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# CREATING CUSTOMER LOYALTY IN THE BUSINESS CUSTOMER JOURNEY

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**Abstract:** *We live in a time where computer games are a daily activity in consumer culture. Computer games are one of the most pervasive, profitable, and influential forms of entertainment. Academic research has shown the value of using game elements within marketing strategy within different contexts and the effect on consumer loyalty behavior because of its effect on the customer experience. Emotion is an important influencer of the customer experience and the more effective an experience appeals to the senses the more effective and memorable it can be. Although emotions and customer experience are regarded as typical for consumer contexts, one could argue that their role in the organisational buying process is greater than previously has been thought, because the procurement process is executed and managed by people. One could therefore wonder whether this concept of loyalty enhancement with emotion in gamification also applies to the b-to-b situation. In that respect there is a lack of research within the b-to-b market.*

*To fill this gap, this study investigates the potential of gamification within the b-to-b context by providing insights in the role of emotions in the organisational procurement process. To accomplish this the customer journey of the restaurant purchaser is mapped through qualitative interviews with people responsible for the procurement in restaurants. With these insights on the importance of emotions in b-to-b customer journeys it will be possible to design gamification solutions to enhance experience and loyalty.*

**Key Words:** *Customer experience, customer loyalty, b2b, gamification*

## 1. INTRODUCTION

In traditional purchasing theory, purchasing by business organizations is modelled by economic, rational and strategic elements, implying that human aspects, such as emotions, should not play a part in purchasing processes [1-3]. This contrasts with modern consumption theories, where, consumers are seen as humans with human flaws and behaviour, which is not necessarily economic or rational, proposed by behavioural economists like Daniel Kahneman, Dan Ariely, Herbert Simon and Amos Tversky. If the purchaser is human he would be less rational than traditional models and theories posit. Factors like price, product quality and delivery time would not be the only

factors responsible within the buying process. That would implicate that purchasers would not only be led by pure functional aspects but also experiential aspects, both conscious and unconscious. The homo rationalis might have a heart. No doubt that each purchaser has a heart, but why wouldn't we try to steal it.

In this paper we explore the potential of gamification within the b-to-b context by providing insights in the role of emotions in the organizational procurement process. To accomplish this the customer journey of the restaurant purchaser is mapped through qualitative interviews with people responsible for the procurement in restaurants. With these insights on the importance of emotions in b-to-b customer journeys it will be possible to design gamification solutions to enhance experience and loyalty. The paper is structured as follows; first we discuss the theoretical backgrounds of experience and gamification. Next we discuss the results of the empirical stage of our empirical exploration. We conclude with the discussion of the potentials for gamification in a b-to-b context.

## 2. THEORETICAL BACKGROUND

### 2.1. Customer experience and the role of emotion

Customer Experience and Customer Experience Management' received attention in both books and articles from authors like Holbrook and Hirschmann, Grönroos, Pine and Gilmore, Schmitt, Schulze and Shaw. The need for experiences, stimulation of senses in particular, has risen because most material needs are fulfilled [4-6]. Nederstigt and Poiesz [5] claim that the creation of experiences leads to success, whereby the experience will lead to preference for or even loyalty to a brand. Experience can even lead to consumers acting as an advocate of a brand [7]. These affective antecedents, next to cognitive and conative antecedents, may be the key determinant of repurchase [8].

With the economic hedonistic movement as its predecessor increasing attention has been paid to the role of emotion in the purchasing process of the consumer in academic literature [9-19]. Although not always specifically defined the role of emotion is often discussed to understand what's behind consumer behavior. There is little consensus in the literature on what is actually the definition of emotion [20-22]. In their brave effort to do so [23] succeeded in this effort with a consensual definition: "Emotion is a complex set of interactions among subjective and objective factors,

mediated by neural hormonal systems, which can (a) give rise to affective experiences such as feelings of arousal, pleasure/displeasure; (b) generate cognitive processes such as emotionally relevant perceptual effects, appraisals, labeling processes; (c) activate widespread physiological adjustments to the arousing conditions; and (d) lead to behavior that is often, but not always, expressive, goal directed, and adaptive.”

Section (a) of the above definition is interesting in the context of customer experience and is frequently referred to in the current Customer Experience literature. Based on a review of [24] the role of emotion within experience is evident: “The customer experience originates from a **set of interactions** between a customer and a product, a company, or part of its organization, which provoke a reaction. This experience is strictly **personal** and implies the customer’s **involvement** at different levels (rational, emotional, sensorial physical and spiritual. Its evaluation depends on the comparison between a customer’s **expectations** and the **stimuli** coming from the interaction with the company and its offering in correspondence of the different **moments of contact or touch-points**.”

## 2.2. Gamification

In line with the view of the importance of creating experience to achieve loyalty ‘gamification’ is an upcoming term since about 5 years. Because the “Homo Zappiens” are cultivated with gaming the future importance of gamifying the environment will only grow from now on [25]. Next generation will be used to switching on or switching off and how and when they choose to be informed or to inform. In other words, they want to control the stream of information. The preference of visual skills to readings skills of this generation counts for gamification. Veen adds that computer games provide us with an environment where youth can freely explore and discover with dedication and commitment.

In addition, for marketing Huotari & Amari [26] see gamification as a form of service packaging where a core service is enhanced by a rules-based service system that provides feedback and interaction mechanisms to the user with an aim to facilitate and support the users’ overall value creation.

According to Paharia [27] you can motivate and drive high value behavior and true loyalty by giving your audience goals to work, feedback as they progress and rewards for their achievements and a community of people to compete and collaborate with. Some examples of companies using gamification in their marketing strategy: an online accountancy firm offers an online accounting system in which the user saves credits for entering data on time. In return for the credits they get free advice [28]. Dropbox uses gamification by giving more storage when a user uses his network to recruit new members for Dropbox. Another example is Zombie Run, where Nike+ tries to motivate people to run through an audio game, in which the runner is supposed to escape roving zombie hordes. How emotion finally effects loyalty is discussed by Paharia [27]. Customers show an emotional, sometimes even irrational commitment to the brand (cult loyalty). This is the maximum level of loyalty. An example might be Apple. The second highest level is called ‘true loyalty’. Customers are so deeply connected that they resist competitive offers.

And the third level is called ‘mercenary loyalty’: customers participate in traditional points- and discounts-based programs. In this level, game mechanics are often used as a marketing strategy. For example: Why do we go to Shell? Not only to fuel our cars but also to gain more Air miles and which of both reasons is prior?

Based on the theories in b-to-c that emotion plays a role in the decision process and that gamification can be used as a strategy to evoke these emotions which influence both experience and loyalty. The current study will therefore investigate the following hypothesis: “Emotion plays a significant role in the b-to-b buying process; therefore, gamification can be an influencer of experience to improve customer loyalty.”

In this paper we will limit the investigation to the first part of the hypothesis by exploring the role of emotions in b-to-b buying process.

## 3. RESEARCH CONTEXT AND METHOD

A wholesale company (food – nonfood) came up with the question whether experience is playing a role in the buying process of their customers (restaurants). In this context persons responsible for the purchase – especially chefs – were selected and invited for an open interview. Twelve (12) respondents were asked about their buying decisions. These interviews were held by one person, in the habitat of the respondent and lasted about one hour. The restaurants were divided into category 1 (main course average <18 euro’s) and category 2 (main course average between 18 and 30 euro’s).

During the interview the commonly used buying process (Table 1) was used as a starting point for this interview. According to Johnston and Lewin [29] the industrial buying process is described by different authors; “The industrial buying process” by Robinson, Faris [30]; “General model for understanding organizational buying behavior” by Webster and Wind [31]; “Model of industrial buyer behavior” by Sheth [32]. These models are summarized in general based on Brand [2] in Table 1.

Table 1: Interview framework

Process of supplier	Process of buyer
1. Gathering information of potential buyer;	1. Recognition of the organizational problem or need;
2. Making contact;	2. Description of problem, specification and solution;
3. Problem definition and contract hauling;	3. Search for potential sources and acquisition of proposals;
4. Problem research and formulate possible solutions;	4. Evaluation and selection of supplier, possible negotiation;
5. Presentation and receive approve of proposal;	5. Selection of order;
6. Execution of order and supervision	6. Performance feedback and evaluation.

## 4. RESULTS

### 4.1. Relationship is important

Some remarkable results of the interviews are the influencing factor in the pre and past purchase. The relationship with the supplier and getting quality products are important influencers where the fulfillment of needs takes place. *"...if you are doing business with each other for such a long time it becomes easier and friendlier. When it is familiar, it is often very difficult to switch suppliers (Restaurant I)."* Within such relationships the role of reciprocity is high: *"I build a bond with them (suppliers) so they can do me a targeted offer (Restaurant A)."* An example where the product quality is an important influencer: *"I just think that the local supplier who work biologic and region-related have just nicer quality (Restaurant J)."*

### 4.2. Perceived expertise

In most cases the people responsible for purchase, buy different products from different suppliers who are able to distinguish themselves from others by their own expertise. This is especially true in restaurants in the higher segment. This expertise seems to be an important variable that is more or less a claim. *"We have a good greengrocer who really has heart for his business and that we believe in, that's our goal (Restaurant H)."* or *"I find it a bit of a waste to import cheese from for example USA or UK while we have a good cheese shop just around the corner (Restaurant J)."* This distinction is less present at products where difference of quality is less definable like sugar and wheat or cutlery.

### 4.3. Not problem driven

During their search for products they do not always have a need or problem recognition. The ingredients they buy are season dependent, sometimes offers are the motivation of buying and sometimes the tips or opinion of the specialist is sometimes a decisive factor. In some cases (especially the higher segment) personal offers are much more effective than offers through for example folders: *"But anything in the leaflet is nine times out of ten not interesting for us. Those are products we simply do not use (Restaurant G)."* or *"But eventually we hold our own course. I am not going to buy something because it is in a folder (Restaurant J)."*

Another import variable is the possibility to react on makeshifts by suppliers. In case of restaurants it is sometimes hard to estimate how many guests will be attending. This asks flexibility from both buyer and supplier. Some suppliers can apply on that, sometimes a visit from the buyer himself seem to be the only possible solution. Another often mentioned aspect is the "allow factor" the way in which a person thinks you 'deserve' the trade or not. *"So you grant your neighbor business in the hope your neighbor will do the same to you next time (Restaurant B)."*

### 4.4. Delivery or DIY

In most cases the frequency of delivery seems to be important in most cases. The time of delivery is important and in some cases the suppliers have a key to load the products in for example refrigerators. Some

restaurants prefer to buy the products themselves so they are not dependent of the suppliers delivery time, which is in some cases during opening time: *"When a cook begins the ingredients should be delivered otherwise he could not do his work and we couldn't open the restaurant on time for serving lunch (Restaurant C)."*

### 4.5. Service recovery

By the evaluation of delivered goods quick reactions or solutions by suppliers are important to save relationships (in case of misunderstandings): *"For example when I order Carpaccio and they do not have it on stock, they do not call me in return to inform me. Unfortunately the next day I will notice it is not there on delivery (Restaurant I)."* Some restaurants prefer to bypass by buying products themselves instead of delivery: *"The (name wholesaler) sells ten bundles of chives. Six of them are beautiful two moderately and two are bad. Throwing away the bad ones is not an option for them so someone gets two bad bundles along. If you go to the (name wholesaler) in person you don't have that problem, because you can pick the appropriate supplies yourself (Restaurant I)."*

## 5. CONCLUSIONS AND RECOMMENDATIONS

### 5.1. Conclusions

According to the results it is not always clear where the buying process (restaurant context) starts. It is not always a linear process, which starts with a recognition of a need or problem. In most cases the approved vendor list seem to be the key where to buy what. This approved vendor list is mainly the result of evaluation and/or experience (quality, relationship, price or distance of suppliers (in case of makeshift). Next to this the restaurants do not search for potential sources as long as they are satisfied with their relationship with the supplier which confirms the theory of bounded rationality of Herbert Simon [33]. Next to quality and price, relationship seems to be an important variable whether they rebuy or not. This relationship is a subject of research in different studies. The industrial sector is characterized by long-lasting relationships between the buying and selling party [3, 34, 35]. The variables which are important in this relationship is in line with some of the variables mentioned by Wilson [1].

Due to the technique, used to interview, emotions in the buying process are hard to identify. But in all steps of the buying process a spot of emotion or sense was noticeable. Because of this it is premature to identify gamification-possibilities to evoke desired emotions in the buying process. More explorative research, possibly by using mixed methods, is needed before we will be able to test the aforementioned hypothesis.

### 5.2. Implications for management and further research

The use of gamification might play a role in the personalization, which is seen as important through the eyes of most interviewee. You could think of a design where the cook has examples how to prepare ingredients in different ways (to distinct himself of his competitors). Or a more transparent point of view is to share his

cooking magic to his colleagues to improve cooperation. Another possibility might be to create product stories, quality seems to be an important variable and it helps the restaurants to sell a story to his customers.

Further research is need to validate the results of this research. Different research techniques to reveal the role of emotion/experience in the buying process are preferable. One could think of the laddering technique.

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