Exposé

Digitalization as an antecedent for customer satisfaction: A qualitative analysis

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1. List of abbreviations

<table>
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<tr>
<th>CS</th>
<th>Customer satisfaction</th>
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<tbody>
<tr>
<td>SC</td>
<td>Service convenience</td>
</tr>
<tr>
<td>SQ</td>
<td>Service quality</td>
</tr>
<tr>
<td>GTS</td>
<td>Group tablet solution</td>
</tr>
</tbody>
</table>
2. Abstract

2.1 Title:

Digitalization as an antecedent for customer satisfaction: A qualitative analysis

2.2 Keywords:

Digitalization, customer satisfaction, service convenience, service quality

2.3 Background:

The effects of digitalization on businesses have been widely discussed. Due to the rise of mobile devices like smartphones and tablets and therefore the shift of customer expectations, service providers are exposed to new challenges concerning the design of service processes and the integration of digital elements and tools to create a more digitalized customer journey. Analyzing different determinants of customer satisfaction, such as service quality and service convenience and their relationship to digitalization is an essential objective for service providers in order to identify and successfully adjust the parts of the service process that have to be digitalized to keep customers satisfied.

2.4 Purpose:

The purpose of this study is to empirically test whether the level of digitalization of service influences customer satisfaction. Moreover, the question how to design the service process with customer interaction in an increasingly digitalized world and business environment is to be answered.
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2.5 Method:

The thesis will be containing a qualitative study in expert interviews with service advisors in dealerships and few digitalized services as well as other service advisors of dealerships with more digitalized services in order to compare the level of CS. The second step will be the analysis of a study on customer satisfaction and its’ changes over time before and after introduction of digitalized services.

3. Introduction / Structure

The field of digital marketing and the digitalization of services has become a subject of interest for researchers since huge IT companies such as Google, Facebook and Amazon have started to digitally transform consumers’ daily life.

As Parise, Guinan and Kafka (2016) argue, digital technology can provide interactivity and rich information exchange between brand and consumer and physical stores have to rethink how to improve the customer experience in order to succeed in an increasingly digital environment. With changing customer behavior and changing elements of customer experience comes a change in the determinants of CS.

Prior research defines CS as a feeling on received products or services resulting from a comparison between perceived and expected product/service performance.

Antecedents and determinants of CS are extensively discussed by researches and there is no consensus on the factors of CS and their contribution to CS. One one hand, a study on the airline industry CS is modeled by the factors personnel quality and tangibles (Koklica, Kukar-Kinneyb, & Vegelja, 2017). On the other hand, research on the automotive domain names vehicle appeal, performance, ownership cost, service at dealership, quality and reliability as determinants of CS (Chougule, Khare, & Pattada, 2013). Therefore, a valid construct for CS depends on the industrial sector in which research is conducted.

Recent studies also conducted research on the impact of service innovations (Chen, Batchuluun, & Batnasan 2015) or different service levels (Koklica et al., 2017) on customers identifying a moderating effect on customer value and CS.

However, none of the researchers investigated on a direct effect of digitalization on the determinants of CS.
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Considering this gap, the purpose of this study is to analyze the effect of digitalization on service convenience and service quality, as two determinants of CS.

4. Overview of Chapters:

4.1 Introduction

This part will give an introduction on the topic.

4.2 Literature Review

a) General part: This section aims at explaining the current status of researches and literature regarding digital technology in the service process and its effects on different determinants of customer satisfaction such as service convenience.

b) Customer satisfaction: The definition of the construct of CS in the current literature, its determinants and variables according to several other studies will be the topic of this section.

c) Further essential definitions can possibly be explained.

4.3 Methodology

This section provides explanations on how research is conducted, which research design was chosen and why. Furthermore, the methods for conducting the research and later on the ones for analysis of the results will be explained.

4.4 Analysis of results
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The first step of this part will be analyzing the results applying statistical methods. As a second step, two practical measures will be acknowledged by interpreting the processed research results.

4.5 Conclusion

In this last section, a conclusion will be drawn in order to generate managerial implications for the design of the digital and non-digital service process.

5. Review of literature

<table>
<thead>
<tr>
<th>Topic</th>
<th>Source</th>
<th>Content</th>
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</table>

a) Transaction-specific vs. b) cumulative (Andreassen, 2000; Boulding, Kalra, Staelin, & Zeithaml, 1993)

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| --- | --- |

**Factors of CS in automotive domain:**
- Vehicle appeal, performance, ownership cost, service at dealership, quality and reliability
- Quality and reliability contribute >40% to customer perception and satisfaction

**Definition of CS:**
- Overall level of contentment with the service experience provided

**Importance of CS:**
- The more satisfied customers are the more likely they are to repurchase or recommend, the less satisfied the more they engage in (negative) word-of-mouth

**Determinants of CS in airline industry:**
- Airline tangibles (passenger seats, etc.)
- Personnel quality
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|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
- “Customization is more important than reliability in determining CS”
- “CS is more quality-driven than value- or price-driven” |
<table>
<thead>
<tr>
<th>Determinants of convenience</th>
<th>Determinants in a construct of convenience in an online tourism context: Compatibility and Perceived Ease Of Use (=PEOU)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Operationalization SC</th>
<th>Five types of SC: Decision convenience, Access convenience, Transaction convenience, Benefit convenience, Post benefit convenience</th>
</tr>
</thead>
</table>

<table>
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<tr>
<th>Types of After sales services</th>
<th>Dealing with customer queries and complaints, ascertaining customer needs and expectations, service delivery, enhancing interpersonal relationship between service personnel and customers, setting service standards and targets, setting up service centers and websites, measuring the effectiveness of service and taking remedial actions (Armstrong and Stephens, 2005)</th>
</tr>
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</table>

<table>
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<tr>
<th>Definition of quality</th>
<th>Quality in a product or service is determined by its’ customers’ perceived value not by the input of the supplier. (Drucker, 1995). Quality can also be defined by counting the incidence of internal failures, observed before product leaves factory, and external failures in the field (Garvin, 1983). Customer’s definition of quality depends on his or her experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operationalization SQ</td>
<td>Concept quality (1)</td>
</tr>
<tr>
<td>-----------------------</td>
<td>--------------------</td>
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</table>

SERVQUAL dimensions / SQ construct:
- Tangible
- Reliability
- Responsiveness
- Assurance
- Empathy

Further assessment during theory phase

Further assessment during theory phase

with the product or service while one bad experience can weight much more than many good experiences.
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| Importance and urgency of digitalized services | Parise, S., Guinan, P. J., & Kafka, R. (2016). Solving the crisis of immediacy: How digital technology can transform the customer experience. *Business Horizons*, 59 (4), 411 – 420. | Crisis of immediacy is defined by “the need for consumers to receive content, expertise, and personalized solutions in real time during their shopping experience.” The S-O-R model explaining how environmental stimuli influence customer behavior and attitudes like CS. Personalization and interactivity are crucial digital technology stimuli enriching customer experience. |
|  | Askool, S. & Nakata, K. (2010). A conceptual model for acceptance of social CRM systems based on a scoping study. *Ai & Society*, 26 (3), 205 – 220. | “companies now have to take into account a change in behavior which was influenced by the new type of media and interaction, changing among others the determinants for customer satisfaction” |
6. Research model – methodology

Contacting retailers with and without implemented digitalized service elements (e.g. GTS) within Ireland.

**Step 1:**
Interviews with service staff: one on one interviews in order to evaluate the development of customer satisfaction after introducing digital service elements.

**Step 2:**
Analysis of a study on customer satisfaction before and after implementation of digital service elements.

7. Hypotheses

**H1:** The level of digitalization of services has a positive influence on perceived service quality.

**H2:** The level of digitalization of services has a positive influence on perceived service convenience.

8. Work plan

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
<th>Activity Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.05 – 11.07.17</td>
<td>Basic research phase</td>
<td>Preparing the exposé in steady exchange with mentoring professor</td>
</tr>
<tr>
<td>30.05 – 03.07.17</td>
<td>Preparing theory phase</td>
<td>Literature analysis</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Date</th>
<th>Phase</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.06 – 11.07.17</td>
<td>Operationalization phase</td>
<td>Defining research question, Formulation of hypotheses, Setting of essential variables and indicators</td>
</tr>
<tr>
<td>11.07 – 03.09.17</td>
<td>Theory phase</td>
<td>Literature review and writing of theoretical part of bachelor thesis</td>
</tr>
<tr>
<td>31.07.2017</td>
<td>Register bachelor thesis</td>
<td></td>
</tr>
<tr>
<td>04.09 – 15.09.17</td>
<td>Methodology and conduction phase</td>
<td>Study of methodology, choosing the research model, creating questionnaire and conducting survey</td>
</tr>
<tr>
<td>16.09 – 31.09.17</td>
<td>Analysis and interpretation phase</td>
<td>Mathematical and statistical analysis of research results, Interpretation regarding empirical and already implemented measures</td>
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</table>

9. Bibliography


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