

“An empirical analysis of influence of emotional quotient on customer experience of a Retail Brand”

Mr. Prashant Chauhan¹, Dr. Deepti Sharma², Ms. Shruti Mishra³

Research Scholar, TAPMI School of Business, Manipal University Jaipur, India¹

Assistant Professor, TAPMI School of Business, Manipal University Jaipur, India²

Research Scholar, TAPMI School of Business, Manipal University Jaipur, India³

Abstract: The main purpose of this article is to examine the perception of customers of Adidas towards their customer experience with the retail brand and the influence of emotional quotient on CX. The population of this study consists of Adidas shoppers in Jaipur, Rajasthan. Respondents were selected from different gender, age groups, and occupations having retail shopping experience. In this paper we try to see the significant change that have been foreseen in the field of e-shopping and the customer's perception about the quality of e-shopping being offered by designing a self-closed ended questionnaire to collect the data. The study is basically to know the influence of emotional quotient on the customer experience and also to study overall customer experience level of Adidas as a retail brand; it is still a major issue as studies available focus on a multiple set of variables and relies on different approaches and theoretical foundations. Convenience sampling was used to collect data from sampled respondents. Statistical tools such as Net promoter score (NPS), reliability test and correlation are used in this study.

Keywords: Social Awareness, Self Awareness, Customer Experience, Emotional quotient.

Date of Submission: 03-10-2017

Date of acceptance: 14-10-2017

I. Introduction

Customer Experience: According to Meyer and Schwager (2007) customer Experience is the internal and subjective response customers have to any direct or indirect contact with a company. Generally direct contact occurs in the course of purchase, usage, service and is usually initiated by the customer. Most often the indirect contact involves unplanned encounters with representatives of a company's products, service or brands and takes the form of word-of-mouth recommendations or criticisms, advertising, news reports, reviews Gentile and Noci (2007) defined customer experience as a set of interactions between a customer and a product, a company, or part of its organization, which provokes a reaction. These experiences are personal in nature and it implies the customer's involvement at different levels (i.e. rational, emotional, sensorial, physical and spiritual).

Emotional Quotient: The Emotional Quotient (EQ) is a measure of your ability to sense, understand, and effectively apply the power and acumen of one's emotions and the emotions of others in order to facilitate high levels of collaboration and productivity. Person's overall score on the Emotional Quotient Assessment indicates the level of overall emotional intelligence. The higher the number, the more emotionally intelligent person is. If one's goal is to raise their EQ, the components on which researcher have scored the lowest should be the focus of your development.

II. Literature Review

In today's retailing environment, generating superior customer experience seems to be one of the central objectives. The success of Starbucks is attributed to creating a distinctive customer experience for their customers argued by Michelli, (2007). It had been argued by Pine and Gilmore (1999) that creating unique and distinctive customer experience can offer enormous/tremendous economic value for firms. According to Mascarenhas, Kesavan and Bernacchi (2006) marketers these days are focusing on engineering Total customer experience and lasting customer loyalty (LCL) as these are important for maintaining customer focus and creating customer preference.

Based on qualitative case studies carried out by Frow and Payne (2007), they highlighted the managerial implications, such as the careful management of customer 'touch points'.

These day's companies are focusing on creating customer loyalty and competitive advantage by creating favorable customer experience (Badgett et al., 2007). Taking this view in consideration majority of the researches have focused on the hedonic consumption emphasizing the individuals' "extraordinary", "critical" or "peak" experiences (Holbrook, 1982) now days customer experiences are not just being delivered by

organisations for customers but rather experiences are about the perceived value which is derived by the individual from such interactions (Helkkula et al., 2012).

Vargo and Lusch (2006) highlighted experiences are associated with both hedonic consumption and utilitarian value. Hence companies must aim to design and communicate value propositions in order to create memorable and favorable customer experiences, instead of focusing on developing and offering products and/or services.

One of the most used customer experience metric is Net Promoter Score (NPS). This is a customer loyalty metric developed by (and a registered trademark of) Fred Reichheld, and serves as an alternative to traditional customer satisfaction research. NPS measures the level to which a customer is either a detractor or a promoter of their firm. NPS is a practitioner's tool used by most of the big organisations across the globe to measure the customers experience levels in terms of customer loyalty (Reichheld, F. F., 2003).

According to Blair Kidwell et al. (2007), has discussed in one of the paper that Gender has not any significant impact influence between emotional ability and consumer performance and with this it has been concluded that at least college aged students has a little impact on emotional reasoning abilities. This also proves this study as well. Another Paper by Yuliya S. & Yelena T. (2010) on Consumers response to service failure and coping with Emotional Intelligence showed that Consumer Emotional Intelligence plays a significant role in context to consumption of services that elicits strong negative emotions. And this has been found out that, maximum efforts taken by the service provider on their service failure response can be quickly mitigated by emotional intelligence of the consumer over the strong negative emotions. So, with this, conclusion can be drawn that emotional intelligence of consumers impact the service failure, so it can also impact the consumer expectation. Kernbach, S., & Schutte, N. S (2005) reveled through their research that the customer satisfaction is very much related with emotional intelligence of the service provider. In case of low transaction difficulty, there is more customer satisfaction and more emotional intelligence of service provider whereas if there is more transaction difficulty, there is less customer satisfaction and low emotional intelligence of service provider. Totterdell, P., & Holman, D. (2003) emphasized that people are involved in emotional labor which is managing or regulating emotions in exchanges of the wages. This emotional labor has two components as deep acting where employee modifies emotion and other is surface acting where employees modify just expression of the feeling he has. This emotional labor is dependent on individual factors which includes gender and emotional intelligence. This emotional labor has impact in individual well-being and ultimately on organizational effectiveness. Feyerherm, A. E., & Rice, C. L. (2002) revealed the relationship between team's emotional intelligence, team leader's emotional intelligence and team performance. The components of emotional intelligence taken are understanding emotions, managing emotions and identifying emotions. There was positive co relation between team leaders' understanding of emotions and customer services. Sushil Punwatkar and Manoj Verghese, (2014) suggested that emotional Intelligence and Salesperson's behavioural trait which includes Ethical Behavior, Listening Ability, Relational and it has been found that in selling behavior these above soft skills plays role in refining their selling behavior.

Objectives:

- To find out customer experience in Addidas (Retail Brand)
- To find out the influence of Emotional quotient on Customer experience.

Hypothesis:

H₀1: There is no relationship between Emotional Quotient and customer experience.

H_a1: There is a relationship between Emotional Quotient and customer experience.

H₀2: There is no influence of self-awareness on customer experience

H_a2: There is an influence of self-awareness on customer experience

H₀3: There is no influence of social-awareness on customer experience

H_a3: There is an influence of social -awareness on customer experience

Analysis:

First objective of the paper is to find out customer experience in Addidas (Retail Brand) with the help of NPS (Net Promoter score). Net Promoter Score is the best possible way to measure customer loyalty at marketplace. In this NPS tool there is one question which assesses the customer experience of Addidas retail brand. This tool was Fred Reichheld, Bain and company & set matrix systems. It was introduced by Fred Reichheld in his 2003, Harvard Business review article “One number you need to grow”. NPS can be known as low as -100 (everybody is a detractor) or as high as +100 (everybody is promoter). NPS that is positive (that is higher than 0) is felt to be good, and NPS of +50 is excellent.

This is a 0- 10 scale. With the raking of this scale 9’s and 10’s are Promoters, 7’s and 8’s are Passive, and 0’s to 6 are Detractors. The scale is given below.

Detractors - Unhappy customers who damage the brand and obstruct the growth through negative word of mouth. •

Passives - Satisfied but unenthusiastic customers who are vulnerable to competitive offerings.

Promoters - Loyal and enthusiastic customers who will keep buying more and refer others to fuel growth.

$$\text{Net promoter score} = \text{No. of Promoters \%} - \text{No. of Detractors\%}$$

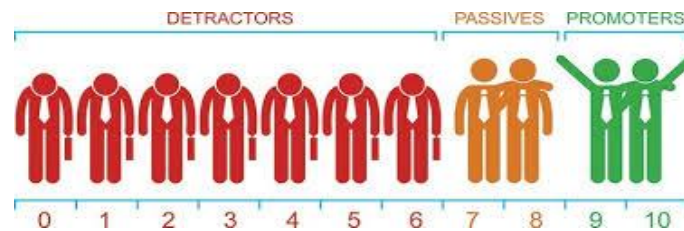


Fig. 1. Net Promoter score breakup

Here, after calculating the customer experience through NPS the value is found to be 13. This means the customer experience is deemed to be good on the scale.

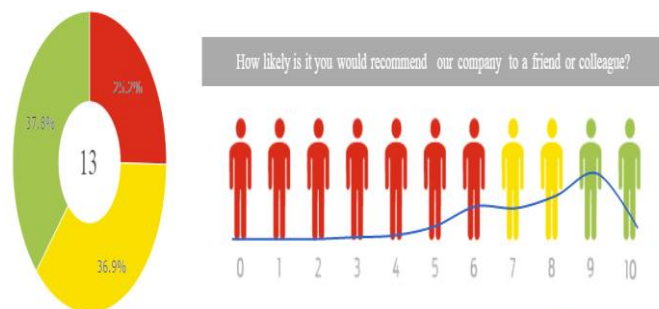


Fig. 2. NPS results

In the second objective is to find out the influence of Emotional quotient on Customer experience. The questionnaire of emotional quotient by tony miller is designed to help in evaluate aspects of your Emotional Intelligence (EI).

- It determines Emotional Quotient or EQ, a competence based measure relating to Emotional Intelligence.
- Emotional Intelligence is a term used to describe the way in which we handle both our own emotions and those of others and the impact they have on both ourselves and others.

In this questionnaire the following factors will be explored:

There are four factors comes under emotional Intelligence which are Self-awareness, Self-Management, Social Awareness and Social skills. But here we are taking only two factors which are as follows.

Self-Awareness- Knowing ones internal state preferences, resources and intuition’s, Self- awareness competencies include emotional awareness, accurateself-assessmetand self-confidence. (Denial Goleman, 1998)

Social Awareness: Social awareness is all about attachment, bonding and memory. It is an understanding between two. (Denial Golemen, 1998)

In this paper we have taken only two factors i.e. Self-awareness and social-awareness. The questionnaire includes ten questions each on Self-awareness and social-awareness. In order to find the relationship between customer experience and emotional quotient (self and social awareness) correlation analysis has been done and the findings are mentioned below.

Correlations: Between Self-Awareness and Customer Experience

Descriptive Statistics

	Mean	Std. Deviation	N
CX	7.664	1.5205	116
EQ	4.319	2.1533	116

Table 1.

From above table it is evident that self –awareness Pearson Correlation value is .365 which signifies that self-awareness somewhat influences customer experience.

Correlations

		CX	EQ
CX	Pearson Correlation	1	.365**
	Sig. (2-tailed)		.000
	N	116	116
EQ	Pearson Correlation	.365**	1
	Sig. (2-tailed)	.000	
	N	116	116

From above table it is evident that self –awareness Pearson Correlation value is .365 which signifies that self-awareness somewhat influences customer experience.

Correlations: Between Social-Awareness and Customer Experience

Table 3.

	Mean	Std. Deviation	N
CX	7.664	1.5205	116
EQ	5.241	2.5830	116

Correlations

		CX	EQ
CX	Pearson Correlation	1	.269**
	Sig. (2-tailed)		.004
	N	116	116
EQ	Pearson Correlation	.269**	1
	Sig. (2-tailed)	.004	
	N	116	116

** . Correlation is significant at the 0.01 level (2-tailed).

Table 4.

From above table it is evident that social –awareness Pearson Correlation value is .269 which signifies that social-awareness somewhat influences customer experience.

III. Result and Findings:

The Net Promoter score for Addidas was found out to be 13 which show that the company is offering good customer experience. But there is still room for further improvements in providing better customer experience above the level of 50 on the NPS scale.

After analyse the correlation between Customer experience and emotional Quotient, it has been found there has been a positive relationship between above two variables. So the Hypothesis H_{a1} is accepted. There is an influence of self-awareness on customer experience which is very much evident from its correlation value .365. Hence, the Hypothesis H_{a2} is accepted.

There is an influence of Social Awareness on Customer experience with a correlation value .269 which is less than self-Awareness value .365 which shows that there is a relationship between social awareness and customer experience. But there is a weak relationship between these two rather than the relationship of self – awareness and customer experience. So, Hypothesis H_{a3} has been accepted.

IV. Conclusion

Through this study it can be concluded that Self-awareness is a more influential factor in relation with customer experience as compare to social awareness. It can also be concluded that there is scope of improvements which can be enhanced by particular brand in terms of customer experience. Here, in the Diagram 2 Total Net Promoter Scale is 13 which has been already discussed above. And in same diagram it has also been clear that 25.2% customers are detractors while passives are 36.9% and 37.8 % are promoters. So, this can also be said that Addidas should concentrate upon the promoters who are 37.8%. and the brand can also focus at least on 36.9% so in some of them can be turn into promoters of the brand which can be beneficial for the Addidas. Addidas need to improve somehow there customer experience strategy so, that this brand can fetch more customers.

Future Scope of study:

Here in this study only customer experience of particular brand has been seen in relation with emotional quotient. Demographic details of respondents can be a part of the consideration while analyzing the relationship between these two. Here we have taken one retail brand; other studies can be done on comparative analysis of different brands as well as service industries can be differing. Moreover, there is a scope of analyzing different brands which can also be used for the comparative analysis.

References

Papers:

- [1] Awe, S. C. (2006). The Starbucks experience: 5 principles for turning ordinary into extraordinary.
- [2] Badgett, M., Boyce, M.S. and Kleinberger, H. (2007), Turning Shoppers into Advocates, IBM Institute for Business Value, Armonk, NY.
- [3] Berry, L.L., Seiders, K., Grewal, D., 2002. Understanding service convenience. *Journal of Marketing* 66 (3), 1-17.
- [4] Feyerherm, A. E., & Rice, C. L. (2002). Emotional intelligence and team performance: The good, the bad and the ugly. *The International Journal of Organizational Analysis*, 10(4), 343-362
- [5] Frow, P., & Payne, A. (2007). Towards the ‘perfect’ customer experience. *The Journal of Brand Management*, 15(2), 89-101.
- [6] 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), 395-410.
- [7] Helkkula, A., Kelleher, C. and Pihlstrom, M. (2012), Characterizing value as an experience: implications for researchers and managers. *Journal of Service Research*, Vol. 15 No. 1, pp. 59-75.
- [8] Holbrook, M.B. and Hirschman, E.C. (1982). The experiential aspects of consumption: consumer fantasies, feelings and fun. *Journal of Consumer Research*, Vol. 9 No. 1, pp. 132-140.
- [9] Kernbach, S., & Schutte, N. S. (2005). The impact of service provider emotional intelligence on customer satisfaction. *Journal of Services Marketing*, 19(7), 438-444
- [10] Kidwell, B., Hardesty, D. M., & Childers, T. L. (2007). Consumer emotional intelligence: Conceptualization, measurement, and the prediction of consumer decision making. *Journal of Consumer Research*, 35(1), 154-166.
- [11] Mascarenhas, O. A., Kesavan, R., & Bernacchi, M. (2006). Lasting customer loyalty: a total customer experience approach. *Journal of consumer marketing*, 23(7), 397-405.
- [12] Meyer, C., & Schwager, A. (2007). Customer Experience. *Harvard business review*, 1-11.
- [13] Michelli, Joseph (2007), “The Starbucks Experience: 5 Principles for Turning Ordinary Into Extraordinary,” New York: McGraw Hill.
- [14] Pine, B. J., & Gilmore, J. H. (1999). *The experience economy: work is theatre & every business a stage*. Harvard Business Press.
- [15] Punwatkar, S., & Verghese, M. (2014). The impact of salesperson's behavior on consumer's purchase decision: An empirical study. *IUP Journal of Marketing Management*, 13(2), 72.
- [16] Reichheld, F. F. (2003). The one number you need to grow. *Harvard business review*, 81(12), 46-55.
- [17] Strizhakova, Y., & Tsarenko, Y. (2010). Consumer response to service failures: The role of emotional intelligence and coping. *ACR North American Advances*.
- [18] Totterdell, P., & Holman, D. (2003). Emotion regulation in customer service roles: testing a model of emotional labor. *Journal of occupational health psychology*, 8(1), 55.
- [19] Vargo, S. L., & Lusch, R. F., (2006). Service-dominant logic: What it is, what it is not, what it might be. In R. F. Lusch, & S. L. Vargo (Eds.). *The service-dominant logic of marketing: Dialog, debate, and directions* (pp. 43–56). Armonk, NY.

“An empirical analysis of influence of emotional quotient on customer experience of a Retail Brand”

- [20] 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), 31-41.

Book:

- [21] Goleman, D. (1998) Working with EI. *New York Bantam*

Online Searches Links:

- [22] http://cdn2.hubspot.net/hub/268441/file-220371862-pdf/eBooks/eBook__Satmetrix_Customer_Experience_Guide.pdf
- [23] https://www.google.co.in/?gfe_rd=cr&ei=a_MbWZ-xO-vs8Af13LTICQ#q=tony+miller+EQhttp://www.tony-miller.com/downloads/Emotional%20Quotient%20Self-Score%20Questionnaire.pdf
- [24] <http://blog.commlabindia.com/elearning-design/emotional-quotient>
- [25] <https://tisuccessinsights.com/wpcontent/uploads/2016/04/EQ3.pdf>
- [26] <http://www.hbs.edu/faculty/Pages/item.aspx?num=45305>
- [27] http://www.rug.nl/staff/p.c.verhoef/jr_customer_experience.pdfhttps://en.wikipedia.org/wiki/Customer_experience
- [28] <http://www.europeanbusinessreview.com/designing-luxury-experience/>
- [29] <https://hbr.org/2007/02/understanding-customer-experience>https://en.wikipedia.org/wiki/Customer_experience
- [30] <http://www.europeanbusinessreview.com/designing-luxury-experience/>
- [31] http://repository.wit.ie/1396/1/Building_Customer_Loyalty_A_Customer_Experience_Based_Approach_in_a_Tourism_Context.pdf
- [32] <http://web.b.ebscohost.com/ehost/detail/detail?vid=0&sid=f9bd27e0-50a0-48f3-8b39-a0939c3d6da1%40sessionmgr101&bdata=JnNpdGU9ZWZWhvc3QtbGl2ZQ%3d%3d#AN=108425353&db=afh>
- [33] <http://www.actacommerci.co.za/index.php/acta/article/view/183/195>
- [34] <https://tisuccessinsights.com/wp-content/uploads/2016/04/EQ3.pdf>https://en.wikipedia.org/wiki/Emotional_intelligence
- [35] <https://hbr.org/2007/02/understanding-customer-experience>

Mr. Prashant Chauhan. ““An empirical analysis of influence of emotional quotient on customer experience of a Retail Brand”.” IOSR Journal of Business and Management (IOSR-JBM), vol. 19, no. 10, 2017, pp. 26–31.