

Role of The Value Propositions In Enhancing Customer Experience-Based Response

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Abstract

Current research seeks to identify the role of the Value Propositions as an independent variable through its dimensions(Economic value, Functional Value, Emotional value, Symbolic value) in customer response based on experience in its dimensions (Product experience, Outcome focus, Moments-of-truth ,Peace-of-mind) a search sample (282) of company and store sales delegates included the search community. For the purpose of achieving the goal of research, resolution has been adopted in the collection of data on research variables, results were obtained using statistical programmers such (Spss.v.24) and (Amos. V.24) to Analyze data to arrive at conclusions, most notable was a correlation and influence between the customer value proposal and the client's experience-based response based on the findings, a set of recommendations was made, of which the most important were: (the need for companies to be interested in improving their sales vis-à-vis competitors, demonstrating the need for advanced information technology to improve their methods of delivering products to the market), thus contributing to overcoming some of the current or future constraints.

Key words: Value Propositions - Customer Experience.

Introduction

Marketers face marketing challenges affecting their ability to market their products in such a way as to lead them to consolidate their business at a specific time for the purpose of seeking out and exploiting new opportunities to achieve marketing objectives. This led to the introduction to the market of new services and ideas that the customer did not expect. The value proposal is therefore a marketing practice aimed at guiding efforts to implement a strategy aimed at providing services to the customer to replicate purchases of products, provide marketing incentives that affect their awareness and address the errors of current marketing programmes, On the other hand, the customer's experience-based response contributes to achieving sustainable competitive advantage by creating leverage for customers, making the company proactive and ahead of its market competitors, and offering superior value to the customer is a key strategy for many companies to gain a competitive advantage and achieve long-term success.

Methodology

First: Research Problem

Based on an observation of the reality in the field at mobile companies and stores in Iraq, which represented the research community, the researcher conducted an exploratory study with the main objective of learning about the possibilities and skills of company and store management in making a valuable proposal to the customer by mediating the client's experience-based response. In addition to the management of companies and mobile shops, it is one of the most important companies currently providing services and products to customers. Companies face several challenges in the research community, including poor customer awareness of the promotion or awareness of the meaning of preferred business slogans, which indicates poor customer awareness of these products. On the other hand, there is a weakness on the part of the marketing departments of the companies in question by investing resources and expertise to continuously improve and innovate services in line with the actual market need, which has a significant negative impact on marketing operators and specialists. In the light of the above, the current study attempts to bridge the knowledge and application gap to understand and explain that relationship by formulating the following sub-questions.

1-How do company and store sales delegates understand the sample of the customer value proposal?

2-What is the nature of the relationship between the value proposal and the client's experience-based response?

3-How do sales delegates recognize the client's experience-based response in the light of its marketing activities and practices?

Second: Importance Of Research

Research derives its importance from the provision of treatments and proposals to the management of the companies and stores under study for their benefit and the development of the reality of the services provided to the customer as it has become an imperative and an important sign for modern companies.

1- The subject of the value proposition, and its potential effects on many variables, including the customer experience, is one of the issues that occupy the thinking of contemporary service organizations departments, and interested researchers in many countries of the world, because the intellectual debate about them is still recent and needs more research and organized study, as well as their role In an economy that has moved beyond the traditional framework based on costs and economic size to an economy based on relationships with the customer.

2-The importance of the study emerges from the contribution of its results in helping the companies under study in formulating a good strategy that contributes to studying the reality of the value proposition and its relationship to the customer experience, and making it the focus of the decision-makers' attention in those companies as it contributes, and fundamentally, to developing the capabilities of companies in front of their competitors.

3- Determining the nature and type of the relationship between the value proposition and the customer's response based on experience, which enables future studies to measure the nature and type of this relationship on other samples through which it is possible to identify a set of strategic solutions that in turn represent a treatment for the problems of each sample.

Third: Research objectives

The main objective of the search is to verify the relationship and impact between the (value proposal and client response based on experience), within the framework and relevance of the search problem. The objectives of the search can be limited to: -

- 1-Identification of the reality of the value proposal and the client's experience-based response in the studied sample.
- 2-Diagnosis of proposed value dimensions and client response based on experience in mobile companies and stores in Iraq.
- 3-Identification of actual actions taken by the researched companies in relation to the client's experience-based response.

Fourth: Hypotheses

H₀₋₁: There is a statistically significant correlation between the value proposition and the customer's response based on the experience with its dimensions..

H₀₋₂: There is a statistically significant effect between the value proposition and the customer response based on the experience with its dimensions..

Fifth: Materials and Methods

We have relied on the questionnaire to obtain data from the operational side. The questionnaire included in its final form three parts, the first of which dealt with the information of the individuals examined, while the second included questions to deal with the value proposal and was prepared on the basis of the random sampling method. The third includes metrics after the customer's experience.

Sixth: Study sample

Search was applied to a sample of sales delegates at mobile phone companies and shops in Baghdad who numbered. (282) a delegate, the randomized sample method has been adopted with a view to collecting the necessary data, and the sample size has been determined by the Stephen Thampson equation, one of the most widely used versions of graduate research (Bashmani, 2014: 90-91), described below.

$$n = \frac{N \times P(1 - P)}{(N - 1 \times (D^2 + Z^2)) + P(1 - P)}$$

By applying the above equation, we get the sample size, which amounted to (258), the researcher distributed (300) forms to sales representatives in the companies and shops above, and (288) were retrieved, and when the forms were sorted and assembled for the purpose of preparing them for the analysis process, it was found that there are (6) incomplete forms

Literature Review

First: The Concept Of Value Propositions

Value proposition in recent years has become one of the most commonly used terms in business markets to describe the extent to which companies can deliver sales and marketing messages to their target audience, and the start of the value proposition usually dates back to the 1980s when the value proposal (Lanning & Michaels, 1988) was identified as a statement of the benefits offered to the customer and the price the customer wishes to pay (Flint et al. 2011:221). It was defined as a method of operation for generating value in a company's product when targeting actual and potential customers, sometimes calculated through the company's total benefits to customers (Anderson, 2006:90). (Zhang et al., 2019:275) indicated that it was a proposal by the company for customers and represented a promise of the value benefits that customers would receive during and after the experience of use.

Second: The Importance Of Value Propositions

Interest in the value proposition started before (Lanning & Michaels, 1988), who identified two main activities in accordance with this concept, which are the development of the value proposition, and the establishment of a value delivery system. (Saarijärvi, 2012:383). In addition, the company's customer value proposition is based on the competencies and resources that the company can use more effectively than its competitors, which are unique in their kind, leading to a competitive advantage.

Third: Dimensions of Value Propositions

1- Emotional value

A large number of customers buy brands to meet their emotional needs. Customers who are happy and content to buy a brand can repurchase the brand itself even when offering them other brands (Assidin et al., 2016:641). Emotional value towards the brand is associated with positive feelings when using the brand, increasing customer loyalty to the brand (Zellweger & Astrachan, 2008:348).

2- Functional value

Functional value proposals go beyond product characteristics and focus more on supporting individual customer value creation processes, so functional value is closely linked to products that can meet customers' needs and desires (O'Hern & Rendfleisch, 2010:85). According to (Kim et al., 2011:288), companies that wish to offer a functional value to customers must focus on providing customers with products that consistently meet their needs in a way that suits the customer.

3- Economic value

Proposals for the economic value of customers are characterized by a focus on the utilitarian aspects of the product (Liu. 2005:560). Proposals for the economic value of customers are often based on the provision of value to customers that stems from monetary sacrifices (Smith, 2007:8).

4- Symbolic value

Symbolic value of a product can be defined as self-related and/or connected positive consumption meanings (Liu, 2006:2). (Gruen et al., 2006:450)

pointed out that symbols are special types of social objects that mean something, and have meaning when used, as well as creating symbolic value from representing something other than the clear function of the product.

Fourth: Concept Customer Experience

Concept of customer experience started from the beginning of the works (Hirschman & Holbrook, 1982), who discussed the customer experience as a subjective state of consciousness with cognitive and behavioral aspects evolving over time, which drew the attention of marketing researchers to the realization that time is a major factor in the composition of the customer experience (Warren, 2012:780); (Andajani,2015:630).

Customer experience was defined as an interaction between the organization and the customer during the duration of their relationship (Gentile et al., 2007:395). They also represent the internal and subjective response of customers to any direct or indirect contact with the Organization. Direct communication generally occurs in the context of procurement, use and service, usually initiated by the customer. Indirect communication often includes unplanned encounters with representations of the Organization's products or brands and may take the form of oral recommendations, criticisms, announcements and news reports (Meyer&Schwager, 2007:3).Is also how customers remember all their interactions with the brand, whether it be employees, channels, services or goods, before, during and after purchase consciously or unconsciously (Blejan et al., 2020:251).

Fifthly :The Importance Of Customer Experience

Identifying and improving customer experience is a high priority for market research because experience replaces quality, with one of the main areas of focus for marketing being offering a distinctive customer experience (Almoraish&gounaris, 2018:2)& (damijanić, 2017:68). The emotional and cognitive experience of customers resulting from encountering the service leads to behavioral outcomes such as satisfaction and repeat purchase and behavioral outcomes such as loyalty and positive word of mouth about the product or brand (Roy, 2018:401). (Herjanto et al., 2019:1) pointed out that the customer experience is based on more than just factors that the company can control (such as price, quality, and product), but also on elements that cannot be modified and restricted (word of mouth, electronic speech, and willingness to buy).), so the customer experience includes the overall experience from research, purchase, use, and after-sales experience.

Sixth: dimensions of Customer Experience

1- Peace-of-mind

Dimension includes statements that are strongly associated with the emotional aspects of the service and is based on the perceived experience of the service provider and the guidance provided throughout the process. These attributes make customers comfortable and increase confidence in the service provider.(Maklan, 2012:781), and (Moran et al., 2014:13) describes the customer's evaluation of all interactions with the service provider before,

during, and after purchasing the service, and this dimension includes statements that are strongly associated with the emotional aspects of the service.

2- Outcome focus

Dimension is related to the reduction of customer transaction costs, such as the search for and qualification of new service providers, and once a relationship is established, these previous target-oriented experiences typically build despite awareness of competitors' offers (Maklan, 2012:781). (Deshwal, 2016:943) noted that this dimension deals with target-oriented experiences in customer behaviour, in addition to reducing consumer transaction costs by finding better and cheaper suppliers. He stated (Bueno et al., 2019:6) that the focus on the outcome reflected the importance of experiences guided by a specific goal by the customer.

3- Moments-of-truth

Dimension is characterized by what are generally known as moments of truth, emphasizing the importance of service recovery and flexibility when facing unforeseen circumstances, as this dimension also includes assessments of the personal skills of service providers related to moments of truth (Maklan, 2012:781). Moments of truth emphasize the importance of restoring service and flexibility in dealing with customers as soon as unforeseen circumstances arise (Klaus & Maklan, 2013:231).

4- Product experience

Dimension indicates the importance of customers' awareness of the existence of options and the ability to compare offers (Maklan, 2012:781). (Jun et al., 2019: 82) indicated that experienced customers make decisions based largely on their past experiences and have more stable preferences than inexperienced customers, as the first type tends to use internal information accumulated through product experience during selection, While the latter tends to use more external information that includes situational factors, so as customers gain experience with the product, the effects of situational factors on choice will decrease while the influence of internal information increases, revealing more stable preferences from inexperienced customers.

Applied Aspect Of Research

First: description and coding of the research variables and dimensions

This paragraph shows the way in which the variables of the study are expressed in a way that makes it easier for the reader to interpret and understand the data, and to conclude the goal and purpose that the study seeks to achieve. Researchers have to analyze the data in a flexible and easy way, and therefore the table (1) shows the symbols that express the variables involved in the analysis

Table (1) description and coding of the study variables and dimensions

Code	Number of items	Dimensions	Variables
XA	4	Economic value	

XB	4	Functional value	Value Propositions
XC	4	sentimental value	
XD	4	symbolic value	
MA	4	Peace-of-mind	Customer Experience
MB	4	Outcome focus	
MC	5	Moments-of-truth	
MD	5	Product experience	

Second: Analyze and interpret the search results

This researcher addresses the presentation, analysis and interpretation of the results of the applied study by reviewing the views of the researchers revealed by their responses to all paragraphs of the study tool. To that end, the researcher used descriptive statistical analyses (such as arithmetic averages and standard deviations), the level, direction and relative importance of the answer, and (SPSS.V.26).

1- Value Proposition Variable

Results of Table (2) indicate that the working average of the value proposition variable was (3.92), with a standard deviation equal to (0.683), and an agreement rate of (78%) and a high response level. 3.95) and a standard deviation equal to (0.718) with a relative importance of (79%), while the studied sample should pay attention to the functional value proposal with an arithmetic mean of (3.87) and a standard deviation of (0.74) and an agreement rate (77%), which means that the sample's interest The studied job value proposal will contribute to improving the emotional value of it towards those who deal with it.

Table (2) Arithmetic averages, standard deviations, answer level, and order of importance for the value proposition variable (n = 282)

Order of importance	Relative importance	answer level	Standard deviation	mean	Dimensions
2	79%	High	0.69	3.94	Economic value
4	77%	High	0.724	3.87	Functional value
3	78%	High	0.731	3.92	sentimental value
1	79%	High	0.718	3.95	symbolic value
***	78%	High	0.683	3.92	Value Proposition Variable

2- Customer Experience Variable

It is noted from the results of Table (3) that the working average of the customer response based on the experience was (3.92) with a standard deviation equal to (0.721), and an agreement rate of (78%) and a high response level. The reasons for the high percentage of agreement are due to the interest of the studied sample in the dimension of good faith in the average An arithmetic of (3.95) and a standard deviation equal to (0.737) and a relative importance of (79%), while the studied sample should pay attention to the dimension of focus on the outcomes with an arithmetic mean of (3.90) and a standard deviation of (0.774) and an agreement percentage (78%), which It means that the interest of the studied sample in improving the confidence between the studied sample and customers contributes to achieving positive returns on the sample with profit and the growth of its market share.

Table (3) Arithmetic averages, standard deviations, answer level, and order of importance for the customer response variable based on the experiment (n = 282)

Order of importance	Relative importance	answer level	Standard deviation	mean	Dimensions
2	78%	High	0.751	3.92	Product experience
4	78%	High	0.774	3.9	Outcome focus
3	78%	High	0.74	3.91	Moments-of-truth
1	79%	High	0.737	3.95	Peace-of-mind
***	78%	High	0.721	3.92	Customer Experience Variable

Third: - Correlation Hypothesis

The researcher for the purpose of testing hypotheses relied on two statistical methods:-

1-Correlation hypothesis

The first main hypothesis:- There is a statistically significant correlation between the value proposition and the customer response based on the experience.

It is noted from the results of Table (4) that there is a significant correlation between the value proposition and the customer response based on the experience and its amount (0.948), which is a very strong relationship according to the scale (Agunbiade et al., 2013) and at a level of significance (0.01), i.e. a confidence level of (0.99), which indicates the need for the company to improve its capabilities by (0.052), as well as the existence of a statistically significant correlation between the value proposition and the customer response dimensions based on the experience ranged between (0.904) for the product experience dimension to (0.921) for the moments of truth dimension, which indicates the presence of A positive correlation between the value proposition and the customer response based on the experience.

Table (5) the correlation matrix between the value proposition and the customer response based on the experience and the dimensions of each

Value Proposition	symbolic value	sentimental value	Functional value	Economic value	Variable
0.904**	0.864**	0.892**	0.820**	0.874**	Product experience

0.906**	0.882**	0.872**	0.836**	0.871**	Outcome focus
0.921**	0.879**	0.880**	0.856**	0.902**	Moments-of-truth
0.914**	0.888**	0.874**	0.859**	0.867**	Peace-of-mind
0.948**	0.914**	0.915**	0.877**	0.914**	Customer Experience Variable
.**Correlation is significant at the 0.01 level (2-tailed).					N=282

2 - Impact Hypothesis

This hypothesis is concerned with revealing the extent to which the value proposition affects the customer experience, and this is measured as follows:-

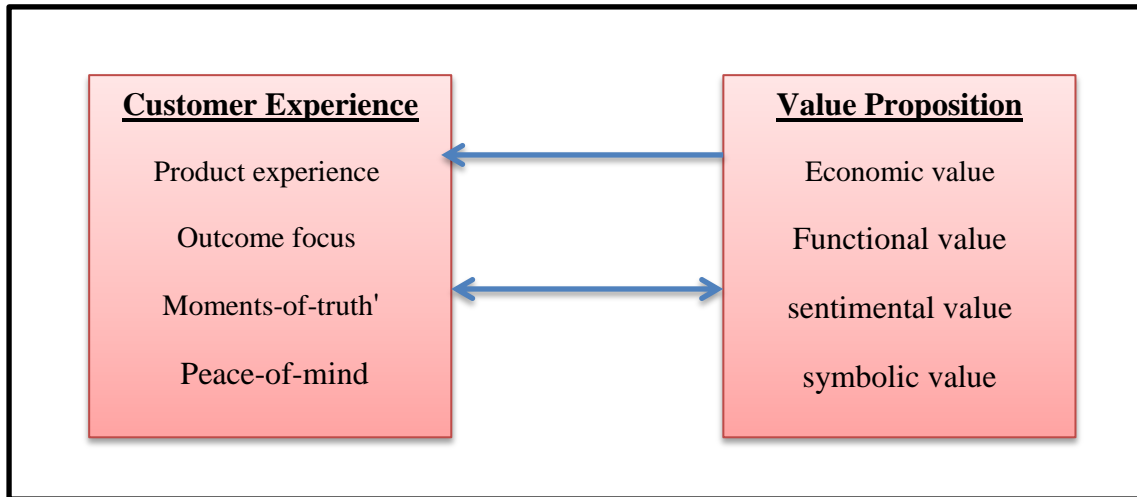
The second main hypothesis: There is a statistically significant effect of the value proposition on the customer response based on the experience

Results of Table (6) are shown in Figure (30), which represents the structural model of the study, which shows the independent variable (the value proposition) and the dependent variable (the customer response based on the experience) and it is noted through the appropriateness measures in the figure (chi-square, rms residuals). The structural model of the current study is appropriate to the data of the study according to the approved matching standards, as it can be noted that the chi-square reached (4.003) at a significance level greater than 0.05 as well as the root mean ratio of the residual squares(RMSEA), which was found to be less than its standard of (less than (0.08). It reached within the tested model (0.059). As for the one-way arrows from the independent variable to the dependent variable, they represent the standard regression coefficients. As for the apparent value of the highest customer response variable based on the experiment, it represents the interpretation coefficient (the coefficient of determination) called the standard coefficients (R2), which shows that The value proposition variable is able to explain a percentage (0.910) of the changes that occur in the customer response variable based on the experience in the studied company, and the remaining percentage (0.09) is attributed to the contributions of a variable Others not included in the study model. As it is clear from Table (39) that increasing the levels of the value proposition by one standard deviation will lead to an increase in customer response levels based on the experience by (0.948) from one standard deviation unit and with a standard error of (0.018) and a critical value equal to (55.854), Based on the outputs of the structural model of the influence relationship between the independent variable and the dependent variable, the sixth main hypothesis of the influence hypotheses is accepted.

Table (6) estimates the standard model for the impact of the value proposition on the customer response assigned to the experience

probability P	R2	critical value	standard error	Standard Weight	path		
moral	0.910	42.263	0.023	0.955	Customer Experience	<---	Economic value
moral		34.259	0.026	0.874		<---	Functional value

moral		42.659	0.021	0.904		<---	sentimental value
moral		42.295	0.024	0.919		<---	symbolic value
moral		55.854	0.018	0.948		<---	Value Proposition



Figure(1)Search Form proposed

Conclusions and Recommendations

1-Conclusions

1- The results showed that there was a statistically significant correlation between a valuable proposal and a client's experience-based response, demonstrating corporate interest in improving its resource-sharing potential and delivering high-quality products that contribute to a better client response and loyalty.

2- Corporate interest in realizing customers' needs and desires through a trade-off between the options presented to build a clear perception of the customer's preferred goals and tastes.

3- lack of methods by which companies can limit their production activities affecting the environment indicates the need to adopt methods to reduce damage to the environment.

4- Companies are keen to use easy and comfortable procedures with customers to gain customer satisfaction and loyalty, thereby improving customer value and building positive insights into their preferred services.

2-Recommendations

1- The need for companies to be interested in improving their sales vis-à-vis competitors, demonstrating the need for advanced information technology to improve their methods of delivering products to the market.

2- Companies should design products that meet customers' needs and desires and create their values, thereby enhancing customer satisfaction and loyalty.

3- Companies must develop the capabilities and skills of their sales delegates in order to ensure that they are better able to interact with the customer and reduce the customer's complaints about service delivery.

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