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Multi-channel experience consistency: Evidence from Lexus

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Abstract

Whether as business or consumer marketers, we reach customers today using multiple methods — face to face, on the telephone, via the internet, through intermediaries, with mass media. It is often said that the customer experience should be consistent across this increasingly diverse multi-channel mix. But it is hard to find evidence as to how customers feel about all this. This paper goes a little way towards redressing the balance by reporting on a survey of Lexus customers that looks at the consistency of customer experience across multiple touchpoints, and crucially at how this customer experience impacts on Lexus via customer retention and propensity to recommend.

Introduction

The media map was never more complex, with a multiplicity of TV channels and print media, supplemented by new media such as online advertising — now overtaking radio in total worldwide spend — and SMS, as well as burgeoning direct mail. This explosion is testing today's media planning systems, which are struggling to catch up with the variety on offer.

In response, companies recognise the need to integrate their various marketing communication efforts, aiming to achieve effective communication by presenting a consistent image to their target markets through all their marketing channels. This has led to the recent growth and interest in integrated marketing communications (IMC).

The need for consistent communications continues throughout the sales cycle and applies to interactive channels, such as the call centre and the face-to-face sales outlet or sales force, just as much as to traditional one-way mass media. So the notion of customer experience is vital: at every touchpoint, an experience occurs and the customer relationship evolves over time through their experiences.¹ Ultimately, the range of customer experiences transcends the company's products and is therefore very important to manage. This paper investigates with Lexus the consequences of the consumer experience across multiple media channels for the customer relationship.

And who is the customer? Here the paper becomes more specific to B2C markets (though analogous reasoning could equally be applied in the

B2B sphere). Today's consumers have been variously described as being active, cynical, knowledgeable, time constrained, tribal, individual, demanding and experience seeking — a combination recently coined as 'the new consumer'.² This set of attributes creates a different set of expectations to be met in the new marketplace, as will be seen in a brief review of previous literature. (The paper will return to how well Lexus consumers actually meet this hypothesised template later.)

The experience-seeking consumer

Synthesising the views of a number of researchers, Figure 1 summarises the hypothesised attributes of the new consumers and how these lead to their expectations for the communication experience. Each attribute will be discussed briefly.

From passive consumption to participation

According to this body of literature on 'the new consumer', consumers are stepping out from their traditional passive audience roles to become co-creators and consumers of value — in essence, becoming active players.³ Consumers are also more experience seeking.⁴ By becoming co-creators and seeking experience, consumers are looking for communications experience that is participatory.

Consumers make decisions nowadays on the basis of reasoned analysis and logical appraisal. This makes consumers cynical and suspicious of media messages, which they are more likely to reject and disbelieve.⁵ A cynical consumer would seek a communications experience of honesty and integrity as they constantly assess and weigh up the message.

A result of living in today's information age, and of increasing education levels, is that consumers are far more knowledgeable.⁶ Communications should deliver a message the respondent understands, will accept and find personally significant — that is, have meaning — if the consumer is to regard the information search as adequately addressed.

Living in a 'have-it-all' world where consumers' ambitions, aspirations and choices are almost unlimited makes consumers time constrained.⁷ Longer working hours, a blurring distinction between work and home and

Today's consumer attributes		Impact on communication experience
Active/experience seeking	➡	Participation
Cynical	➡	Integrity/honesty
Knowledgeable	➡	Meaningfulness
Time constrained Lead complex lives	➡	Relevance
Tribal	➡	Tribal validation
Individual	➡	Customisation
Demanding	➡	Excellence in expectation

Figure 1: Today's consumers and the experience they seek

The search for tribal validation

globalisation are also contributing to busyness.⁸ This hectic world influences the consumer to dip in and out of different stereotypic personality types and adapt their personas to suit the occasion, so consumers today are leading more complex lives.⁹ As a result, a time-constrained consumer leading a complex life would seek a highly relevant communications experience so as to make the best use of their time.

Modern society has formed a network of 'tribes' in which individuals who may be geographically dispersed share strong emotional ties, styles of life, moral beliefs and consumption practices.¹⁰ Individuals feel they belong to a tribal network and therefore seek experiences that validate their belonging.

People today are liberated from social bonds and restricting communities, allowing them to become autonomous.¹¹ This has created a personal conquest for individuals to become someone by showing their differences or 'individuality'. These individuals want products and services customised to their own needs and therefore seek a tailored and customised experience.

And finally, as consumers are more affluent they gain confidence, sophistication and higher expectations which result in making them more demanding.^{12,13} The communications experience must therefore convince them that the organisation will provide an excellent service.

Delivering the multi-channel experience

So our new breed of consumer is not just more demanding: we need to deliver the experience they seek not just face to face but through every touchpoint. Because to complicate matters, channels no longer serve static customer segments, but customers hop between them. IT has equipped consumers with powerful search information on companies, prices and quality, whatever method they choose for the purchase itself — and equally, consumers may garner information from face-to-face experts and then buy remotely to save money. Whatever the mix, any incoherence or conflict in the messages between different channels will confuse the customer, which can seriously diminish the customer's view of the company and possibly instigate negative word of mouth.¹⁴ As marketing communications tell consumers what to expect from a brand,¹⁵ it is important to orchestrate the channel communications to play a cohesive role. As a result, there has been an explosion in IMC, defined as 'a strategic business process used to plan, develop, execute and evaluate coordinated, measurable, persuasive brand communication programs over time with consumers, customers, prospects and other targeted relevant external and internal agencies'.¹⁶

Is multi-channel integration justified?

That, at least, is the dominant argument in previous writing on the topic. Does the experience of Lexus consumers justify this trend towards multi-channel integration? This paper presents a summary of findings from a survey of 73 existing Lexus customers, conducted within the service centre, which aimed to understand the repercussions of the experience on the customer relationship as measured in three key variables: the consumer's attitude towards the brand, their purchase intention and their propensity to recommend Lexus to others.

The Lexus channels studied — a subset of the wide range Lexus actually uses — were TV advertising, print advertising (including national and local newspapers and magazines), direct mail, the Lexus showrooms (dealerships), the contact centre and the Lexus website, www.lexus.co.uk.

Measuring experience quality

The complementary role of different channels

For each channel the survey incorporated a set of questions on the channel experience quality, with a question for each aspect of the desired customer experience summarised in Figure 1. So, for example, 'Customisation' within the showroom was measured by asking the extent of agreement with the statement: 'I feel Lexus tailors its showroom experience to me'. A multi-item scale for experience quality was then calculated from the mean of the individual channel experience items. So, for example, the mean of this showroom customisation item and similar items covering tribal validation, integrity, relevance and excellence seeking were grouped under the term 'Showroom experience quality', and similarly for 'Print experience quality' and so on. These means are shown in column 2 of Table 1 (on a scale from -2, representing a very poor experience, to +2, representing a very good one).

The strength of the customer relationship was measured by questions about the customer's attitude towards the brand, future purchase intentions and propensity to recommend Lexus, again on a scale from -2 to +2.

The impact of the various channels on the customer relationship was then assessed using a correlation analysis, which is shown in Table 1. For those not familiar with correlations, a high number represents a strong association between the channel experience and the customer relationship — so, for example, TV experience quality impacts on both attitude towards the brand and future purchase intention, but has a lesser impact (and, in fact, one which is not statistically significant) on propensity to recommend.

The story told by these numbers, as will be unpicked now, is one of many channels playing complementary roles in the customer relationship.

Table 1: The impact of channel experience on customer relationship

Lexus communication channel	Mean score (on scale -2 to +2)	Impact of channel on customer relationship		
		Attitude towards the brand (mean = 1.58)	Future purchase intention (mean = 1.27)	Propensity to recommend (mean = 1.65)
TV experience quality	0.66	0.362**	0.360**	0.185
Print experience quality	0.81	0.203	0.133	0.023
Direct mail experience quality	0.83	0.343*	0.204	0.072
Showroom experience quality	1.25	0.447**	0.292*	0.217
Contact centre experience quality	1.15	0.431*	0.566**	0.147
Website experience quality	1.11	0.452**	0.315*	0.309*
Lexus customer satisfaction				
Satisfied with Lexus car	1.69	0.234	0.650**	0.607**
Satisfied with Lexus services	1.70	0.450**	0.323**	0.281*

*Correlation is significant at the 0.05 level (two-tailed).

** Correlation is significant at the 0.01 level (two-tailed).

Interactive channels deliver the best experience

The survey confirms that Lexus maintains the high standards for which it is well known, with positive mean scores for every channel, and very high customer satisfaction, leading most owners to intend to repurchase Lexus and to recommend Lexus to others. Within this high overall level, though, it is noteworthy that the interactive channels — the showroom, the call centre and the website — score best on the experience they provide, while the one-to-one channel of direct mail is next strongest, with mass media having the lowest mean scores.

Service confirms brand values

All experiences shape brand attitudes

Moving on to the 'Attitude towards the brand' correlations, all the channel experiences shaped people's attitude towards the brand, with the exception of print (one of the least experiential channels) and, intriguingly, satisfaction with the Lexus vehicle itself, which is perhaps largely a function of more mundane considerations such as reliability and performance — though these exceptions may be statistically insignificant simply because of the small sample. It is again interesting to note that all three of the interactive channels — showroom, contact centre and the website — enjoy a higher association; but for these existing Lexus owners, the interactive service experience was most influential of all in confirming the brand values for which the customer had bought the Lexus in the first place.

Channels play different roles in future purchase intention

The story is not quite the same for future purchase intention, though. Here, satisfaction with the Lexus vehicle itself plays the major role in the customer's repurchasing decision, though car service quality along with the personal contact of the call centre and the showroom also have a significant effect.

The TV and website communications are also significantly associated with purchase intention. This may be due to their role in informing and exciting the customer about new models, but one suspects that it is also due to their role in emphasising Lexus's brand values and thereby reducing doubt and anxiety after purchase as the consumer realises their alternatives are forgone, otherwise known as cognitive dissonance.

Customers recommend conservatively on pragmatic criteria

The pragmatism of consumers in weighting car satisfaction most highly when deciding whether to repurchase is even more marked when one considers their propensity to recommend Lexus to others. Here, it would appear that consumers are little swayed by either media communications or interactive personal contacts, but base recommendations primarily on their level of service and car satisfaction.

Web participation helps advocacy

The website, though, was a significant influence on propensity to recommend. Lexus's website is a fun, participative channel which allows customers to 'have a go' at customising their own vehicle. Those who discovered and appreciated its interactive playfulness seem more likely to recommend to others — perhaps because they suggest the website itself to

their friends to try out in their own time in the manner of viral marketing, as a form of recommendation which feels less risky and more socially acceptable to the existing customer than a straightforward recommendation to purchase.

Why channel consistency matters

We have seen, then, that while many channels have an effect on the customer relationship, existing customer satisfaction and the interactive channels broadly have the strongest impact. So does experience consistency across channels matter, and can multi-channel marketers such as Lexus afford to let some channels slip?

To explore this question, three new variables were calculated, shown in Table 2. The authors took each respondent's best-scoring channel ('Maximum score all channels'), their worst-scoring channel ('Minimum score all channels') and the average of their experience quality rating across all the channels ('Total mean all channels'). The authors then looked at the effect of each of these on the customer relationship, again using correlation analysis, with the results shown in Table 2.

Excellence influences us heavily, wherever we find it

Mostly, when surveying customers, researchers take most notice of average ratings across a range of criteria, so ensuring that all their opinions are represented in the figures tracked on customer satisfaction, brand image and so on. But the customers' best channel experience has a surprisingly high impact, with similar correlations to the customer relationship variables to the average across all channels — and an even greater impact when it comes to propensity to recommend. It seems that a single excellent channel experience, irrespective of which channel this is found in, has a large impact on the customer relationship. Clearly, Lexus should ensure that the channel experiences do not slip or become inconsistent — and perhaps other companies would find the same.

And so does disappointment

The minimum channel score also has a strong association with the customer relationship, particularly influencing the attitude towards the brand and future purchase intention. Again, this would suggest that a single poorly performing channel can pull down the customer relationship almost as much as if the average standard slips across all channels. But a poor communication experience does not impact so strongly on the

The impact of a single excellent experience

Table 2: The impact of the best- and worst-scoring channels

	Customer relationship		
	Attitude towards brand	Future purchase intention	Propensity to recommend
Maximum score all channels	0.390**	0.331**	0.236*
Minimum score all channels	0.356**	0.252*	0.153
Total mean all channels	0.426**	0.320**	0.209

*Correlation is significant at the 0.05 level (two-tailed).

** Correlation is significant at the 0.01 level (two-tailed).

propensity to recommend, on which as we have seen the level of customer satisfaction with the car and its services has the largest influence.

‘Experience consistency’, then, is a difficult concept to define, let alone measure. But it does seem from the limited data of this survey that all the prescriptive literature cited earlier was on to something: if consistency slips anywhere, reduced loyalty can result, however good the experience elsewhere.

The new consumer

The final area of findings concerns the nature of the ‘new consumer’. The sample was asked about the extent to which they would describe themselves as possessing the ‘new consumer’ attributes of Figure 1. A question, for example, assessed their cynicism by asking the extent to which the respondent agreed with the (negatively worded) statement: ‘Advertising is a reliable source of information about the quality and performance of products’.

Time-rich, time-poor

There were some surprising results with this analysis. Firstly, there were mixed responses to the question about time constraint: the mean score was -0.4 on a scale of -2 (not at all time constrained) to $+2$ (highly time constrained), which suggested that some Lexus customers, at least, can fit everything expected of them into their days, contrary to our society’s self-perception as increasingly frenetic. The score did vary by age, though, with those of working age tending to be more time constrained, as one might expect. Figure 2 shows the overall spread of responses.

Also, the respondents were less cynical than expected (Figure 3): in fact, with a mean score of -0.8 (on a scale from -2 to $+2$) they were quite positive about the role of advertising.

Tribalness, though, met the ‘new consumer’ specification with a high

Figure 2: Time constraints on consumers

Figure 3: Consumers demonstrate less cynicism than expected

score of 1.3 (Figure 4), fitting the impression of Lexus owners as forming a 'Lexus tribe'.

Other attributes were broadly in line with the new consumer hypothesis: overall, the respondents sought new experiences from life, saw themselves as individuals, regarded themselves as knowledgeable and regarded themselves as more demanding nowadays.

The notion of the 'new consumer', then, has some support from this study, although the attributes of cynicism and time constraint appear to vary, and it would require in-depth, longitudinal tracking to establish whether consumers really are changing with time. Differences by age are difficult to compare with this small sample, but there are some preliminary indications that younger consumers are closest to the 'new consumer' archetype, the younger age groups of 19–29 and 30–39 displaying the highest number of 'new consumer' attributes, except for cynicism in which 60–69-year-olds score highest.

Figure 4: Consumers exhibit tribal attitudes

**Interactive channels
influence loyalty
and advocacy**

Conclusions

Do the quality and consistency of the multi-channel experience matter? The answer — for Lexus, at least — is an unequivocal yes on both counts, with clear implications for tracking the customer experience across each channel and making sure it is up to scratch if a single negative experience is not to damage a hard-earned relationship.

If all channels matter, though, we have seen how channels vary in their influence over different aspects of the relationship. The core customer product and service satisfaction are key to relationship longevity, as has been widely established elsewhere, but interactive channels in particular also play their part in encouraging repurchase and referral behaviour. We have also seen how an innovative use of the web can help to generate referrals.

One will not know to what extent these findings are similar for other companies, or indeed for B2B markets, until others adopt a similar approach to multi-channel experience assessment. In this regard, Cranfield's research via its Multichannel Marketing Best Practice Club is continuing. In the meantime those in other sectors might be wise to assume that experience consistency is as important to their finances as it clearly is to Lexus's.

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