COMING TO GRIPS WITH CONNECTED CUSTOMERS

CAPITALIZING ON THE CONSTANTLY CHANGING NEW NORMAL

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HOW CUSTOMERS ARE CHANGING

- Customer Expectations

- Customer Monitoring

- Customer Problem Solving

How Customers are Changing:

EXPECTATION SPILLOVER

EXECUTION SPILLOVER

THE "SO WHAT"

- Customers now expect firms to be as good as the recognized leader in any category:
    - As good as Amazon or Zappo's on delivery and returns
    - As good as the Apple Genius Bar on customer support
    - As good as Dunkin Donuts on product consistency
    - As good as Google for everything

- Customers' expectations from one realm now bleed over into other realms – in unexpected ways!

FUTURE RESEARCH OPPORTUNITIES

- When does customer expectation spillover occur?
  - Across brands? Industries?
  - Across channels?
  - Over time?

- Revisiting the traditional "disconfirmation" paradigm

- Identifying boundary conditions for spillover

- Understanding the role of brand exemplars

How Customers are Changing

CUSTOMERS EXPECT A SEAMLESS EXPERIENCE

CUSTOMER CENTRIC CUSTOMER JOURNEY

▶ Not only does a firm need to manage its own part of the consumer journey….

▶ It needs to be aware of the broader network in which the customer experiences its brand, its products and its services

▶ This "service delivery network" can make or break the customer's overall experience

Stephen S. Tax, David McCutcheon, Ian F. Wilkinson,
"The Service Delivery Network (SDN): A Customer-Centric Perspective of the Customer Journey" Journal of Service Research 16 (Nov), 454-470.

THE "SO WHAT"

- The brand is now judged by how well all aspects of the firm (and its partners) execute

- Engaging customers throughout
- Managing the quality of execution throughout

- Customer satisfaction depends not only on the firm but also on actions taken by others within the network

FUTURE RESEARCH OPPORTUNITIES

- Theory development in "customer experience"
  - Integrating marketing, operations, management and information
  - Identifying points of differentiation and points of parity
  - Are there key pivot points?

- How does the customer journey influence brand equity and customer equity?

- Extending what we know about brand extension:
  - How "extendible" is the customer experience?
  - What are the roles of complementary providers in the overall delivery network?

How Customers are Changing:

SELF-MONITORING

QUANTIFIED SELF

GAMIFICATION

WHAT WE CURRENTLY KNOW

▸ <u>Badges</u> can influence user behavior
  - ▸ Increase participation
  - ▸ Change mix of activities/actions

▸ Quantification <u>tools</u> can improve consumer estimates
  - ▸ Food consumption, Exercise, Energy consumption
  - ▸ Also enable consumers to see trends in behavior

▸ Quantified-self <u>communities</u>
  - ▸ Motivate consumers
  - ▸ Provide new sources of data to those studying health and well-being

HOW CUSTOMERS ARE CHANGING

▶ Self-Monitoring

▶ Quantified Self

▶ Stuff-Monitoring

▶ Gamification

▶ *What new research opportunities might they bring?*

FUTURE RESEARCH OPPORTUNITIES

▶ What type of quantification or gamification motivates consumers? What causes them to disengage?

▶ Nudging: What types of feedback works?

▶ Tracking: How does it influence consumer behavior?

▶ Peer-to-peer comparison? Competition? Badges?

How Customers Are Changing:

SELF-HELP AND REMOTE SERVICE

RECENT RESEARCH: SMART REMOTE SERVICES

▶ Users perceive these services as **<u>risky</u>** because they're not directly observable.

▶ To overcome customer reticence and gain trust, firms should:

▶ Be competent and benevolent

▶ Give customers <u>more</u> control and <u>more</u> information.

▶ Create a "high-touch" aspect

▶ Personalize to increase trust and to raise "social presence"

"High Tech and High Touch: A Framework for Understanding User Attitudes and Behaviors Related to Smart Interactive Services" by Nancy Wünderlich, Florian Wangenheim and Mary Jo Bitner, *Journal of Service Research*, February

RECENT RESEARCH: "P3" COMMUNITIES

▶ Peer-to-Peer Problem Solving Communities

▶ How do B2B Customer Support Communities influence a customer's need for traditional support?

▶ **Our study**:

▶ Fortune 100 technology firm

▶ Longitudinal clickstream and service support behavioral data

▶ 2,542 B2B customers

▶ Controlling for past traditional support usage behavior and community expertise

Bone, Sterling A., Paul W. Fombelle, Kristal Ray, and Katherine N. Lemon, "How Customer Participation in B2B Peer-to-Peer Problem Solving Communities influences the Need for Traditional Customer Service," forthcoming, *Journal of Service Research.*

WHAT INFLUENCES THE NEED FOR TRADITIONAL CUSTOMER SUPPORT?

- What reduces the need?
    - Helping oneself (posting questions)
    - Helping others (responding to questions)
    - "Static" knowledge search

- What increases the need?
    - Multiple actions simultaneously
        - (e.g., search and posting questions)
    - Frequency of log in
    - Breadth of membership
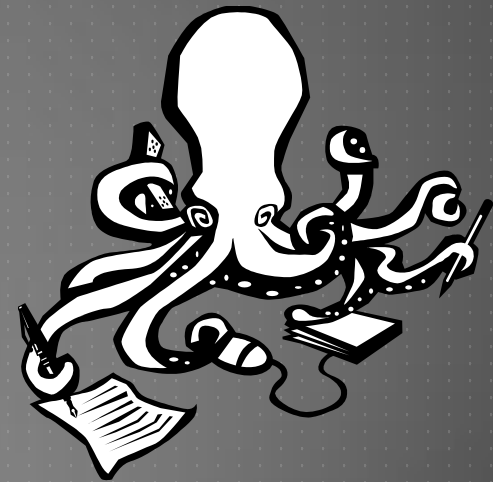
FUTURE RESEARCH OPPORTUNITIES

▶ How to increase customer perceptions of control?

▶ Navigating the tension between provider and customer control

▶ How increase perception of "social presence" in these contexts?

▶ Are some people more "service hungry" than others?

▶ Do customers become more satisfied or loyal as self-efficacy increases? Or does it decrease at some point as they no longer need the firm?

EMERGING TOPICS IN CUSTOMER-BRAND RELATIONSHIPS

▸ Customer expectations spillover

▸ Extending the customer experience

▸ Quantification, Gamification, Tracking and Nudging

▸ Self Problem Solving

▸ *Very cool opportunities to capitalize on the constantly changing new normal!*

Thank you

QUESTIONS?