

Machala, Jan

**Article**

## Customer experience in shared economy: Recommendations for companies

Trends Economics and Management

**Provided in Cooperation with:**

Faculty of Business and Management, Brno University of Technology

*Suggested Citation:* Machala, Jan (2020) : Customer experience in shared economy: Recommendations for companies, Trends Economics and Management, ISSN 2336-6508, Brno University of Technology, Faculty of Business and Management, Brno, Vol. 14, Iss. 35, pp. 73-78, <https://doi.org/10.13164/trends.2020.35.73>

This Version is available at:

<https://hdl.handle.net/10419/308917>

**Standard-Nutzungsbedingungen:**

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

**Terms of use:**

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*

*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*



<https://creativecommons.org/licenses/by/4.0/>

## Customer Experience in Shared Economy: Recommendations for Companies

Jan Machala

### Abstract

**Purpose of the article:** This article aims to identify the perception of customers in the shared economy, specifically their customer experience with Uber, Bolt and Airbnb, and then evaluate what these companies stand out for or what their deficiencies are, and formulate recommendations for them.

**Methodology/methods:** The secondary research from an article in Web of Science and primary research conducted through an online questionnaire.

**Scientific aim:** Find out customers' views on shared economy services.

**Findings:** Shared economy services are rated very positively, however, there is still a possibility for the development of new services.

**Conclusions:** Customers are satisfied with the services of the shared economy and feel that these services save them time and money and make it easier to solve their problem. They are also willing to recommend these services. However, they are not very loyal to a particular brand. Businesses should focus on building a positive relationship with the brand to build more loyal customers. Companies could also do this by building a community in which their custodians feel good and proud to be part of that community. The limitations of this research are mainly in the narrow focus on three companies in the field of shared economy and also the age of respondents, as the majority of respondents were in the range of 18–34 years.

**Keywords:** customer experience, shared economy, customer loyalty, recommendation, Uber, Bolt, Airbnb

**JEL Classification:** M31

## Introduction

Customer experience is increasingly perceived as an important marketing concept leading to differentiation and as an effective solution for building a competitive advantage in an open global market. Customer experience management is a new marketing direction that will allow companies to differentiate themselves and gain a competitive advantage Bolton *et al.* (2014). According to Lemon, Verhoef (2016), understanding customer experience and the customer journey over time is critical for companies. According to Meyer (2007), customer experience (CX) encompasses every aspect of a company's offering, for example, advertising, packaging, features of product and services, ease of use, reliability or the quality of customer care. According to a study by (Derksen, 2015), improving the customer experience received the most number one ranking when executives were asked about their top priorities for the next 12 months (Lemon, Verhoef, 2016). According to Grönroos (2006), customer value is not created by one element alone, but rather by the total experience of all elements. The need to understand the relationships among customer metrics and profitability has never been more critical and marketing practitioners and scholars are under increased pressure to be more accountable for and to show how marketing expenditure adds to shareholder value (Doyle, 2008). Building a positive customer experience is nowadays considered one of the best ways to build a loyal clientele and support and develop the brand. Most current scientific knowledge is focused on studying the customer experience from the customer's point of view, not on studying the shortcomings that companies make when interacting with the customer.

## 1. Methodology

The extensive secondary research was based on systematic search and comparison

of information of the research articles about customer experience from years 2010–2018 indexed in Web of Science database. The methodology also included the contextual and sematic analysis of these scientific articles. The secondary research was carried out mainly for insight into the topic of customer experience and clarification of the current state of knowledge. Due to greater research validity, primary data was also collected. This was obtained through a structured questionnaire which captured the experience, needs and other variables of customers in the shared economy. The primary data for this research was obtained through a structured questionnaire completed by the respondents online. This questionnaire consisted only of closed-ended questions. 104 respondents participated in the survey. The data obtained from the questionnaire were carefully examined and evaluated by computer software.

## 2. Customer experience

Customer Experience is defined as holistic in nature, based on personal interactions between a customer and a brand, service provider or product that is composed from various cognitive, affective, emotional, social and physical responses of this customer (Gentile, Spiller, Noci, 2007). According to Pine, Gilmore (1998) experience is much heralded as the new competitive battleground of marketing – the next “big thing” beyond product or service quality and more predictive of customer loyalty than either satisfaction or the Net Promoter Score (NPS). The domain of customer experience management includes every point of the customer contact with products, services or businesses (Grewal, Levy, Kumar, 2009). Customer experience includes all “cognitive, affective, emotional, social and physical responses to the retailer” (Verhoef *et al.*, 2009). Klaus, Maklan (2012) state that customer experience blurs traditional distinctions between products and services.

### 3. Shared economy

Shared economy platforms provide a good opportunity for buyers and sellers to have direct relationship with their products or services. The shared economy will develop technologies, including specific application, that enable product sharing. It is supposed it will be the most dynamic area of business in future (Sikula, 2016). The principle of the shared economy is to combine demand and supply over the Internet platform. It is based on collaboration and communication. It contributes to the increasing of society's well-being, even without producing new goods (Dirgová *et al.*, 2018). Shared economy revenues shall be expanded to approximately 45% a year by 2025 and collaborative finance and peer-to-peer accommodation will be two major platforms (Simon, 2016). However, there are many platforms in the shared economy for various targets such as car/bike sharing (*e.g.* Zipcar and Hubway), accommodation sharing (*e.g.* Airbnb), ride sharing (*e.g.* Uber and Bolt), labour services (*e.g.* Upwork and Taskrabbit), used goods (*e.g.* eBay) and others (Fradkin, 2017).

### 4. Results

The results will be based mainly on primary research, which was carried out from 14 to 31 October 2019. The research was carried out in the form of an online questionnaire and involved 104 respondents aged 18 to 54 years. The questionnaire was focused

on respondents' experience with the shared economy, specifically with Airbnb, Uber and Bolt. The aim of this questionnaire was to explore not only the customer's experience, but also their feelings and needs during the use of these services, as well as their willingness to use these services again and recommend them to their friends. The results of the questionnaire will focus primarily on recommendations for businesses where they can improve their customer experience services. The results will also mention positive customer reviews regarding their customer experience. The questionnaire showed that **92.3% of the respondents were satisfied** with Uber, Bolt and Airbnb services (13.5% satisfied, 34.6% very satisfied and 44.2% completely satisfied). 83.6% of the respondents said they would choose the same service for a similar occasion, even if it were harder to use these services (71.2%) (Figure 1).

**87.5% of the respondents would also recommend** the services of these companies to their friends and acquaintances. However at the same time, 61.5% of customers will not remain loyal to these companies if their competitors offer a better service. This clearly shows that customers are very satisfied with the services of the shared economy, but are not very loyal if another company offers better services (Figure 2).

Shared economy services have made it easier to solve the problem. 88.5% of the respondents agree with this statement (Figure 3).

Also **92.3% of the respondents rated** the experience with the shared economy (Uber,

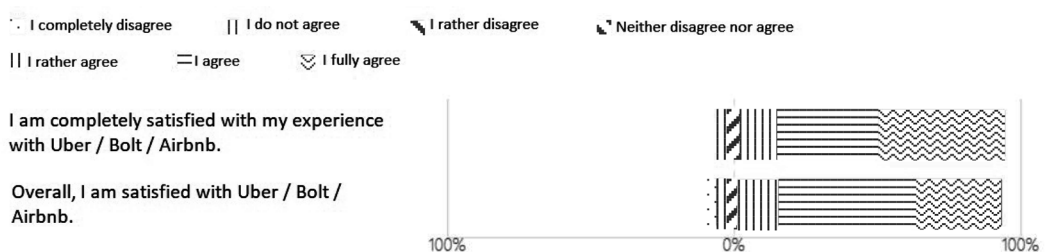


Figure 1. Respondents' answers. Source: own elaboration, primary research.

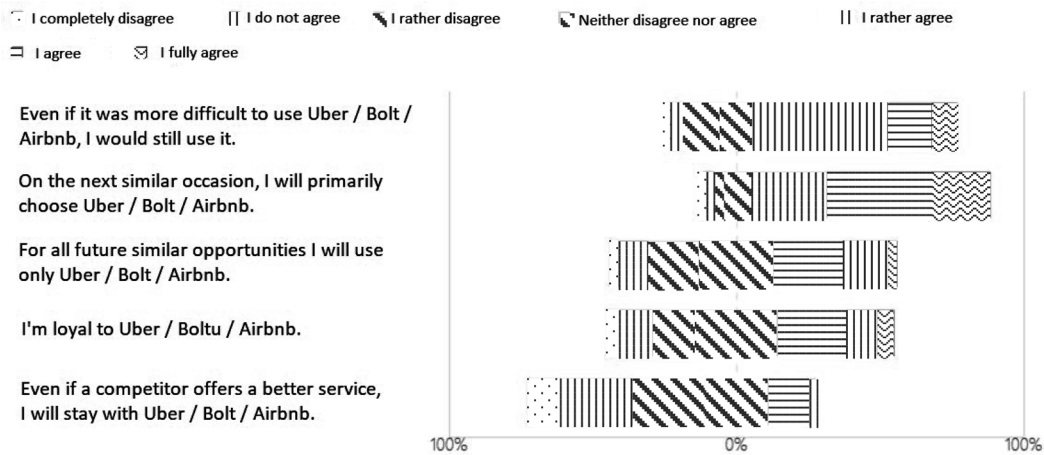


Figure 2. Respondents' answers. Source: own elaboration, primary research.

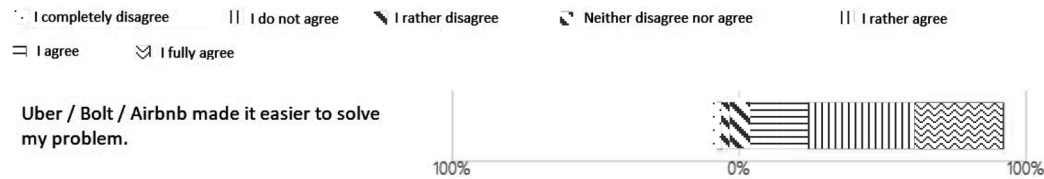


Figure 3. Respondents' answers. Source: own elaboration, primary research.

Bolt, and Airbnb) **excellent**. The vast majority of the respondents also stated that they were treated in a friendly way (91.3%) and that they were treated fairly and with respect (92.3%). But 49.1% of the customers would also welcome if they were offered a small snack during their service. 22.1% of the respondents said they did not feel part of the community when using shared economy services, and 41.3% of the respondents answered neutrally. Another question was whether the customer was treated as being

significant. 34.7% of the respondents stated that they did not feel that they were treated as someone important, and 34.6% provided a neutral answer to this question. The answers to the question of whether customers had a feeling of luxury while using the shared economy services were quite different. 35.6% of the respondents agreed and 37.5% disagreed. The neutral response reached 26.9%. Customer expectations were exceeded in 51.9% of the cases. As far as financial issues are concerned, the customers were

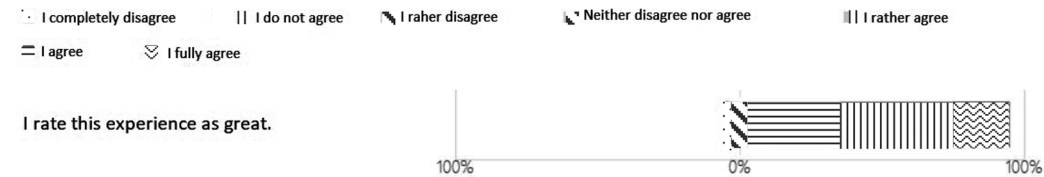


Figure 4. Respondents' answers. Source: own elaboration, primary research.

generally satisfied. 69.2% of the customers felt that the services brought them money savings, 88.5% of the respondents said the service was price-friendly, and 80.7% of the customers felt they had invested their money well. According to 64.4% of the respondents, shared economy services also save their time (Figure 4).

## 5. Conclusion

The results of the survey show the following. Customers are generally satisfied with the shared economy services and will be happy to choose the same service at the next opportunity, even if it is more difficult to use the service. On the other hand, if a competitor offered a better service, customers would not hesitate to switch to a new service, so customer loyalty in this segment is very low. Customers are also willing to recommend the shared economy services to their friends and colleagues, which is very positive because, in terms of customer experience, word of mouth recommendations are one of the best recommendation which a service can receive. The questionnaire also showed that customers evaluate the experience with these companies as excellent, emphasising especially friendly behaviour. Several customers felt luxury and exceeded their expectations. Many customers also think that the price of services is adequate and that shared services contribute to saving their money and time.

Shared service companies need to be vigilant about competing for better service because customers in this segment are not very loyal and do not hesitate to move to competition if the competitor offers a better service. Although shared services are not so widespread in the Czech Republic, customers do not feel that they are part of a community, nor do they feel that they are being treated as significant. The companies offering the shared economy services are also recommended to continue to build a positive customer relationship and offer quality services. It would be a good idea to try to make their customer more loyal to a particular brand to make it harder for them to move to competition. This can be achieved by building a community around the service so that the customer feels more part of a group and is proud of it. Companies could achieve greater customer loyalty if they approached them more personally to make the customer feel that they are being treated as an important person. In conclusion, we can only mention the imaginary icing on the cake: many customers would appreciate if they were given a small snack while using the services.

## Acknowledgements

This research is part of the project entitled Dimensional Decomposition of Customer Experience led by Ing. David Havíř (FP-J-19-5858).

## References

- Bolton, R. N., Gustafsson, A., Mccoll-Kennedy, J., Sirianni, N. J., Tse, D. K. (2014). Small details that make big differences: a radical approach to consumption experience as a firm's differentiating strategy. *Journal Of Service Management*, 25(2), pp. 253–274. DOI:10.1108/JOSM-01-2014-0034#sthash.00sJ4woI.dpuf.
- Derksen, J. R. (2015). *Improving Customer Experience is Top Business Priority for Companies Pursuing Digital Transformation, According to Accenture Study*. Accenture. Retrieved from: <https://newsroom.accenture.com/news/improving-customer-experience-is-top-business-priority-for-companies-pursuing-digital-transformation->

according-to-accenture-study.htm.

Dirgová, E., Janičková, J., Klencová, J. (2018). New Trends in the Labor Market in the Context of Shared Economy. *Tem Journal*, 7(4), pp. 791–797. DOI:10.18421/TEM74-15.

Doyle, P. (2008). *Value-based marketing: marketing strategies for corporate growth and shareholder value*, 2nd ed. John Wiley.

Fradkin, A. (2017). Search, Matching, and the Role of Digital Marketplace Design in Enabling Trade: Evidence from Airbnb. Retrieved from: <https://doi.org/http://dx.doi.org/10.2139/ssrn.2939084>.

Gentile, C., Spiller, N., Noci, G. (2007). How to Sustain the Customer Experience: An Overview of Experience Components that Co-create Value With the Customer. *European Management Journal*, 25(5), pp. 395–410. DOI:10.1016/j.emj.2007.08.005.

Grewal, D., Levy, M., Kumar, V. (2009). Customer Experience Management in Retailing: An Organizing Framework. *Journal of Retailing*, 85(1), pp. 1–14. DOI: 10.1016/j.jretai.2009.01.001.

Grönroos, C. (2006). Adopting a service logic for marketing. *Marketing Theory*, 6(3), pp. 317–333. DOI: 10.1177/1470593106066794.

Klaus, P., Maklan, S. (2012). EXQ: a multiple-item scale for assessing service experience. *Journal of Service Management*, 23(1), pp. 5–33. DOI: 10.1108/09564231211208952.

Lemon, K., Verhoef, P. (2016). Understanding Customer Experience Throughout the Customer Journey. *Journal Of Marketing*, 80(6), p. 69. DOI: 10.1509/jm.15.0420.

Meyer, C., Schwager, A. (2007). Understanding customer experience. *Harvard Business Review*, 85(2), 116–126.

Pine, B. J., Gilmore, J. H. (1998). Welcome to the experience economy. *Harvard Business Review*, 76(4), pp. 97–105. Retrieved from: <http://search.proquest.com/docview/80041459/>.

Sikula, M. (2016). Adaptation processes and a pulsating economy (in the cycle Paradigms of Change in the 21st Century [Adaptacné procesy a pulzujúca ekonomika (v cykle Paradigmy zmien v 21. storocí)]. *Ekonomický Casopis*, 64(6), pp. 596–599. Retrieved from: <http://search.proquest.com/docview/1864074627/>.

Simon, K. (2016). *The sharing economy presents Europe with a €570 billion opportunity*. Pwc Hungary. Retrieved from [https://www.pwc.com/hu/en/pressroom/2016/sharing\\_economy\\_europe.html](https://www.pwc.com/hu/en/pressroom/2016/sharing_economy_europe.html). Verhoef, P. C., Lemon, K. N., Parasuraman, A., Roggeveen, A., Tsiros, M., Schlesinger, L. A. (2009). Customer Experience Creation: Determinants, Dynamics and Management Strategies. *Journal Of Retailing*, 85(1), pp. 31–41. DOI: 10.1016/j.jretai.2008.11.001.

**Received: 29. 11. 2019**

**Reviewed: 29. 5. 2020**

**Accepted: 30. 6. 2020**

**Ing. Jan Machala**

Brno University of Technology  
Faculty of Business and Management  
Institute of Management  
Kolejní 2906/4, Brno 612 00  
Czech Republic  
Phone: +420 541 142 684  
E-mail: xpmacha19@vutbr.cz