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**ONLINE CUSTOMER EXPERIENCE MANAGEMENT
ON VERTICAL MARKETS IN TURKEY**

MASTER THESIS

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RÉSUMÉ

LA DIRECTION DE L'EXPÉRIENCE DES CLIENTS SUR INTERNET DANS LES MARCHÉS VERTICAUX EN TURQUIE

Sinem ÇOMARLI

Dans le monde, avec la transformation électronique, créer des expériences significatives devient la plus importante tâche pour les affaires en ligne. En plus, les joueurs des marchés verticaux savent que dans le modèle d'affaires e-commerce, les demandes des clients sont plus spécifiques et aussi l'expérience des clients est très importante.

Création d'expériences significatives pour les entreprises en ligne est l'un des plus importants faits d'entreprises après l'e-transformation du monde. Les marchés verticaux deviennent un modèle d'entreprise en croissance rapide dans le commerce électronique et ils sont bien connus avec leurs innovations. En outre, ils ont conscience de l'importance des expériences clientèles du fait que leur cible public et les attentes de leurs clients sont plus spécifiques.

Dans notre étude, en analysant le concept du management des expériences des clients au point de vue des joueurs des marchés verticaux, nous avons créé un modèle qui suggère que les expériences clientèles ont une relation forte avec loyauté et la qualité du service perçu; touchés par la confiance, la sécurité, la navigation, la convivialité, l'après-vente et la gestion des plaintes.

Le management de l'expérience des clients est le dernier pas de transformation pour les entreprises à différencier. Au début de l'histoire, le marketing a concentré sur les produits, le rendement et le prix. Aujourd'hui, la concurrence devient plus dure et les entreprises ont besoin de différencier leurs styles de gestion de l'expérience. La gestion de l'expérience clientèle devient la nouvelle clé de différenciation.

Dans le premier chapitre, nous avons commencé notre étude avec la définition des termes clés. D'abord, nous donnons une revue de la littérature pour montrer ce que client, l'expérience, l'expérience clientèle et la gestion de l'expérience clientèle signifient et comment l'expérience clientèle évalue-t-il. Comme chacun sait, le client est un destinataire d'un bien, un service, un produit ou une idée pour une contrepartie de valeur monétaire ou autre. L'expérience est l'accumulation des connaissances ou des compétences qui résultent de la participation directe à des manifestations ou activités. Dans le marketing, l'expérience clientèle est la somme-totalité des clients s'engageant avec la société ou une marque, et pas seulement lors de l'instantané dans

le temps, mais tout au long de la vie. Donc, la gestion de l'expérience clientèle est une stratégie qui se concentre les opérations et les processus d'une entreprise autour des besoins d'un client individuel. Nous avons continué notre revue de la littérature avec les différences entre la gestion de l'expérience clientèle et la gestion de la relation clientèle, du fait qu'ils sont tous confondus l'un de l'autre. Nous avons convenu que la gestion de l'expérience clientèle et la gestion de la relation clientèle sont très différents, mais si elles se combinent dans une stratégie d'entreprise, elles sont complémentaires à succès pour créer des expériences significatives et rendre les clients heureux durablement. Parce qu'aucun d'entre eux ont assez de puissance pour améliorer les relations avec les clients et les expériences des clients durables.

Dans le chapitre deux, nous avons concentré sur l'expérience clientèle en ligne. Parce que l'Internet et le commerce électronique ont le plus grand potentiel de croissance dans notre monde et les entreprises en ligne ont une grande compréhension de l'expérience clientèle, du fait qu'ils doivent être innovants. Après avoir expliqué comment l'expérience clientèle en ligne diffère du traditionnel, nous avons mentionné les composantes de la gestion de l'expérience clientèle en ligne qui sont sensoriel, affectif, cognitif, programmatique, mode de vie et relationnel.

Une autre partie de la gestion de l'expérience clientèle en ligne était le processus de création d'expériences significatives en ligne. Avec l'aide de la littérature, nous avons indiqué les étapes de la création d'expériences significatives. Dans une première étape, nous avons expliqué la compréhension du client et les attentes du client, du fait que les entreprises ont besoin de comprendre leurs clients et bien connaître les attentes des clients pour leur créant une expérience parfaite. Ensuite, nous avons mentionné l'importance de points de contact. Du point de vue marketing, une expérience est un engagement remis au client grâce à un système intégré de points de contact alors les entreprises doivent concevoir des expériences avec tous les points de contact. Une autre étape pour créer une expérience significative est de comprendre l'importance de la cohérence. Les entreprises ont besoin d'être cohérent dans tous les points de contact afin de créer une expérience clientèle parfait, et cela apporte une bonne expérience de la marque. En outre, la gestion des perceptions est une autre étape, en raison de la perception de la marque des clients influence sur leurs expériences avec les marques. Dans le monde en ligne, la navigation et la facilité d'utilisation sont l'une de la conception et l'étape de la technologie. La conception des sites web doit être bonne à l'expérience utilisateur et cela apporte une facilité d'utilisation. Aujourd'hui, les gens mesurent les services d'une entreprise avec les services d'après-vente et la gestion des plaintes, c'est donc une autre étape pour créer une expérience significative. Parce que l'expérience ne s'arrête pas à la fin de l'achat, ils continuent jusqu'à la fin de vie. Enfin, notre dernière étape est la gestion de la fidélisation, ce qui est le plus haut niveau de gestion de l'expérience clientèle. Toutes ces mesures créent un fond puissant pour comprendre l'expérience clientèle en ligne et analyser une entreprise.

Dans notre recherche, nous avons choisi des marchés verticaux et essayé de comprendre leur point de vue sur l'expérience clientèle. Nous avons choisi les marchés verticaux, car leur vitesse de la capacité d'innovation, aussi ils sont devenus si populaires jour en jour. En outre, ils ont conscience de l'importance de l'expérience clientèle du fait que leur public cible et les attentes de leurs clients sont plus spécifiques.

Dans le troisième chapitre, nous expliquons d'abord comment le commerce électronique sur les marchés verticaux évalue en Turquie. Ensuite, nous avons choisi 4 principaux acteurs du marché verticaux; Unnado.com, Zizigo.com, Lidyana.com et MissPera.com, pour comprendre leur point de vue sur la gestion de l'expérience clientèle comme une étude de cas. Unnado.com est l'un de site Web d'achats de la mère et de bébé qui a un modèle d'achats privé. Zizigo.com vend des chaussures et c'est une marque de Markafoni. Lidyana.com est spécialisée dans les accessoires. Enfin, MissPera vend des cosmétiques et parfums, et il est aussi une marque de Markafoni. Après avoir observé leur modèle d'entreprise et l'histoire, un à un, nous avons réalisé des entrevues avec les administrateurs de C-level. Après avoir expliqué la dynamique du marché, avec l'aide de nos entrevues, nous avons créé un modèle pour analyser ces entreprises pour leur gestion de l'expérience clientèle.

Notre modèle suggère que l'expérience clientèle ont une relation forte avec loyauté et la qualité de service perçue. La qualité de service perçue aussi et la loyauté sont touchés par la confiance, la sécurité, la navigation, la facilité d'utilisation, l'après-vente et la gestion des plaintes. Nous créons ce modèle selon nos entrevues avec les entreprises choisies. Nous étudions ces facteurs un par un pour comprendre comment les entreprises sur les marchés verticaux en ligne donnent importance de rendre leurs clients heureux. Pour analyser ces facteurs, nous avons créé une enquête et l'étaler sur Internet. Donc, nous attrapons des internautes.

Nous avons posé 9 questions pour mesurer tous les facteurs de notre modèle. Pour chaque entreprise, il y avait 4 séries différentes de mêmes questions pour les comprendre séparément. Nous avons posé 9 questions pour mesurer tous les facteurs de notre modèle. Il y avait 4 séries différentes de mêmes questions pour chaque entreprise à comprendre chaque entreprise séparément. 498 participants ont donné leurs réponses à notre enquête, mais 64 d'entre eux était de 3 grandes villes à l'âge de 18-35 ans, et statistiquement significatifs. Nous analysons seulement leurs réponses. Nous utilisons test d'ANOVA de Benferroni et les tests de Tukey HSD Post Hoc. Nous avons trouvé qu'il n'y a pas de différences significatives entre nos 4 marques selon notre modèle. Ensuite, nous comparons leurs moyens pour comprendre des petites différences.

En conséquence, nous avons constaté que les entreprises des marchés verticaux en ligne que nous avons choisis ont vraiment conscience de l'importance de la gestion de l'expérience clientèle et sur lesquels ils travaillent pour augmenter leur qualité de service pour rendre leurs clients heureux. Et aussi, ils ont tous conscience des résultats

fidèles de gestion de l'expérience clientèle et ses affects financière. Nous voyons aussi que la fréquence d'achat, le désir d'achat et de l'opinion générale à propos de ces 4 marques sont plus élevés que la moyenne, alors nous pouvons dire que nos candidats sont fidèles et ont de bonnes expériences avec les entreprises. En outre, nos candidats font confiance à ces entreprises, se sentent confortables quand ils achètent, pensent que les sites web sont sécurisées pour faire du shopping, facile à utiliser et utile, leur après-vente et la gestion des plaintes ont du succès. Mais nous n'avions pas assez de données pour prouver ces faits statistiquement.

En vue de faire avancer la recherche, nous proposons pour analyser ces faits avec un grand exemple pour prouver avec une analyse de régression. Par ailleurs, pour le même marché, d'autres facteurs tels que les points de contact, la cohérence et la gestion de perception peuvent être analysés pour savoir comment ils affectent la qualité de service perçue et la gestion de l'expérience clientèle dans les marchés verticaux. Aussi il y a un côté technique, communicationnel et de la publicité de la gestion de l'expérience clientèle, de sorte que le même sujet peut être analysé avec ces perspectives.

Nous avons ajouté une expérience clientèle expert dans les entreprises du commerce électronique mondialement connu sur les marchés verticaux, Zappos.com, et nous essayons de comprendre leur manière au succès. Nous avons expliqué pourquoi Zappos.com est l'une des meilleures entreprises de service clientèle et comment il délivre le bonheur à ses clients de service clientèle à la culture, la formation des employés pour la gestion d'entrepôt, des centres d'appels aux détaillants. Ils ont créé une perspective de gestion de l'expérience clientèle énorme pour le monde en ligne.

ABSTRACT

ONLINE CUSTOMER EXPERIENCE MANAGEMENT ON VERTICAL MARKETS IN TURKEY

Sinem OMARLI

In the evolution of differentiation for companies, Customer Experience Management is the last step. At the beginning of the history, marketing focused on product, return and price. Nowadays, the competition become tougher and companies need to differentiate with their experience management styles. Customer Experience Management becomes the new differentiation key.

Creating meaningful experiences for online businesses is one of the most important business facts after e-transformation of the world. Vertical markets become a fast growing business model in e-commerce and they are well-known with their innovations. Furthermore, they are aware of the importance of customer experiences due to the fact that their target audience and the expectations of their customers are more specific. We have analyze customer experience management perspective of vertical market players with a model which suggests that customer experience have a strong relationship with loyalty and perceived service quality; affected by trust, security, navigation, usability, aftersales and complaint management.

In chapter one, we have started our study with the definition of key terms. First we give a literature review to show what customer, experience, customer experience and customer experience management mean and how customer experience evaluate. As everyone knows, customer is a recipient of a good, service, product or idea for a monetary or other valuable consideration. Experience is the accumulation of knowledge or skill that results from direct participation in events or activities. In marketing, customer experience is the sum-totality of customers engaging with the company or a brand, not just in a snapshot in time, but throughout the entire lifetime. So customer experience management is a strategy that focuses the operations and processes of a business around the needs of an individual customer.

We continued our literature review with the differences between customer experience management and customer relationship management, due to the fact that they are all confused each other. We agreed that, customer experience management and customer relationship management are very different, but if they combine in a business strategy, they are complementary to success to create meaningful experiences and make customers happier sustainably. Because none of them have enough power to make improve relations with customers and experiences of customers sustainable.

In our chapter 2, we specialize to online customer experience. Because internet and e-commerce have the biggest growth potential in our world and online companies have a great understanding about customer experience, due to the fact that they have to be innovative. After explaining how online customer experience differs from the traditional, we mentioned the components of online customer experience management which are sensorial, emotional, cognitive, pragmatic, lifestyle and relational.

Another part of online customer experience management was the process of creating meaningful online experiences. With the help of literature, we stated the steps of creating meaningful experiences. As a first step, we explained understanding customer and expectations of customer, due to the fact that companies need to understand their customers well and know the expectations of customers to create them a perfect experience. Then we mentioned importance of touchpoints. From marketing perspective, an experience is an engagement delivered to customer through an integrated system of touch points, so companies have to design experiences with every touch points. Another step to create meaningful experience is understanding the importance of consistency. Companies need to be consistent in every touch points to create a perfect customer experience, and this brings a good brand experience. Moreover, managing perceptions is another step, due to customers' brand perceptions affect their experiences with the brands. In online world, navigation and usability is one of the design and technology step. Design of the web sites have to be good to user experience and this bring usability. Nowadays, people measure the services of a company with after sales services and complaint management, so this is another step to create a meaningful experience. Because experiences do not end at the end of purchase, they long till the end of lifetime. Finally our last step is loyalty management, which is the top level of customer experience management. All these steps create a powerful background to understand online customer experience and analyze a company.

In our research, we have chosen vertical markets and try to understand their perspective about customer experience. We have chosen vertical markets because their speed innovation capability, also they became so popular day by day. Furthermore, they are aware of the importance of customer experiences due to the fact that their target audience and the expectations of their customers are more specific.

In the third chapter, first we explain how e-commerce on vertical markets evaluates in Turkey. Then we selected 4 leading vertical market players; Unnado.com, Zizigo.com, Lidyana.com and MissPera.com, to understand their perspective about customer experience management as a case study. Unnado.com is one of the mother and baby shopping website which has a private shopping model. Zizigo.com sells shoes and it is a brand of Markafoni. Lidyana.com is specialized to accessories. Finally, MissPera sells cosmetics and perfumes and it is also a branch of Markafoni. After observing their business model and story, one by one, we made interviews with

the C-level directors of them. After explaining the market dynamics with the help of our interviews, we have created a model to analyze these companies for their customer experience management.

Our model suggests that customer experience have a strong relationship with loyalty and perceived service quality. Also perceived service quality and loyalty are affected by trust, security, navigation, usability, aftersales and complaint management. We create this model according our interviews with selected companies. We study these factors one by one to understand how businesses on online vertical markets give importance to make their customers happier. To analyze these factors, we have created a survey and spread it on the internet. So we catch internet users.

We asked 9 questions to measure all factors of our model. There was 4 different set of same questions for every company to understand every company separately. 498 participants gave their responses to our survey, but 64 of them was from 3 big cities at the age of 18-35, and statistically significant. We analyze only their answers. We use ANOVA test, Benferroni and Tukey HSD Post Hoc Tests. We have found that there are no significant differences between our 4 brands according our model. Then we compare their means to understand little differences.

As a result, we found that online vertical market companies that we have chosen are really aware of the importance of customer experience management and they are working on to increase their service quality to make their customers happier. And also they are all aware of the loyalty results of customer experience management and its financial affects. We also see that purchase frequency, desire to shop and general opinion about these 4 brands are higher than to average, so we can say that our candidates are loyal and have good experiences with the companies. Moreover, our candidates trust these companies, feel comfortable to shop from them, think that the web sites are secure to shop, easy to use and useful, their aftersales and complaint management are successful. But we had not enough data to prove these facts statistically.

For further research, we suggest to analyze these facts with a big sample to prove with regression analysis. Moreover, for the same market, other factors such as touch points, consistency and perception management can be analyze to know how they affect perceived service quality and customer experience management in vertical markets. Also there is a technical, communicational and advertisement side of customer experience management; so the same topic can be analyze with these perspectives.

We added a world-known customer experience expert e-commerce company on vertical markets, Zappos.com, to the annexes and we try to understand their way to success. We explained why Zappos.com is one of the best customer service companies and how it delivers happiness to its customers from customer service to culture, employee training to warehouse management, call centers to retailers. They have created an enormous customer experience management perspective to online world.

ÖZET

TÜRKİYE’DE DİKEY PAZARLARDA ONLINE MÜŞTERİ DENEYİMİ YÖNETİMİ

Sinem ÇOMARLI

Dünyanın e-dönüşümü sonrası anlamlı deneyimler yaratmak online işletmelerin en önemli iş yapış şekillerinden biri haline geldi. Dikey pazarlar, e-ticaretin en hızlı büyüyen iş modeli olmasının yanında, inovasyonları ile de biliniyorlar. Ayrıca, dikey pazarlardaki oyuncular, hedef kitleleri ve müşterilerinin beklentileri daha spesifik olduğu için, müşteri deneyiminin ne kadar önemli olduğunun farkındalar. Araştırmamızda, müşteri deneyimi yönetimini dikey pazarlardaki aktörlerin bakış açısıyla analiz ederken, müşteri deneyiminin güven, güvenlik, navigasyon, kullanılabilirlik, satış sonrası ve şikayet yönetiminden etkilenen algılanan servis kalitesi ve sadakat ile güçlü bir ilişkisi olduğu üzerine bir model oluşturduk.

Müşteri Deneyimi Yönetimi, şirketler için farklılaşmanın zaman içindeki dönüşümünde son adım olma özelliğine sahip. Tarihin başında, pazarlama ürün, gelir ve fiyata yoğunlaşmıştı. Şimdilerde ise rekabetin güçlenmesi ile şirketlerin deneyim yönetimi yöntemleri ile farklılaşması bir zorunluluk olmaya başladı. Müşteri Deneyimi Yönetimi, farklılaşmanın yeni şekli haline geldi.

İlk bölümde, çalışmamıza belli başlı terimlerin anlamlarını inceleyerek başladık. Öncelikle, müşteri, deneyim, müşteri deneyim ve müşteri deneyimi yönetimi kavramlarının anlamlarını ve müşteri deneyiminin gelişimini yaptığımız literatür taraması yardımı ile açıkladık. Herkesin de bildiği gibi, müşteri bir mal, servis, ürün ya da fikri, bir parasal karşılık ya da değerli bir şey karşılığında alan kişidir. Deneyim ise, bilgi ya da yeteneklerin etkinlik ve aktivitelere direct katılım ile toplanmasıdır. Pazarlamada, müşteri deneyim, firma ya da marka ile etkileşime geçen müşterinin sadece bir zaman diliminde değil tüm hayat boyunca yaşadığı deneyimlerin toplamıdır. Tüm bunlardan yola çıkarak, müşteri deneyimi yönetimi, tüm iş akışları ve operasyonlarına, tek bir müşterinin ihtiyaçları çerçevesinde odaklanma stratejisidir.

Literatür taramamıza, sürekli karıştırıldıkları için müşteri deneyimi yönetimi ve müşteri ilişkileri yönetimi arasındaki farklılıkları açıklayarak devam ettik. Müşteri deneyimi yönetimi ve müşteri ilişkileri yönetiminin birbirinden çok farklı olduklarını Kabul etmekle birlikte, bir işletme stratejisi içerisinde birlikte şekillendirildiğinde, sürdürülebilir şekilde anlamlı deneyimler yaratmak ve müşterileri daha mutlu kılarak başarılı olmak için için birbirlerini tamamlayıcı olduklarına karar verdik. Çünkü her ikisi de tek başına müşterilerle olan ilişkilerin ve müşterilerin deneyimlerinin iyileştirilmesinde sürdürülebilir değiller.

İkinci bölümde, online müşteri deneyimine odaklandık, çünkü internet ve e-ticaret dünyadaki en büyük büyüme potansiyeline sahip ve online şirketler inovatif olmak zorunda oldukları için müşteri deneyimi hakkında inanılmaz bir anlayışa sahipler. Online müşteri deneyiminin gelenekselden nasıl farklılaştığını anlattıktan sonra, online müşteri deneyimi yönetiminin bileşenlerinden bahsettik. Bunlar, duyumsal, duygusal, bilişsel, pratik, yaşamsal ve ilişkisel idi.

Online müşteri deneyimi yönetiminin bir başka parçası ise, anlamlı online deneyimler yaratma süreci idi. Literatürün de yardımı ile, anlamlı online deneyimler yaratma sürecinin adımlarını ortaya koyduk. İlk adım olarak, müşteriye ve müşteri beklentilerini anlama sürecini değerlendirdik, çünkü firmaların müşterilerini iyi anlamaları ve müşterilerinin beklentilerini bilmeleri, mükemmel deneyimler yaratmaları için gerekliydi. Sonra, müşteriye dokunulan noktaların öneminden bahsettik. Pazarlama bakış açısıyla, bir deneyim, müşteriye dokunulan noktalar yoluyla müşteri ile bir etkileşim yaratılması sürecidir. Bu yüzden şirketlerin her bir müşteriye dokunan nokta ile deneyimlerini tasarlaması gerekir. Anlamlı deneyimler yaratılması sürecinin bir başka adımı ise, tutarlılığın öneminin anlaşılmasıdır. Şirketler mükemmel deneyimler yaratabilmek için müşteriye dokundukları her bir noktada tutarlı olmalıdırlar, ve bu da iyi bir marka deneyimini beraberinde getirir. Dahası, algıların yönetilmesi de bir başka adım, çünkü müşterilerin marka dışarı onların marka ile yaşadıkları deneyimi etkiler. Online dünyada, navigasyon ve kullanılabilirlik de bir başka teknoloji ve tasarım adımıdır. Bir web sitesinin tasarımının kullanıcı deneyiminin iyi olması gerekir ve bu da kullanılabilirliği beraberinde getirir. Şu günlerde, insanlar şirketlerin servislerini, yaptıkları satış sonrası hizmetler ve şikayet yönetimi çalışmaları ile değerlendirmekteler, bu yüzden anlamlı deneyimler yaratılmasında bir diğer adım da satış sonrası hizmetler ve şikayet yönetimi. Çünkü deneyimler satın alma sonrası sona ermezler, hayat boyu devam ederler. Son olarak, son adımımız sadakat yönetimi, yani müşteri deneyimi yönetiminin en üst seviyesi. Tüm bu adımlar, online müşteri deneyimini anlamada ve bir şirketi analiz etmede bize güçlü bir zemin oluşturdular.

Araştırmamız için dikey pazarları seçtik ve onların müşteri deneyimine yaklaşımlarını anlamaya çalıştık. Dikey pazarları seçmemizin sebebi, onların hızlı inovasyon kapasiteleri ve son dönemde daha da popüler hale gelmeleri dii. Ayrıca dikey pazarlardaki oyuncular, hedef kitlelerinin ve müşterilerinin deneyimlerinin daha spesifik olması sebebiyle, müşteri deneyiminin önemini farkındalar.

Üçüncü bölümde, önce Türkiye'deki dikey pazarlarda e-ticaretin nasıl geliştiğini anlattık. Sonra, müşteri deneyimi yönetimi hakkındaki bakış açılarını bir vaka analizi olarak değerlendirmek üzere dikey pazarların önde gelen 4 oyuncusunu seçtik: Unnado.com, Zizigo.com, Lidyana.com ve MissPera.com. Unnado.com anne bebek alışveriş websitesilerinden biri ve özel alışveriş modeline sahip. Zizigo.com ise ayakkabı satıyor ve Markafoni'nin bir alt kolu. Lidyana.com aksesuarlara uzmanlaşmış durumda. Son olarak MissPera.com ise, kozmetik ve parfüm satıyor ve o da Markafoni'nin bir alt kolu. Her birinin tek tek iş modelini ve geçmişteki

hikayesini gözlemledikten sonra, C-seviyesinde yöneticileri ile röportajlar gerçekleştirdik. Pazar dinamiklerini röportajlar yardımı ile açıkladıktan sonra, bu şirketleri müşteri deneyimi yönetimi açısından analiz etmek üzere bir model oluşturduk.

Modelimize göre, müşteri deneyiminin sadakat ve algılanan servis kalitesi ile güçlü bir ilişkisi bulunuyor. Algılanan servis kalitesi ve sadakat ise, güven, güvenlik, navigasyon, kullanılabilirlik, satış sonrası ve şikayet yönetiminden etkileniyor. Modelimizi seçilen şirketlerle yaptığımız röportajlardan yola çıkarak oluşturduk. Sonra tüm bu faktörleri online dikey pazarlardaki işletmelerin müşterilerini daha mutlu kılabilmek için bu faktörlere nasıl önem verdiklerini anlamak için tek tek inceledik. Bu faktörleri analiz etmek üzere bir anket hazırladık ve internete bu anketi yaydık. Böylece internet kullanıcılarının görüşlerini öğrenmiş olduk.

Modelimizdeki tüm faktörleri ölçmek için 9 soru sorduk. Her soru her bir şirket için 4 farklı sette soruldu, böylece her bir şirketi birbirinden ayrı olarak anlayabildik. Anketimize 498 kişi yanıt verdi, ancak sadece 64 tanesi Türkiye'nin 3 büyük şehrinde 18-35 yaş arasıydı ve istatistiksel olarak anlamlıydı. Biz de sadece bu kişilerin yanıtlarını analiz ettik. ANOVA testini, Benferroni ve Tukey HSD Post Hoc testlerini kullandık. Sonuçta bu 4 şirket arasında modelimiz çerçevesinde anlamlı bir farklılık bulamadık. Aradaki küçük farkları anlamak için ortalamaları karşılaştırdık.

Sonuç olarak, online dikey pazarlardan seçtiğim şirketlerin gerçekten müşteri deneyimi yönetiminin önemini farkında olduklarını ve müşterilerini daha mutlu etmek için servis kalitelerini arttırmak adına çaba gösterdiklerini bulduk. Ayrıca müşteri deneyimi yönetimi sonucu oluşan sadakatin ve bunun finansal etkilerinin de farkındalar. Ayrıca alışveriş sıklığı, alışveriş yapma isteği ve genel fikir konusunda 4 markanın da ortalamasının üstünde çıktılar, yani katılımcılarımızın bu markalara sadık olduklarını ve şirketler ile iyi deneyimler yaşadıklarını söyleyebiliriz. Dahası, anketimizin katılımcıları bu şirketlere güveniyor, bu şirketlerden alışveriş yapmak konusunda kendilerini rahat hissediyor, web sitelerinin alışveriş yapmak için güvenli, kullanışlı ve kolay kullanılabilir olduğunu ve bu şirketlerin satış sonrası servislerinin ve şikayet yönetimlerinin başarılı olduğunu düşünüyor. Ancak tüm bu gerçekleri istatistiksel olarak kanıtlamak için yeterli datamız bulunmuyordu.

Gelecek çalışmalar için, daha büyük örneklem kullanılarak ve regresyon analizi yapılarak aynı gerçeklerin tekrar analiz edilmesini öneriyoruz. Ayrıca aynı Pazar için müşteriye dokunma noktaları, tutarlılık, algı yönetimi gibi faktörlerin algılanan servis kalitesi ve müşteri deneyimini nasıl etkiledikleri analiz edilebilir. Dahası müşteri deneyiminin teknik, iletişimsel ve reklamcılıkla ilgili tarafları da bulunuyor, bu yüzden aynı konu bu bakış açıları ile de değerlendirilebilir.

Arařtırmamızın ekler kısmına, dikey pazarlarda bulunan e-ticaret firmalarından dñnyaca ùnlñ mñřteri deneyimi uzmanı Zappos.com'la ilgili bir bñlüm ekleyerek, onların başarıya ulaşma řeklini anlamaya çalıřtık. Zappos.com'un neden en iyi mñřteri hizmetleri saęlayan řirketlerden biri olduęunu ve nasıl mñřterilerine mutluluk daęıttıęını mñřteri hizmetlerinden culture, çalıřanların eęitiminden stok yñnetimine, call centerdan tedarikçilere kadar anlatmaya çalıřtık. Çñnkñ Zappos.com, mñřteri deneyimi yñnetimine online dñnyada inanılmaz bir bakıř açısı getirdi.

INTRODUCTION

In the evolution of differentiation for companies, Customer Experience Management is the last step. At the beginning of the history, marketing focused on product, return and price. Nowadays, the competition become tough and companies need to differentiate with their experience management styles. Customer Experience Management becomes the new differentiation key.

We have started our study with the perspective of creating meaningful experiences. First we give a literature review to show what customer, experience, and customer experience means, how customer experience evaluate, and what are the differences between customer experience management and customer relationship management. Than we specialize to online customer experience, because internet and e-commerce have the biggest growth potential in our world and online companies have a great understanding about customer experience, due to the fact that they have to be innovative. After explaining how online customer experience differs from the traditional, we have explained how to create a meaningful online customer experience with the help of literature.

In our research, we have chosen vertical markets and try to understand their perspective about customer experience. To do so, we create a case study with the help of 4 leading online companies on vertical markets in Turkey, Unnado.com, Zizigo.com, Lidyana.com and MissPera.com. We have chosen vertical markets because their speed innovation capability. After explaining the market dynamics, we have created a model to analyze these companies for their customer experience management. We think that customer experience have a strong relation with loyalty and perceived service quality and perceived service quality is created with trust, security, navigation and usability, aftersales and complaint management. We study these factors one by one to understand how businesses on vertical markets understand their importance to make their customers happier.

CHAPTER 1: THE CONCEPT OF CUSTOMER EXPERIENCE MANAGEMENT

1. The Evolution of Differentiation and Customer Experience Management

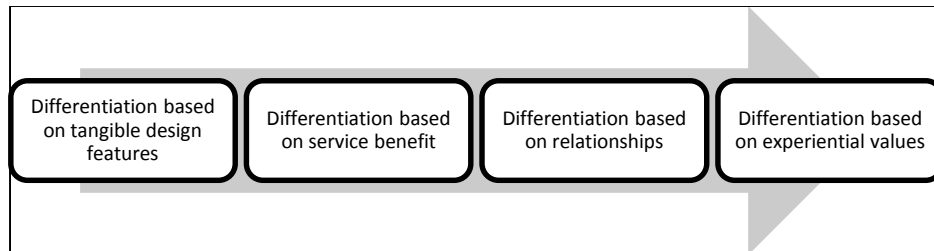
Traditionally, marketing activities have focused on success in the product market place by examining the physical aspects of products and services such as quantity, quality, functionality, availability, accessibility, delivery, price and customer support. But the current trend in marketing is to create engaging and lasting experiences for the customers (Macmillan and McGrath, 1997; Carbone, 1998; Pine and Gilmore, 1998; Calhoun, 2001; Berry et al., 2002; Gilmore and Pine, 2002). About 85 percent of senior business leaders interviewed in a recent study agreed that differentiating solely on the traditional physical elements such as price, delivery and lead times is no longer an effective business strategy. The new differentiator today is customer experience. (Mascarenhas, Kesavan and Bernacchi, 2006)

The competitive battleground of differentiators is changing in business environment. In the 1970s, the differentiator was quality or functionality; in the 1990s it has been brand and price; in the early 2000s, it is service, information and delivery (Shaw and Ivens, 2002, 2). Schmitt (2010: 16) thinks that in the 1990s, companies increasingly acknowledged the critical importance of becoming “customer-oriented” and “market-driven” instead of product-technology-or sales-focused. All these attributes are considered as given today; customers take them for granted and feel entitled for them. Currently, in 2000s, it is customers’ emotional attachment with the brand, the brand community and the brand company via customer experience that is gaining importance in the differentiation. (Mascarenhas, Kesavan and Bernacchi, 2006)

As Palmer (2010) suggest, in 1980’s, the quality of ongoing relationships became a new differentiator. In turn, services became generic, leading to the development of relationship marketing strategies. Experiences may be a differentiator in markets, where relationships have ceased to be a point of competitive differential advantage.

Christopher (1991) describes the evolution of the dominant basis for product differentiation on Table 1.1. (Palmer, 2010) For him, the last phase of differentiation is based on experiential values.

Table 1.1: Christopher’s Evolution of Differentiation (Palmer, 2010)



Also Diller, Shedroff and Rhea (2005) show the evolution of innovation and customer demand on Table 1.2.

Table 1.2: Evolution of Innovation and Customer Demand (Diller, Shedroff and Rhea, 2005)

1900’s	1950’s	2000’s
Product Focus	Brand Focus	Experience Focus
		Meaning Benefits →
	Emotional Benefits Identity % Status Benefits	→
Functional Benefits Economic Benefits		→

McCafferty (2010) describes that, 20 years ago many retail and distribution companies viewed IT mainly as a way to improve efficiency in supply-chain management and store operations. Now, they are using tech solutions to better understand and manage relationships with customers, vendors and business partners, as well as their internal data. Ultimately, retailers need to understand what factors are driving a positive customer experience. It is not necessarily the product on the shelves that are driving purchase decisions; it is the shopping experience.

All these signs show that managing the customer experience is the essence of marketing for the new era.

2. Definition of Customer Experience Management

Before defining the emerging concept of customer experience management, first we need to have a clear understanding on the concepts of customer, experience and customer experience.

2.1. Definition of Customer

A customer is a recipient of a good, service, product or idea for a monetary or other valuable consideration. (Kendall, 2007: 3) A customer may or may not also be a consumer, but two notions are distinct, even though the terms are commonly confused. For Blythe (2008: 18) a customer purchases goods; a consumer uses them. An ultimate customer may be a consumer as well, but just as equally may have purchased items for someone else to consume. A customer can be a consumer, a retailer or an intermediary.

The true mission of the firm is to create value for three key constituencies: customers, employees, and investors. But, according to the marketing concept one must treat customers as “first among equals” because their loyalty is the most fluid (Reichheld, 1994). Customer orientation means organizational commitment to customers such that customers and firms share interdependencies, values, and strategies over the long term (Mascarenhas, Kesavan and Bernacchi, 2006).

As Boydrick (1996: 32-33) describes, one of the most important aims of the businesses is increasing their profit and making their profits sustainable. With this aim, businesses develop relations with their customers, increase the experience of customers and create a brand loyalty. Because loyal customers are more profitable, they are a priceless source of information and they are not price sensitive than other customers. Also for Helkkula and Kelleher (2010) the consumer is no longer a devourer of value but a producer of meanings, life experiences, identities and value.

Johnson et.al. (2008: 229) give attention to the strategic customers and suggest that it is important for companies to familiarize their strategic customers. For example, most customers buy different products in retailers. In this situation, manufacturer has two different customers: retailers (direct customer of manufacturer) and customers of retailers (customers of the product). Both two customers affect the demand, but one of them can be more effective. For Johnson et.al (2008: 229) strategic customer is the customer who has a strong effect on demand and the decision of the purchase. Strategic customer concept helps companies on deciding their strategies.

2.2. Definition of Experience

Collins English Dictionary describes experience as “The accumulation of knowledge or skill that results from direct participation in events or activities.” and “... the context of direct observation or participation in an event.” The Oxford English Dictionary talks about “Active participation in events or activities, leading to the

accumulation of knowledge or skill.” American Heritage Dictionary of the English Language defines experience as “The feeling of emotions and sensations as opposed to thinking” and “... involvement in what is happening rather than abstract reflection on an event.”

For Diller, Shedroff and Rhea (2005), an experience can be described simply as the sensation of change. An experience is any process we are conscious of and involved in as it happens. To experience something requires that we recognize an alteration to our environment, our bodies, our minds, our spirits, or any other aspects of ourselves that can sense change.

Palmer (2010) suggests that experience involves progression over time, anticipation, emotional involvement, and a “uniqueness that makes an activity, stand out from the ordinary”.

In marketing, we define experiences with a different mindset. From a marketing and design perspective, an experience is an engagement delivered to the customer through an integrated system of “touch point” – product, packaging, message, customer service, and so on – that conveys or evokes a consistent sense of its essence. For Diller, Shedroff and Rhea (2005) the goal of experience branding or experience design is admirable: it reflects a company’s effort to be consistent in its value proposition and its expression in every connection with a consumer.

Palmer’s (2010) understanding of experience is a learned outcome that is associated with predictable behaviors, but on the other hand, it has come to be associated with processed whose novelty may result in unpredictable response by consumers. Experience is the transformation of products into value as perceived by the consumer. Experiences provide sensory, emotional, cognitive, behavioral and relational values that replace functional values.

Our personal experiences with brands completely shape our perceptions and they influence our feelings about the brand, good or bad, whether we realize it or not. These experiences define our thoughts, attitudes and behaviors toward brands and the value that bring to our lives. For Joseph (2010: 21) this is the “experience effect”. The essence of good marketing is creating a consistent brand experience within each specific consumer interaction.

Joseph (2010: 52) suggests that the brand experience actually becomes the positioning in consumer’s minds, and the experience effect is what puts it there. In his book Joseph (2010: 53) also explains that the brand experience is so important to marketers because it defines the brand for customers, positions the brand in customers’ mind, differentiates the brands from competitors, help consumers make good choices and appropriate purchase decisions, builds brand loyalty, justifies a price point, whether high or low, brings calm and stability to an otherwise chaotic life. Brakus, Schmitt and Zarantonello (2009) support Joseph’s ideas and explain the brand experience that it conceptualized as sensations, feelings, cognitions, and behavioral responses evoked by brand-related stimuli that are part of a brand’s design and identity, packaging, communications, and environments.

For Joseph (2010: 57) the experience effect helps consumers more quick intelligent choices based on their history with the brand and saves them brain space for more challenging things that come up in their day. Joseph (2010: 116) also explains the “experience effect”. For him, consumers in every category have rational needs and emotional wants. The job of marketers is to unleash the power of these components and merge them together with their knowledge of the consumer and with what they can offer as a brand. He said that all that happens with the “experience effect”. Creating a brand loyalty depends on meeting both emotional wants and rational needs of customers.

2.3. The Concept of Customer Experience

Customer experience is one of the great frontiers for innovation. Although the concept was first invented by Joe Pine and Jim Gilmore in their 1998 Harvard Business Review article, most companies have been slow to grasp it. (Rae, 2006)

“Customer Experience” has become a very commonly used phrase in recent years, but like “innovation” and “design” it is actually difficult to find a clear, commonly-held definition, even though many businesses see improving their customer experience as a competitive differentiator. (Richardson, 2010) When most marketers think about innovation, they think first about product innovation and the companies that are known for successful, ground-breaking innovations. Often overlooked are innovations that can be characterized as business model innovations, particularly those focused on improving customer experience. Yet companies best known for innovating around the customer experience have dramatically changed the way we shop, the way we dine, the way we relax – in short, the way we live. (Crosby and Masland, 2009)

For Richardson (2010), customer experience is the sum-totality of customers engaging with your company and brand, not just in a snapshot in time, but throughout the entire arc of being a customer. Meyer and Schwager (2007) supports the idea and thinks that customer experience encompasses every aspect of a company’s offering—the quality of customer care, of course, but also advertising, packaging, product and service features, ease of use, and reliability.

Meyer and Schwager (2007: 118) define customer experience as “the internal and subjective response that customers have to any direct or indirect contact with a company”. Customer experience is conceptualized as a psychological construct, which is a holistic, subjective response resulting from customer contact with the retailer and which may involve different levels of customer involvement (Gentile et. al, 2007; Rose et.al, 2012). Verhoef et.al (2008) suggest that using our holistic approach to customer

experiences, it is critical to recognize that a customer experience is not limited to the customer's interaction in the store alone. Rather it is impacted by a combination of experiences which evolve over time, including search, purchase, consumption and after-sales phases of the experience.

For Berry, Carbone and Haeckel (2002), anything that can be perceived or sensed – or recognized by its absence - is an experience clue. Each clue carries a message, suggesting something to the customer. The composite of all the clues makes up the customer's total experience. Crosby and Masland (2009) also highlight that, successfully differentiated companies by providing an exceptional and memorable customer experience engages the senses, the mind and the emotions.

As Richardson (2010) said every company provides a customer experience, regardless of whether to create it consciously. That experience may be good, bad, or indifferent, but the very fact that you have customers, you interact with them in some manner, and provide them products/services, means that they have an experience with you and your brand. It is up to you whether it is superlative, awful or average.

Customer experience is a construct and propose model which integrates interpersonal relationships, service quality and brands. What people really desire are not products, but satisfying experiences. People want products because they want the experience which they hope the products will render. (Palmer, 2010)

As Grewal et.al (2009) suggest that we can classify the experiences of a customer who interact with a company into promotion experience, price experience, brand experience, supply chain experience, location experience, service experience, shopping experience, store experience etc.

A customer finds the successful experiences as unique, memorable and sustainable over time (Pine and Gilmore, 1998). A superior customer experience is identified which should result in higher customer satisfaction, more frequent shopping visits, larger wallet shares and higher profits (Kamaladevi, 2010). But the concept of satisfaction is outcome-oriented, experience in contrast, is process-oriented. If you pay attention to the experience, satisfaction occurs naturally. As an added bonus, experience—far more than satisfaction alone—will differentiate your company in the eyes of your customers (Schmitt, 2010: 20).

Palmer (2010) adduces that an experience occurs when a customer has any sensation or knowledge acquisition resulting from some level of interaction with different elements of a context created by the service provider. For Frow and Payne (2007) service quality and customer satisfaction are actually declining; good service is becoming increasingly rare. Customer experience has been defined “as the user’s interpretation of his or her total interaction with the brand.”

In considering customer experience, Frow and Payne (2007) suggest to consider two perspectives of consumer behavior: the traditional information processing and decision oriented perspective and the experiential perspective. The information processing perspective sometimes referred to as the cognition, affect and behavior approach in consumer behavior literature. Cognitive view suggest that the customer is engaged primarily in goal-directed activities such as searching for information, evaluating available options and deciding whether or not buy a particular product or service. The experiential perspective emphasizes emotions and contextual, symbolic and non-utilitarian aspect of consumption, where value resides not in the object of consumption but in the experience of consumption. The information-processing consumer research stream sees customers as involved in a cognitive process on the basis of whether past, present or imagined future experiences are valuable for them. With this approach, the customer is considered to be willing and be knowledgeable enough to make an assessment of the benefits and the sacrifices involved in buying a product or entering a relationship. The experiential view of consumption has, however, broadened this perspective considerably.

Also Frow and Payne (2007) said that customer experience needs to be seen from both an information-processing approach that focuses on memory-based activities and on processes that are ‘more sub-conscious and private in nature.’ This involves viewing customer experience from a perspective of both normal day-to-day routinized actions, as well as more emotional experiences. A rational perspective might be the predominant emphasis in a business-to-business context, while an emotional experiential perspective may be emphasized in a business-to-customer context such as the leisure industry.

Wolf defines the “perfect customer experience” as one that “results in customers becoming advocates for the company, creating referral, retention and profitable growth.” “Advocacy” typically implies achieving a very high score on customer satisfaction. The ‘perfect customer experience’ is a relatively new concept. All organizations need to consider how they can create superior customer encounters leading to an ‘outstanding’ or ‘perfect customer experience. Company’s efforts to create an “outstanding” or “perfect” customer experience will need to consider the creation of customer’s experiences from both rational and emotional perspectives. Improvements in customer experience should be based on the profit potential of different customer segments and service strategies and investment decision should be made with the knowledge of this profit potential. (Frow and Payne, 2007)

Verhoef (2009) recognize the importance of past customer experience store environment, service interfaces, and store brands on future experiences. They define customer experience carefully, considering it “holistic in nature and involve the customers’ cognitive, affective, emotional, social and physical responses to the retailer.” This experience is created not only by those factors outside of the retailers’ control. Verhoef (2009) also notes the need to consider customers’ experiences in stores and with other channels, as well as the evolution of the total experience over time.

Dandridge (2010) adduces that customers want to do business with a company who turn an ordinary transaction into a compelling customer experience. For Rae (2006), great customer experiences are full of surprising “wow” moments. Building great customer experience is a complex enterprise, involving strategy, integration of technology, orchestrating business models, brand management and CEO commitment.

Research shows if you have a good customer experience, you will tell four to five people about it. If you are a victim to poor service, you will tell 7 to 13 people about it. People who have a bad customer experience will continue to discuss the brand for up to 23 years. After a bad customer service experience, almost 70% of people surveyed said they would switch to using a competitor’s product without giving the company another chance (Bulik, 2004). “Wow”, “Aha” moment comes when customers have turned a bad experience into a good one and realize the magnitude of feeling in between (Wiersema, 2010).

Bernier (2011) explains 53 in-depth interviews with customer experience executives and industry experts and research of 8000 customer experience executives from 2106 so-called customer experience – active companies across 239 countries and shows that the companies allocate the greatest amount of resources widely recognized for providing disappointing customer experience.

Thusy and Morris (2004) highlights that new competitive pressures are growing around the customer's experience, and the key question is how to provide customers with compelling experiences that create enduring memories and lasting relationships. For them, part of the challenge in building memorable customer experience is that experience is an intangible quality that is so different from one person to the next. Experiences are built around feelings, emotions, smells, colors, spaces, sounds, human contact, branding, a thousand other factors, and time. A great experience is created - yes created, because it does not happen by accident - and it is not only the result of better product features and functions or better services but because of how it makes people feel.

Mascarenhas, Kesavan and Bernacchi (2006) explain total Customer Experience as a totally positive, engaging, enduring, and socially fulfilling physical and emotional customer experience across all major levels of one's consumption chain and one that is brought about by a distinct market offering that calls for active interaction between consumers and providers. What defines Total Customer Experience is the joint interactive participation of the provider and the customer. The higher the interaction and its quality, the higher is Total Customer Experience and, consequently, the higher is lasting customer loyalty. This is because experience is created by the active involvement and interaction between provider and the customer.

As Palmer (2010) suggests that there is a limitation to measure customer experience. Customer experience is about more than behavior, and has been seen as a wide range of activities and states of being, including aesthetics, symbolic meanings, variety seeking, hedonism, daydreaming, creativity, emotions, and artistic endeavors, collectively categorized as the "experiential perspectives of consumption". For him, developing a new customer experience involves risk, and research techniques – especially quantitative techniques – may be incapable of eliciting a response from potential customers where the proposed experience is hypothetical, and devoid of the emotional and situational context in which it will be encountered. Qualitative techniques are the only way to really understand experience from the perspective of customer.

Experience is conditioned by differences between individuals, differences over time in an individual's emotional state, and a variety of situation specific factors. For Prahalad and Ramaswamy (2003) "Value creation is defined by the experience of the specific customer, at a specific point in time and location, in the context of a specific event."

Also Palmer (2010) thinks that customer experience is non-linear. Balance between an individual's skills and the challenges they face; their focus of attention; loss of self-consciousness, feelings of control; momentary loss of anxiety and constraint; and significant feelings of pleasure. The problem is about the identification of an optimal level of experience.

Moreover, Meyer and Schwager (2007) thinks although few companies have zeroed in on customer experience, many have been trying to measure customer satisfaction and have plenty of data as a result. The problem is that measuring customer satisfaction does not tell anyone how to achieve it. Customer satisfaction is essentially the culmination of a series of customer experiences or, one could say, the net result of the good ones minus the bad ones. It occurs when the gap between customers' expectations and their subsequent experiences has been closed. To understand how to achieve satisfaction, a company must deconstruct it into its component experiences.

2.4. The Concept of Customer Experience Management

As Kamaladevi (2010) describes, Customer Experience Management (CEM) is a strategy that focuses the operations and processes of a business around the needs of the individual customer. It represents a strategy that results in a win-win value exchange between the retailer and its customers. The goal of customer experience management is to move customers from satisfied to loyal and then from loyal to advocate.

For Grewal et.al (2009), to complete effectively, businesses must focus on the customer experience. Customer experience includes every point of contact at which the customer interacts with business, products, or service. CEM represents a business strategy designed to manage the customer experience in win-win value exchange between the retailer and its customers. A superior customer experience is identified which should result in higher customer satisfaction, more frequent shopping visits, larger wallet shares and higher profits.

Dandrige (2010) also describes Customer Experience Management (CEM) as a methodology and discipline for improving the customer experience factor. For him, the real power of CEM is only tapped when every channel of customer interaction is carefully, intentionally administered.

Customer experience management starts with identifying the main stages of the customer lifecycle (Brand Strategy, 2007). For Temkin (2009), poor designed interactions, broken processes, out-dated business rules, insufficient customer insight, and cultures are far from customer-centric.

Frow and Payne (2007) explains the aim of CEM to enhance relationships with customers and build customer loyalty. They suggest, however, that service quality and customer satisfaction may actually be declining as customers often receive service and quality that falls well below their expectations.

In Forrester Research's April 2005 report, retailers treat customer experience as an afterthought. 97% of decision-makers at 28 large retailers said that improving customer satisfaction was either critical or very important. But only 21% chose raising customer satisfaction as their most important objective, compared with 71% who said increasing sales from existing customer or expanding customer base (Everitt, 2006).

Diller, Shedroff and Rhea (2005) adduce that combining and integrating the power of invention, design, and marketing to create meaningful experiences for their customers, provides a blueprint to achieving sustained, stable growth.

The concept of involving customers in the innovation process is not new, but it is certainly gaining popularity across companies focused on CEM. Successful CEM requires innovation, yet many companies lack the organizational capability to effectively manage the innovation process around customer experience (Crosby and Masland, 2009). Companies have embraced customer experience as a way to obtain sustainable competitive advantages (Shaw and Ivens, 2005), customer experience will be the next competitive battleground (Pine and Gilmore, 1998).

If you approach innovation with meaning at the center of your process, you are better able to foster open and transparent collaboration among departments and functions. This saves costs, time, and produces real value for your customers and stakeholders. For customers the value is conveyed through a positive product experience and lasting brand loyalty. For shareholders, it comes in the form of ongoing profitability and a return on their financial investment in the company. For employees, the value of their work is also expressed as a return on their investment – of time and creativity, labor and a commitment to quality, and their identification with and loyalty to the company and its offerings (Diller, Shedroff and Rhea, 2005).

Some companies are using the tools of customer experience management to create a competitive advantage that is difficult to match (Berry, Carbone and Haeckel, 2002). Thusy and Morris (2004) think that the customer experience must be designed to fit within the framework of an entire business model. Components of the business model include factors such as the brand, the approach to service, the use of technology, design of the products, and relationships with competitors and suppliers. So any company that wants to provide an exceptional customer experience has to design experiences to fit within the larger context of the business.

Consistently delivering an exceptional and positive customer experience can be the key to long-term business success in any industry. (Thusy and Morris, 2004) For Schmitt (2010: 36), when you exchange customer equity through CEM, you engage in premium pricing; you enjoy the benefits of customer loyalty, and you have lower acquisition costs and increased retention. As a result, revenues, profits, and the financial value of the firm increase.

3. Customer Experience Management vs. Customer Relationship Management

Before comparing the emerging strategies Customer Experience Management and Customer Relationship Management, we need first to define Customer Relationship Management. Both concepts are confused from each other, they are different but complementary most of the time.

3.1. The Concept of Customer Relationship Management

Lots of companies try new ways to build close relationships with their customers. While doing this, they try to build a customer loyalty and have loyal customers who have higher profits. With the help of technology, companies have the opportunity to have more information about their customers, process this information easily and come up with results and solutions. CRM come to the stage in this phase and it helps to collect data about customers, process information from this data and create better relationships with customers. This process results increase in profitability, market share and customer satisfaction with the help of better relations with customers. (Demirbağ, 2004: 7)

For Demirbağ (2007: 6-7) CRM is a customer focused management strategy. The aim of CRM is to improve customer relations with the help of the integration all channels with sales, marketing and customer service and make them meet the customers' needs.

Freeland (2002:13) suggests that the definition of CRM is a complex from its born. Some people think that CRM is a new database, some other think it is the new software for sales representatives, some others think that it is the new call center of website. For him, CRM is a management concept, it is a strategy. Özmen (2009: 246) supports and explains CRM as a concept of trying to understand customers' expectations and wants, find them correct and in time, create a communication with them in a positive way which effect customers' attitude. For Finnegan and Willcocks (2007: 1) under the concept of CRM, companies collect data from different channels and departments, learn which customers have greater profit potential and shape their communication and their offerings to the customers with the help of this information.

All these definitions show that, CRM is an IT-based business strategy, to build sustainable relationships for more profits. But companies understand only the IT-based part of CRM, they forget that CRM is a "business strategy".

3.2. Differences between Customer Experience Management and Customer Relationship Management

Although the aim of CRM and CEM are quite similar, the premises of them are quite different, and are best understood when compared side by side.

Kamaladevi (2010) explains the idea at the center of CRM that can be stated in the following way: every time a company and a customer interact, the company learns something about the customer. By capturing, sharing, analyzing and acting upon this information, companies can better manage individual customer profitability. CEM's

premise is almost the mirror image. It says that every time a company and a customer interact, the customer learns something about the company. Depending upon what is learned from each experience, customers may alter their behavior in ways that affect their individual profitability. Thus, by managing these experiences, companies can orchestrate more profitable relationships with their customers. For Schmitt (2010:21), despite the relationship in its name, CRM focuses on transactions, not on building relationships.

For Schmitt (2010: 21), the problem with CRM is that it focuses on information that is important to the company and occasionally helps to shape customer behavior through what is called operant conditioning (the consequences of customers spending patterns), but it rarely establishes an emotional bond with the customer. Building a relationship requires integration across a variety of touch points. But CRM databases are usually not integrated with brand-focused customer initiatives such as advertising, promotions, or special events. The marketing concept, customer satisfaction, and customer relationship management all promise to help managers better understand their customer. However, each approach has remained narrowly focused and unnecessarily limiting.

Kamaledevi (2010) adduce that CRM uses profiling, micro-segmentation and predictive analyses to identify each customer's figurative generic structure. CEM, on the other hand, looks at the environment. It gathers and analyzes information about the dynamics of interactions between companies and customers. For Schmitt (2010: 22) Customer experience management (CEM) is the process of strategically managing a customer's entire experience with a product or a company. It is a process-oriented satisfaction idea (not an outcome-oriented one). In addition, CEM goes far beyond CRM by moving from recording transactions to build rich relations with customers. CEM has a broad view of how a company and its products can be relevant to a customer's life. CEM connects with the customer at every touchpoint and calls for the integration of different elements of the customer's experience. CEM is concerned with sales and brand preference, but that is not the whole story. Before and even after the sale, CEM provides value to customers by delivering information, service, and

interactions that result in compelling experiences. It thus builds loyalty with customers and adds value to the firm. CEM also takes an integrative approach to the organization, looking internally as well as externally.

Despite all the excellent work and thinking around CRM, around the understanding of human response and getting the best out of employees and partners, customer complaints are still as bad (Brand Management, 2007). As Kamaladevi (2010) describes CRM is very good at receiving, but not very good at giving. It asks customers to provide access and information without telling them what they will get in return. It prompts without promising greater value from the company.

As Palmer (2010) suggests, a focus on customer experience may create value for customers more effectively than had been achievable through narrowly defined relationships. Customer experience is important as an intellectual integrator of service quality, relationships and brands. There has been increasing recognition that the broader concept of customer experience is crucial to understanding reasons why customers defect from a relationship.

Customer relationship management (CRM) refers to the relationship the customer has with the firm, stores or with individual sales associates. But in the final analysis, customers build bonds of trust and expectations with company employees in general, and sales associates in particular but not directly with the firm (Reichheld, 1994). Total customer experience and lasting customer loyalty require strong CRM, but they transcend CRM. Minimally, CRM requires that there is a low to medium provider involvement in the backend of production points, but a high involvement and interaction with customers at the front end of all marketing and consumption points. Achieving total customer experience and lasting customer loyalty implies an integrated business strategy that goes well beyond single-point solutions in areas such as branding or customer service. The strategy should consider all the elements that go into a relationship and how they fit together. To do this, the organization must manage complex relationships holistically and over an extended period. This strategy calls for

a top-down commitment to make deep and enduring customer relationships and experiences a firm's top investment priority (Crosby and Johnson, 2002; Mascarenhas, Kesavan and Bernacchi, 2006) Verhoef (2008) adds that CEM differs from CRM by focusing on the current experience of the customer, rather than the recorded history of the customer. The differences between CEM and CRM are shown by Meyer and Schwager (2007) in Table 1.3. The difference is that CRM captures what a company knows about a particular customer - his or her history of service requests, product returns, and inquiries, among other things - whereas customer experience data capture customers' subjective thoughts about a particular company. CRM tracks customer actions after the fact; CEM (customer experience management) captures the immediate response of the customer to its encounters with the company.

Table 1.3: CEM versus CRM (Meyer and Schwager, 2007)

	What	When	How Monitored	Who Uses the Information	Relevance to Future Performance
Customer Experience Management (CEM)	Captures and distributes what a customer thinks about a company	At points of customer interaction: "touch points"	Surveys, targeted studies, observational studies, "voice of customer" research	Business or functional leaders, in order to create fulfillable expectations and better experiences with products and services	Leading: Locates places to add offerings in the gaps between expectations and experience
Customer Relationship Management (CRM)	Captures and distributes what a company knows about a customer	After there is a record of a customer interaction	Point-of-sales data, market research, Web site click-through, automated tracking of sales	Customer-facing groups such as sales, marketing, field service, and customer service, in order to drive more efficient and effective execution	Lagging: Drives cross selling by bundling products in demand with ones that aren't

For Thomson (2006) CRM is usually more clearly focused on customers' value to the enterprise. There's nothing wrong with that—businesses exist to make money, and customers are valuable assets that require varying levels of attention and investment. But CEM brings in the new dimensions of customer emotions and "experiential" products (a type of product innovation), both of which are value that customers receive from the enterprise. Classic CRM projects rarely consider such things. CRM is supposed to focus on customer loyalty and making sure customers are treated well. To that end, businesses can turn to their CRM systems to find out whether

the contact center treated customers well, contacted them when they wanted to be contacted and fixed a problem. Where CRM had to be in large part inside-out in perspective (i.e., viewing the company from the inside) to begin to set a foundation for customer-centric action within the business, CEM is outside-in (i.e., viewing the company from the point of view of the customer) to make certain that the actions of the business resonates with customers in a positive way.

40% of 200 business and technology professionals surveyed by Optimize Research in June 2005; said their companies are devoting far more time and money to customer relationship strategy issues and IT implementations in 2005 compared to 2006. Most of the businesses (91%) have automated some aspect of the customer experience. Many of these (61%) are doing so to improve the customer experience rather than to save costs (30%) (Violino, 2005). Mosley (2007) reports that the significant investments made in CRM have mostly delivered a disappointing investment return in terms of customer satisfaction, loyalty and sales and the emphasis of leading consultancies like Accenture and IBM has begun to shift towards a more joined up approach to managing customer experience.

Palmer (2010) shows the anecdotal evidence of increasing numbers of companies appointing “customer experience managers”. Initially they have appeared in sectors associated with high levels of emotional involvement by consumers. As in the case of relationship marketing, the concept appears to have subsequently disseminated to relatively mass-market and low involvement contexts. Just as relationship managers often failed because they did not have the authority to act as an inter-functional coordinator, customer experience managers also require great inter-functional skills and authority in order to deliver customer value in the form of an experience that meets their needs and expectations. Everybody in an organization potentially contributes towards the customer experience.

Thusy and Morris (2004) clarify that CRM is a good marketing name for technologies that may help companies manage customer data, but never make the mistake of thinking that the software is actually managing anything else. Only people and interactions create relationships. Of course it helps to have a complete view of each individual customer, but having the data does not help to create or reinforce relationships with customers unless some employee actually delivers on the data. Thus, CEM is the process of managing every step of the customer experience, including the last step.

3.3. Complementary Parts of Customer Experience Management and Customer Relationship Management

Increasing use of the vocabulary of “customer experience” by firms would appear to be a substitute for the language of “customer relationships”. Furthermore, many academics and practitioners have argued that CRM has not created the expected levels of value for customers and profitability for organizations. For Palmer (2010) CEM may be an integrating framework that overcomes the theoretical practical limitations of CRM.

Ronald Coase in 1937 described the purpose of business as “fulfilling customer needs via relationships you maintain.” We could define Brand Equity as “the value of the relationships that build and sustain cash flows.” (Brand Management, 2007) CRM has not enough power to make the relationships sustainable, but when companies create their strategies both on CRM and CEM, they can manage to sustain their relationships.

Kamaladevi (2010) explains that CRM is fairly effective at measuring its own successes; it does not provide much information about its failures. It does not give much insight when customers do not respond in the predicted way. CEM’s strengths lie in precisely the areas where CRM is weak. By focusing on the experiences affect

behavior. CEM examines both the quality of the company's execution and the efficiency of the result. It aligns customer needs with the company's ability to fulfill those needs, leading to business relationships that are mutually beneficial and both parties – company and consumer – are motivated to improve.

Kamaladevi (2010) explains a survey by Gartner Research estimated that 55 percent of CRM systems drove customers' away and diluted earnings. This is because most CRM systems are installed without any thought about how they will be used to add value for the customer. These powerful systems allow companies to collect knowledge about customer that can be used to offer them products and services tuned to their particular needs and preferences. CEM can help reverse that slide, by providing efficient business tools that make the interactions between companies and customers more rewarding for both parties.

For Palmer (2010) many companies have seen CEM as a successor to CRM. However, issues of inter-functional integration become an even greater challenge.

Frow and Payne (2007) adduce that customer experience needs to be considered in terms of the whole interaction over the lifecycle of the customer relationship, not just for the sales and service activities. The stages of a customer relationship can be considered under acquisition, consolidation and enhancement. Bernier (2011) suggests that the companies that are getting it right, meanwhile, leverage CRM to collect data, analyze it to understand customers and their motivations, and use that information to create highly personalized experiences for customers

An emphasis on meaningful experiences offer new means for a company to add value to existing customer relationships and make those relationships more stable and enduring. Rather constantly fighting to keep customers through price cuts or the addition of new features, a company can gain a more protected position within its customers' lives – a position that promotes growth. (Diller, Shedroff and Rhea, 2005)

Thompson (2006) finishes all the discussions about CRM and CEM and sum up by saying that CEM and CRM are the Yin and Yang of customer-to-business relationships. The Yin-Yang concept originates in ancient Chinese philosophy and describes two primal opposing, but complementary, forces found in all things in the universe. CRM and CEM is like Yin-Yang and have to be thought together.

CHAPTER 2: ONLINE CUSTOMER EXPERIENCE MANAGEMENT

Exponential growth in internet hosts and personal computer adoption has led to dramatic increases in online activity. Kamaladevi (2010) adduces that marketers recognized that internet was a medium for reaching millions of potential customers. Since then, marketers have adapted value based advertising strategies to the internet.

Thanks to the growth of the internet as a tool for setting up a business during a long period of cheap debt which saw wide scale investment in start-ups, companies probably compete against many other brands in the same sector. Customers enjoy plenty of choice. Customers have less money to spend, meaning a typical over-supply of providers in market chasing customers. Those customers' radar will be on alert for any reason to spend their money elsewhere. Customer experience matter. (Marketing Week, 2011)

A variety of close but slightly different expressions of OCE exist in the literature, including 'Internet experience', 'online experience', 'website brand experience', 'online purchase experience' and 'online shopping experience'. Rose et.al (2010) explain the weakness of such approaches is that they are more cognitively focused and ignore the emotive, subjective aspect of OCE.

Recently, consumer shopping intention in the context of online stores has attached increasing attention (Doong et.al, 2010). The online customer experience becomes an important concept for e-marketers in the context of online shopping. (Elliot and Fowell, 2000) and is needed to pay attention to explore the concept. There are several differences between the online customer experience and the offline one, including the degree of personal contact, information provision, time period for interactions and presentation. (Rose et.al, 2011; Hsu and Tsou, 2011) Also in recent

years, adding to the challenges of managing e-customers, it has become crucial to understand how web service quality influences consumers' online experience, behavior, and attitudes. (Udo, Bagchi, and Kirs, 2010; Hsu and Tsou, 2011)

The web is great for information gathering. Product features, use options, content, composition, installation, price comparison, how-to's, etc. Boyle and Trollinger (2007) adduce that the internet has put the power of knowledge in the hands of the customer and the companies that are serving the best online experiences understand what makes the web work.

Rose et.al (2012) suggest that the e-retail landscape is now populated by "pure players" (online only retailers) as well as multi-channel retailers. The multi-channel context increases e-retailer opportunities to reach customers while also presenting a number of challenges in terms of the complexity of shopper behaviors. Web 2.0 features (such as interactivity, customer-to-customer (C2C) online recommendations, online word of mouth, or user generated content) advance the potential for e-retailer-to-customer interactions. So, retailers must understand how to ensure an optimum online experience for the customer both within, and across, channels.

Rose et.al (2012) identify the components of website quality and provides a start-point for the exploration of Online Customer Experience. Experience however is more than the component parts of a website but rather is viewed as the cumulative outcome of consistent exposure to the e-retailer's offer online. Puccinelli et.al (2009) suggest that in context of online shopping, specific goals prompt online shopping, whereas a desire for immediate possession motivates in-store shopping.

Customers' online shopping and retail experience studies have considered how online customer experiences shape shopping preferences and product purchase intentions. Nambisan and Watt (2010) explain that Online Community Experience focuses on measuring member experience in online communities and an examining its

impact on organizations that offer such online communities. This study shows the critical need for organizations to measure and monitor online community experience given its potential impact on customer attitudes and perceptions.

Rose et.al (2010) show the difference between online and offline customer experience. The two contexts differ on the degree of personal contact, which can range from very intensive in a face-to-face context to non-existent online. First, personal interaction provides a very rich source of contact from which subjective responses will result. Secondly, differences exist in the two contexts in relation to the manner in which information is provided. The online context enables very rich provision of information, whereas face to face may be more limited or may occur over a range of formats (e.g. brochures, posters, customer sales representatives). A third distinction is the time period. Customers can purchase online at a time and in a place suited to themselves, particularly now with Web access via mobile devices. Within the face-to-face context, customer interactions are defined and restricted by the opening hours of the organization (although this is increasingly extended today). Finally, differences may exist in terms of how the brand is presented. Rose et.al (2010) suggest that in online the brand is presented in a predominantly audio-visual way, whereas offline opportunities exist for the brand to be experienced via a range of artifacts such as staff and their presentation, buildings and facilities, vehicles, livery and other tangible elements.

1. Components of Online Customer Experience Management (sensorial, emotional, cognitive, pragmatic, lifestyle, and relational)

Gentile, Spiller, and Noci (2007) find evidence of six components of OCE. These are defined as: sensorial, emotional, cognitive, pragmatic, lifestyle, and relational. The two psychological constructs of cognition and affect have been consistently identified as influential components of customer behavior and customer experience (Frow and Payne 2007) and are incorporated in models of customer experience such as that of Verhoef et al. (2009) (Rose et.al, 2012).

For Rose et.al (2012) the outcome of customer experience is the formation of a “take-away impression” that is created as a result of the contact and stored in the customer’s long-term memory. The impact of the stored impression upon customer behavior has important practical implications for retailers both off and online. Lemke, Clark, and Wilson (2011) comment that the outcome of CE has not been the focus of many CE models.

Novak, Hoffman, and Yung (2000: 22) explore OCE using a cognitive view of the online interaction. They define OCE as the “cognitive state experienced during navigation” and propose a number of person-centered, cognitively based determinants of OCE. Rose et.al (2012) support these ideas.

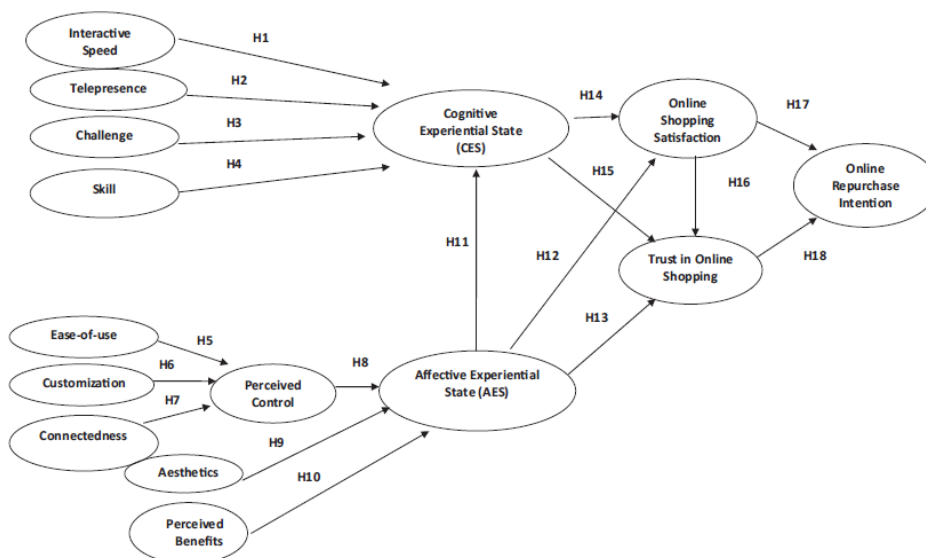
Past experience influences future online behavior (Ling, Chai, and Piew 2010). Therefore OCE impression formation is a cumulative following repeated exposure to the e-retailer. Given that an online shopping interaction does not take place at the retailer’s location, the e-retailer may not have total control of all aspects of the OCE formation (Verhoef et al. 2009). The online shopping situation (e.g., at home or at the office) may involve many external variables of which the e-retailer is unaware. (Rose et.al, 2012)

In their study Rose et.al (2012) found that, cognitive experiential state have a positive correlation with the speed of interactivity when using Internet shopping websites, the telepresence experienced by, the challenge posed by and the level of skill at using Internet shopping websites. They also found that the level of perceived control have a positive correlation with the ease of use, the opportunity for customization and the level of connectedness when using Internet shopping websites. Their research showed that the affective experiential state have a positive correlation with the perception of control when using, aesthetically pleasy and the perceived benefits of Internet shopping websites. Moreover, their results indicated that the affective experiential state of the online shopper will influence the cognitive

experiential state of OCE, the level of online shopping satisfaction is positively correlated with the level of affective and cognitive experiential state. Also the level of trust in online shopping is positively correlated with the level of affective and cognitive experiential state, the level of online shopping satisfaction and online repurchase intention. Finally the level of online shopping satisfaction has a positive correlation with the level of online repurchase intention. Table 2.1 shows all these relations.

The findings (Rose et.al, 2012) suggest we have moved on from where skill and technical capability of the user determines experience of the website. Similarly, speed is no longer viewed as part of the overall judgment of experience. While a high degree of emphasis is still placed upon the visual design, graphical features, and technical functionality of e-retail websites, these are of less importance to the customer.

Table 2.1: Conceptual model of online customer experience. (Rose et.al, 2012)



Rose et.al's (2012) study suggests that the ease-of-use of the site continues to be important. Overly complex navigation and information overload disrupts the emotional state and likelihood of a repeat purchase. Sites that easily communicate product or service information in a way that fits with the customer's search process

will enhance feelings of confidence and calm. The study suggests that the ability to customize one's own space will similarly build a sense of personal control. We can assume that ease-of-use and customization work together in enhancing the experience.

For Rose et.al (2012) web 2.0 functionality that enables C2C interaction must be recognized and encouraged in e-retailing. This should be viewed as the equivalent of shoppers talking and exchanging thoughts and ideas in a traditional setting. Customers develop their sense of relationship with a retailer through identification with others. This facility should be encouraged by e-retailers since it empowers customers by building feelings of confidence and control. Challenge and Telepresence both positively influence OCE. E-retailers, therefore, should explore the differences of this mindset and the extent and implications of immersion.

2. The Process of Creating Meaningful Online Experiences

While creating online meaningful experience, companies need to understand the customers and their expectations. Also they need to capture all the related touch points with the help of the understanding of customer. While doing this, they need to be consistent and they need to manage the perceptions of customers as well. Navigation and usability have also great importance for e-commerce companies. Moreover they must manage after-sales services and complaints. Finally they have to give importance to loyalty programs. In this chapter, we review these factors.

2.1. Understanding Customer and Expectations of Customer

Delivering a 'perfect' customer experience requires a deep knowledge of customer needs, and this can only be achieved when all staff and departments in an organization collaborate in a cross-functional manner. (Frow and Payne, 2007) The customers care about what they want. It is up to the brand to live up to its promise. (Brunner et. al, 2010) So, companies have to understand what customer really want

and expect from a company. Dandridge (2010) suggest that businesses should see through the customer's eye, listen to the customer and empower all employees to succeed on CEM. For Thusy and Morris (2004) to design great experiences you have to learn to see the world with different eyes, to understand the customer's unique perspective, because experience is the interaction between a customer and the designed environment.

Diller, Shedroff and Rhea (2005) suggest that the design of authentically meaningful experiences emerges from a deep understanding of the potential customer. It also requires a keen appreciation of market and industry dynamics, as well as influential technology and design trends.

For Kamaladevi (2010) price captures value. This is the only P that earns revenue for the retailer. When retailers price a product or service too high, consumers view it as a poor value and will not buy. A price set too low may signal low quality, poor performance, or other negative attributes about the product or service. "Right price" is clearly an important retailing task. A company, who set the "right price" have probably a good understanding of customers' purchasing power.

For brand builders, it is time to see the world through the eyes of customers. This does not mean thinking in terms of numbers of customer interactions, e-mail campaign, lead conversations and call center incidents, but the milestones in a customer's relationship with a product or service brand. (Brand Strategy, 2007)

Kamaladevi (2010) thinks that a key component of a branded customer experience is being differentiated in the way that is valuable to target customers. Understanding about all people is not enough for a company, it also need to have an understanding about the target customer. However, Verhoef (2009) suggest the need

to better understand the role of other consumers in the shopping experience. Grewal et.al (2009) note that the presence of other consumers can have a negative or destructive effect on the shopping experience.

In general, customer satisfaction is affected by customer expectation or anticipation prior to receiving a service and can be approximated by the following equation: $\text{customer satisfaction} = \text{perception of performance} - \text{expectations}$ (Kamaladevi, 2010). For Schmitt (2010: 19) satisfaction is an outcome-oriented attitude deriving from customers who compare the performance of the product with their expectations of it. If the product is below customers' expectations, they will be dissatisfied; if it is above expectations, customers will be satisfied.

Frow and Payne define the aim of CEM as to enhance relationships with customers and build customer loyalty. Research suggests, however, that service quality and customer satisfaction may actually be declining as customers often receive service and quality that falls well below their expectations.

As Palmer (2010) satisfaction is a "summary psychological state experienced by the consumer when confirmed or disconfirmed expectations exist with respect to a specific service transaction or experience".

To understand retailing and customer experiences, Puccinelli et.al (2009) suggest that we must realize the consumers attempt to achieve some goal by purchasing and using a particular product or service. Regardless of the specific goal, they establish the progression of the experience, the consumer's perception of the retail environment, and consumer satisfaction with the experience. The same retail environment may produce very different outcomes and feelings, depending on the consumer's goals.

For Puccinelli et.al (2009) goals affect the need recognition, information search, evaluation, purchase, and postpurchase stages. Goal-evoking promotions are more effective in influencing consumers' behavior when goals are less concrete, such as early in the shopping process. Goals may provide a general approach to understand influences on shopping behavior and experience.

When in a good mood, involved consumers evaluate the shopping experience more favorably (Swinyard, 1993) whereas a bad mood prompts them to evaluate the experience more negatively (Puccinelli, et.al 2009).

After a bad day, consumers likely resort to a familiar place and make a quick purchase, whereas a good mood may motivate them to try a new store and search its inventory comprehensively. An anxious consumer likely engages in risk-averse behaviors and chooses a familiar, comforting brand. Puccinelli et.al (2009) thinks that negative consumer perceptions of the economy predict changes in buying behavior long before changes in consumer purchase power occur. They also adduce that affects, moods, emotions, and feelings thus clearly influence all stages of the consumer decision process. Their moods also affect how consumers interact with personal in a retail environment.

Meyer and Schwager (2007) explain that people's expectations are set in part by their previous experiences with a company's offerings. Customers instinctively compare each new experience, positive or otherwise, with their previous ones and judge it accordingly. Expectations can also be shaped by market conditions, the competition, and the customer's personal situation.

Boyle and Trollinger (2007) think that companies' plan must be crafted and executed specific not only to the channel's environment, but also to the way in which customers gather information and shop. To do this, companies must understand why customers choose to interact with their business in the ways that they do. For this

situation, Wyner (2007) thinks that companies need to be prepared to sense customer problems, adapt to their actual needs and respond accordingly. This is quite different from executing against a scripted response planned for each customer interaction in isolation from its context.

Listening takes many forms, but if organizations are to realize the maximum benefit from any strategy for monitoring and tracking customer experience, listening has to be at the hub (Parcell, 2009). The path to success in customer experience requires significantly deeper customer insight (listening to customers, interpreting the feedback, reacting to the insights, monitoring results) (Temkin, 2009).

Central to the concept of outside-in innovation is the idea that existing customers can be rich source of information and insight about new products and services. Who is better to give feedbacks about the “customer experience” than actual customer? (Crosby and Masland, 2009). For Parcell (2009) listening is one of the most underrated tools for obtaining information and ultimately, assessing customer experience. The challenge is often bringing data together in a cohesive, sensible and practical repository.

To carry out a customer experience strategy, companies must gain an understanding of the customer’s journey – from the expectations they have before the experience occurs to the assessments they are likely to make when it’s over (Berry, Carbone, and Haeckel, 2002).

Managing expectations is a vital part of creating a successful brand experience. Delivering against customer expectations requires honesty. Being open about policies and procedures wins customer’s hearts and minds (Marketing Week, 2011). Diller, Shedroff and Rhea (2005) highlight that people’s need and desires change over time.

Sometimes companies are able to create supply in front of changing market demand, maybe even prompt it slightly. Sometimes businesses fall behind demand and must rush to catch up.

For Bailor (2007) customer centricity and experience-based differentiation taking center stage within retailers' initiatives. It is all about creating much more engaged relationships with customers around the brand and really responding to the needs and desires of customers. Billingham (2011) thinks that customers want their experiences with a company to be useful, easy and enjoyable. To satisfy the needs of customers, companies should ask these questions: How effective were we at meeting customers' needs? How easy was it to work with us? How enjoyable were customers' interactions with us? Dandridge (2010) suggests a "customer experience factor" and explains it as a mental scorecard that a customer uses to grade a company's performance against customer's expectations. Meet expectations and company will receive a "5" on a score of 1 to 10. Dissappoint a customer and company's score may fall to a 2 or 3. Only by exceeding customers' expectations can a company ever hope to raise the score.

Diller, Shedroff and Rhea (2005) think that there is an identifiable consumer segment that desires a meaningful experience. The company should able to describe these consumers in a very clear and detailed manner. The segment desiring the experience is large enough to meet the company's financial criteria interests and actions are likely to be followed by a much larger audience, they do not represent a viable segment for long-term growth and positive financial return.

People expect to have some degree of control over their experiences. This control usually makes them feel more secure, even if it is only illusory. The ability for a customer to control an experience takes many forms. A customer might control the rate of interaction. Customers can also exert control over the interactivity of an experience by selecting options they want, such as using only certain features on a product and ignoring all the others (Diller, Shedroff and Rhea, 2005).

For Thusy and Morris (2004) a profound understanding of unknown and unmet needs lies in the realm of tacit knowledge, which means that you have to understand not what the customer says, but what the customer actually experiences.

2.2. Importance of Touch Points

The concept of a perfect customer experience needs to be considered in the context of the channel environment in which a company is operating. For Frow and Payne (2007) a perfect or outstanding customer experience is created both within channel and across channel. From a marketing and design perspective, an experience is an engagement delivered to the customer through an integrated system of “touch point” – product, packaging, message, customer service, and so on – that conveys or evokes a consistent sense of its essence. For Diller, Shedroff and Rhea (2005) the goal of experience branding or experience design is admirable: it reflects a company’s effort to be consistent in its value proposition and its expression in every connection with a consumer. Organizations seeking to deliver an outstanding or perfect customer experience should especially focus on carefully managing customer touch points (Frow and Payne, 2007).

Diller, Shedroff and Rhea (2005) think that an experience can be created by designing all potential touch points, surrounding the customer with a highly coordinated environment wherever she turns, but it takes something more to make these experiences valuable so that customers connect personally with them and integrate them into their lives. Surely that “something” is meaning.

It is simply not possible for a company to consciously design every touch point with a customer. Apart from the impossibility of completely controlling all touch points in an experience, there is positive value in intentionally relinquishing some control and encouraging customers to participate in co-creating experiences. From a

marketing and design perspective, an experience is an engagement delivered to the customer through an integrated system of “touch point” – product, packaging, message, customer service, and so on – that conveys or evokes a consistent sense of its essence. The goal of experience branding or experience design is admirable: it reflects a company’s effort to be consistent in its value proposition and its expression in every connection with a consumer (Diller, Shedroff and Rhea, 2005).

For Bailor (2007) customer expectations lies in how well retailers service customers through various touch points like the phone, physical store locations, catalogs, online stores and chat sessions. Aligning customer data across channels so retailers can have a picture of how their consumers are interacting with them not only in one channel, but across all channels. Boyle and Trollingler (2007) suggest that one must remember that one size does not fit all: the customer experience is channel specific. “How are we performing on the various touch points of the total customer experience?” through modeling, Crosby and Masland (2009) address the question: “which of these experiences have the most impact on customer behavior.”

Thusy and Morris (2004) explains great experiences as are made when employees interact with customers, whether it's in a store, a call-center, or a trade show. In a digital environment, Hsu and Tsou (2011) finds that the ultimate goal of experiential marketing is to create customer experiences that are implemented through so-called experience providers. They proposed that blogs are viewed as the appropriate experience provide to implement customer experiences because they are currently the most popular platform to build communication relationship.

For Hsu and Tsou (2011) customers can freely conduct ongoing information searches through blogs, this new channel. However, the credibility of blogs play an important role in creating opportunities for positive customer experiences that can shape consumers’ product/service purchase intentions and decisions. Blogs’ information credibility is important because blogs are viewed as more credible than

any mainstream media or online source. Information credibility of a product is viewed as a rich source of sensory, visual, affective, and cognitive associations that result in memorable and rewarding customer experiences.

Hsu and Tsou (2011) find that customer experiences with a blog have a positive association with purchase intention. They also find that information credibility has a positive association with customer experiences with a blog. Their research shows that involvement with blog positively moderates the relationship between customer experiences with a blog and purchase intention such that the impact of customer experiences with a blog on purchase intention will be greater when involvement with blog is high than when it is low. For them, a higher degree of information credibility results in better customer experiences. Customer experiences have a strong association with purchase intention. Greater involvement with blog significantly increases the effects of the customer experiences on purchase intention.

2.3. Importance of Consistency

Organizations seeking to deliver an outstanding or perfect customer experience should especially focus on ensuring a consistent customer experience within and across multiple channels. Frow and Payne (2007) suggest that there is a need to achieve brand consistency with all communication programmes. Diller, Shedroff and Rhea (2005) support this idea and think that a customer experience need to be consistent, and consistency comes from a shared vision that that everyone in the company supports. For Mosley (2007) the ultimate aim of brand management has always been to deliver a consistent and distinctive customer experience, but this task has been particularly difficult for service brands due to the greater complexity involved in managing service brand experience. Delivering a consistent and distinctive customer brand experience has always been a central concern of brand management.

Boyle and Trollinger (2007) suggest that a company's plan must be crafted and executed specific not only to the channel's environment, but also to the way in which customers gather information and shop. To do this, companies must understand why customers choose to interact with your business in the ways that they do.

In terms of delivering a consistent brand experience, Mosley (2007) suggests both operational and interpersonal dimensions provide headaches to a service provider. For him, operational consistency is clearly vital in avoiding customer dissatisfaction. There is no doubt from the research that engaged and satisfied employees are more likely to deliver a consistently positive service experience.

Richardson (2010) suggests that crafting a great customer experience also requires enormous amounts of collaboration across groups in a company that often work independently and at different stages of product development, marketing, product design, sales, customer service, advertising agency, retail partners etc. Also Wiersema thinks that companies need to make sure customers never have to give the same information to two departments and make sure all departments have the same data about the customer. Never let customers hear one answer from one of the people and another from someone else. For him as companies improve their customer experience, consistency becomes even more vital because they will have more frequent contact with their customers than does a company simply sells a product to a buyer who then walks away.

2.4. Managing Perceptions

Customer perception seems at the heart of what a customer experience is about (Thompson, 2006). For Verhoef et.al (2008) customers' brand perceptions may influence their customer experience. Kamaladevi (2010) also thinks that the type of brand and consumers' perceptions of the brand can influence their behavior. He also highlights that customer expectations have a significant effect on post purchase

evaluations of the shopping experience and the firm. Customer brand perceptions, when primed prior to shopping experience, might significantly influence the customer's experience as well. Customer experience has a significant influence on the customer's overall perception of the brand. Also customer mindset (awareness, associations, attitude, attachment, activity, etc.) is the key driver of brand performance (price premiums, price elasticities, market share, expansion success, etc.) Aspects such as packaging color, typography, illustrations and graphics can influence how a product is perceived. Puccinelli et.al (2009) shows that various retailers capitalize on the power of memory by creating a link between the brand and a color or icon.

Thompson (2006) said that "Perception" is critical, because unless the customer thinks or feels that something happened, it hasn't. And perception can include the emotional aspect of the interaction. An "interaction" could mean literally anything from viewing a marketing message to the actual use of a product or service to a post-purchase service / support activity to solve a problem. Finally, "brand" means far more than a logo or marketing communication. In the customer's mind, the brand is a symbol for the organization and a promise to be fulfilled.

Rose et.al (2010) view customer Experience as something left within the customer's mind rather than as a response made by the customer. It is now widely accepted that customer satisfaction and long-term behavioral intention are influenced by emotions during the pre-, actual, and post-consumption stage of a service encounter. For Palmer (2010), emotions are a mediating device between an event and an experience. Wiersema (2010) suggests if the customer cannot find the company, the game is over before it starts. To be findable, companies have to have a clear identity, stand for something important to their customer, and live up to their beliefs (Wiersema, 2010).

To understand retailing and customer experiences, we must realize that consumers attempt to achieve some goal by purchasing and using a particular product or service. Regardless of the specific goal, they establish the progression of the

experience, the consumer's perception of the retail environment, and consumer satisfaction with the experience. The same retail environment may produce very different outcomes and feelings, depending on the consumer's goals. (Puccinelli et. al, 2009)

No two people will see the same event in the same way. To be a managerially useful concept, Palmer (2010) suggests that companies must understand how attitudes towards an experience adjust over time (Palmer, 2010).

Because prospective customers make instant judgements, Wiersema (2010) suggest to companies that they must pay special attention to the first impression they make. They cannot afford to leave first impression up to chance. There may be asymmetric effects of brand perceptions on customer experience. Kamaladevi (2010) shows that customers whose first impression of a brand is negative can be influenced by providing them with non-comparative information, whereas consumers with positive first impression of a brand are influence more by comparative information. Positive customer brand perceptions may influence customer experience differently than negative customer brand perceptions.

A company will take considerable pains to make a customer feel important, valued, and well-treated. But then a casual, thoughtless, or incidental action will see a totally different signal. Always think about how your actions will be perceived (Wiersema, 2010). Your customers deal in the qualitative, subjective and emotional. To them, your brand has a personality that they like or dislike. They want to know you are making them look and feel good. They want to be assured that their money is not just well-spent but well-deserved (Brand Strategy, 2007).

Palmer (2010) thinks that individuals are likely to rationalize away poor experience over time. A tendency to selectively forget elements of a total experience and the current attitude will be influenced by subsequent exposure to related stimuli.

Perceptions are not stable over time by stating that “with the passage of time, experiences which at first were defined and separate from each other tend to become associated and confused. It is not so much that we actually forget things, but that we misremember them.

Palmer (2010) adduce that service providers may be interested in perceptions of that part of a service offer that they control, but consumers’ perception of their “total experience” may embrace other non-controllable components, for example a dominant element of the experience of dining at a restaurant may be the lack of available public parking space. For Grewal et.al (2009) customer’s store price image likely results from a humerosity heuristic, such that the greater the number of low-priced products at a store, the lower is the price image among knowledgeable consumers.

Palmer (2010) shows increasing evidence that anticipation of an event may itself be an important experiential benefit, evidenced by the way that some organizations use queues and waiting time to generate emotions of excitement and anticipation for the main event.

For Palmer (2010) little attention has been given to understand how perceptions are formed and sustained. This is a significant omission, because it can be argued that buyers’ re-purchase intentions are influenced by their attitude at the time of re-purchase, rather than that which prevails immediately following or during consumptions of a service – the time at which service quality is most commonly measured. Long-term attitude change does not derive equally from all components of service quality, and it may be expected that some components of the total experience are more likely to persist as long-term attitude adjustment.

Puccinelli (2009) also think that consumers' perception of causality as it relates to a retailer and its products can have a substantial impact on their perceptions of the retailer and their intentions to return to a store. Consumers may have a positive experience, but if they attribute that experience to their own actions, rather than the retailers' experience is unlikely to enhance their view of the retailer.

When a retailer offers a sales promotion, if consumers believe it is a response to overstocking due to low demand, they likely think the products offered on sale are not good quality. Puccinelli (2009) shows if consumers believe a price increase results from changes in the cost of production, they will likely accept it, whereas they may reject the increase if they believe that the firm just wants to increase its profits.

Nambisan and Watt (2010) explain customer experience in online product communities and suggest that they could potentially impact customer's attitude towards the product. As much of these interactions are product related, views and experiences of other customers who are using the same product can influence one's attitudes and perceptions. Further, product-content focused interactions may serve as product advertisements, the only difference being that there could be negative messages as well.

OCE can play a crucial role in shaping customers' perceptions regarding the product company, as well as the service quality. Nambisan and Watt (2010) thinks that customers' perceptions of their OCE – pragmatic, hedonic, sociability and usability – is positively associated with their attitude towards the product. Customers' perceptions of their OCE – pragmatic, hedonic, sociability, not usability – are positively associated with their attitude towards the company. Customers' perceptions of their OCE – pragmatic, hedonic, sociability, not usability – is positively associated with their perceptions regarding the company's overall service quality.

Blogs play a positive role in processing of ad messages and have more impact on purchase decisions than social networks, creating conversations and providing a trusted resource that influence purchase decisions. For Hsu and Tsou (2011) it groups online users with similar interests and makes it easier to search for targeted or potential customers. Firms have begun to recognize blogs as a new venue for planning and organizing technology marketing practices, promoting products/services, and providing technical support for their customers.

2.5. Navigation and Usability

Consumer spending behavior can be significantly influenced by the store atmosphere and the customer mood. Kamaladevi (2010) thinks that customers who experience a form of personal control, whether in orienting themselves to the store section they need to go to or in finding the products they want; generally feel good about the store. Good feelings lead to more purchases, especially if products are presented within a display that shows the potential usefulness of the product for them. Thusy and Morris (2004) thinks that architecture is a critical component of the customer experience in retail, the store can help to build brand awareness and customer commitment. It is the same for e-commerce companies. Palmer (2010) also adduces that sequence of events in an experience design should improve over time and end on a positive note because the final stage in a service process ending dominates the memory of the entire experience.

The application of usability to computer-mediated environments primarily focuses on users' ease of use, ease of navigation, efficiency and effectiveness in the computer-mediated environment. (Nambisan and Watt, 2010) All the market research tells us that people want simplicity, reliability and ease of use. (Wiersema, 2010) High levels of use and therefore experience will lead to higher levels of ability and build prior knowledge and experience (Rose et.al, 2010).

For Nambisan and Watt (2010), higher levels of usability experience reflect the ability of the customer to navigate and participate in the online community environment smoothly and effortlessly and without any obstruction or annoyance that might distract them from their goals or interest in the community.

Businesses that understand customers' time pressures will gain loyalty, especially those in sectors where customers do not want to spend a lot of time – such as banking or a fast-food restaurant. Most people do not want to spend the entire evening in a fast-food restaurant (Marketing Week, 2011). Also speed is important for e-commerce companies. People can make speed purchases when companies create a great usability and navigation for e-commerce web sites.

When the first few pages of a website elicit greater pleasure, consumer approach behavior and exploration improves. However, Puccinelli et.al (2009) thinks that a site that elicits simulation, such as through lots of color and information overload, has a negative impact on further exploration.

Thusy and Morris (2004) thinks that for online stores, obviously, technology becomes the centerpiece because it is the interface to the customer, but even then it's not the whole story. Someone has to design the software right, to anticipate customer needs and provide the right information to users who are online and don't have access to a sales person or customer service. What do other customers think of this product? Amazon has built a customer community on the willingness of their readers to rate books.

2.6. After Sales Services and Managing Complaints

Customer experience is a construct and propose model which integrates inter-personal relationships, service quality and brands (Palmer, 2010). Understanding customer experiences requires capturing rich information across all customer

interactions with the service provider and even other service providers that support the overall customer activity (Teixeira et.al, 2012). Service quality is a key area that is often the source of either great satisfaction or dissatisfaction (Brand Management, 2007). Customer satisfaction is a key consequence of service quality and can determine the long term success of a service organization (Kamaladevi, 2010). When we looked at customer service as a separate organization, we saw that the lack of integration did not get messages back to marketing and sales. In today's commoditized world, customer service can be the differentiator for products and services (Bulik, 2004). Customer service is the ability of an organization to constantly and consistently give the customer what they want and need (Kamaladevi, 2010). Customers care more about good customer service than they do low prices. Many customer service interactions are critical moments of truth that drive customer loyalty (Temkin, 2009).

For Thusy and Morris, (2004) service is a critical component of experience, and providing good service requires many characteristics, including empathy, sensitivity, and caring. Making sure that customer reviews are positive and valuable experience is paramount to making the process work. Centralizing this part of the service, with well-documented processes and procedures, help ensure consistent experience for customers.

Puccinelli et.al (2009) explains that insights suggest that people trust consumer reviews more than expert analysis, perhaps because they offer more experiential comments. Online product communities play an important role as a venue for customer support – a place where one could go to get solutions to specific product-related problems, or to get advice and recommendations on new products. In many companies, particularly technology-based companies, online product community have become part of the company's core service infrastructure. For example, companies such as Microsoft, Dell, IBM position their online product communities as after-purchase product support centers. Customers' OCE will be positively associated with their perceptions regarding the company's service quality (Nambisan and Watt, 2010).

Brunner et.al (2010) suggest that companies need to build their process and infrastructure around what their end user sees and experiences and feels, and then go out and make sure their system supports that. You need to show that you can adopt after a mistake. If you handle it in the right way, a problem well sorted can bond you even more closely to your customer (Brand Strategy, 2007). Short term immediate fixes such as training personnel to respond faster or apply less costly treatments can often be tied more easily to financial metrics (Wyner, 2007).

2.7. Loyalty Management

There is a strong correlation between customer experience and loyalty (Temkin, 2009). Passionate customer loyalty depends on providing an exceptional customer experience (Crosby and Masland, 2009). Achieving a perfect customer experience is a highly desirable goal for organizations wishing to improve customer loyalty and enhance profitability (Frow and Payne, 2007). Schmitt (2010:19) believe that customer satisfaction creates customer loyalty; therefore, the objective of this approach is to ensure that customers are satisfied after they have purchased a product or otherwise interacted with the company. Many retailers are realizing that their growth and profitability are being determined by the little things that make a big difference in customer satisfaction and loyalty; for example, easy interactions between the customers and the firm, consistency of the message across all communication channels, providing multiple channels to interact and shop, and finally being responsive to customer needs and feedback (Grewal et. al, 2009).

Rae (2006) adduces that customers will gladly pay more for an experience that is not only functionally but emotionally rewarding. A history of sustained positive customer experiences increases the chance that a new product gets chosen over its completitors. And satisfied customers buy more and recommend more (Marketing Week, 2011). Understanding and delivering total customer experience in order to

sustain lasting customer loyalty is increasingly important given the pressures of commoditization, globalization and market saturation in developed countries. (Mascarenhas, Kesavan and Bernacchi, 2006)

To compete successfully in this customer experience territory, a growing number of organizations are systematically applying the principles and tools of Total Customer Experience to generate, strengthen and sustain enduring lasting customer loyalty. Mascarenhas, Kesavan and Bernacchi (2006) believe that engineering Total Customer Experience and lasting customer loyalty are important for maintaining customer focus and creating customer preference.

Only extremely delighted customers can be considered truly loyal. Customers who are just satisfied are only slightly more loyal than customers who are thoroughly dissatisfied (Jones and Sasser, 1995; Frow and Payne, 2007). Customer loyalty is not earned by the words companies say, but by the actions they take (Dandridge, 2010). Retail loyalty programs increase customer lifetime duration and consumer expenditures (Meyer-Waarden, 2007; Puccinelli, 2009).

A 2004 survey taken by IBM Institute for Business Value revealed that the key drivers of customer loyalty are the person-to-person and in-store experience. (Dandridge, 2010) Some 80% of Starbuck's revenue come from customers who visit their stores an average of 18 times a month (Rae, 2006). Everitt (2006) thinks that when a shopping experience works, customers come back and tell their friends. Employees ask shoppers what they think, because they are not afraid to hear the answer (Everitt, 2006).

For Mascarenhas, Kesavan and Bernacchi (2009), developing total customer experiences that are engaging and lasting are intangible assets that add immeasurably high brand equity and are extraordinarily valuable in terms of customer loyalty, referrals and the lifetime brand value they create.

A meaningful experience depends on repeated, consistent delivery, it typically engenders greater trust. As customers' trust in a company deepens, their loyalty becomes stronger (Diller, Shedroff and Rhea, 2005).

Successful brands create wealth by attracting and retaining customers as certain loyal customers may be willing to pay more for a brand. Brand loyalty discourages brand switching to competing brands. But at the same time, Mascarenhas, Kesavan and Bernacchi (2006) thinks that the increase of competing new products, the competitive prices of new brands, and attractive promotions of new brands can quickly erode customer loyalty.

To catch the total customer experience, companies need to anticipate and fulfill customer needs and wants better than competitors. Too many companies put all their marketing efforts on the selling side of the product life cycle, forgetting that long-term loyalty requires attention to customers' needs throughout their experience with a product. They also need to provide real customer experience and real emotional experience and see experiences as distinct market offerings, interactions and engaging memories (Mascarenhas, Kesavan and Bernacchi, 2006).

In marketing, customer loyalty is often associated with a brand. Brand loyalty gives sellers some protection from competition and greater control in planning marketing programs. Brand loyalty is a "deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby, causing repetitive same brand set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior" (Mascarenhas, Kesavan and Bernacchi, 2006).

This definition helps us to distinguish loyalty as behavioral, attitudinal and situational (Chaudhuri and Holbrook, 2001; Uncles et al., 2003). Behavioral loyalty is mainly expressed in terms of revealed purchase and usage behavior, often conditioned on customer satisfaction, and is measured by historical purchasing of one's brand and competing brands (this is divided loyalty or polygamous behavior). Attitudinal loyalty is often expressed as an ongoing relationship to a brand, often conditioned on positive customer preferences towards the brand, and is strongly influenced by significant others (this is strong loyalty or monogamous behavior). Lastly, situational loyalty is often expressed as a contingent relationship to the brand (e.g. I will buy it if it is available, or if it is on sale) that is often determined by the shopping and purchasing situation (weak loyalty or promiscuous behavior). In the face of tough competition, having brand loyal customers not only ensure sales, but also significantly reduce marketing costs (Datta, 2003; Mascarenhas, Kesavan and Bernacchi, 2006).

This is because consumer loyalty is a function of one's perception of congruence in values with the product or service provider. The higher the congruence in values, the higher is customer loyalty. Value is the consumer's perception of the benefits minus the costs of maintaining an ongoing relationship with a provider relational benefits include the intrinsic and extrinsic utility provided by the ongoing relationship, while associated costs include monetary and non-monetary (time, effort, anxiety) inputs that are needed to maintain the loyalty relationship (Mascarenhas, Kesavan and Bernacchi, 2006).

When marketers offer products and services that consistently have strong physical attributes-based satisfaction, provide high emotional experience, and high perceived value summing to a high total customer experience, they will automatically generate high and lasting customer loyalty. Conversely, when market offerings are low on physical experience, emotional involvement and customer perceived values, they fail to generate lasting customer loyalty. Between these extreme positions there may be other contingent circumstances that will generate partial total customer experience and, therefore, partial lasting customer loyalty (Mascarenhas, Kesavan and Bernacchi, 2006).

Loyalty is not a one-step process, but a long ascending process consisting of many sequential steps. For Mascarenhas, Kesavan and Bernacchi (2006) Loyalty can move upwards or downwards, depending upon how the customer experiences the impact of the total customer experience variables at a given point in time. Loyalty, therefore, is an interactive and interdependent process, a buyer-seller relational process generating relational equity. Loyalty is an accumulative process, a step-by-step function. For Shaw and Ivens (2002: 8-9), total customer experience and lasting customer loyalty result when organizations build themselves around what is good for the customers, and change their organizational structures, systems and processes to build great customer experiences – this is an outside in approach, while the conventional approach has been an inside out strategy that defines companies by what is good for themselves, rather than what is good for the customer.

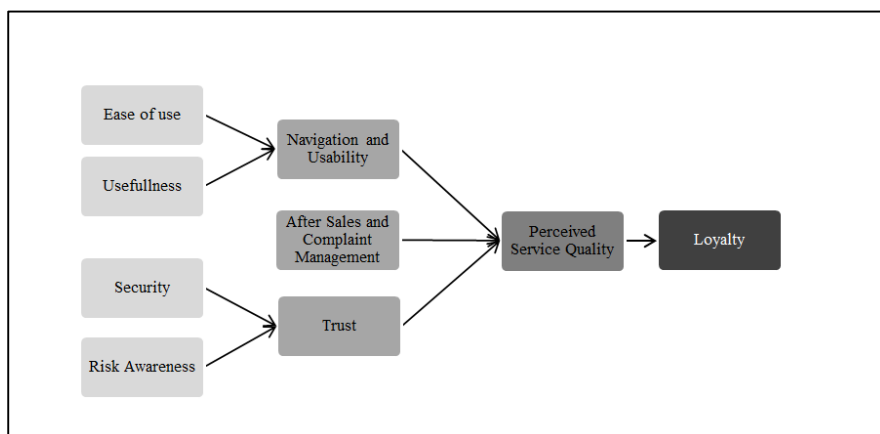
CHAPTER 3: ONLINE CUSTOMER EXPERIENCE MANAGEMENT ON VERTICAL MARKETS

1. Research Objectives and Hypotheses

One of the popular e-commerce markets in Turkey is Vertical Markets, which deals with one industry or industry segment (Turban et.al, 2010). The e-business model of e-commerce on vertical markets is specializing on a specific product or category.

In our research, we aim to learn how vertical e-commerce companies understand customer experience management and how they differ from each other. With the help of literature, we have created a model which shown in Table 3.1. In our model, navigation and usability, after sales and complaint management and trust are factors, which effects perceived service quality and loyalty. Our aim in our research is to show how vertical market players succeed on customer experience management and regarding on the factors in our model.

Table 3.1: Research Model: Factors effect Customer Experience



1.1. E-Commerce on Vertical Markets in Turkey

Specializing on a specific product or product category on e-commerce is an emerging e-business model for the last years in Turkey. With the upturn of private shopping model in Turkey in the late 2000's, Turkish people started to shop on the internet more and more, especially the women population, because private shopping websites offer cheaper fashionable products. After this milestone, entrepreneurs started to search new e-business models.

Especially, e-commerce on vertical markets is not a new business model for both Turkey and the World. Because its history due to the beginning of the e-commerce. In the global scale, Amazon first started to sell books, before its change to a multi-dimensional website. In Turkey, there was another e-commerce startup named Idefix which sells only books at the beginning of the e-commerce in Turkey. Also some big vertical actors like YemekSepeti.com, Çiçeksepeti.com has done the same business model for food and flower sectors.

Then e-commerce started to change. Every e-commerce entrepreneur tried a different e-business model. Private shopping is one of these models. And these models help people to get used to e-commerce. Especially private shopping help women population the get used to shop on the internet. But e-commerce is a fast changing business; every company needs to change time to time. And startups find a new way to e-commerce on vertical markets in Turkey.

Now, there are plenty of e-commerce startups on vertical markets in Turkey and they are specialized in different sectors. On the internet report of GP Bull Hound in April 2013, from accessoriess to shoes, food to cosmetics, decoration to travel, there are 15 leading vertical markets and 33 leading companies in Turkey.

The advantage of vertical markets is that people can find different models and brands at the same website. In the offline model, if you are not going a department store, you have to find different brands and choose after visiting separate shops. E-commerce sites on vertical markets gives people the advantage to find all the brands on the same site. That is why Turkish people got used to shop from vertical marketplaces easily.

1.2. Selected Companies for Research: Unnado.com, Zizigo.com, Lidyana.com, MissPera.com

We have selected vertical e-commerce markets in Turkey to make our research, because we believe that e-commerce companies on vertical markets are aware of the importance of customer experiences due to the fact that their target audience and the expectations of the customers are more specific. Also after private shopping started to differ the rules of e-commerce, customers now more sensitive to their experiences of their online shopping.

We have chosen 4 leading companies from 4 different vertical markets: Unnado.com, a leading baby products company, Zizigo.com, specialized to shoes, , Lidyana.com, created a new market on the e-commerce – accessories, and MissPera.com, on the cosmetics market.

All the sectors in our research have their own dynamics and rules. That is why we decided to choose different markets and different companies from these vertical markets.

We made a short survey to the customer of our companies and we made interviews with the executives of these companies. But first we will explain the companies.

2.1.1. Unnado.com

Business model of Unnado.com is private shopping. But it specialized to a specific product category, baby products. Most of their customers are mothers, who have just get a baby, and pregnant, who are waiting for their baby.

Its founder Göktuğ Okan Oğuz explains how to decide to open Unnado.com that a normal consumer have a specific frequency to shop, but a mother shop more frequently to shop for her baby. Every 3 months, a mother have to change all the clothes of the baby and buy new ones. During the growing period, a mother have to spend lots of money for the needs of a baby. They decided to make their business model on the basis of private shopping, because there was a big competitor on the baby products market, but this competitor sells its products with the traditional e-commerce model.

Unnado.com founded in 2010, after the exposure of private shopping in Turkey. In its first 10 months, it got an investment from iLab Ventures, which is one of the biggest venture capital investors in Turkey. After the investment, it started to grow speed and got another and bigger investment from its first investors after its second year. After these two investments, iLab became the majority stockholder of the company.

2.1.2. Zizigo.com

Zizigo.com, founded in 2011, is an e-commerce company which specialized to shoes. It benchmarks the world's biggest and the most successful e-commerce company on vertical markets and specialized shoes, named Zappos. Like Zappos, it serves 365 days return opportunity, 7/24 call center service, shipping in 24 hours, no shipment fees, no return fees, and have a user friendly interface.

Zizigo founded as a branch company of Markafoni, Turkey's one of the best private shopping companies. But Zizigo have seasonal products in opposition to Markafoni, and Zizigo's business model is not private shopping.

After Zizigo founded, one of its biggest competitors, named Pabbuc.com, clarify its bankruptcy. They explained the situation that they cannot compete with Zizigo's service quality and their sales decrease because of these factors. We can see that, Zappos have a positive effect on Zizigo's service.

2.1.3. Lidyana.com

Lidyana.com is a special e-commerce company which sells accessories. It founded in the beginning of 2012 with the partnership of Nevzat Aydın, founder of YemekSepeti.com, Saffet Ulusoy from Ulusoy Holding and Hakan Baş, founder of Peak Games, Arda Turan, a popular football player, and Markafoni. In its sixth month, it got an investment from ru-Net, which is also the investor of Yandex.

Lidyana.com sells world popular brands, fashionable and personalized accessories and jewelry. Also it has a designer team from popular jewelry designers of Turkey. Lidyana.com is not only serves in Turkey, it has a shipment opportunity to other countries. Lidyana.com serves shipping in 24 hours (for Turkey), 1 year guarantee for all products and transactions with not only credit cards but also money transfer.

2.1.4. MissPera.com

MissPera.com is a vertical e-commerce company specialized on cosmetics and founded in 2011 as a branch company of Markafoni. Like other branch Zizigo.com, it serves 365 days return opportunity, 7/24 call center service, shipping in 24 hours, no shipment fees, no return fees, and have a user friendly interface.

Like Zizigo, Misspera founded as a branch company of Markafoni, but MissPera's business model is not private shopping as well. MissPera have famous brands and their all cosmetic products, also some brands started to sell their products first in MissPera after the product launch.

Ali Şahin, General Manager of MissPera, explains the differences of cosmetics market on internet and the hardest thing about selling cosmetics on the internet. Consumer cannot smell perfumes from their computers, also colorful cosmetics and make up products cannot shown on the screen with the exact color. These factors are the reason of the bounce on the cosmetics sector on the internet. But consumers who know what to buy as cosmetics are still a big majority of MissPera.com's customers.

1.3. Hypothesis

In our research, we have 1 hypothesis to understand the difference for customer experience management between selected four companies on vertical market.

Hypothesis: There is no significant difference between Unnado, Zizigo, MissPera and Lidyana for customer experience management.

2. Method

To understand the experiences of customers in vertical markets in Turkey, we selected 4 leading e-commerce companies in vertical markets. All of them have maximum 3 years in the market and they grow with innovations about CEM.

We made interviews with these companies to get more knowledge about them and to know what they think about CEM. Then made a survey accordingly. So, we catch both company and customer vision for our research.

2.1. Interviews

We have made interviews from C-level directors such as founders, general managers or marketing directors of 4 selected companies. In our interviews, all of the companies have the same opinions about making customers happier to create loyalty. They summarize their CEM works with developments about navigation and usability, trust, after sales and complaints management. All these factors effects perceived service quality and then loyalty.

In our interview with Göktuğ Okan Oğuz, who is the founder and General Manager of Unnado.com, we learnt that pleasure of their customers is in primary importance for them and they are a customer-focused company. With empathy, they try to create positive experiences from negative ones. They make researches about how their customers think about their brand and they know that on e-commerce, customers are the face of the brand. They are aware of the power of word of mouth. They also give importance to their site infrastructure for an easy shopping experience.

When we made interview with Hakan Baş, who is the co-founder and General Manager of Lidyana.com, we have realized that they make customer pleasure researches every month and their average score is 85% positive. He explained this success with their customer experience management. We have learnt that he is on Cc on customer service e-mails as CEO, because he is giving importance to customer services. We saw that Lidyana.com is aware of the importance of retailers, because he said that to make warehouse and logistics services faster and true, they are always in contact with retailers and shipment firms. They are working on quality products with great prices, speed shipment and good interface.

We have made an interview with Sina Afra, who is the founder and General Manager of Markafoni Group. We have learnt that they are using the same team and the same center in operations of Zizigo.com and MissPera.com with Markafoni.com and other group companies. So we have gained same information for both Zizigo.com and MissPera.com, because they have the same mindset. They objected to offer a joyful and trustful shopping experience and they are using customer experience researches to share their customer policies. They are working to increase perceptions of their service quality and they are trying to create loyalty with WOMM effect. They offer customer-focused return and shipment policies like 365 days return opportunity, shipping in 24 hours, no shipment fees and no return fees. Also their call center serves 7/24.

2.2. Survey

According our hypothesis we created a survey for customers of these companies. We created 9 questions to measure all factors in our model. There was 4 different set of same questions for every company, so participants can give scores for every company. We use 7 point likert scale for all questions.

To measure “loyalty”, we create 3 questions. The questions measure the general idea, frequency to shop and willingness to shop for all customers. Also we measure customer trust with 2 questions: risk awareness and security thoughts. To scale navigation and usability, customers have 2 questions as well: usefulness and ease of use of the websites. We measure after sales and complaint management with one question. At the end, we added a question to measure customers’ perceived service quality, we asked them to check if they recommend this company to others. Because we believe that, if someone recommends a company to others, they must be happy about the experience they have.

We have created our survey online and spread it through internet to get answers from internet users. 498 participants gave their responses to our survey. But we want to have only answers from customers of these 4 companies. Also we choose only participants from 3 big cities of Turkey and from the age of 18-35. For all of these criteria, we have selected 64 participants and analyze their answers.

2.2.4. Analysis

We use One Way ANOVA test to analyze our data, to compare companies. Also we test homogeneity of variances of our data and made Bonferroni and Tukey HSD Post Hoc Tests.

Table 3.2: Test of Homogeneity of Variances

	Levene Statistic	df1	df2	Sig.
PURCFREQ	,131	3	60	,942
DESIRE	,523	3	60	,668
GNIDEA	1,889	3	60	,141
TRUST	2,001	3	60	,123
UNRISKY	,127	3	60	,944
EASYUSE	,408	3	60	,748
USEFUL	4,491	3	60	,007
AFTRSALE	1,896	3	60	,140
RECMND	5,754	3	60	,002

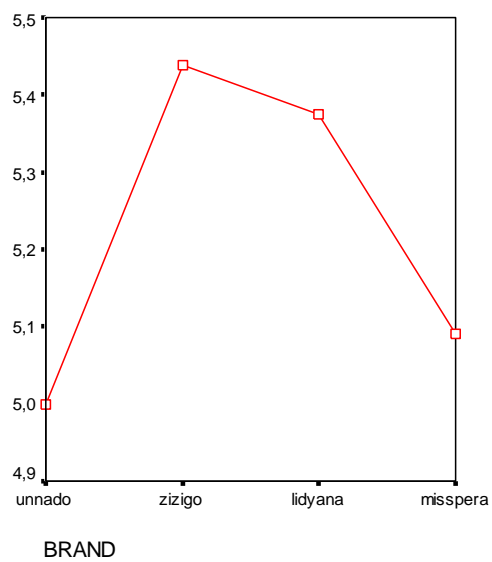
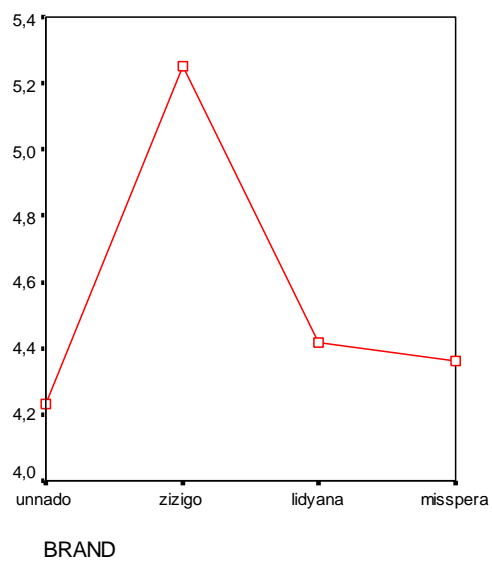
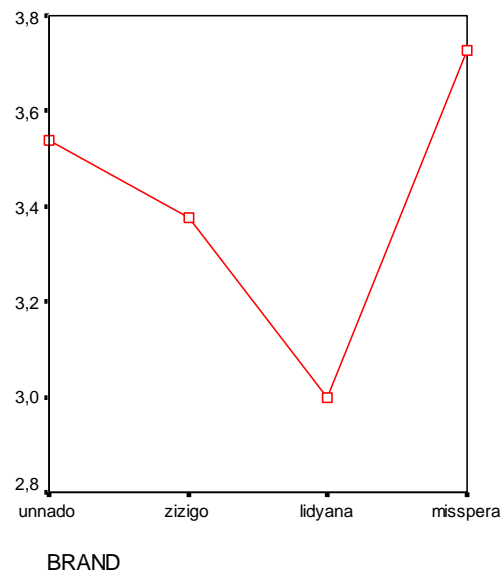
As shown in Table 3.2, our test of homogeneity of variances shows that all scores distribute homogeneous except usefulness and recommendations in 95% confidence interval. This shows that our analysis about usefulness and recommendation are not statistically significant. Other factors are suitable to analyse.

The One Way Anova Test shows that there is no significant difference between groups in 95% confidence interval. As shown in Table 3.3, all significance values are higher than 0,05. Also we can see from Multiple Comparison that there is no statistically significance between groups for 95% confidence interval. Same for them, all significance values are higher than 0,05.

Table 3.3: Anova Test

		Sum of Squares	df	Mean Square	F	Sig.
PURCFREQ	Between Groups	4,947	3	1,649	,414	,744
	Within Groups	239,163	60	3,986		
	Total	244,109	63			
DESIRE	Between Groups	9,923	3	3,308	,801	,498
	Within Groups	247,686	60	4,128		
	Total	257,609	63			
GENIDEA	Between Groups	2,013	3	,671	,264	,851
	Within Groups	152,472	60	2,541		
	Total	154,484	63			
TRUST	Between Groups	2,159	3	,720	,276	,843
	Within Groups	156,575	60	2,610		
	Total	158,734	63			
UNRISKY	Between Groups	3,070	3	1,023	,460	,711
	Within Groups	133,367	60	2,223		
	Total	136,438	63			
EASYUSE	Between Groups	2,636	3	,879	,306	,821
	Within Groups	172,364	60	2,873		
	Total	175,000	63			
USEFUL	Between Groups	2,095	3	,698	,195	,899
	Within Groups	214,639	60	3,577		
	Total	216,734	63			
AFTRSALE	Between Groups	13,168	3	4,389	1,185	,323
	Within Groups	222,270	60	3,704		
	Total	235,438	63			
RECMND	Between Groups	3,364	3	1,121	,388	,762
	Within Groups	173,370	60	2,890		
	Total	176,734	63			

We can say from our analysis that, there is no significant difference between all the brands according to our model. But to understand differences between brands, we also analysis means for all factors. Also we asked our interviewers Hakan Bař, General Manager of Lidyana.com and Sina Afra, CEO of Markafoni Group, how they think about the results. They discuss how 4 companies may differ from each other from their side.

Table 3.4: Means of Purchase Frequency, Desire to Shop and General Idea

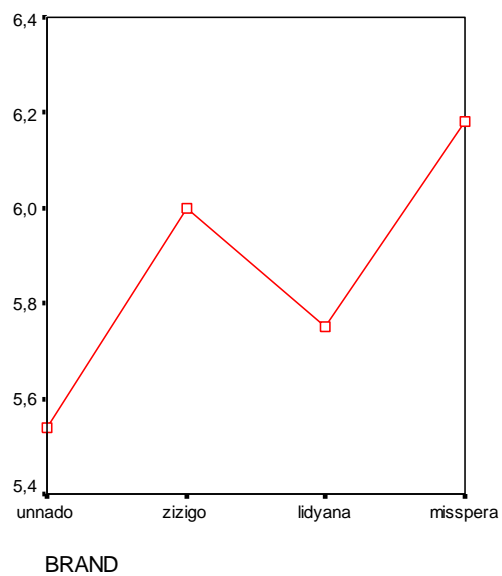
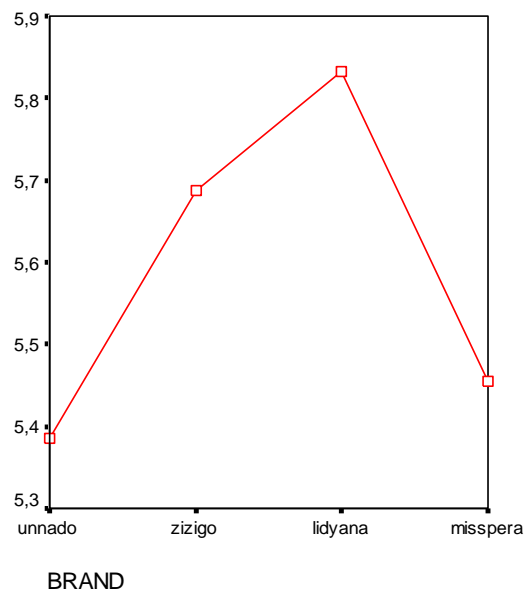
As shown in Table 3.4, for customer purchase frequency, all the means for every brand is in the range of 3 to 4, in 7 likert scale. MissPera has the highest mean and Unnado is following it. This can be because of the product difference; MissPera's product range is cosmetics, Unnado's baby clothes. Customers can shop most frequently from them than shoes from Zizigo and accessories from Lidyana. Hakan Bař from Lidyana.com also thinks that way: they have a limited category and a limited target market, so the reason why they have the lowest means. Sina Afra from Markafoni express the average means for Zizigo with the seasonal product change of the website. Because they add everyday a new product to the website, their customers come and shop more frequently, he thinks. Also he explain MissPera has the highest mean with the product range, MissPera has FMCG products on the website.

In our survey, desire to shop is really high, in the range of 4 to 5, in 7 likert scale, as shown in Table 3.4. Zizigo has the highest mean for desire to shop, we can say that customers of Zizigo desire to have more and more shoes. Lidyana is following Zizigo, also customers of Lidyana desire to have more accessories. On the contrary, Unnado and MissPera have low means for desire to shop. We can explain this difference again with the product differences; baby clothes and cosmetics are not as desirable as accessories and shoes for the customers. Sina Afra from Markafoni explains the difference for MissPera for frequency to shop and desire to shop that they did not use above the line advertising.

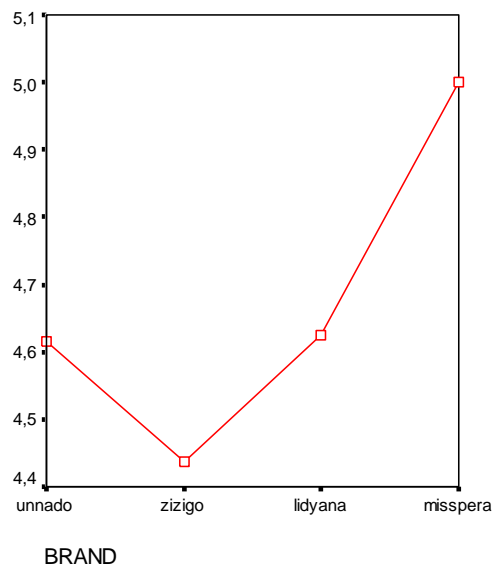
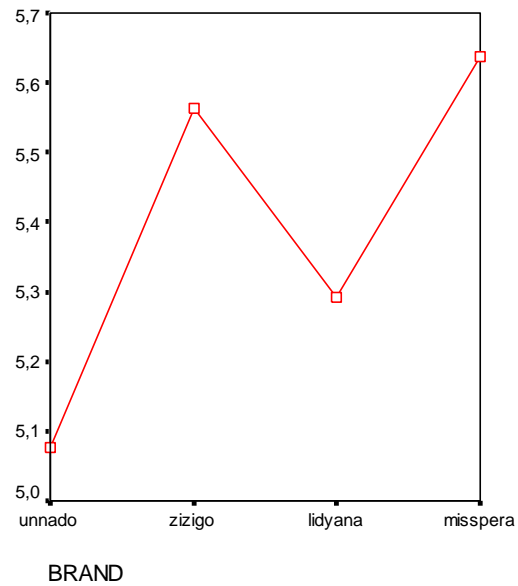
General Idea for all the brands are really high as well, as shown in Table 3.4, in the range of 5 to 6, in 7 likert scale. Zizigo's general idea has the highest mean and Lidyana is following Zizigo for general idea. This can be because the market, Zizigo has a lot of competitors but it is the biggest one in the market. Also Lidyana has a good perception because it has a lot of well-known fashion designers. Unnado and MissPera's general idea is also high, but not as much as others. This can be because they are in a big competition in the market, there are a lot of big competitors for their own market.

These 3 questions can show the loyalty for the brands and they are all higher than 4, so we can say that customers in our analysis are loyal to these companies. But 64 people are really low number of data to say this kind of result.

Table 3.5: Means of Trust and Risk Awareness



We made an analysis to understand security factor for these 4 brands and asked 2 different questions about customer's "trust" and "risk awareness" for these brands. We can see from Table 3.5 that people trust these brands, and Lidyana has the highest mean, the highest trust. Means are range in 5 to 6 in 7 likert scale. Also as shown in Table 3.5, people think that all these 4 brands are not risky to shop. Means are range in 5 to 7 in 7 likert scale. The highest means are MissPera and Zizigo, which are a branch of Markafoni. So we can say that, people's security awareness for all 4 brands are really high, they trust them and they feel comfortable to shop from them. But Unnado has the lowest mean for both questions, about 5,5 for both of them. This number is not so low in 7 likert scale, but we can see that other brands have higher numbers. Hakan Bař from Lidyana thinks that their partnership is the reason why people trust Lidyana with the highest mean. Sina Afra from Markafoni also thinks that trust is related with brand perception for Zizigo and MissPera. Also he thinks that web site security perception for Zizigo and MissPera are highest because they inform visually about their payment and return requirements on the website.

Table 3.6: Means of Ease of Use and Usefulness

We have asked candidates of our survey the ease of use and usefulness of the websites to understand navigation and usability factor. As shown in Table 3.6, candidates think that all 4 websites are easy to use; they can find what they search easily. All means for this question is in the range of 5 to 6, in 7 likert scale. Again Zizigo and MissPera have the highest means, and Lidyana is following them. Unnado has not a low mean, but it is lowest in all brands. Both Sina Afra from Markafoni and Hakan Baş from Lidiana thinks that Zizigo and MissPera have highest means for ease of use because they have more experience on e-commerce with the help of Markafoni.

Also we have asked our candidates if they think that other products suggested by the website are useful or not. Means for this question is in the range of 4 to 5, in 7 likert scale, as shown in Table 3.6. MissPera has the highest mean, customers think that MissPera's website is useful. In contrast, Zizigo has the lowest mean for usefulness. Lid yana and Unnado have about the same mean. Except MissPera, all means are in the average, so our candidate, customers of these brands are OK for the usefulness, but they are not very happy about it. In our test of homogeneity of variances shows that usefulness is not statistically significant to analyse in 95% confidence interval, so actually we cannot say a certain thing about differences of the brands.

Table 3.7: Means of After Sale and Complaint Management

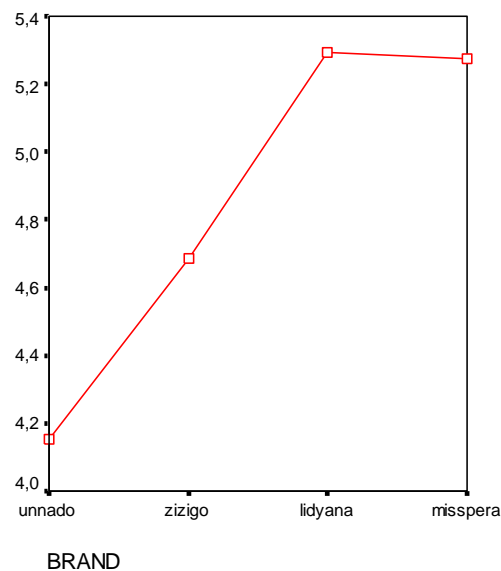
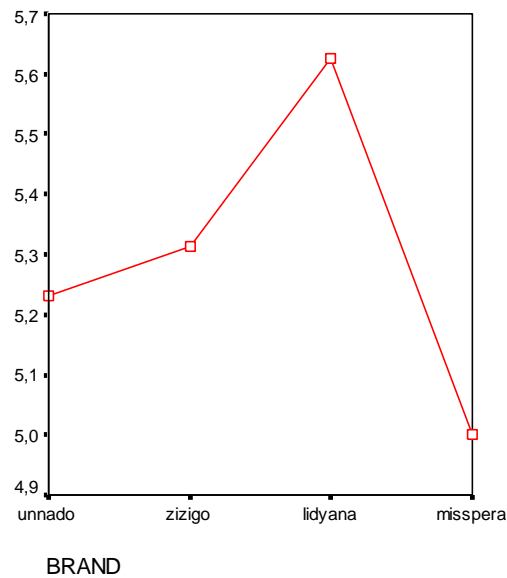


Table 3.7 shows that means of after sale and complaint management is differ across brands and in the range of 4 to 6. MissPera and Lid yana have the highest means for after sale and complaint management and they have about the same mean. Our candidates think that MissPera and Lid yana are good at after sale and complaint management. This is a normal thing, because we know that MissPera and Lid yana are well-known with their after sale and complaint policy. But Table 3.7 shows that Zizigo has an average mean for after sale and complaint management. We also know from our interviews that MissPera and Zizigo are operating from the same center, with the same team. They are branches of Markafoni and operating in the roof of Markafoni together. But our candidates give different scores to them. We do not have enough data

to say why these two brands scored differently. Also Unnado has again the lowest scores. Hakan Bař from Lidyana explained that their first aim on Lidyana is to create a really good customer services and he is so happy to see this score, Lidyana have one of the highest means. Sina Afra from Markafoni also explains the success of MissPera with their customer service policies.

Table 3.8: Means of Recommendations



We asked our candidates if they recommend these brands or not, to understand that their experience with these brands. Because we think that if someone recommends a brand, he's experience with the brand have to be good, in other case he does not recommend. But in our test of homogeneity of variances shows that recommendation is not statistically significant to analyse in 95% confidence interval, so actually we cannot say a certain thing about differences of the brands' experiences. But if we look at Table 3.8, we can see that, over all experience for all the brands are not bad, they are in the range of 5 to 6 in 7 likert scale.

In addition to our analysis about the differences of the companies, we made a correlation test to learn how our factors effect each other.

Correlations										
		FREQUENCY	DESIRE	GENERALIDE A	TRUST	RISKWARE	USABILITY	USEFULNES S	AFTERSALES	RECOMMEN DATION
FREQUENCY	Pearson Correlation Sig. (2-tailed) N	1 64	,661** ,000 64	,450** ,000 64	,353** ,004 64	,221 ,080 64	,354** ,004 64	,533** ,000 64	,513** ,000 64	,517** ,000 64
DESIRE	Pearson Correlation Sig. (2-tailed) N	,661** ,000 64	1 64	,663** ,000 64	,531** ,000 64	,420** ,001 64	,462** ,000 64	,585** ,000 64	,518** ,000 64	,538** ,000 64
GENERALIDEA	Pearson Correlation Sig. (2-tailed) N	,450** ,000 64	,663** ,000 64	1 64	,869** ,000 64	,611** ,000 64	,624** ,000 64	,547** ,000 64	,716** ,000 64	,768** ,000 64
TRUST	Pearson Correlation Sig. (2-tailed) N	,353** ,004 64	,531** ,000 64	,869** ,000 64	1 64	,716** ,000 64	,724** ,000 64	,548** ,000 64	,661** ,000 64	,760** ,000 64
RISKWARE	Pearson Correlation Sig. (2-tailed) N	,221 ,080 64	,420** ,001 64	,611** ,000 64	,716** ,000 64	1 64	,639** ,000 64	,427** ,000 64	,424** ,000 64	,487** ,000 64
USABILITY	Pearson Correlation Sig. (2-tailed) N	,354** ,004 64	,462** ,000 64	,624** ,000 64	,724** ,000 64	,639** ,000 64	1 64	,589** ,000 64	,450** ,000 64	,582** ,000 64
USEFULNESS	Pearson Correlation Sig. (2-tailed) N	,533** ,000 64	,585** ,000 64	,547** ,000 64	,548** ,000 64	,427** ,000 64	,589** ,000 64	1 64	,650** ,000 64	,553** ,000 64
AFTERSALES	Pearson Correlation Sig. (2-tailed) N	,513** ,000 64	,518** ,000 64	,716** ,000 64	,661** ,000 64	,424** ,000 64	,450** ,000 64	,650** ,000 64	1 64	,707** ,000 64
RECOMMENDATION	Pearson Correlation Sig. (2-tailed) N	,517** ,000 64	,538** ,000 64	,768** ,000 64	,760** ,000 64	,487** ,000 64	,582** ,000 64	,553** ,000 64	,707** ,000 64	1 64

** Correlation is significant at the 0.01 level (2-tailed).

Table 3.9: Correlations between Factors

As shown in Table 3.9, we saw that except the correlation between frequency and risk awareness, every factor have a positive effect on each other. The correlation between frequency to shop and risk awareness is not statistically significant in 0.01 significance level.

The positive correlation between trust and general idea is the strongest. That can be because customers think that if they shop from a brand, it have to be trustable. The correlation between risk awareness and frequency to shop is the weakest. We can explain this with an example. If someone shop from a website and thinks that it is risky, there cannot be a risk awareness and frequency to shop relation: because they will use this website again. Also positive correlations between general idea and aftersales; general idea and recommendations; trust and recommendations; trust and usability; trust and risk awareness; after sales services and recommendations are strong. But the correlation between frequency to shop and trust; frequency to shop and usability are weak.

CONCLUSION AND DISCUSSIONS

In our study, we have made a research about online customer experience on vertical markets. We choose 4 leading players of the vertical markets in Turkey and analyze their point of view on customer experience to see how they differ from each other.

With the help of literature, we know that service quality and loyalty are the key indicators of customer experiences and they effected by security, trust, risk awareness, navigation and usability, usefulness and after sales and complaint management. We have made a model with these factors and then we made interviews with selected companies and create a survey to measure their success for these factors. So we try to catch both company and the customer view point.

Our research shows that chosen companies on vertical markets in Turkey are aware of the importance of customer experience management and they are working on to increase their service quality to make their customers happier. All company directors we interviewed said that making customers happy and creating meaningful experiences is a big part of their business. They all are aware of the loyalty results of customer experience management and its financial affects. Also our analysis shows that there is no statistically significant difference between these 4 companies about customer experience management. This can be because they are all trying to manage their customers' experiences.

We have also analyzed means of our data to create a meaningful comparison between brands according our model. And ask our interviewers to comment this analysis. We have just seen that purchase frequency, desire to shop and general opinion

about our brands are higher than to average for these 4 companies. This shows that our candidates are loyal and have good experiences with the companies. But we have not enough data to prove this hypothesis. For the factors we have in our model, we have seen that our candidates trust these companies, and they feel comfortable to shop them, as well as they think that websites of these companies are secure to shop. Furthermore, they think that their navigation and usability is fairly good to shop on their website. They also think that our research companies are good at aftersales and complaints management. Finally, our candidates think that service quality of the companies is fairly good. Due to the fact that we have not enough data to statistically prove these hypotheses, we are just presuming these facts.

Our research has not enough data to prove our hypotheses about perceived service quality, loyalty and customer experience management relationship with the effects of trust, security, navigation and usability, after sales and complaint management. Our survey filled by 498 people who use internet and shop online, but only 64 of them was significant to analyze. With this small size of data, we could only assume the facts.

For further research, we can suggest to analyze the same hypotheses with a big sample. Then there can be more findings and results, because regression analysis can be made.

Of course there are other factors affecting customer experiences. For example, at the beginning of our study, we have mentioned the importance of touch points, consistency and perception management to improve customer experience. Also there is the communication, advertisement and technical side of the customer experience. These factors can be research to find out and improve their relationship and influence degree with customer experience.

The relationship between CRM and CEM is mentioned at the beginning of our study. With the help of CRM, customer experience management can be research with a technical and technological view point.

Moreover, we know that social media is the new trend of our decade. In a social media perspective as a new touch point, customer experience management can be study.

There are virgin sectors which are never studied as a case study to understand their perspective about customer experience in Turkey. Because there are a few study to show customer experience management perspective in Turkey. These markets can be studied to show the importance of customer experience in all sectors.

ANNEXES

A.1. Interviews

A.1.1. Interview with Göktuğ Okan Oğuz – Founder and General Manager of Unnado.com

What do you think about your customers' perceptions about your e-commerce company?

The pleasure of our customers is in the primary importance for us. Our customers are mostly parents and this brings the importance of our services. For all questions and problems from customers we make empathy. With empathy, we can create positive experience from negative experiences.

We made researches about how our customers think about our company. We come up with results supports our customer-focused vision about our website, infrastructure and customer care.

What type of workings do you make to increase your service quality and the perceptions of customers about your services?

If you are an e-commerce company, your brand face is your customers. If you use this power true, you can get its results positively.

We try to sell different products and brands to get all the income segments. Also we are working user interfaces to make our customers find what they search easily and get informed about their orders. As a daily activity, while talking about their problems or answering their questions as customer services, we talk with our customers what they think about our change. So, we get suggestions from customers and make them happen to create a better service.

Do you think navigation and usability of your website can affect your customers' experiences? What do you do to make these processes better?

We know that our customers can finish their orders easily and in a less time because of the usability of our website. That is why we are giving importance to our website infrastructure and an understandable shopping process. Because most of our customers are working parents and their time is important for us too.

It is important to make a better experience to launch correctly the brands and products which we sell and to use product informations and visualize products in customers' minds.

What type of developments do you make to your customers services like after sales services and complaints managements?

As I said earlier, we are a customer-focused company and the pleasure of our customers is really important for us. We try to create solutions to the customers problems as much as possible and we give importance to all demands and complaints. If a customer has a complaint, we try to get solution and call them via telephone.

Do you think that better experiences of your customers bring you better returns?

We try to create customer loyalty. We have customers who still shop from us since our found. Our motivation depends on that we make a contribution to a baby to grow up and we make mothers' life easier.

A.1.2. Interview with Sina Afra, Founder and CEO of Markafoni Group, about Markafoni, Zizigo and MissPera

What do you think about your customers' perceptions about your e-commerce company?

Markafoni.com, which is the Turkey's first and leader private shopping company, has three branch e-commerce companies on vertical markets. Zizigo.com is the biggest online shoe market and MissPera.com is a cosmetics and perfume startup. First, we launched Zizigo.com in April 2011. It creates a new era in Turkish online shopping with its shipment and return policy. Then we decided to open MissPera.com in October 2011. It is specialized to cosmetics and perfumes in special prices. Pleasure of customers is very important for us as Markafoni branches to offer joyful and trustful shopping experience. We are making customer experience researches and shape our customer policies depending to these researches.

What type of workings do you make to increase your service quality and the perceptions of customers about your services?

We are working to increase the perceptions of our customers about our service quality and we are trying to create loyalty. Our major brand, Markafoni selected to "lovemark" in Ipsos KMG's 2009 research. This makes us proud, because we know that our services of all brands deserve this kind of awards.

Do you think navigation and usability of your website can affect your customers' experiences? What do you do to make these processes better?

We think that a user friendly interface increases the enjoyment of shopping. So we design our web sites in this regard. We think that the web site design effects site visits and consumers' purchase decision. We use white as a background to catch the attention to the products.

What type of developments do you make to your customers services like after sales services and complaints managements?

We are the leading company who offers customer-focused return and shipment policies. For Zizigo and MissPera, we are serving 365 days return opportunity, shipping in 24 hours, no shipment fees, no return fees. Also our call centers serve 7/24 to make the experience better. If a customer has a problem which is a fault of us, we are accepting this fault and trying to fix it. After the process completed, we call our customer to inform about the solution. Our customers know that we are trying to solve all problems and inform them about it. We know that it is an important thing to create loyalty and trust.

Do you think that better experiences of your customers bring you better returns?

We believe that the great experiences we create for our customers turn us as loyal customers and frequency to shop. And also we know that experiences we create have a word of mouth effect and results as more customers.

A.1.3. Interview with Hakan Baş – Co-Founder and General Manager of Lidyana.com

What do you think about your customers' perceptions about your e-commerce company?

We know that our generally we have a good perception on our customer's eye. We are making customer pleasure researches every month and our score average is 85% positive. Also we are trying to bring life to the suggestions of our customers.

What type of workings do you make to increase your service quality and the perceptions of customers about your services?

I'm on Cc on customer service e-mails as CEO! We are making effort for each and every customer. Also we are always in contact with retailers and shipment firms to make our logistics and warehouse services speed, true and perfect. Also our quality control and customer service team is aware of the importance to perfect customer experiences.

Do you think navigation and usability of your website can affect your customers' experiences? What do you do to make these processes better?

Of course it affects a lot! We are trying to develop it always with suggestions from our customers. We are working on creating the easiest and smoothest shopping experience with a soft design.

What type of developments do you make to your customers services like after sales services and complaints managements?

Our customer service department make re-calls to our customers to ask for pleasure. Also we are trying to get suggestions with questionnaires and forms. We are making this business with the motto of “customer always right”. We are working on quality products, great prices and speed shipment with a good interface.

Do you think that better experiences of your customers bring you better returns?

We get happy with customers who shop their second and third purchase from us. When we ask them why they come back, we learn that the reason is their pleasure, both product quality and service process (right shipment, shipment on time, etc). These customers shop more than once and they have a WOM effect to get more customers.

We divided our customers to segments and offer campaigns according their profiles. Also we send different gifts for special events like birthdays, New Year ‘s Eve etc. Also we created a premium customer segment and we offer them different offerenings on our website and in the offline we offer them price discounts for shopping and daily life activities like restaurants, spas etc.

A.2. Survey Questions

Age

- 0 – 18
- 18 – 24
- 25 – 35
- 36 – 50
- 50 +

Gender

- Female
- Male

Relationship Status

- Single
- In a relationship
- Engaged
- Married
- Divorced

Where do you live:

Do you have child/children?

- Yes
- No

This section is created about Unnado.com

Have you ever shop from Unnado.com

- Yes
- No (If the answer is no, please skip questions from this section)

Can you please give a scale 1 to 7 (1: not accepted, 7: strongly accepted) questions below in order your shopping behaviors in Unnado.com.

- I'm shopping from unnado.com frequently.
- I want to shop from unnado.com.
- My general opinion about unnado.com is good.
- I think unnado.com is trustable.
- I think shopping from unnado.com is secure.
- I can find what I search easily in unnado.com.
- I think suggestions coming from unnado.com while I'm shopping is useful.
- Unnado.com is successful with its aftersales and complaint management.
- I recommend this brand to others.

This section is created about Zizigo.com

Have you ever shop from Zizigo.com

- Yes
- No (If the answer is no, please skip questions from this section)

Can you please give a scale 1 to 7 (1: not accepted, 7: strongly accepted) questions below in order your shopping behaviors in Zizigo.com.

- I'm shopping from zizigo.com frequently.
- I want to shop from zizigo.com.
- My general opinion about zizigo.com is good.
- I think zizigo.com is trustable.
- I think shopping from zizigo.com is secure.
- I can find what I search easily in zizigo.com.
- I think suggestions coming from zizigo.com while I'm shopping are useful.
- Zizigo.com is successful with its aftersales and complaint management.
- I recommend this brand to others.

This section is created about Lidyana.com

Have you ever shop from Lidyana.com

- Yes
- No (If the answer is no, please skip questions from this section)

Can you please give a scale 1 to 7 (1: not accepted, 7: strongly accepted) questions below in order your shopping behaviors in Lidyana.com.

- I'm shopping from lidyana.com frequently.
- I want to shop from lidyana.com.
- My general opinion about lidyana.com is good.
- I think lidyana.com is trustable.
- I think shopping from lidyana.com is secure.
- I can find what I search easily in lidyana.com.
- I think suggestions coming from lidyana.com while I'm shopping are useful.
- Lidyana.com is successful with its aftersales and complaint management.
- I recommend this brand to others.

This section is created about MissPera.com

Have you ever shop from MissPera.com

- Yes
- No (If the answer is no, please skip questions from this section)

Can you please give a scale 1 to 7 (1: not accepted, 7: strongly accepted) questions below in order your shopping behaviors in MissPera.com.

- I'm shopping from misspera.com frequently.
- I want to shop from misspera.com.
- My general opinion about misspera.com is good.
- I think misspera.com is trustable.
- I think shopping from misspera.com is secure.
- I can find what I search easily in misspera.com.
- I think suggestions coming from misspera.com while I'm shopping are useful.

- Misspera.com is successful with its aftersales and complaint management.
- I recommend this brand to others.

A.3. Survey Data

BRAND	GENDER	PURCFR	DESIRE	GNIDEA	TRUST	UNRISKY	EASYUSE	USEFUL	AFTERSALE	RECMND
unnado	F	1	2	4	4	5	3	4	2	4
unnado	F	3	5	5	6	6	6	4	4	5
unnado	F	5	5	4	4	4	3	4	3	5
unnado	F	3	5	6	6	6	6	4	5	6
unnado	M	6	7	7	7	7	7	7	7	7
unnado	M	7	7	7	7	7	7	7	7	7
unnado	F	5	5	5	6	4	4	5	5	6
unnado	F	4	3	4	3	3	2	4	3	3
unnado	M	4	4	4	4	4	4	4	4	4
unnado	F	2	4	5	5	7	5	3	2	5
unnado	F	1	2	4	6	7	7	4	4	4
unnado	F	3	5	6	6	6	6	6	6	6
unnado	F	2	1	4	6	6	6	4	2	6
zizigo	M	1	1	1	1	1	1	1	1	1
zizigo	F	1	7	7	7	7	7	1	4	7
zizigo	F	3	7	7	7	7	7	7	7	7
zizigo	M	4	5	6	7	7	7	7	7	7
zizigo	M	7	7	7	7	7	7	7	7	7
zizigo	M	3	3	5	6	7	7	5	2	6
zizigo	F	3	3	3	3	3	6	6	4	5
zizigo	F	3	7	4	4	6	6	4	1	4
zizigo	F	1	4	5	6	6	5	1	4	4
zizigo	F	2	7	7	7	7	7	7	7	4
zizigo	F	7	7	7	7	7	7	5	7	7
zizigo	M	2	6	6	7	7	4	6	7	7
zizigo	M	3	4	2	2	5	2	1	1	3
zizigo	M	3	5	6	6	7	5	6	5	4
zizigo	F	7	7	7	7	5	7	6	7	7
zizigo	M	4	4	7	7	7	4	1	4	5
lidyana	M	7	7	7	7	7	7	7	7	7
lidyana	M	2	6	5	6	7	4	5	4	3
lidyana	F	2	4	5	6	6	6	4	4	6
lidyana	F	4	7	6	6	6	3	5	7	6

lidyana	M	7	7	5	7	6	7	5	7	7
lidyana	F	1	2	7	7	7	7	4	5	7
lidyana	M	1	1	7	7	7	7	5	7	5
lidyana	F	7	7	7	7	7	7	7	7	7
lidyana	F	3	1	5	5	5	5	1	6	7
lidyana	M	5	5	5	5	5	5	5	5	5
lidyana	F	3	7	7	7	7	7	7	7	7
lidyana	F	1	4	4	4	4	4	4	4	4
lidyana	F	2	7	7	7	4	7	5	4	5
lidyana	M	3	5	5	5	7	5	7	7	7
lidyana	M	2	2	4	4	4	3	4	5	5
lidyana	F	5	7	7	7	7	7	7	7	7
lidyana	M	1	1	3	6	6	5	4	6	4
lidyana	F	3	3	3	4	2	4	4	3	4
lidyana	F	4	6	5	5	5	6	5	4	6
lidyana	M	2	4	6	7	7	5	3	2	5
lidyana	F	2	4	4	3	6	4	2	4	4
lidyana	M	1	2	6	7	4	3	3	7	7
lidyana	F	1	3	4	5	5	4	4	4	6
lidyana	M	3	4	5	6	7	5	4	4	4
misspera	M	7	7	7	7	7	7	7	7	7
misspera	M	4	6	6	7	7	6	6	7	6
misspera	F	3	2	2	1	4	1	1	4	1
misspera	M	5	5	6	7	7	6	4	6	7
misspera	F	7	7	7	7	7	7	7	7	7
misspera	M	5	5	6	7	7	7	7	6	7
misspera	F	1	2	4	3	3	5	2	3	2
misspera	F	1	3	5	5	6	4	5	4	4
misspera	F	3	5	6	6	7	6	6	7	7
misspera	M	4	5	6	6	6	6	6	6	6
misspera	M	1	1	1	4	7	7	4	1	1

A.4 Statistics

Table A.4.1: General Statistics of Data

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
		Lower Bound	Upper Bound	Lower Bound	Upper Bound	Lower Bound	Upper Bound	Lower Bound	Upper Bound
PURCFREQ	unnado	13	3,5385	1,85362	,51410	2,4183	4,6586	1,00	7,00
	zizigo	16	3,3750	2,02896	,50724	2,2938	4,4562	1,00	7,00
	lidyana	24	3,0000	1,95604	,39927	2,1740	3,8260	1,00	7,00
	misspera	11	3,7273	2,19504	,66183	2,2526	5,2019	1,00	7,00
	Total	64	3,3281	1,96844	,24605	2,8364	3,8198	1,00	7,00
DESIRE	unnado	13	4,2308	1,83275	,50831	3,1232	5,3383	1,00	7,00
	zizigo	16	5,2500	1,91485	,47871	4,2296	6,2704	1,00	7,00
	lidyana	24	4,4167	2,18526	,44606	3,4939	5,3394	1,00	7,00
	misspera	11	4,3636	2,06265	,62191	2,9779	5,7493	1,00	7,00
	Total	64	4,5781	2,02214	,25277	4,0730	5,0832	1,00	7,00
GNIDEA	unnado	13	5,0000	1,15470	,32026	4,3022	5,6978	4,00	7,00
	zizigo	16	5,4375	1,96532	,49133	4,3903	6,4847	1,00	7,00
	lidyana	24	5,3750	1,31256	,26793	4,8208	5,9292	3,00	7,00
	misspera	11	5,0909	1,97254	,59474	3,7657	6,4161	1,00	7,00
	Total	64	5,2656	1,56593	,19574	4,8745	5,6568	1,00	7,00
TRUST	unnado	13	5,3846	1,26085	,34970	4,6227	6,1465	3,00	7,00
	zizigo	16	5,6875	2,02382	,50595	4,6091	6,7659	1,00	7,00
	lidyana	24	5,8333	1,23945	,25300	5,3100	6,3567	3,00	7,00
	misspera	11	5,4545	2,01810	,60848	4,0988	6,8103	1,00	7,00
	Total	64	5,6406	1,58732	,19842	5,2441	6,0371	1,00	7,00
UNRISKY	unnado	13	5,5385	1,39137	,38590	4,6977	6,3793	3,00	7,00
	zizigo	16	6,0000	1,75119	,43780	5,0669	6,9331	1,00	7,00
	lidyana	24	5,7500	1,39096	,28393	5,1626	6,3374	2,00	7,00

	misspera	11	6,1818	1,40130	,42251	5,2404	7,1232	3,00	7,00
	Total	64	5,8438	1,47162	,18395	5,4761	6,2114	1,00	7,00
EASYUSE	unnado	13	5,0769	1,70595	,47314	4,0460	6,1078	2,00	7,00
	zizigo	16	5,5625	1,93111	,48278	4,5335	6,5915	1,00	7,00
	lidyana	24	5,2917	1,45898	,29781	4,6756	5,9077	3,00	7,00
	misspera	11	5,6364	1,80404	,54394	4,4244	6,8483	1,00	7,00
	Total	64	5,3750	1,66667	,20833	4,9587	5,7913	1,00	7,00
USEFUL	unnado	13	4,6154	1,26085	,34970	3,8535	5,3773	3,00	7,00
	zizigo	16	4,4375	2,52900	,63225	3,0899	5,7851	1,00	7,00
	lidyana	24	4,6250	1,58286	,32310	3,9566	5,2934	1,00	7,00
	misspera	11	5,0000	2,04939	,61791	3,6232	6,3768	1,00	7,00
	Total	64	4,6406	1,85479	,23185	4,1773	5,1039	1,00	7,00
AFTRSALE	unnado	13	4,1538	1,77229	,49155	3,0829	5,2248	2,00	7,00
	zizigo	16	4,6875	2,41437	,60359	3,4010	5,9740	1,00	7,00
	lidyana	24	5,2917	1,57367	,32122	4,6272	5,9562	2,00	7,00
	misspera	11	5,2727	2,00454	,60439	3,9261	6,6194	1,00	7,00
	Total	64	4,9063	1,93316	,24164	4,4234	5,3891	1,00	7,00
RECMND	unnado	13	5,2308	1,23517	,34257	4,4844	5,9772	3,00	7,00
	zizigo	16	5,3125	1,85180	,46295	4,3257	6,2993	1,00	7,00
	lidyana	24	5,6250	1,31256	,26793	5,0708	6,1792	3,00	7,00
	misspera	11	5,0000	2,52982	,76277	3,3004	6,6996	1,00	7,00
	Total	64	5,3594	1,67491	,20936	4,9410	5,7778	1,00	7,00

Table A.4.2: ANOVA TEST

		Sum of Squares	df	Mean Square	F	Sig.
PURCFREQ	Between Groups	4,947	3	1,649	,414	,744
	Within Groups	239,163	60	3,986		
	Total	244,109	63			
DESIRE	Between Groups	9,923	3	3,308	,801	,498
	Within Groups	247,686	60	4,128		
	Total	257,609	63			
GENIDEA	Between Groups	2,013	3	,671	,264	,851
	Within Groups	152,472	60	2,541		
	Total	154,484	63			
TRUST	Between Groups	2,159	3	,720	,276	,843
	Within Groups	156,575	60	2,610		
	Total	158,734	63			
UNRISKY	Between Groups	3,070	3	1,023	,460	,711
	Within Groups	133,367	60	2,223		
	Total	136,438	63			
EASYUSE	Between Groups	2,636	3	,879	,306	,821
	Within Groups	172,364	60	2,873		
	Total	175,000	63			
USEFUL	Between Groups	2,095	3	,698	,195	,899
	Within Groups	214,639	60	3,577		
	Total	216,734	63			
AFTRSALE	Between Groups	13,168	3	4,389	1,185	,323
	Within Groups	222,270	60	3,704		
	Total	235,438	63			
RECMND	Between Groups	3,364	3	1,121	,388	,762
	Within Groups	173,370	60	2,890		
	Total	176,734	63			

Table A.4.3: POST HOC TEST**Multiple Comparisons**

Dependent Variable		(I) BRAND	(J) BRAND	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
				Lower Bound	Upper Bound	Lower Bound	Upper Bound	
PURCFREQ	Tukey HSD	unnado	zizigo	,1635	,74548	,996	-1,8065	2,1334
			lidyana	,5385	,68753	,862	-1,2784	2,3553
			misspera	-,1888	,81792	,996	-2,3502	1,9725
		zizigo	unnado	-,1635	,74548	,996	-2,1334	1,8065
			lidyana	,3750	,64437	,937	-1,3278	2,0778
			misspera	-,3523	,78198	,969	-2,4187	1,7141
		lidyana	unnado	-,5385	,68753	,862	-2,3553	1,2784
			zizigo	-,3750	,64437	,937	-2,0778	1,3278
			misspera	-,7273	,72695	,750	-2,6482	1,1937
		misspera	unnado	,1888	,81792	,996	-1,9725	2,3502
			zizigo	,3523	,78198	,969	-1,7141	2,4187
			lidyana	,7273	,72695	,750	-1,1937	2,6482
	Bonferroni	unnado	zizigo	,1635	,74548	1,000	-1,8706	2,1976
			lidyana	,5385	,68753	1,000	-1,3375	2,4144
			misspera	-,1888	,81792	1,000	-2,4205	2,0429
		zizigo	unnado	-,1635	,74548	1,000	-2,1976	1,8706
			lidyana	,3750	,64437	1,000	-1,3832	2,1332
			misspera	-,3523	,78198	1,000	-2,4860	1,7814
		lidyana	unnado	-,5385	,68753	1,000	-2,4144	1,3375
			zizigo	-,3750	,64437	1,000	-2,1332	1,3832
			misspera	-,7273	,72695	1,000	-2,7108	1,2562
		misspera	unnado	,1888	,81792	1,000	-2,0429	2,4205
			zizigo	,3523	,78198	1,000	-1,7814	2,4860
			lidyana	,7273	,72695	1,000	-1,2562	2,7108
DESIRE	Tukey HSD	unnado	zizigo	-1,0192	,75865	,539	-3,0240	,9855
			lidyana	-,1859	,69968	,993	-2,0348	1,6630
			misspera	-,1329	,83236	,999	-2,3324	2,0667
		zizigo	1,0192	,75865	,539	-,9855	3,0240	

			lidyana	,8333	,65575	,585	-,8995	2,5662	
			misspera	,8864	,79579	,683	-1,2165	2,9893	
			lidyana	unnado	,1859	,69968	,993	-1,6630	2,0348
			zizigo	-,8333	,65575	,585	-2,5662	,8995	
			misspera	,0530	,73979	1,000	-1,9019	2,0079	
			misspera	unnado	,1329	,83236	,999	-2,0667	2,3324
			zizigo	-,8864	,79579	,683	-2,9893	1,2165	
			lidyana	unnado	-,0530	,73979	1,000	-2,0079	1,9019
		Bonferroni	zizigo	-1,0192	,75865	1,000	-3,0893	1,0508	
			lidyana	-,1859	,69968	1,000	-2,0950	1,7232	
			misspera	-,1329	,83236	1,000	-2,4040	2,1383	
			zizigo	unnado	1,0192	,75865	1,000	-1,0508	3,0893
			lidyana	,8333	,65575	1,000	-,9559	2,6226	
			misspera	,8864	,79579	1,000	-1,2850	3,0577	
			lidyana	unnado	,1859	,69968	1,000	-1,7232	2,0950
			zizigo	-,8333	,65575	1,000	-2,6226	,9559	
			misspera	,0530	,73979	1,000	-1,9655	2,0716	
			misspera	unnado	,1329	,83236	1,000	-2,1383	2,4040
			zizigo	-,8864	,79579	1,000	-3,0577	1,2850	
			lidyana	unnado	-,0530	,73979	1,000	-2,0716	1,9655
GENIDEA		Tukey HSD	zizigo	-,4375	,59523	,883	-2,0104	1,1354	
			lidyana	-,3750	,54896	,903	-1,8256	1,0756	
			misspera	-,0909	,65307	,999	-1,8166	1,6348	
			zizigo	unnado	,4375	,59523	,883	-1,1354	2,0104
			lidyana	,0625	,51450	,999	-1,2971	1,4221	
			misspera	,3466	,62437	,945	-1,3033	1,9965	
			lidyana	unnado	,3750	,54896	,903	-1,0756	1,8256
			zizigo	-,0625	,51450	,999	-1,4221	1,2971	
			misspera	,2841	,58043	,961	-1,2497	1,8179	
			misspera	unnado	,0909	,65307	,999	-1,6348	1,8166
			zizigo	-,3466	,62437	,945	-1,9965	1,3033	
			lidyana	unnado	-,2841	,58043	,961	-1,8179	1,2497
		Bonferroni	zizigo	-,4375	,59523	1,000	-2,0616	1,1866	
			lidyana	-,3750	,54896	1,000	-1,8729	1,1229	
			misspera	-,0909	,65307	1,000	-1,8728	1,6910	
			zizigo	unnado	,4375	,59523	1,000	-1,1866	2,0616

			lidyana	,0625	,51450	1,000	-1,3413	1,4663	
			misspera	,3466	,62437	1,000	-1,3570	2,0502	
			lidyana	unnado	,3750	,54896	1,000	-1,1229	1,8729
			zizigo	misspera	-,0625	,51450	1,000	-1,4663	1,3413
			misspera	unnado	,2841	,58043	1,000	-1,2996	1,8678
			misspera	unnado	,0909	,65307	1,000	-1,6910	1,8728
			zizigo	misspera	-,3466	,62437	1,000	-2,0502	1,3570
			lidyana	unnado	-,2841	,58043	1,000	-1,8678	1,2996
TRUST	Tukey HSD	unnado	zizigo	misspera	-,3029	,60319	,958	-1,8968	1,2911
			lidyana	misspera	-,4487	,55630	,851	-1,9188	1,0213
			misspera	unnado	-,0699	,66179	1,000	-1,8187	1,6789
			zizigo	unnado	,3029	,60319	,958	-1,2911	1,8968
			lidyana	misspera	-,1458	,52137	,992	-1,5236	1,2319
			misspera	unnado	,2330	,63272	,983	-1,4390	1,9049
			lidyana	unnado	,4487	,55630	,851	-1,0213	1,9188
			zizigo	misspera	,1458	,52137	,992	-1,2319	1,5236
			misspera	unnado	,3788	,58819	,917	-1,1755	1,9331
			misspera	unnado	,0699	,66179	1,000	-1,6789	1,8187
			zizigo	misspera	-,2330	,63272	,983	-1,9049	1,4390
			lidyana	unnado	-,3788	,58819	,917	-1,9331	1,1755
	Bonferroni	unnado	zizigo	misspera	-,3029	,60319	1,000	-1,9487	1,3429
			lidyana	unnado	-,4487	,55630	1,000	-1,9666	1,0692
			misspera	unnado	-,0699	,66179	1,000	-1,8757	1,7358
			zizigo	unnado	,3029	,60319	1,000	-1,3429	1,9487
			lidyana	misspera	-,1458	,52137	1,000	-1,5684	1,2768
			misspera	unnado	,2330	,63272	1,000	-1,4935	1,9594
			lidyana	unnado	,4487	,55630	1,000	-1,0692	1,9666
			zizigo	misspera	,1458	,52137	1,000	-1,2768	1,5684
			misspera	unnado	,3788	,58819	1,000	-1,2261	1,9837
			misspera	unnado	,0699	,66179	1,000	-1,7358	1,8757
			zizigo	misspera	-,2330	,63272	1,000	-1,9594	1,4935
			lidyana	unnado	-,3788	,58819	1,000	-1,9837	1,2261
UNRISKY	Tukey HSD	unnado	zizigo	misspera	-,4615	,55669	,840	-1,9326	1,0095
			lidyana	unnado	-,2115	,51342	,976	-1,5683	1,1452
			misspera	unnado	-,6434	,61078	,719	-2,2574	,9706
			zizigo	unnado	,4615	,55669	,840	-1,0095	1,9326
			lidyana	misspera	,2500	,48119	,954	-1,0215	1,5215

			misspera	-,1818	,58395	,989	-1,7249	1,3613
		lidyana	unnado	,2115	,51342	,976	-1,1452	1,5683
			zizigo	-,2500	,48119	,954	-1,5215	1,0215
			misspera	-,4318	,54285	,856	-1,8663	1,0027
		misspera	unnado	,6434	,61078	,719	-,9706	2,2574
			zizigo	,1818	,58395	,989	-1,3613	1,7249
		lidyana		,4318	,54285	,856	-1,0027	1,8663
	Bonferroni	unnado	zizigo	-,4615	,55669	1,000	-1,9805	1,0574
			lidyana	-,2115	,51342	1,000	-1,6124	1,1894
			misspera	-,6434	,61078	1,000	-2,3099	1,0232
		zizigo	unnado	,4615	,55669	1,000	-1,0574	1,9805
			lidyana	,2500	,48119	1,000	-1,0629	1,5629
			misspera	-,1818	,58395	1,000	-1,7752	1,4115
		lidyana	unnado	,2115	,51342	1,000	-1,1894	1,6124
			zizigo	-,2500	,48119	1,000	-1,5629	1,0629
			misspera	-,4318	,54285	1,000	-1,9130	1,0494
		misspera	unnado	,6434	,61078	1,000	-1,0232	2,3099
			zizigo	,1818	,58395	1,000	-1,4115	1,7752
		lidyana		,4318	,54285	1,000	-1,0494	1,9130
EASYUSE	Tukey HSD	unnado	zizigo	-,4856	,63287	,869	-2,1580	1,1868
			lidyana	-,2147	,58368	,983	-1,7571	1,3276
			misspera	-,5594	,69436	,852	-2,3943	1,2754
		zizigo	unnado	,4856	,63287	,869	-1,1868	2,1580
			lidyana	,2708	,54703	,960	-1,1747	1,7164
			misspera	-,0739	,66386	1,000	-1,8281	1,6804
		lidyana	unnado	,2147	,58368	,983	-1,3276	1,7571
			zizigo	-,2708	,54703	,960	-1,7164	1,1747
			misspera	-,3447	,61713	,944	-1,9755	1,2861
		misspera	unnado	,5594	,69436	,852	-1,2754	2,3943
			zizigo	,0739	,66386	1,000	-1,6804	1,8281
		lidyana		,3447	,61713	,944	-1,2861	1,9755
	Bonferroni	unnado	zizigo	-,4856	,63287	1,000	-2,2124	1,2412
			lidyana	-,2147	,58368	1,000	-1,8073	1,3778
			misspera	-,5594	,69436	1,000	-2,4540	1,3352
		zizigo	unnado	,4856	,63287	1,000	-1,2412	2,2124
			lidyana	,2708	,54703	1,000	-1,2218	1,7634
			misspera	-,0739	,66386	1,000	-1,8852	1,7375

			lidyana	unnado	,2147	,58368	1,000	-1,3778	1,8073
				zizigo	-,2708	,54703	1,000	-1,7634	1,2218
				misspera	-,3447	,61713	1,000	-2,0286	1,3392
		misspera	unnado	,5594	,69436	1,000	-1,3352	2,4540	
				zizigo	,0739	,66386	1,000	-1,7375	1,8852
			lidyana	,3447	,61713	1,000	-1,3392	2,0286	
USEFUL	Tukey HSD	unnado	zizigo	,1779	,70623	,994	-1,6883	2,0441	
			lidyana	-,0096	,65133	1,000	-1,7308	1,7115	
			misspera	-,3846	,77485	,960	-2,4322	1,6629	
		zizigo	unnado	-,1779	,70623	,994	-2,0441	1,6883	
			lidyana	-,1875	,61044	,990	-1,8006	1,4256	
			misspera	-,5625	,74081	,872	-2,5201	1,3951	
		lidyana	unnado	,0096	,65133	1,000	-1,7115	1,7308	
			zizigo	,1875	,61044	,990	-1,4256	1,8006	
			misspera	-,3750	,68867	,948	-2,1948	1,4448	
		misspera	unnado	,3846	,77485	,960	-1,6629	2,4322	
			zizigo	,5625	,74081	,872	-1,3951	2,5201	
			lidyana	,3750	,68867	,948	-1,4448	2,1948	
	Bonferroni	unnado	zizigo	,1779	,70623	1,000	-1,7491	2,1049	
			lidyana	-,0096	,65133	1,000	-1,7868	1,7676	
			misspera	-,3846	,77485	1,000	-2,4988	1,7296	
		zizigo	unnado	-,1779	,70623	1,000	-2,1049	1,7491	
			lidyana	-,1875	,61044	1,000	-1,8531	1,4781	
			misspera	-,5625	,74081	1,000	-2,5838	1,4588	
		lidyana	unnado	,0096	,65133	1,000	-1,7676	1,7868	
			zizigo	,1875	,61044	1,000	-1,4781	1,8531	
			misspera	-,3750	,68867	1,000	-2,2541	1,5041	
		misspera	unnado	,3846	,77485	1,000	-1,7296	2,4988	
			zizigo	,5625	,74081	1,000	-1,4588	2,5838	
			lidyana	,3750	,68867	1,000	-1,5041	2,2541	
AFTRSALE	Tukey HSD	unnado	zizigo	-,5337	,71867	,879	-2,4328	1,3655	
			lidyana	-1,1378	,66281	,324	-2,8893	,6137	
			misspera	-1,1189	,78850	,493	-3,2025	,9647	
		zizigo	unnado	,5337	,71867	,879	-1,3655	2,4328	
			lidyana	-,6042	,62120	,765	-2,2457	1,0374	
			misspera	-,5852	,75386	,865	-2,5773	1,4069	
		lidyana	unnado	1,1378	,66281	,324	-,6137	2,8893	

			zizigo	,6042	,62120	,765	-1,0374	2,2457
			misspera	,0189	,70080	1,000	-1,8330	1,8708
		misspera	unnado	1,1189	,78850	,493	-,9647	3,2025
			zizigo	,5852	,75386	,865	-1,4069	2,5773
			lidyana	-,0189	,70080	1,000	-1,8708	1,8330
	Bonferroni	unnado	zizigo	-,5337	,71867	1,000	-2,4946	1,4273
			lidyana	-1,1378	,66281	,547	-2,9463	,6707
			misspera	-1,1189	,78850	,966	-3,2703	1,0326
		zizigo	unnado	,5337	,71867	1,000	-1,4273	2,4946
			lidyana	-,6042	,62120	1,000	-2,2991	1,0908
			misspera	-,5852	,75386	1,000	-2,6422	1,4717
		lidyana	unnado	1,1378	,66281	,547	-,6707	2,9463
			zizigo	,6042	,62120	1,000	-1,0908	2,2991
			misspera	,0189	,70080	1,000	-1,8932	1,9311
		misspera	unnado	1,1189	,78850	,966	-1,0326	3,2703
			zizigo	,5852	,75386	1,000	-1,4717	2,6422
			lidyana	-,0189	,70080	1,000	-1,9311	1,8932
RECMND	Tukey HSD	unnado	zizigo	-,0817	,63472	,999	-1,7590	1,5955
			lidyana	-,3942	,58538	,907	-1,9411	1,1526
			misspera	,2308	,69638	,987	-1,6094	2,0710
		zizigo	unnado	,0817	,63472	,999	-1,5955	1,7590
			lidyana	-,3125	,54863	,941	-1,7623	1,1373
			misspera	,3125	,66579	,965	-1,4469	2,0719
		lidyana	unnado	,3942	,58538	,907	-1,1526	1,9411
			zizigo	,3125	,54863	,941	-1,1373	1,7623
			misspera	,6250	,61893	,744	-1,0105	2,2605
		misspera	unnado	-,2308	,69638	,987	-2,0710	1,6094
			zizigo	-,3125	,66579	,965	-2,0719	1,4469
			lidyana	-,6250	,61893	,744	-2,2605	1,0105
	Bonferroni	unnado	zizigo	-,0817	,63472	1,000	-1,8136	1,6501
			lidyana	-,3942	,58538	1,000	-1,9915	1,2030
			misspera	,2308	,69638	1,000	-1,6694	2,1309
		zizigo	unnado	,0817	,63472	1,000	-1,6501	1,8136
			lidyana	-,3125	,54863	1,000	-1,8095	1,1845
			misspera	,3125	,66579	1,000	-1,5041	2,1291
		lidyana	unnado	,3942	,58538	1,000	-1,2030	1,9915
			zizigo	,3125	,54863	1,000	-1,1845	1,8095

	misspera	,6250	,61893	1,000	-1,0638	2,3138
misspera	unnado	-,2308	,69638	1,000	-2,1309	1,6694
	zizigo	-,3125	,66579	1,000	-2,1291	1,5041
	lidyana	-,6250	,61893	1,000	-2,3138	1,0638

Table A.4.4: Homogeneous Subsets

PURCFREQ

BRAND		N	Subset for alpha = .05
Tukey HSD(a,b)	lidyana	24	3,0000
	zizigo	16	3,3750
	unnado	13	3,5385
	misspera	11	3,7273
	Sig.		,757

Means for groups in homogeneous subsets are displayed.

a Uses Harmonic Mean Sample Size = 14,706.

b The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

DESIRE

			Subset for alpha = .05
BRAND		N	1
Tukey HSD(a,b)	unnado	13	4,2308
	misspera	11	4,3636
	lidyana	24	4,4167
	zizigo	16	5,2500
	Sig.		,529

Means for groups in homogeneous subsets are displayed.

a Uses Harmonic Mean Sample Size = 14,706.

b The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

GNIDEA

			Subset for alpha = .05
BRAND		N	1
Tukey HSD(a,b)	unnado	13	5,0000
	misspera	11	5,0909
	lidyana	24	5,3750
	zizigo	16	5,4375
	Sig.		,879

Means for groups in homogeneous subsets are displayed.

a Uses Harmonic Mean Sample Size = 14,706.

b The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

TRUST

			Subset for alpha = .05
BRAND		N	1
Tukey HSD(a,b)	unnado	13	5,3846
	misspera	11	5,4545
	zizigo	16	5,6875
	lidyana	24	5,8333
	Sig.		,875

Means for groups in homogeneous subsets are displayed.

a Uses Harmonic Mean Sample Size = 14,706.

b The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

UNRISKY

			Subset for alpha = .05
BRAND		N	1
Tukey HSD(a,b)	unnado	13	5,5385
	lidyana	24	5,7500
	zizigo	16	6,0000
	misspera	11	6,1818
	Sig.		,648

Means for groups in homogeneous subsets are displayed.

a Uses Harmonic Mean Sample Size = 14,706.

b The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

EASYUSE

			Subset for alpha = .05
BRAND		N	1
Tukey HSD(a,b)	unnado	13	5,0769
	lidyana	24	5,2917
	zizigo	16	5,5625
	misspera	11	5,6364
	Sig.		,807

Means for groups in homogeneous subsets are displayed.

a Uses Harmonic Mean Sample Size = 14,706.

b The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

USEFUL

			Subset for alpha = .05
BRAND		N	1
Tukey HSD(a,b)	zizigo	16	4,4375
	unnado	13	4,6154
	lidyana	24	4,6250
	misspera	11	5,0000
	Sig.		,851

Means for groups in homogeneous subsets are displayed.

a Uses Harmonic Mean Sample Size = 14,706.

b The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

AFTRSALE

			Subset for alpha = .05
BRAND		N	1
Tukey HSD(a,b)	unnado	13	4,1538
	zizigo	16	4,6875
	misspera	11	5,2727
	lidyana	24	5,2917
	Sig.		,385

Means for groups in homogeneous subsets are displayed.

a Uses Harmonic Mean Sample Size = 14,706.

b The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

RECMND

			Subset for alpha = .05
BRAND		N	1
Tukey HSD(a,b)	misspera	11	5,0000
	unnado	13	5,2308
	zizigo	16	5,3125
	lidyana	24	5,6250
	Sig.		,752

Means for groups in homogeneous subsets are displayed.

a Uses Harmonic Mean Sample Size = 14,706.

b The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

A.5. Success Stories on E-Commerce with the Customer Experience Management Perspective: Zappos.com

Some companies are well recognized for the success of their total customer experience – Disney and Apple, for example – and in fact acknowledge the power and value of this approach. They all identify experience as a significant factor affecting their financial performance. (Diller, Shedroff and Rhea, 2005)

Apple, Amazon and Zappos are most admired by customer experience experts. Other top-ranking companies are: Starbucks, Disney, Tesco, Virgin Atlantic, Vodafone, Nordstrom, First Direct. (Bernier, 2011)

Apple has married all the elements of its experience and connected with its customers in deeply emotional, irrational way. Amazon put a stake in the when it announced it would become the world's most customer-centric company, and Zappos claims to be a customer service organization that happens to sell shoes. (Bernier, 2011)

On his book about his Zappos adventure, Hsieh (2010) explains how they manage to be one of the best customer service e-commerce company and how they deliver happiness to their customers. Hsieh (2010: 242) believe that in the long run, little things that keep the customer in mind will end up paying huge dividends. They thought that if they got the culture right, then building their brand to be about the very best customer service would happen naturally on its own. (Hsieh, 2010: 250)

At Zappos, anything worth doing is worth doing with WOW. WOW is such a short, simple word, but it really encompasses a lot of things. To WOW, you must differentiate yourself, which means do something a little unconventional and innovative. You must do something that's above and beyond what's expected. And

whatever you do must have an emotional impact on the receiver. Whether internally with co-workers or externally with our customers and partners, delivering WOW results in word of mouth. Philosophy of Zappos is to WOW with service and experience, not with anything that relates directly to monetary compensation. (Hsieh, 2010: 298)

With this aim, they decided to invest their time, money, and resources into three key areas: customer service (which would build their brand and drive word of mouth), culture (which would lead to the formation of their core values), and employee training and development (which would eventually lead to the creation of their HR pool). (Hsieh, 2010: 257) Their philosophy has been to take most of the money they would have spent on paid advertising and invest it into customer service and the customer experience instead, letting their customers do the marketing for us through word of mouth. (Hsieh, 2010: 267) For example, they let customers order five different pairs of shoes, try them on with five different outfits in the comfort of their living rooms, and then send back the ones that don't fit or they simply don't like—free of charge. The additional shipping costs are expensive for them, but they really view those costs as a marketing expense. (Hsieh, 2010: 267)

Usually marketing departments assume that the lifetime value of a customer is fixed when doing their ROI calculations. They view the lifetime value of a customer to be a moving target that can increase if they can create more and more positive emotional associations with their brand through every interaction that a person has with them. (Hsieh, 2010: 268)

The most efficient way to run a warehouse is to let the orders pile up, so that when a warehouse worker needs to walk around the warehouse to pick the orders, the picking density is higher, so the picker has less of a distance to walk. But Zappos is not trying to maximize for picking efficiency. They are trying to maximize the customer experience, which in the e-commerce business is defined in part by getting orders out to our customers as quickly as possible. The combination of a 24/7

warehouse, surprise upgrades to overnight shipping, and having their warehouse located just fifteen minutes away from the UPS Worldport hub means that a lot of customers order as late as midnight EST, and are surprised when their orders show up on their doorstep eight hours later. This creates a WOW experience, which their customers remember for a very long time and tell their friends and family about. (Hsieh, 2010: 268) Also As an e-commerce company, they should have considered warehousing to be their core competency from the beginning. Outsourcing that to a third party and trusting that they would care about our customers as much as they would is a big mistake. (Hsieh, 2010: 226)

Most call centers measure their employees' performance based on what's known in the industry as "average handle time," which focuses on how many phone calls each representative can take in a day. This translates into representatives worrying about how quickly they can get a customer off the phone, which in their eyes is not delivering great customer service. Most call centers also have scripts and force their representatives to try to upsell customers to generate additional revenue. (Hsieh, 2010: 270) Zappos's strategy about call centers is very different. They try to make their customers say WOW during their calls and make them happy. Average handle time is nothing for their call center strategy.

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