The customer experience ecosystem in two cultural contexts

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The Customer Experience Ecosystem in Two Cultural Contexts

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Abstract: This study focuses on the development of a customer experience ecosystem during a journey which is embedded in meso and macro layers. Using the critical incident technique, the author collected in-depth interview data from bank customers in Switzerland and Iran to empirically study this ecosystem, including customer-company interaction in the micro and social context of the meso layer. Moreover, in a macro layer analysis, the Hofstede cultural dimension was employed to show the role of cultural context in this ecosystem. The findings indicate that customer experience in the pre-encounter stage is mostly shaped by customer past experience and social context rather than company touchpoint. The importance of these factors is different in the two cultural contexts. Although customer experience in the encounter stage is mainly the result of customer and company interactions, other people have a role in this stage and cultural differences between the two countries largely explain these differences. Moreover, in the post-encounter stage, customers in different cultural contexts use various factors to evaluate their experiences and the effects on their emotional and behavioural responses. The findings provide key managerial implications for national and international companies with respect to the role of multiple layers in customer experience management.

1. Introduction

Increasingly, scholars believe that customer experience (CE) is the next competitive battleground for firms (Jain et al., 2017; Lemon & Verhoef, 2016). CE has been defined as the internal and subjective customer response to any direct or indirect interaction with a company, its product, part of its organization, or contextual factors (Vargo & Akaka, 2012) during the customer's purchase journey (Lemon & Verhoef, 2016). While firms can rather easily imitate competitors' goods or services, replicating CE is more difficult because of CE's holistic nature (Hwang, Hwang, Seo, & Seo, 2016). By carefully managing interactions with customers, firms can gain and sustain a competitive advantage. In addition, firms obtain a better understanding of their customers' journey – from immediately before a customer's encounter with the firm until the end of the encounter (Homburg, Jozić, & Kuehnl, 2015; Pine & Gilmore, 1999) – which helps firms improve CE, enhance customer satisfaction and loyalty, and encourage customers to engage in positive word of mouth(Srivastava & Kaul, 2016). Disney offers one of the best examples of CE management (Kuang, 2016). The phrase "the Magic of Disney" expresses how the company co-creates unique experiences with customers and how, in turn, these experiences create mutual value, making Disney one of the most valuable brands in the world (Kuang, 2016).

Although much well established work has examined CE (Homburg et al., 2015), its conceptualization, characterization, and frameworks are complicated and divergent (Homburg et al., 2015; Jain et al., 2017; Klaus, Gorgoglione, Buonamassa, Panniello, & Nguyen, 2013). Because CE is a complex concept, researchers have used various approaches to capture it (Klaus et al., 2013). Recent research views CE as a process comprising a series of sequential activities that start before purchase and continue to after purchase (Jain et al., 2017), (Verhoef et al., 2009). In other words, CE is emerging during various phases of the customer journey (e.g., pre-, during, and post-encounter) – a perspective that is congruent with the

customer decision-making process (Voorhees et al., 2017) and is more in line with the comprehensive nature of CE (Jain et al., 2017) and the way most researchers see service consumption (Helkkula, 2011).

Consumption experiences cannot be understood without considering the context in which they are made (Torres, Fu, & Lehto, 2014), and customers in different cultures evaluate the same experience differently (Torres et al., 2014). However, the role of cultural context during customer journey has received little attention (Lemon & Verhoef, 2016) or has been limited to aspects such as service encounter evaluation (Guesalaga, Pierce, & Scaraboto, 2016) service quality expectation (Donthu & Yoo, 1998; Furrer, Liu, & Sudharshan, 2000), customer satisfaction (Torres et al., 2014), and loyalty (Seock & Lin, 2011). CE researchers believe CE should be expanded from customer–company interaction (Lemon & Verhoef, 2016) to encompass the role of contextual factors such as social environment (Carù & Cova, 2015; Keiningham et al., 2017), cultural value, and economic and social context (Verhoef et al., 2009) to provide a more realistic picture of what is happening for customers (Lemon & Verhoef, 2016). Our research question therefore is *What is the role of different cultural contexts in CE formation through a journey from pre- to post-encounter?*

This research takes a service ecosystem approach to consider context during the CE formation process. The service ecosystem perspective adopts a network-oriented view of value creation and tries to shift the focus from a dyadic exchange between company and customer to a broader context (De Keyser, Lemon, Klaus, & Keiningham, 2015). This perspective posits that multiple actors across three layers—micro, meso, and macro—both influence and are influenced by customer–firm interaction and ultimately have an impact on the value creation process (M. Zhang, Hu, Guo, & Liu, 2017). Thus, besides the micro layer participants in customer–company interaction, meso layer players such as suppliers, manufacturers, retailers, and other customers as well as macro layer cultural, economic, and sociological factors are

involved in the customer value creation process (Melissa Archpru Akaka, Vargo, & Schau, 2015). This perspective provides a richer and more dynamic conceptualization of service context than the traditional approach in service research (Melissa Archpru Akaka & Vargo, 2015), and is used in the CE area to extend the dyadic customer–company interaction (De Keyser et al., 2015) because it provides a systematic view of the context of experience and could consider various factors that have an effect on CE through a journey (Melissa Archpru Akaka & Vargo, 2015; Melissa Archpru Akaka et al., 2015). To better demonstrate the role of context on CE creation in the different layers, we rely on Switzerland and Iran as examples of different cultural contexts.

Our work is structured as follows. First, we present a summary of the theoretical review of CE and the customer journey, the service ecosystem, and the customer experience ecosystem. We then describe our research method, apply our framework for data analysis, and present our findings. Finally, we discuss conclusions, research limitations, and future lines of research.

2. Literature review

2.1. Customer experience

The CE literature originates with work on the symbolic, hedonic, and esthetic nature of consumption, providing an experiential view of consumption Holbrook and Hirschman (1982). Subsequently, research on experiential marketing focused on sensing, feeling, thinking, and acting and related aspects of consumption that create CE Schmitt (1999). However, the seminal book *The Experience Economy* Pine and Gilmore (1999) popularized the concept of CE, explaining that experiences constitute a distinct type of economic offerings from commodities, goods, and services.

Since this initial development, research in the CE area has been categorized into three streams reflecting the outcome, internal organization, and process perspectives Lemon and Verhoef (2016). The first research stream has focused mainly on the relationship between CE and its

behavioral outcomes such as customer satisfaction, loyalty, and positive word of mouth(Garg, Rahman, & Qureshi, 2014; Srivastava & Kaul, 2016; M. Zhang et al., 2017). These studies seek to understand how CE has an impact on these outcomes (Grewal, Levy, & Kumar, 2009; Verhoef et al., 2009) and the research attention is not on individual customers but on the aggregated experience of a group of respondents (Helkkula, 2011).

The second research stream takes an internal approach in which the company tries to design and manage CE in regard to different stakeholders (Homburg et al., 2015). This approach adopts a mainly organizational view of CE and offers procedures and techniques to manage CE. The third research stream takes a chronological process approach in which CE is formed during a journey based on the buying behavior process (Lemon & Verhoef, 2016), extending from before the customer–company encounter to after the encounter's conclusion. From this perspective, customers go through several touch points: gathering of information, evaluating offerings, physical interactions, making purchases, consumption of services, evaluation after consumption (Klaus et al., 2013). Importantly, these touch points may not necessarily belong to a company.

We apply a process-based model of CE because it covers the entire customer journey and provides an opportunity to consider the journey's context from a customer perspective. In contrast, the outcome-based view of CE focuses on post-service perception (Chang & Huang, 2016), and the internal organization perspective of CE places attention on the design of the experience and considers company issues in CE management rather than customers.

2.2. The customer journey

The customer journey encompasses three stages (Klaus et al., 2013): pre-encounter, during the encounter, and post-encounter. The *pre-encounter stage* starts when a customer recognizes a need and decides to satisfy it by purchasing a product or service (Lemon & Verhoef, 2016; Voorhees et al., 2017). In the marketing literature, this stage includes need

recognition, search, and consideration (Lemon & Verhoef, 2016). The *encounter stage* encompasses customer involvement in the service delivery process and leads to product and service consumption (Lemon & Verhoef, 2016; Voorhees et al., 2017). The vast majority of research in CE examines this stage (Tynan, McKechnie, & Hartley, 2014), in which the role of the company and its touch points such as products and services, employees, the servicescape, the service delivery process, promotion, and technology are vital for CE formation. The *post-encounter experience* starts after customer use of the products and services, when the customer assesses and acts on the experience in the two previous periods (Lemon & Verhoef, 2016). Through this period, the firm's goal is to retain customers and to improve future service experiences (Hwang et al., 2016).

2.3. The service ecosystem and service-dominant logic

Service-dominant logic (SDL) has changed the foundations of traditional economic thought about exchange (M. A. Akaka, Vargo, & Lusch, 2013). SDL claims that all exchange is service exchange and goods are service delivery tools(Melissa Archpru Akaka & Vargo, 2015). From the SDL viewpoint, value is created during use, during which the customer and company jointly create the value (Grönroos & Voima, 2013). Recently, SDL has developed the service ecosystem concept, expanding co-creation of value to include various actors who have a role in this process (Vargo & Lusch, 2011). The service ecosystem focuses not only on multiple actors and their interaction but also on the importance of socio-historic contexts, comprising multiple institutions that guide interactions and value determination through multiple layers (Melissa Archpru Akaka & Vargo, 2015), with each layer nested within a broader layer (Chandler & Vargo, 2011). In this ecosystem, the *micro layer* includes dyadic interaction between the individual customer and the company, with each bringing resources and competencies to ultimately co-create value through integration (Chandler & Vargo, 2011). Exchange in the *meso layer* is triadic, as a third party plays an intermediate role to

serve the interests of two actors (Chandler & Vargo, 2011). For instance, others could mediate the interaction between customer and company during service delivery and eventually have an impact on the co-creation experience. The context in the *macro layer* of the service ecosystem includes an exchange between triads, creating a complex network of interactions that influence the entire value co-creation process (Chandler & Vargo, 2011).

2.4. Customer experience ecosystem framework

The service ecosystem approach presents some issues with respect to its employment in the CE area. First, the focus of SDL and the service ecosystem is on the service provider or service system rather than the customer (Tynan et al., 2014). Thus in this ecosystem, all possible social and economic actors (Vargo & Akaka, 2012) in the value creation process are considered to provide a deep insight about how value is created in the market (Vargo & Lusch, 2011) rather than attention being focused on value creation from the customer's perspective. Second, the sole focus of this ecosystem is interactions that relate directly to the service provider offering (Heinonen et al., 2010) during the service encounter stage. Consideration is not given to value creation in the absence of a service provider, especially in pre- and post-encounter customer–company interactions. To deal with these issues, we rely on the customer ecosystem concept, which offers a better fit with our conceptualization of CE. From this view, the customer orchestrates and dominates the value formation process (Tynan et al., 2014), in which the focus is limited to actors who have a more direct role in CE formation. In addition, the value creation process is not limited to the encounter stage (Melissa Archpru Akaka et al., 2015) but extends to include the impact of context on CE formation during a journey (Heinonen, Strandvik, & Voima, 2013). Drawing on the customer journey and the customer ecosystem, we develop our CE ecosystem framework, which encompasses an entire journey from the pre-encounter stage through the encounter to the post-encounter stage, with the stages taking place in three layers, as shown in Figure 1.
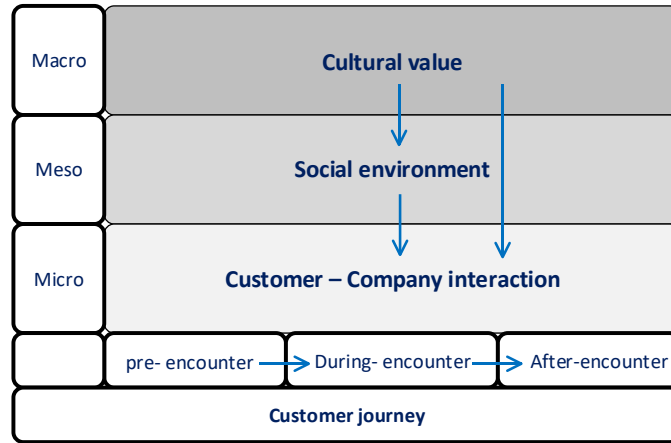
Figure 1. Customer experience ecosystem.

In this framework, the micro layer is focused on the dyadic interaction of the customer and the company, in which customers integrate their resources with service provider resources to co-create experience. Customers have specific needs and goals (Puccinelli et al., 2009), socio-demographic characteristics (Hwang et al., 2016), prior experience and knowledge (Hwang et al., 2016), and direct and indirect interaction with company touch points such as the company's marketing mix, which during a journey create an experience. These dyadic interactions are influenced by the meso layer, in which the most influential factor is social environment(De Keyser et al., 2015), which includes other people both known and unknown to the customer.

Finally, the macro layer includes variables such as economic, social, cultural, and sociological factors (M. A. Akaka et al., 2013) and acts as a stabilizing layer above the meso and macro layers (Chandler & Vargo, 2011). Although all macro factors are important, the most important and relevant factor in service marketing and CE is cultural values (Samuel Craig & Douglas, 2006; Torres et al., 2014). To investigate the impact of cultural value within the macro layer on the meso and micro layers, this study relies on G. Hofstede (1993) conceptualization. This perspective proposes five dimensions for cultural differences among countries. The first dimension is power distance, or 'the extent to which the less powerful

members of institutions and organizations within a country expect and accept that power is distributed unequally' (G. Hofstede, Hofstede, & Minkov, 1991). The second dimension, uncertainty avoidance, refers to the extent to which the members of a culture feel threatened by uncertain or unknown (G. Hofstede, 1993), and the third dimension is individualism. In high individualism cultures, people show greater levels of self-reliance, competitiveness, aggressive creativity, and insecurity, whereas in the opposite culture, collectivism, people are more concerned with the interests of their groups before their own (G. H. Hofstede & Hofstede, 2001). Masculinity, the fourth dimension, appears as a dominant male sex role pattern in both traditional and modern societies: in countries with high masculine values, achievement and success are important, whereas in feminine countries caring for others and quality of life are important (Soares, Farhangmehr, & Shoham, 2007). The last dimension is the extent to which a society exhibits a long-term pragmatic, future-oriented perspective rather than a short-term point of view (G. Hofstede et al., 1991).

3. Research method

The research question suggested the use of a qualitative method, because CE is a complex and multi-aspect phenomenon (Hwang et al., 2016) and a qualitative approach can provide a holistic understanding of this phenomenon (Harrison & Reilly, 2011). We use the critical incident technique (CIT) to capture CE in the micro and meso layers during the customer journey. The CIT, which has been employed widely in service research (Greer, 2015; Islam, 2014), collects participants' narratives and self-reported stories as data and then applies content analysis to classify events, phenomena, or occurrences on the basis of identified incidents (Gremler, 2004; Islam, 2014).

This study was conducted in the banking industry because that industry is almost standard and homogenous around the world, especially in the retail section, with great similarity in the different aspect. This uniformity allows us to focus on the role of context instead of service

offering differences. We draw on a convenience sample of 90 respondents, 45 from Switzerland and 45 from Iran, who was born and brought up in their countries, who had at least one banking experience during last six months, and who could remember the details of their experience from beginning to end. Data collection relied on semi-structured, in-depth interviews (Gremler, 2004). In each interview, we asked participants to think about a positive or negative experience with their bank in the six months prior to the interview and then describe it from the beginning to after service consumption (Greer, 2015) to cover all stages of the customer journey and role social context during the CE formation.

For data analysis, transcripts were first translated from French and Persian to English by a professional translator, after which we employed content analysis. We developed a codebook based on our research framework and related literature (Torres et al., 2014) to facilitate and guide our data analysis process (Tracy, 2012), and modified the codebook during data analysis to include new themes as they emerged. For the analysis, the data were divided into the two cultural contexts for Iran and Switzerland and then the principal researcher, using content analysis, identified the experience component during the customer journey in micro and meso layers.

4. Results and discussion

Data analysis was conducted based on the customer experience ecosystem and results presented and discussed during the customer journey, from pre- to post-encounter in the micro, meso and macro layers.

4.1. Pre-encounter stage

In this stage, the customer gathers required information from different sources in order to choose an appropriate service provider. In a micro layer, both the customer's past experience and information provided by a company play a role in CE formation in both countries.

Findings indicate that, compared to company touchpoint, past experience has a more important role in CE formation, especially in Switzerland: "*Bank spends a lot of money on advertising to tempt people while it is better you make your own decision…Gradually you get experience about different banking products and service and it helps me to choose the appropriate option*". Past experience impacts on customer current experience because it shapes customer expectation and evaluation criteria (Melissa Archpru Akaka et al., 2015; Lemon & Verhoef, 2016; Verhoef et al., 2009).

Moreover, data analysis shows that, in the meso layer, highly regarded people (Carù & Cova, 2015) consider it to be a very important source of information. Its impact is more obvious in Iran: "*It is hard to trust bank advice because they consider their own benefit, my advice is to talk with people who have more experience in this area… I have some friends who are expert in this area*".

Actually, in a high-risk purchase context, such as a bank, recommendations by trusted people are more important than information provided by the company (Garg et al., 2014; Tiong Tan & Chua, 1986). Moreover, previous research in CE mainly considers the role of social context during customer and company interactions (Hwang et al., 2016; Verhoef et al., 2009), while the current findings indicate that the social context has an important role in CE during the pre-encounter stage and its impact is greater than company touchpoints in CE formation.

With regard to the macro layer, in Iran, a collectivist culture, people tend to rely more on others' advice (Choi & Geistfeld, 2004), even in personal and high-risk matters, such as financial matters (Devlin, 2002), whereas in Switzerland, a more individualistic culture, financial decisions are more personal (Choi & Geistfeld, 2004) and people tend to follow an independent decision-making style (Soares et al., 2007).

4.2. The encounter stage

This stage mainly includes customer interactions with company touch points, such as employees, products and services, technology, and the servicescape. As it is hard to trace the meso layer's effect on customer interaction at different touchpoints, we consider the meso layer as an overall factor that could have an impact on all customer–company interaction during the encounter while the role of the macro layer is investigated at each touchpoint.

4.2.1. Customer-employee interaction

Data analysis indicates that customers consider different aspects when they have contact with a bank employee in the two countries, Switzerland and Iran. For people from Switzerland, employee capability was important in their experience: "*Although it was a very young man it was very professional and responses to all my questions quickly… some employees tell all the time, let me check, let me check*".

In Iran, however, people consider the social aspects of an employee in their experience and they prefer to receive service in a warm and respectful manner: "*I usually go to some specific branches because their employee knows me, and they are very respectful… apart from work, it is important to have warm chat with an employee, otherwise what is the difference between a person and ATM* ".

Previous research in CE indicates that the employee is a major antecedent of positive and negative CE creation (Hwang et al., 2016; Voorhees et al., 2017) while the current research findings indicate that a customer from a different cultural context has a different expectation of their encounter with an employee. In this regards, M. A. Akaka et al. (2013), indicate that the phenomenon of employees smiling to customers does not result in positive experiences in all cultural contexts because in some cultures this is regarded as inappropriate behaviour.

From the macro layer, in high masculinity cultures such as Switzerland, people have a more functional orientation (Blut, Chowdhry, Mittal, & Brock, 2015), so employee performance and abilities are more vital than the social relationship in their service experience (Furrer et

al., 2000). In Iran, however, which comprises a low masculinity and collectivist culture, customers consider the quality of interpersonal relations with employees to be an important factor in their quality of experience (Torres et al., 2014).

4.2.2. Customer–technology interaction

Technology plays a role in CE formation in Iran and Switzerland. In both countries, customers mostly mention the functional aspect of technology rather than the experiential aspect of their technology experience. In contrast to industries such as retailing, in which both hedonic and utilitarian aspects of technology play a role in CE, utilitarian experience has greater weight in the bank industry (Roy, 2018). Moreover, this impact is more obvious in Iran: "*Technology facilitates my banking works…when you use technology it does not need to wait, fill a lot of paper and ask an employee to do a favor for a very simple transaction*".

In addition to functionality of technology, people in Switzerland consider security as another important factor in their technology experience: "*Although banking technology is very helpful, you should care, a simple mistake could lead to losing the whole your money… I know some people save all their banking password in their mobile, how dare they!*". In this regard, previous research in CE indicates that technology is becoming an integral part of CE (Verhoef et al., 2009) because it empowers customer (Stein & Ramaseshan, 2016) and increases the quality of their experience (Lemon & Verhoef, 2016).

From the macro layer, in Iran banks have power over customers (Furrer et al., 2000) so that technology provides a way to facilitate customer needs and satisfaction, whereas in Switzerland people do not face this situation. However, in Switzerland, with its individualistic culture, privacy and security play an important role in interaction with technology (Choi & Geistfeld, 2004).

4.2.3. Customer–servicescape interaction

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The findings indicate that the servicescape has an impact on CE formation in both countries, especially in Switzerland. Moreover, in this country, the customer is more focused on tangible aspect of servicescapes, such as layout and functionality: "*I always like this branch…they are modern and well-designed… everything is in the right places*".

In Iran, the customer tends to consider the more shambolic aspect of servicescape: "*In some branches, they devote a lot of space to the employee behind the counter while there is not enough space for customer… It is disrespectful to the customer*".

Previous research in CE indicates that servicescapes have great impact on CE formation because they impact customer perception and then behaviour (Puccinelli et al., 2009; Stein & Ramaseshan, 2016) The current research findings, however, indicate that people from different cultures consider various aspects of their service settings. With respect to the macro layer, people from a masculine culture, such as Switzerland, consider the more functional aspect of the servicescape whereas customers from Iran, a more feminine culture, consider experiential aspects of the servicescape (Blut et al., 2015).

This interpretation holds true from the individualistic perspective in which people are more object-oriented than in collectivistic cultures, which are subjectively oriented (Sharma et al., 2016). Thus, customers in Switzerland seek tangible cues rather than an intangible aspects of the environment in their CE (Mattila, 1999).

4.2.4. Customer–product interaction

Analysis indicates that although products and services are an integral part of CE formation in Iran and Switzerland, people in each country consider different aspects of them in their experience. Iranian customers consider the quality of service delivery as the important factor in their experience formation: "*I know, all banks products and services are the same but I*

prefer private banks because at least they answer your question properly and try to facilitate your work".

In Switzerland, however, the quality of core product and services has the important role in their experience: "*I have been working with this bank several years and during these years I saw good and bad employees…apart from people it is important to get what do you want*".

Company products and services are considered a most important touchpoint (Grewal et al., 2009) in CE management (Hwang et al., 2016), however, aspects of products and services vary from one context to another. In the macro layer, Iranian customers do not have enough power to negotiate the service offering (Furrer et al., 2000), so they only expect to receive service in a better manner. In contrast, in Switzerland, with its individualistic culture, customers are functionally oriented and place more emphasis on the offering itself (Singh, 2006).

4.2.6. Meso layer

This layer is considered during the encounter stage because it can influence customer-interaction with company touch points. From customers' responses, two aspects emerged as important during the encounter: accompanying known people and the presence of unknown people. In Iran more than Switzerland, the customer tends to go with known people, such as family or friends, to the bank: "*Although it is not possible to go bank with a companion I always prefer to going with somebody… I do not know why but it makes me more comfortable and if there anything I could get him/her advice*".

It seems Iranians, in a collectivist culture, are more susceptible to others' opinions, which help them arrive at a more acceptable decision while in Switzerland, an individualistic culture, people are more independent and are more comfortable with self-decision making (Kim et al., 2016).

Moreover, the presence of others in settings such as amusement parks or retail sections may have positive effects on CE (Terblanche, 2018). In a bank, however, crowding or increased waiting time (Garg et al., 2014) can generate unpleasant feelings because they decrease customers' control over their surroundings and interrupt their privacy (Chang & Huang, 2016). Although this factor affects CE in both countries, it is more important for Swiss customers because in Switzerland customers are more concerned about their privacy and do not like crowded settings (Triandis, 1995).

4.3. Post-encounter stage

This stage includes customers' emotional and behavioral responses to their experience before and during the encounter, which determine their satisfaction, loyalty, and word of mouth.

4.3.1. Satisfaction and loyalty

Data analysis indicates that customers consider different factors when evaluating their experience. Iranian CE evaluation is based more on the bank employee's treatment and needs fulfillment. In other words, customers in Iran are more concerned with satisfying their needs through the appropriate behavior of employees: "*Usually it is hard to have high expectations from an Iranian bank, all are the same…I wait for a long time to ask a question about a problem about my credit card but the employee behavior was very unpolite and cold…I thinking to work with another bank*".

In Switzerland, however, product and service quality is considered to be the main measure for a customer to evaluate their experience: "*I could not tolerate low service quality and will complain about it immediately… I'll put all my money in this bank and they get a huge amount of fees so I deserve high-quality services*". The findings indicate that people from different contexts use various factors to evaluate their experiences and this leads to different emotional and behavioral responses.

From a macro layer perspective, in Switzerland, with high individualism, people are self-responsible and expect high-quality service and are less tolerant of poor service quality (J. Zhang, Beatty, & Walsh, 2008). In the collectivistic culture of Iran, customers put more emphasis on the quality of their treatment by an employee (Tiong Tan & Chua, 1986). With respect to the power-distance dimension, banks could be considered as a powerful organization in a culture with high power-distance, such as in Iran, so customers form low service quality expectations and are more concerned about need fulfillment itself than about how the need is satisfied (Kueh & Ho Voon, 2007).

4.3.3. Word of mouth

In both countries, people tend to share their experiences with people who they know, especially in Iran: "*I had a lot of negative experience in my banking interaction…I warn my friends about this…there is the difference between bank ads and reality…they do not tell the whole of the story*". Previous research indicates that word of mouth is the common way for customers to share their positive or negative experiences with other people (Bagdare & Jain, 2013; Klaus et al., 2013).

From the macro layer, in a collectivist country such as Iran, customers have greater access to social channels compared to Switzerland for engaging in word of mouth, even with people they may not know well (Liu, Furrer, & Sudharshan, 2001). In contrast, in Switzerland, an individualistic culture, word of mouth is limited to the immediate social circle (J. Zhang et al., 2008). In addition, Iranian customers do not have power over service provider offerings, so dissatisfied customers use word of mouth as a coping strategy (Yi & Baumgartner, 2004).

5. Theoretical implication

Recent models in CE embrace the customer journey in the concept to expand the role of company touchpoints in CE formation, from the beginning to after the encounter (Lemon &

Verhoef, 2016; Stein & Ramaseshan, 2016; Voorhees et al., 2017). These models, however, pay less attention to context and focus mainly on customer and company interaction. To provide more comprehensive and dynamic views of CE, this research takes the customer ecosystem model to extend the CE concept from micro (customer and company interaction) to include the meso (social context) and macro (cultural context) layers. In contrast to the service ecosystem, which considers all stakeholders and the interactions between them to describe value creation in the market (Melissa Archpru Akaka & Vargo, 2015; M. A. Akaka et al., 2013), the customer is placed in the centre of the ecosystem and to show how customer and company interaction is influenced by the meso and macro layers during a journey to describe the CE formation process. Moreover, the empirical findings support this ecosystem and indicate an interaction between the social context of the meso layer and cultural values of the macro layer to explain how people from different contexts differ in their CE. For instance, the same touchpoint, such as the servicescape, has a different role in CE in different social and cultural contexts. In addition, the service ecosystem describes the value creation process during customer and company encounters (Melissa Archpru Akaka & Vargo, 2015; Melissa Archpru Akaka et al., 2015), while with respect to CE management, the before and after encounter stage is very important in attracting and retaining customers (Lemon & Verhoef, 2016). So, the customer ecosystem not only extends this process to before and after the encounter, but also considers the role of social and cultural contexts during the whole customer journey.

Finally, the study of the role of social (Bitner, 1992; Miao, Mattila, & Mount, 2011; Rosenbaum & Massiah, 2011) and cultural context (Donthu & Yoo, 1998; Guesalaga et al., 2016; Mattila, 1999) in service experience is not a new topic. However, the CE ecosystem situates previous research in service marketing within an ecosystem and it enables us to not only consider customer and company interaction in the micro-layer with a broader context in

the meso and macro layers but also considers the interactions between these layers to provide a more systematic and dynamic view of CE formation.

6. Practical implications

CE management is necessary for all companies, especially for international companies, such as banks, who have branches in various countries because it will help them to succeed in the marketplace. This is not an easy task and previous research indicates that to overcome this issue, a company should use techniques, such as customer journey mapping, to get a view of different touchpoints and their impact on CE formation (Lemon & Verhoef, 2016; Stein & Ramaseshan, 2016). The research findings show that when we consider experience formation from a customer ecosystem view it is more complicated and dynamic since experiences in the micro layer are embedded in the meso and macro layers. Hence, international companies should develop an ecosystem view of CE to gain insight into how interactions between their touchpoints with the social context in the meso layer and the cultural context in the meso layer lead to CE during a journey. Moreover, an ecosystem view of experience is not only important for an international company (M. A. Akaka et al., 2013), it also helps national companies to understand the importance of context in CE formation. CE is always individual and unique for each customer in his/her consumption journey (M. A. Akaka et al., 2013; Lemon & Verhoef, 2016) because each experience goes through a journey and is the result of interaction between different layers. So, viewing the experience from an ecosystem perspective helps companies to acquire a more realistic view of CE and, like Disney, turn this challenge into a competitive advantage.

6. Limitations and future research

This study, like others, has some limitations, most of which originated from the methodology. Using the critical incident technique, we asked customers to tell their story and our data

analysis was based on this story. Customers related their experiences months after it happened, and they may not have remembered all the details of their experience. In addition, owing to the small sample size, the outcome cannot be generalized to a whole population or other industries, and caution is in order in using the research results. In contrast to other industries, the banking industry is very similar in different countries in terms of products and services and the service delivery process. For example, financial issues are very private, which influences the whole customer journey from need recognition to the source of information and the role of the social environment. In this regard, future research should examine CE in different industries to get a better view of the role of culture in CE formation. Finally, as CE is usually viewed only from a customer perspective, future research could investigate CE from the customer and company perspectives at the same time to provide a broader and more realistic picture of CE.

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