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## SERVICE DESIGN FOR EXPERIENCE-CENTRIC SERVICES

**Keywords:** service design; experience-centric services; service delivery systems; emotions; customer loyalty

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## ABSTRACT

Service organizations are increasingly managing customer experiences to promote differentiation and customer loyalty. This paper examines the design of experience-centric services, particularly the design of their context. Drawing on relevant literature in service and experience design, we develop a theory-based set of propositions for experience design. The propositions are then investigated empirically by means of 17 case studies of design agencies, consulting firms, and experience-centric service providers in different industries. Strong support was found for the designing of “customer journeys” and “touchpoints,” for sensory design, and for the designing of a dramatic structure of events. In addition, the engagement of employees, the management of fellow customers, and the close coupling of backstage employees and frontstage activities represent promising new frontiers in experience design. By identifying the current design practices of leaders in experience design, this study both informs this practice and presents a unique perspective on the design of service delivery systems.

## INTRODUCTION

Service organizations have long recognized the importance of the customer experience for customer satisfaction and loyalty. An experience occurs when a customer has any sensation or acquires knowledge from some level of interaction with the elements of a context created by a service provider (Pullman and Gross 2004, p. 553). Increasingly, many service organizations are placing the customer experience at the core of the service offering (Pine and Gilmore 1999; Haeckel, Carbone and Berry 2003; Pullman and Gross 2004; Voss, Roth and Chase 2008). They deliver what Voss, Roth and Chase (2008) identify as “experience-centric services”: services in which firms craft the customer experience proactively to create distinctive product and service offerings. Building on Shiv and Plassmann (2008) we can express this as follows. If the customer value proposition (CVP) can be seen as the sum of the value arising from the experience (Ev), the service attributes (Av) and the price (Pv), then for all services:

$$CVP = Ev + Av + Pv$$

We can then define experience-centric services as those where:

$$Ev > Av + Pv$$

Well-known examples include the American Girl stores, Build-A-Bear Workshops, and Benihana restaurants. A key characteristic of these services is that they encourage customer loyalty by creating emotional connections through engaging, compelling, and consistent contexts (Pullman and Gross 2004, p. 553).

The delivery of experience-centric services requires the systematic management and design of customer experiences through the careful planning of tangible and intangible service elements in the service delivery system (Pullman and Gross 2004). Although many service elements that affect customer experiences have been addressed, such as the physical

or virtual “servicescape” (Bitner 1992; Vilnai-Yavetz and Rafaeli 2006) and the human elements in service encounters (e.g., Czepiel, Solomon and Surprenant 1985; Gwinner et al. 2005), the design of service delivery systems from a customer-experience perspective warrants further examination (Roth and Menor 2003; Heineke and Davis 2007; Patrício, Fisk and Falcão e Cunha 2008). Stuart and Tax (2004) note that while services may be shifting to a paradigm that involves the delivery of customer experiences, academic research on service design remains anchored in the past. It is unclear for example, which service elements create the most compelling contexts and how they can be used to establish customers’ emotional connections to a given service.

In this paper we focus on the design of experience-centric services. Building on current literature on services and experience design, we develop six propositions that reflect design principles for experience-centric services. These propositions are investigated by means of a series of 17 case studies of experience-centric service providers and experience design agencies and consulting firms. We review the propositions and suggest a number of recommendations for future research and implications for practitioners.

## **THEORETICAL BACKGROUND**

### ***Experience-centric Services and Experience Design***

Experience-centric service organizations deliver services in which the customer experience is at the core of the service offering. In this paper, the term *experience design* is used to refer to the development of experience-centric services. However, because experiences are constructed by customers based on their interpretation of a series of encounters and interactions designed by a service provider (Hume et al. 2006), these experiences cannot be fully controlled by organizations. Rather than offering experiences per

se, experience-centric service providers create or stage the prerequisites that enable customers to have the desired experiences (Edvardsson and Olsson 1996; Gupta and Vajic 2000). The prerequisites typically include the central concept or activity of the experience and the context in which that takes place.

A key characteristic of experience-centric services is that they are designed to engage customers, that is, to enable the customer to connect with the service in a personal, memorable way (Pine and Gilmore 1999; Pullman and Gross 2004). Engagement can be emotional, physical, intellectual, or even spiritual, and different types of engagement can be achieved depending on the level of customer participation and the connection with the environment. For example, customers can enjoy the aesthetics, escape reality, and/or be entertained or educated (Pine and Gilmore 1998; see also Metters et al. 2006). It is engagement that builds the emotional connections that promote repeat purchase and positive word of mouth.

Context consists of the physical and relational elements in the experience environment. It includes the physical setting, the social actors, and any social interactions with other customers and/or service facilitators (Gupta and Vajic 2000). Context can be used to intensify engagement and emotional connections and is the primary concern of experience design (Pullman and Gross 2004). The context of a service sends cues to customers that create and influence their experience. Bitner (1993) distinguishes among people, processes, and physical evidence that send cues to customers. Another way of looking at context is through the lens of the drama metaphor, which is often used to understand, describe, and communicate about services (e.g., Goffman 1959; Grove and Fisk 1992; Pine and Gilmore 1999). It provides a comprehensive overview of the contextual elements that influence customer service experiences: the physical environment, or “stage”; service employees, or “actors”; the service delivery process, or “script”; fellow customers, or “audience”; and back-

office support, or “backstage.” These contextual areas are addressed in more detail in the following sections and form the basis for a number of propositions.

### *A Series of Cues*

Carbone and Haeckel (1994) argue that the design of experience-centric services involves orchestrating the “clues” that are emitted by products, services, and the environment. They further distinguish between mechanics clues—those that are generated by things, such as the impressions sent by a facility’s interior design—and humanics clues, which emanate from people, for example, from the behavior of employees (see also Berry, Carbone and Haeckel 2002). These clues (Pine and Gilmore (1999) speak of “cues”) form the context in which an experience is created. Pullman and Gross (2004) refer to this as the physical and relational context.

Experience-centric services may also require the orchestration of cues that occur at different points in time and space. Experiences typically develop over time (Pine and Gilmore 1998; Gupta and Vajic 2000), starting before and ending after the actual moment of service delivery. Cues can occur at any point in time during the delivery of the service, including during the prepurchase and postpurchase stages (Carbone and Haeckel 1994; Hoffman and Turley 2002). Customers combine the cues they perceive along the way into a total or holistic experience. For many services, particularly services that involve more than a single transaction, this is an ongoing cycle in which cues for one service delivery flow into the next. Designing experience-centric services may thus involve the management of a chain of service encounters or “moments of truth” (Carlzon 1987) that surround the service delivery experience. This leads to our first proposition:

*P1: The design of experience-centric services involves designing a series of service encounters and cues.*

### *Sensory Design*

The collection of tangible service elements, specifically the physical environment in which a service is delivered or experience is created, is often considered a key variable influencing customer perceptions and behavior. This perspective draws on environmental psychology, which is the study of the effect of environmental variables on individuals and their subsequent behavior (e.g., Mehrabian and Russell 1974). In this view, the physical environment can be designed to evoke particular emotions and responses, and the effective management of atmospheric variables is therefore vital to the creation of compelling service experiences (Hoffman and Turley 2002). Retail atmospherics involves the design of buying environments to produce specific emotional effects in the buyer that enhance purchase propensity (Kotler 1973, p. 50; Turley and Milliman 2000). The servicescape framework (Bitner 1992) proposes that environmental dimensions are perceived by both customers and employees and cause cognitive, emotional, and physiological responses. These internal responses influence the social interactions between (and among) customers and employees, including their approach and avoidance behaviors. Approach behavior can involve a desire to stay, explore, and interact, while avoidance behavior involves the desire to leave or to ignore.

The five senses (sight, sound, smell, taste, and touch) are considered crucial to the design of tangible elements in experience-centric services. People gain information about their physical environment through their senses, and the senses can be a direct route to customers' emotions (Roberts 2004). The more effectively an experience engages the senses, the more memorable it will be (Pine and Gilmore 1998; Haeckel, Carbone and Berry 2003). The importance of influencing customers' senses has received some attention in retail atmospherics, specifically the effect of the use of music in retail environments and, to a lesser extent, the effects of scents, colors, and lighting (Turley and Milliman 2000). Some studies

have found that sensory cues can influence behavior even when customers are not consciously aware of them. Hence, sensory design, design that stimulates all senses, is expected to be an important element in the development of experience-centric services. This leads to the following proposition:

*P2: The design of experience-centric services involves sensory design.*

### ***Engaging Customers***

Another way of influencing customers' emotions and engaging them is through service employees. The interaction between customers and service employees is an important factor influencing perceived quality and customer satisfaction (Bitner, Booms and Stanfield Tetreault 1990; De Ruyter and Wetzels 2000), but employees can also be a valuable resource for establishing emotional connections with customers. In experience-centric services, workers can be asked to engage with customers—to connect with them on a personal, emotional level (Pine and Gilmore 1999).

When employees attempt to engage with customers, they conduct emotional labor (Hochschild 1983). One form of emotional labor is the creation of *rapport* (e.g. Gremler and Gwinner 2000). *Rapport* relates to enjoyable interactions, including feelings of care and friendliness and personal connections based on psychological similarity or a genuine interest in the other party. It also involves the conveying of *authentic understanding*, which is particularly important in extended, affective and intimate service encounters (Price, Arnould and Tierney 1995). Authentic understanding is achieved when service providers and clients engage in self-revelation, expend emotional energy, and connect as individuals rather than simply performing their respective roles (Price, Arnould and Tierney 1995, p. 92). This is an important part of overall provider performance, influencing customer satisfaction.

Relations between service providers and customers that go beyond the mere transactional exchange of information, such as that which occurs in commercial friendships (Price and Arnould 1999; Rosenbaum 2006), are also positively correlated with customer satisfaction, loyalty, and word of mouth recommendation (see, e.g., Price, Arnould and Tierney 1995; Gremler and Gwinner 2000; Pullman and Gross 2004). We therefore put forward the following proposition:

*P3: The design of experience-centric services involves requiring front-line employees to engage with customers.*

### ***Dramatic Structure***

For the creation of emotional effects in services, the sequence, progression, and duration of events is important, just as it is in novels, plays, and movies (Pine and Gilmore 1999). Service delivery processes in experience-centric services can benefit from the concept of dramatic structure, in which the plot often follows an arc-like structure of exposition, rising action, climax, falling action and dénouement or catastrophe to achieve a particular artistic or emotional effect (Egri 1960; Field 2005). Service encounters can be specifically engineered to enhance the customer's experience and his or her recollection of it (Carbone and Haeckel 1994; Cook et al. 2002). Customers generally do not remember every single moment of an experience; instead, they remember the trend in the sequence of pain and pleasure, the high and low points, and the ending (Cook et al. 2002; Chase and Dasu 2001). Research by Hansen and Danaher (1999) has found that positive performance trends lead to more favorable evaluations than do negative trends or consistent but average performance. They also conclude that the end of an experience has a greater impact on a customer's perception than the beginning. Furthermore, Verhoef, Antonides and De Hoog (2004) have found that positive peaks in performance contribute to customer satisfaction. These principles

can be used in the design of experience-centric services to influence customers' perceptions of the service delivery experience. This leads to the following proposition:

*P4: The design of experience-centric services involves paying attention to the dramatic structure of events.*

### ***Fellow Customers***

Customers' experiences are influenced not only by their interaction with the service providers but also by the other customers present. This particularly applies to situations in which customers share a setting simultaneously, as in the case of restaurants and airline travel. The impact is likely to be greater when customers are in close proximity to each other or have to share space or resources, and when waiting is involved (Martin and Pranter 1989). The presence of fellow customers can enhance or damage customer experiences. Crowding and unruly or unacceptable behavior can have a negative impact on the service experience. On the other hand, the opportunity to socialize or bond with other customers can satisfy social needs and make an experience more enjoyable (Martin and Pranter 1989; Grove and Fisk 1992; Harris and Baron 2004; Nicholls 2005). Rosenbaum (2006) reports that companionship and emotional support received from employees and other customers in third places, such as diners and coffee shops, lead to high levels of commitment toward future patronage. A particular way of addressing the value of fellow customers is by establishing a brand community that stimulates customers to share their ownership or consumption experience (McAlexander, Schouten and Koenig 2002). As with employees, customers can indirectly influence the emotions of other customers through emotional contagion (Tombs and McColl-Kennedy 2003).

We propose that in experience-centric services, the presence of fellow customers should be designed and managed to maximize the potential positive emotional impact of the service.

*P5: The design of experience-centric services involves managing the presence of fellow customers.*

### ***Backstage***

Most service organizations can be characterized as having two parts: the front office and the back office. Backstage activities are typically treated separately from frontstage activities and aimed at increasing efficiency, productivity and control (Safizadeh, Field and Ritzman 2003). Decoupling the backstage from the frontstage to maximize efficiency or operational excellence is likely to cause coordination problems and may harm the frontstage experience (Larsson and Bowen 1989; Metters and Vargas 2000). Pine and Gilmore (1999) contend that in experience-centric services, backstage work—just like frontstage work—is theatre. Internal acts make impressions on customers and influence external relationships. In the performing arts, backstage work is not treated as a separate entity, but rather is characterized by its close connection with the frontstage and its devotion to the provision of support for the frontstage event. In experience-centric services, back-office employees help create the contextual elements of an experience and are part of that context. That means that they should be closely linked to the frontstage experience—which involves understanding the customer experience and their role therein.

Several strategies are available to facilitate coordination between the front-office and back-office parts of service organizations. A common way to get departments to work together toward a common purpose is the downstream customer philosophy, which casts each operating unit as a service supplier to the next downstream operation unit, thereby

establishing an internal “supplier-customer” relationship (Chase and Hayes 1991). To improve the backstage connection with the frontstage experience, Chase and Hayes (1991) suggest a number of strategies: having front-office and back-office employees share desks; assigning back-office employees to specific customers; instituting outreach programs in which back-office employees actively approach customers; and creating “show-off jobs” in which back-office employees perform their tasks in front of customers (for instance, restaurants with open kitchens). This leads to our final proposition:

*P6: The design of experience-centric services involves closely coupling backstage employees to the frontstage experience.*

## **METHODOLOGY**

To explore our propositions, we gathered data from 17 organizations involved in the design and delivery of experience-centric services. These data were collected as part of a wider study of experience-centric services. Case research methodology was used in this study (Yin 2003), as it allows the questions *what*, *why*, and *how* to be answered with a relatively full understanding of the nature and complexity of the complete phenomenon, and because it lends itself to early, exploratory investigations in which the variables are still unknown and the phenomenon not yet fully understood (Meredith 1998).

Cases were selected from experience-centric services based on a literal replication logic—that is, cases were chosen that were expected to lead to similar results (Yin 2003). The design of experience-centric services is carried out both by organizations delivering these services and by specialist design agencies and consultants. While both organizations and specialists are involved in the design tasks, they can be expected to have complementary perspectives. For example, we anticipate that experience-centric service providers will have

detailed operational knowledge of experience design in their area, whereas design agencies and consulting firms will be able to provide a more general overview of the area or more highly specialized or in-depth knowledge of a particular aspect thereof. Hence, we sought to develop a sample comprising both of these groups.

A purposive sampling strategy was used to select cases that offered the best opportunities to build theory (Miles and Huberman 1994). Our main criteria for case selection involved the delivery or design of experience-centric services: placing the customer experience at the core of the service offering; providing above-average business performance; offering both longstanding and recent expertise in the area of experience design; and providing access to key individuals in the organization such as designers, innovators, or chief experience officers (CXOs). Potential case organizations were identified from a number of sources. We first noted those firms with an established public reputation for excellence in experience design and delivery, such as Imagination and Walt Disney World. We also sought the opinions of experts involved in service design. From the resulting long list of experience-centric service providers, we aimed to develop a sample that reflected diversity in the areas of size, country of operation, and industry. A number of organizations were eliminated for reasons including insufficient expertise in experience design. Of the companies that we contacted, nine experience-centric service providers and eight design agencies and consulting firms agreed to participate in the study. In two product-based organizations (Harley Davidson and Herman Miller) we focused solely on those parts of the organizations that delivered experience-centric services. All of the companies in our final list were tested with an expert to confirm that they were experience-centric service providers or designers. Descriptions of the chosen organizations are provided in Tables 1 and 2.

<< Insert Table 1 about here >>

<< Insert Table 2 about here >>

The primary method of data collection was interviews with employees involved in the design and delivery of the services in the organizations studied. The data were collected via semi-structured interviews using a research protocol (see Appendix 1) between autumn 2005 and autumn 2006. Overall, 40 interviews were conducted, typically lasting 1 to 1.5 hours each. Interviewees came from different geographic locations and a variety of positions in the organizations, and their job titles included founder, creative director, head of design, operations manager, and director of customer experience (see Appendix 2 for more details). In the interviews the propositions were not addressed directly in order to prevent leading questions, which might tempt interviewees to confirm the design principles to please the researchers or to look good in the study. Instead, the discussion was allowed to evolve around the topics from the interview protocol, enabling the specific principles from the propositions to emerge and be elaborated upon when relevant.

It is common in case research to use triangulation to extend and validate the data collection through the use of multiple sources of evidence (Eisenhardt 1989; Yin 2003). In the present study this was done through the observation of and participation in some of the services studied. This included 2.5 days' study of Walt Disney World's operation in Florida, one week's participation in a Royal Caribbean cruise, and participation in a simulation of the sales experience that Herman Miller offers its B2B customers. This allowed for a deeper understanding of the services and the opportunity both to speak to a wide range of people involved in the delivery of the services and to validate the data provided by management. Specific attention was paid to the identification of examples that corroborated or contradicted the information about experience design provided by the firm. Three of the design agencies and consulting firms had published books about their approach to experience design, and one had published previous projects. These were studied as a supplement to the interviews,

enabling us to obtain further insights on the design approaches and to look for additional corroborating or contradicting evidence.

The data were managed and analyzed using software for qualitative data analysis (ATLAS.ti). We coded the interviews using a predefined code list that was expanded during the analysis to capture emerging themes. The use of software and data coding makes qualitative data analysis procedures more systematic and guards against information-processing biases (Eisenhardt 1989; Miles and Huberman 1994). The coded interviews were then analyzed to identify support (or lack of support) for our propositions. Specifically, we examined each case for evidence of the design practices captured in the propositions. To further ensure the accuracy and validity of the data, the results were written up in a report that was sent to all respondents for approval, to check that the conclusions accurately reflected their design practices.

## RESULTS

We now examine each of our propositions in turn, using the data from the 17 cases studied. In Table 3 we summarize the case study observations.

<< Insert Table 3 about here >>

### ***P1: Designing a Series of Service Encounters and Cues***

The interviews and subsequent observation of the experience-centric services uncovered numerous examples of series of service encounters and associated cues that had been designed, both by design agencies and consulting firms and by experience-centric service providers (see Table 3). Respondents from 12 of the 17 organizations used the perspective of a service as a chain of events, including pre- and postpurchase processes, in the design of their services; some had specific techniques for doing so.

Across the cases we found a highly consistent, but different from anticipated, vocabulary used to refer to this approach. Instead of “cues,” the firms in our cases designed the *touchpoints* between a company and its customers. Touchpoints occur whenever a customer “touches” an organization, across multiple channels and at various points in time. Royal Caribbean’s Director for Brand Innovation, for instance, commented:

*“What we are doing now is building a study of what creates brand loyalty in general, and that is from every single touchpoint that a guest has with our brand. So whether it be the first time they see us on a commercial to how we interact with them once they’ve booked, how we get them to book, how we speak to them before they book. We have mapped out every single current touchpoint that we have right now and we have identified gaps where we need to have more.”*

Case study companies often referred to a series of touchpoints as the *customer journey*. The customer journey involves all activities and events related to the delivery of a service from the customer’s perspective. The Head of Service Design of IDEO described the customer journey as one of the frameworks in the service design process, used to understand how customers behave across a journey, what they are feeling, and what their motivation and attitude is across that journey. Walt Disney World also uses the journey concept for service design. The company designs around a Guest Experience Cycle that runs from anticipation and arrival to experience, departure, and savoring. This cycle describes a theme park visit as an emotional and physical journey customers go through, not simply as a collection of rides. Six design and consulting agencies used the journey concept to analyze current experience-centric services and to design new ones. This often involved mapping customer journeys and touchpoints in detail, using proprietary techniques such as Beyond Philosophy’s “Moment Mapping” or Prophet’s “Brand Touchpoint Wheel.”

Roughly two-thirds of the cases in this study provided examples that support proposition 1, accompanied by a distinct vocabulary we have not found outside experience-centric services. This reinforces the idea that in experience-centric services, the notion of designing customer journeys and their associated touchpoints represents a valuable design perspective. Although the journey concept bears similarities to service blueprinting or mapping (Shostack 1984; Kingman-Brundage 1993), it is distinctive in its focus that places the customer at the heart of service system design. Whereas cues and service encounters reflect something an organization plans for a customer, touchpoints and journeys represent what actually happens from the customer's point of view.

### ***P2: Sensory Design***

Virtually all cases recognized the impact of the service's physical environment on the customer experience, and firms developed the environment accordingly. This included attention to not only the aesthetics and comfort levels of shopping centers, nightclubs, cruise ships, aircraft interiors, and airport lounges, but also the ease of moving around inside them and the need to make strong first impressions. Several cases cultivated specific themes for the service environment to improve the customer experience. At bakery/restaurant Le Pain Quotidien, for example, the design of the physical environment, including the bread shop exterior and the rustic look inside, conveys the impression of eating in a farmhouse, which forms a large part of the customer experience.

Nearly half of the experience-centric service providers and more than half of the design and consulting firms employed sensory design (see Table 3). These companies deliberately addressed customers' five senses to influence their emotions and their experience. It is worth noting that designers tended to try to address multiple senses rather than just one or two: for example, for the new Arsenal Emirates stadium, HOK architects

designed the seeing, hearing, smelling, tasting, and feeling experience in the stadium to ensure that attendance at a match or event would be as memorable, enjoyable, and comfortable as possible. Virgin Atlantic's new "Clubhouse" at Heathrow airport is designed for different moods, from "business" to "play" to "relax," and it has many different sensory features to support those moods, including olive trees, an outdoor space, and a water wall. With regard to the onboard experience, Virgin Atlantic operates a mood lighting system on several of their aircraft that gets passengers in the right mood for take-off, eating, and sleeping.

Although more than half of our cases explicitly conducted sensory design, this is an area which we might have expected to receive even more use. The design agencies and consulting firms in this study felt that there remain significant opportunities associated with sensory design, although its use currently is relatively low in practice. Possible reasons for this include a lack of familiarity with the concept and how to do it right, further complicated by a lack of skilled designers who know how to apply sensory design in a business context (see also Turley and Milliman 2000). The firms in our cases that used sensory design shared a strong orientation towards design or had strong design departments. This may largely explain why some cases employed sensory design whereas others did not, and it provides support for the idea that in experience-centric services the five senses can be addressed so as to influence customers' emotions.

### ***P3: Engaging Customers through Front-line Employees***

The area about which the cases, particularly the experience-centric service providers, spoke most passionately was the interaction of customers with service employees. Interaction between service providers and customers was believed to be one of the most important factors—if not *the* most important factor—influencing the customer experience.

We found that in four experience-centric service providers, front-line employees were expected to engage with customers (see Table 3). One example is the Royal Caribbean cruise line, which argued that by building relationships with crew members, customers are building a relationship with the brand. Crew members, particularly stateroom attendants and dining room waiters with whom customers interact on a daily basis, are encouraged to talk to customers, to get to know them, to show interest in them as a person, and to share information about themselves. This is consistent with Price, Arnould and Tierney (1995), who describe this as conveying authentic understanding. Royal Caribbean and other companies explicitly expected their front-line employees to engage with customers and to build emotional connections with them.

The experience-centric service providers that did not expect their employees to engage with customers typically were companies that do not have a large number of front-line staff, such as Bluewater shopping center and X-Leisure destinations. Here, most customer-provider interaction takes place outside of the direct control of the center owner, in shops or venues that are run by retail, leisure, or hospitality tenants. Most of the interaction involving Harley-Davidson and Herman Miller products and services also takes place outside the companies, in dealerships that operate independently. It was surprising to find that bakery/restaurant Le Pain Quotidien did not require its employees to engage with customers; instead, this firm expected the quality of the food and surroundings to be sufficient to create loyal customers.

While virtually all design agencies and consultants agreed on the importance of emotional connections between customers and the brand or organization, only one explicitly looked to service employees to establish this in practice. One explanation for this might be that several companies considered this to involve detailed job design issues and thus to be outside their scope. Nevertheless, the examples provided by several experience-centric

service providers provide support for the proposition that the design of experience-centric services involves requiring front-line employees to engage with customers.

#### ***P4: Designing the Dramatic Structure of Events***

Apart from viewing experience-centric services as customer journeys, we encountered several instances in which case study firms deliberately designed and managed the sequence of events to maximize the dramatic effect on the customer experience. Examples of this were provided by roughly half of the experience-centric service providers and roughly half of the design and consulting agencies (see Table 3). The most common principle was the management of the start and end of a service delivery process. For example, office furniture manufacturer Herman Miller purposely manages the start of its B2B sales experience. When potential customers visit its offices, the company pays much attention to setting the right tone: bringing in potential customers in the right mood, establishing rapport, and communicating that the customers are in control. The company uses specifically designed “decompression” rooms for this. An example of a strong ending to a service delivery process can be found at the Guinness Storehouse developed by Imagination. Here, the final activity is a complimentary pint of Guinness served in the sky bar, the highest point in Dublin, with 360-degree panoramic views of the city. This process ending is specifically designed to connect customers with the brand and to create a very positive memory.

In a few cases, the design of experience-centric services also involved positioning peak moments during the service delivery process. IDEO argued that companies cannot afford to give an amazing emotional experience all the time, nor are humans capable of absorbing such an experience continuously. Royal Caribbean provided a variety of examples related to a cruise’s itinerary and the progression of events on board, illustrating the importance of start, end, and carefully positioned peaks.

Many of the experience-centric service providers that managed the sequence of events also saw experience-centric services as a chain of service encounters and clues and conducted sensory design (see Table 3). These cases share a strong background in product and service design and creativity. This might explain why relatively novel design principles based on usability perspectives or the working of the human psyche, such as customer journeys and the management of peaks, are adopted earlier or more easily in these companies than in firms without such a background. Based on the evidence from approximately half of the cases in this study, we conclude that these findings are consistent with the proposition that the design of experience-centric services involves paying attention to the dramatic structure of events.

#### ***P5: Managing the Presence of Fellow Customers***

We have proposed that the design of experience-centric services involves the management of the potential impact of fellow customers on customers' emotions. Although we found several examples of the management of customer groups in terms of segmentation and crowding on cruise ships, nightclubs, and sports stadiums, examples of the management of fellow customers for their potential emotional impact were less common. Three experience-centric service providers found ways to exploit the presence of other customers to make an experience more enjoyable or engaging (see Table 3).

An example can be found at bakery/restaurant Le Pain Quotidien, where each venue has a large communal table. The main feature of the communal table is that it attracts customers who are by themselves but do not want to sit and eat alone. The table provides the opportunity to chat with other customers, but often the mere fact that customers do not feel or look alone is enough. As a result, the Le Pain Quotidien shops are very successful at attracting business throughout the day.

Another example is the development of a brand community for Harley-Davidson riders: the Harley Owners Group, or H.O.G. (see also McAlexander, Schouten and Koenig 2002). One of the key benefits of H.O.G. is the opportunity it provides to meet fellow enthusiasts through the local chapters or nationally organized events. The camaraderie between riders enhances the experience of owning and riding a motorcycle. In this way, Harley-Davidson uses the company of fellow customers to improve the riding experience and to increase customer loyalty as well as expenditure on bikes and accessories, as people tend to ride more when they have other people to ride with.

Yet, examples of the management of the emotional impact of fellow customers were limited. One reason for this might be that customers typically cannot be owned, designed, or employed by the company, making it harder to exert influence on them (Mills and Morris 1986). Perhaps experience-centric service providers focus first on the contextual elements over which they have more control, such as the physical environment, service employees, and the service delivery process. This might also explain why the present study has found very little evidence that design agencies and consultants consider the presence of fellow customers in an experience. If customers are external to experience-centric service providers, they are even more external to the agencies advising them. The few examples that we found illustrate that in experience-centric services the presence of fellow customers can be managed to improve overall customer experience and the resulting connections between customers can drive loyalty.

#### ***P6: Closely Coupling Backstage Employees to Frontstage Experience***

We found empirical evidence for our final proposition in two experience-centric service providers and one consulting firm (see Table 3). These companies argued that in order to deliver superior customer experiences the whole service supply chain, not just the

frontstage, should be focused on the customer experience. One of Prophet's senior advisors, for example, argued:

*“You have to make sure that your employees get what you are trying to do. Be it if they are someone in operations, if they are someone in customer service, if they are someone in finance, it doesn't matter. They have to get what you are trying to create, to get the holistic picture so that they understand how they fit into it and so that they understand how the decisions that they make are part of that holistic experience.”*

For the back-office part of the organization, which typically is quite far from the actual experience creation and rarely involves customer contact, this can be difficult to achieve without specific action.

Walt Disney World has developed a system called “Role and Purpose” which emphasizes that every employee has a different role in the organization, from sweeping the floor to managing maintenance, for example, but all have the same purpose: to make sure that every guest has the most fabulous vacation of his or her life. Similarly, Harley-Davidson ensures that all employees understand the history of the company—where it has come from, and why it does what it is doing today. The company argues that this makes employees better prepared for their jobs and translates into a better customer experience. Furthermore, many Harley-Davidson employees from all parts of the organization regularly meet customers when they ride themselves, answer customers' questions on factory tours, or help organize rallies and events. In this way all employees, not just customer-facing staff members, are involved in the creation of good riding experiences.

These examples demonstrate the importance of connecting backstage jobs to the frontstage experience and are consistent with proposition 6. This differs from the more common practice of having people in leadership roles perform operational tasks in their own

area once or twice a year. The latter reflects good service management, making sure that managers experience what is going on and what their employees deal with on a daily basis, whereas the former is explicitly put into place to improve the customer experience. The relatively low occurrence of backstage-to-frontstage coupling is somewhat surprising, as all experience-centric service providers in the study have back-office employees that could be connected to the frontstage experience. This provides evidence that even in experienced experience-centric service providers, backstage work is still seen and treated as a separate entity, decoupled from the frontstage experience. These companies may not yet have realized the importance of the back office for creating superb customer experiences. The lack of examples of coupling in the design agencies and consulting firms in this study parallels the lack of customer interaction on the part of service employees and firms' failure to consider the impact of fellow customers. It seems that the design agencies and consulting firms concentrate their efforts on the physical and process elements of experience-centric services more than on the services' relational and organizational aspects.

## **DISCUSSION**

Several authors have acknowledged that the experiential aspects of service are an increasingly important aspect of service design (Fitzsimmons and Fitzsimmons 2000; Hoffman and Turley 2002; Pullman and Gross 2004; Chase and Apte 2006; Voss, Roth and Chase 2008). To further develop our understanding of this area, this paper offers empirical insights into the design of experience-centric services. Describing current design practice in a variety of service organizations, it adds to Pine and Gilmore's (1998; 1999) principles by providing detailed operational and empirically based insights regarding the role of context and the ways firms can design "for experience" (Pullman and Gross 2004).

In this research, we have developed and investigated six theory-based propositions through case studies of 17 organizations. The propositions address design principles that aim to achieve the required outcome of experience-centric services: the encouragement of customer loyalty by the creation of emotional connections through an engaging, compelling, and consistent context. Support for the propositions varied, with evidence found in anywhere from 3 to 12 of the cases studied. The greatest level of support was found for the designing of customer journeys and touchpoints (P1, observed in 12 cases), sensory design (P2, 10 cases) and the designing of the dramatic structure of events (P4, 9 cases).

The pervasiveness of these design principles and the occurrence of a shared vocabulary that is strongly related to the context of experience-centric services, such as “customer journeys” and “touchpoints,” reinforce the emergence of experience-centric services as a distinct strategic initiative with accompanying operational principles. The customer journey and touchpoints perspectives contrast with much of the extant service design literature, which sees service design primarily as product design. The product-design view addresses the design of individual service elements such as a servicescape or a service encounter at a single point in time, but in so doing it overlooks the dynamic and ongoing process of contact between customers and the service organization. Prahalad and Ramaswamy (2004) argue that this ongoing process of contact is central to the company-customer relationship because this relationship involves a series of co-creation experiences based on a set of active interactions and transactions that take place repeatedly, anywhere and at any time in the system.

On the other hand, less evidence was found to support the propositions that employees should be required to engage with customers (P3, 5 cases), that firms should manage the presence of fellow customers (P5, 3 cases), and that backstage employees should be linked to the frontstage experience (P6, 3 cases). Several possible explanations for the relatively low

levels of support for these propositions can be formulated. First, some of the design principles and practices embodied in these propositions are effective but not yet well understood or incorporated in the field of experience-centric services. An example of this is the lack of attention to coupling backstage and frontstage. This pattern is not surprising in a new and evolving area, however, and as knowledge of these principles diffuses we expect that their use will increase.

A second potential explanation is associated with organizational skills. For example, we observed that those organizations that shared a strong orientation towards design or had strong design departments conducted sensory design more than companies that did not. Another explanation is that the use of some of the design principles embodied in the propositions may be contingent on the context. In some services, such as retail centers, much of the employee-customer interaction falls outside of the direct control of the center owner, who can apply these principles only indirectly through tenants, franchisees, or outsourced services. A final possible explanation is that in some of our cases the organizations dealt with the design of only a subset of the total service, leaving some areas outside the scope of the designers. An example of this is the consulting firms and design houses that did not see employee-customer interaction to be within their purview.

### ***Limitations and Future Research***

This study is exploratory in nature and does not seek to draw statistical inferences about the status of experience design in general. Rather, this paper derives a set of design principles that are grounded in the research literature and empirically investigates these principles by means of case studies of a number of leading companies in the field of experience design. This research therefore is subject to several limitations arising from the case research methodology and the associated sampling strategy.

First, based on our interview strategy the results can be expected to appropriately reflect the areas on which the firms in our case studies focused significant attention. Areas that received little attention from the case study firms could have either remained unnoticed or simply not been mentioned by the interviewees. It is therefore possible that some cases might be able to provide even more support for our propositions; however, the fact that companies have failed to comment on a particular area does not serve as counterevidence to the propositions developed in this paper.

Second, although we selected cases from a range of service sectors to avoid industry-specific findings, several cases in this research are clustered in the area of high-end or luxury services delivered in physical environments. This is largely because these types of services are at the forefront of the delivery of experience-centric services. This raises the question to what extent our propositions apply to more standard, everyday services and to services in an online environment.

To address these limitations and assure the statistical validity of our propositions, further research is needed that examines the propositions in the context of a wider set of experience-centric cases. Additional insights regarding the prevalence of the proposed design principles can be obtained by comparing services with high experiential content to those with low experiential content. One important area still to be addressed is the possibility of contingency effects. Our study found several instances in which the lack of evidence could be explained by the context of the service being delivered. It is generally recognized that sometimes one size does not fit all and that practices may have to be adapted or excluded depending on the context. Future studies should therefore explore the contingent aspects of experience design. Possible contingency factors include online/offline environments, hedonic/utilitarian consumption (Hirschman and Holbrook 1982; Holbrook and Hirschman 1982), and extended vs. short service encounters (Price, Arnould and Tierney 1995). Finally,

the research in this paper could be expanded to less experiential services to investigate the application of experiential design principles in a broader context. This might include a wider set of services in which some aspects of experience are designed into the service (see Voss, Roth and Chase (2008) for a continuum of experiential applications).

A third limitation is that our propositions have been developed and tested in a relatively narrow set of organizations, all successful. The research design controlled for success by selecting organizations that already have a reputation of delivering and/or designing successful experience-centric services. However, it did not address the way(s) in which the design principles embodied in the propositions are related to outcome, including performance, experience quality, and customer satisfaction and loyalty. As experiences are inherently personal and emotional, this raises several questions regarding the measurement of performance: How can the desired emotional outcomes be identified and specified? How can each service element be designed to deliver a specific emotional outcome, and how can these outcomes be measured? How can experiences be measured holistically? These questions constitute important areas for future research.

The cases in this study, both design and consulting agencies and experience-centric service providers, emphasized the importance of engaging with customers or establishing emotional connections between customers and the brand or organization. However, several experience-centric service providers also saw a clear role for service employees, requiring them to engage with customers, whereas most design agencies and consulting firms did not. The establishment of emotional connections in general was considered no less important. Further elaboration on the different ways of providing engaging experiences would thus be a useful focus for future research.

Another potential area for future research is the dynamic nature of service design. To stimulate repeat patronage, experience-centric services must be updated and refreshed often

to remain attractive. In addition, service design can involve continuous incremental improvements through which firms constantly fine-tune the service. Whereas products generally come to market close to full perfection and tend to have a static design, services are more dynamic and are, it could be argued, in permanent beta testing. This suggests that further research is needed into design for reinvigoration of services to keep customers coming back. Related to this is the potential to examine design for emotions, possibly building on emotion mapping (Johnston and Clark 2008).

There is also a need to explore the reasons that some parts of experience design seem to be difficult to apply in practice. In our cases, some companies were better at implementing design principles than others. The findings from this study emphasize the importance of skilled designers for some elements and the need for a company-wide understanding and implementation of experience design for others. We suggest that the distinct nature of experience-centric services requires not only specific design principles but also particular ways of putting them into practice. Further research into the processes, organization, tools, and techniques of experience design is clearly needed.

### ***Managerial Implications***

From a managerial perspective, the creation of an engaging, compelling, and consistent context is vital to the successful delivery of experience-centric services. This study offers insight into the designing of such a context. In Figure 1 we provide an overview of five experiential design dimensions, following the drama metaphor (Goffman 1959; Grove and Fisk 1992; Pine and Gilmore 1999). The figure highlights the areas that may influence an experience, although the relative importance of these areas will depend on the nature of the service being delivered. The design areas are not new to the theory and practice of service design; what sets them apart is the fact that companies design activities in these areas in an

effort to influence the customer experience, establish emotional connections with the customers, and stimulate customer loyalty.

<<Insert Figure 1 about here>>

The six propositions developed and tested in this research capture six design principles for experience-centric services, which we have derived from case studies of these services. Although there are limits to the generalizability of our results, we believe that a knowledge of these design principles will be of value to a wide range of firms beyond just those studied. This particularly applies to the increasing number of companies that are seeking to include some experiential aspects in their service design. The design principles include the following:

1. Design from the perspective of the customer journey and its associated touchpoints.
2. Conduct sensory design.
3. Require front-line employees to engage with customers.
4. Pay attention to the dramatic structure of events.
5. Manage the presence of fellow customers.
6. Closely couple backstage employees and frontstage experiences.

Our case studies illustrate that designing from the perspective of the customer journey and touchpoints can be a valuable tool for improving customer experiences. As this research shows, this involves paying attention to (1) pre- and postpurchase experiences; (2) physical aspects of the customer, such as the management of customer arrival and departure; and (3) emotional aspects of the journey, such as the building of anticipation and the postexperience savoring. By carefully designing customer journeys and applying the other design principles we have identified, companies can begin to improve customer experiences and better engage their customers.

## **APPENDIX 1: INTERVIEW PROTOCOL**

The interview protocol shows the list of topics addressed in the interviews with the experience-centric service providers and design agencies and consulting firms.

### **INTRODUCTION**

- For all:
  - Background and current job of respondent
  - Examples of other good experience-centric service providers or design agencies/consulting firms
- For experience-centric service providers:
  - Description of the main experience-centric service(s) provided and their key characteristics
  - Reasons and motivation for offering experience-centric services
  - Benefits achieved from offering experience-centric services
- For design agencies and consulting firms:
  - Background about agency and its customer base: what they do and for whom
  - Why companies offer (or should offer) experience-centric services

### **GENERAL**

- For all:
  - Role of customer emotions in experience-centric services and how that affects design process and content
  - Importance of connecting with customers and whether/how they do that or help clients do that
  - Importance of creating memorable experiences and whether/how they do that or help clients do that

### **DESIGN CONTENT**

- For all:
  - Concrete examples of tangible and intangible aspects that have been designed to influence the customers' experience or the client's customers' experience
  - Chain of service encounters and clues, including where chain does/should start and end
  - Design of physical environment, including sensory design and "theming"
  - Role of front-line employees, including their role in influencing customers' emotions and employee experience
  - Design of service delivery process, including the sequence, progression, and duration of events
  - Role of fellow customers, including the use of their presence to enhance experience
  - Role of back-office support, including connecting backstage to frontstage experience

## APPENDIX 2: DETAILS OF DATA COLLECTION

Case organization	Interview total	Interviewees	Additional information
Bluewater	1	<ul style="list-style-type: none"> <li>▪ Commercialization and Corporate Partnership Manager</li> <li>▪ Former VP General Merchandise Manager (2x)</li> </ul>	Tour of facility
Harley-Davidson	6	<ul style="list-style-type: none"> <li>▪ VP Quality, Reliability, and Technical Services</li> <li>▪ VP Marketing</li> <li>▪ VP Continuous Improvement</li> <li>▪ Director of H.O.G.</li> </ul>	Factory tour and tour of Customer and Technical Service department
Herman Miller	2	<ul style="list-style-type: none"> <li>▪ Director of Customer Experience (2x)</li> <li>▪ Senior Manager of Customer Consultants</li> </ul>	Simulated sales experience (24 hr)
Le Pain Quotidien	1	<ul style="list-style-type: none"> <li>▪ Finance and Development Director</li> </ul>	Tour of facility and several mystery visits
Luminar Leisure	1	<ul style="list-style-type: none"> <li>▪ Operations Manager</li> <li>▪ President</li> <li>▪ Director of Brand Innovation and Alliance Marketing</li> <li>▪ VP Maritime</li> </ul>	—
Royal Caribbean	9	<ul style="list-style-type: none"> <li>▪ VP Marine Operations</li> <li>▪ VP Hotel Operations</li> <li>▪ VP Onboard Revenue Operations</li> <li>▪ Hotel Director on cruise ship</li> <li>▪ Cruise Director on cruise ship</li> <li>▪ Chef on cruise ship</li> </ul>	7-day cruise in Caribbean
Virgin Atlantic	2	<ul style="list-style-type: none"> <li>▪ Head of Design</li> <li>▪ Head of Service Design</li> </ul>	Mystery use of Clubhouse and Upper Class flight
Walt Disney World	3	<ul style="list-style-type: none"> <li>▪ Former VP of Operations (2x)</li> <li>▪ VP Products and Services Planning and Development</li> </ul>	Tour of parks and 2.5 day visit
X-Leisure	2	<ul style="list-style-type: none"> <li>▪ Creative Director (2x)</li> </ul>	Tours of 3 facilities
The Brand Experience Consultancy	2	<ul style="list-style-type: none"> <li>▪ Founder and CEO</li> </ul>	—
Beyond Philosophy	1	<ul style="list-style-type: none"> <li>▪ Founder and CEO</li> </ul>	3 books by founder
Gorgeous Group	1	<ul style="list-style-type: none"> <li>▪ Creative and Founder</li> </ul>	—
HOK Sport Architecture	2	<ul style="list-style-type: none"> <li>▪ Senior Advisor</li> <li>▪ Architect</li> </ul>	—
IDEO (Service Practice)	3	<ul style="list-style-type: none"> <li>▪ Practice Lead Service Design and Innovation (2x)</li> <li>▪ Practice Lead Service Design and Innovation</li> </ul>	Previous projects on company website
Imagination	1	<ul style="list-style-type: none"> <li>▪ Creative Head</li> <li>▪ Head of Media Communications</li> </ul>	1 book by company
MindFolio	2	<ul style="list-style-type: none"> <li>▪ Founder and Managing Partner (2x)</li> </ul>	—
Prophet	1	<ul style="list-style-type: none"> <li>▪ Senior Advisor</li> </ul>	1 book by founders
<b>Total:</b>	<b>40</b>		

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TABLE 1: Description of sample—Experience-centric service providers

<b>Name</b>	<b>Type of business</b>	<b>Part of business investigated</b>	<b>Main location</b>	<b>Size (2006)</b>	<b>Founded</b>
Bluewater	Regional shopping and leisure destination	Shopping experience	UK	3 distinct parts on 2 levels, hosting over 330 retail brands	1999
Harley-Davidson	Motorcycle products and services	Harley-Davidson riding experience	Global presence; HQ in USA	349,196 motorcycles shipped worldwide in 2006; over 1,000,000 H.O.G. members	1903
Herman Miller	Office furniture and services	“West Michigan experience”, when (prospective) customers are invited to the company’s HQ as part of the sales process	Global presence; HQ in USA	500 customer visits per year	1923
Le Pain Quotidien	Upmarket organic bakery/retail/restaurant concept	Stores in UK	Europe, USA, Middle East, Russia	More than 60 stores in 10 countries, of which 5 in the UK	1990
Luminar Leisure	Themed bars, nightclubs, and restaurants	“Lava & Ignite” and “Liquid” nightclubs	UK	93 venues, of which 38 are “Lava & Ignite” and “Liquid” nightclubs	1988
Royal Caribbean	Cruise line	Cruise experience	USA	21 ships to over 100 worldwide ports of call	1969
Virgin Atlantic	Airline	Long-haul travel experience	UK	34 aircraft to 27 destinations	1984
Walt Disney World	Theme park resort	Theme park experience	USA	20 resort hotels, 4 theme parks, 2 water parks, a shopping and entertainment village, and a sports and recreation complex	1971
X-Leisure	Innovative entertainment and leisure destinations	Xscape centers, which combine activities such as indoor skiing and rock climbing with retail and leisure	UK	22 destinations, of which 3 are Xscape centers	2000 (Xscape)

TABLE 2: Description of sample—Design agencies and consulting firms

<b>Name</b>	<b>Type of company</b>	<b>Focus</b>	<b>Location</b>	<b>Employees (2006)</b>	<b>Founded</b>
The Brand Experience Consultancy	Consulting firm	Helps brands explore the commercial, creative and communication possibilities of the experience economy	UK	1	2005
Beyond Philosophy	Consulting firm	Provides strategic guidance to help clients develop customer experience strategies, conducts research and offers education	UK/USA	15	2001
Gorgeous Group	Consulting firm	Creative and operational consultancy, specialists in luxury bars, drink brands and service	UK	8	1999
HOK Sport Architecture	Architectural firm	Provides architectural services for sports venues, including ballparks, stadiums and arenas	USA/UK/ Australia	350	1983
IDEO (Service Practice)	Design agency	Helps organizations innovate through design; the Service Design practice defines and builds customer experiences in industries such as retail, banking, transportation, healthcare, B2B enterprises and education	USA/Europe/ China	450	1991
Imagination	Design agency	Design and communications consultancy pioneering Brand Experience as a new and powerful approach for connecting brands with consumers and corporations	Europe/North America/Asia Pacific	350	1978
MindFolio	Consulting firm	Develops visionary concepts and masterplanned experiences for leisure, retail, residential and working environments	Europe/USA	9	2003
Prophet	Consulting firm	Helps companies grow and transform by getting the most out of their brands, investments, and people	USA/Europe/ Japan	100 ( <i>professionals only</i> )	1992

TABLE 3: Case study observations

	Design agencies and consulting firms									Experience-centric service providers							
	The Brand Experience Consultancy	Beyond Philosophy	Gorgeous Group	HOK Sport Architecture	IDEO	Imagination	MindFolio	Prophet	Bluewater	Harley-Davidson	Herman Miller	Le Pain Quotidien	Luminar Leisure	Royal Caribbean	Virgin Atlantic	Walt Disney World	X-Leisure
P1: Series of encounters and cues		X	X		X	X	X	X			X		X	X	X	X	X
P2: Sensory design	X	X		X	X	X					X			X	X	X	X
P3: Engagement of customers		X											X	X	X	X	
P4: Dramatic structure	X			X	X	X					X		X	X		X	X
P5: Presence of fellow customers										X		X		X			
P6: Closely coupled backstage								X		X						X	

NOTE: An X indicates that one or more examples of that design practice were found in a particular case study company. The absence of an X indicates that such examples were not observed in the company studied. It should be noted that since data collection, a number of organizations have expanded the number or types of design practices used.

FIGURE 1: Five experiential design areas

