

Clarifying Experience Formation from the Customer's Perspective Using Critical Incident Technique

Jing Zhang^{1*}

¹Institute of Human and Social Sciences, Kanazawa University, Japan

* Corresponding Author: j-zhang@staff.kanazawa-u.ac.jp

Abstract

Academic and practical interest in customer experience has grown in recent years. However, most existing studies define it as a response to a specific stimulus and lack a holistic understanding of this phenomenon. This study introduces the Critical Incident Technique to identify the characteristics of the experience from the customer's perspective and factors influencing its formation. We chose the food-related behavior as a slice of the customer's lifeworld and conducted a descriptive questionnaire survey. Using deductive and inductive analytical methods, we found that incidents that evoke emotions through actions that make people aware of their novelty create customer experience. Additionally, contextual factors (other people, individuals, and the environment) and service provider-relevant factors (direct and indirect interaction) influence the formation of customer experience. Other people and indirect interactions with service providers have the most significant impact. These findings indicate that managing the context in the consumption process in the customer's lifeworld could be more effective in forming the customer experience.

Keywords

Customer Experience; Experience Formation; Service Marketing and Management

1 INTRODUCTION

Understanding the customer is a crucial challenge for service providers. By analyzing customer evaluations of the quality of offerings, service providers can improve it along with the accuracy of market analysis. Therefore, service marketing and management research has been interested in the study of customer reactions to service delivery systems and service offerings.

Influenced by the experiential approach in consumer research in the 1980s (Holbrook and Hirschman 1982), Schmitt (1999) proposed experiential marketing, which presented new marketing and management research challenges. This means (1) adding hedonic consumption (subjective experience) to the analysis and (2) extending the scope of management to the experience at all touchpoints of the provider and customer. Service-Dominant logic (S-D Logic) further reinforced the importance of experience by emphasizing the experiential aspect of value (Vargo and Lusch 2004; 2008).

This influence has led to a rapid increase in the number of studies on "experience" since the 2000s (Edvardsson et al. 2005; Shaw and Ivens 2002; Gentile et al. 2007; Grewal and Levy 2009; Verhoef et al. 2009; Lemon and Verhoef 2016). Verhoef et al. (2009) defined customer experience as the overall reaction and response to the provider, encompassing the cognitive, emotional, affective, social, and physical responses. Customer experience is formed and accumulated over time in all encounters between providers and customers (pre-purchase, point of purchase, and the consumption process) (Lemon and Verhoef 2016). These considerations influence business strategy, shifting it from production and delivery of offerings to how customers interpret them

phenomenologically. Therefore, many providers regard customer experience as a critical element of their sustainable competitive advantage and focus on experience management (Edvardsson et al. 2005; Lieberman 2021).

Many theoretical and empirical studies have focused on touchpoints and interactions controlled by the provider. However, capturing experiences holistically is a difficult task. Due to the subjective nature of experience, some of its aspects are beyond the provider's control (Verhoef et al. 2009; Puccinelli et al. 2009). Furthermore, there has been less discussion on these aspects. To gain a holistic picture of the customer experience, it is necessary to consider from the customer's perspective, under what conditions they interact with providers to shape their experience, and how they do so.

This study aims to identify (1) the characteristics of experience from the customer's perspective and (2) what factors influence the formation of the customer experience. We also discuss how providers can be involved in shaping the customer experience.

2 THEORETICAL BACKGROUND

2.1 Customer Experience

Since the beginning of the 2000s, customer experience research has been conducted using different theoretical assumptions and research methods; however, the mainstream view of customer experience is limited to analyzing customer reactions and responses to specific stimuli (Lemon and Verhoef 2016; Verhoef et al. 2009). For example, Gentile et al. (2007) argued that customer experience originates from a set of interactions between a customer and a product or a provider or part of its organization, which provokes a reaction.

Becker and Jaakkola (2020) conducted a systematic review of the customer experience-related literature and organized the existing studies into (1) reactions to provider-controlled offerings, and (2) overall reactions to provider-related touchpoints. They analyzed the compatibility of these research traditions through a metatheoretical lens and derived four fundamental premises of customer experience, which help organize the overall understanding of customer experience.

According to Becker and Jaakkola (2020), customer experience is context-dependent and includes their unintentional and spontaneous reactions that the provider cannot observe or control. Although providers cannot create the customer experience directly, they can monitor, design, and manage a range of stimuli that affect customer experience. Moreover, it is imperative that service providers identify stimuli that affect experience.

Suppose we restrict the scope of stimuli to specific touchpoints from the provider's perspective (Verhoef et al. 2009) by analyzing customer responses to the stimuli prepared by the provider. We can then understand at what touchpoints and through what types of stimuli the provider can shape a superior customer experience. For example, service marketing research focuses on core service, servicescape, and interactions at service encounters (Grove and Fisk 1992; Grace and O' Cass 2004). Retailing research focuses on retail marketing mix elements such as in-store communication, price, equipment, and assortment (Verhoef et al. 2009; Puccinelli et al. 2009).

At the same time, if we extend the scope of stimuli to the customer's lifeworld (Chandler and Lusch 2015; Heinonen et al. 2010), experience formation in daily life that is not market-related (e.g., Having dinner with friends) should also be considered. Helkkula et al. (2012) claimed that "value in the experience as individual service customers' lived experiences of value that extend beyond the current context of service use to also include past and future experiences and service customers' broader life contexts" (p. 59). Customer experience can be seen as a continuum comprising experiences co-created with the provider and experiences formed independently of the provider (Gentile et al. 2007). The latter does not directly interact with the provider but is part of the response to their stimuli. The provider may find it difficult to observe such stimuli but they have a significant impact on the evaluation of service offerings (Grove and Fisk 1992).

2.2 Formation of Customer Experience

Godvykh and Tasci (2020) organized the antecedents of customer experience formation into three groups: (1) customer characteristics, (2) service provider-prepared stimuli, and (3) situational factors consisting of the consumption context and macro environment. Under these antecedents, customers form experiences due to their subjective reactions. Prior research in this stream assumes that the higher the degree of a customer's emotional response, the better the customer experience (Becker and Jaakkola 2020). It is implicitly recognized that the target is subject to extraordinary experiences, which are triggered by unusual events and characterized by high levels of emotional intensity. In this case, human interaction is considered an essential driver of this state of extraordinary experience (Arnould and Price 1993). In particular, positive experiences

are created when the employees make extra efforts and are stretched beyond the necessary service level (Bäckström and Johansson 2006).

Verleye (2015) focused on the co-creation experience between customer and service provider. She argued that co-creation experience depends on customer characteristics such as expected co-creation benefits and customer role readiness and co-creation environment such as technologization and connectivity. Her argument shifts the focus of experience formation from the provider to the customer. Conversely, lack of resources, mishandling of technology, or misunderstanding can lead to value co-destruction of value between the customer and the service provider (Plé and Chumpitaz Cáceres 2010). The result leads to negative outcomes such as value reduction and reduced well-being (Laud et al. 2019).

2.3 Outcome of Customer Experience

The outcome of customer experience is the formation of a "take-away impression" created as a result of the interaction stored in the customer's long-term memory (Rose et al. 2012). According to service marketing and management literature, customer experience can result in emotional, cognitive, performance, and well-being outcomes (Godvykh and Tasci 2020; Verleye 2015; Helkkula 2011).

Emotional outcomes such as fun, enjoyment, and happiness derive from hedonic consumption (Holbrook and Hirschman 1982), which recognizes that customers are feelers and thinkers. Prior researchers demonstrated emotion's central role in customer experience (Shaw 2007) and claimed that service offerings with vital experiential attributes could evoke customers' emotional responses (Ding and Tseng 2015).

Cognitive outcomes refer to learning and mastering new skills and techniques through experience (Holbrook and Hirschman 1982; Verleye 2015).

Performance outcomes include attitudinal aspects such as satisfaction and customer loyalty and behavioral aspects such as positive word-of-mouth and repeat purchase (Klaus et al. 2012; Chahal and Dutta 2015).

Well-being outcomes denote the experience-forming event, implying that engaging in the consumption behavior itself or interacting with various actors is valuable (Adhikari and Bhattacharya 2016).

2.4 Analytical Perspective of This Study

Existing research on customer experience focuses almost exclusively on specific touchpoints managed by the provider. They do not adequately discuss how customers' consumption of service offerings form daily life experiences, either theoretically or empirically. Attention has not been paid to the formation of experiences beyond the service provider's control. As a result, they see the experience as intermediate to output formation that is meaningful to the provider. There is insufficient consideration of what an experience is in the first place.

This study takes the following three analytical perspectives and examines "what is experience" from the customer's perspective.

First, we take the customer's perspective. Second, we set the scope of experience formation in the customer's lifeworld. With the customer as the central axis, we examine how

service providers and their offerings are incorporated into the customers' daily lives. Third, we view customer experience as a continuum, which incorporates "experiences that arise when not directly interacting with service providers" and "mundane experiences" in customers' lifeworld.

Therefore, this study contributes to a holistic understanding of the customer experience by elucidating the following research questions.

RQ1: What specific events lead to experience formation from the customer's perspective?

RQ2: What factors influence the formation of the customer experience?

RQ3: How is the role of service providers perceived in experience formation?

3 METHODOLOGY

3.1 CIT (Critical Incident Technique)

CIT is a qualitative research method developed in industrial and organizational psychology (Flanagan 1954). Since then, CIT has been evaluated as an effective exploratory research tool and used in various fields, including communications, nursing, education, medicine, and marketing (Butterfield et al. 2005). The active use of CIT in service research began in 1990 when Bitner, Booms and Tetreault's paper published in the *Journal of marketing* attracted much attention (Gremler 2004). Subsequently, CIT has been applied to service contexts such as service switching behavior (Keaveney 1995), service recovery (Kelley et al. 1993), value co-creation and co-destruct (Zhang et al. 2018).

The CIT method can provide a rich data source by allowing respondents to determine which incidents are the most relevant to them for the phenomenon being investigated (Gremler 2004). Moreover, CIT can be used to explore customer reactions and capture the subjective and processual qualities inherent in the experience (Edvardsson and Roos 2001). In this study, we can elucidate the formation of the experience from the customer's perspective by asking the customers to define what is important to them and to describe in detail the critical incidents for them.

As described by Flanagan (1954), there are five steps to a CIT study: (1) determining the aim of the activity to be studied, (2) setting plans, specifications, and criteria for the information to be obtained, (3) collecting data, (4) analyzing the thematic content of the data, and (5) reporting the findings. The following section will explain steps (2) ~ (4).

3.2 Definition of Critical Incident in This Study

Flanagan (1954) defined a critical incident as "extreme behavior, either outstandingly effective or ineffective with respect to attaining the general aims of the activity." (pp.337-338). Thus, researchers need to identify a critical incident in their research context precisely. Flanagan (1954) also stated that the CIT "does not consist of a single rigid set of rules governing such data collection. Rather it should be thought of a flexible set of principle that must be modified and adapted to meet the specific situation at hand" (P.335).

Although Flanagan (1954) defined CI as behavior, but in subsequent service research, CI was identified as a detailed description of events and behaviors and applied to surveys (Bitner et al. 1990; Grove and Fisk, 1997). In this study, we flexibly adapt CIT to identify food-related behavior as a slice

of customers' lifeworld and define CI as "events consisting of a series of behavior that seem particularly important and memorable in shaping life-related to food". There are two reasons for selecting food-related behavior as the subject of observation. First, food-related behavior is an essential theme of customers' daily lives and an unavoidable daily activity. In addition, food-related behavior consists of the part experienced by the customer at home and related to the service provider (food retailer, food service industry).

In existing research, surveys are typically conducted with the assumption that only extremely satisfying or dissatisfying experiences are essential. This perspective is based on the service provider's viewpoint. In contrast, this study takes a different approach by asking customers to define "what is important". This approach ensures that we gather data on experiences that service providers may have yet to focus on.

3.3 Data Collection

Flanagan (1954) advocated four ways of collecting data in CIT: individual interviews, group interviews, questionnaires, and record forms. There is no superiority of the data collection method itself; what matters is the quality of the data collected. Since the goal of this study is not to explore the complex, deep context behind experience formation, we chose to use a questionnaire survey, which provides a larger sample than interviews.

We designed two open-ended questions in written form. The meaning of "from the customer's perspective" emphasized in this study is that it does not necessarily mean that the service provider's influence accompanies the customer's experience. Therefore, respondents were first asked to describe in detail the events they thought were important and memorable to their food-related lives. They were then asked to recall whether the above events involved service providers and, if so, what interactions occurred.

The survey was conducted online in Japan from July 26 to 29, 2021. Respondents were recruited through the research company Cross Marketing Inc. platform, and informed consent was obtained. A total of 429 responses were collected. To ensure data quality, questionnaires that answered "nothing" or did not describe the data in detail for the first question were eliminated. As a result, 276 valid responses (64.3% valid response rate) were used for analysis. On the other hand, the response "nothing" was allowed for the second question, and in this case, the responses were analyzed as incidents unrelated to the service provider ($n=100$). Of all the valid respondents, 40.9% were male, and 59.1% were female. The mean age of the valid respondents was 40.8 years, with an age range of 20–59 years.

3.4 Coding Procedures

The coding process for this research was carried out in three steps. In each step, the coding process consists of first carefully reading the text, then analyzing the content of the descriptions and finally, classifying the answers.

Step 1: Identifying the food-related incident. As experience arises from non-daily and daily events (Arnould and Price 1993), the 276 incidents were first classified into three major categories from "degree of routineness" (low, medium, and high) through a deductive sorting process. Respondents' attitudes toward each incident were also analyzed.

Step 2: Identifying subgroups within the three major groups.

The second step involved the classification of the food-related incident into subgroups within each of the three major groups through a recursive sorting process.

Step 3: Classifying factors influencing experience formation. The service provider's behavior and other factors are categorized and associated with incidents.

In step 2 and 3, we used content analysis and Grounded Theory Approach (GTA) to support concept generation. The concepts generated and specific examples are reported in detail in the next chapter.

To ensure the validity and reliability of the data, besides the author, another judge (coder) participated in the data analysis process. The two analysts independently analyzed the main category and sub-category of incidents and the perceived service provider's behavior, following the same coding rules. The results showed that the agreement between the two analysts was 87.7%¹⁾ for step 1, 85.1%²⁾ for step 2, and 85.1%³⁾ for step 3, exceeding the level of agreement (80%) considered necessary to ensure the validity and reliability of the analysis (Andersson and Nilsson, 1964). The two analysts discussed when there were disagreements and finalized the classification categories. To make the data analysis process visible and to efficiently check the state of agreement between the two analysts, we utilized the qualitative data analysis software NVivo12 in this study.

4 FINDINGS

The preliminary results of this study using CIT are the main groups and subgroups obtained by the analytical procedure. The proportions shown in Tables 1 and 2 are analyzed subsequently to provide insights into the research questions.

4.1 Major Groups and Subgroups of Experience Formation Incidents

As shown in Table 1, food-related customer experiences were categorized into three major groups. Within these, seven subgroups emerged. Incidents were also divided into positive, negative, and neutral experiences.

Group 1. Mundane Experiences (n=72).

These experiences arise from ordinary life incidents but are experiences that are memorable and do not elicit strong emotional reactions. Respondents describe specific events as linked to their dietary "state" and their own "awareness." Among them, neutral experiences (n=29), which just describe facts, account for 40.3% of the responses.

Group 1 consists of [1-A Daily routines (n=56)] and [1-B Changes in routine (n=16)]. The former includes incidents that the respondents experienced every day as a routine but made an impression on them. It seems more meaningful to them that such incidents occur every day than on a specific date. For example,

It is impressive and enjoyable to have a meal with my wife every day. I think it is a sign of a life of serenity and happiness. (Male, positive)

I cook at home, and I am fed up with the orders and complaints from my family. (Female, negative)

[1-B Changes in routine] is a description of how the daily routine changed. The change itself is impressive and can lead to changes in the participants' thinking and behavior. Incidents such as "I became health conscious because I am approaching my thirties (Female, neutral)" and "I started to

make my home meals a little more luxurious after the COVID-19 pandemic (Female, neutral)" were reported.

Group 2. Remarkable Daily Experiences (n=173).

Experiences in Group 2 are daily experiences but are influenced by factors such as other people, service providers and offerings, along with their conditions. These experiences are perceived as special events. Compared to Group 1, incidents in Group 2 elicit a stronger emotional response. Additionally, Group 2 appears most frequently in the overall incidents (62.7% of the total). Among them, positive experiences account for 67.1%. Group 2 consists of three subgroups. The common denominator of these incidents is that they brought some novelty to the respondents.

[2-A: Slightly remarkable experiences in everyday life] refers to the small pleasures and worries perceived in daily life. Unlike 1-A and 1-B, the perception of intentional customer behavior is described.

To reward myself after a week of hard work, I bought a cake over the weekend and savored it in a relaxing atmosphere. (Female, positive)

[2-B: New insights into everyday experiences] means that an incident triggers a new awareness in daily life. The respondent identifies the incident as experiential by perceiving something they had never noticed before or through a change in awareness. As a result of the experimental incident, respondents generate feelings like gratitude and nostalgia.

Recently, when I eat meals with my family at home, I have started to help. I realized how hard it is to plan a meal menu every day, and I can now appreciate what my family has done for me. (Male, positive)

In [2-C: New challenges], incidents such as cooking for the first time and trying new menus skillfully are reported, and the act of taking up the challenge and its results are components of the experience. These incidents are memorable because of the time and energy invested and the new sensations experienced.

A week ago, I made somen noodles for the first time by checking a cooking app. I ate them alone and was impressed that I could do it myself. (Male, positive)

Group 3. Extraordinary Experiences (n=31).

The experiences in this group are those triggered by unusual events and elicited strong emotional reactions. An extended time horizon characterizes these responses. For example, there are several incidents where an event from 30 years ago has remained in the memory and is recalled somehow and affects present life. Such experiences are mostly positive (87.1%). Group 3 consists of two subgroups.

[3-A. Special occasion experience] Respondents talked about their experiences on special memorable days in their lives, such as "the last birthday spent at my parents' house" and "a party to celebrate the end of exams".

Three years ago, my wife and I ate our daughter's very first dish of Gomoku Yakisoba! It was the first time I had ever eaten food made by my daughter, and I was so impressed that I will never forget it! (Male, positive)

[3-B. Memories from the past] are related to events in childhood and events decades ago that affect the present life. Only 11 incidents were associated with this subgroup, accounting for 5.4% of the total. At the same time, the

descriptions of the incidents were the most detailed and very poignant.

When I was a child, I was eating fish with my parents at home and got a bone stuck in my throat. I ate a whole bowl of rice, but I couldn't get it out at all, so I went to the hospital. I think this is the origin of my dislike of fish. (Male, negative)

4.2 Factors Influencing Customer Experience Formation

This section presents the results of the third analysis step. In Steps 1 and 2, the analyst's interpretations and realizations were recorded as "theoretical memos"; in Step 3, we perused the descriptions of the 276 incidents again, and, in the light of the theoretical memos, inductively organized the influencing factors of each incident. The number of occurrences of a factor is counted, and a single incident may be affected by more than one factor. As a result, we extracted two factors: (1) contextual factors and (2) service provider-relevant factors. Table 2 shows the frequency of occurrence of each factor and its impact on customer experience formation.

Contextual Factors

Contextual factors such as other people (family, friends, and acquaintances), individuals (participation, condition at that time), and environments influence the formation of customer experience. This is in line with previous studies (Godvykh and Tasci 2020; Verleye 2015). Contextual factors frequently appear in the description of the circumstances of experience formation: they occur 186 times in 276 incidents, among which other people occur 142 times (51.4% coverage), individuals 35 times (12.7% coverage), and the environment 9 times (3.3% coverage).

The contextual factors were found to be most influential on other people, with family being the most significant among them. For example, in cases such as *"When I came home tired, my family made hamburgers and waited for me. It left a lasting impression on me because I felt that my tiredness would disappear."* The presence of family members is a decisive factor in forming the customer experience. On the other hand, this result could be attributed to the fact that the study was set in food-related behavior. As shown in Table 2, from the classification of the incidents, the factor of other people has a strong influence in Groups 2 and 3, especially in [2-A: Slightly remarkable experiences in everyday life] (68.6%) and [3-B: Memories from the past] (80.0%).

The individual factor is related to the customer's condition and application of knowledge and skills. For example, *"I cooked Kamo aubergines for the first time at home last week. I cooked it in more oil and cooked it well as a steak. It was delicious and impressive."* In this case, the demonstration of one's cooking skills is an essential influencing factor in the experience formation process. The influence on [2-C: New challenges] is relatively strong (26.7%).

Environmental factors represent a broad circumstance of experience formation. *"Drinking alone tastes bad. It tastes better if drinking outside," "I used to eat out at least once a month, but COVID-19 has made it impossible to do so at all..."* In many cases, respondents used environmental factors to interpret why their experiences were positive or negative.

Service Provider-related Factors

As this study aimed to examine the perceived role of service providers in shaping the customer experience, it included a questionnaire on service provider behavior affecting incidents. Service provider-related factors appeared 100 times, covering 36.2% of the 276 incidents. Direct interactions and indirect interactions were identified as influencing factors in customer experience formation.

Direct interaction between customers and service providers is related to communication with employees (n=40, 14.5% coverage). Factors related to service quality during service encounters (n=29), such as the employees' appropriate response to customer needs and requests and careful explanation of offerings (Bitner et al. 1990), are part of the food-related customer experience. In addition, explanations and value proposition (Vargo and Lusch 2004) on the consumption process after service encounter (n=11) influence customers' post-purchase lifeworld and directly influence the formation of the customer experience.

Indirect customer-service provider interactions refer to customers' reactions to the service provider's marketing activities (convenience, promotions, physical facilities, price) and use of the offerings before and after the service encounter (n=60, 21.7% coverage). The results of the data analysis show that indirect interactions with service providers are particularly influential in Group 1. Concerning experience as daily routine in Group 1, the role of stable service provision is likely to be recognized.

5 DISCUSSION

5.1 How is the Experience from the Customer's Perspective?

The results of Steps 1 and 2 of the data analysis can be used to organize the characteristics of incidents that lead to experience formation (response to RQ1). All incidents share a common characteristic: they involve novelty and emotional intensity and are memorable over time. Therefore, we can conclude that incidents with these characteristics elicit emotions through actions that make customers aware of their novelty. Furthermore, customers remember these incidents as part of their overall customer experience. This finding is consistent with research on customer delight, defined as a positive affective or affinitive response to customer experience (Prasuraman et al. 2020), which characterizes the intensity of emotions and timing in positive customer experiences. We suggest that the concept of customer experience can be further developed by measuring and analyzing the intensity of emotions and the duration of memories.

On the other hand, the customer delight literature focuses on customer reactions to service providers or offerings (Oliver et al. 1997, Barnes et al., 2013). Since the presence of an offering is set as a condition for experience formation, service providers can only have a fragmented understanding of the customer experience. This study introduced the CIT methodology to examine the experience from the customer's perspective using accurate data. The food-related data set shows that the extraordinary experiences which service providers have focused on account for only 11.2% of the total experiences. Comparatively, daily experiences (Groups 1 and 2) account for 88.8% of the total experiences.

Capturing experiences from the customer perspective allows us to see in what context and how the main actors, the customers, engage with service providers in their lifeworld. Furthermore, experiences with weak or no involvement with service providers that were not previously emphasized in the marketing and management field can be recognized.

The analysis of customer experiences suggests that providing high-quality offerings can only sometimes guarantee a good customer experience. We can infer that customers may also derive unique experiences from using mediocre offerings is essential. Additionally, a holistic view of the customer experience as a continuum can reveal valuable insights about the customer experience process, even in cases where the service provider is not directly involved.

Table 1: Major group and subgroup classification.

Major group and subgroup	Row Total		Positive		Neutral		Negative	
	No.	%	No.	%	No.	%	No.	%
Group 1. Mundane experiences	72	26.1	22	8.0	29	10.5	21	7.6
1-A: Daily routines	56	20.3	16	5.8	25	9.1	15	5.4
1-B: Changes in routine	16	5.8	6	2.2	4	1.4	6	2.2
Group 2. Remarkable daily experiences	173	62.7	116	42.1	5	1.8	52	18.8
2-A: Slightly remarkable experiences in everyday life	118	42.8	80	29.0	—	—	38	13.8
2-B: New insights into everyday experiences	40	14.5	25	9.1	5	1.8	10	3.6
2-C: New challenges	15	5.4	11	4.0	—	—	4	1.4
Group 3. Extraordinary experiences	31	11.2	27	9.8	2	0.7	2	0.7
3-A: Special occasion experiences	16	5.8	16	5.8	—	—	—	—
3-B: Memories from the past	15	5.4	11	4.0	2	0.7	2	0.7
Column Total	276	100.0	165	59.9	36	13.0	75	27.1

Table 2: Factors Influencing Customer Experience Formation

Major group and subgroup of customer experience	Contextual Factors						Service Provider-relevant Factors			
	Other People		Individuals		Environment		Direct Interaction		Indirect Interaction	
	No. ^a	% ^b	No. ^a	% ^b	No. ^a	% ^b	No. ^a	% ^b	No. ^a	% ^b
Group 1. Mundane experiences	19	26.4	10	13.9	5	6.9	11	15.3	23	31.9
1-A: Daily routines	16	28.8	7	12.5	3	5.4	6	10.7	18	32.1
1-B: Changes in routine	3	18.8	3	18.8	2	12.5	5	31.3	5	31.3
Group 2. Remarkable daily experiences	104	60.1	22	12.7	4	2.3	22	12.7	34	19.7
2-A: Slightly remarkable experiences in everyday life	81	68.6	15	12.7	2	1.2	14	11.9	25	21.2
2-B: New insights into everyday experiences	16	40.0	3	7.5	2	5.0	8	20.0	7	17.5
2-C: New challenges	7	46.7	4	26.7	—	—	—	—	2	13.3
Group 3. Extraordinary experiences	19	61.3	3	9.7	—	—	7	22.6	3	9.7
3-A: Special occasion experiences	7	43.8	1	6.3	—	—	3	18.8	2	12.5
3-B: Memories from the past	12	80.0	2	13.3	—	—	4	26.7	1	6.7
Column Total	142	51.4 ^c	35	12.7 ^c	9	3.3 ^c	40	14.5 ^c	60	21.7 ^c
a=Number of occurrences of each factor										
b=Factor coverage (number of occurrences of a factor/number of corresponding incidents)										
c=Coverage of each factor (number of occurrences of the factor/total number of incidents276).										

5.2 What Factors Influence the Formation of the Customer Experience?

Based on the results of this study, contextual factors such as other people, individuals, and environment, along with service provider-relevant factors such as direct and indirect interaction, were found to impact the formation of customer experience. Specifically, contextual factors were found to occur more frequently (186 occurrences) than service provider-relevant factors (100 occurrences). As a result, it can be inferred that contextual factors play a stronger role in

influencing customer experience than direct interactions between the customer and service provider. It should be noted that contextual factors are often beyond the control of service providers, which can pose challenges in managing the customer experience.

Based on data analysis, it can be inferred that indirect interaction with the service provider and other people significantly impacts the formation of customer experiences, particularly in the context of slightly remarkable experiences in everyday life (2-A). This conclusion is supported by the fact that incidents related to 2-A experiences account for the

most significant percentage of total incidents (n=118, 42.8% coverage). These findings suggest that customers are more likely to form experiences by effectively utilizing the service provider's offerings when they are with others. However, direct involvement by the service provider in this process may be difficult. Within the discourse on customer delight, social elements emerge as pivotal factors influencing the customer's perception of experience (Prasuraman et al. 2020). Conversely, the current study reveals a pronounced correlation between social elements and indirect interactions with service providers.

Moreover, based on an analysis of 276 incidents, it was observed that direct interaction has a low incidence rate of perception in experience formation, only perceived in 40 incidents. However, in cases where direct interaction was perceived, it had a relatively strong impact on changes in routine and memories from the past. This finding is corroborated by previous research, which underscores the importance of interpersonal service in shaping customers' perceptions of service value (Rose et al., 2012). As noted by Harrington et al. (2021), the collaborative co-creation of experiences by service providers and customers can significantly impact both the formation of customers' memories and the enduring effects of these experiences. Through the data analysis of this study, it can be inferred that talking directly to service employees is more likely to lead to a transformation in customer behavior and may contribute to creating new experiences. It is also worth noting that direct interaction tends to evoke strong emotions and requires a longer duration to influence customers.

5.3 How Service Providers can be Involved in Forming the Customer Experience

Based on previous research, service marketing and management have focused on improving service quality during direct (service encounters) and indirect (service offerings) interactions. However, based on the findings of this study, these efforts may not significantly impact the formation of customer experience. Accordingly, we suggest that to improve the customer experience, service providers consider enhancing existing marketing activities or developing new ones that target customers' extra-market activities. Considering these findings, we propose a strategic shift for service providers. To genuinely enhance the customer experience, it is imperative to adopt an innovative approach. Service providers should delve into the unexplored potential of customers' extra-market activities, interests, and lifestyles. This could entail conducting surveys, analyzing data, and actively engaging with customers to glean insights into their non-service-related interests. Furthermore, they should seamlessly integrate elements of customers' extra market interests into their service offerings. This might involve crafting experiences or packages that resonate with customers' hobbies or passions. Additionally, service providers should proactively engage with customers within the domains linked to their extra-market activities. This may encompass participation in relevant forums or events.

In addition, given the high frequency of contextual factors in the food-related data set, service providers are likely to influence the customer experience more effectively if they understand the context in which their offerings are used and

enhance their value proposition accordingly. To this end, we infer that it is effective to consider contextual factors that contribute to shaping the customer experience, such as knowledge and skills support, enhancing the environment in which services are used, and suggesting ways to enjoy them with others.

6 CONCLUSION

Despite theoretical studies of customer experience emphasizing that the experience is holistic and dynamic (Lemon and Verhoef 2016), empirical studies are limited to discussions of partial, static experiences. This study could contribute to the conceptual evolution of the customer experience by showing characteristics of the experience that are difficult to observe from the service provider's perspective. The axes of novelty, emotional intensity, and memorability are presented for the formation of customer experience. Previous studies argue that high novelty and emotional intensity appear as a set. Customers tend to have a higher degree of arousal and a more robust emotional response to incidents with high novelty (Arnould and Price 1993). Memorability is a concept that can express the dynamic characteristics of the experience and is considered to be an opening to discuss the dynamics of the customer experience. This perspective is consistent with the memory-dominant logic proposed in the hospitality study (Harrington et al. 2019), which seeks to create value by transforming service experiences into memorable ones, and the discussion has led to the provision of highly memorable services and the creation of new experiences through recalling previous experiences. In analyzing our qualitative data, we found opportunities to quantify qualitative data on emotional intensity and memorability, which suggests a potential mixed-method approach to future research.

Practically, the results of this research have shown service providers new marketing areas and challenges. Instead of producing and providing superior service offerings, it was proposed that managing the context in the consumption process in the customer's lifeworld could be more effective in formatting the customer experience.

Although we are aware of decontextualization in the analysis of concept generation, the limitation is that the results of the CIT analysis only show general trends in food-related behavior. It may be inferred that the results of this study have some applicability to similar service contexts, such as fashion-related and mobility-related behaviors. Future exploratory and empirical studies in other service contexts are expected.

Note

- 1) In assigning the 276 CIs to the three major groups, the two analysts had 242 CIs with the same assignment result. $\text{step1 agreement rate} = 242 / 276 = 87.7\%$.
- 2) After dividing the 276 CIs into three major groups (72 for Group 1, 173 for Group 2, and 31 for Group 3), the two analysts made assignments to the subgroups shown in Table 1. As a result, the two analysts had the same assignment results for 235 of the 276 CIs. $\text{Agreement rate for Step 2} = 235 / 276 = 85.1\%$.
- 3) Each CI is linked to the contextual or/and service provider-related factors shown in Table 2. As a result,

the two analysts obtained the same assignment result for 235 out of 276 CIs. Agreement rate for step 3 = $235 / 276 = 85.1\%$.

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