The Practice of Customer Experience Management in Bars in Mayo and Sligo

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Fear of failure must never be a reason not to try something

ABSTRACT

This thesis investigates the practice of Customer Experience Management in Bars in Mayo and Sligo. There is little evidence of research conducted into customer experience management in bars in Ireland. In addition, the bar industry is said to be in decline in Ireland.

The study identifies and prioritizes critical touch points for bars, capturing customer preferences and motivations for what enhances their experience in a bar. It establishes the role of staff in customer experience and discusses customer advocacy in the bar trade. The document also details case studies on four different styles of bars and outlines the efforts they are taking to manage their customers experience.

The study examines current and past literature on the topic of Customer Experience Management. The primary research study utilizes focus group, questionnaires and interviews. The findings are detailed within the study.

The study closes with conclusions on each of the objectives and uncovers improvement opportunities and potential weaknesses.

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My brilliant friends who kept me smiling when I wanted to frown!

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'Lady Luck' who is always near by when I need her most!! *Om Shanti*

Declaration

I hereby declare this research is entirely my own work other than that cited and acknowledged.

Signed: _____

Date: _____

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LIST OF ABBREVIATIONS

CEM	Customer Experience Management
CRM	Customer Relationship Management
TCE	Total Customer Experience
LCL	Lasting Customer Loyalty
VFI	Vintners Federation of Ireland
CSO	Central Statistics Office
USP	Unique Selling Point
DCU	Dublin City University

1.1 Introduction

There is relatively little research carried out in the area of Customer Experience Management (CEM) in the bar industry. The Irish pub may be a growing phenomenon around the world, but they are declining in this country (Ireland). They were closing at a rate of almost one a day from 2007 to 2009. A total of 833 did not renew their drinks license during that period. This is generating fears of a social and cultural void developing by the closures of public houses. In November of last year, a survey of 748 licensed premises across the country found that 31% of the bars outside Dublin did not expect that they would continue in business after the current proprietors retire. This does not mean that people will drink less alcohol, but, rather, that they are more likely to drink at home (Irish Examiner, 2010).

1.2 Research Rational

In recent years, managers have become increasingly aware of the need to create value for their customers in the form of experiences. Customers always have an experience – good, bad or indifferent, whenever they purchase a product or service from a company. The key is how effectively the company manages the experience (Berry et al, 2002).

In recent times, the bar trade has been topical because it is, according to Central Statistics Office (CSO), various media sources, and VFI (Vintners Federation of Ireland), in decline. VFI research reports into the decline in on-license trade found that

> 'the economic downturn and lifestyle changes were combining with high alcohol taxes and a major increase in cross-border trade to put the wider drinks industry under immense pressure, but particularly pubs, bars, restaurants, and nightclubs where closures and redundancies are now commonplace' (VFI, 2009).

It goes on to point out that 'in 2004 we began to see a slowdown in sales and revenue in pubs, hotels, nightclubs, and restaurants, but the scale of the decline has accelerated sharply in the last 18 months' (VFI, 2009). The reasons cited for this decline in the

report, which was carried out by Dublin City University (DCU) economist Anthony Foley are

> 'the declines in sales and revenue in the on-trade are clear: lifestyle changes and a shift to the consumption of alcohol at home have had an impact on licensed premises, but cannot on their own account for the losses which the sector is suffering'.

With this decline, competing on price is not an option for bars within the industry. Bars generally do not go down the route of competing on price or dropping prices. Paddy Coleman of Pajo's Bar, Claremorris pointed out that there are standard guideline prices and if there is a difference in price of alcoholic or soft drinks between bars, it is miniscule, unless it is in Dublin.

So, with the sharp decline in the bar trade, which looks set to continue and competing on price is not an option, a strategy which bars could develop further is CEM.

1.3 Research Problem

The research problem is to investigate 'The Practice of Customer Experience Management in bars in Sligo and Mayo'.

The objective of this study is to examine the level of customer experience management in practice in bars in Sligo and Mayo and to establish what factors influence the customers actual experience in bars.

Research Objective 1
Identify and prioritize critical touch points for bars

Research Objective 2
Correlate expectations of customers with management efforts

Research Objective 3

Examine customer advocacy within the industry

Research Objective 4

Uncover improvement opportunities and/or existing weaknesses

1.4 Methodology Overview

The focus of this study is customer experience management in bars in Mayo and Sligo. It must capture the voice of the customer and gain insight in to management efforts to create sustainable customer experiences. The best approach in the opinion of the researcher was the following methods;

Figure 1
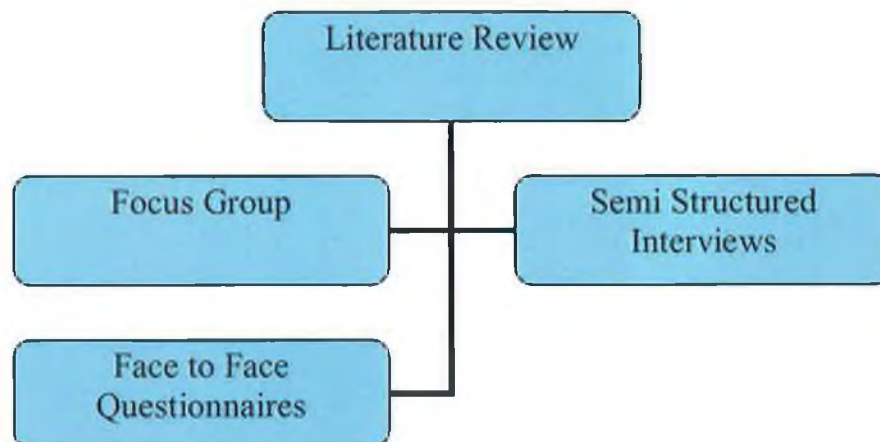
The first stage is to gain a thorough understanding of Customer Experience Management from recent and past literature. The literature review was conducted as a method of investigating secondary research on customer experience management.

Primary research was supported by qualitative research using a focus group which was then used to construct questionnaires. Face to face questionnaires and semi structured interviews were also used.

1.5 Definition of Terms

1.5.1 Sligo

County Sligo is located in the North-West of Ireland. (irishtourist.com). Sligo is the capital of the North West region and one of Ireland's largest towns. It accounts for one third of the population of Sligo County with some 20,000 residents. Due to its status as a regional growth centre and gateway to the North West, its daily population expands to over 42,000. Sligo town is situated on the Garavogue River and is a thriving tourist, commercial and administrative regional centre. It is an important location for industry and many leading multi-nationals are based here.

Figure 2

1.5.2 Tubbercurry

Tubbercurry is Sligo's second largest town. It is located in the south of the county (discoversligo.com). Tubbercurry town itself has a population of approximately 2000 with the population of the hinterland in a 5-7 mile radius approximately 7000 - 8000. Some of the population is indigenous, having been born and reared in the area

(Tubbercurry Chamber of Commerce). However this trend is changing as the Irish population becomes more mobile and there is now a healthy mix of locally born people as well as Irish and non-nationals who have moved to the Tubbercurry area for a variety of reasons including economic/ social as well as for a change of lifestyle (discoversligo.com).

1.5.3 Mayo

County Mayo, located in the west of Ireland, is the third largest county in the country. It has a population of 123,839 (1996 census) (mayohistory.com).

1.5.4 Ballina

Ballina is the largest town in County Mayo and the third largest in the province of Connaught,

Figure 3

after Galway and Sligo. In the context of the West Region, Ballina forms a major centre in the regional settlement hierarchy and is a focal point for the North Mayo/West Sligo area with a catchment population of in excess of 40,000 people (ballinachamber.com). Originally a market town servicing the North Mayo/ South Sligo hinterland, it is now the well-established centre of commerce for this region. The total population of Ballina stands at 14,001 (Urban & Rural) as confirmed by the Central Statistics Office. The population of Ballina Urban is 6,842, of which 3,326 are male and 3,516 are female (ballinachamber.com).

Claremorris

Nestled in central Connaught at the junction of the N17 and the N60 national routes, the town of Claremorris is situated in the heart of Mayo. It has a population of 2595 according to the census of 2006, with a rural hinterland of 10,000 (Claremorris.com).

1.6 Structure of Thesis

The study comprises of five chapters. Each chapter focuses on a specific area of the study. The structure is illustrated below.

Chapter one provides an introduction to what the study is about. It includes a research rationale which provides justification for the research. The research problem and objectives are outlined and a structure for the study is offered.

Chapter two is an in-depth study of literature current and past, relating to CEM. It details the development of CEM, describes what is meant by CEM, outlines its characteristics, and examines the role staff play in customer experience and customer advocacy.

Chapter three explains the research methodology employed for this study and explains why each method was used.

Chapter four details the findings and a discussion in relation to the research objectives.

Chapter five presents the conclusions and recommendations are offered.

2.1   Introduction

The purpose of this literature review is to examine current and past literature, relating to CEM. It details the development of CEM, describing what is meant by CEM, its characteristics, customer advocacy and establishing the role staff play in customer experience. The concluding paragraph outlines the key points from the literature review.

2.2   What is customer experience?

Experience as described by Collins English Dictionary is: *'the accumulation of knowledge or skill that results from direct participation in events or activities'* and *'.... the content of direct observation or participation in an event'* (Collins, 2001).
The Oxford English Dictionary explains experience as *'Active participation in events or activities, leading to the accumulation of knowledge or skill'* (OUP, 2006). These definitions explain experience as an outcome. Palmer (2010) outlines a more process based definition relating to customer experience provided by the American Heritage Dictionary of the English Language (2006), which defines experience as *'The feeling of emotions and sensations as opposed to thinking'* and *'... involvement in what is happening rather than abstract reflection on an event'*.

A customer is described as 'someone who pays for good and services' (Princeton.edu). Business dictionary.com explains customer as an 'entity that receives or consumes products (goods or services) and has the ability to choose between different products and suppliers' (businessdictionary.com, 2010).

Arussy (2010) points out that each of us is a collection of memories. We do not hold onto products, research, or documents – we hold onto memories and recollections, good or bad. Customer experience is based on and influenced by those memories, and not necessarily memories of the company. When a customer experiences a product or service, staff, or an entire organization, will s/he find themselves sitting in a chair,

enjoying the memory, or will s/he be overwhelmed, with bad memories crowding out the good? Customer experience is founded on memory. Customers want to preserve their personal memories in ways that reflect their individual and unique experiences. The mark of an enduring and memorable experience is that it can be shared with family, friends, and colleagues to allow them to participate directly or indirectly (at some time in the future) (Arussy, 2010).

Further literature on the topic of customer experience refers to the totality of experience a customer has with a business, across all channels and touch points. Southwest succeeds because of the care it puts into providing a satisfying journey at a reasonable price – from the simple website to their recently redesigned boarding queues to the friendly staff members who help you. Southwest considers how the customer will feel every step of the way (Merholz, 2009).

Customer experiences have emotional characteristics that companies previously have not been good at delivering. The customer experience is more than an analysis of hard metrics about speed, availability and information. These performance measures are critical, but real progress in shaping the customer experience will come from addressing the emotional aspects of their interactions. The key to success for businesses, according to Heffernan is to fully understand the customers' needs and expectations. By doing so, companies can identify what the most important interactions are – key 'moments of truth' – and prioritize delivery on these interactions (Heffernan et al, 2007).

Pine and Gilmore (1998) highlight the fact that economists have lumped experiences in with services, but claim experiences are a distinct economic offering, as different from services, as services are from goods. Their assertion is that an experience occurs when a company intentionally uses services as the stage, and goods as props, to engage individual customers in a way that creates a memorable event. Commodities are fungible, goods tangible, services intangible, and experiences memorable. Buyers of experiences value what the company reveals over time. While prior economic offerings – commodities, goods, and services – are external to the buyer, experiences are intrinsically

personal, existing only in the mind of an individual who has been engaged on an emotional, physical, intellectual, or spiritual level (Pine and Gilmore 1998).

A general misconception pointed out by Schmitt (2003) is; *'Isn't customer experience just a fancy word for customer satisfaction?* This is not the case says Schmitt. He supports his point with the following example; if you were to ask buyers of a new car 'are you satisfied with your purchase'? The answer possibly would be 'Yes' if the functionality of the car ran smooth. Perhaps the car was reliable, performed well and they were happy with the product itself. However, if you were to ask about the actual experience of dealing with the company, it may not be so good. Perhaps, when they returned for a service, or called up to query something after the purchase, they may have been kept waiting or the company did not have a suitable alternative in place for their customer. This is because the concept of satisfaction is *outcome-oriented*. 'Were you satisfied with shopping? "Sure, I got what I wanted". Where as experience in contrast is *process-oriented*. The shopping experience includes much more than simply getting what you want. It focuses on all the events and activities that were part of it: the design of the shopping environment in the store or online, the service personnel, how they greeted you, whether you bought something extra, and how you felt while you were shopping. The same for the car experience: the way the door sounds when you close it, the way the fabric feels and how the dealer treats you (Schmitt, 2003).

From a managerial perspective, the question is: which idea – satisfaction or experience – provides the most scope for adding value to customers? Going by Schmitt's argument, experience provides much more guidance as it directs management to identify the details that result in satisfaction. By going through the process of managing the customer experience, satisfaction is likely to be one of the results. However, experience is what must be understood and managed. By paying attention to the experience, satisfaction occurs naturally. Experience – far more than satisfaction alone will set apart a company from its competitors. Providing powerful and compelling customer experiences will be a differentiator in a way that focusing on simple satisfaction never will (Schmitt, 2003).

2.3 Differentiating CEM from CRM

Customer Experience Management is the internal and subjective response customers have to any direct or indirect contact with a company. Direct contact generally occurs in the course of purchase, use, and service and is usually initiated by the customer. Indirect contact most often involves unplanned encounters with representations of a company's products, services, or brands and takes the form of word of mouth recommendations or criticisms, advertising, news reports, reviews, etc (Meyer, 2007).

Customer Relationship Management captures what a company knows about a particular customer – or his or her history of service requests, product returns, and inquiries. Customer Experience data captures customers' subjective thoughts about a particular company. CRM tracks customer actions after the fact; CEM captures the immediate response of the customer to its encounters with the company (Meyer, 2007).

Customer Management was centered about identifying customer needs and focussing on those customer segments that provided value. Customer experience is about listening to customers and identifying the organisational scratch-points. However, most organisations are still fluctuating between extreme prescription (how customers are meant to behave) and extreme surrender (over-fulfilling customer needs) (Ozimek, 2006).

Figure 4 summarizes the key differentiators between CRM and CEM.

Figure 4

CEM Versus CRM

Customer experience management and customer relationship management differ in
their subject matter, timing, monitoring, audience, and purpose.

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

Source: Meyer and Schwager, 2007

2.4   The development of Customer Experience Management

Discussion of experience in a marketing context has a long history. Abbott (1955), cited in Holbrook (2006, p.40) noted that:

> [...] What people really desire are not products, but satisfying experiences. Experiences are attained through activities. In order that activities may be carried out, physical objects for the services of human beings are usually needed. Here lies the connecting link between men's inner world and the outer world of economic activity. People want products because they want the experience which they hope the products will render' (Palmer, 2010).

Dewey (1963) incorporated a further dimension of uniqueness stating that experience involves progression over time, anticipation, emotional involvement, and a '*uniqueness that makes an activity stand out from the ordinary*'. This was followed by Pine and Gilmore (1998, p12), who described successful experiences as being those that 'a customer finds unique, memorable and sustainable over time'. Schmitt (1999, p.26) stated that experiences '... provide sensory, emotional, cognitive, behavioural and relational values that replace functional values'.

The focus for competitive differentiation between companies has evolved over time. Experience may be a differentiator in markets where relationships have ceased to be a point of competitive differential advantage (Figure 5).

Figure 5 An evolution of the dominant basis for predict differentiation

DIFFERENTIATION BASED ON
TANGIBLE DESIGN FEATURES
↓
DIFFERENTIATION BASED ON
SERVICE BENEFITS
↓
DIFFERENTIATION BASED ON
RELATIONSHIPS
↓
DIFFERENTIATION BASED ON
EXPERIENTIAL VALUES (**source:** based on Christopher et al. (1991)
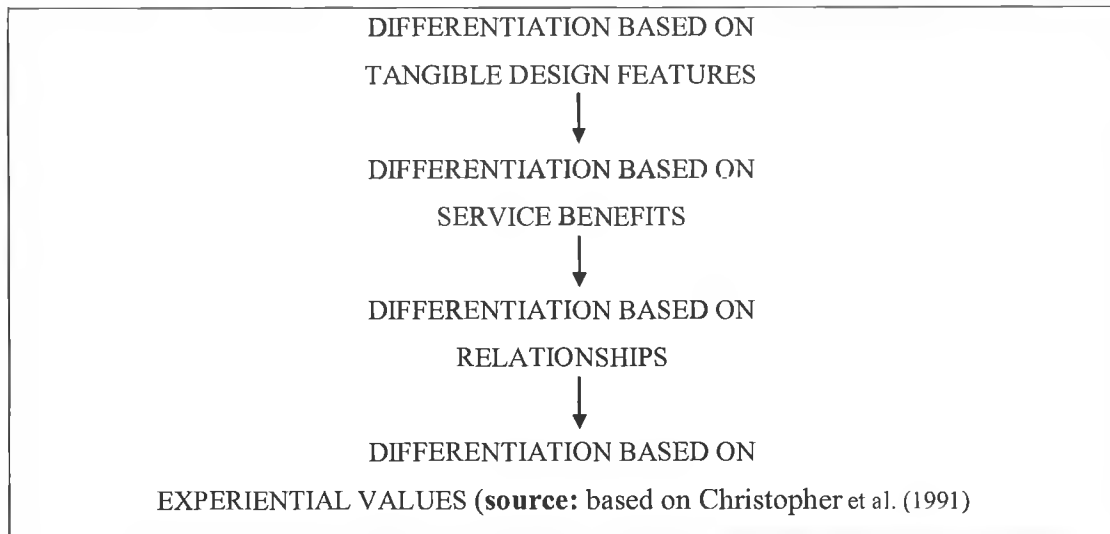
The challenge for the development of a customer experience assemble is to integrate a typically diverse array of stimuli in order to assess the trade-offs that are entailed in creating value for consumers. Stimuli present in a customer experience are typically interactive. It has been pointed out by Csikszentmihalyi (1988) that the manner in which these stimuli are combined and sequenced is important in defining consumer experience. Service providers may be interested in perceptions of that part of a service offer that they control, but consumers' perception of their 'total experience' may embrace other non-controllable components, for example a dominant element of the experience of dining at a restaurant may be the lack of available public parking spaces. Furthermore, anticipation of an event may be perceived as part of the experience. There is increasing evidence that anticipation of an event may itself be an important experiential benefit, evidenced by the way that some organisations use queues and waiting time to generate emotions of excitement and anticipation for the main event (Cowley et al., 2005).

A specific experience on its own is incapable of giving a service a competitive advantage, because next time that it is encountered, some of its novelty value will have been lost. Instead, it is more appropriate for managers to think about how a stream of experiences will develop over time in order to achieve a sustainable competitive advantage.

Customer experience is comprised not just of easily identifiable self-gratifying motivators, but 'hygiene' factors whose presence in a customer experience may only be noticed by their absence. A coffee shop may provide experience through distinctive ambience and staff behaviours, but if basic hygiene factors such as heating and lighting are absent, the overall experience will be destroyed (Palmer, 2010).

2.5   Managing the Customer Experience

Though the business community increasingly recognises the importance and power of customer experience to drive innovation and positive financial results (witnessed press coverage of such favourites as Apple, Amazon, Nintendo), most companies have not successfully embraced it. Embracing customer experience is a process which requires fundamental shifts in how a business behaves and is organized (Merholz, 2009).

Customer Experience Management (CEM) is the process of strategically managing a customer's entire experience with a product or company. CEM is a customer-focused management concept. It is a process-oriented satisfaction idea (not an outcome-oriented one). CEM goes far beyond Customer Relationship Management (CRM) by moving from recording transactions to building rich relations with customers. CEM connects with the customer at every touch point and calls for the integration of different elements of the customer's experience. Before and after the sale, CEM provides value to customers by delivering information, service and interactions that result in compelling experiences. Thus, building loyalty with customers and adding value to the firm (Schmitt, 2003).

Meyer and Schwager (2007) state that CEM encompasses every aspect of a company's offering – the quality of customer care, advertising, packaging, product and service features, ease of use and reliability. Customer service personnel tend to concentrate on the unfolding transaction but not its connection to those preceding or following it. The extent of which has been documented in Bain & Company's recent survey of the

customers of 362 companies. Only 8% of them described their experience as 'superior', yet 80% of the companies surveyed believe that the experience they have been providing is indeed superior.

While companies have been measuring customer satisfaction and have plenty data to show for their efforts, the problem is that measuring customer satisfaction does not tell anyone how to achieve it Meyer (2007). Companies must gain an understanding of the customer's journey – from the expectations they have before the experience occurs to the assessments they are likely to make when it is over (Berry et al, 2002).

If it is obvious that focusing on the customer and improving the experience is such a critical strategy, why is management not supporting it more vigorously? Why aren't all customer experience practitioners equipped with resources to do the right thing? *'But we are making our numbers'* is often the typical comment executives rely on while justifying minimal to no investment in the customer experience. Companies continue to make their numbers, but only by travelling in hazardous territory: discounts. Margins are eroding as they chase quarterly financial targets. Satisfaction with merely 'making the numbers' blinds management to the urgent need that would otherwise be clearly visible. They learn to accept discounts and price sensitivity as part of doing business and not as a warning that customers see a deteriorating value they will refuse to pay 'full' price for (Arussy, 2008). Another reason companies 'make their numbers' is that competition is often no better. Competitors may also be focusing on the product or service instead of on *the complete experience*. But, this is a risky argument to lean on. The risk of a new competitor coming along to change the ground rules is ever present. A good example is the companies that were manufacturing MP3 players in the pre-iPod era: Each of them seemed to think that all of the others were in the same boat – so no risk was looming. Today, many of them are manufacturing for and all of them have lost ground to Apple. Benefiting from a competitor's failure to excel is not a strategy for growth. Creating differentiated, innovative, complete customer experience is not merely an option. It is also not an exercise in incremental changes. Making the numbers in the short term is not an indication of future success. Investing in the customer experience is (Arussy, 2010).

Organizations that simply tweak design elements or focus on the customer experience in isolated pockets of their business – by providing a quick hit of entertainment, for example- will be disappointed in the results (Berry et al, 2002).

Companies compete best when they combine functional and emotional benefits in their offerings. Emotional bonds between companies and customers are difficult for competitors to sever. To compete successfully in this territory, a growing number of organisations are systematically applying the principles and tools of customer-experience management to strengthen customer loyalty. Unlike many product or service enhancements, the holistic nature of these experiential designs makes them very difficult for competitors to copy (Berry et al, 2002).

Engineering total customer experience and lasting customer loyalty is an important strategy for establishing and sustaining customer focus for an institution. It should, therefore be in the capability portfolio of any firm investing in long-term customer relationships (Carbone and Haeckel, 1994). An organization should be successful only when TCE and LCL are the focus of its improvement (Calhoun, 2001).

2.6　Total Customer Experience

TCE is generated by two components:
- A distinct market offering that invites and thrives by high involvement between consumers and providers.

- TCE must have a right blend of both physical and emotional elements along all the stages of the customer experience and value chain, that is, all moments of customer contact with the producer (Mascarenhas, 2006).

What defines TCE is the joint interactive participation of the provider and the customer. The higher the interaction and its quality, the higher is TCE and, consequently, the higher is Lasting Customer Loyalty (LCL).

- ✓ TCE is a powerful form of product/service augmentation. Graphically, if we can locate the core product in the innermost circle, and its service component in the circle that surrounds it, then experience belongs to the outermost circle and is dependent upon the inner two circles of product and service, but clearly transcends it. This is because experience is created by the active involvement and interaction between provider and the customer (Mascarenhas, 2006).

- ✓ The resulting TCE has an internal or subjective component (emotional, intellectual and social experience), and an external or objective component (distinct and real product offering, real experience potential, producer-customer interaction potential along all points of the production-consumption chain). While economic offerings such as commodities, goods and services are external and impersonal to the customer, involvement and experiences are inherently internal and personal. They exist only in the minds of customers who are engaged on an emotional, physical, intellectual or even spiritual level (Carbone, 1998).

- ✓ The customer cherishes such an enduring experience before, during and long after product use. Hence, the distinct market offerings that generate such experiences must have sustainable competitive advantages over most competing products (Gilmore and Pine, 2002).

TCE as an emotional and subjective experience is uniquely personal and changeable with the customer, product or service. Even the same person may experience a different quality and level of TCE with the same product/service at a different time. The product is staged to provide engaging, memorable, and lived moments; that is, it is highly personalized. In this sense the provider stimulates the experience while the customer must undergo it (Hoch, 2002).

2.7   Lasting Customer Loyalty

In marketing, customer loyalty is frequently associated with a brand. Theoretically, a brand is a name, term, sign, symbol or design, or a combination of these, intended to identify and differentiate the goods or services of one seller from those of competitors. Operationally, a brand conveys its identity (name, fame) that embodies a specific set of unique features, benefits and services to the buyers. Brand loyalty gives sellers some protection from competition and greater control in planning marketing programs (Kotler, 2003).

Brand loyalty is a 'deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby, causing repetitive same brand set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour' (Oliver, 1999, p.34). This definition distinguishes loyalty as behavioural, attitudinal and situational (Chaudhuri and Holbrook, 2001; Uncles et al, 2003). *Behavioural loyalty* is mainly expressed in terms of revealed purchase and usage behaviour, often conditioned on customer satisfaction, and is measured by historic purchasing of one's brand and competing brands (divided loyalty). *Attitudinal loyalty* is often expressed as an ongoing relationship to a brand, often conditioned on positive customer preferences towards the brand, and is strongly influenced by significant others (strong loyalty). *Situational loyalty* is often expressed as a contingent relationship to the brand (I will buy it if it is available or on sale) that is often determined by the shopping and purchasing situation (weak loyalty). All three types of loyalty are important, even though the first two are more critical for long term sales and market share. In the face of tough competition, having brand loyal customers not only ensure sales, but also significantly reduce marketing costs (Datta, 2003).

2.8 Creating Total Customer Experience to maximize Lasting Customer Loyalty

Mascarenhas et al (2006) captures the customer experience process as a blend of the physical, emotional and value aspects of the search, purchase, use and post-use stages (see Table 1). TCE spans across all moments of customer-seller contact. Table 1 indicates that TCE occurs when the sellers and manufacturers create a product/service system that consistently exceeds the physical, emotional and value expectations of its target customers. The traditional business strategy was primarily focused on delivering the physical elements to the customers. But given that the markets are becoming increasingly crowded and more competitive than before, this strategy is currently unsustainable. Saturated markets and tough competition have levelled the differences between brands to their physical elements. Most of today's products and services have become commoditized. Imitation has become commonplace. The TCE strategy focuses on the blend of the physical elements and the emotional elements (column 2 and 3 in Table 1) in delivering customer experience. While this is promising, it may not be lasting because emotions are momentary and fickle. Hence, if TCE should build lasting customer loyalty (LCL), a third and necessary dimension must be added to TCE – *the value dimension*. What business strategy should aim is a TCE that builds LCL by blending the physical, emotional and value elements (columns 2-4 in Table 1) of the target customers.

This is because consumer loyalty is a function of one's perception of similarity in values, the higher is customer loyalty. Value is the consumer's perception of the benefits minus the costs of maintaining an ongoing relationship with a provider (Zeithaml, 1988). Relational benefits include the intrinsic and extrinsic utility provided by the ongoing relationship (Gwinner et al., 1998), while associated costs include monetary and non-monetary (time, effort, anxiety) inputs that are needed to maintain the loyalty relationship (Zeithaml, 1988). Values, in turn, are a function of one's underlying goals that consumers expect to attain, through loyalty relations. Some of these goals are super-ordinate or terminal (e.g. happiness, love, self-actualization) while others are instrumental

values (e.g. product quality, security, privacy, immediate product/service gratification, satisfaction, best value for the dollar, and store convenience). Building customer value through market offerings is a consumer-value-centric competence that should be the driving obsession of an organization (Strivastava et al., 1999, p.172). Customer value is the fundamental basis for all marketing activity.

Table 1 Capturing the customer experience process

Experience Stage	Physical moments	Emotional involvement moments	The value chain moments
Searching	Print media search Audio-visual media The Website Search The place- in store	What do I dream? Seeking information via ads Viewing radio, TV, Internet Seeking advice and direction	The right motivation The right product The right advice The right shop/location
Finding	Availability The product The brand The solution	Salesperson interaction/accessibility Touching, feeling, seeing, believing Colour, shape, texture, material Perceived problem solution	The right price The right package The right solution The right financing
Using	Delivery Brand Community Maintenance Support service	Excitement, surprise, curiosity Personal satisfaction-delight Visibility, prestige, status Brand community belongingness	The right use-experience The right social visibility The right community The right warranty
Post-usage	Complaints Referral Replacement Repeat buy	Satisfaction-dissatisfaction Displeasure, anger, rage Positive or negative referrals Commitment, lifetime loyalty	The right feedback The right complaint The right re-purchase The right lifetime brand

Source: Mascarenhas et al (2006)

Consumers desire experiences, and more and more businesses are responding by explicitly designing and promoting them:

> 'From now on, leading-edge companies, whether they sell to consumers or businesses, will find that the next competitive battleground lies in delivering lasting experiences' (Pine and Gilmore, 1998).

To realize the full benefit of delivering such experiences, businesses must deliberately design engaging experiences in what they produce, design and offer. Companies manage and compete best when they combine functional and emotional benefits in their offerings. Emotional bonds between companies and customers are difficult for competitors to imitate or sever (Mascarenhas et al, 2006).

2.9   Characteristics of Customer Experiences

Whether it is a business or a consumer being studied, data about its experiences are collected at *touch points*, instances of direct contact either with the product or service itself or with representations of it by the company or some third party (Meyer, 2007). Every time a provider of a good or service interacts with a customer, both parties have an opportunity to learn. Eventually, one party changes his behaviour as a result of that learning. Unfortunately, according to Pine and Gilmore, all too often that is the customer. S/he starts asking for something other than what he wants exactly – or perhaps he simply goes away (Pine and Gilmore, 2000).

The term *customer corridor* portrays the series of touch points that a customer experiences. Not all touch points are of the same value. Service interactions matter more when the core offering is a service. Touch points that advance the customer to a subsequent and more valuable interaction, such as Amazon's straight forward click ordering, are more important. Companies need to map the corridor of touch points and watch for potential pitfalls. At each touch point, the gap between customer expectations and experience can be the difference between customer delight and something less

(Meyer, 2007). Different interactions have different effects on customers. Some interactions are very intensive, emotionally demanding, involved, time-consuming, enjoyable or otherwise very important to customers. Other interactions are mundane, unnoticed or otherwise unimportant. Understanding the difference between important and unimportant interactions enables innovative companies to achieve two very distinct goals: *firstly,* improve the customer experience where it counts and *secondly*, prioritize investments, resources and effort against only the most important interactions, thereby increasing Return on Investment (Heffernan et al, 2007). Three simple courses, identified by Heffernan (2007), can be engaged when thinking about designing customer interactions:

1. *Delight customers:* Identify areas that have the deepest impact on customers, and focus investment and resources there to build advocates where it is financially viable.

2. *Fix where the company fails on a promise:* Verify that experience delivery is matched to expectations and that customers aren't angered because of being promised one thing and given another. For example, if a hotel advertises premium treatment and services, then hotel employees need to deliver quality service where it has the most impact.

3. *Right-size delivery when an interaction doesn't matter:* Interactions that have little impact on the attitude of the customer may be good candidates to reduce the type of resources allocated to them, freeing up investments to be more focused on high impact interactions Heffernan (2007).

Excellent design, marketing, and delivery will be every bit as crucial for experiences as they are for goods and services. Ingenuity and innovation will always precede growth in revenue. Yet experiences, like goods and services have their own distinct qualities and characteristics and present their own design challenges. Experiences, like goods and services, have to meet a customer need; they have to work; and they have to be deliverable. Just as goods and services result from an iterative process of research, design, and development, experiences derive from an iterative process of exploration,

scripting, and staging – capabilities that aspiring experience merchants will need to master (Pine and Gilmore, 1998).

Disney is dedicated to the delivery of unique customer experiences. Disney theme parks with their hundreds of engineered cues are all coordinated and networked to generate that consummate mix of excitement, entertainment and adventure that ensure Total Customer Experience (Mascarenhas et al, 2010). This is achieved by taking a holistic approach to managing the Total Customer Experience. Analysing and implementing strategies to ensure total customer experience requires the deployment of resources to ensure the following aspects are carefully considered;

- ✓ *Anticipating and fulfilling customer needs and wants better than competitors:* too many companies put all their marketing efforts on the selling side of the products life cycle, forgetting that long-term loyalty requires attention to customers' needs throughout their experience with a product. Handling things when the product does not work out can be as powerful as meeting the need that motivated the initial purchase. (Macmillan and McGrath, 1997, p.140)

- ✓ *Providing real consumer experiences:* The experiences provided should be as real as any service or commodity (Shaw and Ivens, 2002).

- ✓ *Providing real emotional experience:* The customer experience generated should be beyond physical attributes such as quality, quantity, delivery, price-product bundling and safety. It should ideally trigger an emotional experience of meaning, value, entertainment, friendly and caring service, belongingness and memorable and engaging experience (Shaw and Ivens, 2002).

- ✓ *Experiences as distinct market offerings:* Economists have typically lumped experiences with services, but consumer experiences are a distinct economic offering, as different from services as services are from goods (Arussy, 2002).

- ✓ *Experiences as engaging memories:* An experience occurs when a company intentionally uses services as the stage and goods as props, to engage individual

customers in a way that creates a memorable event (Pine and Gilmore, 1998, p98).

Thus Disney keeps customers engaged and excited for days on end.

2.10   Customer Experience in Practice

Companies must gain an understanding of the customer's journey – from the expectations they have before the experience occurs to the assessments they are likely to make when its over. Using that knowledge, companies can orchestrate an integrated series of 'clues' that collectively meet or exceed people's emotional needs and expectations. An organization's first step toward managing the total customer experience is recognizing the clues it is sending to customers. Many companies are using the tools of customer-experience management to create a competitive advantage that is difficult to match. Clues which make up a customer experience are everywhere and they are easily discerned. Anything that can be perceived or sensed – or recognized by its absence – is an experience clue. Thus the product or service for sale gives off one set of clues, the physical setting offers more clues, and the employees – through their gestures, comments, dress and tones of voice – still more clues. Each clue carries a message suggesting something to the customer. The composite of all the clues makes up the customer's total experience (Berry et al, 2002). The clues that make up a customer experience fit into two categories.

The *first* concerns the actual functioning of the good or service. Clues relating to functionality are interpreted primarily by the logical circuitry of the brain. Did the plumber fix the leak, did the rental car start when I turned it on? A car that starts when it is supposed to provide a clue that other aspects of functionality may also be in good working order, such as the heater or the global positioning system.

The *secondary* category concerns the emotions and includes the smells, sounds, sights, tastes and textures of the good or service, as well as the environment in which it is offered. The feel of leather upholstery, the sound and smell of a steak on the grill, the tone of voice of the person answering the customer service line are all clues that envelop

the functionality of a product or service. It is clear that providing the right clues about functionality is essential – if a product is perceived as substandard, people won't buy it. What is less clear is the emotional clues. Mechanics and humanics, are just as important to the customer experience and work synergistically with functional clues. Customer value cannot be reduced to functionality versus price. Instead, it is composed of both the functional and the emotional benefits customers receive minus the financial and the nonfinancial burdens they bear. To fully leverage experience as part of a customer-value proposition, organizations must manage the emotional component of experiences with the same rigor they bring to the management of product and service functionality. The way to begin that effort is by observing customers and talking to them about their experiences in order to gain a deeper understanding of the clues they're processing during their encounters with the company (Berry et al, 2002).

2.11 Customer advocacy

Another strategy being realized more and more by companies is the idea of 'Customer Advocacy' which is becoming a very attractive strategic tool for companies (Heffernan, 2007). Customer advocacy can be summarized as a net promoter score, calculated as the percentage of customers who would recommend a company (the promoters) minus the percentage that would urge friends to stay away (the detractors). Because such a simple measure is understandable to all parts of a company, it can serve to rally and coordinate the entire organization. A company cannot turn its customers into satisfied, loyal advocates unless it takes their experiences at all these touch points into account (Allen et al, 2005).

Advocates are superior to neutral or dissatisfied customers. Advocates spend more, remain customers longer, and refer family and friends, thus increasing the quality of the existing customer base and new acquisitions. On the flip side, actively dissatisfied customers destroy value by driving up service costs, demoralizing front-line employees and sharing their complaints with potential customers. Accordingly, the goal of customer

focused companies is to manage and retain advocates and to encourage other customers to become advocates. It is the company's challenge to understand the customer's mindset and deliver on it at key touch points (Heffernan, 2007).

It is important to attract buyers who will act as the company's growth advocates, encouraging others to buy from them. By assessing customer profitability and customer advocacy, a company can tailor its strategies – and investments – by segment:

- ✓ **High-profit promoters:** These are the customers you cannot live without – your core. You want to design and deliver your offerings in a way that expands this group, and to target new buyers who share their characteristics.

- ✓ **High-profit detractors:** These customers, often as important as your 'core', are sticking around because of inertia or because they feel trapped. They are profitable, attractive to your competition, and unlikely to suffer quietly. Losing them can dent your bottom line and your market share. You need to find out what is irking them and fix their problems fast.

- ✓ **Low-profit promoters:** These are diamonds in the rough – loyal customers whose current buying patterns leave money on the table. Tap into their advocacy by offering them additional products and services, but do not alienate them with heavy-handedness.

- ✓ **Low-profit detractors:** You cannot please everyone. If there is no economically rational way to solve their problems, then help unhappy customers move to other providers (Allen et al, 2005).

Allen (2005) asserts that companies are routinely surprised by which customers are high-profit promoters, how much potential for cross-sell exists among low-profit promoters, and how many detractors lurk in their portfolio. Arussy (2010) states that companies must *'stop appealing to utilitarian customers, those who seek expediency over experience, and connect with tribal customers, those who connect with those around them – their networks and friends – like a tribe '.*

2.12 The Role of Staff in Customer Experience

To create a delightful customer experience, employees must be motivated, competent at their jobs and innovative in their thinking. To do this, employees need to have the right experience with the company they work for. To deliver the right look and feel and the right interaction, and to be innovative in the marketplace, employees need to focus on not just numbers and spreadsheets, but also, the customer experience (Schmitt, 2003).

A well functioning team is very noticeable to the customer:

- ✓ It is a supportive and cohesive group on the inside, which provides a seamless service on the outside. Everyone helps one another willingly to help the customer;

- ✓ It is a lively positive place to be; morale and energy are obviously high;

- ✓ New ideas are readily coming forward and are listened to;

- ✓ There is a friendly atmosphere and people are open with one another and the customer;

- ✓ Information is willingly and freely shared and available;

- ✓ Everyone knows what they have to do and they have the confidence that comes from knowing how they are performing

- ✓ Individuals take ownership and responsibility for customer issues; (*Macaulay and Cook, 1995*)

Macaulay and Cook support this with an example; think of a well known restaurant - as a customer you may only come into contact with a handful of people. Yet the customer's satisfaction depends on everyone who works in the restaurant team knowing their role and working to a common objective.

The opposite of good teamwork – is usually very apparent to the customer:

- No one seems to know what is going on outside their own immediate responsibilities, the 'I don't know – it's not my job' phenomenon.

- People appear de-motivated and are not encouraged to develop personally.

- There is indifference or animosity toward another team member when things go wrong.
- The organization is hard to do business with; responsibility always seems to lie with someone else – the whole operation does not seem to work too well: procedures get out of date, rules are set by people who are out of touch, customers get passed from one person to another, decision making is remote from the customer interface (Macaulay and Cook, 1995).

Unique training methods help to attract and retain career hospitality service professionals at The Inn at Little Washington, one of America's top rated inns and restaurants. The owners of The Inn at Little Washington feel it is necessary to promote an environment where learning is paramount. This helps maintain an interest in the craft of service. Management train their servers to 'read the customer' and to create teamwork. They use a strategy called the mood indicator as a means of providing employees with a tool to make the dining experience exceptional. How it works is, upon arrival of a customer, staff use a rating system to establish what mood he/she is in. If they have a rating of below 7 (in the opinion of the server), it is the responsibility of the servers to ensure it is a 10 by the time they are leaving (Wildes, 2002).

People staffing the front lines need to be well hired, well trained, and well treated (Allen et al, 2005).

2.13 CUSTOMER EXPERIENCE IN THE VIRTUAL WORLD

Business success and survival depends on strategies and processes directed to delighting customers (Macdonald 2010). Customers were socially networked human beings before MySpace, Facebook and Tripadvisor. They sought to compare and research products before the Internet. The sea change is actually how consumers go about connecting with each other and, more importantly, with a company and its brand. Unlike in the past, it is now possible to directly and interactively touch customers' core emotions and needs to build strong relationships beyond face to face engagements. A business can empower customers, engage them, and reinforce their need to stand out as individuals. Today's

web-savvy customer knows companies have the capabilities, and will expect them to deploy these capabilities (Arussy 2010).

New technologies, in particular, encourage whole new genres of experience, such as interactive games, Internet chat rooms and multi-player games, motion-based simulators, and virtual reality. The growing processing power required to render ever-more immersive experiences now drives demand for the goods and services of the computer industry (Pine and Gilmore, 1998). In a speech made at the November 1996 COMDEX computer trade show, Intel chairman Andrew Grove declared,

> 'We need to look at our business as more than simply the building and selling of personal computers. Our business is the delivery of information and lifelike interactive experiences.'

2.14 Designing Memorable Experiences

Experiences are not entirely about entertainment. Companies stage an experience whenever they engage customers in a personal, memorable way. In the travel business, former British Airways chairman Sir Colin Marshall noted that the 'commodity mind-set' is to '*think that a business is merely performing a function – in our case, transporting people from point A to point B on time and at the lowest possible price*'. What British Airways does, according to Sir Colin, is 'to go beyond the function and compete on the basis of providing an experience.' The company uses its base service (the travel itself) as the stage for a distinctive en route experience – one that attempts to transform air travel into a respite from the traveller's normally hectic life (Pine and Gilmore, 1998).

> '*Customer satisfaction measurements essentially focus on understanding and managing customer expectations of what companies already do, rather than truly ascertaining what customers really want*' (Power, 1996).

Pine and Gilmore (1998) outline five Key Experience Design Principles.

1. *Theme the Experience:* Customers should know what to expect when entering the establishment. The proprietors have taken the first, crucial step in staging an experience by envisioning a well-defined theme. One poorly conceived, gives customers nothing around which to organize the impressions they encounter, and the experience yields no lasting memory. An effective theme is concise and compelling. The theme must drive all the design elements and staged events of the experience toward a unified story line that completely captivates the customer. An example cited is Educational Discoveries and Professional Training International of Orem, Utah, stage a day long course on basic accounting skills to non-financial managers. Their exquisitely simple theme – running a lemonade stand – turns learning into an experience. Students use real lemons and lemonade, music, balloons, and a good deal of ballyhoo while they create a corporate financial statement. The theme unifies the experience in the students mind and helps make the learning memorable.

2. *Harmonize impressions with positive cues:* Impressions are the 'takeaways' of the experience; they fulfil the theme. To create the desired impressions, companies must introduce cues that affirm the nature of the experience to the guest. Each cue must support the theme, and should be inconsistent with it. Even the smallest cue can aid in the creation of a unique experience. When a restaurant host says, 'your table is ready', no particular cue is given. However, when a Rainforest Café host declares, 'your adventure is about to begin', it sets the stage for something special.

It is the cues that make the impressions that create the experience in the customer's mind. An experience can be unpleasant merely because some architectural feature has been overlooked, under-appreciated, or uncoordinated. Unplanned or inconsistent visual and aural cues can leave a customer confused or lost.

3. *Eliminate negative cues*: Experience stagers must eliminate anything that diminishes, contradicts, or distracts from the theme. Most constructed spaces - shops, offices, buildings or airplanes – are littered with meaningless or trivial

messages. While customers sometimes do need instructions, too often service providers choose an inappropriate medium or message form.

4. *Mix in memorabilia*: Certain goods have always been purchased primarily for the memories they convey. Vacationers buy postcards to evoke a treasured sight, golfers purchase a shirt or cap with an embroidered logo to recall a course or round, and teenagers obtain T-shirts to remember a rock concert. They purchase such memorabilia as a physical reminder of an experience. These goods generally sell at price points far above those commanded by similar items that do not represent an experience. A Rolling Stones concert-goer, for example, will pay a premium for an official T-shirt emblazoned with the date and city of the concert. That's because the price points are a function less of the cost of goods than the value the buyer attaches to remembering the experience.

5. *Engage all five senses:* The more senses an experience engages, the more effective and memorable it can be. Savvy hair stylists shampoo and apply lotions not simply because the styling requires it but because they add more tactile sensations to the customer experience. Similarly, grocery stores pipe bakery smells into the aisles, and some use light and sound to simulate thunderstorms when misting their produce.

Some cues heighten an experience through a single sense affected through striking simplicity. The Cleveland Bicentennial Commission spent $4 million to illuminate eight automobile and railroad bridges over the Cuyahoga River near a nightspot area called the Flats. The dramatically lighted structures are a prop that city managers hope will help attract tourist dollars by making a trip to downtown Cleveland a more memorable night time experience (Pine and Gilmore, 1998).

Companies that fail to provide consistently engaging experiences, overprice their experiences relative to the value perceived, or overbuild their capacity to stage them will see pressure on demand, pricing, or both. Allen et al (2005) point out that Managers become so focused on data that they stop hearing the real voices of their customers. A survey conducted by Bain & Company revealed a survey of 362 firms concluded that

80% believed they delivered a 'superior experience' to their customers. But when customers were asked about their own perceptions, only 8% of companies were rated as truly delivering a superior experience. What sets these companies apart is that they take a distinctively broad view of the customer experience. The leaders pursue three imperatives simultaneously:

1. They *design the right offers and experiences* for the right customers: In defining segments, they look not only at customers' relative probability but also at their tendency to act as advocates for the company – to sing its praises to friends. The ultimate goal is to shift ever more customers into the high-profit, high-advocacy area. In designing propositions for specific segments, leaders focus on the entire customer experience. They recognize that customers interact with different parts of the organization across a number of touch points, including purchase, service and support, upgrades, billing, and so on. Design is thus closely tied to the delivery from the very beginning (Allen et al, 2005).

2. They *deliver these propositions* by focusing the entire company on them with an emphasis on cross-functional collaboration. To ensure effective delivery, the leaders must first create and motivate cross-functional teams – from marketing to supply chain management – to deliver their value proposition across the entire customer experience. Second, they must treat customer interaction as a precious resource. Data mining and customer relationship management (CRM) systems can be valuable for creating hypotheses, but the ultimate test of any company's delivery lies in what customers tell others.

3. They *develop their capabilities* to repeatedly please customers – by such means as revamping the planning process, training people in how to create new customer propositions, and establishing direct accountability for the customer experience. Customer metrics serve an equally critical function: They allow companies to be sure their delivery continues to meet the needs of the target segments. Measures have to be crafted to inspire cross-functional collaboration. One example is net promoter scores: Improving them requires a concerted effort from the front line to the back office. Precise

customer service objectives for specific customer interactions can also help to rally the troops. A bank might create a goal of phoning each new customer within one week of opening a checking account; a cable company within a week of installing a line. Hitting such targets requires specific, coordinated contributions from customer support, marketing, channel management, and finance.

Each of these three 'D's draws on and reinforces the others. Together, they transform the company into one that is continually led and informed by its customers' voices (Allen et al, 2005).

Leaders also find other, informal ways to let customers tell them whether they are succeeding. Superquinn awards its customers 'goof points' for pointing out anomalies such as an out-of-stock item, a dirty floor, or a checkout line longer than three people. The goof points provide discounts off future purchases (Allen et al, 2005).

2.15 Conclusion

While companies have been measuring customer satisfaction and have plenty data to show for their efforts, the problem is that measuring customer satisfaction does not tell anyone how to achieve it (Meyer, 2007). It is evident from the literature review that customer experience is an intrinsic part of any firms' structure and is at the core of its success. Customer experience comprises of many elements both physical and emotional. Creating the perfect customer experience is complex because it engages both tangible and intangible aspects of the companies offering and the expectations of customers. Each aspect holds a varying value for each customer. Measuring customer experience is not clear cut and achieving it is ongoing work in progress. 'Companies must gain an understanding of the customer's journey – from the expectations they have before the experience occurs to the assessments they are likely to make when it is over' (Berry et al, 2002).

Throughout the extensive literature review process, many examples of CEM strategies employed by companies in varying industries were uncovered. However, there were none identified which applied to the bar industry. This highlights the need for more extensive research into the bar industry in Ireland regarding Customer Experience because '... particularly pubs, bars, restaurants, and nightclubs where closures and redundancies are now commonplace' (VFI, 2009), bar owners need to identify areas of their business where they can generate more value for customers. CEM can create both short term and long term benefits, however, the long term should be the driving force.

3.1 Introduction

This chapter details the methodology employed for this dissertation. Surveys, focus group and interviews were carried out as primary research methods to meet objectives for this study. The procedures for each are discussed in detail. An explanation of the reasons for choosing the research design is included.

3.2 Methodology

Research as defined by Cooper & Emory (1995) is a systematic inquiry aimed at providing information to solve problems. Business research can be defined as a systematic inquiry that will provide information to guide business decision making.

Methodology is a general approach to studying research topics.

> '*Your choice of method should reflect an overall research strategy as your methodology shapes which methods are used and how each method is used*'. (Silverman, 2000, p.88)

For this study, as the objectives are to identify touch points for bars and uncover what influences and shapes customers experience in bars, the methodology uses both qualitative and quantative research.

The target age group of participants being surveyed in questionnaires and interviewed in focus group is 25+ years.

Primary Research

As regards this study, the research plan must assist an explorative approach of the customer experience, focusing on the customer interaction with different touch points of the bar environment and it should catch the voice of the customer. The interviews with bar managers should explain what efforts management are taking to create and sustain good customer experience and establish if CEM is in fact in practice by Management in the bars.

In this study, one hundred participants were surveyed, four interviews with bar management and one focus group were conducted.

The bar setting was chosen to conduct research because, for this dissertation, the study is Customer Experience Management in bars in Mayo and Sligo. Bars are used by a lot of people. Bar goers stay in the bar for at least a while. Similar to restaurants, customers' presence makes the close interpersonal interactions, between employees, and customers, and, also between customers, visible for customers, and the firm (Lovelock, 1983). Like restaurants, bars could be classified as high-contact services as the service is produced in the presence of the customer (Schneider and White, 2004) as well as the interactions between customers and the other parts of the bars offering are important. Further, bar services represent the most common characteristics of services. Firstly, they are interactions. Secondly, they include activities, and thirdly, the customer is actively involved as a co-producer (Gronroos, 1990). Processes are also emphasized as the most fundamental of services by Lovelock (1983). Moreover, customers spend time and money in bars (and restaurants) in search of pleasure, conviviality and interactions (Warde and Martens, 2000). Because of this, bars provide a good opportunity to study the customers experience in a practical context.

A small number were surveyed at Sligo Kayak Club. It is a good place to catch people in a relaxed social setting outside of the bar environment. Thus, getting a sample of opinion outside the bar setting.

Secondary Research – Literature Review

The first part of the research process into the topic of Customer Experience is to investigate all current and past literature to gain insight into what customer experience is about; its composition, characteristics and strategies employed in the area of CEM in various industries.

3.3 Qualitative and Quantitative Research Approach

Qualitative and quantitative methods are employed for this thesis. Although the two approaches are distinctly different they are complementary and most sophisticated research designs will contain elements of both. There has developed a growing recognition amongst the users of research that qualitative research is essential to address questions of what, how (process) and why, while quantitative research is appropriate to answer questions of who, where, when and how (quantity) (Baker, 1991).

3.3.1 Qualitative Research

Qualitative analysis is the analysis of data that is devoid of numbers. Sources of qualitative data could include, for example, interview transcripts, consumer diaries, field notes and responses to open-ended questions (Domegan and Fleming, 2007). The aim of qualitative research is not to produce 'statistical data' but rather assess the minds of consumers to discover their impressions, expectations and prejudices' (Domegan and Fleming 2003).

The advantages of qualitative research for the purposes of this study is it provides the opportunity to explore, probe and develop the expectations, opinions, attitudes which shape the experiences customers have in bars.

The benefits of qualitative research are described as

> '*The methods used by qualitative researcher exemplify a common belief that they can provide a deeper understanding of social phenomena than would be obtained from purely quantitative data'* (Silverman, 2000, p.8).

Further benefits of qualitative research are highlighted by Sarantakos (1998) as:
- ✓ Researching people in natural settings
- ✓ Stressing interpretations and meanings
- ✓ Achieving a deeper understanding of the respondent's world.
- ✓ Humanizing research process by raising the role of the researched

✓ Allowing higher flexibility

✓ Presenting a more realistic view of the world (Sarantakos 1998)

Qualitative research has the capacity to document the world from the point of view of the people studied (Hammersley, 1992, p.165).

For this research study on CEM in Bars in Mayo and Sligo, qualitative data is collected through a Focus group, interviews with bar Managers in four bars and some open ended questions on the questionnaires.

The reliability, interpretation of the data and consistency of qualitative research has criticisms. Kirk and Miller (1986) point out that:

> Qualitative researchers can no longer afford to beg the issue of reliability. While the forte of field research will always lie in its capability to sort out the validity of propositions, its results will go ignored minus attention to reliability. For reliability to be calculated, it is incumbent on the scientific investigator to document his or her procedure.

The drawbacks of qualitative research for this study are, in the opinion of the researcher, outweighed by the benefits of qualitative research. Particularly, as it has the ability to go beyond the statistics and gain a greater understanding into people's feelings, opinions and attitudes. Experiences are created on memories and often have an emotional connection. Therefore qualitative research allows for the exploration of these experiences which go beyond what is tangible and uncover the intangible.

3.3.2 Quantitative Research

Quantitative research is concerned with descriptive and casual research designs. Bryman, 2004 points out that 'the reliance on instruments and procedures hinders the connection between research and everyday life'. He goes on to state that 'the analysis of relationships between variables creates a statics view of social life that is independent of people's lives' (Bryman, 2004, p.78).

Quantitative research main benefits and objectives are to
- ✓ Provide specific facts which decision makers can use to make accurate predictions about relationships between market factors and behaviors
- ✓ Gain meaningful insights into those relationships and
- ✓ Verify or validate the existing relationship (Bush et al, 2000, p.216).

For prioritizing critical touch points for bars, the quantitative method allows for more measureable/tangible data and can be used to compare with what bar managers perceive as the critical touch points. Bush et al (2000, p.216) highlights that quantitative research places heavy emphasis on using formalized standard questions and predetermined response options in questionnaires or surveys administered to large numbers of respondents.

For this study, data is collected via face to face questionnaires with a convenience sample of customers in Sligo and Mayo. The objective being to prioritize critical touch points for bars which influence and impact customers experiences and uncover what customers value in terms of creating a good experience in a bar – using predetermined response options and using standard questions.

3.3.3 Qualitative and Quantitative approach

> 'The in-depth knowledge of social contexts acquired through qualitative research can be used to inform the design of survey questions for structured interviewing and self-completion questionnaires'. (Bryman, 2004, p.457)

The predetermined response options in the questionnaires were formed based on exploratory research conducted using a Focus group. This questionnaire was used to collect both qualitative and quantitative data. The qualitative data was accommodated for by using open ended questions. The quantitative data was allowed for by using predetermined response options.

3.4 Focus Groups

A focus group is a focused discussion where a moderator leads a group of participants through a set of questions on a particular topic. Focus groups are often used in the early stages of product planning and requirements gathering to obtain feedback about users, products, concepts, prototypes, tasks, strategies, and environments. Focus groups can also be used to obtain consensus about specific issues (usabilitybok.org, 2006).

A focus group is, according to Thomas et al, 1995, 'a technique involving the use of in-depth group interviews in which participants are selected because they are a purposive, although not necessarily representative, sampling of a specific population, this group being 'focused' on a given topic'. The topic for this study is Customer Experience in bars.

Participants in this type of research are, therefore, selected on the criteria that they would have something to say on the topic, are within the age-range, have similar socio-characteristics and would be comfortable talking to the interviewer and each other (Richardson & Rabiee, 2001). This approach to selection relates to the concept of

'applicability', in which subjects are selected because of their knowledge of the study area (Burrows & Kendall, 1997).

For the focus group, a purposive sample of participants of a young professional, regular socialite profile were chosen by the researcher. Like most other qualitative methods, focus groups rely on purposive samples. A purposive sampling strategy chooses the focus group participants according to the projects goal. The selection of participants follows directly from the purpose of the project. The goal of focus groups is to gain insight and understanding by hearing from people in depth and this requires selecting a purposive sample that will generate the most productive discussions in the focus group (Morgan, 1998). The obvious benefit of probability-based sampling procedures is that they allow one to draw inferences about the population from which the sample was drawn and state these with a known degree of confidence that any similarly chosen sample would yield the same results as that given by the present sample (Morgan, 1998).

A purposive sample of participants who socialize in bars would generate data to achieve the objective of identifying touch points which significantly impact their experience in bars.

One of the distinct features of focus-group interviews is its group dynamics, hence the type and range of data generated through the social interaction of the group are often deeper and richer than those obtained from one-to-one interviews (Thomas et al. 1995). Focus groups could provide information about a range of ideas and feelings that individuals have about certain issues, as well as illuminating the differences in perspective between groups of individuals. Like one-to-one interviews, the results of focus-group interviews can be presented in uncomplicated ways using lay terminology supported by quotations from the participants (Raibee, 1999). Focus groups can be used to:

- ✓ Obtain reactions to concepts, proposals, and prototypes.
- ✓ Gather insights that might be sparked by the group interaction.
- ✓ Get opinions, attitudes, and preferences from participants. (usabilitybok.org)

Focus group moderators generally follow a discussion plan that has the questions, prompts, tasks, and exercises for the group. The moderator must generate interest in the topic, involve all the participants, keep the discussion on track (but also allow for unexpected diversions), keep dominant personalities from overwhelming other participants, and not give away the sponsor's beliefs or expectations (usability.org). This was achieved by using probing questions and not making comment on any contributions made by any of the participants.

Usabilitybok.org cites the key benefits and advantages of focus groups as:

- ✓ You can get feedback about what people do over a long period of time.
- ✓ Focus groups used early in a project can produce insights and questions from the interaction among different users or stakeholders.
- ✓ Focus groups are relatively inexpensive (assuming that participants are from the same geographical area) and can be arranged quickly.

For this study, the advantages are; getting feedback on the motivations behind the experiences, and what contributes to and shapes customer experiences in bars. From this focus group, insights were formed into each aspect which was identified in the discussion and questions for the questionnaire were formed.

The disadvantages are cited as:

- ✓ Focus groups involve "stories" about behavior and do not examine actual user/stakeholder behavior.
- ✓ The data from focus groups are self-report data which depend on the participants' truthfulness and recall accuracy. What people report may be quite different than what they actually do.
- ✓ Dominant participants can skew the results of the focus groups. Conflicts and power struggles can arise among participants.
- ✓ Any quantitative conclusions from a focus group may be suspect because the participants are often chosen from a convenience sample.

✓ Moderating a focus group is difficult. Moderators must be trained to deal with a wide range of group dynamics as well as individual differences among participants (Usabilitybok.org).

The researcher did bear in mind the potential adversities of a focus group and managed the discussion in a relaxed manner, assuring participants of confidentiality, the nature of the study and keeping them focused with set questions backed up with probing questions. By the nature of the topic at hand, the group were relaxed and all participants interacted very well.

3.5 Questionnaires

Domegan and Fleming (2003, p.272) describe the use of questionnaires to 'measure customer's behavior, their attitudes, awareness and characteristics'. The research for this dissertation makes use of face to face questionnaires to gather qualitative data by investigating the attitudes and influences which shape customers experiences in bars and to uncover what customers value in terms of creating a good experience in a bar.

3.5.1 Questionnaire Design

The techniques employed for this questionnaire were based on Baker (1991) suggestion of devices which may make the questionnaire seem shorter essentially by keeping the respondent involved and interested. The techniques proposed include:

1. Varying the type of questions asked
2. Giving the informant things to do
3. Scattering questions on the same theme rather than bunching them.
4. Introducing interesting questions as soon as possible.
5. Making sure the questionnaire flows

By using devices such as these one can help reduce the natural tendency of respondents to economize by using the same information more than once, i.e. they get into a 'response set' and begin to tick the same end of the scale every time without paying due attention to the actual question asked (Baker, 1991, p.154-155).

The first section of the questionnaire is designed to establish demographical details, frequency of visits to the bar and bar loyalty and what factors they consider when deciding on a bar. Question five and six address the role the staff play in their experience and question seven is designed to establish what shapes their expectations of a bar.

Question eight, nine and ten should uncover the critical touch points customers identify with and which most impact their experience in the bar. Question ten and eleven are designed to uncover if customer advocacy is at work in the bar industry. Question twelve and thirteen establish what advertising mediums influence customers choice. Question fourteen is open ended to see what customers would like to see bars offering to enhance their experience in the bar.

The questionnaire contains open ended questions, multiple-choice questions, verbal frequency scale, dichotomous questions. The open ended questions are used to probe for additional information. 'Multiple-choice questions overcome many of the disadvantages associated with open-ended questions' (Domegan and Fleming, 2007). They are easier for participants to answer. Multiple choice also allow for ease of recording the data. Verbal frequency scales determines 'the frequency with which respondents behave or act in a given way'. Verbal frequency scales usually comprise of alternatives, namely: Always, often, sometimes, seldom, Never. (Baker, 1991 p.149) In this research, it is used to establish the behavior of customers regarding bar loyalty. Their disadvantage is that they lack the precision of numerical scales so that care must be taken not to read too much into the answers (Baker, 1991 p.149). The dichotomous questions allow respondents to choose from categories (e.g. yes, no or don't know) (Domegan and Fleming, 2007). This adds to the ease of filling out the questionnaire for the respondents.

3.5.2 Piloting the questionnaire

Before starting data collection, test surveys were conducted on ten participants, to ensure the questions were clear, not leading and evaluate the design of the questionnaire to see if it would exact useful information.

The participants were informed as to the purpose of the survey, research project and asked whether or not they wanted to participate.

3.5.3 Convenience Sampling

The researcher decided on convenience sampling for the questionnaire. Researchers usually cannot make direct observations of every individual in the population they are studying. Instead, they collect data from a subset of individuals – a sample – and use those observations to make inferences about the entire population. One of the most common types of non-probability sample is called a convenience sample – not because such samples are necessarily easy to recruit, but because the researcher uses whatever individuals are available rather than selecting from the entire population. This type of correspondence between the sample and the larger population is most important when a researcher wants to know what proportion of the population has a certain characteristic – like a particular opinion or a demographic feature (psychology.ucdavis.edu).

Convenience sampling was carried out in Sligo and Mayo and all surveys were conducted by the author in natural settings of the bar environment and at Sligo Kayak Club. They were conducted at;

- ✓ Mickey Macs Bar, Tubbercurry, Co. Sligo, 17 July 2010
- ✓ Pajos Bar, Claremorris, Co Mayo, 16 July 2010
- ✓ Brennan's Bar & Restaurant, Ballina, Co Mayo, 31 July 2010
- ✓ Sligo Kayak Club, Doorly Park, Sligo 21 July 2010

In the bars, the surveys were conducted between 7pm – 8.30pm so as to catch participants early on in the evening where it was not too busy and not as distracting for individuals

completing the surveys. The surveys conducted at the Kayak Club took place between 6pm and 6.45pm in the evening.

These are places where it is possible to collect data from a large number of varied individuals with a sharp contrast in bar styles – Bars with food, trendy bar, casual bar, traditional bars. Also a sample from a kayak club as it was a place where it was accessible to survey participants in a relaxed setting. The bar owners were very obliging and allowed the surveys be conducted on their premises. The instructor at the kayak club also was very helpful.

All participants who the researcher approached to fill in a questionnaire obliged. There were no refusals. This may indicate that these are favorable environments in which to conduct similar research in the future. The target audience are in a relaxed setting, in a sociable mood and willing to participate.

The main advantages for using questionnaires are:

- ✓ Questionnaires are less expensive than other methods.
- ✓ They produce quick results
- ✓ They offer greater assurance of anonymity
- ✓ They offer less opportunity for bias or errors caused by the presence or attitudes of the interviewer.
- ✓ Questionnaires are a stable, consistent and uniform measure, without variation.
- ✓ The use of questionnaire promises a wider coverage, since researchers can approach respondents more easily than other methods (Sarantakos, 1988, p.224).

3.6 Interviews

Four interviews were carried out with bar owners in Sligo and Mayo for this study. The interviews were designed to last 30 – 45 minutes. The style was semi-structured as this allows for developing and exploring various ideas of relevance which may arise during the course of the interview. The interviewees were informed of the nature of the research project, in what capacity the information would be used and interviews were scheduled in advance. The goal being to get a broad picture of what efforts management were taking to create and improve customer experience, identify their critical touch points, how they are managing them and assess their level of awareness of the customer experience. The interviewees expressed a preference for the interview to be conducted without being recorded, therefore an accurate transcipt is not available in the appendix but the interview notes are there.

An interview involves a personal exchange of information between an interviewer and one or more interviewees in which the interviewer seeks to obtain specific information on a topic with the cooperation of the interviewee (Baker, 1991). A semi structured interview contains a combination of both closed and open-ended questions and was considered most appropriate in this case as the combination approach allowed the researcher to gain insight of the topic from the viewpoint of the bar owners – those who are creating the experiences. Domegan and Fleming, (2007) cite advantages of the personal interview as;

- ✓ Because of the greater interaction between interviewer and respondent, the personal interview has great flexibility.
- ✓ The personal interview tends to have less non-response error than other survey methods.

The disadvantages are;

- ✓ Personal interviews are often impractical to conduct over wide geographical regions because of time and cost.
- ✓ There is potential for interviewer bias. (Domegan and Fleming, 2007)

3.7 Research Analysis

The research findings from the questionnaire are calculated and analyzed using Microsoft Excel Spreadsheet. All opened ended questions and comments from the focus group and the questionnaires findings were written up on Microsoft Word, as were the findings from the interviews with bar owners.

3.8 Ethical Considerations

Ethical considerations are extremely important in research. For focus group, questionnaire and interview participants, they are being probed about their views, feelings and opinions. Baker (1994, p79) developed three principles:

1. Anonymity is assurance that subjects identities will not be disclosed in anyway.
2. Confidentiality is to minimize in any available way the possible exposure of a subject's identity.
3. Informed consent is achieved if the subject knows what the study is, understands his or her level of confidentiality in the study, comprehends the objectives of the study and agrees to cooperate (Baker, 1994).

Respondents are entitled to withdraw from the interview at any stage, or refuse to answer any question. The researcher will take all reasonable precautions to ensure that respondents are in no way harmed or adversely affected as a result of their participation in this study (Domegan and Fleming, 2007). All participants who participated in the focus group, questionnaires and interviews gave their consent freely and understood exactly what was the nature of the research was, how it was going to be used, how long their participation would take and were offered a copy of the findings.

3.9 Limitations

While all participants of research methods were participating of their free will without pressure or undue influence, the bar owners were not comfortable with being recorded. Also, two participants in the focus group indicated they would be uncomfortable knowing the meeting was being recorded. Respecting the wishes of the participants, the researcher did not use any recording devices, instead taking written notes of what was being said. The limitation to this would be there was just one chance at getting the information down and no way of checking it afterwards.

In the focus group, there were significantly more females than male participants. There may perhaps be more perspective from the female viewpoint into customer experiences and preferences in the bar. The limitation is that the outcomes may capture the female perspective more than the male perspective.

4.1 Introduction

This chapter analyses and evaluates the primary research by assessing and discussing the findings under three research objectives. The primary research consists of three methods of exploratory research; Focus group, questionnaires and face to face interviews.

4.2 Focus Group Findings

The focus group consisted of six female participants and two male participants. This could be flagged as a limitation for the study as it may have more of a female perspective, but also may indicate that females are more experience orientated. If the latter is the case, it may be significant for bar owners and marketers to note when creating customer experience strategies.

One Focus group was conducted as part of the research. The group meeting was designed to last forty five minutes with eight participants (six female, two male). The meeting was held in Kennedy's Bar, Rockwood Parade, Sligo at 6pm, 8 July 2010.

The object of the focus group was to gain insight into:

- ✓ Bar loyalty among customers and motivations for same,
- ✓ Role of staff as perceived by customers,
- ✓ Factors influencing their experience in the bar
- ✓ Do they act as advocates for their preferred bar and would they mention a good experience over a bad experience
- ✓ Advertising for bars and social networking
- ✓ What they would like to see bars improving on

4.2.1 Bar loyalty among customers and motivations for same

When going out socializing, the overall consensus was that the participants do try new bars on a regular basis. However, they all stated they do have a favourite bar. And furthermore, while they do try different bars frequently, they try to get into their 'favourite bar' or 'local' at some point in the night.

When probed about what it was they liked about their 'local' or why is it their favourite bar, the responses were varied, particularly the difference in male and female perspectives.

The female responses were about décor, ambience, clientele and comfort factors. They very much notice things like 'cleanliness of toilets and mirrors in bathrooms' participant C said, which got agreement from the other female participants.

Staff were very strongly cited as a key aspect. Participant D pointed out that '*I only feel comfortable walking into a bar on my own when I know the staff are friendly and also the safety thing as well – knowing they'll look after me*'. Agreement was strong on this point and participant G and participant E stated this was '*exactly how I feel about my local*'.

The male perspective was what they liked about their local was the quality of drink. '*They pull a mighty pint*' said Participant A and participant H added '*I've never gotten a bad pint in my local*'. When asked about other factors, participant H admitted '*It's a comfort zone and sets me up for the night*'. He likes '*the feeling of belonging*' and the fact that '*I could go in on me own for a quiet pint without feeling like Billy-no-mates*'. This was again down to bar staff. On the drinks issue, Participant B pointed out that the reason quality of drink did not matter so much to her was that she drink 'bottles' while the men tend to go more for 'the tap stuff'.

Sponsorship came in as a key factor for enhancing perspective of the bar's good will more so for the male participants than the females. The male participants both agreed sport involvement and sports theme very much attracts them to their local bar. All

participants agreed that such themes contribute to the atmosphere and this adds to their experience.

Mascarenhas, 2006 cites total customer experience has two components- high involvement between consumers and providers and a right blend of both physical and emotional elements along all the stages of the customer experience. This notion is supported by the findings of this focus group objective.

4.2.2 Role of staff as perceived by customers

All participants agreed the staff play a contributing role to their experience. Participant F said in her 'local' she is more aware of the staff but in other bars, it does not seem to matter. There was slight contradiction by other members to this as all other members in the group agreed they are aware of staff *'unless the bar is absolutely jam packed'.* Participant A stated as he *'always orders a pint'* - *he notices the barman more'.* Participant C pointed out that when she comes into the bar on her own, she especially notices staff more. There was strong agreement on this statement from all participants.

The qualities they pointed out as being important in bar staff included a sense of humour, efficiency and friendliness. Creativity was important for participant G from the perspective that she is not as decisive about what she wants to drink in a bar and is *'impressed when a bar person offers her something new, exciting and refreshing'.* To be able to recommend or give suggestions is something that contributes to her experience with staff. Interestingly on that, Participant H said he knows exactly what beverage he wants before they even decide which bar he is going to.

Bars, like restaurants could be classified as high-contact services as the service is produced in the presence of the customer (Schneider and White, 2004). Further, bar services represent the most common characteristics of services; they are interactions, they include activities and the customer is actively involved as a co-producer (Gronroos,

1990). Taking these aspects into account, there is a clear link between what was coming across in the focus group and what theorists are saying.

4.2.3 Factors influencing/contributing to their experience in the bar

Interestingly, there was little variation between what the female and male participants were saying on this point. They cited key factors directly impacting their experience in a bar as atmosphere, comfort, clientele and music. When probed about what they felt creates a good atmosphere, participant B said the music, and participant E pointed out that promotions generate a buzz. Participant F said if the bar is busy, this creates a good vibe. Participant H pointed out that he likes live music but regardless of the type of entertainment provided, he gets 'fed up very quickly' if it is too noisy. There was overall consensus that crowd control impacts also.

It was mentioned that from a 'getting something back perspective', promotions are great. Not only does it create a buzz but the girls particularly felt 'its nice to get a free drink every now and again'. Mascarenhas et al (2006) highlighted the need for *the value dimension*. What business strategy should aim is a TCE that builds LCL by blending the physical (comfort and crowd control), emotional (atmosphere and interaction) and value elements (*getting something back*) of the target customers. This is something Bar Managers must get right and came across clearly from the focus group.

4.2.4 Do they act as advocates for their preferred bar and would they mention a good experience over a bad experience

All of the participants agreed they do recommend bars to friends and colleagues. More so than any other industry (restaurant, retail, stores, spas), they find themselves promoting their preferred bars via recommendations. When probed further as to what capacity they recommend it, the responses were Participant E said ' *there is a great*

atmosphere and it's a lovely bar'. Participant D said *'a brilliant pint of Guinness'* and Participant C said *'guaranteed a good night'.* Participants A and H recommend on quality of drink while the girls' recommendations varied based on comfort, atmosphere, clientele and entertainment. Participant B recommend her favourite bar on the strength of *'sure you're guaranteed a great nights craic and it gets a great crowd'.*

From here, the discussion led on to establishing if participants were more likely to mention a good experience or a bad experience. Contrary to what literature suggests, all participants said when it comes to discussing a night out in a bar, they are definitely more likely to mention a good experience.

Drawing on this response, a few motivations for this emerged. Participant H admitted that perhaps peer pressure and ego plays a role. It is 'cool' to talk about 'the craic' and 'a great time'. Participant A admitted to saying he has a good time regardless of what kind of experience it was. However, he did say that while he talks about a good experience, he would mention a bad pint! Participant F asserted that it was maybe an emotional thing, that sense of 'feel good' and image. It was pointed out by participant C that 'you want to remember a good experience, I like to have good memories'.

Customer experience is founded on memory. Customers want to preserve their personal memories in ways that reflect their individual and unique experiences. The mark of an enduring and memorable experience is that it can be shared with family, friends, and colleagues to allow them to participate directly or indirectly (at some time in the future) (Arussy, 2010). Advocates spend more, remain customers longer, and refer family and friends, thus increasing the quality of the existing customer base and new acquisitions (Heffernan, 2007). The focus group findings indicate that the majority of participants do have a favourite bar, are more likely to refer a friend and speak of a good experience. These combined give the right conditions to indicate that customer advocacy is very much at play in the bar trade.

4.2.5 Advertising for bars and social networking

There were mixed responses to where they are more likely to hear of a bar. The one medium they all strongly agreed on was that word of mouth recommendations is the big one. It is the most effective and has a significant influence on what they perceive about the bar. Participant D cited that even when she sees a bar advertised or hears about it on the radio, she would normally seek 'word of mouth' opinion before trying it. This was agreed with by the other group members.

There was 50/50 between newspapers and radio mediums with participant E saying she is more likely to hear about bars on the radio when driving. Participants A and H were more likely to notice newspaper advertisements.

All group members said that social networking, in particular, Facebook was becoming a key medium. Participant G pointed out that more people are mentioning bars on their Facebook wall when telling of the '*mighty night they had in x y or z bar*'. Participants G and D (females) said they tried new bars a few times as a result of seeing it mentioned on Facebook.

As regards the medium they feel is most effective, there was group agreement that social networking is most effective among Facebook users. Participant A pointed out that while he enjoys reading the newspapers, he notices he is spending more time on Facebook and it is shaping his perspective. He said he feels '*generally, you have more access to the type of experiences people are having in various bars by looking at their Facebook. You are also influenced to a large extent by what they are saying about bars*'.

Participants A, B and H were aware of what types of sponsorships bars they attended engaged in. The others were 'fairly sure' the bars they frequent do sponsor events but did not know which ones. The types of sponsorships that the participants mentioned they were familiar with were McHugh's sponsor the rugby in Sligo, Toff's and the Belfry sponsor GAA and Kelly's in Strandhill sponsor yacht events.

Customers were socially networked human beings before MySpace, Facebook, Tripadvisor. They sought to compare and research products before the Internet. The sea change is actually how consumers go about connecting with each other and, more importantly, with a company and its brand (Arussy 2010). The two important points about advertising for bars which came across from the focus group is: Firstly, in how customers are communicating with each other. Customer networks are increasing through technology and secondly, the opportunity social networking presents to Bar Management to interact with their customers.

4.2.6 What the customers would like to see bars improving on

The girls all agreed that theme nights are a 'big hit'. These include everything from 'beach party themes' to 'fashion themes' and there is not enough comedy nights. Participant H pointed out that he feels 'in this economic climate, where people are not going out as often, theme nights would be more of an attraction'.

Drinks promotions was agreed by all which bars could do more of. Participant C said that '*in the good times, they didn't notice but now they do and it does bring them into a bar'*.

Participant F suggested crowd control and noise levels. This was agreed on by all in the group as being one of the key contributors to a 'crappy experience'. *'You can't have a good time when the music is too loud and there is too many people on the premises'*. Participant G said that '*off hand, any adverse experience I have had in bars, have always been as a result of over crowding and too loud music'*.

Another key point by participant B was that creativity in non-alcoholic drink choices should be addressed. Especially with the drink driving policies, it would be great to have trendy 'alcohol free' cocktails, and also to offer cappuccino's, lattes etc later in the night. It was noted by participant F that bars stop serving such beverages at 10.30.

Price of drinks did not feature as an issue. It was pointed out by participant E that there is little price variation between bars and it generally would not influence their perception of a bar or the bar's offering.

4.2.7 Main findings from the Focus Group

- ✓ There is bar loyalty among participants with a willingness to try new bars.
- ✓ Staff have a strong impact on customers experience in the bar and contribute to the atmosphere.
- ✓ Crowd control, comfort and noise level directly impact experience in the bar and can make or break a night out.
- ✓ Participants do have a favourite bar, are likely to recommend it to a friend or colleague and are more likely to speak of a good experience in a bar.
- ✓ Word of mouth is the biggest influencer when it comes to choosing a bar or forming perceptions of the bar.
- ✓ Social networking was cited as the most effective advertising medium next to word of mouth.
- ✓ Improvement areas identified ranged from more creativity with drinks and non-alcoholic drinks (more consideration given for drivers), reduce sound of music, crowd control, promotions and introduce more theme nights.

4.3 Interviews

Interviews were conducted with four bar owners, two in Sligo (Sligo Town, Tubbercurry) and two in Mayo (Ballina, Claremorris).

The objectives of the interviews were to:

- ✓ Identify their critical touch points and how they are managed
- ✓ Get a broad picture of what efforts management were taking to create and improve customer experience,
- ✓ Assess their level of awareness of the customer experience.

The findings from these interviews are going to be presented in the form of mini case-studies of each bar and the main themes summarised to conclude. The details of the interviews are presented below:

Bar	Address	Proprietor	Location and date of Interview
Mickey Macs Bar	Tubbercurry, Co Sligo	Michael MacDonagh	26 July 2010, 10.30am Mickey Macs Bar
Kennedy's Bar & Restaurant	Rockwood parade, Sligo Town	Kevin Kennedy	24 June 2010, 4pm Belfry Bar, Sligo
Pajo's Bar	Claremorris, Co Mayo	Paddy Coleman	11 August 2010, 9.30am Café Viva, Tubbercurry
Brennan's Bar & Restaurant	Ballina, Co Mayo	Keith Brennan	10 August 2010, 7.30pm Brennan's Lane, Ballina

4.3.1 Brennan's Bar & Restaurant, Ballina, Co Mayo

Keith Brennan, Proprietor established Brennan's Lane – Bar and Restaurant in 1998. Prior to this, Keith had no experience of the bar and restaurant industry. Currently he employs twenty five part-time and full time staff in his business. The main target group Keith markets to are professionals/workers mid twenties upwards. It is not a theme bar as such. He does not have any set method of segmenting the market and he did point out that the geographical population is not great enough to get that specific.

Keith identified the touch points he feels are most important for his business as; first and foremost the reputation and word of mouth which is crucial to the growth of the business, staff, quality of both food and drink and advertising. These touch points are managed by staff mentoring – which ensures a sustainable culture of customer care. Advertising is mixed but his social media/networking campaign is becoming more important. Word of mouth is the most important touch point for the bar says Keith and he makes sure that this is favourable by tending to all the other key areas *'knowing what the little things are that make a big difference. Very often the little things going untended to can cause flaws in the big things'* (Keith Brennan, 2010). He asserts that word of mouth is the single best form of advertising for his business and indeed for the bar/restaurant trade over all.

Keith uses multiple mediums for advertising to reach a wide variety of customer preferences, radio, newspaper, web site and Facebook. The image these advertising campaigns are designed to portray is *'elegant, yet quality and great entertainment'*. The experience Keith is creating for his customers is a blend of bar, restaurant and quality entertainment venue, ensuring that the customer's experience is not just limited to one aspect, but rather they have the choice to engage in a combination or all of these offerings. To support this image of elegance, Brennan's Bar and Restaurant do promote a dress code. They encourage patrons to dress smart-casual and this is communicated to the customer in the words of Keith Brennan as *'the style of the bar is such that people would dress accordingly, otherwise we have a sign at the door with policy stated'*.

Staff are the first point of contact, 'so they need to look smart', first impressions count! The staff mentoring initiative which Keith undertakes is designed to create a culture of top-notch customer care in all areas of the business – entertainment, restaurant and bar. The characteristics which are cultivated in employees are friendly, empathy and professional. Keith does point out that staff are a medium for up-selling or cross-selling. When customers are in for dinner/lunch, they are informed of what entertainment is on for the evening or if there are any drinks specials in the bar. This encourages customers to make an evening of it – helps create an experience!

The business sponsors football, rugby and soccer clubs. They also donate to other events around the town. Keith feels that this only influences the perception of the customer if that customer is directly involved with the club/event. However, sporting events have a following and this may influence those not directly involved with that event.

In terms of the offering of Brennan's Bar and Restaurant, the offering is designed around the objective of creating an experience for the customer of 'in town pub with a 'club' atmosphere at weekends, clean, safe and entertaining. Each of the three aspects that make up the business bar, restaurant and entertainment are designed to create *'a total customer experience for the perfect evening out'*. Keith explains that his vision is to create for the customer *'a relaxing, chilled out dining experience, then stroll lazily into the bar for drinks and then enjoy quality entertainment in our entertainment venue'*. The bar is kept looking tidy and a good atmosphere is generated from friendly professional staff.

Customer metrics is measured mainly by the return visit *'if the customer keeps coming back, you know you are going the right direction'*. If there is a customer complaint *'a manager will deal with any complaint and hopefully they are resolved and customer is satisfied'*.

Social media is a big part of their communication with customers. *'We advertise all our entertainment VIA Facebook – we request comment back for some events and reward with free tickets to gigs'*.

The product is staged to provide engaging, memorable, and lived moments; that is, it is highly personalized. In this sense the provider stimulates the experience while the customer must undergo it (Hoch, 2002). Organizations that simply tweak design elements or focus on the customer experience in isolated pockets of their business – by providing a quick hit of entertainment, for example- will be disappointed in the results (Arussy, 2010). The characteristics which are cultivated in Brennan's employees are friendliness, empathy and professional. Keith points out that staff are a medium for up-selling or cross-selling. When customers are in for dinner/lunch, they are informed of what entertainment is on for the evening or if there are any drinks specials in the bar. This encourages customers to make an evening of it – helps create an experience! TCE is generated by two components: a distinct market offering that invites and thrives by high involvement between consumers and providers and a right blend of physical and emotional elements along all the stages of the customer experience and value chain, that is, all moments of customer contact with the producer (Mascarenhas, 2006).

4.3.2 Pajo's Bar, Claremorris, Co Mayo

Patrick Coleman is proprietor of Pajo's Bar, Claremorris, Co Mayo. It is a bar and does not serve food. The bar opened in December 2007. Paddy had been working in the industry three years prior to this. The bar employs eight staff on a part time basis. The bar is a late bar and music bar. The bar is along the lines of a sports theme with an interest in soccer and horse racing.

Pajo's target market is mainly 20's upwards age group and 'music enthusiasts'. Paddy had no specific segmentation process *'just an idea of providing music and a great pint to my customers'.*

Paddy identified the key touch points for his business as 'word of mouth is paramount', staff and quality of drink. Advertising is also important, as is the type of entertainment he provides. Word of mouth is *'not something I can directly control but by making sure everything else is A1, it should generate positive recommendations'.* Mingling and getting to know the crowd is critical to the experience Paddy wants to deliver. *'I want to create a friendly atmosphere, relaxing and my customers can leave their problems at the door, in a sense, create a haven, a friendly face and a laugh'.*

The mediums of advertising used by Pajo's is Facebook and Poster on the window of the bar advertising entertainment. The bar does not have a dress code and the image the advertising creates is *'good craic, great buzz and community atmosphere'.*

Paddy Coleman is adamant that word of mouth is the most critical driver of his business, *'it generates business, there is no doubt about it'.*

Staff are very important to the type of bar experience Paddy wants to create. He is *'very choosy'* about who he employs and he pays more than other bars. This is because firstly, *'I want to keep good staff, and also they will be more inclined to give 110% to the job'.* There is a strict no texting, no reading newspapers behind the bar. They should be chatty with customers but also intuitive enough to know when the customer just wants to drink! The staff are key to creating a community inviting atmosphere. Paddy also has strong

emphasis on 'Confidentiality'. *'What happens in Pajo's stays in Pajo's, If a customer has something on their mind and says it to the barman, it doesn't go any further. I don't want to hear back customers business from any of my staff'.*

Pajo's sponsor football teams locally, tug of war and a rally car. Paddy feels community involvement is vital and also boosts word of mouth *'people see you are not just a grab-all and that you are giving something back to the community'.*

The offering of Pajo's – their unique selling point is live music, staff are crucial and *'we do a great pint!'* While the bar is predominantly 'male oriented', this brings in the women and we facilitate this by making sure the toilets are spotless and making it as comfortable as possible'. They pay extra for good bands and good music will draw the crowd back. For men, Paddy feels the *'quality of drink is the most important'* while women *'definitely prefer the comfort factor and to feel safe'*, so he does not tolerate *'jig acting'.*

The customer metrics is based on the return visit. Paddy does a fair amount of mingling and takes every idea and complaint equally on board. There is no complaint process as such but paddy would like to think they could approach staff.

Social media is his main source of advertising. He encourages customers to leave comments on the Facebook wall and keeps his entertainment schedule updated.

What defines TCE is the joint interactive participation of the provider and the customer. The higher the interaction and its quality, the higher is TCE and, consequently, the higher is LCL (Mascarenhas, 2006). To create a delightful customer experience, employees must be motivated, competent at their jobs and innovative in their thinking (Schmitt, 2003). In Pajo's, staff are chatty with customers but also intuitive enough to know when the customer just wants to drink! The staff are key to creating a community inviting atmosphere. Paddy emphasizes 'confidentiality'. *'What happens in Pajo's stays in Pajo's'.*

To realize the full benefit of delivering such experiences, businesses must deliberately design engaging experiences in what they produce, design and offer. Companies manage and compete best when they combine functional and emotional benefits in their offerings. Emotional bonds between companies and customers are difficult for competitors to imitate or sever (Mascarenhas et al, 2006). Pajo's sponsor football teams locally, tug of war and a rally car. Paddy feels community involvement is vital and also boosts word of mouth. It is important to give back to the community. Generosity is an emotionally based characteristic. Emotional connections are very important in the bar industry as Mascarenhas, 2006 points out, these bonds are difficult for competitors to imitate.

4.3.3 Mickey Macs Bar, Tubbercurry, Co Sligo

Michael MacDonagh is the proprietor of Mickey Macs Bar, Tubbercurry, Co Sligo. Mickey Macs Bar opened in 2003 and prior to this, Michael had not worked in the bar trade. The bar employs two full time staff and three part time staff. It is a music bar with no specific theme. The bar does food in the afternoon which brings in a lot of passing trade.

Mickey Mac's target group are locals, 40+ age group during the week with very much a mixed age group at the weekends. He does not have a segmentation strategy as such. He uses *'70's and 80's disco type music'* which appeals to all ages.

The key touch points for Mickey Mac's Bar are word of mouth *'probably the biggest one for any bar, and this definitely makes or breaks the business'*. The quality of drink, more so for the men, staff are very important and cleanliness is very important for the women. Word of mouth is supported through ensuring all the other things –big and small are taken care of. These touch points are managed by ensuring the taps are always clean, the glasses are sparkling and the beer is pulled by the correct method. Customer feedback is important to managing these also as if there is anything not right, they'll let him know.

Michael uses only Facebook and relies heavily on Word of Mouth for advertisement. The image he hopes to generate is *'local bar, great atmosphere, friendly staff and great quality drink'*. The dress code is casual.

He feels the majority of his business is word of mouth *'otherwise it would just be a handful of customers and a few pints'*. *'A full house every weekend is definitely down to word of mouth and this goes for any public house'*.

The role staff play in Michael's bar is described as *'central to the community he has built up over the years'*. Customers build up a rapport with the bar staff and there is a lot of trust there which is unspoken but goes with the territory says Michael. I like to think my staff respect the privacy and confidentiality of all the customers'. However, he feels the

role of staff are much more important during the week. It's not as busy and it is mostly locals, so they like to have a chat with staff over a pint.

There is not a strong emphasis on staff training, Mickey says there is a *'way of doing things'* and they are *'shown the ropes'*. As long as they have a good personality and know how to take care of customers, they do fine'.

Michael is actively involved in community sponsorships and events. GAA mostly and also hosts fundraising nights for good causes. He feels this definitely influences customers perception of his bar and generates good will.

Mickey Mac's unique selling point is the clientele he has built up over the years. There is a good buzz and customers experience which he hopes he creates is relaxed, welcome and a great quality drinks.

Customer metrics are measured mainly by the return visit and feedback from customers.

Social networking is the bar's main form of advertising and communicating to customers. Facebook encourages customers to comment on their experience in the bar. Michael feels this is critical to sustaining and creating great experiences for customers and it also makes them feel part of the *'Mickey Mac Scene'*.

Customers were socially networked human beings before MySpace, Facebook, Tripadvisor. They sought to compare and research products before the Internet. The sea change is actually how consumers go about connecting with each other and, more importantly, with a company. Unlike in the past, it is now possible to directly and interactively touch customers' core emotions and needs to build strong relationships beyond face to face engagements. (Arussy, 2010). Michael uses Facebook and social networking as his main source of advertising. He encourages customers to comment on their experience in the bar, which is not only a great source of feedback, it promotes customer advocacy. Advocates spend more, remain customers longer, and refer family and friends, thus increasing the quality of the existing customer base and new acquisitions. It is the company's challenge to understand the customer's mindset and

deliver on it at key touch points (Heffernan, 2007). Sustainable customer advocacy is critical for the survival and growth of Mickey Mac's as the majority of his business is word of mouth.

4.3.4 Kennedy's Bar, Rockwood Parade, Sligo Town

Kevin Quinn is the proprietor of Kennedy's Bar, Sligo. The Bar opened December 2009 and employs eight full time and part time staff. It is a music bar with a traditional Irish theme, and serves food during the day. The target market is 23+ age group, white collar – professional market and also tourists/visitors to the area.

The key touch points identified for Kennedy's are word of mouth, which he says is critical as it is a new business. Staff, quality of drink, advertising and sponsorships are also important touch points for Kevin's business.

Word of mouth is especially critical for the growth of Kennedy's bar as it is a new bar and the first 2 years are essential to get things right. Word of mouth is managed by ensuring he creates the right image and ambience inside the bar, generating a great atmosphere is vital and staff play a key role in this. Advertising is done mainly in hotels and B&B's to target tourists, advertising in papers locally and a small amount of radio advertising.

The image of Kennedy's bar is upmarket and trendy. The bar does have a dress code – neat dress essential. The importance of staff to every aspect of this bar is *'critical and crucial'*. Friendliness and professionalism is highly important. Staff receive on-going training mainly in customer service. Sponsorship is a big part of what Kennedy's is about and the bar sponsors a lot of projects and events such as Special Olympics, local golf and sporting events. While he points out that this is an important part of what the bar is about in terms of adding value for customers, he also adds it can be hard to gauge.

Kevin explains the combination which makes Kennedy's bar unique experience for customers is; a good drinking pub with quality drinks, comfortable, basics of what Irish pubs should be about in terms of friendliness which appeals to tourists and there is not an emphasis on music or entertainment as he wants the interactive aspects to dominate, creating an atmosphere for good conversation and an enjoyable drinking experience.

Customer satisfaction is measured through the return visit mainly. Also uses staff observations and suggestions for improvement opportunities. There is no formalised complaint system in place accept staff observations and any complaints made to staff.

Kennedy's bar does not use social networking for advertising. They are considering it but Kevin feels that there will be a backlash to this type of advertising *there is only so much advertising any business can do until it becomes intrusive and annoying for customers'*. He is going to hold off on social networking for a while longer.

By understanding the customers' needs and expectations, companies can identify what the most important interactions are – key 'moments of truth' – and prioritize delivery on these interactions (Heffernan et al, 2007). Bar owners are aware that they need to offer more than just 'a good drink'. They are conscious that creating conditions which will enhance the customers experience is crucial to the growth of the business. As word of mouth is the main driver of business and central to the success of the bar, it is prudent that managers are aware of all touch points for their business, the role each of them play and manage them accordingly.

Creating a community-like feeling in the bars is important. Making the bar as interactive as possible is very much down to the staff. From this interview, it emerged that staff play a critical role in the success of a bar. Companies compete best when they combine functional and emotional benefits in their offerings. Emotional bonds between companies and customers are difficult for competitors to imitate and sever (Mascarenhas et al, 2006).

From these interviews, it is evident that the 'return visit' is relied heavily on as a form of measuring the customer satisfaction. The customer experience is more than an analysis of hard metrics about speed, availability and information. Real progress in shaping the customer experience will come from addressing the emotional aspects of their interactions (Heffernan et al, 2007). While bar owners are tackling this by creating a culture of customer care within the business, simply retaining numbers is not enough. Another reason companies 'make their numbers' is that competition is often no better.

Competitors may also be focusing on the product or service instead of on the complete experience. The risk of a new competitor coming along to change the ground rules is ever present (Arussy, 2008). Something staff/management could do is simply find out not just if the customer enjoyed their time in the bar but what in particular stood out about the experience, and also find out what they feel may have added to their experience. Be it a certain type of entertainment, a variation in drinks or brands. Making the numbers in the short term is not an indication of future success. Investing in the customer experience is (Arussy, 2010). Measuring customer satisfaction does not indicate how to achieve it (Meyer and Schwager, 2007).

4.3.5 Main findings from interviews

Critical touch points

1. Word of mouth was cited as the most important touch point by all the interviewees.
2. Staff is recognized as playing a crucial role in contributing to what the bar is about i.e atmosphere, interaction with customers etc.
3. Quality of drinks is cited by all interviewees as vital and noted that it may matter more to male customers than female customers.
4. Cleanliness of bar, comfort are important.
5. Community Involvement and sponsorships are very important from an image and good will perspective.
6. Social Networking – Facebook very important for interaction and feedback.
7. Advertising varies depending on the bar's offering.
8. Entertainment also varies depending on what the bar is about.

4.4 Questionnaire Findings

4.4.1 Demographic Breakdown

The survey questionnaires were carried out on 100 participants in Sligo and Mayo. The demographic breakdown is displayed in Table 2:

Gender	Male	**52%**
	Female	**48%**
Age Group	18-24	**14%**
	25-34	**50%**
	35+	**36%**
Where they socialise	Mayo	**44%**
	Sligo	**50%**
	Other	**6%**
How often visit bars	Fortnightly	**24%**
	Weekly	**29%**
	Twice weekly	**12%**
	3+ times weekly	**9%**
	Less frequently	**26%**

Of the 9% of participants who went to bars 3+ times weekly, all were in the age category of 18-24. The places marked as other (6%) cited Carlow, Dublin and Donegal where participants normally socialise.

41% indicated a preference for a bar with food, 17% expressed a preference for a bar with no food, while 42% don't mind whether the bar has food or not.

The conclusion drawn from this relates to the difference in preferences for the bars offering, which may indicate that those who cited a preference for bar with food may perceive their experience in a bar as a combination of dining and bar experience. Whereas the 42% who stated they did not mind and the 17% who preferred a bar with no food may have a solid perception of the bar as being an experience absent of a dining aspect. In which case, the bars which offer food may need to recognise that these experiences are different, and identify and manage the touch points of both types of experience with equal consideration (if they are a bar that serves food). The touch points of their business may not necessarily be in the same order of priority for the experience they are trying to create for customers.

4.4.2 Bar loyalty

Only 2% of participants surveyed indicated they stick with the same bar. 71% indicated they try new bars sometimes while 27% of those surveyed frequently try new bars.

Figure 6
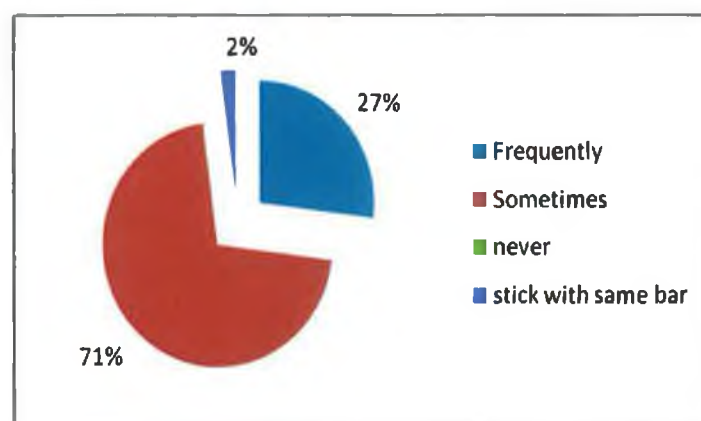
While there is a trend of trying new bars, there is a high level of bar loyalty evident in the survey results. 78% have a favourite bar. 22% indicated they did not have a favourite bar.

Figure 7
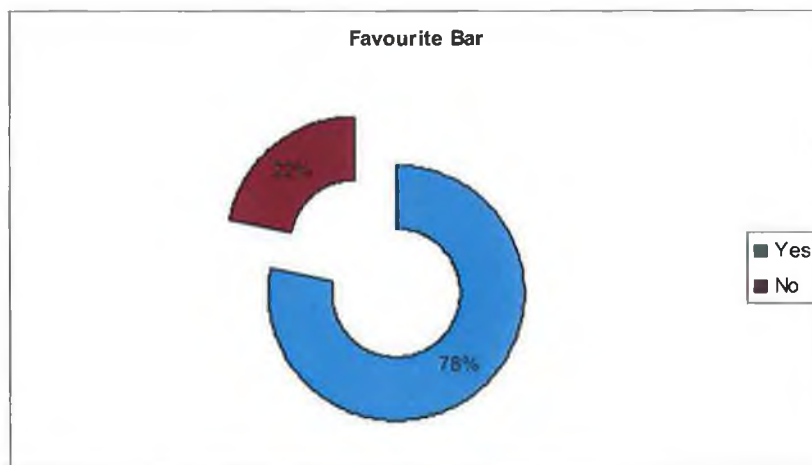
Favourite Bar

This would indicate that there is a high level of bar loyalty in the industry among customers.

4.4.3 What they like about their favourite bar

This question was asked in the form of an open ended question as part of question 3 (bar loyalty). There was only a 37% response to this particular question. The responses are displayed on a bar chart below.

Figure 8

Qualities of favourite bar
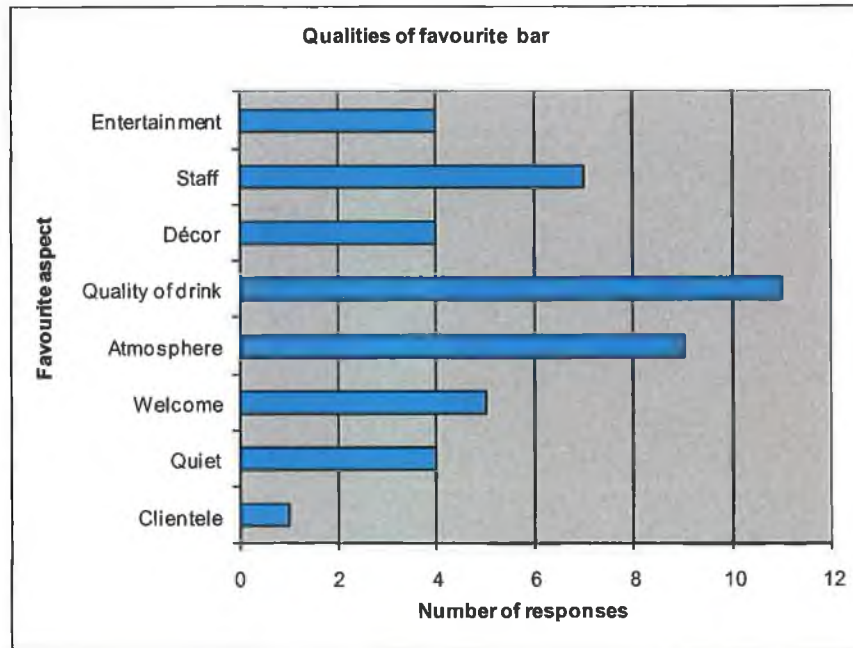
The most popular response was quality of drink, followed closely by atmosphere and next most important aspect cited was staff. 5 participants mentioned 'welcome', which again supports the contribution of the staff. 9 of the 11 participants who cited quality of drink as being what they liked best about their favourite bar – were male. Atmosphere was cited by 5 female and 4 male participants. Staff was cited equally by both men and women.

This validates the findings from the focus group and the interviews that quality of drink is generally more important to male customers and staff plays a crucial role in the customer experience. Atmosphere is also very important. Heffernan (2007) points out that to delight customers, it is necessary to identify areas that have the deepest impact on customers, and focus investment and resources there to build advocates where it is financially viable.

4.4.5 Factors which influence the choice of bar

This question invited participants to rate key points according to how important they are when deciding on a bar. The results are shown in Table 3;

	Very Important			Not Important	
	1	2	3	4	5
Décor	34%	22%	37%	7%	0%
Entertainment	33%	27%	27%	13%	0%
Staff	45%	28%	18%	5%	4%
Clientele	39%	23%	26%	11%	1%
Quality of drinks	66%	17%	5%	10%	2%

The quality of drink emerged as the key influencer with 66% citing it as very important, and a further 17% as important. Quality of drink is the most critical factor in the decision to choose a bar. Again staff play a key role when choosing a bar. 67% indicated staff as highly important and a further 18% indicated that they play somewhat of a role in their choice.

Clientele, entertainment and decor also play a significant role in deciding on a bar. While they didn't rate as strongly as quality of drinks and staff in terms of critical importance, they do influence bar choice. If one or more of these elements are not managed correctly, it will detract from TCE, which as demonstrated in the literature review, product alone doesn't create an experience. Customer experience is comprised not just of easily identifiable self-gratifying motivators, but 'hygiene' factors whose presence in a customer experience may only be noticed by their absence. An establishment may provide experience through distinctive ambience and staff behaviours, but if basic hygiene factors such as heating and lighting are absent, the overall experience will be destroyed (Palmer, 2010).

4.4.6 Role of Staff in Customer Experience in the bar

This again highlights the importance of staff in customer experience. The previous finding showed that 67% rated staff as highly important when choosing a bar. This finding shows that staff directly impact customers experience when in the bar.
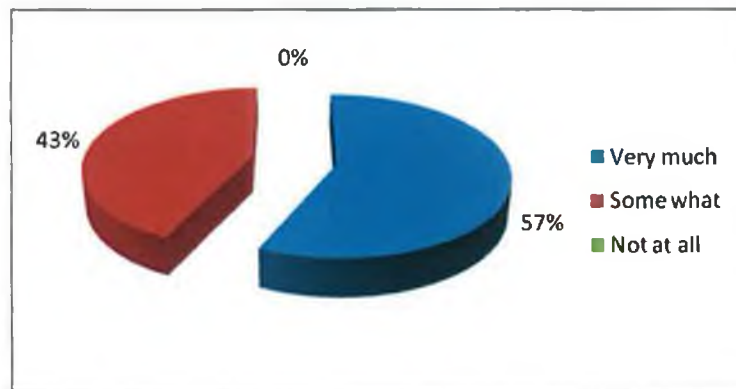

57% specify that staff very much influence their experience, while the remaining 43% cited that they somewhat impact their experience. No one indicated that staff had no impact on their experience. TCE is generated by two components: a distinct market offering that invites and thrives by high involvement between consumers and providers. TCE must have a right blend of both physical and emotional elements along all the stages of the customer experience and value chain, that is, all moments of customer contact with the producer (Mascarenhas, 2006).

This finding supports the focus group outcomes and validates what the bar owners are saying of the importance of hiring correct staff in communicating the bars message to customers.

The qualities which were viewed as being important in bar staff are displayed in Figure 9.

Figure 9
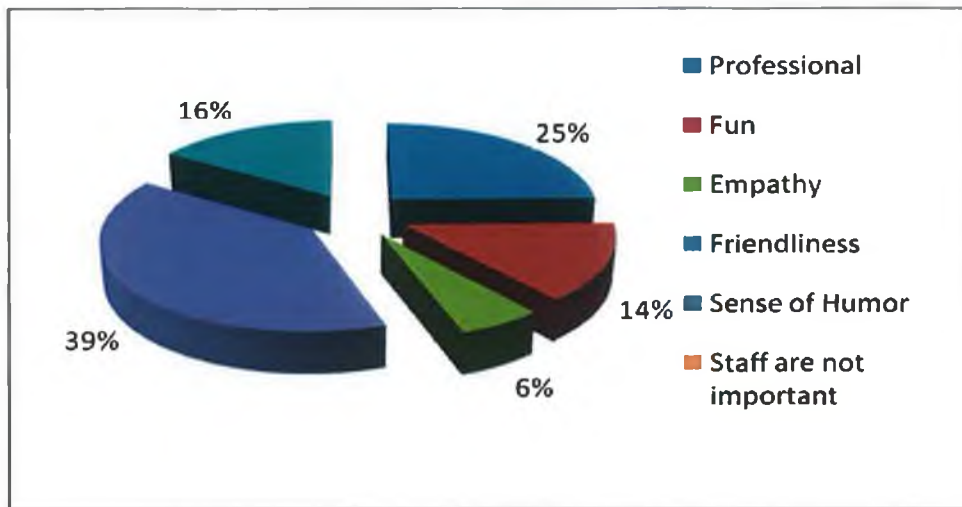
The qualities which were the most important to those surveyed were Friendliness (39%) and Professional (25%). Sense of humour and fun also featured as characteristics favoured in bar staff. Again, no participant indicated that staff are not important. From this, it is concluded that staff do play a significant role in a customer's experience and the fact that traits like friendliness scored so high in importance, indicates staff-customer interaction is central. Heffernan (2007) states the importance of verifying that experience delivery is matched to expectations and that customers aren't angered because of being promised one thing and given another. Nurturing what is important to the customer and keeping informed on what it is they value will add to TCE, which will lead to LCL. Staff will play a critical role in achieving this.

4.4.7 What influences expectations of a bar?

The key influencers in terms of what customers expect from a bar were based on word of mouth (90%). In house entertainment had the next biggest impact at 36%, advertising scored 23% with perceived image and bar's community involvement coming up as less significant.

Word of mouth	**90%**
Advertising	23%
In house entertainment	36%
Perceived image	17%
Bar Community involvement	18%

Table 4

Companies must gain an understanding of the customer's journey – from the expectations they have before the experience occurs to the assessments they are likely to make when it is over (Berry et al, 2002). Word of mouth is based on experiences and given that staff and quality of drink are the critical factors influencing customers choice of bar, along with décor, entertainment and clientele also having a significant impact on choice, it is crucial that management ensure all these aspects are managed correctly – so word of mouth will be positive and reflect well on the bar.

In house entertainment was cited as having an impact on expectation as did advertising. These are areas which the bar has a much higher level of control. Word of mouth results from how all the other areas were managed.

61% of participants indicated they were aware of what type of community involvement their favourite bar participated in, 39% were not aware. However, only 18% stated that community involvement influences their expectation of a bar.

4.4.8 What most influences their experience in a bar?

Level of comfort (57%) and quality of drink came out on top as being key to customer experience while in the bar.

Dress Code	3%
Level of comfort	57%
Quality of drink	49%
Clientele	33%
In house entertainment	30%

Table 5

Of the 57 (57%) participants who indicated that level of comfort was the main influencer of experience in a bar, 34 were female. While 31 of the 49 participants who indicated that quality of drink made the biggest impact on the experience were male. There is no 'one size fits all' approach to creating good experiences for customers. Managers must identify that everybody has a different experience based on the conditions present at any given time. It has been identified via focus group and interviews with bar owners that quality of drink generally is more important to male customers and female customers notice comfort more. This finding validates the theory.

In house entertainment (30%) and clientele (34%) also contribute, with the impact on experience in the bar consistent with findings from expectations and bar choice.

4.4.9 Customer Advocacy

97% of participants are likely to recommend a bar to friends or colleagues. 3% stated they are not likely to make a recommendation.
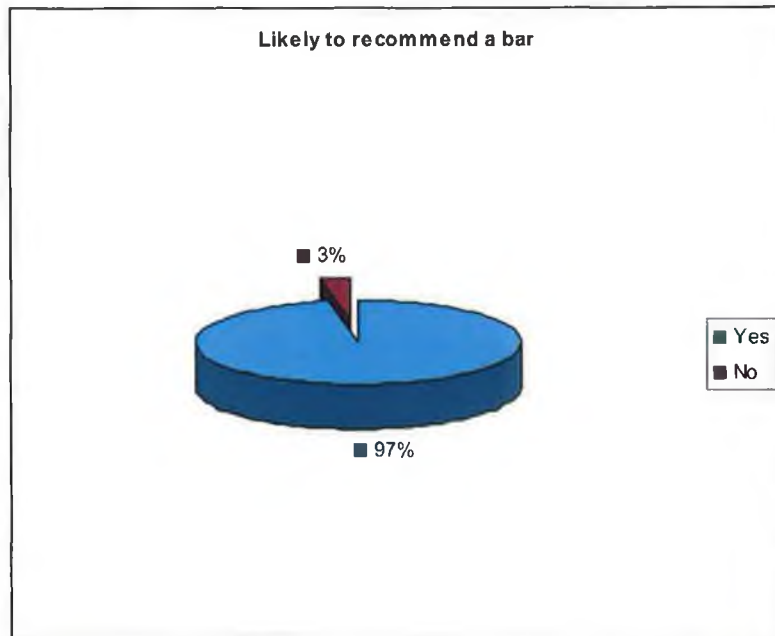

Figure 9

With word of mouth at 90% for generating expectation of a bar and 97% of participants likely to recommend a bar, it is apparent that customer advocacy is at work in the bar trade.

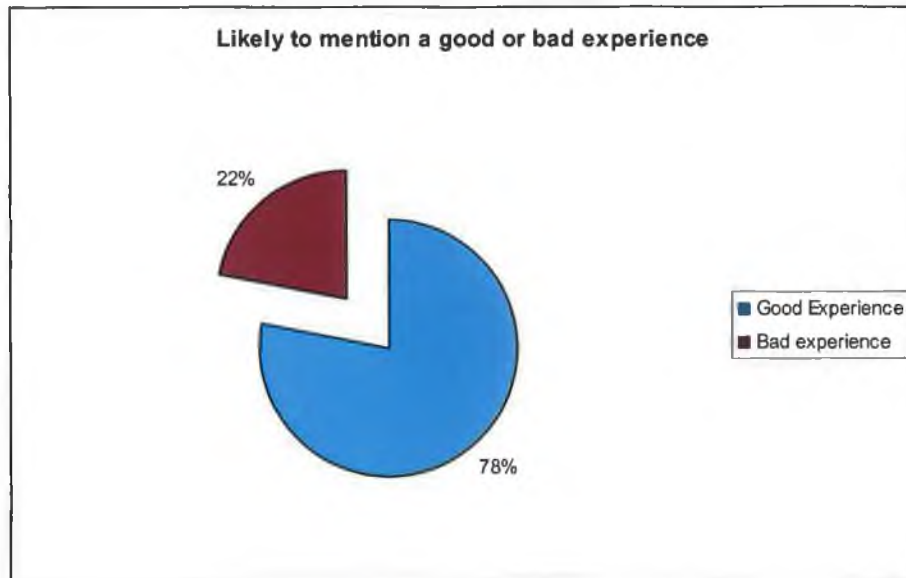Furthermore, 78% of participants are likely to mention a good experience where as 22% stated they would be more likely to mention a bad experience.

Figure 10

A company cannot turn its customers into satisfied, loyal advocates unless it takes their experiences at all touch points into account (Allen et al, 2005). Advocates are superior to neutral or dissatisfied customers. Advocates spend more, remain customers longer, and refer family and friends, thus increasing the quality of the existing customer base and new acquisitions (Heffernan, 2007).

4.4.10 Social Media and Advertising

41% follow their favourite bar on Facebook and 7% use the bar website. The most effective advertising mediums for bars which were identified are:

The most effective advertising mediums specified are social networking at 57%, radio and sponsorship both at 27% and newspapers at 20%.
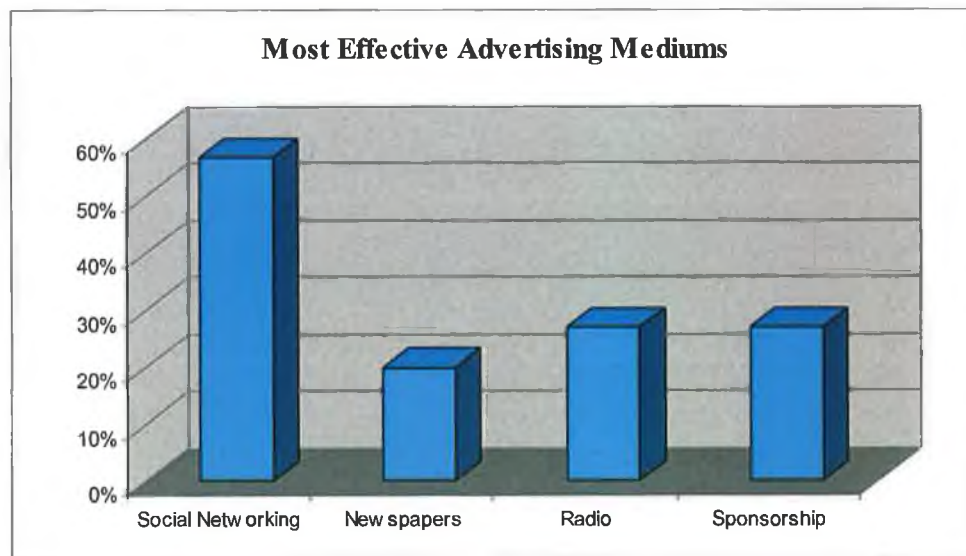

Figure 11

It is interesting that sponsorship would come in at 27%, despite only 18% citing it as influencing their expectation of the bar. This may indicate that while sponsorship may not directly draw in customers, it does generate a profile for the bar.

4.4.11 What participants would like to see bars offering in terms of enhancing their experience in the bar?

Question 14 was an open ended question asking participants what they would like to see bars offering which would enhance their experience in the bar. There was a 51% response to this question. The suggestions to this are presented underneath;
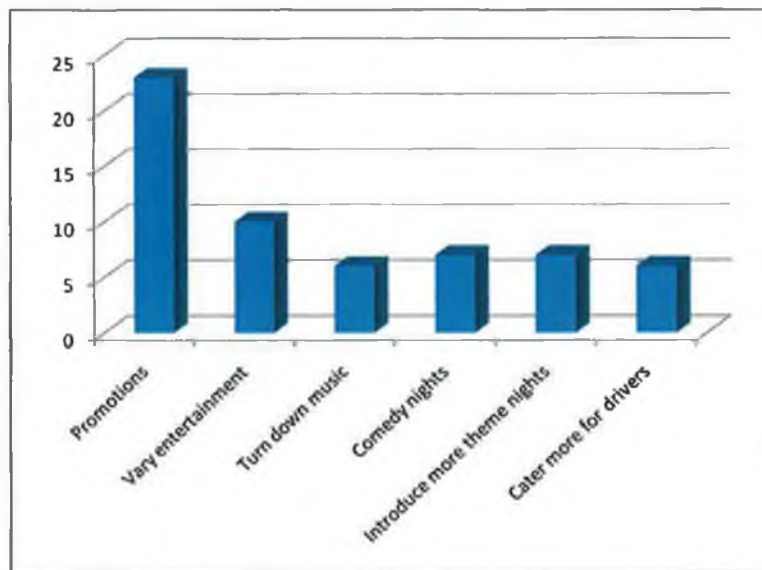

Figure 12

From the responses, the idea of promotions and 'getting a free pint every now and again' was mentioned the most frequently. This would correlate with the VFI research report into decline of on-license trade (discussed in chapter 1), which found high drinks prices were a contributing factor to closure of bars and customers opting to drink at home. As it is not practice for bars to reduce prices, using promotions or having drinks specials could be a way to add value for the customer.

The next suggestion which was cited multiple times was to vary the entertainment and have more comedy and theme nights. Providing powerful and compelling customer experiences will be a differentiator in a way that focusing on simple satisfaction never will (Schmitt, 2003). Introducing the unexpected is part of what a good night out is

about. While the majority of customers did indicate they have a favourite bar, the majority also stated they tend to try new bars regularly. Introducing theme nights or having more comedy nights may perhaps more likely retain regulars or encourage them to stay in the bar longer, thus spend more money. But also, it is likely to bring in those that are 'trying new bars' to see what it is like.

It was strongly suggested that turning down the music and catering more for drivers would enhance the customer experience. This would correlate with the focus group outcomes. Other suggestions which feature on the opened question were:

- ✓ Have proper wine glasses - big glasses for red wine, medium glasses for white wine.
- ✓ Lattes and coffee available for drivers after 11pm would be nice
- ✓ Host BBQ's every now and again
- ✓ Crowd control needs to be addressed

4.4.12 Key findings from questionnaires

- ✓ There is a high level of bar loyalty in the industry among customers.
- ✓ Quality of drink emerged as the key influencer with 66% citing it as very important, and a further 17% as important
- ✓ Staff play a key role when choosing a bar
- ✓ The key influencers in terms of what customers expect from a bar were based on word of mouth
- ✓ Level of comfort and quality of drink came out on top as being key to customer experience while in the bar
- ✓ 97% of participants are likely to recommend a bar to friends or colleagues
- ✓ 78% of participants are likely to mention a good experience where as 22% stated they would be more likely to mention a bad experience.
- ✓ The most effective advertising mediums specified are Social Networking

5.1 Introduction

This chapter outlines the main conclusions drawn from this study. These conclusions are based on extensive research, analysis and discussion of literature, face to face interviews, questionnaires and a focus group. The conclusions are addressed under each of the four objectives for the thesis. Recommendations are offered in Objective 4 – Uncover Improvement Opportunities and/or Potential Weaknesses.

5.2 Conclusions

5.2.1   Research Objective 1 –
Identify and prioritize critical touch points for bars

The critical touch points identified from the research were determined largely by what is important to the customer. They are displayed in Table 6 below:

TOUCH POINT	MANAGEMENT ACTION	IMPACT ON CUSTOMER
Word of mouth	Awareness of all Touch Points and their impacts on customer experience. Managing them accordingly. Creating solid relationships with customers. Encourage feedback	Customers likely to spread the good word. Recommend the bar to friends. Generate positive image. Builds LCL as customer feel valued.

Staff	Choose staff well. High level of mentoring and good feedback to keep them motivated. They should be aware of key touch points.	Makes customer feel welcome. Adds the personal touch and makes the customer feel appreciated.
Level of comfort	Encourage feedback on all 'hygiene factors'. Ensure suitable level of noise and crowd control. Constant feedback on what is important to the customer. Uncover the little things that make the most impact	Customers expectations are met. Enhance their experience in the bar. If the customer is comfortable, they may not be in a hurry to leave.
In-house entertainment	Vary the entertainment offering so customers do not get bored. Creative theme nights, comedy and live music.	Variety will keep customers interested. Theme nights will cater to a wider variety of customer tastes.
Clientele	The customer base which a bar builds up over time contributes to the atmosphere in the bar. It is important that bars cater to a wide customer base to encourage variety. It is important to be clear on exactly the type of clientele being targeted and design	Customers like a good atmosphere and this is generated largely by the clientele in the bar. Customers like knowing there will be a 'good crowd' in the bar.

	advertising accordingly.	
Social Media	Ensure customers want to be contacted, that they sign up of their own accord. Otherwise it may be perceived as intrusive. Can be used to generate a buzz and also inform customers what is going on in the bar. Encourage customers to leave comments which are a good form of feedback.	Customers feel they have control on the information they receive. They are participating on their terms, rather than being bombarded with text messaging or flyers.
Advertising	A mix of newspaper and radio is an alternative for the customers who do not use social networking. This will depend on the target market and the offering of the bar. It broadens the target base.	Customers still read newspapers and they listen to the radio, particularly when driving.
Community Involvement	Local events - sporting and charitable, fundraisers. Raises the profile and generates good will. Promote this in the bar by (for example) putting up pictures and acknowledging event achievements.	Customers perceive the bar as giving something back to the community. Also may encourage a sense of pride about the bar.

5.2.2 Research Objective 2

Correlate expectations of customers with management efforts

The key aspects which customers indicated as being important do support the areas management cited as being critical to their customer experience management approach. Overall, bars are managing the customer experience very well. A clear understanding and knowledge (on part of bar owners) for what the customer wants and expects has been demonstrated both by what interviewees are saying and the feedback from participants in a Focus Group and the questionnaires.

All bar owners interviewed highlighted the importance of word of mouth, staff, quality of drink and level of comfort in the bar. This correlated with the findings in all areas of the questionnaire surveys: factors influencing choice of bar, factors influencing expectation of the bar, role of staff and what directly impacted their experience while in the bar. Customer experience is comprised not just of easily identifiable self-gratifying motivators, but 'hygiene' factors whose presence in a customer experience may only be noticed by their absence (Palmer, 2010). The bar owners pointed out that quality of drink was generally more important to male customers and level of comfort more important for female customers. This was supported in the questionnaire findings.

Word of mouth is the key driver for business as identified by interviewees. 90% of participants indicated that word of mouth shapes their expectations of a bar. This is something that a bar has not got direct control over but is determined by how effectively they manage all the other critical touch points.

5.2.3 Research Objective 3

Examine customer advocacy within the industry

The correct combination of conditions are present in the bar industry for customer advocacy to thrive:

- Customers tend to have a favorite bar
- They are likely to recommend their favorite bar to a friend or colleague,
- Most customers rely on word of mouth
- The majority are likely to mention a good experience

There is very little room for error regarding management action when creating a good experience for customers. Experiences are created on memories. The mark of an enduring and memorable experience is that it can be shared with family, friends, and colleagues to allow them to participate directly or indirectly (at some time in the future) (Arussy, 2010). TCE does lead to LCL, and as bar loyalty tends to be high in this industry and it is driven by word of mouth, there are opportunities for bar owners to capitalize on a customer advocacy approach. It is important to attract buyers who will act as the company's growth advocates.

Allen et al (2005) assess customer profitability by four segments:

High-profit promoters: the core customer base.

High-profit detractors: They are profitable, attractive to your competition, and unlikely to suffer quietly. Losing them can dent your bottom line and your market share. You need to find out what's irking them and fix their problems fast.

Low-profit detractors: Loyal customers whose current buying patterns leave money on the table. Tap into their advocacy by offering them additional products and services, but don't alienate them with heavy-handedness.

Low-profit promoters: If there is no economically rational way to solve their problems, then help unhappy customers move to other providers (Allen et al, 2005).

Allen (2005) asserts that companies are routinely surprised by which customers are high-profit promoters, how much potential for cross-sell exists among low-profit promoters, and how many detractors lurk in their portfolio. Arussy (2010) states that companies must 'connect with tribal customers, those who connect with those around them – their networks and friends – like a tribe'.

Advocacy naturally occurs in the bar industry, so it is vital that bar management are aware of these segments and adopt CEM strategies accordingly, not just focusing on strategies which directly impact touch points.

5.2.4.1 Research Objective 4
Uncover improvement opportunities and/or existing weaknesses

Weaknesses

There were two areas of potential weakness identified in this research investigation.

Firstly, the customer satisfaction metrics used are dependant largely on 'the return visit'. This is flawed from the viewpoint that – if the customer does not return, it does not necessarily mean they were dissatisfied. On the other hand, if they were dissatisfied, it does not indicate the source of the dissatisfaction or reveal a solution to the problem. The other angle to this is the 'return visit' does not specify exactly why the customer is coming back (unless staff engage the customer and ask specifically or the customer volunteers the information).

Furthermore, it is not an indication that the competition is any better or any less. It may be a subtle indication that the customer is just accepting what is on offer rather than being totally engaged with a memorable experience. Therefore, the researcher concludes that the return visit is not an accurate measure for satisfaction or good customer experience, nor does it indicate to management how to achieve it.

It is critical for staff and management to engage fully with customers, seeking feedback and offering incentives for feedback. Brennan's Bar offer tickets to events in their premises for comments and feedback made both on their Facebook and to staff.

Secondly, lack of variety in what the bars are offering. The main difference between what bars are offering falls into two categories – Bar with Food, Bar with no Food. Out from this, the actual offering of the bars does not vary that much. The bars tend to rely on customer rapport with staff and regulars to build up a unique ambience within the bar. This works to the extent that customers did indicate they have a favorite bar. However, the adverse potential is that 'a specific experience on its own is incapable of giving a service a competitive advantage, because next time that it is encountered, some of its novelty value will have been lost' (Palmer, 2010).

It was noted in both the Focus Group and the questionnaires that customers would like to see bars doing more in terms of offering theme nights, varying the entertainment to include comedy and more promotions. Also the fact that customers tend to try new bars regularly may indicate they are looking for variety also.

5.2.4.2 Improvement Opportunities

Improvement opportunities were uncovered as:

- Offering more variety, to include theme nights, broaden the in-house entertainment to include comedy and more diverse entertainment styles

- Sourcing alternative methods of collecting market intelligence to support customer metrics. This could include offering incentives for feedback and interaction through social networking.

- There is a deficit in attention given to non-drinkers. There is an opportunity to provide a service to the customers who are driving and/or are not drinking.

Providing tea/coffee later in the night and creativity for non alcoholic drinks could prove to be lucrative.

- BBQ evenings and hosting events such as team tasks and fun activities should be engaged in more by bars which will generate excitement and create atmosphere.

In summary, there is a need and may prove to be essential - as the number of bar goers decline – to invest more heavily in creating and providing more dynamic, creative and interactive experiences.

5.3 Conclusion

By going through the process of managing the customer experience, satisfaction is likely to be one of the results. However, experience is what must be understood and managed. By paying attention to the experience, satisfaction occurs naturally. Experience – far more than satisfaction alone will set apart a company from its competitors. Providing powerful and compelling customer experiences will be a differentiator in a way that focusing on simple satisfaction never will (Schmitt, 2003).

To conclude, achieving sustainable LCL through investing in CEM is possible in the bar industry. LCL is achieved through creating TCE, and as research for this study shows, loyalty is very much part of the bar trade. Retaining customers is based on interpersonal and emotional basis. It is important that managers and staff alike recognize this.

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