11% of offered seats in Malaysia less than some other states like Selangor. These facts, besides the increasing rate of admissions in other part of countries in the last year like Melaka (33%), Perak (52%), Kuala Lumpur (11%), Kedah (13%), and Pahang (31%), necessities the serious attention to figure out the cinemagoers’ problems in this state. Therefore, this study tries to determine some issues to boost cinema performance in Malaysia. This approach is in line with Yin (1994) suggestion to review some critical cases for gaining deep and proper insight into the concept.

Table 1. The comparison between recent and previous growths

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Research Design and Method

*Experience Survey* and *Analysis of Selected Cases* were utilized as the main methods in this study (Churchill & Iacobucci, 2002). *Experience Survey* was conducted in form of the key informant survey, which figured out valuable insight through who has association with a particular practice (Churchill, 1991). In our case, marketing representative and frontline employees played the role of key informant. The target of this approach was indicating the core categories and relationship explanation (Selltiz et al., 1981). *Analysis of Selected Case* was employed to explore for explanation of customer experience that were common with other cases (Churchill, 1991).

Multiple-case study was utilized to figure out a concrete framework that represents a rational explanation of CEM in cinema industry (Eisenhardt, 1989). It was suitable
approach due to the limited number of cinema companies in Penang (10 potential cases). Multiple-source of data was also considered in this method to enhance the validity of results. Interview and observation were two main data collection tools in this study, since, they resulted sensible inference through more controllable procedure (Churchill, 1991; Lillis, 1999; Yin, 1994). Interview was carried out face-to-face (one-to-one conversations) in the interviewees’ self-setting (Denzin & Lincoln, 2005). To make best use of in-depth interview, semi-structured questionnaire was designed in form of an interview protocol (Furlong, Lovelace & Lovelace, 2000). Additionally, the interview results were supplemented by observations. Observation was mainly employed to discover missing points in the interviews. In addition, it also helped to cross validate interview results. The summary of research design is illustrated in Figure 1.

Figure 1. Methodology at a Glance

Data Collection
Referring to Figure 1 above this study was conducted in three research-sites in Penang. Judgment sampling was employed to choose appropriate cases from leading cinemas in this state. The cases were chosen from the main cinema companies with high market share, however, from 10 cinema companies operate in the state; only a few companies have reasonable market share and modern managerial approach. Therefore, three top leading cinemas were selected to represent cinema industry in Penang. Three marketing representative, six front-line employees, and nine customers were interviewed. Each
interview started with a brief description, continued with open-ended questions and finalized with more relevant probe questions.

Marketing representatives were seen as the best representative to report on companies marketing strategy as well as the best informant regarding customers’ issues. They reflected the companies’ viewpoints on the construct of CEM, as well as its contribution and association with performance. Employees’ points of view were also critical for researchers because of various interactions with customers and most familiarity with their expectation and problems (Ghobadian, Speller & Jones, 1994). Interview with customers were also essential in order to gain insight into customer experience formation and acquisition. Finally, to support the interview finding, the observations were conducted at four places: cinema counters, cinema halls, theater halls, and the cyberspace (i.e., cinema websites).

Data Analysis

The case report was created for each case after conducting eighteen interviewees and three observations in four stages. In order to carry out cross-case analysis, researchers did content analysis for each case report with the aim of determining possible categories toward a reasonable theme and variables. Data coding started with open coding, and continued by selective-coding (Denzin & Lincoln, 2005). Categorizing was the next important step to determine the categories, sub-categories, and relationship (Miles & Huberman, 1994). For entire coding process, two researchers separately coded data and then the interpretations were compared to enhance inter-coder reliability. Pattern matching by finding rival explanation between the cases was the employed analytic strategy (Yin, 1994). Hence, researchers examined and then compare the emerging patterns to reach certain conclusions (Yin, 1994).

Validity and Reliability

Three tactics were utilized to increase construct validity, namely, using multiple sources of evidence, establishing a chain of evidence, and having a case study report. The techniques that were used in this case study to enhance internal validity was achieved by cross-checking the information obtained from different sources and by different researchers in order to check the coherence of the data. The external validity was sustained by choosing multi-cases rather only one case. This fact besides the accuracy in choosing the cases (e.g. based on nationwide experience or leading brands) can be
regarded as what enhance external validity. Additionally, during data collection, researchers did not face any issues that may differentiate the research sites from the other cities. This fact also increases generalizability of the results at least in Malaysia's settings. Several techniques were used in order to increase the reliability in this study: (1) systematic data capturing for both interview and observation, (2) multiple researchers to enhance the coherency of analysis as well as avoid the biasness, (3) systematic coding process, and (4) using peer review or examination to test the correctness of the data (e.g. compare employees’ opinion in a same site).

**RESULTS**

As far as data collection is concerned, researchers have conducted interviews with marketing representatives, frontline employees, and customers in three selected cinemas. The supporting data also gathered from direct three-time observations in each sites. It assumed the core service functionality and reliability meet the appropriate standard, as the entire cases provide a similar level of functional quality (e.g. the quality of movie/sound).

*Marketing Representative* The interview sessions with marketing representatives started with a question regarding the definition of marketing outcomes. According to them, customer retention towards the brand is the best indicator for monitoring the marketing performance. They have described the aim of marketing department in increasing the number of customers regardless their segments. In this case, they measure the success through new customer acquisition as well. Additionally, the cinemas survey on customer satisfaction once/twice a year and accordingly monitor the marketing success. They usually look to indicate the causes of dissatisfaction by monitoring negative experience, for example, by systematic complaint management. The interviewees mentioned the ‘customer retention program’, which sustain the customer relationship with special cares like loyalty card, birthday gifts, and VIP plan.

The interview sessions with marketing representatives then continued with a discussion about the concept of customer experience. Surprisingly, all of the cases mention that customer experience is always the key concerns. However, there was no general agreement about the details. For one interviewee, customer experience is very important to enhance customer loyalty. In his perspective, positive experience is the main factor that must be satisfied by cinema. The most important drivers for customer experience
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mentioned were the environment and frontline employees. In this case, they claim that they have regular program for training employees and refurbishing environment. Sometimes interviewees mixed the concept of experience with service quality/price, while they emphasize on new engaging experience beyond these principles.

In another point of view, innovative experience is a reliable approach to convert a potential customer into a real paying customer (e.g. new plan for engaging foreigners and government employees). Cinema marketers clearly know the positive impacts of new experience as one interviewee stated: “We need to meet their [customers] desirable experience in the best possible way. By this, our company had come out with new product launching… to fulfill the movie enthusiastic. We always bring in new things… and make the customers surprised… for example; we had invited the Cicakman with its costume to meet the fans when the movie is on screen”. The entire cases had some co-branding programs to promote the new experience to acquire new customers (e.g. joined activities with some organizations like banks and universities). Interviewees also highlight their efforts to make profits from supplementary services like gift shops and foods and beverages.

It is interesting that the cinemas are aware of the post-experience phenomena. One interviewee stressed that “…when there is something negative brought out, the staff must make sure it can be turned into something positive. Even if customer is at fault, we try to speak gentle with customers… we do not want customers to feel unpleasant after using the service of our company.” Besides, they value pre-experience to ensure retention; for example, they referred to VIP card, regular contact through email to keep in touch with customers as an attempt to retain customer: “…our company has come out with member card for VIPs and VVIPs. We offer different package to our members in every month. We also updated our customers with the new movie through email”.

Regarding competition, marketing representative put a stress on distinctive experience, since they offer similar core service as their key competitors. For instance, the interviewees referred to friendly staff and environment (no division between customer and cashier), uniqueness of the cinema environment, events, active engaging program and creative presentation, and new technology, CRM as some examples of their differentiation approach.

**Employees** Unexpectedly, employees’ perception of customer experience is more realistic rather than managers. They reflect customer experience as what customer feels after interacting with the services elements. Although, some employees think experience
is as a result of service operation instead of marketing practice; in most cases, they asserted customer recommend the cinema due to positive experience and vice versa. Almost all employees considered themselves as a determinative factor in shaping positive experience by convening friendly service. For instance, one employee claimed that: “...we [employees] ourselves do own promotion for the company”. In general, employees believe their services at frontline have more impacts on customer overall experience than other interface like online service. Another interviewee stated, “...customer experience means the customers feel welcomed by the cinema”. One of senior employee explained cinemagoers experience beyond merely movie; she added entire services as sources of experience, including online booking, customer services, reserve hotline. The results of the interviews with employees mainly emphasize on customer experience before and after watching movies (e.g. booking online and complaining). In their point of view, when the core services are similar among same the class cinemas, early- and post-experience can play critical role in customer retention and acquisition. Some interviewees also talked about the concept of relationship building through personal interactions and friendly service as a source of positive experience. Another surprising outcome is the impacts of employees’ satisfaction. More than half of employees directly noted the quality of their services to customer is altered by their perception about the organizations. The employees had general concern about the interface to keep firms update on customer satisfaction and expectation in order to retain customer by dynamic change in right time. Three interviewers stressed that the process of solving dissatisfaction through the right interface as the positive effort to retain customers even in the case of negative experience. The daily random survey is organized by one cinema to figure dissatisfied customer and prevent the possible switching behavior. One employee mentioned, “…we learn from negative customer experience to improve customer retention”. However, some employees believed they have a number of customers who want to switch to other cinema but have to remain due to the location or price. The interviews summary with managers and employee is illustrated in Figure 2 and 3.

Customers In addition, customers were interviewed to get accurate estimation about cinemagoers experience. The main goal of this part is to align organizational perspective with customers to portray customer experience. The interviewees were selected from adult customers who have more than five years cinema going experience and watching at least two movies at cinema per month. The results of customer-interview were validated with observation by two researchers. To be brief, the consequences of interviews and
observation are summarized in Figure 5. Customers were asked to explain their own experience in selected cinemas and clarify which parts of these experiences are important for them and when they are more related. The transcripts were openly coded and then similar coded data were categorized under the one label. The coded data show the three-step customer experience formation, namely, pre-service, core-service, and post-service experience as the core categories with thirty sub-categories. These upshots confirm the emerging results from the first group of interview with marketing representative and employees.

DISCUSSION AND CONCLUSION

As with any qualitative research, this study acknowledges that small qualitative studies are not generalizable in the traditional sense. However, the qualities posed by this type of research as opposed to quantitative studies offer a perspective of a situation and provide well-written research reports.

The findings once again underline CEM as a crucial prerequisite for today's business success. The cases showed CEM could be employed to achieve higher levels of customer retention and acquisition in the cinema industry. The results thus shed light on the privilege of managing customer experience in the service context for enhancing marketing performance. The next section discusses the main emerged categories from the interviews and observation. Subsequently, the model proposition is suggested based on the key categories following the argument below.

Key Emerged Categories

Figure 2 and 3 respectively report the key emerged categories from the interviews with managers and employees. In both figures, ‘positive experience’ was identified as the core category. The emerged categories then were recapitulated into the Figure 4, in which the managers’ and the employees’ perspectives confirm and complete each other. This combination helps answering two questions, firstly what the necessary components of orchestrating customer experience are, and secondly, what service firms can achieve through managing experience.

In the first place, the case analysis sheds light on CEM consequences. Figure 4 points up the relationships between positive experience and the indicators of marketing outcomes. Referring to the main emphasis by managers, the marketing achievements can be
recapitulated as customer lifetime value, which is in line with what scholars defined as customer equity. As reported, marketing performance mainly associated with what is achieved from customer retention, acquisition, and add-on selling. These three emerged categories link marketing actions to financial outcomes in the studied cases as well. Among these dimensions customer retention were more significant than other components as interviewees put more stress on emotional bond, trust, and the risk of switching behavior. Moreover, offering the engaging experiences encouraged customers to stay and involve more. This fact increased the cross-selling prospect for the cinemas. Furthermore, distinctive experience indirectly drives customer acquisition via recommendation. Therefore, it can be concluded that there is a significant link between positive experience and customer equity.

As summarize in Figure 4, the interviews signify five sources of positive experience, namely, core services, supplementary services, environment, relationship, and interface (experience delivery). Accordingly, the concept of experience design is valid for the three first categories. With reference to Figure 2 and 3, experience design is mainly initiates with customer insights, which comes from some system like CRM, experience monitoring, and complain management. The results also remark that the ways of delivering experience are significant as the experience per se. Along with Figure 2 and 3, both humanic and non-humanic interfaces are important in designing the interfaces. The role of innovation is underlined for both interface and experience design. As later discussed, the superiority of interfaces to a greater degree can engage customers during experience transference.
Figure 2. The key identified components in the interviews with the managers

Figure 3. The key identified components in the interviews with the employees

Figure 4. The key emerged categories from the interviews with the managers and the employees
With reference to Figure 5, the findings are in line with the concept of *purchasing-cycle* or *customer-life-cycle*. This cycle includes pre-purchase, purchase and post-purchase stages where the customer meets a variety of touchpoints. This assertion is also supported by the literature that remarks the necessity of creating/managing positive experience before, during, and after the service brand purchase. Accordingly, customer results confirmed that experience formation has three levels. The first group associates with pre-service experience or what happen before consumption. This stage has notable for CEM since it has directive influence on customer decision. The results also brought some evidences of switching behavior because of negative experience in this stage. The next group was the core consumption or service experience, which usually correspond with any activity that directly affects customers’ perception of service essence. Interviews showed customers interpret distinctive service offerings as the positive core-consumption experience. Surprisingly, customers looked more for superlative service elements rather than service quality. As shown in Figure 5, post-service experience was emerged as the last component as the customers had various positive and negative experiences in this stage. Besides, it is a considerable barrier for customer retention.

By taking the results of Figure 4 and 5 into account, applying the concept of ‘experience design’ and ‘interface design’ to the entire stages of CLC can be another conclusion. This approach to CEM is credible since: (1) managing experience in these three levels requires same prerequisites (e.g. proper technology, customer insight, etc.) and (2) the core experience, supplementary experience, environmental experience, experience delivery channels, and even relationship can be separately defined for each stage. According to the complexity of experience formation as shows in Figure 5, this approach also facilitates managing customer experience because of the practical division of labor. Now, the quality of interfaces should be noted as it determines how the designed experiences are received by customers and to what extent they can affect customers and accordingly, marketing outcomes.

Figure 5. The key emerged categories from the interviews with customers and observations (Experience Mapping)
Interfaces quality emerged as the key role player in boosting this relationship between CEM and marketing performance. With reference to Figure 5, positive interactions directly affected customer experience. The source of interactions refers to interface in this research and can involve both human and non-human touchpoints. As an initial conclusion, the quality of interface can amplify the positive impact of experience on marketing performance. This relationship can be justified by the fact that customers experience service during interactions, which deliver via interfaces. Therefore, if the quality of interface is high, then the experiences can be more engaging and effectual. On the other side, positive experience could fail in engaging customer when the interfaces fail in conveying the designed experience. Moreover, the research once more proved marketing not only delivers value as embedded in offerings but deliver value by the process of offering.

Offering convenient and pleasant interface encouraged the customers to repeat their purchase and recommend the brand. The quality of interface can be guaranteed by valuing brand essence and establishing dynamic, stylish, and interactive mechanism in all touchpoints to interact, give information, build relationship, or deliver the services. With this goal, three steps were remarked as essential prerequisites: picturing the desirable experiences, studying the current interactions/relationships, and reconfiguration.

In the pre-purchase stage, the customers gained information that was necessary to make decision or purchasing (e.g. advertisement). In this case, high interface quality can make the experience more engaging for them (e.g. informative employees or website). High interface quality in form of an engaging communication paradigm also helps firms to manage customer experience more properly. The entire interactions that lead to purchasing are defined in pre-service experience. Interface also boosts up the quality of core experience, for example by providing right and engaging information. Similarly, post-experience can be improved, if the interfaces properly sustain the interaction. The roles of technology and employees in complaint management were underlined in this phase.

**The Model Propositions**

According to the earlier discussion, three main propositions can be concluded. First proposition depicts the overall picture of CEM. With reference to experience formation in CLC and the necessity of experience mapping, experience designing, and improvement in the entire stages, it can be inferred:
P1: In service context, customer experience must be managed in three stages, namely pre-service, core, service, and post-service experience.

The relationship between CEM and marketing outcomes were mostly associates with customer lifetime value, which is the significant indicators of marketing achievements; therefore, the second proposition is set as:

P2: Managing customer experience enhances the marketing outcomes in terms of customer acquisition, retention, and add-on selling.

Last but not least, the role of interface quality in both form of humanic and mechanic were frequently highlighted. Along with the discussion, interface quality has moderating role for the relationship between managing customer experience and marketing outcomes; as a result:

P3: Interface quality moderates the relationship between CEM and marketing performance.

IMPLICATION AND FUTURE RESEARCH

CEM is thus about the process of tailoring the experience and integrally enhancing entire sources of experiences. CEM in this context is characterized by paying sufficient attention to customer insight, technology and innovation, connecting customer need to firms’ offering (experience design), utilizing best use of employee and interfaces, and finally yet importantly, engaging customer beyond the functionality of service.

Primary step toward CEM implementation is the undertaking experience from the customer’s perspective. CEM needs to capture the customer insight directly to orchestrate the organization towards customer’s needs. The main approach then can be experience mapping especially in peak and end experience. In this way, firms can start by solving a key pain points in experience, and then expand the initiative to other experience’s components. With this goal, innovation is the vital practices toward designing engaging experience.

The finding implication can help managers to understand the relationship between CEM and marketing performance. In general, it suggests the potential opportunities for differentiation the experience for cinemagoers to avoid commoditization trap. The finding helps the managers to pinpoint and fix the bottlenecks in customer experience through an integrated approach and therefore increase customer equity effectively. Practitioners can adopt the model to ease both monitoring and designing customer
experience. The research once again puts the quality of interface in the center of attention for cinema marketers especially to retain old customers and acquire new ones. It is also helpful to improve the quality of experience; if cinemas start by recruiting the right employees and employing right interface technology. Esteeming employees, taking on them emotionally, motivating them with experiential job design and proper rewarding system were also remarked. According to the cases, excellent leadership, effective communication, organizational alignment, integration, involvement, management support, and inter-functional relationship are essential drivers to convey excellent experience to internal and external customers. Service system also must bring people, process, and technology together in effective manner and right balance.

Entire parts of the firm have to focus on the common objectives of creating favorable experience to improve customer inputs and organizational outcomes. Customer experience is improved when it becomes a top priority in firm’s work processes, implement by employees, and support by senior managers. Leaders should balance the business’s objectives with customer experience through a clear strategy. Finally, CEM needs an appropriate organizational culture since it is prerequisite for all strategic marketing approaches.

Accordingly, CEM can be a new battleground for leisure industries that links customers’ desires to marketing performance. However, the findings are valid for the cases under this study and they cannot be generalized further; this approach can be applicable in other service industries through future researches. Future studies can investigate the set of experiences that were identified across each step of service experience formation and they can empirically examine within a larger population the relationship between the CEM and customer equity.

**REFERENCE**


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