

Institutions and customer experience: the role of interfunctional coordination.

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Purpose – This research investigates customer experience (Becker and Jaakkola, 2020) by understanding how interfunctional coordination (IC) integrates resources across departmental boundaries to create superior customer experience (Narver and Slater, 1990; Ruiz-Alba et al, 2020). In this context, institutions develop a strategic role in the formation of customer experience (Akaka et al, 2015) and IC can moderate the relationships between actor engagement, service design and customer experience.

The role of institutions and institutional arrangements (Vargo and Lusch, 2016; North, 1990) in the cooperation and coordination (Ostrom, 2005) of the complex and resource-integrated service-exchanges that IC involves is studied here to shed light on complex scenarios and to support decisions made in service exchanges (Gummesson, Mele and Polese, 2018). The experience is considered from an ecosystem approach.

Design/methodology/approach Three sequential studies are conducted in pharmaceutical sector in B2B context as follows: 1) a focus group (5 participants); 2) in-depth semi structured interviews with senior managers (19 interviewees); 3) an online forum (8 participants). Followed by a calibration of responses and the subsequent fuzzy-set Qualitative Comparative Analysis using fsQCA software (Ragin, 2000).

Findings – Interfunctional coordination can moderate the relationships between a) actor engagement and customer experience; b) actor engagement and service design and c) service design and customer experience. Another finding is that service design can mediate the relationships between actor engagement and customer experience. The processes that facilitate IC should balance the negative effects of working in silos. Finally, IC facilitates satisfactory customer experience and several pathways have been found as causal configurations that facilitate interfunctional coordination of value cocreation to enhance customer experience.

Research implications –This study advances existing knowledge through an empirical investigation and academic discussion to enhance customer experience from an institutional arrangement's perspective and with a holistic view and to advance progress in the conceptualization of human actors within S-D logic (Kostela-Koutari and Sitaloppi, 2020).

Practical implications – It provides interesting insights for practitioners, especially top managers, about the barriers and enablers of IC and the best practices to enhance customer experience.

Originality/value – This is a novel approach to the fifth axiom / 11th fundamental premise of S-D logic: value cocreation is coordinated through actor-generated institutions and institutional arrangements (Vargo and Lush, 2016). The study of interfunctional coordination contributes to the clarification of institutions and institutional arrangements and its role on customer experience.

Keywords – Actor engagement; Customer experience; Service design; Interfunctional coordination.

Paper type – Research paper (empirical).