

Cocreating Customer Value Through Hyperreality in the Prepurchase Service Experience

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This article develops a new model depicting how organizations can help customers test out and experience a service prior to purchase and consumption or use. When customers buy a new car, for instance, they are allowed to test-drive it to get the feel of it. When customers wish to purchase services, it can be more difficult to provide customers with a “test drive.” In some service situations, service organizations can and do provide “test drives,” but it is suggested that such experiences take place in a simulated setting. This article introduces the notion of hyperreality, the simulated reality of a service experience. It also introduces the concept of the “experience room,” the place where the simulated experience takes place. Based on the existing literature, the authors apply six dimensions of experience rooms to demonstrate how organizations can cocreate value, in conjunction with the customer, through hyperreality in a preservice experience.

Keywords: *experience; service; cocreation; customer value; hyperreality*

This article is about how organizations can help customers test out a service prior to purchase and consumption or use. Our focus is not on hedonic consumption (Hirshman and Holbrook 1982; Holbrook and Hirshman 1982) but on “normal,” day-to-day service experiences.

The underlying question is, how can organizations go about designing a prepurchase service experience? When customers buy a product, such as a new car, they are allowed to test-drive it to get the feel of it (e.g., its performance and handling). However, when customers wish to purchase services, such as holidays, home solutions, business solutions, surgery, or even education, it can be more difficult to provide customers with a “test drive.” When test-driving a car, potential purchasers take the real car, in real time, down real streets, facing real situations. If we were to test out a holiday at a real resort, with real food and real service, we would be experiencing the actual service and not a “test drive.” In some service situations, service organizations can and do provide “test drives,” but such experiences might involve a simulated activity and/or might take place in a simulated setting. This simulated reality is referred to as hyperreality.

The aim of this article is to develop a new theoretical framework for cocreating the prepurchase service experience through hyperreality. This study considers some of the design issues involved in simulating experiences before purchase and consumption.

In this article, we discuss the role of service experiences in “test-driving” a service. Our focus is on prepurchase service experiences. We develop the notion of hyperreality, introduce the concept of the “experience room,” and subsequently discuss the characteristics of de-

signing such a space to “test” or taste a hyperreal service to create value for the customer. We consider the benefits to organizations of creating experience rooms and, based on existing literature, suggest six dimensions for experience rooms. We then apply these using one detailed case study. Finally, we suggest the implications for practitioners and identify some opportunities for future research.

VALUE CREATION THROUGH HYPERREALITY IN PREPURCHASE CUSTOMER EXPERIENCES

Companies are searching for new and better ways to create value and differentiate their market offerings to attract and keep customers and make a profit (Bendapudi and Leone 2003; Shaw and Ivens 2002). Voss (2003, p. 26) argues that organizations are “focusing more and more on experiences in order to engage customers . . . to differentiate themselves.” What distinguishes the excellent from the average company often has to do with these experiences and not just a logical value for money outcome and cognitive assessment of the service (Johnston and Clark 2001). Functional qualities are not enough: An emotional reaction forms part of a quality and favorable experience (Cronin 2003; Sherry 1998). This is in line with Mano and Oliver’s (1993) study on utilitarian and hedonic consumption judgments. “Value-in-use” (Vargo and Lusch 2004a, 2004b) and “consumption judgments” are related concepts. In both cases, the traditional focus on cognitive evaluations has been extended to include service-elicited emotions and experiences.

In their book *The Future of Competition*, Prahalad and Ramaswamy (2004, p. 137) focus on cocreating unique value together with customers and argue that “value is now centered in the experiences of consumers” and not just embedded in products and services. Berry, Carbone, and Haeckel (2002) emphasize “managing the total customer experience.” They argue that organizations should recognize clues about experiences related to functionality and clues about experiences related to emotions.

Many service providers recognize the value created by providing unique or memorable customer experiences and emotions (e.g., Ritz Carlton and Singapore Airlines). Value can also be created by involving customers in the cocreation and/or personalization of their experiences (see, e.g., Bendapudi and Leone 2003; Normann 2001; Prahalad and Ramaswamy 2004). Arnould, Price, and Tierney (1998) argue for ‘communicative staging’ and discuss what kinds of staging add value to customer experience. “We hypothesise that in any service where the servicescape is fore-grounded, communicative staging can add value” (p. 112).

We would add that value can also be provided by involving customers in a prepurchase experience, one that can be unique, coconstructed, and personalized. By extending the nature of the service experience into the prepurchase (or use) arena, we would argue that organizations can

- add unique and personalized value to the service,
- connect with the customer through exposure to the organization’s norms and values,
- learn more about the customers’ needs and desires to be used in service development and quality improvement efforts,
- increase loyalty,
- create a unique identity,
- manage customer expectations and quality-in-use, and
- improve sales.

In product-based organizations, customers can be involved in a prepurchase experience by, for example, involving them closely in the design of the product. For example, Prahalad and Ramaswamy (2004, p. 51) cite the example of Sumerset, a manufacturer of houseboats, which is transforming the process of buying a houseboat into an individualized cocreation experience for its customers by involving them in the design process. In less tangible situations, customers can also be involved in the design process; we could, for example, discuss in detail our requirements for a house extension with an architect or the nature of a surgical procedure with a doctor.

However, we would like to go further; we believe customers can be involved in the preexperience testing of a service, such as test-driving a new car, allowing them to experience, at no risk, the nature of the service to enable them not only to assess the functional qualities but also to experience the likely emotional qualities. We suggest that this approach might be particularly applicable to high-cost and high-involvement services (e.g., elective surgery, MBA programs, or advisory services in banking). By providing such prepurchase experiences, organizations would be able to transform the nature of their service offerings. The critical point is that such prepurchase experiences in service situations will likely involve some form of simulation.

THEORETICAL POINTS OF DEPARTURE

We focus on the concepts of hyperreality, hyperreal services, service experience, and the experience room as our main theoretical points of departure when developing our theoretical framework.

Hyperreality and Hyperreal Services

In this article, we use the concept of hyperreality as a means of creating a service experience through a simulated reality. The term *hyperreality* is closely associated with Baudrillard (1994), who suggests that the world can be viewed as being constructed through simulations and simulacra (places for simulation). He describes four evolutionary phases of reality and experience; the first is engaging in direct experience of reality, the second is working with experiences and representations of reality, the third is consuming images of reality, and the fourth is accepting images themselves as reality. The fourth phase is labeled *hyperreality* or the *age of simulacra*. According to Baudrillard, consumption consists of the exchange of signs and images. Signs and images supersede materiality and value in use, and functionality is treated as a sign. We thus live in a simulated or hyperreal environment where realities are constructed and consumed (Venkatesh 1999). Martin (2004) puts forward the role of imagination in consumption experiences.

The contemporary consumer culture is replete with hyper-real objects, symbols, and spaces . . . in theme parks, in shopping centers, and in various commercial locations. . . . Consumer images are packed into signs or, more accurately, into an endless chain of signifiers. With the emergence of new technologies of information and communication, the visual is supplanting the textual as the cultural order. (Venkatesh 1999, p. 155)

Hyperreality is linked to people's mental and symbolic processes (Normann 2001). We continuously experience hyperreality in our everyday lives. We experience the reproduction of human roles, relationships, and characteristics initially simulated on the screen; on television in the guise of soap operas; or as part of a tourist experience such as the Rainforest Café at Disney's EPCOT Center. These experiences and settings are engineered to allow consumers to vicariously experience some other place, time, or reality.

As such, a customer's interaction with a hyperreal service can create an experience that is more distinct and more unambiguous than the reality we know, a hyperreality. Some avid fans of soap operas believe the characters and story lines; indeed, actors playing villains have been attacked in the street. Although the signs and symbols are not real, the setting is merely a stage, and the activities are carefully scripted and directed, with the end result a powerful, believable hyperreality that can have a profound impact on individuals.

Hyperreality suggests that "as humans, we construct our own realities and that these realities are a product of

our imaginations, ingenuities, fantasies, and pragmatic needs" (Venkatesh 1999, p. 155).

As customers, we take part in these hyperreal services to cocreate a service experience. Although Grove and Fisk (1997) use the metaphor of service as theater, hyperreality takes this stage further, suggesting that customers go "on stage" and take an active or passive role in cocreating the experience, similar to improvisational theater. However, in a soap opera or Disney experience, we have already paid. In this article, we seek to extend the notion of hyperreality to include the prepurchase experience.

We suggest that hyperreality is, perhaps, best read not as a hypothesis or as a concept but when treated as a tool. The function of this tool is to create favorable and memorable, but also realistic, customer service experiences. In this article, which concerns customer service experiences before purchase and consumption, hyperreality is one way of communicating the nature of the service to the customer and managing the customers' expectations. In this place, we need to construct a hyperreality that allows customers to test the service before they commit to buying or experiencing the real thing. To do this, organizations need to create an "experience room" to allow the testing of a hyperreal service to take place. We view experience rooms as a special place for simulation—a simulacrum; it is a place for cocreating customer experience in a hyperreal way.

The Service Experience and the Experience Room

We define a service experience as a service process that creates the customer's cognitive, emotional, and behavioral responses, resulting in a mental mark, a memory (in line with Johnston and Clark 2001). The role of the prepurchase service experience is to help customers assess the quality and value of the service in context, thus facilitating assessment and decision making by the customer.

Traditionally, the service experience is used to describe and understand experience-intensive situations in which people integrate what they perceive and encounter, in accordance with a script during and after consumption. In our framework, the focus is on the customer's experience (the service process) before purchase and consumption. This is done by placing and staging customers, in accordance with a "realistic script," in experience rooms using hyperreality to simulate the service and create the desired customer experiences. Bateson (2002, p. 110) suggests that script theory can "unify the needs of the service organization and the customer."

Our theoretical point of departure here originates from the service literature, particularly Bitner (1992), who came up with the label *servicescape* (a combination of service and landscape) to denote the environment in which

the service is being realized and the experience created. Bitner suggests three environmental dimensions: (a) ambient conditions such as temperature, air quality, and noise; (b) space/function such as layout, equipment, and furnishings; and (c) signs, symbols, and artifacts such as signage, style of décor, and personal artifacts. In her model, Bitner focuses on the internal responses (cognitive, emotional, and physiological) of both employees and customers, as well as on actual behavior (both negative and positive approaches) such as affiliation, exploration, and commitment relating to the employees' responses. Customer responses include being attracted and spending money.

Bennett and Bennett (1979, p. *000?*) state that "all social interaction is affected by the physical container in which they occur." The intended service experience can be achieved by carefully designing the physical environment and creating the servicescape. The servicescape represents the physical reality. The servicescape takes care of the physical world (Normann 2001), a world of physical artifacts (Rafaeli and Vilnai-Yavetz 2004). "Artifacts are humanly designed objectifications of subjective and social (intersubjective) processes" (Normann 2001, p. 253). They can be seen as objectified collective knowledge externalized (Berger and Luckmann 1967) as signs, sounds, and other actions and can thus be communicated to others. "They help to create a social reality and therefore to provoke action—mental and physical" (Norman 2001, p. 253).

The notion of the servicescape tends to emphasize physical artifacts. In Bitner's (1992) servicescape model, the focus is on the real physical environment in which the service is produced and on how different factors affect the customers and employees. Environmental factors (ambient conditions, space and function, and signs and symbols) drive internal responses (cognitive, emotional, and physiological) that affect behavior in terms of approach (affiliation, exploration, staying longer, etc.), avoidance (opposite of approach), and social interactions between and among customers and employees.

We argue that to describe and analyze customer experiences, we need to focus on both the physical and mental¹ artifacts (Normann 2001) creating the context for the service script, as well as experience process and its outcome, which in combination create the experience room where the prepurchase service experience takes place. Thus, we define an experience room² as a very specific servicescape—a dynamic hyperreal servicescape. This is a place for creating customer value in the prepurchase ser-

vice experience, where the value of the real service experience is simulated (hyperreal service) and the customer is able to "taste" and assess the real value—based on real experiences through hyperreal service—prior to purchase and consumption.

DESIGN DIMENSIONS OF THE EXPERIENCE ROOM TO CREATE A HYPERREAL PREPURCHASE EXPERIENCE

We would suggest, through careful and appropriate design of the experience room to create a hyperreal prepurchase service experience, that organizations should be able to allow their customers to

- relate to the service situation and their own personal needs/situation (Mehrabian and Russell 1974; Russell and Snodgrass 1987);
- test, assess, and measure the physical, functional, cognitive, and logical attributes of the desired service (Berry, Carbone, and Haeckel 2002);
- test, assess, and measure the experience and emotions involved in the service (Berry, Carbone, and Haeckel 2002; Wong, 2004);
- cocreate and experience the "service" for themselves (Prahalad and Ramaswamy 2004);
- involve others (e.g., family and friends) in that cocreation (Normann and Ramirez 1998; Sherry 1998);
- reduce the risk involved in making the purchase (Russell and Snodgrass 1987).

Six dimensions that underpin the design of experience rooms emerge from a review of the literature. These include (a) physical artifacts, (b) intangible artifacts, (c) technology, (d) customer placement, and (e) customer involvement, all of which create and contribute to (f) the hyperreal service experience.

Physical Artifacts

Physical artifacts (Rafaeli and Vilnai-Yavetz 2004) include physical signs, symbols, products, and the infrastructure necessary to create the physical attributes of the experience room (see, e.g., Arnould, Price, and Tierney 1998; Bitner 1992; Normann 2001; Venkatesh 1999). Some of the physical artifacts have a direct impact on the customer experience, whereas others only exert a more indirect influence. For example, flight simulators used for

1. Normann (2001) uses the label *mental artifacts*. We instead use the term *intangible artifact* because this is closer to service research.

2. We are inspired by Mossberg (2003), who was in turn inspired by Pine and Gilmore (1999) and their four experience fields: entertainment, education, escapism, and aesthetics. In her experience framework, Mossberg uses three dimensions: customer involvement, the customer's relationship with the environment, and time. Time is important in understanding the dynamic view of the experiences. Mossberg translates *servicescape* into Swedish using *upplevelserum* (experience room).

creating a simulated reality to test and train aircraft pilots include physical components that have a direct impact on the customer's experience (e.g., the visual display and controls), as well as less direct components (e.g., heat and light).

Intangible Artifacts

Intangible artifacts provide the nonphysical infrastructure and can include mental images, brand reputation, and themes (Bitner 1992; Normann 2001). Intangible artifacts are used to engineer the intended, favorable customer experience and are viewed as expressions of company culture and strategy. They help people envision how products and/or services can create both positive experiences and value for individuals or groups of customers. For example, experiences based on pictures, films, music, and activities might also be considered to be intangible artifacts because they assist customer imaging and may have the role as communicative staging (Arnould, Price, and Tierney 1998), creating a realistic prepurchase experience. Intangible artifacts can also reflect the specific norms and values of the company such as codes of conduct and corporate narratives (Edvardsson and Enquist 2002). Some of the intangible artifacts have a direct impact on the customer experience, whereas others only exert a more indirect influence.

Technology

Technology is not only connected with the use of information and communication technology (ICT) but also, in a broad sense, hyperreality through simulations and how activities and service processes are carried out to touch the customer and infer quality through meaning, arousal, and excitement. "With the emergence of new technologies of information and communication, the visual is supplanting the textual as the cultural order" (Venkatesh 1999, p. 155). Technology is an important part of the new service economy (Edvardsson et al. 2000). But technology cannot achieve anything by itself. We need to understand the social context of a technological innovation (Willmott 2003), as well as how this affects the individual and the society in which he or she lives. In our framework, technology is added as a separate experience dimension because it can create events that will have an important impact on customer experiences. Furthermore, technology—and self-service technology in particular—may change the role of the customer with regard to the coproduction and cocreation of experiences (Pralhad and Ramaswamy 2004).

Customer Placement

Instead of focusing on products in showrooms, we focus on customers and place them in experience rooms. Customer placement is a prerequisite for interaction with others, with products, and the creation of service encounters and events in a defined physical and hyperreal environment in which the customer is placed and staged (Sherry 1995). We use customer placement—not product placement—because experiences are linked to customers and they are personal. Drivers of experiences may be initiated from within, *intrinsic*, or from outside, *extrinsic*. We focus on the latter. Extrinsic experiences will always be registered and interpreted within the framework of the customer's own cognitive and emotional system.

Customer Involvement

Customer involvement is connected with "the conscious, bridging experiences, connections or references per minute that the viewer makes between his own life and stimulus" (Swaminathan, Zinkhan, and Reddy 1996, p. 52; see also Krugman 1965). "Involvement results from an interaction between person, stimulus, and situation" (Swaminathan, Zinkhan, and Reddy 1996, p. 52). In the literature on involvement, a distinction is made between cognitive involvement and affective or ego involvement in consumption situations (Park and Young 1984). In the literature, the focus is on product involvement. Our focus is on customer involvement and how individuals become involved with services and situations and become active in creating (cocreating) favorable experiences in accordance with planned, intended scripts but with an individual touch (Normann 2001; Prahalad and Ramaswamy 2004).

The Hyperreal Service Experience

The hyperreal service experience is the result of interpreting the physical and intangible artifacts, technology, and events occurring in the experience room. The service experience can, to some extent, be controlled by the provider, but the customer is mainly in control, as in improvisational theater. The service experience will vary from customer to customer, although these are in the same experience room. The service experience is affected by the customer's perceptions of all the dimensions of the hyperreal service in the experience room. The service experience is formed during the events occurring in the experience room and any linked events, resulting in an outcome that will, it is hoped, entail the purchase and the consumption of the "real" service.

The experience room features all the prerequisites for cocreating customer experiences prior to purchase and

TABLE 1
Summary of the Six Design Dimensions of the Experience Room

<i>Design Dimensions</i>	<i>Description</i>
Physical artifacts	Physical attributes of the experience room (e.g., signs, symbols, and products)
Intangible artifacts	Intangible attributes of the experience room (e.g., mental images, brand, and culture)
Technology	The nature and role of technology
Customer placement	The "staging" of the customer in the experience room
Customer involvement	The involvement of the customer in the experience
The hyperreal service experience	The customer's interpretation of the hyperreality and hyperreal service provided in the experience room

consumption, as well as the service experience created through hyperreality. We would like to underscore the role of the customer in cocreating the experience in this hyperreal environment. It is important for organizations to involve and "touch" the consumer by creating meaning, pleasure, and excitement with the help of physical and intangible artifacts, customer placement, customer involvement, and technology to form attractive but realistic customer experiences.

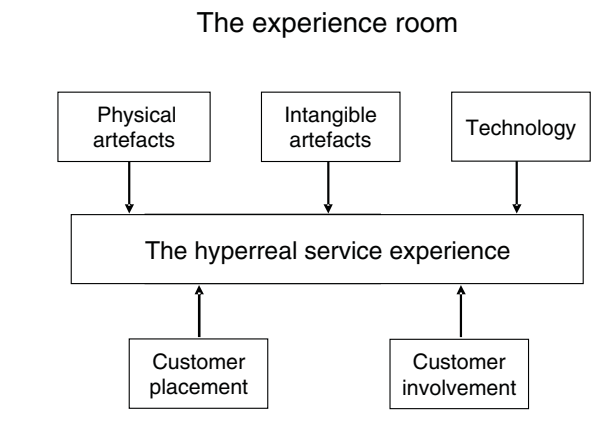
Table 1 provides a summary of the six design dimensions of an experience room and a brief description of each. Figure 1 provides a simple representation of these dimensions.

AN APPLICATION AND ILLUSTRATION OF THE EXPERIENCE ROOM: THE CASE OF IKEA

We have chosen IKEA,³ the largest and, for many years, most successful retail furniture company in the world, as our empirical illustration to demonstrate how experience rooms and hyperreality provide customers with value. IKEA is a company where the physical products (e.g., the furniture, tableware, and fabrics) form a part of the prepurchase service experience. IKEA's service is defined as "solutions to real life problems" (Edvardsson and Enquist 2002), where customer value is added through the cocreation of personalized customer experiences in stores where the company encourages customers to see, test, and enjoy (test-drive) home design solutions. Using its catalog and in-store customer experiences, IKEA tries to make its service tangible to, as well as experienced by, the customer in its experience rooms to create favorable experiences as well as greater value for both the customer and the organization. As Pine and Gilmore (1999, p. *000?*) have stated, "While economic offerings become more and more intangible with each step up to the next echelon, the value of that offering becomes more and more tangible."

3. For more details of the IKEA culture, concept, and approach to business, see, for example, Edvardsson and Enquist (2002), Kling and Goteman (2003), and Brown-Humes (2003).

FIGURE 1
Design Dimensions of the Experience Room



We use data culled from case studies of two IKEA megastores, one in Sweden (Kungens Kurva in Stockholm) and one in the United States (Schaumburg, close to Chicago). The studies (see Hagenaar and Hart 2003a, 2003b) are based on observations, documents, and semistructured interviews. A total of 5 days were spent at each location. We have also used data culled from a case study of IKEA in China (Paul and Yu 2003). Follow-up interviews conducted by Edvardsson and Enquist (2002) were carried out with customers and senior managers at IKEA, including store managers, project leaders, two concept developers (responsible for the global concepts and product ranges), the communications and interior manager for Sweden, and two written interviews with the president of the IKEA Group (Brown-Humes 2003; Kling and Goteman 2003). The data from the interviews have been supplemented by other documents and research, including www.IKEA.se, www.IKEA.com, the IKEA catalogs from 2003 and 2004 (American, British, and Swedish versions), and other IKEA documents listed in Edvardsson and Enquist, plus new IKEA documents from IKEA of Sweden from 2004, Torekull (1999), Normann and Ramirez (1998), and Normann (2001).

IKEA Experience Rooms

The experience rooms of both stores are designed in very much the same way, and most of the furniture comes from the same collection, which is the same for IKEA stores around the world. Many different experience rooms are created and intended for different customers or target groups at the same time. All experience rooms relate to the needs of everyday life (e.g., sleeping, cooking, working, and entertaining). They also relate to the experience rooms depicted in the catalog, where a variety of interiors are shown representing different family needs. The theme for the 2004 catalog is the world of the child, whereas the theme for the 2005 catalog is bedrooms.

It is in the experience room that customers experience solutions to “problems of everyday life.” One specific example is the living rooms. These are designed as copies of real living rooms, mostly with a Scandinavian feel, consisting of furniture, fabrics, lighting, books, televisions, and so on. It is sometimes the case that people look for new furniture and decide to buy all the items in the experience room because they can clearly envision that specific living room as their own. Even when they do not buy everything, the rooms are a great source of inspiration.

The experience rooms are the hotspots of the stores. Our studies indicate that families are inspired and get new ideas while in the experience rooms. Their interaction and communication are sometimes intense, with the inspiration and involvement being evident. Furthermore, people are busy measuring things and looking through the catalog for other items or combinations that will meet their particular needs.

People actively discuss things with one another and sometimes with other customers. They often consult IKEA staff as well. In addition, the customers also have access to a large database where a lot of information (e.g., different sizes, colors, etc.) is stored. Furniture can even be put into a room the size of the customer’s. This promotes a special type of hyperreality where fantasy and reality are combined to illustrate or simulate solutions to real-life problems. The communications manager for Sweden provides us with his view of this expertise; he gives the expression “the experience room” a specific IKEA meaning when combining physical and intangible artifacts the IKEA way:

I think this is quite unique for IKEA where we try to tell the customer that we have everything under one roof and we carefully create a space and show solutions to the customer where we try to help them how to make their life at home better. It can be how you can set up your room, how you can set up your furniture, how you can light up your room, tips and ideas how you can improve your room. It can be a living room, it can be a kitchen, or it can be a bed-

room—different spaces within the house where we try to show with our expertise and our products to create a better environment at your home. This is something we are very much aware of. This is probably one of our strengths. We are able to do that because of our assortments of what we are selling. We are able to put that together in a good way. And we try keeping it fresh and giving new experience to the customers every time. It is very much based on reality. We are not building real houses; we are building parts. We try to get as close to reality as we can, even if there are limitations to how close we can get in a particular store.

The experience rooms at the two stores combine functionality with emotional involvement; both contribute toward making the customer experience them favorably. The hyperreality is perceived to be the true reality, and it is clear that the combination of furniture, decoration, and services forms the basis for simulating real experiences. Both the cognitive and affective “systems” of the customer are involved and used to create the intended experiences. The customers are actors who are on stage. It is not quite a real-life situation (or, as IKEA puts it, “everyday life situation”) but almost, by means of hyperreality and simulation in the experience room. The emotional components of experiences as well as the functional ones are created (Berry, Carbone, and Haeckel 2002), and real experiences are produced without a true reality.

In sum, the experience rooms at IKEA include living rooms, bedrooms, and kitchens, which allow customers to experience “solutions to everyday life.” These rooms provide inspiration and encourage interaction (by all members of the family), discussion, and envisioning. The following sections illustrate each of the design dimensions of the experience room.

Physical Artifacts

The physical artifacts relate to the IKEA store as a whole and include the furniture and fabrics, glasses, candles, plates, layout, signs, and so on. One role of the physical artifacts is to create or “host” different experience rooms where the artifacts are placed in such a way as to create the illusion of being in a real room. The feeling produced by the space, light, and ambient temperature all contributes to this creation. Another role of the physical artifacts is to guide customers through the store and into the warehouse, where the products are picked up by the buyer, brought to the checkout counter, and paid for. Signage, colored floor coverings, and different intensities of lighting guide customers along the route through the store. A third role is the provision of information about the products. Strategically placed information boards, as well as all products, feature detailed product information labels. A

fourth role of the physical artifacts is to provide customers and their families with tangible value. Children can occupy themselves in a special play area called *Småland* (named after IKEA's home province in Sweden, but this name can also be interpreted as the land of the little people). The restaurant provides Swedish-style food and drink. The fast-food area at the end of the process provides customers with a final happy memory.

Intangible Artifacts

"The product range is our identity," says entrepreneur and founder of IKEA, Ingvar Kamprad, in "A Furniture Dealer's Testament." The furniture has been something more than just a physical artifact. The intangible artifacts include the organization's image and brand, the catalog, and the supporting activities, images, and themes. Although the catalog is a tangible artifact, we suggest that it might also be used here as an intangible artifact depicting photographed interiors that provide strong mental images. The catalog also provides both subtle and unsubtle images of the organization and its brand and values.

In the IKEA stores, the intangible artifacts are based on needs of everyday life and supported by anthropological studies. Images are expressed using trendy design, good technical quality, inexpensive furniture, and other items for the home and day-to-day living. Themes are created and expressed in the experience rooms and supported by the catalogs, commercials, and loyalty program. Intangible artifacts are also the specific IKEA values of informality, cost consciousness, and a very humble and "down-to-earth" approach. The organization's culture is thus represented and shared with its customers through its intangible artifacts.

Another role of the intangible artifacts is demonstrating that IKEA has a deep understanding of its customers and their needs. IKEA has developed methods originating from behavioral science and anthropology. For example, IKEA designers will study a family with small children as they enter the house on a slushy winter's afternoon on returning home from work and school. Wet raincoats and muddy shoes are packed together with sweaters and bags. The IKEA designer will ask, Do we have a full range of entrance hall and storage furniture, carpets, textiles, and hangers that will work in such a situation? IKEA studies its customers in their own reality to understand how it can add value to their lives (Ström and Tillberg 2003). Thus, the experience room and its physical artifacts demonstrate the intangible artifact of thinking about customers' real needs (see also Edvardsson and Enquist 2002).

A third role of the intangible artifacts within IKEA is working with its codes of conduct. The president of the IKEA Group says,

Offering low prices at the same time as you show social responsibility is a tough challenge. But it is essential to achieve the vision IKEA has "to create a better everyday life for the many people." We're moving in the right direction, but we must remain humble.

Technology

Technology plays a key role in customer involvement, as well as in the customer experience at IKEA. One key dimension of technology is that the furniture is designed in such a way that customers can assemble the pieces at home; the value for customers is that this makes transportation easier and product costs cheaper (through reduced staff costs and storage costs, for example).

Technology is also evident in more traditional roles (e.g., computer terminals allowing customers to search for products, colors, and other information). Computers are also used to help customers design their kitchens and bookshelves by means of three-dimensional simulation, thus providing them with yet another way of cocreating their "home solutions."

Technology is also something much more in the IKEA offering. It is the reconfiguration of the process and of the value-creating system, not the design of the physical products, which is the innovative element and comparative advantage of IKEA's offering (Normann 2001).

Customer Placement

Customer placement at IKEA means the physical placement of the customer in the experience rooms. In the United States, there are some interesting IKEA commercials that demonstrate customer placement (www.adcritic.url). One scene shows a couple standing in the middle of a kitchen involved in a family quarrel. Suddenly, you begin to understand that this is an IKEA experience room when an employee joins in, asking if he can be of help. At an IKEA store, you can see people sitting in an experience room feeling at home watching TV (Hagenaar and Hart 2003a), or at IKEA in Beijing, China, you can see customers sleeping for hours on a couch in a showroom (Paul and Yu 2003). The value of customer placement lies in allowing customers to immerse themselves in the hyper-real service and to create their own reality. A story from IKEA in China demonstrates customer placement "the IKEA way."

After a while in the store I calmed down a bit, and I started to observe the surroundings. The first thing I noticed was how relaxed Chinese customers could be in an IKEA store. Or how much time they had. However, no matter if it was the living sofa depart-

ment, kitchen furniture or bedroom department—all seats on beds, chairs or sofas were occupied. Friends and family members were sitting together and talked; exhausted customers had a nap or people just sit and observed other customers. (Paul and Yu 2003, p. *000?*)

The design dimension of “customer placement” is used to focus on the key role of the customer in relation to the concept of place in our framework. The traditional focus is on product placement and often in showrooms. In our framework, quality and value are linked to customer experiences, not to the quality dimensions of products and places per se. We emphasize value-in-use and the importance of cocreating value together with the customers during the prepurchase service experience. Placing customers in the experience room is a prerequisite for cocreating value by means of service experiences.

Customer Involvement

Customers are involved in a hyperreal context (e.g., a living room, not the customer’s own or a real living room at IKEA). The reality is close to the real living room, and customers can relate it to their own homes. The value of involvement lies in customers becoming involved in creating and assessing solutions to special needs or problems at home, in the true reality. IKEA emphasizes the role of customer involvement when experiencing meaning, pleasure, and excitement. Also, customer involvement is connected with the customers’ interactions with one another, with employees, and with technology when cocreating the experience, expressed as events, linked events, and flow or peak experiences. Interaction takes place between children in the play areas, between customers helping one another to find items or boxes in the warehouse, and through the sharing of ideas and suggestions during informal conversations.

It is important to note that customers are involved and that they create their own experiences, not predefined ones. However, customers are involved in a planned way in accordance with an open script similar to that used in improvisational theater.

The way IKEA presents itself to its customers in the catalog is all about coproduction, about how activities have been reallocated between provider and customer (Normann 2001, p. 100).

The Hyperreal Service Experience

The hyperreal service experience is staged in the experience room and influenced by the other five design dimensions. At IKEA, the customers’ hyperreal experience

involves the cocreation of the home solutions, assisted by family, staff, technology, and artifacts, that they can envision in their own home. Thus, the experience is created by the customer(s). As such, the experience provides a low-risk assessment—physical, cognitive, and emotional—of the effects of what could turn out to be a major purchase on their home and family, prepurchase and during use.

The appendix provides a description of a family’s experience at a store. The narrative illustrates how the other design dimensions of the experience room contribute to the service experience and how the customers create their own unique experience. Customer involvement is emphasized, not only directly in the experience room but also through IKEA Family (loyalty program), special offers, and the annual catalog. The way the company presents itself to its customers in the catalog is all about cocreation, about how activities have been reallocated between provider and customer (Norman 2001, p. 100). Customers are involved and create their own experiences, not only enter predefined experiences. Customers are involved in a planned way in accordance with an open script similar to that used in improvisational theater. How do we ensure such a customer experience? Prahalad and Ramaswamy (2004, p. 210) argue in favor of “co-creating unique value with customers,” suggesting an “experience design” whereby they incorporate the problem-solving skills and behavior of both sides into the product and service design to facilitate the coconstruction of an individualized experience. Schmitt (2003) is on the same track in his book *Customer Experience Management*. He argues for the necessity of “analyzing the experimental world of the customer” (p. 43). This is exactly what IKEA does in “IKEA of Sweden,” the heart of service conceptualizing and product range development at IKEA. IKEA has developed a profound understanding of its customers: how they are staying as residents, how they live, and how their average day looks.

Table 2 summarizes the design dimensions used by IKEA and the principal roles each dimension plays in creating value for the customer.

DISCUSSION

The aim of this article was to develop a new theoretical framework for cocreating customer value through hyperreality during the prepurchase service experience. We have proposed seven benefits or principles of providing customers with a prepurchase service experience, in that this should

- add unique and personalized value to the service,
- connect with the customer by means of exposure to the organization’s norms and values,

TABLE 2
Design Dimensions, Examples, and Roles Used in Cocreating Customer Value at IKEA

<i>Design Dimensions</i>	<i>Examples</i>	<i>Role in Creating Value</i>
Physical artifacts	Furniture and fabrics, glasses, candles, plates, the layout, signs, and scripts	Host the experience room Guide customers through the process Provide information Provide tangible value
Intangible artifacts	Catalog, supporting activities, images, and themes	Provide information, ideas, and inspiration Represent brand, values, and culture Demonstrate its understanding of customer needs
Technology	Self-assembly Computer search and design facilities	Ease of transportation Reduced costs Cocreating home solutions
Customer placement	Placing the customer in the experience rooms	Allow customers to immerse themselves in the hyperreal service and create their own reality
Customer involvement	Interaction and involvement with the artifacts, the family, the staff, and other customers.	Cocreating and assessing solutions Cocreating the experience prior to purchase
The service experience through hyperreality	The customer's interpretation of the hyperreality delivered in the experience room	

- learn more about customers' needs and desires to be used during service development and in quality improvement efforts,
- increase loyalty,
- create a unique identity,
- manage customer expectations and quality-in-use, and
- improve sales.

Although product-based organizations can more easily allow their customers to test-drive their products, we have proposed that service organizations be able to do the same but in a simulated or hyperreal way. We have suggested that a hyperreal prepurchase experience should allow customers to

- relate to the service situation and their own personal needs/situation;
- test, assess, and measure the physical, functional, cognitive, and logical attributes of the desired service;
- test, assess, and measure the experience and emotions involved in the service;
- cocreate and experience the "service" for themselves;
- involve others (e.g., family and friends) in that co-creation; and
- reduce the risk involved in making the purchase.

We have explored the notion of hyperreality and applied it to a service setting. Furthermore, we have introduced the notion of the experience room to create a hyperreal service. We have proposed a framework consisting of the five dimensions of an experience room that need to be carefully designed and constructed to allow customers to create their own experience. Furthermore, we have applied our theoretical framework to one context, the case of IKEA.

The IKEA example has demonstrated the broad spectrum of value that can be provided to customers during a prepurchase service experience, including, for example the following:

- the provision of inspiration;
- the encouragement of interaction, involvement, discussion, and envisioning;
- guiding customers toward information and through the process;
- the provision of information and tangible value;
- exposure to information and the organization's brand and values; and
- allowing the creation of an experience.

Research Contributions

Traditionally, the experience concept is used to describe and understand experience-intensive situations when people integrate what they perceive and encounter in accordance with a script, during and after consumption. In our framework, the focus is on the customer's service experience prior to purchase and service consumption. This is done by placing and staging customers, in accordance with a "realistic script," in experience rooms using hyperreality to simulate the intended customer experiences. Furthermore, our framework makes it possible for customers to cocreate their own unique solutions (Pralhad and Ramaswamy 2004). Customers' fantasies are staged and controlled, at least to some extent, in relation to attractive solutions to everyday life situations where service concepts become platforms for experiences and not just a means to an end in a logical and calculative way.

The experience concept, however, is seldom used in relation to consumer products such as washing machines and furniture or services such as telecoms or insurance. This has been the focus of our article, and customer value by means of service experiences prepurchase is our focal empirical phenomenon. One contribution made is that we have extended the concept of service to also focus on the notion of nonhedonistic prepurchase service experiences.

These service experiences are not about creating experiences to flee reality or real life but to simulate or stage experiences of real-life solutions using hyperreality. This article's contribution is a new framework for the experience room to study how customers experience solutions to real-life problems and is not about experiencing fantasies.

The third theoretical contribution is the notion of hyperreality (Baudrillard 1994; Firat 1992; Macintosh 2001; Solomon 2001; Venkatesh 1999) and how to use hyperreality to create a service experience (a dynamic view) prior to purchase and actual service consumption.

Our fourth theoretical contribution is the extension of the notion of servicescapes into a more dynamic and experiential framework—the experience room. We have provided a framework for the experience room and proposed six design dimensions.

Our framework and the dimensions for describing value creation using hyperreality prepurchase should be especially useful in high-value, complex, and high-involvement services such as surgery, MBA programs, and tourism. We believe that our framework can be used as a tool for marketing services as well as managing and designing them.

Managerial Implications

We have demonstrated how service organizations can create value for their customers through the cocreation of prepurchase service experiences. This is done while simultaneously reducing risk and increasing customer imagination and interaction with the organization. The dimensions provide a starting point for discussing what values should be provided, as well as how this might be achieved. Indeed, we feel the IKEA example can provide some stimulus to organizations thinking of developing prepurchase experiences.

The hyperreal experience room and the service experience constitute one way of making value creation customized and tangible in an intangible, postmodern world. There is no need to interact with or experience the true reality of postmodern thinking.

And we try to keep it fresh and bring new experiences to our customers every time. This is very much based on reality. We do not build real houses; we build parts. We try to get as close to reality as we can,

even if there are limitations to how close we can get in a particular store. (Senior manager at IKEA)

In the evening, you assemble the desk and put your computer on it, and then . . . then you enjoy! Not only are you enjoying the desk you have just bought, but also the great experience you had today; a memorable visit to IKEA! (“A Day at the IKEA Store”)

Suggestions for Future Research

We recognize that this study has many limitations, not least the application of the ideas in a single service setting. However, as an exploratory article, it provides the stimulus for further research and testing. Indeed, we believe that our ideas and framework have potential applications in many settings, including health care, hotels, tourism, and education, as well as in many business-to-business services. Furthermore, future research should prioritize a theoretical study of how experiences are formed (or designed and renewed over time, from the service provider's perspective) and what effect these might have on customers' attitudes and behavior.

Our second suggestion for future research concerns the stage that follows experience—namely, transformation. Pine and Gilmore (1999) discussed this new dimension in their book *The Experience Economy*. They suggest that if you customize the “experience,” you create “transformation.” What does transformation mean from the customers' and the provider's points of view? How can (should) one design dynamic transformation concepts? It would be of theoretical interest and practical relevance to go deeper into this subject, combining a theoretically based approach with an empirically based approach.

APPENDIX

A Day at the IKEA Store⁴

Mrs. and Mr. Sanders have been looking through the IKEA catalog for a few weeks now because they need new beds for their bedroom. Looking through the catalog is a way of getting inspiration and new ideas. They also feel comfortable with the IKEA approach of “low priced but high minded,” which they can read about in the catalog and which means that IKEA shows social responsibility. Mrs. Sanders saves the catalog for a whole year and uses it during the weeks just before she goes to the store. Last Saturday, Mrs. and Mr. Sanders decided to go to the IKEA store and bring their two kids along. On arriving at the store, they notice that it is quite easy to find a parking space. After all, the IKEA store has 1,600 parking spaces, which are free as well. On entering the building, the smell of freshly baked rolls and coffee takes control of Mr. Sanders. And before you know it, the whole family

4. This is a (re)constructed narrative (Czarniawska 1998) based on two narratives taken from Hagenaar and Hart (2003a, 2003b) and one narrative taken from Paul and Yu (2003) as well as the 2005 IKEA catalog.

is going their separate ways; Mrs. Sanders wants to put her jacket in one of the lockers and is desperate to visit the toilets, while the kids run off to "Småland," where they can play to their hearts' content. Mr. Sanders decides that he deserves a cup of coffee before entering the store. When Mr. and Mrs. Sanders have finished drinking their coffee, they try to get the kids out of the "ball-bath" before taking the escalator up to the third floor.

When the family arrives on the top floor, they are surprised about the amount of space in the store. Mr. Sanders takes a look at the information board to find out what there is on each floor. He takes a pencil, a piece of paper, and a paper tape measure, and the family is ready for an inspirational walk. First, they have a look at all the different living rooms; they look so real! Of course, they have to try out everything. They even have real TVs and computers in the rooms! When they come to the kitchen department, they want to take a close look at the kitchens even though they are not planning to buy a new one. They have already seen at www.IKEA.com that they can get access to IKEA's virtual interactive assistance to help them plan a new kitchen. However, that was not the reason for their visit today. The kitchens look as if they have been ripped out of houses and put into the store. The kids, however, are starting to get annoyed. When walking around the children's department, they pass by the restaurant. All of them were feeling hungry. So the family took a seat in the restaurant, and Mr. Sanders ordered Swedish-style chicken fillet with lingonberry jam. While enjoying their Swedish meal, the kids notice that there is another play area next to the restaurant. After the meal, they immediately have a look at the children's area called "Småland." They agree with the children that they will pick them up in one hour. Right away, the kids start playing with the other children and they don't want to leave. Well, that's perfect for Mr. and Mrs. Sanders, because now they can walk through the bedrooms in peace and quiet. In this bedroom department, they also get a lot of inspiration, not just because of the decor. . . . What a relaxed atmosphere! Excited customers are enthusiastically testing and trying out IKEA beds, accompanied by loud exclamations of amazement. Mr. and Mrs. Sanders find that they are gaining experience of the different solutions. There aren't just beds in the room. There are also bed-frames, bedside tables, and quilt cover sets, and everything. But which bed will suit them best: a mattress base which includes storage called SULTAN ALSARP, which they have seen already in the catalog, or the latest model, the electrically adjustable slatted bed base called SULTAN LANDÖN? Mr. and Mrs. Sanders felt that it was OK to try out as much as they could. This is the only way to make a really good decision. They also looked at the different price tags where they read details of the products.

This is a big decision. They need help. Mr. Sanders walks over to one of the employees dressed in yellow and blue to ask for help. After a while, they make their decision. They take two of the latest model, SULTAN LANDÖN. The price is extremely good and the level of comfort is excellent. The store assistant tells them that they can collect the articles right away from the warehouse, bring them home, and assemble them themselves. Because the family don't have enough space in their car, they decide to use the delivery service. And since Mr. Sanders isn't very handy, he also decides to ask for the assembly service, so he won't have to do anything. Once the paperwork had been fin-

ished, they noticed that time had flown by. It was time to pick up the children and walk back through the warehouse to pay for all of the products. Finally, the whole family took a seat in the cafeteria, which is located near the checkouts. The children have been looking forward to a nice and really cheap hot dog and soda.

A few days later, once the new beds had been delivered and assembled, Mr. and Mrs. Sanders weren't only enjoying the beds they had just bought but also the great experience they had had: a memorable visit to the IKEA store!

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