‘Experience’ in Service: Reconstructing an Elusive Concept Through a Multi-Method Triangulation

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St.Gallen, May 18, 2021

The President:

Prof. Dr. Bernhard Ehrenzeller

Für meine Eltern / Dedicated to my parents

Renate & Josef

Acknowledgements

Now that I have finished this dissertation, I wonder what it will mean to me in five, 15 or even 50 years when I read it again. In recognizing that it is not my work alone, these acknowledgements are hence also a memo to my future self, because “nothing exists independently” (Dalai Lama). Nor do I. The quote is used frequently by my father, and whether it is true or not, it represents a mindset that is appealing to me. Although this dissertation is technically my own work, it was only possible because many companions have supported me throughout my life, and since I hope all of them already know what they mean to me, I would like to take this opportunity to explicate my gratitude for shaping the values that define me.

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Lukas Fischer

Vorwort

Jetzt, da ich diese Dissertation beendet habe, frage ich mich, was sie mir in fünf, 15 oder sogar 50 Jahren bedeuten wird, wenn ich sie wieder lese. Im Bewusstsein, dass es nicht nur meine Arbeit ist, sind diese Danksagungen daher auch ein Memo an mein zukünftiges Ich, denn «nichts existiert unabhängig» (Dalai Lama). Dieses Zitat wird häufig von meinem Vater verwendet, und ob es nun wahr ist oder nicht, es repräsentiert eine Denkweise, die mich anspricht. Obwohl diese Dissertation technisch gesehen meine eigene Arbeit ist, war sie nur möglich, weil viele Wegbegleiter mich im Laufe meines Lebens unterstützt haben, und obwohl ich hoffe, dass alle von ihnen bereits wissen, was sie mir bedeuten, möchte ich diese Gelegenheit nutzen, um meine Dankbarkeit für die Prägung der Werte, die mich ausmachen, zum Ausdruck zu bringen.

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Abschließend möchte ich mich bei meinem Doktorvater Prof. Dr. Peter Maas dafür bedanken, dass er meine Kreativität freigesetzt hat, mich ermutigt und herausgefordert hat, für alle meine Ideen offen war und für sein Feedback. Ich möchte auch meinem Co-Betreuer Prof. Dr. Oliver Gassmann für sein anregendes Feedback und sein Interesse an meiner Arbeit danken.

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Summary

With a growing shift toward conceptualizing exchange processes through a service lens, practitioners and scholars advocate an increased focus on creating service experience. Given this paradigmatic shift, it is said that customers are looking for service experiences rather than product attributes, which for companies means that service experiences can be a rich source of differentiation. However, although these ideas have become established, there is currently a lack of clarity about the concept of service experience. Thus, the objectives of the dissertation are twofold. First, the elusive nature of service experience is unraveled through a multi-method, multi-perspective research inquiry. Second, the significance of service experience for value co-creation is emphasized.

In an effort to accomplish this, the present dissertation is divided into five parts. Part I outlines the philosophical, theoretical and methodological localization of the dissertation and delineates its objectives. Framing the subsequent parts, Part II adopts a meta-perspective to synthesize current concepts of experience. Building on this, Part III takes a provider perspective to elicit current customer experience management practices to inductively develop a customer experience management framework for service. Exploiting the opportunities offered by self-tracking technologies, Part IV develops a conceptual framework from the customer perspective that demonstrates how value creation processes have changed as a result of subjective service experiences offered by self-tracking technologies. Arguing that co-creation and co-destruction may sometimes be separated by small nuances, Part V incorporates customer perceptions of service experiences by adopting a customer perspective.

Zusammenfassung

Mit der zunehmenden Verschiebung hin zur Konzeptualisierung von Austauschprozessen durch eine Dienstleistungsbrille, plädieren Praktiker und Wissenschaftler für einen verstärkten Fokus auf die Schaffung von Serviceexperience. Angesichts dieses paradigmatischen Wandels heißt es, dass Kunden eher nach Serviceexperience als nach Produktattributen verlangen, was für Unternehmen bedeutet, dass Serviceexperience eine ergiebige Quelle für Wettbewerbsvorteile sein kann. Doch obwohl sich diese Ideen etabliert haben, herrscht derzeit Unklarheit über das Konzept der Serviceexperience. Daher verfolgt vorliegende Dissertation zwei Ziele. Erstens wird die schwer fassbare Natur von Serviceexperience durch eine multi-methodische, multi-perspektivische Forschungsuntersuchung ergründet. Zweitens wird die Bedeutung von Serviceexperience für die Co-Creation von Wertschöpfung hervorgehoben.

Um dies zu erreichen, ist die vorliegende Dissertation in fünf Teile gegliedert. Teil I umreißt die philosophische, theoretische und methodologische Verortung der Dissertation und beschreibt ihre Zielsetzung. Teil II nimmt eine Meta-Perspektive ein, um aktuelle Erlebniskonzepte zu synthetisieren. Darauf aufbauend wird in Teil III eine Anbieterperspektive eingenommen, um aktuelle Praktiken des Customer Experience Management zu eruieren und induktiv ein Customer Experience Management Framework für Service zu entwickeln. Unter Ausnutzung der Möglichkeiten, die Self-Tracking-Technologien bieten, wird in Teil IV aus der Kundenperspektive ein konzeptionelles Modell entwickelt, das aufzeigt, wie sich Wertschöpfungsprozesse durch subjektive Service Experiences mit Self-Tracking-Technologien verändert haben. Mit dem Argument, dass Co-Creation und Co-Destruction manchmal nur durch kleine Nuancen voneinander getrennt sind, bezieht Teil V die Kundenwahrnehmungen von Service Experience ein, indem die Kundenperspektive eingenommen wird.

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I Introduction

The following preface provides an overview of the theoretical background and motivation of this dissertation by outlining the foundations of service in general and the elusive nature of experience in particular. Based on this, the implicit research paradigms, objectives, practical relevance, article summary, and implications of the dissertation are briefly presented. After the introduction, the main body of the dissertation unfolds in Parts II through V. Importantly, we use the standalone term "experience" (e.g. Part II) to refer to the overarching phenomenon, while we use the terms "service experience" (e.g. Part V) and "customer experience management in service" (e.g. Part III) to refer to experiences in a service context. Since we took a provider perspective in Part III, we decided to employ the established term "customer experience management" used by practitioners and add the term "service" to make the connection to service explicit while maintaining common practice.

Theoretical Background and Motivation

The concept of experience is elusive. It has been approached in various research efforts, but until now the concept remains fuzzy. Thus, the elusive nature of experience, as well as the entanglement of service experience and value, requires a structured multi-method as well as multi-perspective triangulation to uncover new insights. Although traditional approaches have produced a considerable body of knowledge, there is an urgent need to supplement these contributions with innovative measures in the hope of stimulating academic advancement, as currently experiential research in service science seems to be stagnating. Figure 1 shows three distinct perspectives that have been adopted in this work to draw out implications for experience research through a service lens.

Service lies at the heart of economic exchange. Building on the initial notion of Vargo and Lusch (2004), who introduced Service Dominant Logic (SDL), the service field has made great headway over the past two decades in

articulating a process view to explain phenomena. Importantly, although service is postulated to be customer orientated (Vargo & Lusch, 2008a), SDL's *perspective* is neither explicitly nor exclusively customer- or provider-focused. Rather SLD is conceptualized to be a stakeholder neutral "mindset, a lens through which to look at social and economic exchange phenomena so they can potentially be seen more clearly" (Vargo & Lusch, 2008a, p. 9). This stands in contrast to other logics such as the Goods Dominant Logic, which dominated marketing throughout the 20th century and adopts a supplier perspective, and the Customer Dominant Logic, which adopts a customer perspective (Heinonen et al., 2010; Vargo & Lusch, 2004). A neutral understanding of SDL and the role of service as a processual link between social actors to explain phenomena will guide this dissertation and, in particular, the selection of perspectives and conceptualizations developed.

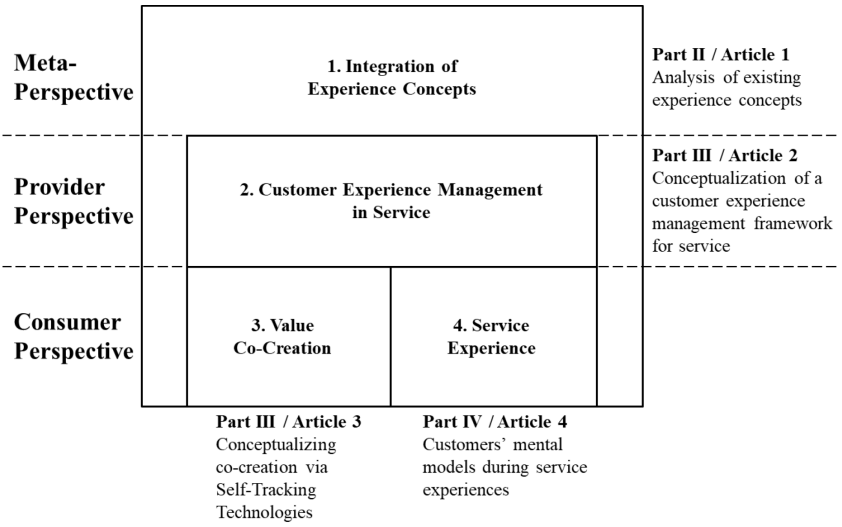


Figure 1. Perspectives of Experience Adopted in the Four Articles

Since Vargo and Lusch (2004, 2008a) emphasized the experiential, subjective, contextual, and phenomenological nature of value, service science has engendered many research efforts with an experiential focus. Yet, although service

scholars have argued that service experience is distinct from other experience constructs in marketing (e.g. Brakus, Schmitt, & Zarantonello, 2009; Hoch, 2002; Holbrook & Hirschman, 1982), the field continues to struggle to mature the service experience construct. As a result, criticism has emerged in recent years that researchers, in their quest to conceptualize experience, are overly becoming holistic "to exclude almost nothing", facing the risk of becoming "the theory of everything" (Maklan, Antonetti, & Whitty, 2017, p. 93). Consequently, experience research has reached a point where scientists have begun to call the validity of experience constructs into question (Kranzbühler, Kleijnen, Morgan, & Teerling, 2018).

There is widespread agreement among service researchers that experience is fundamental to value creation, however, fragmentation marks the contemporary service science landscape. While existing definitions of service experience are not fully consistent, several important implications have already been postulated. Following the phenomenological conceptualization of SDL, value and experience are interwoven social constructs (Berger & Luckmann, 1967; Edvardsson, Bård, & Gruber, 2011; Ferguson, Paulin, & Bergeron, 2010; Grönroos & Voima, 2013; Thompson, Locander, & Pollio, 1989) rather than distinct, objectively observable and measurable entities (Helkkula, Kelleher, & Pihlström, 2012). For instance, several authors suggest that value may be understood as co-created, "experiential" (Vargo & Lusch, 2004, 2006, 2008a, p. 7) and "socially constructed through *experiences*" (Grönroos & Voima, 2013, p. 137, emphasis added). Similarly, value may be determined by customers' use, commonly referred to as *value-in-use* (Payne, Storbacka, & Frow, 2008), suggesting that service experience is an evolving process in which past experiences and anticipations of future experiences are constantly integrated (Helkkula et al., 2012). Likewise, Vargo and Lusch (2006, p. 44) recognize that "experience and perception are essential to value determination" (Vargo & Lusch, 2006, p. 44) and Moeller (2008) emphasizes that value is perceived by customers. As such, before value can emerge, it needs to be perceived through experience in

which perception triggers the actors' awareness (Krishna, 2012). If value is perceived, value materializes only when actors become aware of it, otherwise it remains potential value. Moreover, service experience may be an inherently relational inquiry (Payne et al., 2008), characterized as "cognitive and affective processes arising from extensive participation and behavioral actions" (Ranjan & Read, 2016, p. 293).

In sum, while other value concepts and perspectives exist, the value-in-use concept, as described in the following quote, is intended to guide this dissertation as a common understanding and constitutes the primary outcome of service experience:

> *"Following the meaning of the value-in-use notion, we adopt a phenomenological perspective and state that value creation is the customer's creation of value-in-use during usage, where value is socially constructed through experiences"* (Grönroos & Voima, 2013, p. 137, italics added).

Research Paradigm

Before proceeding to the main body of this dissertation, the research perspectives are established, as these guided the selection of methods (Tadajewski, 2004). In brief, while the positivist research paradigm assumes that an objective, verifiable reality exists, the interpretive research paradigm is based on the assumption that reality is subjective and socially constructed (Berger & Luckmann, 1967; Tadajewski, 2004; Thompson et al., 1989). Positivistic research projects frequently, though not exclusively, draw on quantitative methods to verify or confirm theories (Deshpande, 1983). By contrast, "interpretive researchers seek to investigate the social world at the level of subjective experience with social reality seen as inter-subjectively composed" (Tadajewski, 2004, p. 317),

oftentimes, albeit not exclusively, deploy qualitative methods to establish new theories (Deshpande, 1983).

Depending on the study's perspective within this dissertation, the positivist and the interpretive research paradigm seem to be reasonable for studying the phenomenon of service experience. It is therefore worthwhile to follow the positivistic paradigm for evaluating and integrating experience concepts in the literature at a meta-level (Part II) and assessing the actual use of Self-Tracking Technologies in the value co-creation process through a customer perspective (Part IV) in order to verify and confirm the existing body of knowledge. For eliciting current customer experience management practices at the level of business experts (Part III) and assessing mental models of service experiences at the level of consumers (Part V), on the other hand, it is more appropriate to use discovery-oriented interpretivist methods to contribute to the development of new theories and concepts. As a consequence, both research paradigms are used to synthesize and refine existing knowledge and to contribute to cultivate new theory components. An overview of the philosophical as well as the resulting methodological origins of the particular articles is illustrated in Figure 2.

Objectives

In recognition that service science is stimulating a shift toward the creation of relational service experiences which determine customers' value-in-use, this dissertation aims to theoretically and methodologically extend the current body of knowledge by applying four distinct perspectives as well as four distinct methods.

In light of the current lack of clarity, the dissertation adopts four different perspectives to illuminate the prevailing state of knowledge. In an effort to unify commonalities, Part II is conceived to address the fragmentation of experiential concepts by showing that several distinct concepts have emerged from a meta-

perspective. Building upon these insights, Part III is designed to capture customer experience management practices and further unveil how service organizations approach implementation of customer experience by adopting a provider perspective. Implicitly addressing service experience from a customer perspective, Part IV is intended to show how Self-Tracking Technologies provide tools for customers and providers to stimulate co-creation opportunities. Taking a customer perspective, Part V seeks to elicit customer perceptions of service experiences.

Adopting and extending the methodological scope of existing contributions, the methods used range from literature review in Part II, grounded theory in Part III, conceptual development in Part IV, and the Zaltman Metaphor Elicitation Technique (ZMET) in Part V, representing the methodological diversity of this dissertation. The latter enriches academic research in general as it is a promising technique for marketing scientists to elicit customer perceptions of service experiences. Although scholars have praised ZMET as an innovative research method to advance current knowledge in academia (e.g. Hancock & Foster, 2019), research is scarce. In addition, although a focus on service science and marketing is articulated, the dissertation incorporates literature from other disciplines such as organizational science, psychology, and management.

Practical Relevance

A focus on creating experience is not only prominent in research. In fact, for many decades now, practitioners and some of the most successful companies in the world have proclaimed the pursuit of excellent experience as a key management objective. Beginning in the late 1990s, for example, market leaders such as Amazon began to openly communicate their ongoing "obsession" of providing the best experience for both on and offline consumers (Qualtrics, 2018). Since then, the success of Amazon has been remarkable, as the organization has been able to gradually expand its dominance and become one of the most valuable companies in the world (Bloomberg, 2019). Similarly, in 1997, Steve Jobs emphasized the importance of customer experience for Apple by saying: "You've

got to start with the customer experience and work backwards to the technology. You can't start with the technology and try to figure out where you're going to sell it." Following this path, many other market leaders such as Marriot, Google or McKinsey have now established roles such as Chief Experience Officer, Customer Experience Manager or Global Customer Experience Leader to manage the creation and management of experiences.

Article Summary and Publication Process

Article I: Four Decades of Experience Research: A Systematic Review, Synthesis and Research Agenda

Lukas Fischer and Peter Maas

Although the importance of experience in marketing has been recognized many decades ago, the discipline and its related subfields are struggling to reach a satisfactory level of maturity for experience concepts. As a result, various experience concepts have emerged over the years, some of which are used interchangeably. However, due to different theoretical underpinnings as well as differences in their philosophical roots, this has led to conceptual fragmentation rather than clarity. In a quest to intertwine existing concepts and uncover clarification opportunities, our study draws on a systematic literature review to identify 132 experience-based studies. The literature review identifies four different experience concepts, namely *consumption experience*, *customer experience*, *service experience*, and *consumer experience*. Building on this review, the authors propose that future research efforts should be unified under the concept of consumer experience, in which the consumer is the focal unit of analysis. Implications of so doing are twofold. First, the concept of consumer experience offers multidisciplinary access to the phenomenon, particularly useful due to the complex nature of experiences. Second, consumer experience currently focuses on the experience of consumer-objects dyad and sensory experience, which seizes a timely focus in a digital world and includes promising methodological approaches

from fields such as neuroscience to capture experience at the neuronal level. Beyond its theoretical implications, the paper serves as a good starting point for managers who want to improve their customers' experience and, on a broader level, for managers who want to implement strong consumer-based strategies.

This article has been published in the Working Paper Series of the Institute of Insurance Economics at the University of St. Gallen, where it appears as No. 249. An earlier version of the paper was presented at the SERVSIG 2020 conference in Brisbane, Australia. A management-oriented version of this article was published in I.VW Management Information 42(1), 3-5.

Article II: Customer Experience Management in Service: An Empirical Exploration of Organizational Success Factors and Service Characteristics

Lukas Fischer and Peter Maas

Although customer experience management has been advocated by managers and practitioners, uncertainty with regard to the concept's characterization and a lack of empirical verifications remains. As a consequence, many managers are still struggling to create compelling customer experiences or even understand what characterizes them. Addressing the concept's fuzziness, the paper draws on SDL and institutional theory in order to conceptualize customer experience management in which SDL serves to guide the process-related design of our CEM framework and institutional theory to outline current institutionalization of business practices and organizational forms as well as departments. Using grounded theory, 24 semi-structured, in-depth interviews with experts and managers of financial service organizations were conducted. Extending current concepts by adding organizational structure as a central component of effective customer experience management is the main theoretical contribution of this study. For example, because of its boundary-spanning nature, customer experience management is more likely to succeed if it is a top

management priority, as opposed to just a departmentalized responsibility. On that note, managers can use these insights to propel current customer experience management practices by equipping customer experience departments with power and authority to facilitate change.

This article has been published in the Working Paper Series of the Institute of Insurance Economics at the University of St. Gallen, where it appears as No. 250. It is currently being prepared for submission to the Journal of Service Management. Earlier versions of the paper have been presented at Frontiers in Service Conference 2020 in Boston, USA, and the ICMI Conference 2019 in Bournemouth, GB. A management-oriented version of this article was published as a chapter in the book "Kooperative Dienstleistung" (Fischer & Maas, 2019).

Article III: The Role of Self-Tracking Technologies in Value Co-Creation: A Customer Dominant Logic Perspective for Health-Related Activities

Lukas Fischer, Peter Maas and Martin Bieler

Recent technological developments provide promising evidence that Self-Tracking Technologies (STTs) enable service organizations to design co-creation opportunities. While the implications of technology on service science and society at large have long been established, it remains unclear how customers currently use STTs. Likewise, although research about co-creation processes has advanced greatly over the last decade it is still largely unknown how STTs influence these processes from a customer perspective. In light of these shortcomings, this article contributes to research by proposing a conceptual model of the role of STTs in value co-creation for health-related activities. The key takeaway of this paper is that STTs enable a more genuine CDL perspective. STT capabilities are based on customer data and facilitate as well as enable the combination and transformation of customer resources by visualizing the customer's data points. This enables the customer to combine different customer

activities into a network of activities to meet their objectives more holistically. In addition, the article shows that managers can use STTs as a mechanism for co-creation. Personalizing health-related activities, motivating customers or applying interventions, and educating customers open new co-creation opportunities to address health-related activities.

This article is currently in preparation for the third round at the Journal of Services Marketing, where it has passed the second review stage.

Article IV: The Fine Line Between Co-Creation and Co-Destruction: Mapping Customers' Oppositional Mental Models During Service Experiences

Lukas Fischer

Following SDL, value is generally conceptualized as co-created, however, according to recent contributions, a debate has emerged that value can also be co-destroyed. While service science has begun to understand the underlying processes of co-creation and co-destruction through a resource integration lens, it is still unclear how customers evaluate (or perceive) different sets of activities and which implications these perceptions have on the overall service experience. This is where the paper contributes. First, the author offers a methodological contribution by applying the Zaltman metaphor elicitation technique (ZMET), a metaphorical interviewing technique developed to uncover deep-seated customer perceptions of service experiences in a scientific study. Second, the dichotomy of co-creation and co-destruction suggests that provider activities are perceived as either explicitly good or bad. To date, however, due to a lack of holistic models, little is known about what stimuli trigger co-creation and co-destruction judgement and whether customers' mental models affect such evaluation. Drawing on customers' mental models, the paper postulates that co-creation and co-destruction are sometimes only separated by a thin line. Specifically, by adopting a customer perspective, we show that customer

perceptions about provider activities stimulate two opposing mental models on a micro-dyadic level, namely a co-creative and a co-destructive mental model. Both pathways are relative to perceived goal fulfillment, but perceptions of the provider activity may be more important than actual goal fulfillment in some cases. Second, we offer the first process model for resource mobilization, conceptualizing customers' willingness and ability to mobilize customer resources as a necessary condition for resource integration. Thus, mental models direct both present as well as future co-creation and co-destruction processes. Our framework should enable providers to ensure that co-creation paths are followed and co-destruction paths are prevented.

This paper is currently under review for publication in the Journal of Services Marketing.

Implications and Future Research

Adopting multiple perspectives throughout this dissertation has yielded three major implications. First, while providers focus much more on touchpoints to manage experiences (Part III), customers are less concerned with touchpoints per se and more concerned with how value emerges or vanishes as a result of experiences in their lives through use of the service (Parts IV, V). It is not our intention to suggest that provider should not focus on touchpoints, but rather to say that they need to be aware of the customer's point of view, otherwise they run the risk of being overly focused on singular touchpoints. Touchpoints are an important transmitter, but only one facet for value co-creation from a customer perspective. Providers need to understand how their service as a whole contributes to the value customers create in their everyday lives.

Second, although the last two decades have produced a considerable body of knowledge, it has become clear that innovative methods can stimulate theory building as previous efforts have fallen short of making progress. As such, Part III added organizational structure as an important part of customer experience

management in service, and Part V called for a more holistic conceptualization that includes co-creation and co-destruction, as the two are interrelated, mutually dependent, and often separated by only a thin line. Needless to say, the application of discovery-oriented methods needs to be taken up by further empirical investigations in order to refine and verify the insights gained. In this sense, the dissertation is also intended to encourage researchers to take our results as a basis, to reflect on them critically, and to develop them further.

Third, the field of experiential research has a long tradition and thus also a huge legacy. This is good and bad news. Although researchers can build on a large body of knowledge, they need to carefully clarify which terminology they follow rather than using terms and concepts interchangeably. The choice of experiential terminology is important since it guides the underlying assumptions and theoretical perspectives on the phenomenon (Part II). In that vein, future research may continue to consolidate the existing literature and streamline taxonomies for mutual progress toward a common goal.

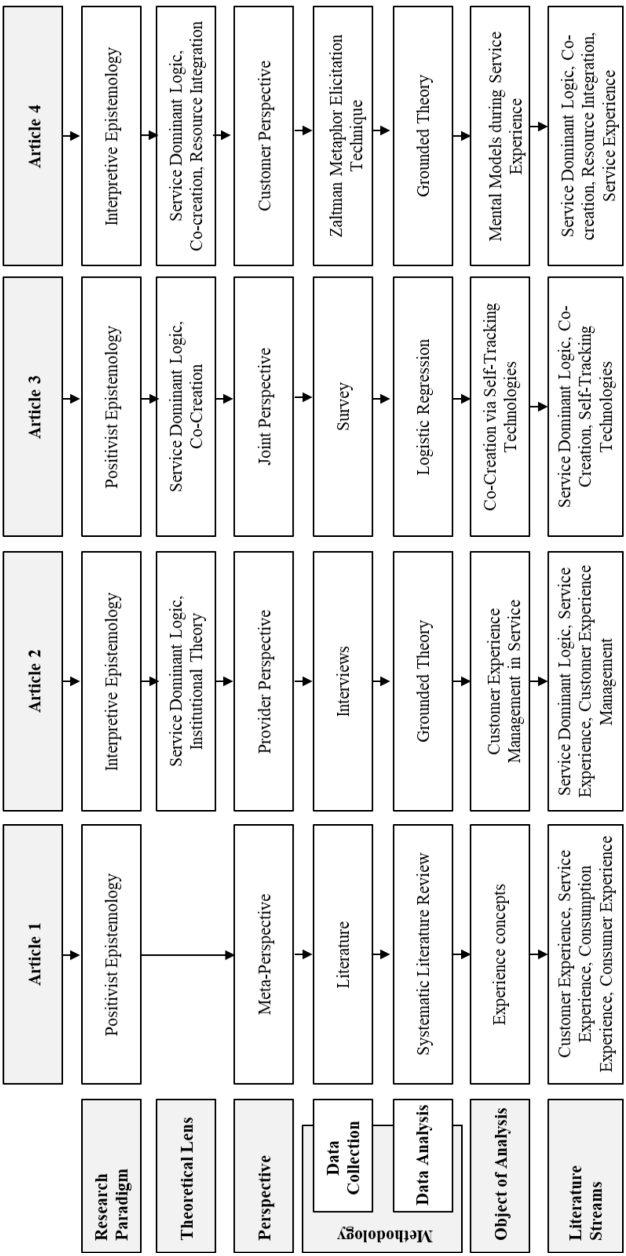


Figure 2. Philosophical, Theoretical and Methodological Localization

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II Four Decades of Experience Research: A Systematic Review, Synthesis and Research Agenda

Lukas Fischer and Peter Maas

Abstract

Almost four decades of experience-related research has yielded considerable insights. In fact, a broad array of experience studies has been published, anchored in a diverse set of theoretical foundations, leaving theory and practice fragmented. This has recently led researchers to question the construct's validity. Drawing on a systematic literature review, the present manuscripts' main contribution is to show that four distinct experience concepts have emerged. These concepts are consumption experience, customer experience, service experience, and consumer experience. Surprisingly, scholars often use these terms interchangeably, without any conceptualization, implying that no differences exist. However, the review reveals that differences exist and do matter. Second, given the complexity of the experience phenomenon, consumer experience is presented as an integrative concept, which suggests the consumer as a joint unit of analysis that facilitates collaboration among multiple disciplines. Ultimately, the integration of new methods and perspectives may contribute to achieving breakthroughs in experience-related research.

Introduction

Creating superior experience has become a major management priority. For instance, since the late 1990s, Amazon has been openly communicating their "obsession" to provide the best experiences to both on- and offline customers (Qualtrics, 2018). Today, Amazon is one of the most valuable companies in the world (Bloomberg, 2019). In a similar vein, Steve Jobs stressed the importance of customer experience for Apple in 1997 by saying: "You've got to start with the customer experience and work backwards to the technology. You can't start with the technology and try to figure out where you're going to sell it." Today, many other market leaders such as Marriot, Google, or McKinsey have followed down this path and set up roles, e.g., chief experience officer, customer experience manager, or global customer experience leader, for those responsible for creating and managing experiences. One reason for the growing need to actively manage experiences is that "customers now interact with firms through myriad touch points in multiple channels and media, resulting in more complex customer journeys" (Lemon & Verhoef, 2016, p. 69). Along the same line, experience-related research has gained traction in marketing and experience has, in recent years, become a major buzzword. The growing importance of experience research in marketing is reflected by the concept's inclusion in the Marketing Science Institute's 2012 – 2014 and 2016 – 2018 research priorities (MSI, 2012, 2014). Moreover, special issues addressing experiences have appeared in leading journals, including the *Journal of Retailing* (2009) and *Journal of Business Research* (2020).

Currently, research about experience is characterized by fragmentation and infrequent collaboration among disciplines. For instance, the marketing discipline focused on topics such as customer experience management (Homburg, Jozić, & Kuehnl, 2017), customer journey (Kuehnl, Jozic, & Homburg, 2019; Lemon & Verhoef, 2016), or customer engagement (Kumar, Rajan, Gupta, & Pozza, 2019; Pansari & Kumar, 2017). Consumer research, by contrast, has

addressed topics such as hedonic consumption (Hirschman & Holbrook, 1982; Holbrook & Hirschman, 1982), emotions (Havlena & Holbrook, 1986; Mano & Oliver, 1993; Richins, 1997), or peak experience (Arnould & Price, 1993; Celsi, Rose, & Leigh, 1993; Schouten, McAlexander, & Koenig, 2007). Almost complementarily, service research has stressed service design (Patrício, Fisk, Falcão e Cunha, & Constantine, 2011), and experiential value creation (Chandler & Lusch, 2015; Helkkula, Kelleher, & Pihlström, 2012). This fragmentation suggests the need for a more unified outlet that builds on existing insights, but at the same time recognizes the different underlying foundations.

However, despite nearly four decades of research, managers are still struggling to create compelling experiences or even understand what characterizes them. One reason for the struggle is "that it is defined so broadly – so 'holistically' – as to exclude almost nothing; it has become the theory of everything" (Maklan, Antonetti, & Whitty, 2017, p. 93). What is more, there is a lack of conceptual clarity, a divergent set of theories, and inconsistent empirical findings. As a result, research has begun to question the validity of the experience concept (Kranzbühler, Kleijnen, Morgan, & Teerling, 2018). In fact, the articles obtained in our literature review refer to four major experience concepts: consumer experience, consumption experience, customer experience, service experience. These concepts are often used interchangeably, implying that no differences exist. By contrast, we argue that differences do exist and do matter. In addition, while three literature reviews on customer experience have been published since 2018 (Becker & Jaakkola, 2020; De Keyser, Verleye, Lemon, Keiningham, & Klaus, 2020; Kranzbühler et al., 2018), there is no review that specifically considers the above four concepts as distinct (**Error! Reference source not found.**). Moreover, Kranzbühler et al. (2018) included 37% additional studies in their review based on cross-referencing. Similarly, De Keyser (2020) included 40% additional manuscripts based on cross-referencing. By contrast, our review includes only 5 additional studies that were necessary to establish the new research stream about consumer experience, which has received comparatively little attention.

To address these issues, the aim of this paper is to present the findings of a systematic review that focuses on the following research question: What is consumption experience, customer experience, service experience, and consumer experience? How can future research be streamlined?

The purpose of this article is to bring together the existing research on the above-mentioned experience constructs from marketing and business, to understand their origins and roots, to structure dominant debates, and to identify critical gaps. The findings are presented in an overview that includes the four experience concepts, prevailing debates and propositions (Figure 4). Based on that, we lay out a future research agenda for disciplinary research avenues (i.e. consumption experience, customer experience, service experience) and multidisciplinary research avenues. The latter offers an integrative consumer experience framework, and suggest emphasizing research about the relatively understudied construct of consumer experience. A clear distinction among the four concepts may contribute to the validation of the concepts through consistent usage and facilitate the advent of more focused and more empirically driven research initiatives. In addition, research about consumer experience is able to contribute to build generalizable theory in providing an integrative multidisciplinary research outlet with openness toward adjoining disciplines by focusing on the consumer as a joint unit of analysis. Those insights are generalizable in the way that consumer-based insights are not conditional to specific markets or firms (Hamilton, 2016).

Methodology

Identification of Relevant Articles: We conduct a systematic literature review to minimize biases (Tranfield, Denyer, & Smart, 2003) by using an objective, replicable, and transparent five-step processes inspired by Kranzbühler *et al.* (2018). We sourced articles from EBSCO's Business Source Elite database, a well-known database for business-related contributions. Drawing on previous studies, we reviewed three experience-related systematic literature reviews to become familiar with relevant keywords (Becker & Jaakkola, 2020; De Keyser et

al., 2020; Kranzbühler et al., 2018). The most common keywords in these reviews were “customer experience”, “consumption experience”, “consumer experience”, and “service experience”. Therefore, we included these keywords in our search thesaurus by requiring them to appear either in the title, abstract, or keywords. This search yielded a total set of 15.410 articles.

We further limited the selection criteria to increase relevance and quality for our study. As such, we were only interested to synthesize articles from top academic journals with outstanding impact to increase the robustness of our findings, because we saw many articles reciting well-known applied writings repeatedly (e.g. Meyer, C., & Schwager, 2007; Schmitt, 1999), providing limited additional value to the overall experience debate. Moreover, it seemed arbitrary to overly rely on applied writings as the whole experience field sees currently a lack of breakthroughs. Thus, we have attempted to narrow our literature search rather than broadening it to increase the quality. As a result, we only included English peer-reviewed academic articles published in marketing and business journals with an impact factor above 4.5. To identify these journals, we used the 2019 Journal Citation Report Business and Management. This yielded a total set of 310 articles which were published in six academic journals and were included into our review for screening.

Moreover, we were interested in studies focusing on experience as a core topic. Thus, the titles and abstracts of the remaining articles (n=310) were carefully screened to assess whether an article delivers findings beneficial for our research purpose. As a result, 122 articles were excluded, which were too narrow in scope or did not or only tangentially focus on experience. The remaining 183 articles were considered for full text eligibility. Further limiting the inclusion criteria, we read all 183 articles and excluded all articles (n=56) which did not provide a definition and/or description of one of experience concepts. Since consumer experience has received comparatively little attention in research, we have

included 5 additional articles from other journals than our preselection. In total, 132 were included in our review (Figure 3).

Article Coding: After reading, all 132 studies were coded with respect to the four keywords used in our search term, "customer experience", "consumption experience", "consumer experience", and "service experience" and analyzed accordingly.

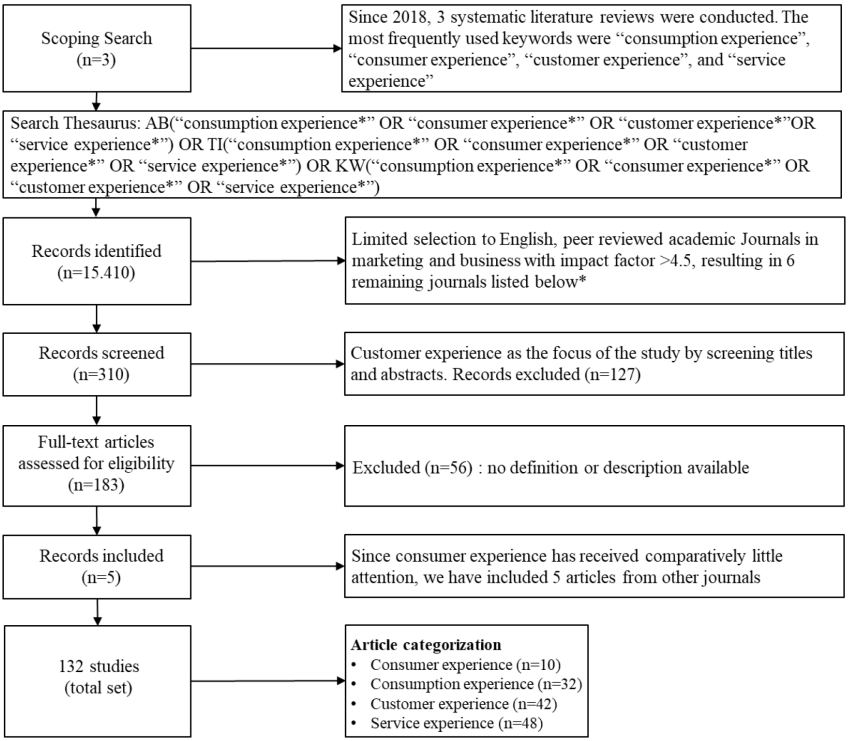


Figure 3. Systematic Literature Review Search Strategy

Results

Our goal was to bring together and synthesize the important debates and contributions within the four dominant experience concepts. As such, in order to organize the discussion in the further course of our manuscript, the concepts consumption experience, customer experience, service experience, and consumer experience are delineated, respectively (Table II). It is not the intention of this study to suggest that the cluster is mutually exclusive or collectively exhaustive. Rather, the study seeks to cluster the dominating debates and summarize them in a lucid manner to identify important gaps for future research.

Consumption Experience

The literature included in our literature review about consumption experience can mainly be arranged along four major debates. In the remainder of this section, each of the literature streams will be discussed in more detail. Overall, consumer research has been concerned mostly with psychological effects that result from the consumption/use of a product or service.

Extraordinary consumption experiences: Literature about extraordinary consumption experience has yielded related yet distinct psychological concepts of experiences. In essence, all concepts can be distinguished by their intensity and their relational status (subjective/individual vs. collective experience). Outstanding consumption experience is oftentimes described as an escape from "everyday realty" (Belk & Costa, 2002, p. 219), "rules, contraptions, and stresses of daily life" (Belk & Costa, 2002, p. 234), "structure" (Tumbat & Belk, 2010, p. 46), or as an "interlude from the ordinary" (Unger & Kernan, 1983, p. 383). Research streams include but are not limited to flow experience (Csikszentmihalyi, 1990), extraordinary experience (Arnould & Price, 1993; Tumbat & Belk, 2010), transcendent experience (Schouten et al., 2007), ecstatic experience (Belk, Wallendorf, & Sherry, Jr., 1989), and leisure experience (Unger & Kernan, 1983). Extraordinary experiences, for instance, are distinguished from other concepts by

their interpersonal relationships and are characterized by a high level of emotional intensity and the novelty of the experiences making expectation formation vague (Arnould & Price, 1993; Tumbat & Belk, 2010). By contrast, flow experiences tend to emerge from repetitive, ordinary activities. The concept of transcendent experience merges flow and peak experience as both concepts include elements for transcendence (Schouten et al., 2007).

Hedonic/aesthetic needs: Literature about hedonic/aesthetic consumption experience highlights its imaginal-emotive response of product/service usage. Experience theorists (Holbrook & Hirschman, 1982, p. 132) pioneered prior work about experiential elements of consumption, describing experience as a "primarily subjective state of consciousness with a variety of symbolic meanings, hedonic responses, and aesthetic criteria." Further dimensions and characteristics have been elaborated upon, e.g., emotional states of pleasure and play (Holbrook, Chestnut, Oliva, & Greenleaf, 1984). Experiential consumption elements are said to determine a shift from observable buying behavior to mental as well as emotional states of consumption being phenomenological in spirit, autolectic in nature, have linked experience to cognition, affection, (sub-)consciousness (Hirschman & Holbrook, 1982; Holbrook & Hirschman, 1982), and trigger the imagination of humans' mental experiences, especially during fantasy (Martin, 2004). While Mano and Oliver (1993) assess the post-consumption experience, most attention has been devoted to "usage experience" (Havlena & Holbrook, 1986; Hirschman & Holbrook, 1982, p. 97).

Hedonic needs (e.g., aesthetic, pleasure, experiential) of consumption complement consumer's utilitarian needs (e.g., functional, practical). However, they are underpinned by different motives and outcomes. Empirically contrasting hedonic with utilitarian consumption motives shows that substantial differences of the evoked type and the intensity of the emotional experience exist (Chitturi, Raghunathan, & Mahajan, 2008; Naylor, Kleiser, Baker, & Yorkston, 2008).

Naylor et al. (2008) show that transformational appeals increase hedonic and symbolic benefits; however, the authors did not show effects for utilitarian benefits; further, Chitturi et al. (2008) demonstrate that exceeding consumers' utilitarian needs influences satisfaction and exceeding consumer's hedonic needs influences delight more strongly.

Affective states/emotional responses: Although similar, affective states and emotions are not equivalent. Further, although the majority of the studies obtained into our literature focus on emotions rather than affective conditions, many scholars have used the terms interchangeably (Bagozzi, Gopinath, & Nyer, 1999). While scholars do not agree on precise definitions of emotions, moods, and feelings, it is widely accepted that affect is the overarching concept. Many studies have found emotional states to be an important response to consumption experiences. Thus, major focus has been placed on measuring emotions arising during the consumption experience. Besides developing and testing scales to capture emotions, research has refined and begun to empirically measure particular emotions such as enjoyment and pain during consumption experience. In this vein, Cowley (2007) shows interfering effects of consumers when retrieving an affective reaction and uses it as a proxy. Mandel and Nowlis (2008) demonstrate that predictions about the outcome of an experiences is moderated by the degree of uncertainty surrounding an outcome as consumer's enjoy events significantly less in uncertain environments. The authors explain the effect with anticipated regret. Moreover, Holbrook et al. (1984) give indications about the important role of competence in the enjoyment of games, and Rahinel and Redden (2013) identify a "matching effect," making joint consumption of products from the same brand more enjoyable.

Learning through product-related experience: Scholars in this rather narrow research stream have consensual foci on consumer learning from product-related experience. As such, several learning concepts have been delineated and contrasted in a product consumption experience context. In a four-stage model,

Hoch and Deighton (1989) contrast rather passive learning methods such as education with active (or interactive) experiential learning methods. Consumer learning is described as the process of hypothesis testing (Hoch & Deighton, 1989). Advantages of experiential learning may be higher motivation/involvement, promotion of better memory, and a tendency to have a greater directive influence on behavior (Hoch & Deighton, 1989). However, managers are not able to control the experiential learning content, which is easily possible in consumer education. Moreover, object interactivity may trigger false memories (Schlosser, 2006).

Alba and Hutchinson (1987) differentiate between familiarity, defined as accumulation of consumer's product-related experience, and expertise, defined as a consumer's capability to accomplish product-related tasks. Moreover, product experience can be obtained indirectly, e.g., through product advertising, or directly, e.g., through product trials in pre-purchase or by using a product in post-purchase (Hoch, 2002; Hoch & Deighton, 1989; Hoch & Ha, 1986; Moore & Lutz, 2000; Schlosser, 2006). Thus, consumers' preferences may be different for direct and indirect experiences. Drawing on construal level theory, Kwortnik and Thompson (2009) show that direct and indirect product experience may "result in different levels of mental construal and product preferences." Other scholars have distinguished between personal experiences and education. While personal experience is characterized by its "engaging," "nonpartisan," "pseudodiagnostic," "vivid," and "endogenous" nature, "education involves the imparting and acquiring of general knowledge and the development of reasoning and judgment," is "didactic," "pallid" in nature. According to literature, personal experience may be seductive due to its receptiveness for various construal (Hoch, 2002, pp. 448, 452).

Proposition 1: The concept of consumption experience is phenomenologically rooted predominantly in consumer behavior and occurs during the act of consuming/using a product or service.

Customer Experience

Customer experience research typically focuses on firms' marketing activities with the intend of creating customer experience. Despite minor variations, customer experience scholars consistently elaborate and report five key dimension of customer experience: behavioral (or physical); affective (feelings and emotions); sensory (sensation or perception); intellectual (cognitive or rational); and social. Moreover, scholars highlight the construct's holistic, multidimensional, interactional, and subjective nature (Brakus, Schmitt, & Zarantonello, 2009; Lemon & Verhoef, 2016; Verhoef et al., 2009).

Customer experience management: In essence, customer experience management constitutes businesses' strategies to actively channel and manage customer experience towards customers. Customer experience management can be considered at the broadest level "the cultural mindsets toward CEs, strategic directions for designing CEs, and firm capabilities for continually renewing CEs, with the goals of achieving and sustaining long-term customer loyalty" (Homburg et al., 2017, p. 384). In a more narrow sense, customer experience management has seen the development of management tools and suggested touchpoint design strategies for brand-owned, customer-owned, partner-owned, and social/external touchpoints, effective customer journey design for various purchase stages, or alliance management to manage the network with partners (Kuehnl et al., 2019; Lemon & Verhoef, 2016; Tax, Mccutcheon, & Wilkinson, 2013). The customer journey concept has been critical for conceptualizing customer experience management (Lemon & Verhoef, 2016; Siebert, Gopaldas, Lindridge, & Simões, 2020). Story *et al.* (2020) propose six experience management strategies for service ecosystems that emerge from a two-dimensional framework of visibility and synchronization. All marketing tools pursue the ultimate goal of creating value for both customers and firms (Grewal, Levy, & Kumar, 2009). Beyond the B2C context, newer studies have also conceptualized customer management strategies

for the B2B context (Witell et al., 2020) and linked customer experience to business model innovation (Keiningham et al., 2020).

Online customer experience: A growing body of literature examines the online customer experience; overall, however, until now the literature on the online customer experience has been limited. Melis, Campo, Breugelmans, and Lamey (2015), for instance, show that online customer experience can influence online store choice. Novak, Hoffman, and Yung (2000) measure the online customer experience in a flow model and investigate the impact of website design on its impact on the customer's experience. Similarly, Bleier et al. (2018) propose 13 design elements and define four dimensions of online customer experience (informativeness, entertainment, social presence, and sensory appeal). As an innovative approach to measure online customer experience, text-mining has been suggested with essentially five value creating elements (McColl-Kennedy, Zaki, Lemon, Urmetzer, & Neely, 2018; Ordenes, Theodoulidis, Burton, Gruber, & Zaki, 2014).

Retail context: The retail context has gained attention within the customer experience research stream and specifically highlights the atmospheric and social dimension of the retail customer experience (Puccinelli et al., 2009; Verhoef et al., 2009). Puccinelli et al. (2009) focus on seven debates from consumer behavior: (1) goals, schemas, and information processing; (2) memory; (3) involvement; (4) attitudes; (5) affect; (6) atmospherics; and (7) consumer attributions and choices. Verhoef et al. (2009) highlights the need for multichannel strategies and longitudinal models to capture the retail customer experience. In this vein, Rose, Clark, Samouel, and Hair (2012) identifies antecedents, components, and outcomes of online customer experience in e-retailing; further, Melis et al. (2015) found that past online experience has a mediating effect on online store choice. Further research has refined and begun to measure specific facets of the retail customer experience such as marketplace rituals (Otnes, Ilhan, & Kulkarni, 2012),

bodily experiences (Möller & Herm, 2013), and transformational appeals (Naylor et al., 2008).

Brand experience: The brand experience research stream is a rather small and narrow research stream, which is characterized by accepted conceptualization as well as operationalization. Brand experience explicitly emphasizes brand-related touchpoints and neglects the social dimension of customer experience. Most notably, Brakus et al. (2009, p. 53) define "brand experience as subjective, internal consumer responses (sensations, feelings, and cognitions) and behavioral responses evoked by brand-related stimuli that are part of a brand's design." A brand experience scale has been developed, which includes four dimensions: sensory, affective, intellectual, and behavioral. The scale demonstrates that brand experience affects loyalty and satisfaction. Unlike effective customer journey design, brand experience has been proposed to address rather "desirability of why" aspects in contrast with "feasibility or "how" aspects (Kuehnl et al., 2019, p. 553).

Proposition 2: The concept of customer experience is rooted mainly in marketing literature and conceptualized as interactive, holistic, multidimensional, subjective responses to firms' brands or offerings, including five dimensions: behavioral (or physical), affective (feelings and emotions), sensory (sensation or perception), intellectual (cognitive or rational), and social.

Service Experience

Within the service literature, the controversial debate about what service actually is has coined the academic discussion. The literature review reveals that the S-D logic is the dominating theoretical foundation of most contemporary research about service experience.

Service experience design: One avenue of research identifies service design as the antecedent of service experience to ultimately create value. Experience design (Zomerdijk & Voss, 2010) has been proposed as a concepts for designing services. Traditionally, service design approaches have adopted a rather

product-orientated view (e.g., organizing people, designing product features) with service reliability and service quality as an outcome. By contrast, contemporary research has adopted a more customer-centric view with service experience using dramaturgical metaphors of scripting, staging, and acting service experiences (Edvardsson, Enquist, & Johnston, 2005; Zomerdijk & Voss, 2010) and by applying concepts such as customer journey as well as service encounter (Patrício et al., 2011; Zomerdijk & Voss, 2010). According to scholars, this view is more in line with S-D logic, acknowledging that experiences cannot be designed but only design features that evoke experiences (Vargo & Lusch, 2004, 2008). From an experience perspective, it is said that this requires service organizations to acquire knowledge about customers, actively integrate customers into the design process or anticipate customers' needs, and to accept the lack of control about the outcome (Edvardsson et al., 2005). While some scholars have developed design propositions (Zomerdijk & Voss, 2010) based on real case studies, others have developed single case-study-based design approaches such as multilevel service design (Patrício et al., 2011), service experience blueprinting (Patrício, Fisk, & Falcão E Cunha, 2008), or designing hyperreality rooms for pre-purchase service experience (Edvardsson et al., 2005).

Experiential value creation: Value creation plays a vital role in marketing, particularly in the service marketing domain and has rendered fundamental research activities across the last two decades, most notably through the introduction of S-D logic. Besides a focus on *value-in-use* through service, contemporary research builds upon S-D logic ("value is idiosyncratic, experiential, contextual, and meaning laden" Vargo & Lusch, 2008, p. 7) and has proposed several components of value. One component is *value proposition*, which is defined as "invitations from actors to one another to engage in service" be it economic, financial, or social engagement (Chandler & Lusch, 2015, p. 7). Helkkula et al. (2012, p. 59) characterize the concept of *value in experience* in which "value resides not in the object of consumption but in the experience of consumption" and incorporates not only present (use) but also past and future

(imaginary) experiences as well as consumers' context. Furthermore, Blocker and Barrios (2015) identify two types of value: habitual and transformal. Findings of the ethnographical study highlight the role of holistic value creation, antistructural servicescape, and communal service practices. Value is socially constructed and unfolds through interactions and experiences evoked by senses.

Interactional service experience: There is much agreement within the service literature that service encounters are essential for the service experience to come alive. As such, the service encounter is sometimes referred to as "moment of truth" (Zomerdijk & Voss, 2010), as it is the essential moment "whereby the customer coproduces value through interaction with the organization's service delivery systems" (Tax et al., 2013, p. 454). Generally, consumption and production of service evolve through a series of interactions between the service organization and the consumer (Hui & Bateson, 1991); others have described service encounters as a sequence of events (Verhoef, Antonides, & de Hoog, 2004) or "a period of time during which a consumer directly interacts with a service" (Bitner, 1990, p. 70). "Separately or collectively, the myriad elements found at a service encounter may affect the quality of customer/service provider interaction and, ultimately, the customers' service experiences" (Grove & Fisk, 1997). Experience rooms have been identified as special forms of servicescapes intended to create hyperreality through "through a simulated reality" (Edvardsson et al., 2005, p. 151). Chandler and Lusch (2015, p. 12) have distinguished servicescapes and service encounters from service experience stating, "both of these have specific boundaries; they have beginnings and endings, while a service experience does not."

Proposition 3: The concept of **s**ervice experience is rooted mainly in service literature, and conceptualized as interactional, relational, contextual in nature and crucial for experiential value-creation.

Consumer Experience

Consumer experience as a notion has already been used to encompass experience research on the broadest level, including links to adjoining disciplines such as biology, neuroscience, or psychology. As such, consumer experience offers good conditions in which to provide a multidisciplinary outlet with openness to adjoining disciplines because it focuses on the consumer as joint unit of analysis. By focusing on consumers as an analytical unit, insights get generalizable beyond company-customer relationships. Yet, overall, the literature on the consumer experience has been limited until now. In summary, the literature describes consumer experience as emergent, holistic, multidimensional, and interactive (Hoffman & Novak, 2018; Thompson, Locander, & Pollio, 1989) with a common focus on consumers (Hamilton, 2016). In the following, we have selected two interesting areas of inquiry from the consumer experience literature to demonstrate our case. On this basis, we offer a future research agenda to address issues within the consumer experience research stream.

Consumer–object experience: In the age of increasing number of smart objects, interesting questions arise as to how the interplay of consumers and smart objects affect the consumer experience. Philosophy and biology offer a vivid starting point to conceptualize consumer–object assemblages with smart objects. Hoffman and Novak (2018), for instance, refer in their studies to the consumer experience with smart objects to assemblage theory from philosophy to conceptualize consumer–object assemblages with smart objects. By drawing on biology, the paper further delineates three levels of experience, i.e., basic, aware, and conscious (Chalmers, 2018; Hoffman & Novak, 2018; Vaneechoutte, 2000). Yet, in another paper by the authors, their consumer experience conceptualization with smart objects has been further modified by focusing on the relationship journey metaphor as consumer's responses to relations with smart objects (Novak & Hoffman, 2019). The idea of consumer–object experience in which intelligent objects are also regarded as consumers inspires new thinking.

Sensory consumer experiences: New emerging fields of research such as consumer neuroscience will have a severe impact on marketing. A main contributing factor is technological progress, which makes knowledge about biological processes and human senses more accessible for marketers (Plassmann, Yoon, Feinberg, & Shiv, 2010; Shaw & Bagozzi, 2018). In fact, Achrol and Kotler (2012, p. 37) delineate that insights about the senses are able to revolutionize marketing as a whole and consumer experience research in particular "as the senses are the vehicles by which we experience the world." The authors highlight a shift for the field of consumer behavior research from cognitive psychology (study of mind) to neurological psychology (physiology of brain), with the boundaries between the two becoming increasingly blurred. Contributing domains include neuroscience, neurophysiology, cognitive psychology, and neurological psychology (Achrol & Kotler, 2012). For instance, knowledge about the creation of sensory consumer experience may contribute to establish subconscious sensorial-based trigger (Krishna, 2012). Indeed, the neurosciences offer rich opportunities to gain consumer experience insights and integrate tools and methods into marketing to ultimately gain insights into consumer behavior. Marketers may utilize fresh insights from methods such as electro-encephalography (EEG), functional magnetic resonance imaging (fMRI), magnetoencephalography (MEG), positron emission tomography (PET), single and multineuron recording, lesion studies, transcranial direct current stimulation (tDCS), and transcranial magnetic stimulation (TMS) (Shaw & Bagozzi, 2018). New skills will certainly be needed to evaluate, integrate, or empirically exploit neuroscientific knowledge. Cooperation among scholars offers a smooth option to share competences and bridge the knowledge gap.

Proposition 4: The concept of consumer experience is multidisciplinary, holistic, multidimensional, emergent, and consumer-based.

Future Research Agenda

In the following chapter, we discuss a future research agenda (Table III). For each experience concept, respectively, we selectively elaborate on some of the prompting questions. We distinguish between disciplinary research avenues (e.g. consumer experience, customer experience, service experience) and multidisciplinary research avenues (consumer experience). Both avenues of research are equally important and can provide paradigmatic insights that help advance theory and practice. The former by refining existing, well-developed knowledge; the latter by harnessing the power of multiple disciplines, which is often necessary in fragmented fields (Snyder, 2019) and by utilizing the latest technological advantages from neuroscience to unlock new insights. Although our integrative approach to consumer experience is less well developed, we constitute great potential to answer some of the remaining questions. Overall, we hope our research agenda will eliminate fragmentation, stimulate and streamline future research inquiries, and contribute to gain seminal breakthroughs in experience-related research.

Disciplinary Research Avenue: Refining Concepts Within Disciplinary Boundaries

Consumption experience: Generally, consumption has been described as unfolding cyclically along the stages of acquisition, use/possession, and disposition (Arnould & Thompson, 2005). It may be worthwhile to theorize and conceptualize the acquisition, possession, and disposition experiences of consumers and to assess to what extent they differ from the usage experience in order to account for the holistic nature of experiences. As a starting point, insights about disposition experiences, for example, may be helpful in predicting the prevailing acquisition behavior of consumers. Moreover, in a similar vein, it would be necessary to elaborate on how disposition experiences affect subsequent acquisition.

Second, with regard to outstanding consumption experiences, the question arises to what extent existing conceptualizations also apply for more mundane business contexts and not only for experience-oriented leisure activities (e.g. Arnould & Price, 1993). Questions also remain as to which extend differences among cultures, industries, and contexts exist and how far the complexity of a product/service influences the intensity of the consumption experience.

Customer experience: At first glance, the customer experience research stream seems to be relatively mature and homogenic. As such, there is large agreement within the literature about the key dimensions of customer experience (Brakus et al., 2009; Lemon & Verhoef, 2016). Acknowledging the research efforts made thus far, until today, no scale has been developed that appropriately covers the holistic, subjective, dynamic, and multidimensional nature of the customer experience. Due to a lack of understanding and measurability, many managers still struggle to create compelling customer experiences. This raises the question as to how far the current conceptualizations are adequate. As mentioned earlier, the whole experience field has evolved greatly over the last few decades. However, the next breakthrough is likely to be a major challenge. Traditionally, scales in marketing have been developed following Churchill's (1979) scale development procedure. What has now been working for many decades may no longer be valid for complex phenomena such as experiences. In times of rich data availability, a green field approach is required to test and apply new methods and thereby capture all facets of the customer experience. Companies and scholars have more customer behavior data available than ever before. Using that data, it will be essential in the future for researchers to find ways and tools to unlock the underlying meaning for the customer experience.

Moreover, digital customer experience is getting ever more important. Surprisingly, digital customer experience is a comparatively understudied field, and the literature on the concept is thus far limited. Although online customer

experience has received some attention, it would be interesting to conceptualize the digital customer experience thoroughly, as the concept is broader in scope.

Service experience: Service experience research has been severely coined by the S-D logic. While S-D logic has certainly been a strong driver in shaping service marketing in general and service experience research in particular, there is a need for strong theory building beyond S-D logic to gain new conceptual and empirical insights into service experience. Interesting questions arise, for instance, from psychology and psychological processes driving service experience. Another fruitful theoretical lens may be customer dominant logic business logic that shifts the focus to the activities of customers and to their subjective experience.

Moreover, it has been somehow established that employees of service companies are critical in delivering value to consumers and in shaping their service experiences. However, more research is needed as to what extent other sources of service encounter have an impact on the service experience and to what extent.

Multidisciplinary Research Avenue: Establishing Consumer Experience as Integrative and Multidisciplinary Outlet

Lately, the importance of expanding the view on consumers rather than customers as the unit of analysis has been proposed to render valuable insight into marketing theory and practice. In recent years, marketing scholars have begun promoting to broaden the focus in unit of analysis from customers to consumers as "consumers is a more general term; customers have a relationship with a specific organization"(Hamilton, 2016, p. 282). The focus on consumers yields the opportunity to gain strategically valuable insights about noncustomer behavior and build generalizable theory beyond the customer–brand relationship. In leveraging consumer insights rather than customer insights, firms are able to implement consumer-based strategy (Hamilton, 2016).

Consumer behavior research (MacInnis & Folkes, 2009) as well as experience-related research in marketing has been described as multidisciplinary

(Lemon & Verhoef, 2016), with many leading scholars having contributed a great deal to further broaden our understanding of experience in marketing. However, scholars of the various disciplines tend to stick to the worldviews of their disciplines, which limits unfolding the whole potential of experience orientation. As such, experience research is characterized by infrequent collaboration among multiple disciplines. One reason for the infrequent collaboration may be that conflicting "questions, paradigms, and theories" of contributing disciplines need to be considered (MacInnis & Folkes, 2009, p. 908). At that point, explicitly establishing an integrative multidisciplinary outlet with a focus on consumers as their common unit of analysis bears the potential to build generalizable theories and concepts beyond the scope of isolated disciplines (Figure 4). As MacInnis and Folkes (2009, p. 909) point out, "the world does not divide itself into areas that correspond to the disciplinary units that make up universities." Specifically, for complex phenomenon such as experiences, we propose that consumer experience may serve as an ideal multidisciplinary outlet, in the sense that marketing and its multiple subdisciplines can join forces to conduct studies on consumer experience or seek inspiration in questions and perspectives from one another. For complex phenomena, a multidisciplinary outlet may be fruitful to cover and capture all relevant facets.

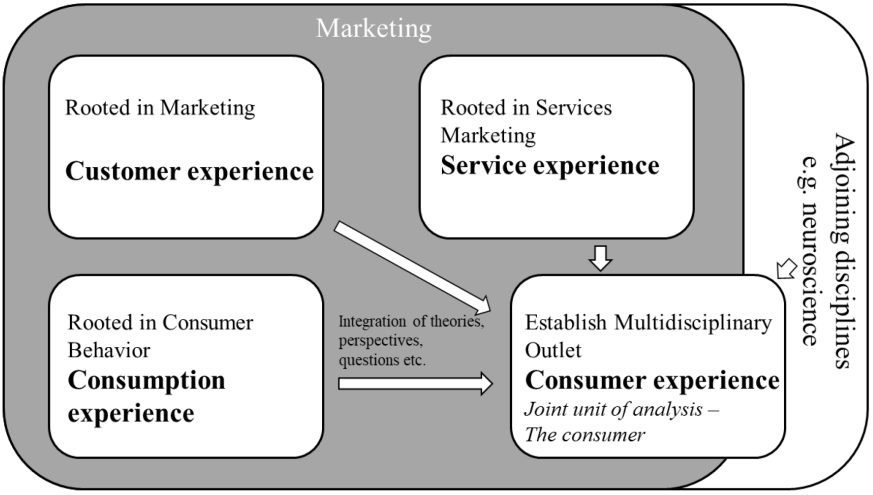


Figure 4. Integrative and Multidisciplinary Consumer Experience Framework

Consumer experience has received comparatively little attention within the literature. Nonetheless, the concept is promising, as it has established an integrative multidisciplinary outlet with openness toward adjoining disciplines in order to integrate inspiring questions, tools, and theories with a joint focus on consumers. In that sense, we have presented examples from the literature about consumer–object experience and sensory consumer experience. More theoretical and conceptual insights into how the perception of the human senses affects the consumer experience are desirable. Also, the emergent nature of consumer experience has been pointed out (Hoffman & Novak, 2015, 2018; Thompson et al., 1989). What remains is the question of how the emergent nature of consumer experience could be reflected in empirical research. Therefore, more empirical and conceptual work is needed to better understand the emergent nature of the consumer experience. Another promising sphere of inquiry may be the integration of insights from customer experience, service experience, and consumption experience into the broader consumer experience concept and establish consumer experience as the overarching construct.

Discussion

Theoretical Contribution

Researchers and companies alike have long embraced experience-related research. Over the years, however, it seems that research has become tangled up in many fragmented debates. As a result, four major concepts have emerged. Our main contribution is that our integrative review (MacInnis, 2011) highlighted the important debates and underlying foundations of four existing experience concepts, i.e., consumption experience, service experience, customer experience, and consumer experience; each concept has been summarized, respectively, including a delineation of prevailing debates and a proposition about how existing literature outlines each concept (Table II).

Second, while acknowledging the current body of knowledge, the review also revealed important research gaps and offers a detailed research agenda to clarify some of the prompting questions regarding the four distinct experience concepts. Thus, we have presented a future research agenda (Table III) in the hope of stimulating further research that is urgently needed to contribute to the maturation and validation of experience-related research. For example, recent technological advances are promising in making experience measurable at the neuronal level, which has been the greatest challenge to date in capturing all relevant facets of experience.

Third, the complexity of the field as a whole suggests to break with isolated research projects and facilitate collaboration and unravel fragmentation. In our view, the consumer experience concept offers rich opportunities for further inquiry. Consumer experience represents an outlet for multidisciplinary, boundary-spanning research, including openness toward adjoining disciplines in providing a joint focus on the consumer as an analytical unit. Ultimately, the symbiosis of research efforts of various disciplines will contribute to achieving future breakthroughs.

Managerial Implications

In presenting the current state of the art in experience research and a future research agenda, our review offers various insights for managers who are already familiar with the experience concepts and for those who are eager to utilize them. First, our review may be helpful for managers to determine which experience concept would be most appropriate for their purpose. For this reason, the present paper provides an easy starting point for any further inquiry and offers a detailed overview about the characteristics, similarities, and differences of the respective experience construct. Second, strong subsequent research about consumer experience may help to develop thorough consumer-based strategies for managers. Behavioral insights into consumers beyond the customer role may be valuable in creating pre-purchase experiences, which may ultimately have an impact on conversion rates before purchase and retention rates after purchase. Third, as experience-related research currently lacks strong longitudinal and empirical research, managers may be keen to do pioneering work in this field. For instance, by participating in longitudinal experience-related research projects, they have the unique opportunity to contribute to the development of strong empirical findings about the experience concepts and to integrate the results into their own business strategy and gain a competitive advantage.

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Appendices

Study	Goal	Method	Key Findings	Differences
Becker and Jaakkola (2020)	Developed four foundational premises of customer experience	Systematic literature review (1982-2020; n=136)	Cluster experience research into eight research areas, divided into positivist vs. interpretivist research paradigms, and four basic premises are derived	• Focus on eight distinct research domains instead of four distinct in our study • Focus on specific research paradigms within the eight fields of literature
De Keyser et al. (2020)	Nomenclature and analysis of methods used in customer experience research	Systematic literature review (1982-2016; n=143)	Identify three fundamental building blocks: touchpoints, context and quality	• Narrower time frame • Do not consider the four concepts of experience as separate • Link customer experience to meta-data • Include 40% additional manuscripts based on cross-referencing
Jain et. al. (2017)	Review of the customer experience and service experience concept	Systematic literature review (1990-2015; n=82)	Elaborate similarities and differences between customer experience and service experience	• Focus on customer experience and service experience only • Narrower time frame
Kranzbühler et al. (2018)	Examine experience literature from a customer and company perspective	Systematic literature review (1982-2015; n=115)	Identify two levels of experience (static and dynamic) and two perspectives (customer and company)	• Narrower time frame • Do not consider the four experience concepts as distinct • Do not provide propositions • Include 37% additional manuscripts based

				on cross-referencing
Lemon and Verhoef (2016)	History and connection of customer experience and customer journey research	Selective review	Offer a concept of how to conceive customer experience along the customer journey	• Selective review
This study	**Develop four propositions on how the current literature conceptualizes four separate concepts of experience**	**Systematic literature review (1982-2021; n=132)**	**Identify four distinct experience concepts** **Suggest that consumer experience can serve as a fertile outlet to enable multidisciplinary research and generate generalizable insights beyond the customer-firm relationship**	• **Wider time frame** • **More focused selection of articles (JIF >4.5)** • **Consider four experience concepts as distinct** • **Offers integrative framework to facilitate boundary spanning research**

Table I. Selected Overview of Recent Experience Reviews

Construct	Consumption experience	Customer experience	Service experience	Consumer experience
Unit of analysis	Consumer	Firm & customer	Firm & customer	Consumer
Discipline	Mainly consumer research	Mainly marketing	Mainly service research	Multidisciplinary & adjoining disciplines
Proposition	Consumers' experience during the act of consumption and usage.	Customers' holistic, multidimensional, subjective experience in response to firms' brands or offerings.	Customers' interactional, relational, context dependent experience with a service.	Consumer experience is multidisciplinary, holistic, multidimensional, emergent, and consumer-based.
Main theoretical foundations	Phenomenology, consumer behavior theories	Modularity of mind, resource-based view, S-D Logic	S-D Logic	Phenomenology, consumer behavior theories (e.g., CCT), assemblage theory
Prevailing debates	(1) Extraordinary consumption experience (2) Hedonic/aesthetic needs (3) Affection/Emotions (4) Learnings through product-related experience	(1) Customer experience management (2) Online customer experience (3) Retail context (4) Brand experience	(1) Service experience design (2) Experiential value creation (3) Interactional service experience	(1) Consumer-object experience (2) Sensory consumer experiences
Methods	Conceptual, ethnography, multimethod, experiments, surveys	Conceptual, case studies, experiments, grounded theory, survey, repertory grid, multi method	Conceptual, case studies, multimethod, experiments, grounded theory, surveys	N/A (conceptual only)
Main studies	(Arnould & Price, 1993; Belk & Costa, 2002; Hirschman & Holbrook, 1982; Hoch, 2002; Holbrook & Hirschman, 1982; Richins, 1997)	(Brakus et al., 2009; Homburg et al., 2017; Lemon & Verhoef, 2016; Verhoef et al., 2009)	(Akaka & Schau, 2019; Bitner, 1990; Vargo & Lusch, 2004; Zomerdijk & Voss, 2010)	(Arnould & Thompson, 2005; Hoffman & Novak, 2018; Novak & Hoffman, 2019; Thompson et al., 1989)

Table II. Experience Constructs Overview

Experience construct	Research Questions
Consumption experience	• How does the complexity of products/services influence the intensity of the consumption experience? • How do experiences in the pre-/post-consumption stages influence consumption experience? • How does consumption experience differ between different industries, cultures or contexts? • Are there other settings apart from extreme leisure events to study outstanding consumption experience? • Can outstanding consumption experiences be triggered through non-experiential offerings? • What characteristics do mundane consumption experiences have? • How are ordinary experiences different from outstanding consumption experiences?
Customer experience	• What is digital customer experience? • How does digital customer experience differ from online experience? • Are current conceptualizations of the customer experience sufficient? • How does the digital customer experience affect customer outcomes? • How can existing brand experience, retail experience, or online experience scales best be utilized to develop a strong scale for customer experience? • How does customer experience evolve over time?
Service experience	• What is the value of experience? • How does service experience influence value perception? • Which theoretical foundations other than S-D logic could serve as a suitable anchor for service experience? • What are important elements and/or dimensions of service experience? • What are the psychological processes involved in the consumption of services? • How can the service experience be measured appropriately? • How does the service employee experience affect the service experience and outcomes? • What is the potential of newest technological advances (e.g. Self-Tracking Technologies) on the service experience?
Consumer experience	• Which other disciplines offer valuable insights for consumer experience research? • What competences are needed in order to evaluate and integrate innovative perspectives, tools, and theories from adjoining disciplines? • Which theories from adjoining disciplines can contribute to further broaden our understanding of consumer experience? • What human biases exist for the perception of consumer experience? • How do conscious and subconscious consumer experiences differ? • How do attitudes affect consumer experience? Do different people get influenced by different attitudes? • How can businesses effectively manage and design consumer experience?

- Which senses influence consumer behavior and to what extent?
- How can the emergent nature of the consumer experience be conceptually captured?
- What impact do other consumers have on the consumer experience?
- Which empirical methods are useful to implement multidisciplinary research about consumer research?
- What are the dimensions of consumer experience?
- How will data analysis capabilities and increasing data availability about consumer behavior impact the consumer experience?
- How can neuroscientific methods (e.g. electro-encephalography) be utilized for consumer experience research?

Table III. Future Research Agenda

III Customer Experience Management in Service: An Empirical Exploration of Organizational Success Factors and Service Characteristics

Lukas Fischer and Peter Maas

Abstract

Service scholars identify value as being created through interactive experiences during product or service usage. To that end, the concept of customer experience is an important lens to examine value co-creation. Although customer experience management (CEM) has been the subject of several conceptual and applied studies, little is known empirically on the determinants for successful integration of CEM in an organization. Conceptual development draws on service-dominant (SD) logic and institutional theory. SD logic serves to create the foundation for customer-centric exchange processes and the process-related design of our CEM framework. Institutional theory serves to explain the pressure of the normative context on service organizations in their quest for legitimacy, which may lead to inadequate organizational structures hampering the creation of customer experiences. Using a grounded theory approach, 24 semi-structured, in-depth interviews with experts and managers of financial service organizations were conducted. Our study introduces CEM as a company-wide top-level management concept that integrates (1) *organizational success factors* which holistically guide organizational behavior toward CEM, identifies five important (2) *service characteristics* that are essential to make (3) *customer experiences* transversally manageable across organizational functions, and aims at achieving specific (4) *outcomes*.

Introduction

"Whether you create (customer experience) or not, the customer has it anyway. You'd better design it." Interviewee 20

In an increasingly commoditized and service-orientated world, customer experience is seen as an important determinant of competitive advantage as it facilitates differentiation among service providers (Kranzbühler et al., 2018; Pullman & Gross, 2004). The growing importance of customer experience in marketing is reflected by the concept's inclusion in the Marketing Science Institute's 2012 – 2014 and 2014 – 2016 research priorities (MSI, 2012, 2014). Moreover, the service marketing landscape has changed radically in recent decades, leading to the emergence of a new paradigm dominated by services (Achrol & Kotler, 2012; Chandler & Lusch, 2015; Hult, 2011; Vargo & Lusch, 2004; Webster & Lusch, 2013). Consequently, service is at the heart of economic exchange with customer experience being considered a key determinant of value creation (Lovelock & Gummesson, 2004; Normann, 2001; Vargo & Lusch, 2004, 2008a). Researchers recognized the importance of customer experience early on in emphasizing that "customers demand experiences rather than products" (Abbott, 1955), calling it "the next competitive battleground" (Pine & Gilmore, 1998, p. 98) by focusing on the "symbolic, hedonic, and esthetic nature of consumption" (Holbrook & Hirschman, 1982, p. 192).

Despite nearly four decades of customer experience research, many managers are still struggling to create compelling customer experiences or even understand what characterizes them. One reason may be "that (customer experience) is defined so broadly – so 'holistically' – as to exclude almost nothing; it has become the theory of everything" (Maklan et al., 2017, p. 93). Thus, we follow the call of leading researchers in this field for more empirical research (Kranzbühler et al., 2018; Lemon & Verhoef, 2016). The subsequent facilitation of customer experience requires an overarching organization-wide management approach. Specifically, a customer-centric framework that describes current

organizational success factors and service characteristics to establish powerful CEM strategies is needed.

Prior scholars have studied the CEM phenomenon and its related dimensions by focusing on design strategies (Patrício et al., 2011; Teixeira et al., 2012), brand stimuli (Brakus et al., 2009), and various particular contexts such as B2B (McColl-Kennedy et al., 2018), retailing (Bustamante & Rubio, 2017; Verhoef et al., 2009), online experiences (Bleier et al., 2018), or extraordinary services (Belk & Costa, 2002). However, with few notable exceptions (e.g. Homburg et al., 2017), research almost entirely neglects organizational success factors to CEM in services. As a consequence, many organizational setups are not ideal for effective CEM and managers run the risk of only giving lip service to CEM.

We address these issues by asking: *(1) How do service providers create and manage customer experience? (2) How can an empirically based CEM framework in service be conceptualized?* For this purpose, our framework also takes into account the prevailing theoretical conceptualizations and adopts a service-oriented perspective.

The present study consolidates the fragmented theoretical results of existing studies on customer experiences and own empirical data into a framework of CEM. By doing so, our CEM framework is conceptualized from “a service-centered view (which) is inherently customer oriented and relational” (Vargo & Lusch, 2008a, p. 7). The empirical results of our study demonstrate that, firstly, it is essential for effective CEM to take organizational success factors into account. Particularly organizational structure emerges in our study as an important factor and is essential to overcome current institutionalized organizational barriers. Specifically, we argue that structural determinants such as management board position, authority and business model alignment fundamentally influence the nature of the service and as such the extent to which customer experiences can be triggered. Second, effective CEM in service is highly dependent upon the

prevailing service characteristics to shape the actual customer experience. In particular, we outline five key dimensions that serve to capture current experience and use it as a basis for managing future customer experience. Third, CEM originates in our study as a top-level management concept that needs to be carefully implemented and managed across functions to be effective. Our data suggests that a dedicated board position for customer experience and more customer-centric KPIs may be helpful for effective implementation to foster a customer experience mindset throughout the organization. As such, only managers who are truly serious about CEM will implement it at the top of their company.

Conceptual Background

In the remainder of this section we lay the theoretical foundation of the study. We integrate and synthesize theories from marketing and organizational science. To accomplish this, we introduce two fundamental theories, SD logic and institutional theory. We conceptualize both theories respectively. Specifically, SD logic shall serve to establish the processual design and the customer-orientation of our framework. Within this section, we also introduce marketing-related conceptual building blocks of our study to establish the theoretical foundation of our empirical findings. By contrast, the section on institutional theory serves to explain the institutionalization of organizational success factors that influence marketing in general and CEM in particular. Our results demonstrate that especially prevailing institutionalized organizational structures and business practices hinder the creation of a compelling customer experience.

SD Logic and Service Characteristics

Despite the main focus of research in SD logic has been wriggling along value creation, experiences seize increasing attention in recent years. Historically, within the service literature, the controversial debate about what service actually is have shaped the academic discussion. Traditionally, service was defined as a sector driven by the intention to distinguish services from manufactured physical

goods and a focus on *units of output* (Grönroos, 2007; Zeithaml et al., 1985). Recently, this view has been called into question (Lovelock & Gummesson, 2004) and led to the emergence of SD logic (Vargo & Lusch, 2004). In SD logic, service is no longer seen as a sector with companies producing *units of output* for the customer with a focus on *value-in-exchange* (Vargo & Lusch, 2008b) but rather as a reciprocal *process* of exchanging information, knowledge, skills, and competences (operant resources) placing the focus on relationships and *value-in-use*. The beneficiary of a service is the receiver, customers, and companies alike, with customers playing an incremental role in co-creating value. Put slightly different, "customers do not buy goods or services: They buy offerings which render services which create value" (Gummesson, 1995, p. 250). Such a wider relational perspective acknowledges that the particular outcomes of consumer behavior are interactive, co-created experience recognizing that "value is idiosyncratic, experiential, contextual, and meaning laden" (Vargo & Lusch, 2008a, p. 7).

So far, we have briefly presented the basic premises of S-D logic for the customer experience. We would now like to outline the theoretical foundations of the emerging service characteristics of our empirical study and link them to S-D logic. These subsequent concepts are signposts for the development of our conceptual framework. Our survey data suggests that service characteristics significantly influence the origination of customer experience, however, to varying degree. Although all concepts are part of any service, it is important for companies to find the right mix and focus on the key elements which are important for customer experience creation.

Transactional service components. Transactions are unilateral, basic service components with limited capacity to create customer experience. To some degree, depending on industry and nature of service, the level of transactional composition of services varies. Many organizations and even marketing itself, have long been dominated by transactional thought (Vargo & Lusch, 2008b), as

opposed to a relational, interactional perspective for experience and value creation (Brodie et al., 2011). Although rare, pure transactions are characterized by single-value exchanges without prior or subsequent interaction, for which price is the sole denominator for conducting the transaction. In essence, such transactional services components classify commodities and leave no room for branding, differentiation or loyalty (Carbone & Haeckel, 1994; Pine & Gilmore, 1998; Webster, 1992).

Utilitarian and hedonic (experiential) service components. Consistent with prior research, we conceptualize utilitarian components as the "functional, instrumental, and practical benefits of consumption offerings" (Batra & Ahtola, 1990; Chitturi et al., 2008, p. 49). Based on utilitarian components, consumers determine how useful a product or service is (Batra & Ahtola, 1990). Compared to hedonic characteristics, utilitarian service components are more important, until the minimum expectations are reached. Notably, empirical studies show that consumers formulate a certain expectation towards the functionality of the services they buy, since this is seen by customers as part of the service promise. If the service promise is not fulfilled, the resulting affective reaction (i.e. anger) is higher with an increasing probability of blaming the company for the failure (Chitturi et al., 2008). By contrast, hedonic (or experiential) services recognize symbolic and aesthetic features (Holbrook & Hirschman, 1982). Based on hedonic services, consumers determine how pleasant the process of consuming or usage is (Batra & Ahtola, 1990). Typically, hedonic consumption entails "facets of consumer behavior that relate to the multisensory, fantasy and emotive aspects of one's experience" (Hirschman & Holbrook, 1982, p. 92). Hedonic components are a fundamental aspect of the overall CE and therefore need to be considered in any CEM strategy.

Service Features. In creating customer experiences, it turns out that offering service features such as service bundles or additional, proactive services can be an effective tool for triggering customer experience. Broadly defined, bundles are "the practice of marketing two or more products and/or services in a

single 'package' for a special price" (Guiltinan, 1987, p. 74). Guiltinan (1987) conceptualize additional services as a particular approach of bundles for which the consumer gets charged. In contrast, we agree with the link between bundles and add-on services, but nevertheless highlight add-on services as a separate dimension, as many add-on services are meanwhile free of charge due to technological progress and have emerged from the need for general differentiation of services and not from cross selling.

Service Framing. Design and communication are highly relevant for service marketing. Recently, service design has emerged as a research area, as technological progress requires service providers to integrate more complex processes in order to provide an appropriate customer experience. In service design, the focus has moved in light of SD logic towards more customer-orientated design approaches. For example by integrating several interfaces (Patrício et al., 2008), at various levels (Patrício et al., 2011) a holistic design approach is suggested (Teixeira et al., 2012). In line with SD logic, "customer experience is not designed, rather it is co-created through customer interactions with the several service elements" (Teixeira et al., 2012, p. 364). Thus, organizations can only provide experiences proposition towards customers which enable the co-creation of customer experiences (Becker & Jaakkola, 2020; Teixeira et al., 2012), for example by planning a dramaturgical structure (Zomerdijk & Voss, 2010). In that vein, framing services in a suitable way thought design and communication is important to elicit customer experience.

To sum up, SD logic, even beyond service, is increasingly recognized as the central basis for explaining exchange processes, value creation and customer experiences. To this end, we have introduced relevant aspects of SD logic and integrated important service concepts emerging in our study.

Institutional Theory and Organizational Success Factors

According to institutional theory, formalized organizational structures and resulting organizational actions emerge in societies through normative

pressures and as a consequence of existing societal expectation. It is said that organizations incorporate assumptions about "humanly devised" (Vargo & Lusch, 2016, p. 11) rules, beliefs, values, and norms in their quest to "increase their legitimacy and their survival prospects"(Meyer & Rowan, 1977, p. 340; Thornton & Ocasio, 1999). Those assumptions can be considered a process of organizational sense-making by interpreting organizational reality which then, in turn, guides organizational behavior (Thornton & Ocasio, 1999). For individuals and organizations, institutionalized rules and practices are habitualized behavior (Zilber, 2002) intended to reduce decision making efforts by reducing perceived complexity. In essence, institutions "enable and constrain action", "make social life predictable and meaningful" (Vargo & Lusch, 2016, p. 11) as "human actors can only function when (…) the range of options has been drastically reduced" (Vargo, Wieland, & Akaka, 2015, p. 68).

Institutional theory emphasizes that, within an industry, organizations tend to have homogenous (or isomorphic) formal organizational structures, yet with varying business practices (DiMaggio & Powell, 1998; Meyer & Rowan, 1977; Scott, 2014). While institutions enable society to deal with increasing complexity, institutionalization may also lead to inefficient practices, procedures and dogmas due to complexity reduction (Vargo & Lusch, 2016). In such an environment, it may be hard for organizations to overcome prevailing institutionalized organizational structures to, for instance, change the business model or facilitate organizational change to implement more effective CEM.

In marketing literature, the institutional perspective is not very common, with some notable exceptions (Dolbec & Fischer, 2015; Homburg, Workman, & Krohmer, 1999; Humphreys, 2010). Somewhat paradoxically, marketing itself has been claimed to be highly institutionalized (Vargo & Lusch, 2016), which may also lead to inefficient dogmas and procedures within marketing departments. As we have shown, lately, in SD logic, institutions are seen as essential in the value co-creation process (Axiom 5/FP11: Vargo & Lusch, 2016). As the core outcome

of our model also refers to a value co-creation process of organizations and consumers, both theories serve as a fruitful foundation of our work to explain processes and procedures.

In this article, organizational success factors are organizational factors that guide and frame experience-related organizational behavior. Particularly, we briefly outline in the paragraphs to follow how existing organizational success factors become institutionalized and influence marketing- as well as experience-related business practices and organizational forms. In sum, we contextualize four institutionalized organizational success factors: *organizational structure*, *strategic management*, *culture*, and *capabilities*.

Institutionalized organizational structure. Organizational structure guides organizational action (Jacobides, 2007). Accordingly, the way how the marketing function is structured including its strategic role significantly impacts marketing-related organizational behavior. As touched upon earlier, the marketing function has been described as being highly institutionalized (Vargo & Lusch, 2016). Over the last decades, the relevance of marketing has significantly decreased from being strategically important to becoming a tactical toolbox (Day, 1992; Strandvik, Holmlund, & Grönroos, 2014; Webster & Lusch, 2013) sometimes portrayed to offer little value to managers (Klaus, Edvardsson, Keiningham, & Gruber, 2014). This may be attributed to the ambivalent value of the role of the CMO in contributing to the strategic concerns of a company (D. E. Boyd, Chandy, & Cunha, 2010; Germann, Ebbes, & Grewal, 2015; Nath & Mahajan, 2008, 2011, 2017). Ideally, the CMO should be responsible for integrating the stakeholder perspective of the customer into the strategic direction of the company (D. E. Boyd et al., 2010). At present, however, marketing often deals only with sales and advertising (Homburg et al., 1999).

Institutionalized strategic management. The top-level management substantially influences organizational action. To that end, marketing-related knowhow of CEOs and other top managers shapes marketing's influence within a

firm. However, prevailing appointment practices and hierarchies are highly institutionalized (Klaus et al., 2014). While there is no such thing as a universal definition of strategic management, several facets are collectively agreed upon. In essence, strategic management is an organizational process of observing the internal and external environment (Van Cauwenbergh & Cool, 1982), balancing organizational competencies, opportunities and constraints (Jemison, 1981), facilitating the creation of a system of shared meaning (Smircich & Stubbart, 1985) and integrating and managing all these facets (Nag, Hambrick, & Chen, 2007). Specifically, the formulation of marketing strategy concerns marketing-related decision making patterns "in the creation, communication and/or delivery of products that offer value to customers" with the intention to achieve organizational objectives (Varadarajan, 2010, p. 119). Compared to culture, strategic directives may influence marketing tasks more directly (Homburg et al., 2017).

Institutionalized organizational culture. Organizational culture guides organizational behavior, in particular the behavior of organizational members. As such, organizational culture is also an important concept in marketing literature (Deshpande & Webster, 1989) and manifests itself throughout the organization by influencing marketing-related behavior. Compared to the strategy, it is said that the organizational culture has a more indirect influence on the fulfilment of specific marketing tasks (Challagalla, Murtha, & Jaworski, 2014). With regard to institutionalization, some organizational logics unfold around marketing beliefs, however, other logics evolve around various other functions such as finance (Homburg et al., 1999). Research into organizational culture is fragmented and has therefore been described as "amorphous" (Deshpande & Webster, 1989, p. 4). There is no apparent consensus between the disciplines, but the organizational culture has been linked to operational effectiveness, is seen as an important source of competitive advantage (Zheng, Yang, & McLean, 2010) and "encompasses both individual and group-level phenomena" (Harris, 1994, p. 309). Specifically, it has been proposed that organizational culture may include firmwide artefacts, values,

assumptions (Wilkins, 1985) and symbols (Hatch, 1993) "that guide sensemaking and action in organizations" (Harris, 1994, p. 309).

Institutionalized organizational capabilities. The requirements for marketing departments have changed drastically due to technological progress and due to a more relational as well as experiential direction. In management research, focus about capabilities has moved from a static view about capabilities within the resource-based view of the firm (Barney, 1991) towards a dynamic view of capabilities. Dynamic capabilities theory extends the resource-based view by explaining how capabilities are developed and adopted as an answer to a changing environment. Both approaches are ultimately intended to gain competitive advantage (Teece, Pisano, & Shuen, 1997), however, are said to be dominated by outside-in thought. By contrast, marketing scholars argue that for marketing-dominated organizations, the adaptive marketing capabilities approach is more suitable, which includes the following capabilities: vigilant market learning, adaptive experimentation, and "open" marketing. Generally, capabilities are an intangible resource nested in organizational processes and routines (Day, 2011).

Methodology

Given that little is known about how customer experience in service is empirically conceptualized, we follow an inductive, exploratory-oriented, grounded theory approach that complements the existing knowledge by uncovering extant CEM strategies to answer our research questions (Corbin & Strauss, 1990; Strauss, 1987; Strauss & Glaser, 1967). The grounded theory process involves the collection and analysis of empirical and literature-based data with the "ultimate goal of building a vibrant inductive model that is grounded in the data" (Gioia, Corley, & Hamilton, 2013, p. 22). Before presenting further details on our research process, we briefly provide reasons why a grounded-theory approach is suitable for our research inquiry.

First, grounded theory is one of the most established methods in management and marketing research for developing a general theory of concepts (Homburg et al., 2017; Ringberg, Odekerken-Schröder, & Christensen, 2007; Vuori & Huy, 2016). Secondly, exploratory research methods are supposed to be particularly useful for studying phenomena that are not well understood. As such, exploratory studies are intended to critically reflect on existing theories and acquire new insights based on field data to expand existing boundaries of knowledge (O'Reilly, Paper, & Marx, 2012). Third, most social phenomena such as customer experience are fairly complex in nature. However, "grounded theory procedures aim to capture and reduce the complexity of concepts that are socially constructed in the organizational reality of participants" (Homburg et al., 2017, p. 379). In essence, we conclude that grounded theory provides a fruitful method for developing a CEM conceptualization in service.

Sample and Data Collection

In total, we carried out 24 semi-structured, in-depth, face-to-face interviews with experts and managers of service organizations headquartered in Switzerland (18), Germany (4), the United States (1), and the Netherlands (1), which are recognized for actively managing customer experiences or advising other companies regarding customer experiences (Figure 5). In qualitative research, the number of interviews is significantly lower than in quantitative research. Despite a lower number of interviews, rigor is nevertheless given as quantitative "surveys are limited to the questions asked, in-depth interviews focus at uncovering deeply held and shared themes" (Ringberg & Gupta, 2003, p. 610). In this vein, Zaltman & Coulter (1995) showed in a study that 90-95 percent of emerging themes are available after seven to eight interviews. In our study, we reached theoretical saturation after 24 interviews (Strauss & Glaser, 1967), which means that no more themes emerged from the data.

To identify appropriate interview partners, we applied theoretical sampling (Glaser, 1998; O'Reilly et al., 2012; Strauss & Glaser, 1967), which is

consistent with other exploratory studies in marketing (e.g. Challagalla et al., 2014; Homburg et al., 2017). The sampling procedure in theoretical sampling is purely based on the logical judgement of the researchers involved in the study. The selection criteria for suitable interview candidates took into account findings generated from previous data and were designed to complement the study (O'Reilly et al., 2012). The companies as well as interview partners were chosen purposefully and varied considerably in size and scope. As such, the smallest company had less than 10 employees with less than 5 years of business activity. In turn, the biggest company accounts for more than 142.000 employees with a history of 130 years. This approach helped us to capture a diverse set of CEM strategies.

Initially, we recruited interview partner during a conference, which was hosted by the institute of the research team and specifically addressed the topic of customer experience. Those initial interviews helped the authors to get an understanding about the phenomenon from various angles and establish a considerable expert network of customer experience professionals including customer experience managers, senior managers, CEO's, board members. Through cross-referencing within the established network of experts, additional interview partners were recruited. In summary, during a period of 12 months, 24 in-depth interviews were conducted in two stages. The first stage totaled 3 interviews and was meant to be a pilot stage in order to test the initial set of questions and hypothesis to get familiar with the language of the experts. After the first stage, minor changes were operationalized in our interview guideline. Stage two consisted of 21 interviews.

In general, our interview guideline consisted of a mixture of content mapping and content mining questions, including selective follow-up questions to elicit more detailed information (Ritchie & Lewis, 2003) and was operationalized by asking open-ended questions (Patton, 2002). As such, the semi-structed setup further contributed to emphasize factettes of the phenomenon, which were still

lacking precise understanding. Our final interview guideline was clustered into three parts. The first part of the questionnaire addressed personal information about the interviewee and general questions about the company to establish a personal relationship. The second part of the questionnaire stressed the participants' understanding of customer experience and general approaches of the company to systematically create and manage customer experience. In the third part of the interview, we provided statements to the interviewees and asked them to elaborate whether or not they agree with these statements.

While most empirical studies in the past have been devoted to experiences involving leisure activities (e.g. Arnould & Price, 1993; Belk & Costa, 2002), there is currently a lack of research addressing experiences with more mundane services such as financial services. To complement these findings, it is necessary to explore whether and how experiences can be systematically created and managed in ordinary, nonexperiential service organizations without an exceptional context. Thus, our study complements existing findings by collecting data from 24 financial services providers.

Analysis

We recorded all interviews verbatim and transcribed the recorded data, which resulted in 383 pages of single-space transcripts. The 24 company interviews lasted between 28 and 144 minutes, an average of 61 minutes resulting in a total of 1370 minutes of audiotapes. As suggested by experts in qualitative as well as inductive research methods, our data analysis process was iterative and started already during data collection. We applied open, axial, and selective coding to structure and interpret our data (Strauss & Glaser, 1967). To that end, our repetitive coding started with open coding, in which we reviewed the interview transcripts line by line and overall identified 51 first order codes. Notably, to originate the concepts, the codes were first labeled in the language of the participants and then further grouped according their meaning into final first order codes (e.g. proactivity, sensory experience). In our second axial coding stage, we

consulted additional literature and further grouped all first order concepts by establishing relationships to originate 14 second order categories (e.g. service features, transactional). Finally, during selective coding, second order categories were further abstracted and aggregated into four core aggregate dimensions (e.g. organizational success factors, customer experience) which represent the core components of our boundary-spanning CEM framework (Figure 6).

Findings

In this section, we analyze and present the empirical findings our study. We assemble the theoretical and empirical findings into a customer-centric framework for CEM. To accomplish this, we begin with a brief review of existing customer experience concepts as it represents the main action object of study and derive a working definition for the purpose of this study. We proceed by outlining the four main aggregated dimensions of our framework respectively.

In an increasingly service dominated society (Pine & Gilmore, 1998), and in line with SD logic (Vargo & Lusch, 2004), “value resides not in the object of consumption but in the experience of consumption” (Frow & Payne, 2007, p. 91). As a result, companies strive to gain competitive advantage through unique and emotional experiences rather than by concentrating on mere product features. To this extent, the prevailing literature offers a good starting point. We mainly rely on the conceptualizations of (Brakus et al., 2009; Hoffman & Novak, 2018; Lemon & Verhoef, 2016; Puccinelli et al., 2009; Verhoef et al., 2009) which understand customer experience as a holistic, emergent, multidimensional construct that needs interaction to come alive and evolves along the entire customer journey. While some authors vary in their dimensions, most refer to five key dimensions, which are labeled "BASIS" and include “behavioral (or physical), affective (feelings: emotional, experiential, or hedonic), sensory (or sensations), intellectual (cognitive or rational), and social” (Hoffman & Novak, 2018, p. 1181) dimensions.

Managing customer experience requires various organizational requirements and skills to bring the customer experience vividly to life. Our study introduces CEM as a company-wide top-level management concept that integrates (1) *organizational success factors* which holistically guide organizational behavior toward CEM, identifies five important (2) *service characteristics* that are essential to make (3) *customer experiences* transversally manageable across organizational functions, and aims at achieving specific (4) *outcomes* (Figure 7).

Organizational success factors

Even though many executive managers have called for a focus on CEM, many are not able to adapt their organizations appropriately. In fact, we show that in many instances, managers give customer experience merely lip service, as the organizational success factors are not geared to enable customer experience. To put it clearly: CEM cannot be successful if it is just a department without authority, power and influence, integrated somewhere in the marketing department, as our analysis has shown. We therefore consider CEM to be a top-level management approach that must be supported by the Board of Management. Moreover, the position for customer experience must be intelligently integrated into the respective organizational structure, taking into account the individual requirements of the company. Specifically, in the remainder of this section we discuss four organizational success factors which contribute to effective CEM and which need to be geared towards CEM which are *structure*, *strategic management*, *culture*, and *capabilities*.

Structure. Customer experience can be an area in which marketers generate cross-functional impact. While traditional marketing literature clearly conceptualizes customer experience as a pure marketing concept (Pullman & Gross, 2004; B. Schmitt, 1999), they are less concerned with the organizational structures per se. In fact, customer experience needs a broader mandate to provide effective guidance equipped with power and the authority to issue directives. As such, we view CEM as a concept that enables marketing to develop into a

boundary-spanning management role (Day, 1992; Hult, 2011). In sum, a head of department for customer experience at a national financial services provider summed it up aptly:

> *"This means that I need (...) very clear leadership of the process. So our role is to lead this process, to be responsible for the process, even though product management may be the main owner. I am responsible to make this product." Interviewee 6*

The structural deficit of current organizational structures to manage customer experience is reflected in the fact that many organizations do not offer a CMO (none of the companies we surveyed) or CXO (one of the companies we surveyed) mandate at the top management level and hardly any CMO is designated as CEO (Klaus et al., 2014). A Chief Customer Officer described the structural change in strategy towards a customer experience board position to us as follows:

> *"New focus on outstanding customer experiences, that is the mission of our CEO. The resort was previously called Transformation and Marketing. A strong sign that we are really serious about strengthening customer experience. Now we have anchored an entire department in the management board. That's the reason for our focus on customer experience." Interviewee 17*

Typically, respondents repeatedly stated that CEM must be integrated into the "DNA", "logic" or "business model" of organizations, further illustrating the need to align the organizational structure with the goal to provide and manage customer experience. In this spirit, the CEO of a consulting company summed up the matter:

> *"(Customer experience) needs to be secured in the mission and the business model." Interviewee 20*

Another particular challenge for the creation of customer experience is the shared institutionalized division of organizations into functions which are industry-wide applied and which may hinder the implementation of effective CEM.

> *"The biggest challenge, and one that every CX professional has, is overcoming silos. Because CX is multifunctional per se." Interviewee 23*

To put it clearly, organizational structure by itself does not create customer experience. However, as our synthesis has shown, it is essential to have an organizational structure that firstly is geared towards customer experience creation and secondly is capable of breaking down dominant institutionalized structures to enable the management of customer experiences including more power embedded in the customer experience mandate. As such, ideally, we argue that CEM may not be a marketing campaign or simply a department within the marketing function. CEM is a strategic management tool that must be integrated into the broader organizational structure with the aim of establishing and maintaining a marketing organization (Hult, 2011).

Strategic management. Our respondents emphasized the importance of integrating CEM into strategic management and into the board room to be able to impact "organizational goals, "plans", "strategic decision making" as well as control the "allocation (…) of organizational resources" (J. A. Martin, 2011, p. 118). For example, the head of the Customer Excellence department stressed the importance of top management's attention to the topic of a multinational service provider:

> *"I think what is actually more important than the organizational setup is to have a clear vision, a clear mission, a clear purpose and a clear understanding which must logically come from the COO and the top management." Interviewee 11*

Equally important is the determination of a common vision about customer experience within each department, but also within the entire organization. In this spirit, underlining this issue, a managing director of a multinational service company, who is responsible for an internal customer experience department, argued:

> *"So we must always have a common vision. We have a common mantra. That's two things. The first is just the simple form of Boost Employee Experience and Boost Service Effectiveness. Everything we do is geared towards that, and that's okay." Interviewee 21*

Overall, CEM is responsible for being the strategic voice of the customer within an organizations and channel the strategic direction in the interest of the customer:

> *"We take the responsibility for the experience in the role of the customer's advocate." Interviewee 6*

To successfully execute the strategy, the company also needs to translate the vision of creating customer experiences into the appropriate goals and KPI's. Without strategic planning, customer experience will be virtually impossible to implement and will remain merely a lip service, with no significant impact reflected by the following comment:

> *"So, first of all, is the customer really the center of attention or is he a means to profit? The question is, if the KPI is profit, then you always have to focus on profit and not on the customer. You just take the customer with you. But that's like a nice side show." Interviewee 14*

In summary, to increase the effectiveness of the customer experience, there must be a measurable commitment from the organization's strategic management. In addition, customer experience must be explicitly anchored in the

vision, mission, goals and KPIs of the organization. Organizations that are serious about CEM have made customer experience a strategic management concern.

Culture. Our data shows that CEM relates to the cultural mindset, shared beliefs and work style of an organization and influences the marketing-related, customer-focused behavior of its employees to manage customer experience. One of our respondents described the new work style as follows:

> *"Actually, customer experience means the way we approach things." Interviewee 6*

Ideally, the cultural mindset manifests itself through customer centric thought and practices as the following quote illustrates:

> *„We look at our company from the customer's perspective along the entire life cycle that the customer has with us. " Interviewee 18*

Somewhat paradoxically, although customer focus becomes more important, "for better or worse, the language of business is finance" (Klaus et al., 2014, p. 197) as the following quote of a Chief Customer Officer of a multinational financial services company further reveals:

> *"Customer first is still very young (...), but about five years ago in the operations team I was heading, we had the slogan internally: 'Good is enough'. In other words, it was fully geared towards low-cost and doing only as much as it needs to be." Interviewee 7*

At the individual level, currently, however, it appears that many organizations have established an organizational strategy for CEM, but still fall short of communicating the new working style to the organization and employees, as the following quote from a customer experience manager at a national financial services provider reveals:

> *"There's still a lot of convincing to be done. (...) A lot has to be invested in conveying of meaning." Interviewee 16*

As a result, the cultural dimension is a particular challenge in the effort to transform organizations into more customer-focused operations and must always be ensured by senior management, as underlined by the CMO of a multinational service provider:

> *"But this cultural change only works if you have the entire company behind it. And in the end, it has to be realized by the CEO personally." Interviewee 18*

The way an organization approaches matters can be symbolized by quoting the CEO of a national financial services provider, who argues that organizations have long been focused on providing solutions. In many cases, however, these solutions rarely provided added value for consumers because they did not address specific consumer problems. In essence, a reorientation from a solution to a problem orientation is now called for:

> *"And one is in love with the customer problem here in my company, (...) that is our mantra. (...) 'Love the customer problem, not the solution.' And that is what each of our employees should work according to." Interviewee 17*

Overall, the importance of culture in CEM is undeniable and, as our data reveals, by far the most difficult to implement, especially for companies are dominated by transactional/utilitarian thought and want to initiate a cultural change towards a more experiential thought.

Capabilities. Organizations face increasing complexity in a market environment characterized by rapid technological progress. The question is how organizations can build up the necessary capabilities to gain competitive advantage through CEM and sustain competition. Customer experience experts suggest to apply agile methods among the organizations to for instance develop services or service features. Some of the methods in use have been outlined by the following interviewee:

> *"On the one hand, using methods such as human-centered design, fast prototyping, designed thinking, in the area of innovation to ensure that you don't just innovate things inside out, but that you include people who are explicitly not customers, to see what other needs they have which we do not cover, but which could be a possible option." Interviewee 17*

A particularly important capability in CEM is experimental prototyping. One reason for this is to be able to better facilitate customer centricity and develop value propositions that better meet customer needs.

> *"That's why whenever we do something, we do it very strongly in an experimental or testing approach with pilot group, control group, where we can see what is the impact." Interviewee 11*

After planning and creating a common vision, it is crucial to transfer the customer experience as a broad concept into concrete tasks. Before implementing concrete tasks or campaigns, an initial assessment, which should always be based on research and not on intuition, is very important as resources are limited:

> *"Well, what I said is that your ambition should be to create an excellent customer experience in all the moments that matter and create at least a neutral experience in the moments that do not matter. What you should do is, you can make an inventory of all the stress points that you have within a certain customer journey and do research on two dimensions. The impact for the customer and the effect for the company. Then you get a matrix and based on that matrix you can set out a strategy." Interviewee 20*

Similarly, a continuous, critical and radical feedback mechanism should be in place after implementation to respond to ever-changing consumer demands:

> *"So we have an incredibly intense feedback process for things we've introduced. And before we implement, we're very rigorous in our evaluation." Interviewee 12*

As our synthesis has shown, it is essential for organizations that want to build effective CEM to acquire specific experience-related skills. These skills are best acquired through a combination of bringing experts into the organization, but also by training existing employees.

Service Characteristics

Our survey data suggests that service characteristics significantly influence the origination of customer experience, however, to varying degree. Service characteristics are fundamental, but they are institutionalized to a certain extent, e.g. by industry standards, yet they can still be shaped by organizational service/product development. For example, financial services have generally a higher degree of transactional components and less hedonic components than for instance white-water rafting. Nevertheless, financial service organizations may still decide to enrich current services with additional features or hedonic components to improve their customer experience. In sum, we derive five service characteristics: *transactional service components*, *utilitarian service components*, *service features*, *service framing*, and *hedonic service components*.

Transactional service components. Despite transactional elements are important for the provision of services and for creating customer value in general, we understand them only as the baseline of services because consumers expect these core service elements contributing to the customer's overall experience by delivering the key core elements of the service (Voorhees et al., 2017).

> *"Customer experience, I think, only works once you've done the foundation of giving the service." Interviewee 19*

Furthermore, transactional/operational excellence can be seen as a transactional element with positive and negative components.

Transactional/organizational may conflict with customer centricity and in some cases even impair CEM (Zomerdijk & Voss, 2010). One of our respondents even argues that operational excellence is sometimes misused as a synonym for cost reduction initiatives:

> *"What I've seen over the last years, there has been a lot of emphasis on operational excellence. Which basically means cost cutting (...). The whole idea was to make things for clients easier and smoother, but the real focus was really to make it easier for the financial institution (...). The prime focus was cost cutting (...)." Interviewee 20*

As we have shown, many services, particularly in the financial services sector, have a crucial transactional element. We do not want to argue that transactional elements are useless. Rather, they are essential for organizations to bring the service to life. Unfortunately, however, they are of little value to the client in terms of customer experience, given that the client expects these parts of the service. By focusing exclusively on transactional excellence, companies run the risk of falling into the commodity trap.

Utilitarian service components. Many utilitarian features were cited during our interviews as essential for creating customer experiences. For example, one expert highlighted the following list of functional components:

> *"It is important for customers to have a feeling of security. A feeling that also comes from the fact that they want to understand the products they are buying, that they are simple, transparent and flexible, because people's lives are changing significantly at relatively short intervals nowadays." Interviewee 1*

In the case of banking, for example, traditional bank transfers are utilitarian in nature. They can be enriched with experience-oriented/hedonic features through online banking. However, most online banking is also utilitarian, unless it is enriched with exceptional design elements which are not market

standard. The widespread misconception is that features such as convenience, transparency or security are experience-oriented, hedonic features. Unfortunately, as our synthesis shows, they are not. Therefore, at some point it will no longer be sufficient to focus only on the functional features and only slightly increase the customer experience once a certain level of functional experience is achieved.

Service features. As noted earlier, additional services may affect customer experience positively. Such an approach may be of particular interest for services which are characterized by a high degree of transactional and functional components. The relevance for customer experience management is reflected by the following quote:

> *"Because, the additional services can trigger the relevance and interaction much, much more" Interviewee 14*

Furthermore, proactivity is considered to be a service feature that triggers customer experience. Proactive services are services that think for the customer, i.e. include elements of care, are forward-looking, dynamic and adaptable to (changing) consumer needs. This line of argumentation is reflected in the following statements:

> *"That means we have also invested a lot in artificial intelligence based on analytics. Because they provide us with customer insights without the customer having to speak to us. Simply on behavior-based data, which then helps us to anticipate pain points or support needs and intercept them proactively so that there is no problem in the first place." Interviewee 23*

In sum, including service features is a relatively easy possibility for organizations to trigger positive customer experience. However, the difficulty is to identify and select the relevant service features. Therefore, companies should carefully decide upon which features to add to avoid overwhelming the customer.

Service framing strategies. The broad objective of service framing strategies is to determine how a service should be wrapped in order shape customer experience. Our study essentially comprises two framing dimensions: *design* and *communication*.

Service design, as a relatively new research field, has gained fundamental traction in service- and experience related research. In line with research, practitioners highlight design as essential:

> *"That's why I'm now much more on this trip, to say that this is not customer experience, it's more user-centered design. So a little bit by designing processes." Interviewee 8*

In addition, communication plays an important role within marketing and especially for the creation of experiences. Communication strategies deal with the channel, content, feedback and effects of communication (Mohr & Nevin, 1990) as are essential for building relationships (Duncan & Moriarty, 1998). One of our interviewees illustrates this position in the following quote:

> *"I think, all together, it would really be faster, better and more digital communication." Interviewee 11*

Overall, design and communication are essential components within CEM. Even when a new customer experience element is created, it must always be well designed and communicated in order to develop its full potential.

Hedonic/relational service. In addition to maintaining transactional functional service components, the experts emphasize the increasing importance of providing emotionally engaging, pleasurable experiences to increase differentiation. The following quote from a Global Head Digital Customer Experience addresses this issue:

It's two elements to that. One is the high-quality customer service and the second one is (...) a component of beauty. What is that? It means pleasure derived in using the service." Interviewee 10

In addition, customer surprise can be helpful in exceeding customer expectations, by yielding pleasure for customers (Vanhamme & de Bont, 2008). This is aptly summarized by the following quotation:

So I'm going to go beyond what I promise. Or I sort of have a surprise ending (...)." Interviewee 11

In terms of service delivery, the hedonic dimension is essential for creating and consciously managing customer experiences, as we have shown in the previous sections. By focusing on experience-oriented elements it is virtually possible to surprise customers, exceed their expectations and differentiate services. Nevertheless, the other service components must not be neglected.

Customer Experience

Customer experience is the essential part of our conceptualization. It arises at the interface between the organizational and the external realm. Specifically, we derive three dimensions of customer experience that must be taken into account in CEM: *Touchpoint(s)*, *Customer Dimensions*, and *Context*.

Touchpoint(s). Most services can be divided into several parts that are relevant at different stages of the customer journey (Homburg et al., 2017; Lemon & Verhoef, 2016). However, with increasingly complex customer journeys across a variety of channels and both direct and indirect touchpoints, there is a risk that not all relevant touchpoints can be adequately connected. The apparent connection of all touchpoints is seen as a relevant feature to create value through connected experiences to create a whole ecosystem of experiences, as exemplified by experience pioneers such as Apple and Amazon. The previous statement illustrates this argument clearly:

> *"Google or Amazon is not the same. Beautiful experiences in that they're not just very simple and the feature is there, but the way they are connected is also a pleasure." Interviewee 10*

As service organizations may have plenty of different touchpoints including complex and individualized customer journeys, it is important to prioritize the service activities and the touchpoints accordingly and focus on value creating touchpoints. The service design literature has suggested blueprinting as one such methods to map out the service activities (Patrício et al., 2008). One of our interviewees drilled it down to the point:

> *"But if you take Journey Mapping seriously, all the touchpoints that don't generate value will fall out. In other words, if there is a touchpoint that does not create value for the customer or the service organization, it will simply be radically eliminated or automated. But you don't keep it any further. And that's why professionally designed customer journey and target experiences are usually more efficient and more cost-effective" Interviewee 23*

Moreover, to contribute to a positive customer experience our interview partners highlighted the importance of providing personalized services.

> *"It all boiled down to two things. Simplicity and being personal. Those are the two dimensions that they distinguished themselves very positively. (...) At the end of the day, it's really doing a better job at those two dimensions and they can do that across the value chain of an insurer." Interviewee 20*

To conclude, touchpoints are highly important for gaining data, for triggering customer experience and for experientially integrating new customer experience elements. To achieve this, it will be essential for companies to identify the relevant touchpoints, eliminate redundant touchpoints and connect the remaining touchpoints in a compelling fashion. In the eyes of our experts, this is

an essential sequence of designing touchpoints to create customer experiences and will help novice companies to adapt their customer experience strategies in terms of touchpoints.

Customer dimensions. An understanding about consumer dimensions is essential for any company willing to implement effective CEM. In doing so, companies need to gain capabilities to collect data, convert them into experience-related insights, and derive organizational actions. Many established experience dimensions were confirmed in our study. In our model, the consumer dimensions refer to the internal consumer characteristics and prerequisites of consumers that contribute to the perception of experiences. Insight into the consumer dimension is fundamental for businesses and must be integrated into service development and dynamically updated to constantly renew the customer experience.

Based on the initial conceptualization of customer experience, we have found evidence for some of the BASIS customer experience dimensions mentioned in the literature. In line with the literature (Lemon & Verhoef, 2016), the affective dimension was particularly frequently highlighted as the CEO of a national financial service provider observed:

> *"It has to feel good. That's all. It has to feel good. What is a good feeling for the customer? It's customer experience." Interviewee 17*

To fully understand the impact of their customer experiences, organizations need to take consumer expectations into consideration that moderate the resulting experiences as prior experiences dynamically shape future experiences (Verhoef et al., 2009). In our model, the "evaluation depends on the comparison between a customer's expectations and the stimuli coming from the interaction with the company and its offering in correspondence of the different moments of contact or touch-points" (Gentile et al., 2007, p. 397). As such, expectations are essentially the base line as the following quotation highlights:

> *"So I think you can't answer it absolutely, you always have to look at (customer experience) relatively. And to sum up, you create excellent customer experiences by exceeding expectations, yes, not by guessing and meeting them, that's the base line." Interviewee 12*

Consumers experience services with their senses. With regard to the customer experience, it will be necessary to look at services from a different perspective, by basing the development of products/services on the potential impact on customer value and customer experience which is reflected in the following comment:

> *"So, who's Pacemaker? That is the question. And the Pacemaker is actually the one who is at the customer interface. Because, you don't do it because of the technology, but because it has to generate maximum value for the customer. (...) So you don't have to start from the factory, you have to start from the value and the experience." Interviewee 14*

Against this background, companies are advised to gain insights into customer dimensions and implement them in their business processes. Current research has provided a fruitful starting point, and there are many practical examples of how customer experiences can be created.

Context. There is consensus among researcher that experiences are significantly influences by the context of consumers. "Value in the experience is determined by the individual service customer's context and is constantly changing and will very much depend on the particular service customer's specific interest and personal lifeworld context" (Helkkula et al., 2012, p. 62). As such, in SD logic, value is seen as "contextually contingent concept" (Vargo & Lusch, 2016, p. 18; Vargo, Maglio, & Akaka, 2008). The importance of the context within CEM is highlighted as follows:

> *"People discuss endlessly about this thing. When we tried to do that, unfortunately, we lack the culture to add this customer engagements*

dimension. Why? (...) We don't provide content that is relevant to people. We provide content that is relevant to organizations." Interviewee 10

"And experiences are to be understood and designed where the customer is in a natural setting." Interviewee 14

Overall, it became clear that organizations need to gain a deeper understanding of their customers and their individual lives. Technology will play a decisive role in this process, as technology enables companies to gain a deeper understanding of the customers' living environment and in identifying relevant contexts.

Outcomes

The primary objective within our model is to deliver customer value, which suits very well to the service-oriented view of our model. To add on this, we have also collected additional outcomes highlighted by our respondents and have classified all outcome-related variables into *consumer outcomes* and *organizational outcomes* in the following section. Since many studies have already provided a great deal of insight into outcomes of customer experience, we do not intend to make an exhaustive analysis in this section. Rather, we briefly touch upon potential outcomes.

Consumer outcomes. Contrary to Homburg et al. (2017), our study results indicate that the main goal of CEM is not loyalty but the superior goal of achieving customer value, as it ensures customer centricity on an ongoing basis. We follow Woodruff's (1997) seminal definition of a customer-centric customer value concept. To that end, one expert boiled it down as follows:

"It's all about value to the end customer, no matter where it comes from" Interviewee 14

In addition, customer experience has been described as a construct that affects other elements of consumer behavior such as, involvement (Zaichkowsky,

1985) customer engagement (Kumar et al., 2019) and customer lock-in effects as the following statements underscore:

> *"I think it' s important to recognize the relevance for the customer and I think this is the real challenge for companies and the customer experience." Interviewee 6*

> *"Provide relevant content, engaging content" Interviewee 10*

All customer experiences must be focused on meeting customer needs or, as one of our interview experts put it, be focused on customer problems. From the perspective of an interviewee, the customer problem is synonymous with customer needs. This corresponds to our problem awareness within the chapter on organizational culture and is highlighted in the following quotes:

> *"Customer problem is so negatively associated. (...) I always relate it to customer needs. ALWAYS." Interviewee 17*

Even though other customer-oriented concepts can be influenced by CEM, our respondents clearly conceptualize customer value as the main result of CEM. Nevertheless, we have also highlighted other effects to enable a more holistic view of CEM.

Organizational outcomes. Although strategically and operationally all processes must be geared towards the provision of customer value, the organizational results must not be left out. In fact, they are also very important in terms of customer experience, as the customer experience must deliver value in the form of business results. It is therefore appropriate and important to implement continuous feedback loops:

> *"This is what distinguishes us from other companies, and in many cases also from corporations, for us the rule is numbers don't lie. We do not develop from gut feeling. A gut feeling is important in a company, but a gut feeling is not the right thing to deduce things that could also be*

supported with numbers at a reasonable cost. (...) We evaluate all new product ideas that we introduce according to what is the economic impact." Interviewee 12

To sum up, creating customer value must be the primary goal within CEM to ensure customer-centric service offerings. However, business results also play a vital role. In this vein, constant feedback before and after the implementation of new services is essential to operate economically efficient.

General Discussion

Theoretical Contribution

Our study contributes to research in three particular ways. First, our CEM framework highlights organizational success factors and extends the results of Homburg et al. (2017) by adding organizational structure to account for a more holistic conceptualization that guides organizational behavior towards the creation of customer experiences. Specifically, we argue that structural determinants such as management board position, authority and business model alignment fundamentally influence the nature of the service and the extent to which customer experiences can be triggered. More generally, to explain this effect of prevailing inelastic business practices and organizational forms in management and marketing practice, we draw on institutional theory. Institutional theory serves to explain the pressure of the normative context on service organizations in their quest for legitimacy. The organizational structures of the companies surveyed in our study were mostly insufficient to effectively implement a company-wide CEM concept. In fact, only one company surveyed created a board position for customer experience. In almost all other cases, the customer experience department serves as an internal consulting agency, without the authority to formally provide guidance or to issue directives that we consider insufficient. Concurring with this observation, it may be for this reason that in recent years young startup companies have been challenging the incumbent firms as outsiders by offering an outstanding

customer experience. As long as the structural issue is not resolved, somewhat unfortunate, customer experience will merely stay a lip service, with little noticeable impact.

Second, while prevailing attempts to conceptualize CEM have particularly focused on design strategies for shaping customer experience in service organizations (Patrício et al., 2008, 2011; Teixeira et al., 2012; Zomerdijk & Voss, 2010), prior work has not collected a comprehensive portrayal of service-orientated, service characteristics that trigger customer experience. We show that although all five dimensions are essential components of customer experience, the degree to which they are important varies. We hope with our concept to offer a practical tool for managers to assess current customer experience practices and thus make customer experience transversally manageable beyond the customer experience resort.

Third, by interviewing customer experience experts, we find evidence for existing conceptualizations of customer experience (Lemon & Verhoef, 2016). As such, we conclude that literature has offered a good starting point to establish consumers experience dimensions thus far. However, as we have shown, in order to make customer experiences manageable, it is essential to have a deep understanding of how experiences are created and how information about creating experiences is interpreted from the customer perspective and even more importantly, effectively integrated into the organization without losing the customer perspective. Apparently, this seems to be a major challenge. Furthermore, we suggest that organizations dynamically review their current organizational success factors and derive organizational actions (Figure 7).

Managerial Implications

The preceding discussion has touched on the main contribution of our study which has also several implications for service managers. First, executive managers are advised to align their organizational structures towards CEM. This may include establishing a CMO or CXO board position to make customer

experience a strategic concern of the top management. Notably, in addition to a hierarchically relevant position within the firm, we stress the importance of equipping the new position with power and authority to facilitate change. In addition, once the board position becomes operational, other organizational success factors can be sequentially aligned with customer experience. To that end, marketing and customer experience must find their way into the company's vision, mission, goals and measurable KPIs. As long as only profit-oriented goals are implemented, important internal stakeholders will focus primarily on profit and not on customers and customer experience will merely stay a lip service. Once the new service-orientation on CEM is implemented structurally and strategically, capabilities need to be built to implement experiential work styles. By far the most critical and difficult change in CEM is the cultural change, which is only possible if the entire board of directors, especially the CEO, and even all employees embrace a service-oriented customer experience mindset.

Future Research and Limitations

As with any grounded theory study, this study is subject to some limitations. In developing a customer-centric CEM framework, we collected empirical data from 24 service organizations. We concentrated primarily on financial services. However, future research should extend the current empirical dataset by collecting empirical evidence from other services to support and refine our findings. It would be of particular interest to assess the impact of different organizational structures on the degree to which experience is triggered and to find optimal organizational structures that enable effective CEM.

Moreover, grounded theory strongly relies on the interpretations of the research team (Strauss & Glaser, 1967). As a result, one of the major shortcomings is attributed to the lack of generalizability. As such, we would like to encourage scholars as well as practitioners to perform more empirical research taking our framework as a basis. In particular, it would be necessary to gain a deeper understanding of how a customer-centric thought can be maintained when

integrating customer experience insights into the organization or to which extend specific organizational success factors contribute to the overall customer experience.

Conclusion

In a multidisciplinary, empirical endeavor, the present work has introduced a customer-centric CEM framework. Using a grounded theory approach, the emerging grounded theory is empirically and theoretically solid, synthesizes and integrates existing marketing and organizational research streams plus suggests a more holistic view on CEM. We hope that our study will contribute to managers' understanding of CEM and encourage scholars to initiate fruitful future research projects. In closing, we suggest that executive managers take organizational measures that go beyond the establishment of customer experience departments with little organizational power, merely giving CEM a lip service. We further propose, that customer experience executives use tools for developing current and future customer experiences to manage customer experiences transversally and dynamically.

Illustrations

Number	Company info	Position
Pilot phase		
1	Multinational financial service organization	Innovation Manager
2	Multinational financial service organization	Business Innovation Manager
3	Multinational financial service organization	CEO, Managing Director
1st interview stage		
4	Financial service startup	COO
5	National fiancial service organization	Head Customer Experience
6	National fiancial service organization	Head Customer Experience
7	Multinational financial service organization	CCO
8	Multinational financial service organization	Head Customer Experience
9	Multinational financial service organization	Head Customer Experience
10	Multinational financial service organization	Global Head Digital Customer Experience
11	Multinational financial service organization	Head Customer Excellence
12	Financial service startup	CEO
13	Multinational financial service organization	Head Business Model Transformation
14	Multinational financial service organization	Head Digital Ecosystems
15	Multinational financial service organization	Head of L&H Products Strategy
16	National fiancial service organization	Channel & Customer Experience Manager
17	National fiancial service organization	Board Member
18	Multinational financial service organization	Global Head Customer & Digital Experience, CMO
19	National fiancial service organization	Head Customer Experience
20	Consultant	CEO
21	Multinational financial service organization	Managing Director & Head CX & Digital Delivery
22	Financial service startup	General Manager Europe
23	Multinational financial service organization	Head Customer Experience
24	Financial service startup	CEO

Figure 5. Interview Participants

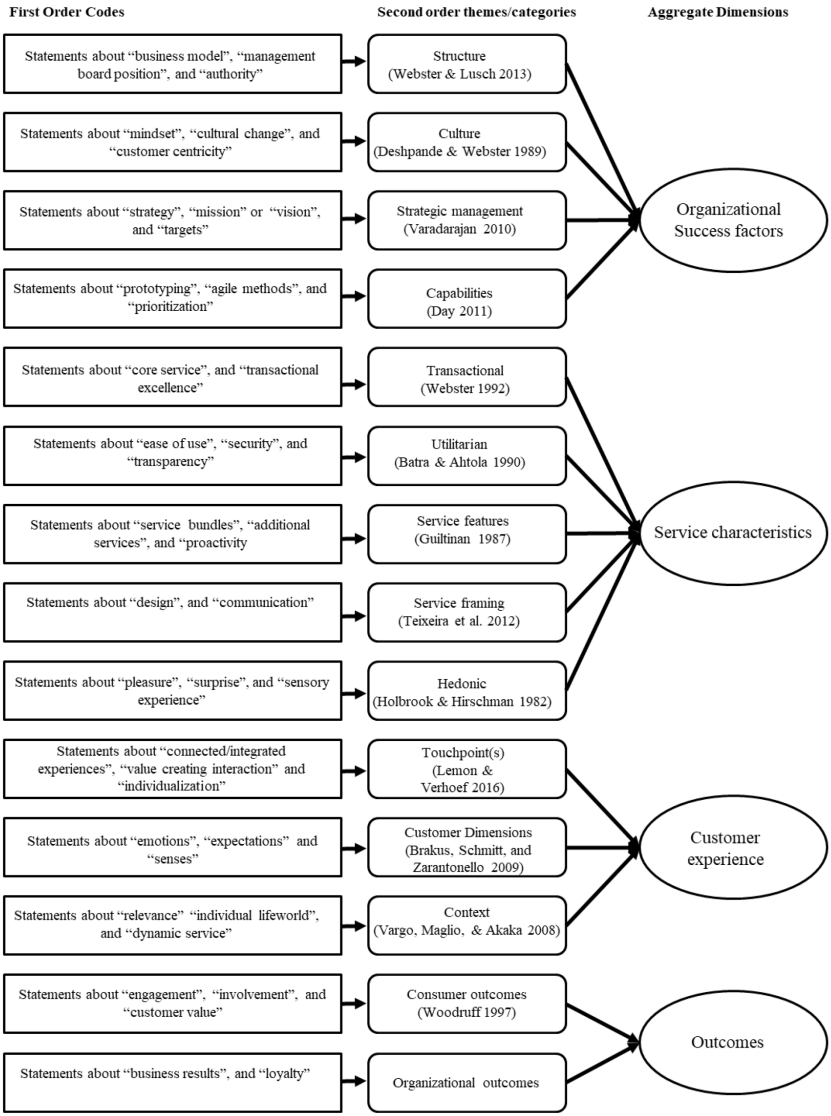


Figure 6. Code Aggregation Diagram

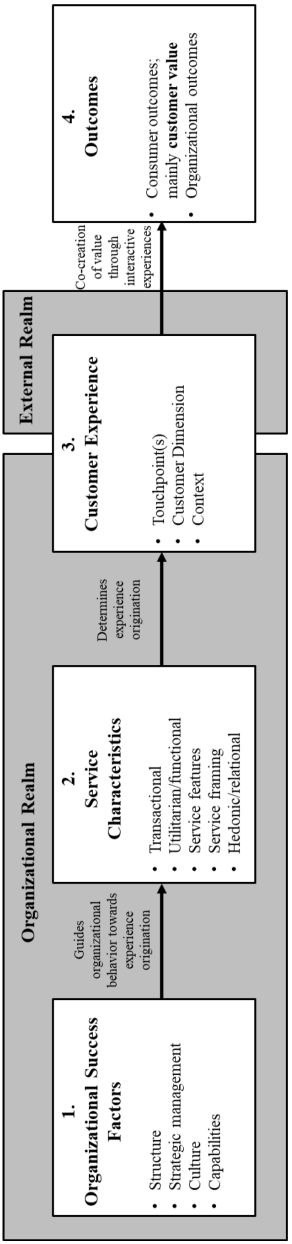


Figure 7. Customer Experience Management Framework in Service

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IV The Role of Self-Tracking Technologies in Value Co-Creation: A Customer Dominant Logic Perspective for Health-Related Activities

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Abstract

Purpose: The aim of this article is to develop a conceptual model that shows how value co-creation processes have changed through Self-Tracking Technologies (STTs). Service research has so far neglected the potential of STTs for co-creation. The paper conceptualizes value creating activities from a Customer Dominant Logic (CDL) perspective.

Design/methodology/approach: To show how STTs can influence co-creation processes, we develop a conceptual model that illustrates the process flows in the customer's world, the provider's world, and within the interaction arena. On this theoretical basis, we derive three propositions.

Findings: The main argument of this paper is that STTs enable a more genuine CDL perspective. STT functionality is based on customer data and facilitate as well as enable the combination and transformation of customer resources through visualization of customers' data points. This allows the customer to combine different customer activities into a network of activities to fulfill their goals more holistically. Moreover, we show that managers can use STTs as a mechanism for co-creation. The personalization of health-related activities, the motivation of customers or the application of interventions and the education of customers open up new co-creation possibilities to address health-related activities.

Originality: This paper proposes a conceptual model for co-creation via STTs and provides a framework to capture co-creation opportunities. For this

purpose, established concepts from SDL and insights from STT research are integrated into a CDL perspective.

Introduction

The evolution of self-tracking technologies and their widespread use in everyday life have created new opportunities for customers to co-create value by engaging in health-related behavior. Among the many service technologies (Kunz *et al.*, 2019; Ostrom *et al.*, 2015; Wuenderlich *et al.*, 2015) that facilitate co-creation in service, much of the attention in recent decades has focused on self-service (e.g. Bateson, 1985; Dabholkar and Bagozzi, 2002) along with self-service technologies (e.g. Gummerus *et al.*, 2019; Meuter *et al.*, 2005). While the focus has traditionally been on company-controlled self-service technologies with an emphasis on the customer-provider interface to reduce costs or be accessible 24/7 (Gummerus *et al.*, 2019; Meuter *et al.*, 2000; Weijters *et al.*, 2007), recent technological advances such as smartification of service via Internet of Things (Chouk and Mani, 2019), AI (Huang and Rust, 2018), or machine learning (Wirtz *et al.*, 2018) have created customer-controlled co-creation opportunities. These advances enable customers to increase self-knowledge (Lupton, 2016) and take better health-related decisions by collecting, analyzing and visualizing personal data in real-time (Lupton, 2017; Nahum-Shani *et al.*, 2018; Swan, 2012a). The high appeal of customers in their own personal, health-related information, is encouraged by the rapidly growing dissemination of STTs, a particular subset of self-service technologies. The economic importance of STTs is reflected in the estimated worldwide market volume by 2022 of USD 71.9 billion (BCC Research, 2017).

STTs may support customers' health-related activities (Bode and Kristensen, 2015; Sharon, 2017), as they are intended to "facilitate consumers' decisions as to which actions to engage in or which future goals to set" (Wittkowski *et al.*, 2020, p. 285). Self-tracking includes all self-monitoring practices in which biological, physical, behavioral or environmental information is utilized, quantified and visualized (Bode and Kristensen, 2015; Crawford *et al.*, 2015), and many help customers in calculating metrics about their performance or

condition, such as body weight index (Crawford *et al.*, 2015), or sleep quality (Bentley *et al.*, 2013). And while a few years ago medical professionals had to base medical decisions largely on momentary data such as taking blood pressure during a visit, today data can be easily tracked 24/7 (Schüll, 2016; Smarr *et al.*, 2020). That way, it is the technological advances of STTs that are expected to radically transform customers health-related activities by providing customers with competencies about their bodies and behaviors through feedback loops to gain self-awareness (Bentley *et al.*, 2013).

However, although co-creation is becoming a somewhat established concept in health service, a concept that integrates STTs into the co-creation process from a customer perspective is missing. This is interesting because recent studies indicate that STTs have given customers more control over their co-creation activities (Gummerus *et al.*, 2019) and research shows that STTs offer opportunities to change health-related activities (Swan, 2012a). So far, service dominant logic (SDL) has served as a fruitful approach in health service research to explain co-creation through the underlying process of resource integration (McColl-Kennedy *et al.*, 2012; Sweeney *et al.*, 2015). However, criticism has emerged about the fact that SDL is still provider focused, generic with a focus on service rather than customers, and it assumes that co-creation can only take place when two or more actors interact (Heinonen *et al.*, 2010; Heinonen and Strandvik, 2015). As a result, CDL has emerged as a business logic that shifts the focus to the activities of customers and to their subjective experience. In terms of STTs, one could argue that customers are not only an integral part of co-creation, but rather the very dominant part in customer value creation through their activities (Medberg and Heinonen, 2014). Although technological advances may enable better extraction of customer insight through data, CDL has received comparatively little attention in research so far.

The purpose of this paper is to assess how STTs change the co-creation process for health-related activities. In particular, we aim to conceptualize the role

of STTs in value co-creation from a customer perspective. We use CDL (Heinonen and Strandvik, 2015) which recognizes that co-creation may be asynchronous and formed by customers beyond interactions. Globally, health has a substantial effect on the economy and also a direct impact on wellbeing and the quality of life (Berry *et al.*, 2020; Berry and Bendapudi, 2007). Hence, the importance of health-related research has been highlighted be a global research priority (Berry *et al.*, 2020). Given the increasing popularity of individuals for managing their personal health through technology (Anderson *et al.*, 2016; Čaić *et al.*, 2018; Huang and Rust, 2017), service research stands to benefit from understanding the broader implications of technologies (Bieler *et al.*, 2021). Service research is multidisciplinary and, as such, has the potential to serve as a fertile outlet that integrates the specialized findings of other fields that have previously studied STTs. We aim to solve these issues by asking:

RQ: How do self-tracking technologies affect the co-creation process of health-related activities?

To address our research question, this study draws on conceptual development by integrating findings from multiple disciplines, as proposed by MacInnis (2011). Particularly, a CDL perspective is adopted and insights from SDL and STT research are integrated. The main argument of this paper is that STTs enable a CDL-based business logic. As such, our work contributes to CDL literature by demonstrating the need for "positioning customer insight in the foreground" (Heinonen and Strandvik, 2015, p. 473). Our work extends CDL by showing that integrating customer resources, a concept from SDL, serves to explain some of the co-creation processes, since by definition STTs integrate customer resources (data) to turn them into meaningful visualizations. STT research is used to explain some of the different usage practices of STTs to show the processes that explain how holistic customer value creation occurs through a network of different customer activities (Lyall and Robards, 2018; Pantzar and Ruckenstein, 2015). Thus, we propose that STTs support the transformation of

customer resources in a value creation process by making customer activities visible (Proposition 1).

Second, even though Heinonen and Strandvik (2015, p. 479) defines "co-creation as intentional goal- and task-oriented activities", a concept that further explains co-creation from a CDL perspective is missing. We are addressing this shortcoming by showing that STTs support customers combine different customer activities into a network of activities (proposition 2). We extend Mickelsson (2013) by defining the role of STTs in this process. STTs, because they are able to combine different customer resources, help meet customers' goals more holistically.

Finally, although the customer is dominant in the customer value creation process and can create value beyond co-creation, provider can contribute to co-creation processes. The potential of STTs arises from their everyday use and their potential to provide analytical expertise to customers (Cocosila and Archer, 2010; Pantzar and Ruckenstein, 2015). As such, STTs offer new opportunities for service organizations to increase the appeal of health-related activities for instance by gamification (Barratt, 2017), real-time interventions (Nahum-Shani *et al.*, 2018), or patient empowerment (Mukherjee and McGinnis, 2007). As a result, providers can support customers' core activities with STTs, thereby developing co-creation opportunities (proposition 3).

Theoretical Background

Conceptual contributions are important to advance research, often with boundary-spanning contributions (Hulland, 2020). While there are various conceptual approaches, this paper aims to contribute by reviewing existing findings from various fields (MacInnis, 2011) on co-creation and how STTs influence the co-creation process with regard to health-related activities from a CDL perspective. Therefore, the following section briefly reviews SDL and some of the criticisms it has faced and outlines why and how CDL has the potential to

serve as a fruitful perspective for conceptualizing the role of STTs in co-creation. We also show that some established SDL concepts such as customer resource integration are indeed compatible with CDL and serve to explain some of the STT-based co-creation processes.

SDL vs. CDL

Much of the attention in marketing and service research in recent decades has been placed on SDL. Underpinned by the seminal studies of Vargo & Lusch (2004, 2008a) on SDL, substantial attention in research has been placed on service as the fundamental basis of exchange. Newest advances of SDL suggest that roles are not particularly defined. The updated version of SDL emphasizes the neutral terms roles and beneficiary rather than customer and provider, further emphasizing that service is the central element of exchange (Vargo and Lusch, 2016).

While SDL has proven useful in explaining service exchange phenomena, it is difficult for managers to derive marketing strategies from SDL as it is a meta-lens. As such, criticism has emerged about the fact that SDL is still provider focused, generic with a focus on service rather than customers, and it assumes that co-creation can only take place when two or more actors interact (Heinonen *et al.*, 2010; Heinonen and Strandvik, 2015). Although customers play a crucial role in SDL, they still seem to be rather passive actors, in contrast to providers, who are considered to play a more active role in value co-creation. For example, while Fundamental Proposition (FP) 8 states that service orientation is "customer-centric" and FP 6 states "the customer is always a co-creator of value" this implies that value can only be co-created with the help of the service provider. This view fails to recognize, at least in part, that value can also be created purely in the customer's world by customers themselves or in relation to other customers without a provider (Heinonen *et al.*, 2013). What is more, as service in its most basic sense means doing business for someone, it implies that providers have a special obligation and function as the prime resource integrator (Moeller *et al.*, 2013; Vargo and Lusch, 2008b).

In contrast, CDL is developed as a business logic that aims to focus on customer insight and their needings (Strandvik *et al.*, 2012). In particular, CDL emphasizes the need for the provider to gain insight into customers' activities, practices, and experiences, as customers do not need a specific provider, but rather a provider that is able to help customers achieve their goals. Therefore, it is important for providers to understand how they can support customers for example through co-creation processes (Rihova *et al.*, 2013). By adopting a customer perspective, CDL emphasizes that customers are dominant in the exchange process.

Since its first conceptualization a small number of empirical and conceptual studies has applied CDL. For instance, it has been shown that co-creation in a consumer-to-consumer context is a multilayered process (Rihova *et al.*, 2013). Others have developed a brand relationship mapping tool (Strandvik and Heinonen, 2013), highlighted four invisible value formation factors in banking (Medberg and Heinonen, 2014), show the relevance of customer activities in value formation process (Mickelsson, 2013), or developed a measurement scale for experiential value co-creation in tourism in online settings (Fan *et al.*, 2020). However, the major conceptual foundations of CDL are the two contributions of Heinonen *et al.* (2010) and Heinonen and Strandvik (2015).

Value co-creation vs. value formation

CDL is different to SDL as it challenges the traditional thought about co-creation, resource integration, the interactive nature of value co-creation, and the resulting narrower frame of value-in-use. Vargo & Lusch (2004, 2006, 2008a) define service as both the integration as well as utilization of operand and operant resources of multiple actors for mutual benefit, emphasizing the multilateral, interactive and processual nature of value co-creation. CDL goes one step further, and recognizes that value may in some instances be formed outside the control of the provider. For instance, it has been shown that many indirect experiences lie beyond the direct interaction between service provider and customer (Dube and

Helkkula, 2015) or may be consumer-controlled outside of providers control (McColl-Kennedy, Hogan, *et al.*, 2017; Mende and van Doorn, 2015). As a result, customer value is not always co-created nor does it necessarily result from provider resources (Heinonen *et al.*, 2013). For instance, customers may go cycling and do stretching on their own instance and feel better afterwards. To further extend CDL thought, it has also been proposed to extend CDL from a customer to a consumer perspective (Boysen Anker *et al.*, 2015). However, a focus on consumers has been criticized by Heinonen and Strandvik (2015) that it deviates from the original idea of CDL being a business logic.

Customers do not evaluate resources or features per se, but rather how the service is able to fulfill their goals holistically (Arnould *et al.*, 2014; Ng *et al.*, 2019). While co-creation and resource integration may not explain all customer value processes, it does, however, explain some of the processes within the interaction arena as a result of interactive co-creation processes. In CDL, co-creation is defined as "intentional goal- and task-oriented activities" (Heinonen and Strandvik, 2015, p. 479). From a CDL perspective, it is not about how the customer's resources are integrated as about how the provider's resources and activities help the customer accomplish their goals. For instance, Flint (2006, p. 356) has analyzed social interactions to study value perceptions in which value "emerges and morphs over time for individual customers". Moreover, value perceptions may be inherently subjective, dynamic, relative, thus dependent upon customers' wider societal context (Edvardsson *et al.*, 2011) and customers create value through experience by accumulating "positive and negative value experiences" (Grönroos and Voima, 2013, p. 138). Hence, service experience is an evolving process in which past experiences and anticipations of future experiences are constantly integrated (Helkkula *et al.*, 2012). CDL recognizes the value of experiences for customers in that it introduces presence as a concept that complements interactions (Heinonen and Strandvik, 2015).

Co-Creation Potential of STTs to Address Health-Related Activities

Service technologies are undergoing fundamental change due to technological advances. Interestingly, all of the studies about the future of service, highlight emerging co-creation opportunities. For instance, co-creation opportunities arise in networks through information sharing and self-service as a tool to enable customer autonomy (Ostrom *et al.*, 2015), or "technology is creating opportunities for customers to receive and share information about their usage" (Kristensson, 2019, p. 505). In addition, new value propositions are emerging through smart services (Wuenderlich *et al.*, 2015), i.e. services that are interconnected and enable the exchange of information, use analytics, and are connected to other objects, individuals, or providers (Lee and Lee, 2015). In particular, the use of smart services may require skills depending on their complexity (Wuenderlich *et al.*, 2015) and the resulting customer experience may depend on customer expectations (Ostrom *et al.*, 2015). Gummerus *et al.* (2019) emphasize the importance of devices that may have the purpose of self-monitoring for health and well-being.

In recent years, technological progress has revolutionized health-related service in particular. STTs have been increasingly recognized as a key area with a huge potential to facilitate co-creation opportunities through enhancing health-related activities in the customers' everyday life (Ostrom *et al.*, 2015). Along with the increasing popularity of the Quantified Self movement, which strives for an objectivation of self-knowledge via numbers (Ruckenstein and Pantzar, 2017; Wolf, 2009), the concept of self-tracking has become a central area of interest within academia. CDL fits perfectly to the phenomenon as it "is called self-tracking, and therefore subjective experiences of technology in everyday life need to be foregrounded" (Lyall and Robards, 2018, p. 112).

Self-tracking is facilitated by the availability and rapidly growing number of STTs. Using STTs for personal health and fitness has been identified as a major trend (Swan, 2009, 2012b, 2013). STTs encompass all types of smart devices,

portable sensors and mobile applications designed to collect and analyze data, often in real time, to provide personalized recommendations. Accordingly, customers are enabled to "accurately collect personal performance-related data and enhance users' awareness of their individual condition, their actions, and the consequences resulting from their actions" (Wittkowski *et al.*, 2020, p. 283). This phenomenological development makes the exploration of the interaction between STTs and customers' value creation processes necessary. Moreover, health-related activities may be highly dependent upon the individual's co-creative commitment. As such, customers have been described as "partial employees" (Mills and Morris, 1986). Similarly, health care has been classified as a "need service" (Berry and Bendapudi, 2007). Therefore, one hurdle with regard to health-related activities results from customers' low motivation to perform tasks properly. Table IV provides an overview of central studies involving STTs.

Authors/Year	**Context**	**Focus**	**Method**	**Key Findings**
Bode and Kristensen (2015)	Quantified Self	Self-Tracking	Ethnography	Emphasizes a processual view instead of an outcome view, which is essential in the continuum of self-quantification. The focus is primarily on the connection with the digital self
Bentley *et al.* (2013)	Health	Health Mashup System	Interviews	Identify that different contextual elements influence health and well-being
Gummerus *et al.* (2019)	Health Service	Customer Self-Service Devices	Conceptual	Customers control and define the use processes in which monitoring of health-related activity is an important dimension
Lupton (2020)	Digital Health Service	Digital Health Technologies	Interviews	While customers are interested in their various personal health-related information, it was highlighted that customers also value connecting and

				communicating with other stakeholders
Lupton *et al.* (2018)	Cycling	Self-Tracking	Digital Sensory Ethnography	The study shows that physical work and knowledge are connected via digital devices
Rooksby *et. al.* (2014)		Personal Informatics	Interviews	Customers often combine various activity trackers in a social and collaborative effort rather than a personal
Ruckenstein and Pantzar (2017)	Quantified Self	Self-Tracking Devices	Conceptual	Self-tracking devices generate data that enables consumers to live data-driven lives, but these lives are shaped by providers who implement data-based insights into their context and thereby shape consumers' lives
Swan (2012b)	Health Care	Quantified Self	Conceptual, Review	IoT enables customers to connect to the inner world, but also to the external world, as increasingly more devices and data will be available. The emerging IoT ecosystem consists of four steps: Data creation, information generation, meaning making and action taking
Wittkowski *et al.* (2020)	Healthcare, nonmedical professional service	Self-Tracking, Self-Tracking Technologies	Experiments	Identify that the effectiveness of STTs in advice compliance depends on consumers' self-efficacy, which can be gained through insights from STTs
This study	**Health-related Activities**	**Self-Tracking Technologies**	**Conceptual**	**STTs enable customer activity to be made visible by transforming and combining data into actionable insights**

Table IV. Overview of Central Studies

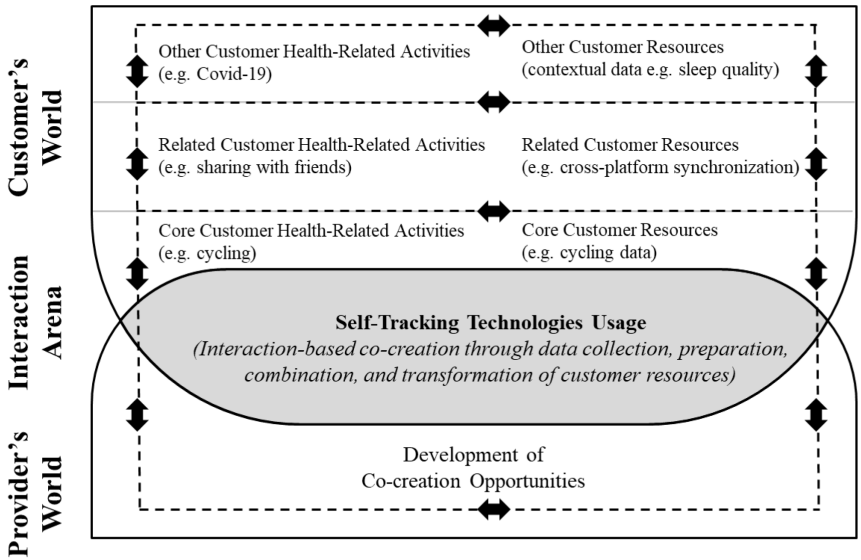


Figure 8. The Role of STTs in Co-Creation

Conceptualizing the Role of STTs to Address Health-Related Activities

In the following section, we elaborate our conceptual model (Figure 8) and develop three propositions to explain how STTs change co-creation processes to answer our research question. In CDL, a distinction between three spheres was proposed (Heinonen *et al.*, 2010; Heinonen and Strandvik, 2015). We adopt the terminology of CDL and conceptualize the impact of STTs on the co-creation process in the customer's world, provider's world and interaction arena. Although CDL also recognizes business-to-business contexts, we focus on individuals as customers because currently individuals are the main target group of STTs in terms of health-related activities. Also, for simplicity reasons, our model does not cover customers' service history and future services.

Proposition 1: STTs support the transformation of customer resources in a value creation process by making customer activities visible

Resource integration and customer activities are two intertwined concepts. The former is more emphasized in the SDL and the latter in the CDL. In SDL, the study of co-creation through the lens of resource integration has become somewhat established with special emphasis on health-related studies (Davey and Grönroos, 2019; McColl-Kennedy, Danaher, *et al.*, 2017). Activities, defined as "doing" or "performing" (McColl-Kennedy *et al.*, 2012, p. 375), are a basic requirement for resource integration and are "best understood in terms of input for the customers' resource-integrating" (Vargo and Lusch, 2008a, p. 2014). However, the focus is on the integration of resources and as such the interaction between provider and customer. Hence, it is "the ability to access, deploy, exchange, and combine them that lies at the heart of value creation"(Moran and Ghoshal, 1999, p. 409). Therefore, both provider and customer actively integrate operant resources (Davey and Grönroos, 2019). In this spirit, McColl-Kennedy *et al.* (2012, p. 371) identify different types of health care customers in an service interaction and highlight "customer's role as a resource integrator, identifying a range of activities (behavioral and cognitive) and interactions". Recognizing that many of the customer activities are beyond interactions, Sweeney *et al.* (2015) identify a hierarchy of co-creating activities based on the level of effort required by customers to integrate resources.

From a CDL perspective, the focus is not on the process of integrating resources or on resources per se as much as it is on activities, which "directs the attention to units of behaviour first, resources second" (Mickelsson, 2013, p. 540). We argue that because STTs build on the proposition of collecting, transforming and visualizing customer data, there needs to be a focus on customer resources and integration of several customer resources. In their value creation processes, customers integrate various customer resources. The visualization of customer resources in turn supports their value-creating activities. Thus, even from a CDL

perspective, the value for self-trackers stems not only from customer activity, but also from sharing and combining customer resources (e.g. data) that translate into visualizations or recommendations. For instance, Li *et al.* (2010, pp. 557, 561) identify a five-stage model of "preparation, collection, integration, reflection, and action" of personal informatics systems, in which integration is characterized as "where the collected information is prepared, combined, and transformed for the user." In fact, many behavioral activities can be influenced by how STTs process and visualize customer resources. However, the customer has control over this process by performing the activity, i.e. feeding the technology with data (or not), deciding which data to share and which path to take. But we also note that STTs in a health-related setting also need to emphasize resource development (Bieler *et al.*, 2021) and thus contribute to increasing operant resources, such as competencies, e.g., by eliciting learning (Hibbert *et al.*, 2012) through, for example, tailored visualizations that highlight the meaning of the data to the customer, or by making (real-time) suggestions, and as such influence behavior (Swan, 2009, 2012b).

Proposition 2: STTs support customers combine different customer activities into a network of activities

From a CDL perspective Mickelsson (2013, p. 536) conceptualizes customer activities as "discrete, customer-controlled sequences of behaviour where inputs by service providers may or may not be required. Customers are seen as agents who creatively combine activities into systems of recurring activity, which are maintained in order to support some type of value-creating process in the customer's life or business." From a resource-based theory perspective, Arnould *et al.* (2014) argue that the customer's holistic (life) goals are essential, to which the provider can only partially contribute. All activities and experiences can be divided into three dimensions: *core*, *related* and *other* (Heinonen *et al.*, 2010; Heinonen and Strandvik, 2015). While the customer's core activities and experiences take place predominantly in the interaction arena, related and other

customer activities are particularly relevant in the customer's world. In brief, core activities and experiences relate directly to the use of and interaction with a service, such as using a watch and app to track cycling activity. By contrast, related activities "may be supplemental information searches, interactions with competitors of the focal firm, interactions with complementary service providers, or interactions with other customers or stakeholders relevant to the use of the focal service" (Mickelsson, 2013, pp. 538–539) which may be using a smartphone app to share details about cycling online. For instance, Rooksby *et al.* (2014) notes that self-tracking, contrary to the terminology, is often a social and collaborative endeavor rather than personal. Other customer activities refer to activities unrelated to the provider (external factors), such as Covid-19 who changed behavior by, for example, going running more often as other opportunities were shut down. Notably, value is seen in these conceptualization as experiential and socially constructed by customers (Helkkula *et al.*, 2012).

We follow this classification and divide customer resources into *core*, *related* and *other*. Core customer resources refer to all resources directly related to the interaction with the service provider, i.e. the data which has been gathered from going cycling. The processing of the provider transforms the information into meaningful entities. Related customer resources refer to complementary services such as cross platform applications (Lyall and Robards, 2018) that include the possibility to combine data (Bentley *et al.*, 2013). Other customer resources include contextual data such as sleep quality, which can have an impact on customer's health-related activities. This is groundbreaking in the way it allows customers to see connections of activities and how they can affect one another, such as how cycling affects sleep quality or vice versa.

Several studies have analyzed the various usage practices of STTs, and most studies note in one way or another that self-tracking is about connection and communication (Lomborg and Frandsen, 2016; Lupton, 2016; Pantzar and Ruckenstein, 2014; Rooksby *et al.*, 2014). It was also suggested that the use of

SSTs does not have a final outcome, but rather is an ongoing process (Bode and Kristensen, 2015). More importantly, while STTs used to focus heavily on data collection and had simple processing functions, with advances in technology such as IoT, AI and cross-platform combination, the value to STT customers comes from how data is processed at scale, how connections are made between data, for example, incorporating contextual data, and how the results are communicated. Therefore, newer STTs are expected to change health-related activities by being able to move away from providing services for singular core activities, such as cycling, and contribute to a larger network of customer activities that includes core, related, and other activities to show a holistic picture of self and impact on health-related activities (Figure 9).

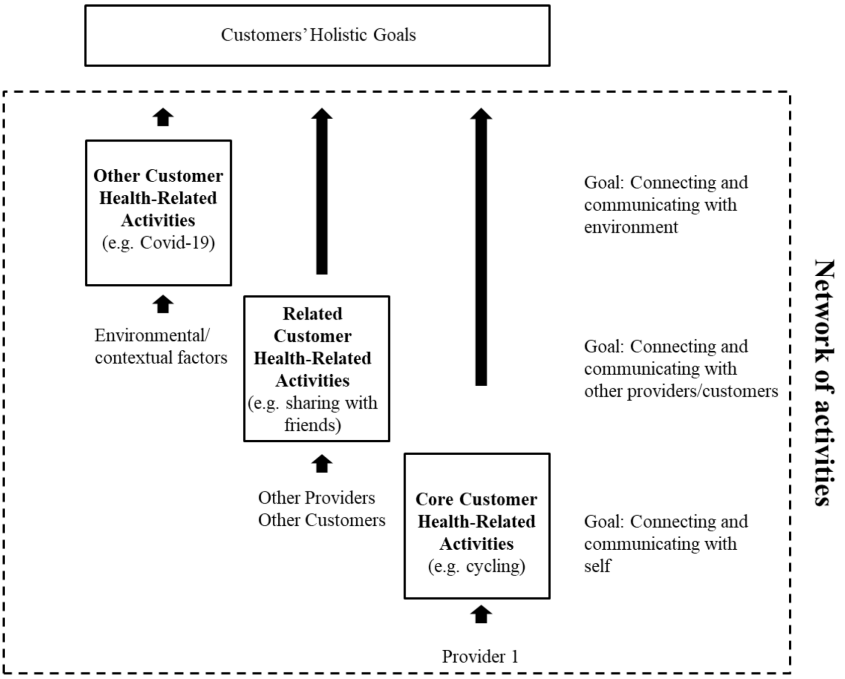


Figure 9. Customers' Network of Activities

Proposition 3: Providers can support customers' core activities with STTs, thereby developing co-creation opportunities

In this section, we lay out how provider can develop value co-creation opportunities by utilizing STTs to shape health-related activities. We define co-creation opportunities as "strategic options for value creation" (Payne *et al.*, 2008, p. 88). The potential of STTs arises from their everyday use and their potential to provide analytical expertise to customers (Cocosila and Archer, 2010; Pantzar and Ruckenstein, 2015). As such, STTs offer new opportunities for service organizations to increase the appeal of health-related activities for instance by gamification (Barratt, 2017), real-time interventions (Nahum-Shani *et al.*, 2018), or patient empowerment (Mukherjee and McGinnis, 2007).

This reflects the increasing potential of STTs to address behavioral change (Carter *et al.*, 2018). In fact, many STTs are by default designed to change behavior by applying one or more techniques, such as setting goals, providing feedback on performance or self-tracking (Bort-Roig *et al.*, 2014; Conroy *et al.*, 2014; Middelweerd *et al.*, 2014). Although the findings about the effectiveness of STTs to promote healthy behavior may sometimes be controversial (Carter *et al.*, 2018) a review about behavioral change interventions supports the inclusion of self-monitoring in the context of cycling and walking (Bird *et al.*, 2013).

Based on the integration of customer resource (e.g. bodies, personal data) service providers have the opportunity to create more personalized services through STTs (Lupton, 2020) and adaptive personalization strategy (Huang and Rust, 2017). For instance, as a result of the smartification, larger amounts of individual and spatial data are available. Accordingly, it is possible to personalize services using the latest technologies such as algorithms and/or artificial intelligence to achieve greater depth of analysis, e.g. through metrics, development plans, automatic and personalized training suggestions (Rivers, 2020). Personalization of services has been highlighted to be an essential part in contributing to customers' value-in-use determination (Ranjan and Read, 2016).

While offline self-tracking as a phenomenon is ubiquitous especially for older people, the younger age group is more focused on using STTs. There is enormous potential to provide co-creation opportunities for older people through STTs, for example, by changing the design of current STTs to make them more attractive to elderly people (Caldeira and Chen, 2019).

STTs have been shown to be particularly effective for motivational purposes (Paluch and Tuzovic, 2019), for example by sending messages or through gamification features (Barratt, 2017; Cocosila and Archer, 2010). Particularly with regard to health or sports-related outcomes, STTs can engage customers to work out more frequently, more intensively and more regularly in order to maintain or improve health (Barratt, 2017; Cocosila and Archer, 2010). However, increased motivation can improve health-related outcomes in some cases, but it can also lead to unintended consequences for relationships (e.g., families), which in turn can be harmful to overall health (Barratt, 2017).

STTs can be used for customer education to build up customers competences. The effects of competence building can be considered as long-term oriented (Cocosila and Archer, 2010), which stands in contrast to the rather short-term oriented behavioral change interventions outlined above. Customer education can be beneficial to both the service provider and the customer. In the most general sense, customer education refers to "informing, explaining, and demonstrating concepts to customers" (Bell *et al.*, 2017, p. 307) and has the power to change cognitive, affective and behavioral outcomes (Waxman *et al.*, 1985) by for instance increasing customer's self-efficacy (Bandura, 1993). Therefore, improving knowledge can improve decision-making competences and is expected to have long-term effects on behavioral change. Educating customers will increase their awareness of the self and is very important in the overall continuum of achieving health.

Discussion

Theoretical Contribution

Our manuscript makes a contribution to research in three substantial directions. First, our paper takes a CDL perspective and shows that although it has been difficult for theory and practice to implement a CDL business logic in the past, STTs are a natural application field for CDL. However, we also recognize that CDL is less well developed compared to SDL. We note that there is a huge body of knowledge from SDL about co-creation that is already established and worth integrating into CDL. So far, CDL-based contributions have theoretically explained exchange processes between provider and customer through activities rather than resource integration (Mickelsson, 2013), emphasized that value can be formed rather than created from the customer's perspective (Heinonen *et al.*, 2013), and that CDL is a business logic rather than a service logic (Heinonen *et al.*, 2010; Heinonen and Strandvik, 2015) that focuses on customer needs as well as insights rather than offerings (Strandvik *et al.*, 2012). Even though Heinonen and Strandvik (2015, p. 479) defines "co-creation as intentional goal- and task-oriented activities", there is no contribution that further explains these processes. We address this gap by showing that STTs have the potential to enable CDL by shifting the focus to the customer's value-adding activities in their lifeworld, visualizing the customer's various activities by combining and transforming customer resources. This visualization of the customer's own activities changes self-awareness (Bentley *et al.*, 2013). Thus, especially for STTs, some of the co-creation processes can be explained by the customers integrating resources that are then transformed.

Second, we show that STTs help customers combine different customer activities in a network of activities that has the potential to support customers' goals more holistically than singular (core) activities. For this finding, we draw on insights from previous papers on customer resources (Arnould *et al.*, 2014), customer activities (Mickelsson, 2013) and combine them with studies from other

fields on STTs (Bentley *et al.*, 2013; Lyall and Robards, 2018; Rooksby *et al.*, 2014). This is also consistent with CDL, which showed that while providers may contribute to customer value creation, many activities are beyond co-creation (Heinonen *et al.*, 2010; Heinonen and Strandvik, 2015). We conceptualize STTs as the enabling factor to combine activities, as STT studies have shown that using STTs is oftentimes a social endeavor rather than a personal one (Lomborg and Frandsen, 2016; Lupton, 2016; Pantzar and Ruckenstein, 2014; Rooksby *et al.*, 2014).

Third, service scholars have long promoted the great potential of using technology for developing value creation opportunities. While earlier studies about self-service technologies (Gummerus *et al.*, 2019; Meuter *et al.*, 2000, 2005; Weijters *et al.*, 2007) have largely focused on delivering company-controlled service value, newest contributions about the future of service technologies highlight the great potential for co-creation through data-based technology (Gummerus *et al.*, 2019; Kristensson, 2019; Wuenderlich *et al.*, 2015). Particularly, those studies highlight new emerging value proposition through smartification of service (Wuenderlich *et al.*, 2015) or the importance of customer-controlled self-service devices (Gummerus *et al.*, 2019). Although those studies highlight the potential that arises from customers utilizing information about their behavior (Kristensson *et al.*, 2004) a study that addresses how processes have changed due to the advancement of STTs is missing. Indeed, Gummerus *et al.* (2019) have called for finer classifications to assess the wider implications of service technologies. The present study is closing this gap by showing that although STTs are a subgroup of self-service technologies, the use of STTs have fundamentally different implications, as they focus on customers monitoring their activities and not on delivering a service. Overall, STTs enable the transfer of value creating activities to the customer world.

Managerial Contribution

Managers can use STTs as a driver of for co-creation (Figure 8). Practically speaking, managers can use our conceptualization to systematically co-create opportunities for supporting customers' core activities or combine them with other and related customer activities in the customer's everyday life by personalizing services, motivating consumers or applying interventions and educating customers. Ultimately, the service provider is given the opportunity to influence customers' value creation processes by enriching its service offering with the co-creation opportunities mentioned above.

Moreover, as many organizations have implemented customer-centric strategies (Strandvik *et al.*, 2014), CDL argues that only with customer insight, a true customer orientated business logic can unfold (Heinonen and Strandvik, 2015). Service providers could benefit from using STTs and integrate them into their value propositions to service the customer needing more precisely. Precise data about customer activities could be of benefit for both. However, it is very important that providers try to understand how they can get involved in customers' lives and not vice versa.

Limitations and Future Research

Although our paper represents an important first step, our paper comes with some limitations. First, since CDL is still in its infancy, there is a lack of conceptual and empirical contributions dealing with co-creation processes. Therefore, we have attempted to fill an important gap by showing how STTs enable CDL by putting customer insight at the core. In the future, many everyday business models will rely on customer resources such as data. For this reason, we would like to encourage service research scholars to further investigate the potential of STTs on the co-creation process to explore new roles of technologies. Moreover, our paper is conceptual. Service scholars can take up our call for more research in this area and implement empirical research designs.

Although STTs are generally perceived as objective, reliable, and trustworthy (Crawford *et al.*, 2015; Pantzar and Ruckenstein, 2014, 2015; Rettberg, 2016) this has also been criticized, because many unintended consequences can occur, in that customers accelerate their lives and, when they do not use STTs, feel disconnected from their selves (Berg, 2017). Future research, such as transformative service research (Anderson and Ostrom, 2015), could address this issue and evaluate how unintended consequences could be minimized and explore the potential of STTs on well-being from a transformative research perspective.

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V The Fine Line Between Co-Creation and Co-Destruction: Mapping Customers' Oppositional Mental Models During Service Experiences

Lukas Fischer

Abstract

Purpose: The goal of this paper is to investigate customers' perceptions during service experience. Against this background, and following Service Dominant Logic, value is generally conceptualized as co-created, however, according to recent contributions, a debate has emerged that value can also be co-destructed. Mapping customers' mental models aims to reveal the nuances between co-creation and co-destruction.

Design/methodology/approach: This paper draws on Zaltman metaphor elicitation technique (ZMET), a metaphorical interviewing technique developed to uncover deep-seated customer perceptions of service experiences. Building on ZMET, we use grounded theory to inductively analyze and conceptualize the interview data.

Findings: The contribution of the paper is twofold. First, by adopting a customer perspective, we show that customer perceptions about provider activities stimulate two opposing mental models on a micro-dyadic level, namely a co-creative and a co-destructive mental model. Both pathways are relative to perceived goal fulfillment, but perceptions of the provider activity may be more important than actual goal fulfillment in some cases. Second, we offer the first process model for resource mobilization, conceptualizing customers' willingness and ability to mobilize customer resources as a necessary condition for resource integration. Thus, mental models direct both present as well as future co-creation and co-destruction processes. We conclude that co-creation and co-destruction are interrelated, mutually dependent, and often only separated by a thin line.

Originality: This study shows what customers perceive during co-creation and co-destruction and illustrates for the first time the process of customer mobilization.

Introduction

"Well, I'll tell you, it's like you want to go somewhere and you get a message: 'We have discovered a faster way; we are flying over the moon. Because of the moon's gravity, the trip is faster.' You reach your destination faster. And the special thing from my point of view, it is something I did not expect. It is probably a unique experience; first space flight. You will experience great things during the flight; weightlessness. And you satisfied your basic needs (...) in a special way. The surprise aspect (...) simply leads to a very positive perception of everything." (Paul)

Customers evaluate provider activities based on their perception of the service experience. In that vein, Vargo and Lusch (2006, p. 44) highlight that "experience and perception are essential to value determination", "value is (…) phenomenologically determined by the beneficiary" (Vargo & Lusch, 2008a, p. 7), and Moeller (2008) emphasizes that value is perceived by customers. While earlier studies assess what customers *do* when they co-create value (McColl-Kennedy et al., 2012), it remains unclear what customers actually *perceive*. Building on service dominant logic (SDL), which recognizes that value is "experiential" (Vargo & Lusch, 2008a, p. 7), service research has largely agreed that value is co-created rather than delivered, determined by the customer as opposed to the provider (Payne et al., 2008; Ranjan & Read, 2016), postulating that there is value in experience (Helkkula et al., 2012). Adopting a customer perspective implies that the customer determines customer value in terms of value-in-use, hence through use and consumption (Payne et al., 2008; Ranjan & Read, 2016). As such, perception and experience are closely intertwined, but although the importance of perception is ubiquitous in the service literature, perception typically remains an implicit assertion in all existing studies.

Paul's statement vividly illustrates his perception of a memorable service experience. The metaphors used allow to tease out his deep-seated perceptions. In Pauls' statement, surprise is the defining characteristic of service, as it *"simply*

leads to a very positive perception". This highlights one of the motivations behind this study: How can metaphors methodologically be utilized to illuminate customer's perceptions of service experiences?

Scrutinizing the deeper meanings of metaphors can be a rich source for service research, particularly in the context of service experience (Hancock & Foster, 2019). Yet, with some notable exceptions (Christensen & Olson, 2002; Ringberg et al., 2007; Rydén, Ringberg, & Wilke, 2015) only few academic papers have used metaphorical techniques to capture customers' perceptions of a service experience. As such, we follow the call of Hancock and Foster (2019, p. 57) to "explore perceptions of a service experience" by means of the Zaltman metaphor elicitation technique (ZMET) acknowledging that customers' mental models, are oftentimes captured in pictures rather than verbal representations and "guide consumers' thinking, their emotional reactions, and their overt behavior" (Christensen & Olson, 2002, p. 478).

Ideally, actors mutually support one another in order to effectively facilitate the integration of resources to enable co-creation, since integration may require the availability and mobilization of all actors' resources (Davey & Grönroos, 2019; Edvardsson, Kleinaltenkamp, Tronvoll, McHugh, & Windahl, 2014; Moran & Ghoshal, 1999; Ranjan & Read, 2016). To the best of our knowledge, however, studies on the processes which support or harm actors' resource integration for one another are scarce (Ng, Sweeney, & Plewa, 2019). More specifically, a model is needed that shows how different sets of provider activities are perceived by customers, more importantly, whether they mobilize or harm the integration of customer resources.

The co-creation perspective acknowledges processes and (operant) resources as fundamental. Operant resources include the capability to orchestrate the network of resources, processes, and activities consistently (L. Anderson et al., 2016). Building on SDL, value co-creation is achieved by means of actively induced resource integration (Vargo & Lusch, 2004, 2008a), which is defined as a

"continuous process that involves different actions and activities performed by an actor" (Plé, 2016, p. 153). Notably, co-creation only emerges once resources are actively and reciprocally incorporated by actors for mutual benefit, implying that actors goals are fulfilled (Davey & Grönroos, 2019). In contrast, if the service provision fails and customers goals are not met, activities of the provider may result in co-destruction (Heidenreich, Wittkowski, Handrich, & Falk, 2015; Plé & Cáceres, 2010; Zhang, Lu, Torres, & Chen, 2018). The dichotomy of co-creation and co-destruction suggests that activities are perceived as either explicitly good or bad. To date, however, due to a lack of holistic models, little is known about what stimuli trigger co-creation and co-destruction judgement and whether customers' mental models affect such evaluation.

It is still unclear how customers evaluate (or perceive) different sets of activities and which implications these perceptions have on the overall service experience. Authors have highlighted the importance of customer integration as well as customer participation (e.g. Moeller, 2008), emphasize the understanding of customers' co-creation practices, which are defined as "activities linked by interactions" (McColl-Kennedy, Hogan, et al., 2017, p. 56; McColl-Kennedy et al., 2012), and assess the function of actors' roles, which are accepted practices that "shape behaviors and activities" (Davey & Grönroos, 2019, p. 689). Moreover, various customer resource types and categorizations have been identified (L. Anderson et al., 2016; Baron & Warnaby, 2011; Ng et al., 2019; Plé, 2016). However, despite its importance, customers' perceptions of the service experience remain largely unstudied in service research. This is where our paper contributes. We tease out customers' deep-seated experiences and map their mental models by asking:

RQ1: How do perceptions of the provider activities mobilize (or harm) customer resource integration?

RQ2: What mental models do customers follow in their co-creation/co-destruction process?

To answer these questions, this paper utilizes ZMET, a metaphor-based interviewing technique developed to uncover deep-seated customer perceptions. Based on our interview data, we draw on grounded theory to conceptualize the meaning and connections between concepts and aggregate the findings into two general mental models. Although we adopt a customer perspective, we link provider activities with customer perceptions to conceptualize the process of customer resource mobilization on a micro-dyadic level. That way, we can examine how the provider activities mobilize or harm resource integration.

We offer the following contributions. First, by adopting a customer perspective, we show that customer perceptions can trigger two opposing mental models, namely a co-creative and a co-destructive mental model. Our findings suggest that the co-creative path is likely to facilitate customer resource integration while the co-destructive path is likely to harm the customer resource integration process. Both pathways are relative to perceived goal fulfillment, but perceptions of the provider activity may be more important than actual goal fulfillment in some cases. Second, within the resource integration process, we show that perceptions of provider activity are responsible for customers' willingness or ability to mobilize customer resources, a necessary condition for resource integration. Thus, mental models direct both present as well as future co-creation and co-destruction processes. Based on that, we offer the first process model of its kind for resource mobilization. Finally, we show that focusing solely on co-creation is insufficient. Rather, co-creation and co-destruction are interrelated, mutually dependent, and often only separated by a thin line.

Conceptual Background

In our study, value-in-use is the main outcome of resource integration which is co-created by both customers and providers. Those activities that are perceived and internalized through mental models become service experiences. That way, processes, resources, or activities carry potential value. If activities are not perceived nor internalized by mental models, no service experience takes

place, thus no value-in-use occurs. Overall, the findings of our literature review are summarized in Figure 10 and Table V.

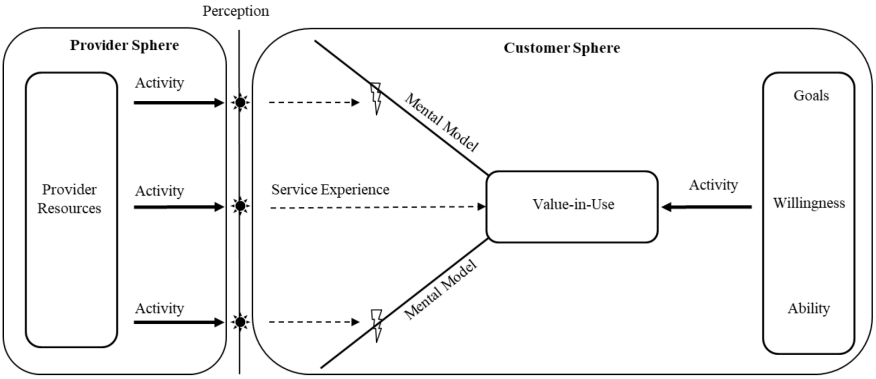


Figure 10. Interactive Resource Integration Process

Co-creation, Resource Integration and Co-Destruction

Resources need to be actively integrated in order to make value come alive (Davey & Grönroos, 2019). In SDL, value is largely conceived as co-created (Vargo & Lusch, 2004, 2006, 2008a), determined through customer's use as well as consumption (Payne et al., 2008; Ranjan & Read, 2016), and perceived by customers (Moeller, 2008; Vargo & Lusch, 2006). While several perspectives of value such as value-in-context (Chandler & Vargo, 2011; Vargo & Lusch, 2008a), value-in-interaction (Grönroos & Voima, 2013), value-in-social-context (Edvardsson, Bård, et al., 2011) or value-in-experience (Helkkula et al., 2012) exist, service scholars have generally adopted the *value-in-use* concept. Unlike previous exchange models in marketing, SDL's value-in-use concept sees the customer not as a passive recipient, but as an active value denominator, often integrated into co-creation processes (Moeller, 2008) or even participating in co-production processes (Engström & Elg, 2015; Gallan et al., 2013). Consequently, the study of co-creation through the lens of resource integration processes has become a central matter of interest in service research. Processes "include the procedures, tasks, mechanisms, activities and interactions which support the co-

creation of value" (Payne et al., 2008, p. 85). Moreover, activities, defined as "doing" or "performing" (McColl-Kennedy et al., 2012, p. 375), are a basic requirement for resource integration and are "best understood in terms of input for the customers' resource-integrating" (Vargo & Lusch, 2008a, p. 2014).

Ideally, the provider mobilizes customer resources by assisting customers in achieving their goals to facilitate customer resource integration. If value is co-created through resource integration, this means that resources themselves do not carry value, but only potential value (Edvardsson et al., 2014). Hence, it is "the ability to access, deploy, exchange, and combine them that lies at the heart of value creation"(Moran & Ghoshal, 1999, p. 409) suggesting that actors need to orchestrate "expectations, needs and capabilities" (L. Anderson et al., 2016, p. 264) carefully to support resource integration processes. Likewise, Grönroos and Voima (2013) delineate that value occurs as a result of the use process. Although co-creation is processual performed by all actors for mutual benefit, service providers have a special obligation, since service in the most basic sense means doing business for somebody (Vargo & Lusch, 2008b). More specifically, since providers are responsible for processual alignment of resource integration processes, they serve as the primary resource integrator (Moeller, 2008). Thus, as customers' resource integration is a prerequisite for co-creation, it should be of interest for providers to mobilize customers' resources. Customers' mobilization of resources may be goal directed to achieve customer value (J. R. Anderson, 2006; Hibbert, Winklhofer, & Temerak, 2012; Jaakkola & Alexander, 2014; Ng et al., 2019; Payne et al., 2008; Plé, 2016) and particularly dependent upon customers' willingness (motivation) as well as their ability to integrate resources (J. R. Anderson, 2006; Dong et al., 2008; Findsrud, Tronvoll, & Edvardsson, 2018; Ng et al., 2019; Payne et al., 2008; Plé, 2016).

Various specific types and resource categories have been identified (L. Anderson et al., 2016; Baron & Warnaby, 2011; Ng et al., 2019; Plé, 2016) on various levels (Koskela-Huotari, Edvardsson, Jonas, Sörhammar, & Witell, 2016)

that can be addressed by providers. Although the studies differ in terms of their specific resource descriptions and perspectives, some important implications have been agreed upon. Focal resources encompass operant (intangible) rather than operant (tangible) resources (Vargo & Lusch, 2008a), particularly skills and knowledge, which are often summarized as competencies. Skills are required for the integration of resources and thus necessary for co-creation (Findsrud et al., 2018). Several authors stress the context dependency of resources (Plé, 2016), the importance of understanding the co-creation practices of customers defined as "activities linked by interactions" (McColl-Kennedy, Hogan, et al., 2017, p. 56; McColl-Kennedy et al., 2012) and to assess the function of actors' roles and role readiness, which are accepted practices that "shape behaviors and activities" (Davey & Grönroos, 2019, p. 689; Verleye, 2015).

Processual frictions and misalignment may harm resource integration, thus resulting in co-destruction. Although the emphasis in service research is on co-creation, several studies highlight that when for instance service provision fails, co-destruction can occur (Heidenreich et al., 2015; Zhang et al., 2018). Co-destruction may be an "interactional process between service systems that results in a decline in at least one of the systems' well-being" (Plé & Cáceres, 2010, p. 431) ultimately deteriorating in *destruction-through-misuse*, a terminology which is intended to stand in contrast to *value-in-use* in co-creation. Misusing resources is defined as inappropriate and unexpected integration of the opposing actors' resources. It should be noted, that if value-in-use is determined by customers, so is destruction-through-misuse. Similarly, Anderson *et al.* (2016) highlight that in case of misalignment between actors' intentions and the intended outcome of the resource integration process may lead to value destruction. If it is the provider who is in charge for processual coordination (Vargo, 2008), the provider is also in charge to ensure resource alignment through frictionless processes that facilitate customers' willingness and ability.

Perceptions, Mental Models and Service Experience

Before value can emerge, it needs to be perceived. In brief, "perception is the awareness or understanding of sensory information" (Krishna, 2012, p. 334). If value is perceived, value materializes only when actors become aware of it, otherwise it remains potential value. Customers do not evaluate resources or features per se, but rather how the service is able to fulfill their goals holistically (Ng et al., 2019). Thus, it may well be that certain activities are perceived as co-creative as well as co-destructive, suggesting that more nuanced models are needed to capture customers paths of value perceptions on a micro-dyadic level. Assessing single provider activities is of utmost importance as they can have strong impact on customers' overall assessment of a service. For instance, it has been shown that customers' overall perceptions of the provider can depend upon singular interactions, for instance with a service employee (J. R. Anderson, 2006). Likewise, Flint (2006, p. 356) has analyzed social interactions to study value perceptions in which value "emerges and morphs over time for individual customers". As such, it has been argued that value perceptions may be inherently subjective, dynamic, relative, thus dependent upon customers' wider societal context (Edvardsson, Bård, et al., 2011).

Customers' value perceptions are guided by mental models which can be seen as mental "goalkeepers" that decide which information to include or to exclude. That way, mental models provide the mental knowledge structure, including the underlying meaning of these structures (Christensen & Olson, 2002), and are said to form the basis for people to describe, explain, and predict the behavior of other actors in a social system as they contribute to form expectations (Mathieu, Goodwin, Heffner, Salas, & Cannon-Bowers, 2000; Rouse & Morris, 1986). On a more general level, Berger and Luckmann (1967) postulate that mental models regarding the behaviors and roles of other actors are formed due to social interactions with other actors in a service system. As such, "meaning is embedded in the social system and in society in general" (Edvardsson, Tronvoll,

& Gruber, 2011, p. 332). Although mental models may occasionally be context-sensitive, they tend to be rather fixed mental frameworks (Rydén et al., 2015), which stands in contrast to perceptions. Importantly, multiple mental models can run in parallel (Rydén et al., 2015) and can exist on individual and collective level (cultural model) (Ringberg et al., 2007). Adopting a customer perspective, requires an understanding about how customers perceive different sets of activities and what mental script they follow in their co-creation and co-destruction process.

Following the value-in-use conceptualization, researchers largely agreed that value is determined by customers' use and "socially constructed through experiences" (Berger & Luckmann, 1967; Edvardsson, Bård, et al., 2011; Ferguson et al., 2010; Grönroos & Voima, 2013, p. 137; Thompson et al., 1989). Customers create value through experience by accumulating "positive and negative value experiences" (Grönroos & Voima, 2013, p. 138), hence service experience is an evolving process in which past experiences and anticipations of future experiences are constantly integrated (Helkkula et al., 2012). These views recognize that service experiences are "cognitive and affective processes arising from extensive participation and behavioral actions" (Ranjan & Read, 2016, p. 293), can never be measured in terms of objective evidence (Helkkula et al., 2012) and are inherently relational (Payne et al., 2008).

Authors/ Year	Context	Theoretical Foundation	Method	Key Findings
Davey and Grönroos (2019)	Health Care	SDL, Service Logic	Interviews	Identify health service literacy roles and associated role readiness dimensions
Grönroos and Voima (2013)	Service	SDL, Service Logic	Conceptual	Outline the roles of the customer and the firm, the scope, locus, and nature of value and value creation
Helkkula (2011)	Service		Literature Review, Content Analysis	Identify three major characteristics of service experience
Helkkula et al. (2012)	Service	SDL	Conceptual	Present value as an experience

Authors/ Year	Context	Theoretical Foundation	Method	Key Findings
Jaakkola and Aarikka-Stenroos (2015)	Service	SDL, Service Logic, Consumer Culture Theory	Literature Review, Commentaries	Develop a concept for service experience co-creation including its dimensions
Kelleher et al. (2019)	Orchestral Music	SDL, Practice Theory	Interviews	Develop a framework to show the interplay between co-creation practices and value in collective consumption contexts
McColl-Kennedy et al. (2012)	Health Care	SDL	Interviews, Observations, Focus Groups	Identify styles of health care customer value co-creation practice
McColl-Kennedy et al. (2015)	Health Care	SDL, Practice Theory	Interviews, Observations	Introduce a practice-based framework to co-create service experience practices
Moeller et al. (2008)	Service	SDL	Conceptual	Propose the facilities, transformation, and usage (FTU) framework to offer corresponding perspectives related to resources, decisions, and value
Payne and Frow (2008)	Examples from several business-to-consumer markets	SDL	Conceptual	Offer a framework for managing value co- creation
Plé (2016)	Service	SDL	Conceptual	Identify 12 types of customer resources in value co-creation and offers a framework for the customer resource integration process by employees
Plé and Cácere (2010)	Service	SDL	Conceptual	Identifies and defines co-destruction as a result of misused resources
Ranjan and Read (2016)	E-Com-merce	SDL	Empirical	Refine, analyze and test the concept of co-creation
Zhang et al. (2018)	Online	SDL	Empirical	Identify co-creation and co-destruction as a result of positive or negative formulated engagement behavior
This study		**SDL**	**Empirical, ZMET**	**Identify two opposing mental models that show how different sets of provider activities mobilize or harm customers' resource integration**

Table V. Important Studies on Co-Creation and Co-Destruction

Method

The ZMET method

The methodological approach we follow is inspired by ZMET (Gerald Zaltman, 1997; Gerald Zaltman & Coulter, 1995), a semi-structured, laddering based method to unveil customers deeply held beliefs. ZMET is different from other pictorial based methods in the way that it is entirely customer led (Hancock & Foster, 2019) and particularly well suited to elicit customer perceptions of a service experience. Based on metaphorical images, ZMET is designed to uncover deep-seated stories that represent mental models (Gerald Zaltman & Coulter, 1995). Specifically, we followed all steps of the ZMET except the last step of creating a summarizing picture, as other authors have already noted that limited insights arose during this step as "interviewees were found tired", "exhibited minimal creativity" and for external researchers no access is granted to the original analysis software (Ji & King, 2018, pp. 3453–3455).

Sampling

Since we assumed that basically every person has had a service experience in one way or another, 10 participants (Table VI) were chosen randomly and without any preconditions to ensure that there is no underlying bias. We covered a broad range of different backgrounds including students, a kindergarten teacher and sales manager to capture a broad variety of different perspectives. Our youngest participant was 22 and our oldest was 67. The number of interviews in qualitative research is significantly lower than in quantitative research. At the same time, the goals of the technique differ, as "surveys are limited to the questions asked, in-depth interviews focus at uncovering deeply held and shared themes" (Ringberg & Gupta, 2003, p. 610). As such, 90-95 percent of emerging themes are approximately available after seven to eight interviews (Gerald Zaltman & Coulter, 1995). Thus, the critical threshold to reach saturation has been reached. Accordingly, in our study, no more new themes emerged from

the data after four interviews. About one week prior to the interview, the interviewees were given the preparation task of selecting between 6-10 images describing their personal thoughts, feelings and states during a memorable service experience. The informants provided a total of 82 images, which guaranteed a great depth of analysis.

Name	Gender	Age	Profession	Number of provided pictures
Fabian	Male	27	Architect	7
Jon	Male	26	Student	8
Soren	Male	27	Student	8
Barbara	Female	53	Kindergarten Teacher	10
Morten	Male	33	Manager	9
Paul	Male	36	Project Manager	9
Irene	Female	67	Teacher	6
Annalisa	Female	30	Project Manager	6
Justus	Male	22	Student	6
Johann	Male	62	Sales Manager	13

Note: Names are pseudonyms

Table VI. Overview About Study Participants

Analysis

We follow an inductive, exploratory-oriented, grounded theory approach (Corbin & Strauss, 1990; Strauss, 1987; Strauss & Glaser, 1967). The grounded theory process involves the collection and analysis of empirical and literature-based data (Gioia et al., 2013). All interviews have been recorded and transcribed verbatim, which resulted 250 of single-space pages. Our shortest interview lasted 50.50 minutes and our longest 1 hour and 51 minutes, for total of 904 minutes of recordings. Our data analysis process was iterative and started already during data collection. We applied open, axial, and selective coding to structure and interpret our data (Strauss & Glaser, 1967). We started with open coding, in which we reviewed the interview transcripts line by line and overall identified 19 first order

codes. Notably, to originate the concepts, the codes were first labelled in the language of the participants and then further grouped according their meaning into final first order codes (e.g. caring, ignoring). During axial coding, we further grouped first order concepts by establishing relationships to form four second order categories (e.g. co-creative perception, co-destructive perception). Finally, during selective coding, second order categories were further abstracted and aggregated into two core aggregate dimensions (resource integration, harmed/unsuccessful resource integration).

Results

We begin by introducing the overall framework of our study. As outlined above, we follow the concept of the service experience, which is rooted in phenomenology and suggests that experiences are subjective constructions in the way they arise in the life-world of individual customers (Berger & Luckmann, 1967; Helkkula et al., 2012; Thompson et al., 1989). We use ZMET (Coulter & Zaltman, 1994) to unearth customers' service experience perceptions and grounded theory (Strauss & Glaser, 1967) to build up our conceptualization. Building on that, we derive four propositions in the course of this chapter (Table VII).

The results of our study show that service managers are oftentimes confronted with a thin line between co-creation or co-destruction. Many service encounters are perceived as either very good or bad and balancing between both is a delicate path to treat. Our results suggest that diverging perceptions of activities trigger two opposing mental models (see Figure 12). In brief, when customers believe that activities do not contribute to fulfillment of their goals, customers adopt a co-destructive mental model, which leads to a clash of resource integration and thus to co-destruction. In turn, when the activities of providers are perceived to exceed their initial goals, customers are likely to be willing and able to integrate their resources and adopt a co-creative mental model, which leads to co-creation.

Interestingly, when activities of the provider are perceived to serve customers' goals, we find they can be perceived as both, co-creative or destructive. We highlight that it is in these cases that the frame of the provider activity guides whether a co-creative or co-destructive path unfolds. It is in these moments that the frame of activities is likely to overshadow the actual goal satisfaction of the service (Figure 12). Frame refers to the language (e.g. rude vs. polite) in which the activity is communicated or the processual design (e.g. transparent vs. not transparent) in which the activity is transmitted. In that vein, Edvardsson *et al.* (2011, p. 331) highlight the importance of language and communication in social systems as "language becomes shared activities". Therefore, in some cases it is possible that goals of the customer are fulfilled, but due to the negative perception, customers' resource integration is harmed and hence value is co-destructed. The following quote of Fabian demonstrates how he perceives the service of a building authority, and why he distinguishes between the actual service and how the service is framed:

> *"The first image is (...) the style of communication, just face to face (communication) or being personal. (...) (Sometimes) you feel like a number. And that didn't happen here (...). It's just a much more pleasant way to do business (...) we have a constant feeling of being up to date (...). And you don't have that feeling when you're a number and have a different person in charge every time, because they don't know who you are, what you do, what you want." (Fabian)*

The Co-Destructive Mental Model

If customer value arises from good alignment between the service and the "customer's own activities and goals" (Ng et al., 2019, p. 157), misalignment can in turn affect resource mobilization, make resource integration more difficult, and thus lead to co-destruction (Plé & Cáceres, 2010). Misalignment may result in cases in which the activities of the service provider do not facilitate customers' ability or willingness to mobilize resources and integrate them accordingly (Davey

& Grönroos, 2019; Edvardsson et al., 2014; Moran & Ghoshal, 1999; Ranjan & Read, 2016). If customers are not willing or not able to integrate their resources appropriately, co-destruction of values occurs (Plé, 2016).

The results of our study suggest that if the activities of the provider do not contribute achievement of customers' goals, it is very likely that customers will take a co-destructive path which harms customers willingness or ability to integrate resources. For example, Barbara showed us a picture of a camel that had a "foolish" facial expression. She further described that she went to a luxury boutique because she was interested in a dress. When she entered the boutique, she was not welcomed, she felt like store assistants gossiping about her, hence she felt like a foolish camel. However, she also stated that camels are probably an underestimated animal, so she took the initiative, left the store and bought the same dress elsewhere. This case vividly shows that Barbara was not willing and not able to integrate her resources, with the result that there was co-destruction as she described that she was angry afterwards. The following quotation shows Barbara's perception of the service experience:

> *"I felt like a foreign body, you step into the shop and people look at you as if you don't belong there, exactly and a camel like that doesn't fit into such a boutique." (Barbara)*

Proposition 1a: If provider activities do not contribute to goal fulfillment, the customer resource integration process will likely be unsuccessful because customers will be unable or unwilling to integrate resources, so that the provider's activities will cause co-destruction.

Similarly, it appears that even if the customer's goals are fulfilled by the provider, the activities of the provider may in some cases lead to co-destruction. Customers are particularly likely to be unwilling or unable to integrate their resources if the provider's activity is perceived as destructive in terms of its communication or processual design. In our next example Fabian talks about a

service experience with a real estate agent, where he actually used the service, but because he found the experience unpleasant and has the feeling of being cheated, he was no longer willing to live in the apartment, although he was offered to stay. We therefore conclude that the frame of the service may overshadow the actual goal fulfillment of the service as it affects the willingness or ability of customers to integrate customer resources accordingly. Fabian describes his perception by the following quote:

> *"In my opinion, the man is the epitome of obfuscation, opaque work, he is not worth his money because, in my opinion, he does nothing. That's probably not the case de facto. But it just comes across that you have to pay an exorbitant amount of money for a five-minute service that wasn't even nice or pleasant. Plus, you get the feeling that you're being scammed. This typical feeling, I'm in the bazaar and I'm being cheated, you have this feeling all the time (...)." (Fabian)*

Proposition 1b: If activities of the provider contribute to the fulfillment of goals, resource integration can be harmed in cases where the frame of the activity is transmitted in a co-destructive manner, and hence a co-destructive mental model is likely to unfold, as customers are not willing or unable to integrate resources.

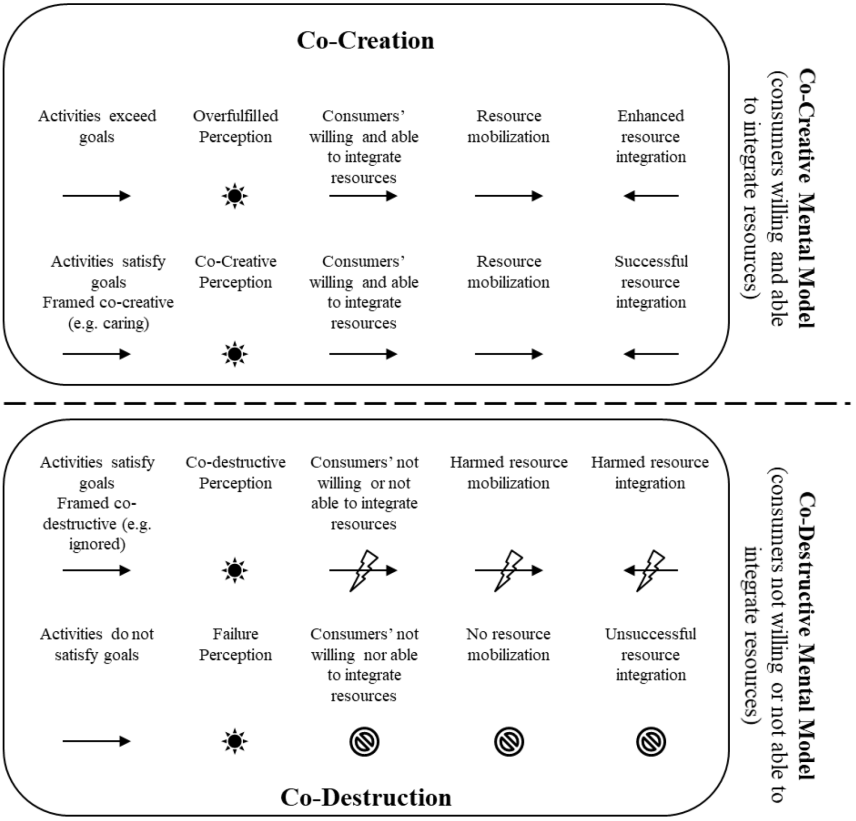


Figure 11. Customers' Resource Mobilization Process

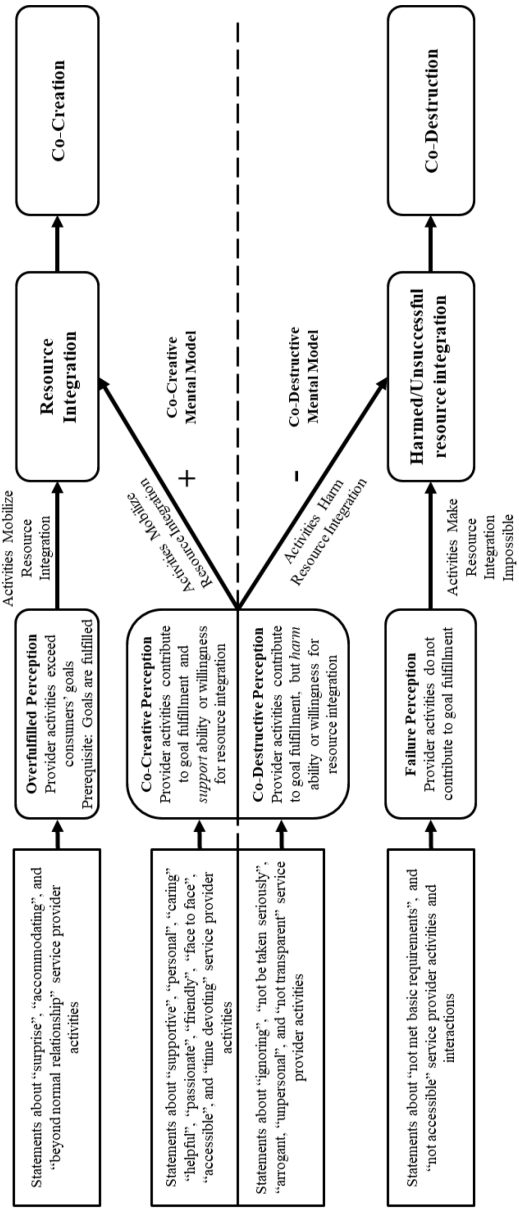


Figure 12. Mental Map of Customer Perceptions

The Co-Creative Mental Model

In successful resource integration processes, Anderson *et al.* (2016, p. 264) highlight that "careful alignment among resources, activities, and processes is needed to accomplish cocreation of value between interacting actors, wherein their expectations, needs, and capabilities are in accord." We find that in many cases, the combination of service features that go beyond normal service and the fulfillment of customers goals will almost certainly result in customers being willing to integrate customer resources and thus contribute to unfolding co-creative mental model. In the following example, Soren describes his service experience in a restaurant where the owner welcomed each group himself and presented the handwritten menu, which he read aloud and explained everything to the guests. Soren summarized the important interaction of core service elements and the combination with service features:

> *"You expect a coffee to be hot and taste good. Rarely has anyone told me how special the coffee tastes, but if the coffee is bad or cold, then it does stand out. That is, I think that a good service in itself, so good food, is a basic requirement, so it's very important, but it's more of a prerequisite. The trappings are super important to stand out because I think those are the things that stick, because I've been to a lot of restaurants where the food tasted good, but I'm just telling you about this one now. That means to me that it has something special. (The extra service) is not more important, because just the trappings with bad food (...) would be meaningless. But in combination, I think it's unbeatable." (Soren)*

Proposition 2a: In the event that the provider's activities go beyond customers' goal expectations, customers tend to follow a co-creative mental model, which leads to customers likely to be willing and able to integrate customer resources.

Likewise, Paul explains in the following statement the service experience with an insurance broker who took the time to find a special solution for his contract. In this case it becomes apparent that sometimes it can be critical how the service is framed and delivered to the customer. Many insurance brokers would have been able to sell Paul an insurance policy, but in his case, the broker took the time to explain everything in detail, and more importantly, Paul found it to be a memorable service experience. Paul addresses this by stating the following:

> *"He really put in a lot of effort in it and devoted time to it. I spent a really long time there. Certainly over an hour. And he also explained everything to me. And he answered all my questions competently." (Paul)*

Proposition 2b: If the provider's activities contribute to goal fulfillment and are framed in a co-creative manner, customers are likely to follow a co-creative mental model and thus be willing and able to integrate their resources so that provider activities lead to co-creation.

Proposition	Quotes to support the propositions
Proposition 1a:	"I don't understand how you can (...) provide a service so unscrupulously, because (...) if you explicitly ask a service provider to do something that they should have done anyway without being asked, and it's not done, (...) then I don't understand how you can work as a service provider (…)." (Soren) "And for me, that's really the definition of an unpleasant feeling of regression (...), of helplessness. That's not how you want to feel in any situation." (Fabian)
Proposition 1b:	"Maybe as a background story, my father always tells the story when we go on vacation that often within the first five sentences the people who work in the apartments say "please pay the tourist tax". (...) You're not treated as a tourist; you're just treated as the one who pays the tourist tax and the rent." (Jon) "Hospital number one, you never know what the status is at any time. You wait for hours for the doctor. (...) It would be enough if (the nurse) would briefly say, 'Yes, the doctor, he is very busy, he needs another two hours.' (...). But they provide zero transparency. First, about my own state of health, second, when the next treatment will come, third, when the doctor will come, fourth, when you get out of the hospital. You have no idea. (...) For me, it's a mental imprisonment in a cell from which you don't know when you'll get out again. (Fabian) "Totally bad, inferior. Not being taken seriously, feeling very ashamed. Yeah, those were the first feelings. After that I was really angry, but that came later, so, first there was this, hey I'm not worthy of being checked." (Barbara) "They didn't have face-to-face communication, which would give a personal touch and also ensure faster communication. You're just a number, and you feel like a number. (...) And those are just several feelings that a person doesn't

Proposition	Quotes to support the propositions
	really want to have. You want to be somebody; you want to be noticed or at least respected." (Fabian)
Proposition 2a:	"Yes, we'll get it done. Nothing was actually said except that it is possible (...). And when we were there, we were actually blown away every day by how committed they were to making this vegan diet possible." (Soren) "Someone understands your situation beyond the actual service relationship and really tries to relate to you. I had a typical chaos-order situation. I had chaos, and the (...) service provider provided order." (Jon) "They are very accommodating, although the suitcase is now six years old and that is (...) really great." (Morten) "But in terms of service, they were very responsive, which was nice. At some point, they also got personal. But always with the necessary distance. (...) So really an all-around package that made you feel like you were visiting friends." (Morten) "We've never done an event like this before and he helped us, which went beyond the contractor/client relationship and was very helpful on a personal level." (Jon)
Proposition 2b:	"She's already very responsive to my needs. She doesn't do what she thinks is best or what is new and trendy, but she asks, ''What do you want?'' (...) Yes, it's definitely important that she gives me what I need." (Annalisa) "It's unpretentious (...). It's not, we performers up here and you audience down there. It's creating a dialogue between the audience and the performers. (…). So, you can feel the relationship between the audience and the performers." (Irene) "It actually saves a lot of time. It's very, very practical. (...) You find the products faster and there is more choice. And with vegetables, for example, it always bothers me in the store that everybody touches it, and you don't have that in the online store (…)." (Annalisa) "I was looking for pictures where you see a loving mother taking care of the child because that was something similar. I felt like (the service) was unconditional." (Soren)

Table VII. Quotations Supporting the Presented Propositions

Discussion

In this study, we have adopted a customer perspective to see how different sets of provider activities are perceived by customers. We conceptualized resource integration processes on a micro-dyadic level. That way, we were able to tease apart the differences between provider activities and customer perceptions and whether they support or harm resource integration and lead to co-creation or co-destruction.

Theoretical Contribution

Examining the relationship between provider activities and customer perceptions contributes to research in three ways. First, service scholars have made significant headway since Vargo and Lusch (2004) first postulated SDL. Since then, it has been largely agreed among service researchers that value is co-created and occurs as a result of actors actively integrating resources. In this sense, previous research has shown that understanding the activities, practices, roles of actors, and the nature of resources, can help to better understand resource integration processes in particular and co-creation in general. For instance, several studies have shown what customers do when they co-create value in health care by emphasizing customer activities and practices (Davey & Grönroos, 2019; McColl-Kennedy, Cheung, & Ferrier, 2015; McColl-Kennedy et al., 2012; McColl-Kennedy, Hogan, et al., 2017), have classified both provider and customer resources according to their roles (L. Anderson et al., 2016; Baron & Warnaby, 2011; Ng et al., 2019; Plé, 2016), specified the roles of actors in the co-creation process in value spheres (Grönroos & Voima, 2013), and stressed that value is co-created through service experiences (Grönroos & Voima, 2013; Helkkula et al., 2012; Ranjan & Read, 2016). Although, Vargo and Lusch (2006, p. 44) explicitly note that "experience and perception are essential to value determination" and Moeller (2008) underscores that value is perceived by customers, there is no study that has specifically addressed nor empirically examined how customer perceptions influence customers' resource integration. Rather, perception typically remains an implicit assertion of all existing studies. Illuminating this underexplored area, we show that customer perceptions trigger two opposing mental models in which customers are either likely or unlikely to integrate customer resources. Thus, depending on the path of the mental model, co-creation or co-destruction may occur.

Second, service providers have been shown to have a special obligation in the process of resource integration, since service, in the most basic sense, means

doing business for somebody (Vargo & Lusch, 2008b). More specifically, since providers are responsible for the processual alignment of resource integration processes, they serve as the prime resource integrator (Moeller, 2008). Thus, as customers' resource integration is a required prerequisite for co-creation, it should be of interest for providers to mobilize customers' resources and facilitate their integration. Yet, until today, no formal conceptualization of the mental processes underlying resource mobilization has been proposed. We address this gap by demonstrating that understanding customers' resource mobilization processes helps to assess whether activities harm or support customers' resource integration. Customer resource mobilization, defined as customers' goal-directed ability and willingness to integrate customer resources, depends first on the perceived goal fulfillment of provider activities as a basic prerequisite, and second on the perception of the activity framing, defined as the language in which the activity is communicated or the processual design in which the activity is conveyed. Thus, while goal fulfillment is a necessary condition for co-creation, in some cases the perception of the activity framing may overshadow the actual goal fulfillment of the activity and lead to co-destruction.

Finally, more recently, service research has increasingly begun to elaborate co-destruction processes. While the discussion about co-destruction is still in its infancy, several important implications have already been postulated. For instance, co-destruction may occur in cases if resource are not or only partially integrated (Plé, 2016), result from actors resource misuse, defined as inappropriate and unexpected integration of the opposing actors' resources (Plé & Cáceres, 2010), or in online settings as a reaction of negative engagement behavior towards customers (Zhang et al., 2018). Likewise, even though Grönroos and Voima (2013) do no use the label co-destruction, they delineate value as the accumulation of both negative and positive experiences emphasizing the dynamic processual nature. These contributions are important as they contribute to understand that on a more general note co-creation and co-destruction are inseparable. One cannot conceptualize co-creation without co-destruction and vice versa. In this sense, we

show that balancing between both concepts is a delicate path for the provider to treat due to its interdependency, which requires a more holistic conceptualization of value.

Managerial Implications

Managers can also benefit from the present study in multiple ways. First, as we have shown, in cases where providers are able to fulfill goals, there is only a thin line that determines whether co-creation or co-destruction occurs. This is good news because although co-destruction can occur relatively easily, our framework should enable providers to ensure that co-creation paths are followed and co-destruction paths are prevented. Similarly, viewing co-creative or co-destructive processes by means of customer's perceptions of provider activities is important to link the perceptions of provider activities to willingness or ability to activate customer resources, a necessary prerequisite for value co-creation. A more precise understanding about the mental models of customers lets providers draw conclusions about the overall resource integration process. Similarly, understanding what customers actually perceive about the provider's activities can assist the provider in better aligning its processes with customer perceptions.

Moreover, our findings suggest that service is not an end in itself. Rather, all resources, processes and activities must be orchestrated to deliver value to the customer, who can occasionally be irrational. In other words, co-creation is about more than just meeting customer goals. While this is the baseline, all activities must be framed in a co-creative manner to elicit a co-creative mental model. Otherwise, providers run the risk of a co-destructive mental model unfolding.

Future Research and Limitations

While our research represents an important first step in understanding customer perceptions in resource integration and how it affects co-creation and co-destruction processes, several research gaps remain. Future research should therefore take the opportunity to address some of the issues mentioned below. For

example, we focused primarily on how perceptions of the provider's activities influence customers' resource integration processes. Thus, we draw only marginal conclusion about how this affects co-creation and co-destruction, that is, we do not consider broader consequences. However, it could well be that, for example, co-destructive processes weigh more heavily in the long run than co-creative processes or vice versa. In this sense, longitudinal studies can be helpful in assessing how perceptions of particular activities change over time, whether customers build tolerance for provider activities perceived as co-creative or destructive, or become more intolerant. Although service research has mainly focused on co-creation, our study is another indication that co-creation cannot be evaluated without co-destruction, which requires a more holistic conceptualization of resource integration and value creation as a whole. Similarly, quantitative research investigations can provide further detail and add to the current body of knowledge through confirmatory empirical research efforts.

Moreover, grounded theory depends on the interpretations of the research team (Strauss & Glaser, 1967). Consequently, one of its main shortcomings is its lack of generalizability. Therefore, we encourage scholars to conduct more empirical research on perceptions about service activities and how they affect resource integration. In particular, a deeper understanding of resource mobilization requires further examination, but may contribute to understanding how customers can be encouraged to integrate their resources.

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