

Customer Experience Mapping – The Evolving Trend in Retail Malls with Special Reference to Malls in Thane and Mulund Cities

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ABSTRACT

Customer Experience Management is an emerging concept gaining widespread adoption by top corporates as it enables companies to serve customers efficiently, to reduce churn and thereby improving retention rate as well as competitive abilities. Several companies have begun to invest heavily on solutions that optimize interactions from the customer's perspective which will enhance customer loyalty. In the light of the above the current study is made to analyse the emerging trends in customer experience management and how customer experience management helps in creating a Customer Life Time Value. Seven approaches are taken as the base to map Customer Life Time Value. This paper concludes with a mapping index which may help to better understand the customers and the business. It will help to strengthen customer relationships and see how all the touch points affect the bottom line so that the retailers can ultimately improve it. It is envisaged that by using these techniques the existing and new retail malls will enhance Customer Life Time Value by improving Customer Experience Management.

Keywords: Customer Experience Management, Customer Experience Mapping, Customer Life Time Value, Touch Points, Retail Mall

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Introduction

Consumers today are demanding more, and are shifting from desire of possession to a desire for experience. They are less receptive to information in which they do not have a keen interest, which requires the retail industry to know their consumers better than before. The lowest price is no longer attracting most customers like it did before. Today, product information is widely accessible and going shopping or dining is about having a pleasant experience. People shop where they feel comfortable, happy and satisfied with the service. The customers are ready to pay for the cozy environment, the soft sofa, the free magazine and for the meeting place with other people. Thus, Customer experience (CX) is the sum of all experiences a customer has with a company of goods and services, over the duration of their relationship which results in a rational and emotional response. It includes awareness, discovery, attraction, interaction, purchase, use, cultivation and advocacy. It can also be used to mean an individual experience over one transaction.

Customer Experience Management is a dedication to serving customer needs from their perspective; it is the broadest and deepest way of viewing customers and their role in the success of any organization and the related terms like *Customer Care*, *Customer Relationship Management* and *Customer Experience* are its components. The user-experienced service performance (USP) concept provides a service-and technology-generic approach to service quality measurement. Accurate insight into customer service experience has never been more essential for operators competing in a market increasingly driven by end-user expectations. For all service packages, it is necessary to align user experience with user expectations. Under-delivery – with users receiving a level of service below expectations – is obviously undesirable for providers seeking to maintain revenues and reduce churn. But over-delivery can also be damaging. Having certain users enjoying superior service levels compared with others on the same service network that are paying the same price can be problematic in terms of both costs and overall market credibility. These four factors – revenues, churn, costs and trust – are the principal Service Assurance business drivers. All organizations can reach higher potential by carefully managing the above dimensions of customer knowledge, customer well-being, and customer profitability.

Customer experience management (CEM) is thus defined as a strategic process employed by a business to manage their customers' entire experience through feedback, analysis and customer participation in the corporate culture in order to improve overall performance. Nonetheless it is quite possible to single out some universal interpretation of the notion of Customer Experience Management. For instance, the definition given by B. Schmitt may be treated as a universal one. So, according to him Customer Experience Management is "the process of strategically managing a customer's entire experience with a product or a company" (Schmitt 2003, p. 17).

Scope and Objectives of the Study

CEM is still a nebulous and misunderstood concept – it is normally understood as a synonym to customer relationship management but it is not just real-time CRM not a subset but arguably larger in scope than CRM. CEM is all about building an emotionally weighted relationship with each customer and is as much about managing services, and the infrastructure they run on, as it is about managing CRM-related customer touch points. From a technical perspective, CEM is about collecting the complete set of near real-time event data that has an impact on the customer experience; correlating and analyzing this data, including matching it with historical data about individual customers, such as their historical experience of the company, their predicted lifetime value and their known needs and desires; and using this combined intelligence to take appropriate management actions. Practically everyone knows that a better customer experience makes customers happier, profits higher, and brands more distinctive. Customer experience design has become an important focus in sales, guest check-in, call centers, retailing, patient admissions, theatre design, mobile services, web sites, ticketing, teller services, and even employee on-boarding. As experience designers skilled in all aspects of this discipline, one can move the company from simply talking about customer experience to making it an important part of its strategy and operations. This will give a competitive advantage. With this background, this research paper studies Customer Experience in eight large retail malls in the cities of Thane and Mulund and Bhandup areas of Mumbai suburban area. The broad objectives of the research paper can be enlisted as below:

1. To study the customer experience elements in and around Thane & Mulund Malls.
2. To analyse how the Customer value proposition added with excellent customer service delivery leads to customer experience which in turns creates Customer Lifetime value.
3. To identify which factors are helping in co creating a ultimate experience in the retail malls by mapping the Customer Experience.
4. To create an experience map that will emphasize to strengthen the stronger elements and to reduce the gap in the weaker elements of the customer satisfaction, delight and Loyalty factors.

Research Problem

A Customer Experience map visually identifies and organizes every encounter a customer has (or could have) with the retail center and the brands they promoted. These interactions are commonly referred to as “touch points.” Creating a map is one of the best methods for understanding how customers interact with the company and uncovers opportunities for where and how Retailer can improve a customer’s experience. An Experience map provides a framework that can set a path to increase customer satisfaction, loyalty, retention and ultimately greater profits. The map summarizes customer feedback for each touch point and calls out which departments are involved in any flawed processes and successes. An attempt is made in this paper to recognize the growth of Customer Experience Management and to show how a customer’s experience varies depending on where they “touch” the business. The best kind of map provides these things for all product lines or lines of business.

In a nutshell, the study proposes to compute and compare Customer Lifetime value using a composite index of seven concepts. Specifically the following Research Problem Statement is analyzed: *‘Customer Experience Study gives a route map to retail Malls to detect Customer Life time value.’*

Review of Literature

Prof. Ranjay Gulati of Harvard Business School describes “Focusing your business simply on giving the customer what he wants can be dangerous.

An outside-in mindset allows firms to identify needs far more sharply as they are continuously exploring unstated customer needs and how to address them” (Gulati, 2004–2005).

Don Peppers and Martha Rogers clarify “In the new business era managing individual customer relationship means organisations will use the knowledge gained from these relationships to improve the quality of overall customer experience. What is the day-in, day-out ‘customer experience’ your company is delivering?” (Don Peppers, 2004).

A study conducted by Strativity Group, 2009 of over 860 corporate executives revealed that companies that have increased their investment in customer experience management over the past three years report higher customer referral rates and customer satisfaction.

Chordiant Software Company’s research done in 2008 also supports the same fact. The research surveyed 450 large organisations for the customer experience management performance of large organisations across Europe to create a maturity model and the results showed that over 3/4 of the organisations surveyed achieved level 3 (of 5) or less for CEM performance (5 being best possible result). The results also showed that performance in four key business areas (market share, retention, profitability, and customer satisfaction) was directly related to CEM performance.

Peppers and Rogers explains the customer experience has emerged as the single most important aspect in achieving success for companies across all industries.

Jeananne Rae says that companies are realizing that “building great consumer experiences is a complex enterprise, involving strategy, integration of technology, orchestrating business models, brand management and CEO commitment.”

According to Bernd Schmitt, “the term ‘Customer Experience Management’ represents the discipline, methodology and/or process used to comprehensively manage a customer’s cross-channel exposure, interaction and transaction with a company, product, brand or service.”

Maritz defines “Customer Experience Management” (CEM) as creating greater value for customers by better understanding and responding to both the overt and subtle drivers within the customer life cycle. CEM’s

ultimate goal should be a long-term business relationship between the company and the customer, wherein customers' needs and preferences are responded to in an increasingly targeted and relevant fashion. Executed effectively, the return of such a strategy should be increased customer retention, share of wallet, and brand equity. One can identify very easily on the emergence of new marketing Channels, and the increasing connection between marketing systems to enhance the Customer Experience through personalization and optimization.

An analysis of various literatures available in the context reveals that Customer Experience Management executed at micro level does pay well for the augmentation of the business.

Research Design

Creating a customer experience that really initiates customer loyalty and advocacy requires thought, effort and a systematic process. A careful design results in new forms of collaboration between various departments of an organization – marketing, HR and operations – and creates the means to harness the power of the people to turn them as Brand Ambassadors. The continuous journey of Customer Experience Management accelerates the seamless integration of high tech and high touch, the powerful combination of technology and the human interface. But most of all, it requires executives to understand what it means to manage the customer experience and then to use a systematic process for doing so in their organizations. It is important to understand that customer experience is fundamentally different from customer service.

The research design of this paper is an experimental study on the basis of primary data collected from various malls in and around Thane & Mulund Cities. Retail malls in Thane to Bhandup stretch has a number of competitors more than a dozen or so within a radius of 30 kilometers. Competition has grown much fierce over the years as it is much easier for customers for comparison shop. In total 160 samples have been selected from eight retail malls and questionnaire method is used for collecting data from primary sources. From each mall a random sampling of 20 customers has been chosen and information was gathered from them. The age group is between 16 to 60 and both male and female population. The

study is rooted from seven different approaches of Customer Experience Mapping namely Access, Architecture, Assortment, Assistance, Alignment, Augmentation and Association value and customers' viewpoints are obtained on each of these variables to have a better understanding of the core theme. The seven approaches are the components to capture the experience map by finding answer to different questions to record the customers' feelings. Though number of questions on each approach varied, equal weightage of 10 points has been assigned to each approach to arrive at Customer Life time Value Index.

Creating Customer Life Time Value

It is well realized now that an old customer retained is worth more than a new customer won. Customer lifetime value (CLV) is referred to as the gold standard of customer loyalty and profitability. Customers with higher lifetime value, in general, buy more often, spend more and have fewer returns. When that high lifetime value is combined with an authentic relationships, those customers also improve the satisfaction of your sales staff, and refer prospects that are more like them. So businesses that have a higher percentage of their customer base with high value and relationships have more stable growing revenue and a happy staff.

Data Analysis of Seven Dimensions of CLVI

The 7 A's approach is an effective tool to understand the Customer Experience in an improved way. The analysis of primary data collected from eight different retail malls in the cities of Thane, and the Mumbai suburban areas of Mulund & Bhandup reveals the following results :

Dimension 1: (Ac) – Access: Accessibility to any retail store is of paramount importance. The location of the store plays a significant role in attracting the sizeable and desirable footfalls. Views of customers have been obtained in this approach by 7 questions relating to location, approach & the supporting infrastructure, safety and security of parking facility etc Customers at Neptune mall at Bhandup showed strong reaction related to proximity of the mall and the least response is derived from those at R mall Thane.

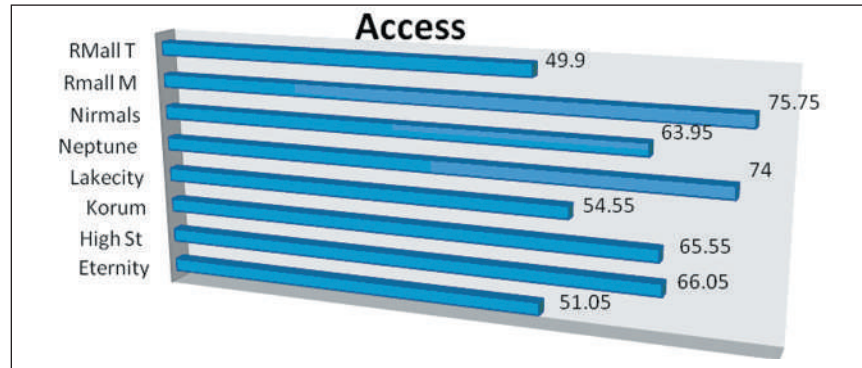


Figure 1: Dimension 1 of Customer Experience Mapping

Dimension 2: (Ar) – Architecture: The Look and feel of the store is another significant point. It includes every aspect of store layout and design – ambience, the aesthetics, amenities etc., If the shopping area is not invigorating the shopping experience would be minimal. In this approach viewpoints relating to ergonomics, interiors & the other aesthetics, aroma experience, hygienic factors and general upkeep were analysed and R mall in Mulund and Neptune were most preferred whereas Eternity and Lake city at Thane were least preferred.

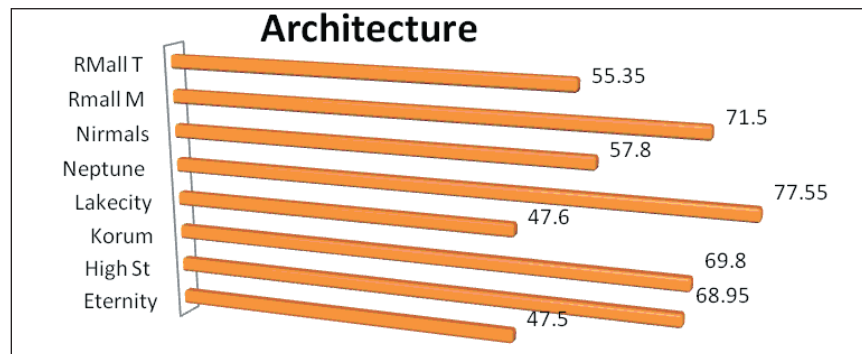


Figure 2: Dimension 2 of Customer Experience Mapping

Dimension 3 (As) – Assortment: The customer comes to any retail outlet, after all, to satisfy their needs and thus either by products or by services. All the product related issues like Product variety, quality, pricing, width and depth etc are to be well taken care of. As these factors constitute the major buying decision factor. The value for money is what the store should offer to every customer observations on product price, display,

variety at different price points, quality, category etc were obtained and Rmall Mulund & Neptune Bhandup topped the list & Eternity Thane got the least score.

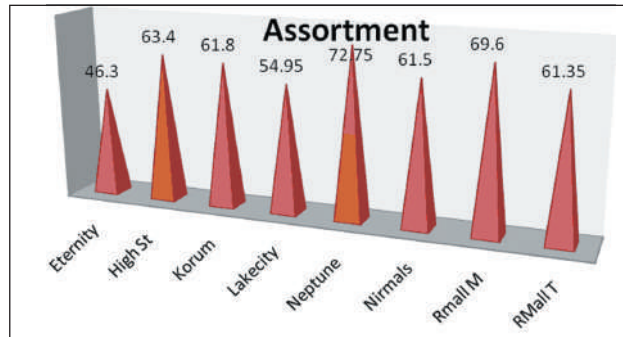


Figure 3: Dimension 3 of Customer Experience Mapping

Dimension 4: (Ass) – Assistance: The sales assistance plays a major role in increasing the shopping experience. They are an all important touch points for customer experience. They can elevate an ordinary and routine shopping to a memorable one with their proactive, pleasant and perseverant attitude and demeanor. No retail outlet can ask for more than helpful and hilarious workforce at every level. Sensoral/cognitive triggers were read through queries regarding supporting staff varied queries ranging from physical appearance to communication skills, product knowledge, courteous approach, number of personnel, etiquette etc were asked and the consumer response in all 8 malls were below average with inter mall differences as revealed in the figure below:

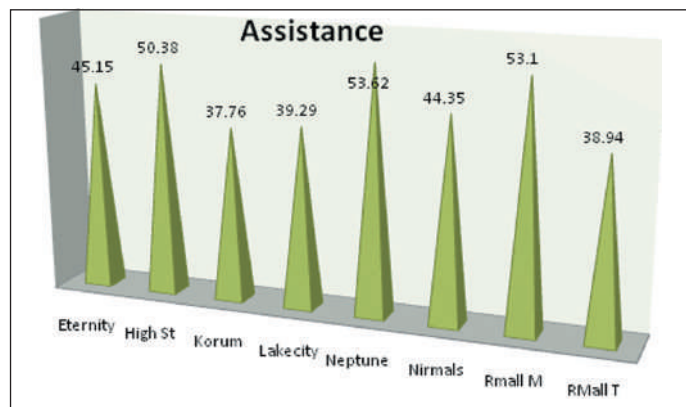


Figure 4: Dimension 4 of Customer Experience Mapping

Dimension 5: (AI) – Alignment: It’s not just enough to have enthusiastic sales assistance. It’s equally, if not more important to have alignment in all the touch points of the customer experience. The alignment encompasses strategic fit between store design, visual merchandise, sales personnel assistance, facilities etc. Even if there is one weak link in the Customer Experience value chain, it would not augur well for the retail outlet. The upkeep, coordination between the staff, alignment of brand image, brand appeal etc formulated the question bnk of this dimension and here too Neptune & Rmall, Mulund had a cutting edge.

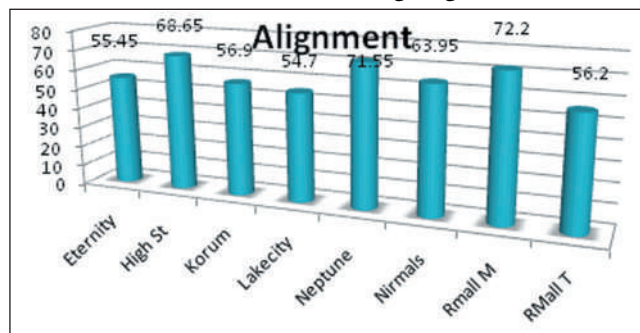


Figure 5: Dimension 5 of Customer Experience Mapping

Dimension 6 : (Ag) – Augmentation: The relationship with the customer should not end with the immediate transaction. It should go beyond the transaction in terms of well planned and brilliantly executed customer relationship initiatives. Augmentation usually endeavors going beyond to give the customers a sense of belonging. Customer relationship Management of the store had been given priority in this dimension and the responses are revealed in the following chart.

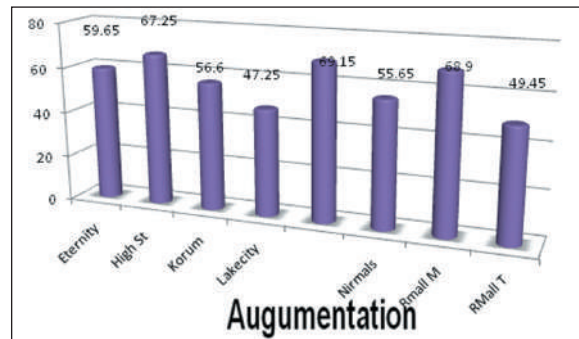


Figure 6: Dimension 6 of Customer Experience Mapping

Dimension 7: (Av) Association Value: One of the often neglected yet very important elements is creating the association value. It comes from customer taking pride in being the part of the community. The communities are being created by the retail outlets. Many global brands have physical as well as online communities to give an exclusive platform. Exclusivity is the key in creating the association value. The customer should be made proud of being associated with the Retail outlet, after all. The overall shopping experience with the mall and the incentives to share the experience is depicted in this dimension.

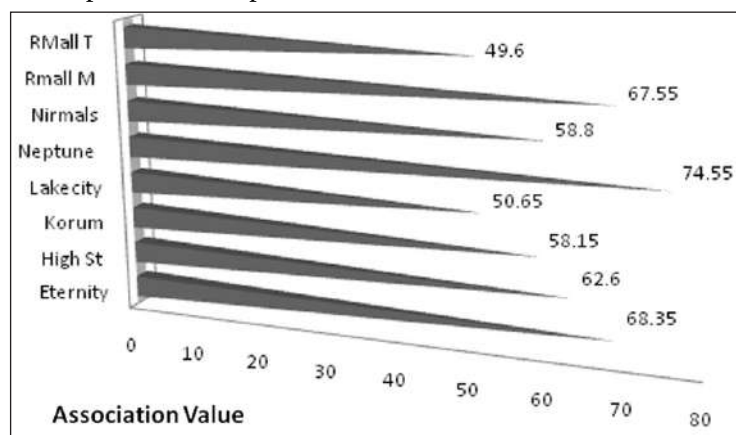


Figure 7: Dimension 7 of Customer Experience Mapping

Mapping the Customer Experience

Creating a map is one of the best methods for understanding how customers interact with the firm and uncovers opportunities for where and how the company can improve a customer's experience. Customer experience map is a graphical representation of the service journey of a customer. It shows their perspective from the beginning, middle and end as they engage a service to achieve their goal, showing the range of tangible and quantitative interactions, triggers and touch points, as well as the intangible and qualitative motivations, frustrations and meanings. A Customer Experience map visually identifies and organizes every encounter a customer has (or could have) with the company and brand. These interactions are commonly referred to as "touch points".

In going through this mapping and customer journey discovery process, it is sure to derive priceless insights into customers, processes and overall operations. Customer touch points are places and situations where the retailers have an opportunity to interact and communicate with customers. All customer touch point interactions build the collection of experience a customer has about the brand and the firm. Well designed and planned touch points should deliver joy, help and a good experience to the consumer at the same time as it gives the retailer a better knowledge of consumers’ interests and behaviors. Customers are more interested in solutions that are customized, complete, and delivered quickly and simply than they are in products that target their emotions. The difference today is that empowered consumers and buyers are demanding more. Not just in lower price, but in better service as well. According to a recent American Express study, Customers are willing to spend 9% more with companies that provide excellent service. The same study showed that 91% of customers believe that customer service is important, but only 24% actually feel they get the service they deserve. It’s no wonder that brands

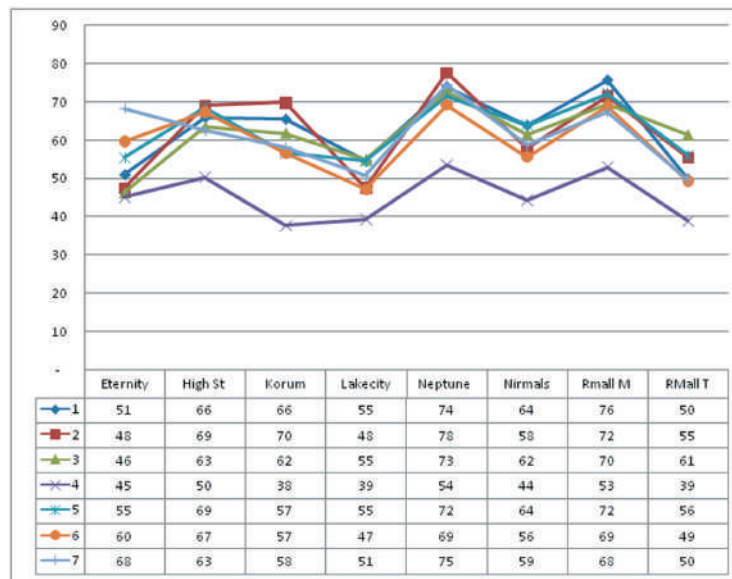


Figure 8: Customer Experience Mapping

1 – Access. 2 – Architecture, 3 – Assortment, 4 – Assistance, 5 – Alignment, 6 – Augmentation. 7 – Association Value

with better customer experiences are outperforming their competitors. Touch points can be mapped in a variety of ways, and no two will look exactly the same. The best kind of map is one that keeps things simple and streamlined.

Using the described seven dimension of Customer experience survey, mapping of all eight malls studied has been graphically arrived at.

The map clearly depicts that Architecture has a pronounced impact on customer response followed by Augmentation and not much importance has been assigned by customers of all these malls regarding assistance. This is despite the fact that more minute details were included in the questionnaire with 14 different questions on dimension 4 Assistance to lead the consumers to reveal their preference in a strong manner.

Customer Lifetime Value Index (CLVI) has been constructed by considering (i) a large number of indicators representing various concern areas and (ii) a set of objective methods for combining the experience indicators as a composite index. To be more precise, CLVI is a composite of all seven variables viz..Access, Architecture, Assortment, Assistance, Alignment, Augmentation and Association value. These seven variables are measured using different indicators. CLVI is an equi-weighted average of all above seven indices Averaging these seven sub indices, we get the CLVI.

$$CLVI = (1/7) (Ac + Ar + As + Ass + Al + Ag + Asv)$$

Table 1: Customer Lifetime Value Index for Malls in Mulund, Bhandup & Thane City

<i>S. No.</i>	<i>Mall</i>	<i>CLVI</i>
1.	Eternity, Thane	5.34
2.	High Street, Mulund	6.39
3.	Korum, Thane	5.81
4.	Lakecity, Thane	4.99
5.	Neptune , Bhandup	7.05
6.	Nirmal Life Style Mulund	5.80
7.	RMall Mulund	6.84
8.	RMall Thane	5.15

Mapping of the Customer Lifetime Value is precisely feasible and a comparative study of all 8 malls mentioned in the table is easily arrived at by the composite index arrived at with the help of '7 A' approach. The index of a mall combined with the visual mapping as depicted in the figures will make the retail mall owners get a feel of their comparative advantage and the area to throw upon. For eg, Lake city Thane by looking at its low index may analyse the mapping by identifying the glaring area where their score had been a matter of concern. In all, the Index will help the malls in the following ways:

For Designing

- Makes visible the end-to-end experience from the customers' view point, showing the significant interactions, pathways or expectations we need to understand.
- Explicitly calls out experience factors that were implicitly known, or not known at all.
- Enables conversation based on evidence of what customers actually think, do and use (not assumption).

For Implementing

- Provides the human context for the service blueprint and the connection to the business change that is proposed and enables the team to really understand what it is to be in the customers' shoes.
- Ensures the customers' voice is easily represented & referenced during development & building.

As a Communication Tool

- Provides a focus and reference for conversations, work and shopping with many people.
- Captures at visual level complex information and saves time in getting people on the same page because it doesn't require lengthy text to explain it.

Conclusion

Customer Lifetime Value (CLV) is a critical concept for virtually every organization that claims (or aspires) to be customer centric. At a granular level, it helps companies to decide which tactics should be used for which customer and at the macro level, it is the key ingredient in calculating customer equity – which, in turn, drives overall corporate valuation. There are seven dimensions of experience used for the map to capture one major element of CLV. These represent important reference points for features of the service design – e.g. how the service is found, who uses it, what they're looking for, what information they use, who and what is of most help etc. By capturing these experiential aspects we ensure the customers' voice is represented as the service is designed and implemented.

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