Chapter 6

6.0 Conclusions and Recommendations

Experiential Marketing literature talks about experiences as strategic differentiators in a competitive marketplace. Experiences seen as leading to involvement and engagement however no direct link established so far. Experiences also seen to be multidimensional and therefore many variables seen to make an experience better. Customer experience are thus composite variables and when all the variables perform well is when the experience leads to engagement and commitment.

Customer Engagement is more prevalent with new media and technologies like web and mobile however it was previously not considered as relevant in case of a service encounter in retail service and in brick and mortar encounters. This study shows that even in a mundane loyalty card in a common place shopping environment engagement does exist and is enhanced by the experience that the customer goes through. Customer Engagement is seen as critical to improve customer acquisition and retention and therefore profitability for organizations. Satisfaction, loyalty and word of mouth advocacy are seen as antecedents to Customer Engagement. Customer engagement also was a composite variable.

This research connected the multidimensional concept of Experiential Marketing to Customer Engagement via an ‘Experience to Engagement Model’ in a ‘Service Experience Framework’ developed specifically to link these two much researched but hitherto unconnected concepts; to improve conceptual clarity and profitability by way of customer retention and acquisition.
This research therefore recommends that management students should be taught the importance of Customer Engagement Management and the gravity of being able to deliver the right kind of experience, in line with the product proposition. This research has set forth the utilitarian benefits, of trust, relevance, convenience, novelty and value in use, as metrics to implement, measure and evaluate the experience being delivered to the customer and understand if engagement exists.

At a broader level organizations need to study satisfaction, loyalty and word of mouth advocacy for their products and services to truly understand if customers will remain committed and engaged for a longer time with their organisation. Only studying satisfaction and loyalty by themselves can never give the complete picture of the product/service’s performance in the minds of the customers.

Experiential marketing paves the way for the Experiential Economy which may be able to lead to transformation in the service experience context leading to the newgen differentiators, where the customer may want more beyond ‘delight’.

It is also important to understand that the Indian customers were clearly not as evolved as their western counterparts (though the web has ensured that there is an understanding of other environments and cultures). Therefore the utilitarian components were currently more important for the Indian Retail Customer. Marketers today therefore need to concentrate on getting the basics right and ensuring that the utility of their product or service is right. Once that is done then maybe at the next level the hedonic and emotional benefits can be considered.

This research hopes to help marketers to strategise and create the right kind of experience components to improve loyalty, advocacy and thereby profitability. Sales and service managers today have to deal with delivering the right kind of customer experience in an extremely
dynamic and competitive environment and this study will help them to understand that perspective.

We are in the age of ‘mass customisation’ and therefore there is nothing better than ‘A Unique and Memorable Experience’ to create a strategic differentiator and move the focus to ‘Customer Dominant Logic’, where the customers take charge of their consumption and become actively involved in co-creating unique value for themselves (Prahalad and Ramaswamy, 1999).

As academicians and marketers we need to understand that ‘Engaged Customers’ are not just committed and profitable but can also act as opinion leaders for the company’s products and services and help to improve diffusion of existing and even new offerings. Researchers have opined that positive word of mouth advocacy was ten times more potent than regular advertising.

Of great interest to many researchers and marketers alike, would be understanding Experiential Marketing and therefore Customer Engagement in a multicultural and multiethnic society like India. One presumes that many more variables and constructs can be added to the existing ‘Service Experience Context’ and the ‘Experience to Engagement Model’ on these accounts and make it more robust.

By way of demonstrations and examples the impact of experiential marketing on customer engagement can be studied. These examples should also enable an understanding of what will and will not have an impact on profitability. It is also critical to understand that organisations can only deliver the framework for a great experience however engagement is impacted by many factors (sometimes not in the control of the organisation) and therefore this will need constant monitoring and adjustment to build higher return on marketing investment (ROMI). There can never be a fixed format for delivering the right experience; only the ‘right ingredients’ for a great recipe can be fixed and even that is a moving target for an evolving market and evolving
customer. However inspite of the right ingredients if the dish gets cooked too much or too less and consumed too early or too late, then its palatability and taste will definitely be impacted.

6.1 Limitations of the Study

The research in this dissertation began with a thorough investigation into the views of customers to understand the nature of Consumer Engagement. Using qualitative methods for support, the initial conceptualization involved substantial primary research and theoretical backing. However, as in all research, this study has limitations.

In terms of methodology, the limitations were that only eight cities could be covered. The age group of 26-55 years was considered as representing households. A larger demographic and geographic coverage could have led to a different set of conclusions especially if segmentation was considered. This could possibly have given practitioners a better perspective on designing their marketing mix and engagement plans.

In terms of concept, the hedonic perspective of Experiential Marketing has not been investigated properly and needs to be understood further to make the concept of engagement by experience more comprehensive. Satisfaction, Loyalty and Word of mouth advocacy only were considered as antecedents to Engagement. Detailing for each of the constructs and variables not done and may need to be looked at separately by industry vertical.

The fact that only customers who were existing users or owners of a loyalty card has led the finding to show a distinct skew towards agreement on all scales and measures considered. This may have introduced a bias in the study as the responses of those customers who could have been potential users of loyalty cards was not captured. The sample was selected randomly and the final respondents were screened for loyalty card users/owners and there was a completely
objective intent to ensure that these samples represented a broad domain. However, there is no way of knowing how well they represented the domain we are expecting them to represent.

Another potential limitation of this study arose from the use of a single method for data collection in each study. The data on CE, value and the marketing outcomes, all came from a single source, which has some potential to bias the results.

6.2 Areas of Future Research

Brodie et al. (2011a) propose that the customer engagement is an iterative process. In other words, they suggest that the customer engagement phases are interacting with each other in a recurring manner. Based on this proposition, this means that the antecedents of loyalty and even satisfaction and word of mouth advocacy, could also be the consequence of customer engagement in an iterative process. Therefore, it is worthwhile for future research to examine whether customer engagement is an iterative process and whether loyalty, satisfaction and word of mouth advocacy is the consequence, as well as the antecedent, of customer engagement.

Many value researchers argue that when consumers believe a product/service is of value to them, they are more likely to feel engaged with that product/service. Therefore, future research should assess the influence of value expectation on CE.

Another way to extend this research would be to collect additional data, which would enable deeper analysis of relationships. First, it would be beneficial to collect additional data on other products, services and activities people might engage with. Our present choice of samples was based on examples from our initial studies and convenience. Although we expect these samples to represent a broad domain, there are still a multitude of choices in the real world of marketing that might enrich our future understanding of the construct. Gathering additional data, directly from events while the consumers are engaged, would provide the opportunity to better understand what engagement means and implies. It would also be interesting to collect data specifically from consumers who do not own the product or are not subscribed to the service they
are engaged with, and then compare them with owners/subscribers to see how ownership of a product or service influences Consumer Engagement.

Future empirical work could include data collection on the critical elements of the engagement strategy, such as dialog, facilitative role of the organization and authenticity. Data could also be collected on individual pre-conditions for being engaged with a product, service or activity.

Further, some of the current measures are not as comprehensively developed, as they could be in future iterations. For instance, what exact levels of satisfaction, word of mouth advocacy and loyalty or their combinations could lead to what level of customer engagement in an objective numerical format.

Customer engagement is a phenomenon that exists in the business-to-business context also. Suppliers try to engage the customers through seminars, free trade shows, training etc. In future, data can also be collected in the business-to-business context to understand the nature of CE in this context.

Finally, studying the atmospherics surrounding the engagement events would be an interesting extension as this may help explain the influence of the environment created by companies during engagement events. As engagement events are conducted in many different environments, such as online/offline, occasional/ongoing, public/private, group/individual and so on, the perception of consumers about these environments might influence their willingness to engage in these activities. Evaluating the overall perceptions of consumers about the atmospherics would be of interest to companies in planning and organizing engagement events.