

The Business of Artificial Intelligence

DES 530

IIIT Delhi

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Customer Experience

- **Customer experience**, sometimes abbreviated to CX, is the totality of cognitive, affective, sensory, and behavioral consumer responses during all stages of the consumption process including pre-purchase, consumption, and post-purchase stages. (Norris & Metcalf, 2021)
- Forbes describes the customer experience as the "**cumulative impact of multiple touchpoints**" over the course of a customer's interaction with an organization. Some companies are known to segment the customer experience into interactions through the web and social media, while others define human interaction such as over-the-phone customer service or face-to-face retail service as the customer experience (Zwilling, 2014)

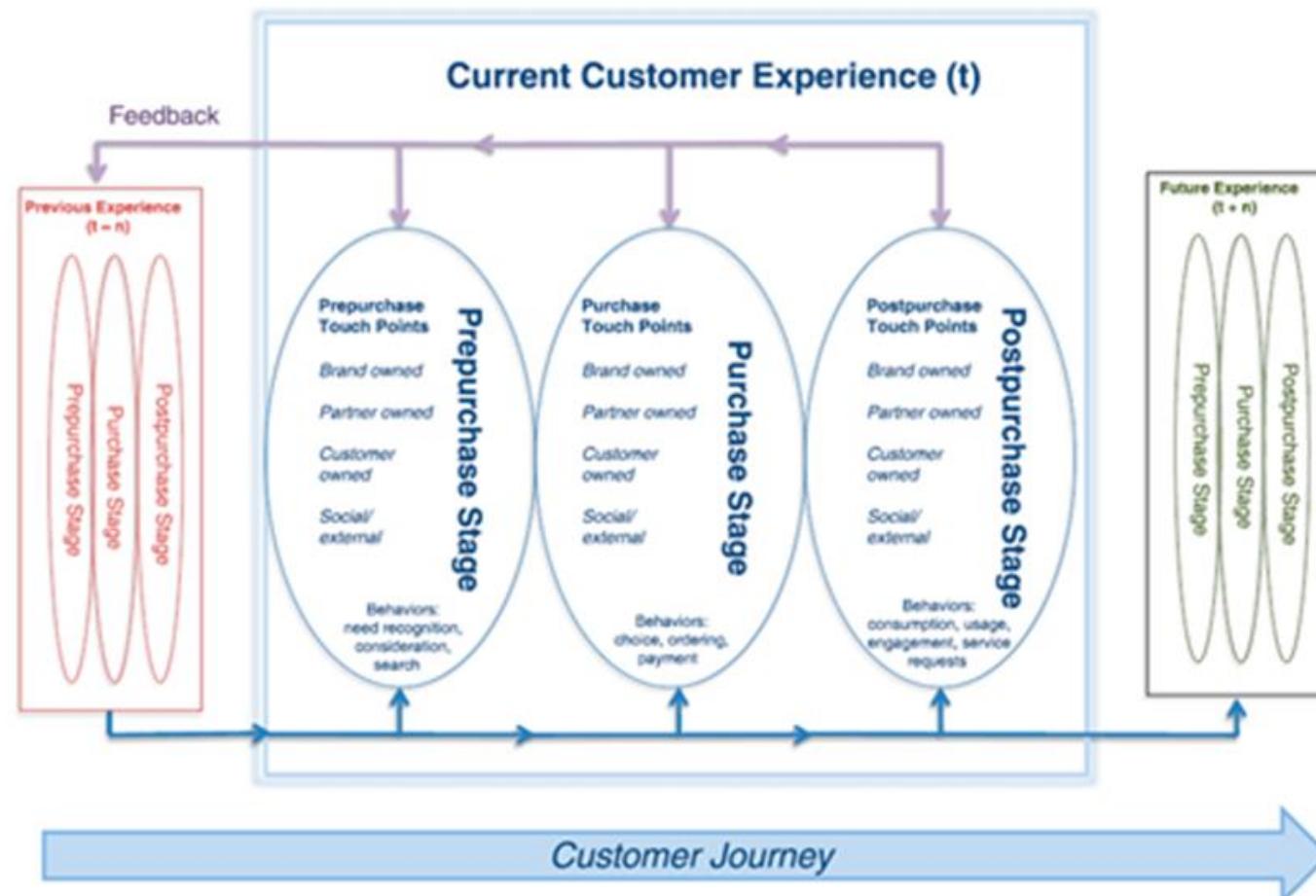
Customer Experience

- Customer experience is about, "Adding value for customers buying products and services through customer participation and connection, by managing all aspects of the encounter"
- Experiences occur when consumers search for products, shop for them, receive services, and consume them (Brakus et al., 2009).
- A company's ability to deliver an experience that sets it apart in the eyes of its customers will increase the amount of consumer spending with the company and inspire loyalty to its brand
- Loyalty is now driven primarily by a company's interaction with its customers and how well it delivers on their wants and needs

Customer Experience

- Researchers have defined three distinct types of experiences: product experience, shopping, service experience, and consumption experience (Brakus et al., 2009).
- **Product experiences** occur when consumers interact with products—for example, when consumers search for products and examine and evaluate them (Hoch, 2002).
- **Shopping and service** experiences happen when a consumer interacts with a store's physical environment, personnel, policies, and practices(Kerin et al., 1992).
- **Consumption experiences** are multidimensional and include hedonic dimensions, such as feelings, fantasies, and fun (Holbrook & Hirschman, 1982).

Customer Journey



Lemon & Verhoef (2016) have conceptualized three stages of the customer journey - prepurchase, purchase, and post-purchase to highlight the cyclical nature of the customer journey

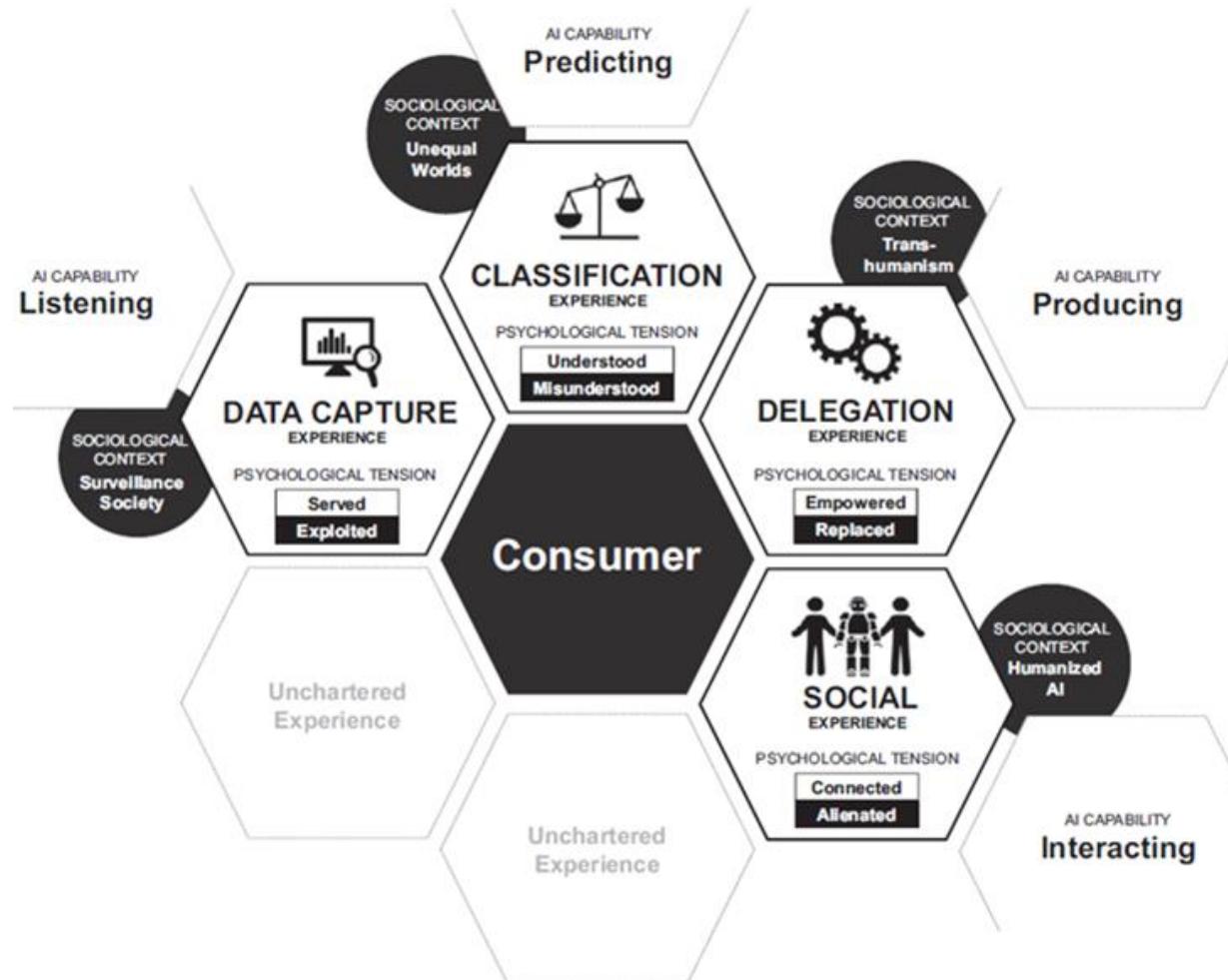
Customer Journey

- The first stage (prepurchase) encompasses all aspects of the customer's interaction with the brand, category, and environment before a purchase transaction, encompassing the customer's experience from the beginning of the need/goal/impulse recognition to consideration of satisfying that need/goal/impulse with a purchase.
- The second stage (purchase) covers all customer interactions with the brand and its environment during the purchase event.
- The third stage (postpurchase) encompasses customer interactions with the brand and its environment following the purchase. This stage includes behaviors such as usage and consumption, postpurchase engagement, and service requests, including triggers that may lead to customer loyalty (through repurchase and further engagement) or begins the process anew, with the customer reentering the prepurchase phase and considering alternatives.

Customer Experiences & Journey

- Consumer experience relates to the interactions between the consumer and the company during the customer journey and encompasses multiple dimensions: emotional, cognitive, behavioral, sensorial, and social (Lemon and Verhoef 2016; Puntoni et al., 2021).
 - Companies do not sell customer experience; instead, they provide artifacts and contexts conducive to experiences (Brakus et al., 2009)
 - Creating strong, positive experiences within the customer journey improves bottom line through improved customer loyalty and word of mouth (Harmeling, 2017).

The Consumer AI experience (Puntoni et al., 2021)



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Customer Experiences & Journey

- Four experiences
 - 'Social' is the experience of interactive communication with an AI partner.
 - 'Data capture' is the experience of endowing individual data to AI
 - 'Classification' is the experience of receiving AI's personalized predictions
 - 'Delegation' is the experience of engaging in production processes where the AI performs some tasks on behalf of the consumer
- Each of these consumer experiences is matched with corresponding AI capability
 - 'interacting' for 'social' experience.
 - 'listening' for 'data capture' experience
 - 'predicting' for 'classification' experience
 - 'producing' for 'delegation' experience

Readings for next class

1. Customer Journey Paper - Figure 1

- Assume a customer persona; show in 1 slide
- Assume a customer journey for online travel booking
- Explain the journey today (make logical assumptions)
- [Where can an AI-driven NLP solution impact the customer journey?](#)

2. Customer Journey Paper - Figure 1

- Assume a customer persona; show in 1 slide
- Assume a customer journey for healthcare (sub-choose a category)
- Explain the journey today (make logical assumptions)
- [Where can an AI-driven Computer Vision solution impact the customer journey?](#)

3. Qualitative Data Analysis

- Summary - 1 slide
- Persona of a Developer - 1 slide
- [What techniques would you use for understanding the customer journey of a developer and why ?](#)