

How Can Climate for Innovation Lead to A Better Customer Experience? Insights from A Major Egyptian Telecommunications Company

Rasha El Gendi^{1,*}, Moira Clark²

¹School of Business, The Knowledge Hub Universities-Coventry Branch, Cairo, Egypt

²Henley Business School, University of Reading, Reading, United Kingdom

*Corresponding author: rasha.elgendi@tkh.edu.eg

Received July 04, 2025; Revised August 06, 2025; Accepted August 13, 2025

Abstract Customer experience may be leveraged in companies that have a good climate for innovation as employees become inspired to innovate their company's products and services. A company's climate for innovation is particularly important in the current Covid times, in which companies need to adapt speedily to survive. The purpose of this paper is to investigate empirically and provide in-depth understanding of the relationship between employees' perceptions of climate for innovation within a company and customer experience. This study adopts a case study qualitative research method by conducting thirty-five in-depth semi-structured interviews with employees and managers in a major telecommunications company in Egypt, a market characterized by economic and political instability. A key finding of this research is the identification of new dimensions of climate for innovation characteristic of turbulent markets, namely: value-based organization; customer centricity; innovation unit; open innovation; structure of functional units; physical environment; internal communication; performance appraisal; training and development, and recruitment. Additionally, this study finds that there are six new dimensions of climate for innovation that are highly related to customer experience, namely customer centricity; open innovation; functional units' structure; idea support mechanisms; CEO support and risk-taking.

Keywords: *climate for innovation, customer experience, Egypt*

Cite This Article: Rasha El Gendi, and Moira Clark, "How Can Climate for Innovation Lead to A Better Customer Experience? Insights from A Major Egyptian Telecommunications Company." *Journal of Business and Management Sciences*, vol. 13, no. 4 (2025): 102-111. doi: 10.12691/jbms-13-4-3.

1. Introduction

Service companies increasingly face challenging environments due to market forces, such as, intense competition, globalization, technological advances, increasing customer power and expectations [1] and more recently the Covid pandemic [2]. In a time in which CX leaders need to be leading the way in the long-term consumer behaviour shifts resultant from the new Covid marketplace [3], customer experience becomes a top priority for executives [4].

Customers increasingly and continuously look for different and unique experiences and no longer accept a "one-size-fits-all" offer [1]. Innovation emerges thus as a competitive tool that allows organizations to maintain long-term success and adapt to changing and evolving customer needs [5], ultimately facilitating the development of the right market offers and generating superior service customer experience [6]. Superior customer experiences constitute a differentiating element for (service) organizations and their brands [7], and have been linked to customer outcomes such as customer

satisfaction [8], brand equity [9], customer retention [10], loyalty and word-of-mouth [11].

It is widely acknowledged that service organizations must continuously innovate [12], which can be achieved by creating the right conditions for employees to participate in the innovation process. Google, Apple, and 3M, are good examples of companies that invest heavily in work environments that support innovation [12] recognizing that employees who generate and implement ideas for new products, services and processes help leverage organizational performance [13,14]. A company's climate for innovation has a significant impact on an organization's innovativeness particularly in turbulent and high competitive markets, such as Egypt [15] and every market affected by the current Covid pandemic.

Hence, service managers ought to foster and sustain a climate for innovation within their company's context that inspires employees to be innovative. In this paper we investigate the relationship between climate for innovation and customer experience and how these concepts intertwine in the company's context. In particular, the focus is on the understanding of how a service organization can foster a climate for innovation to leverage the customer experience particularly in a

turbulent market. While existing research sheds light into the understanding of customer experience and climate for innovation, it tends to overlook a comprehensive account on how both concepts relate to each other. In particular, existing climate for innovation models provide partial views of the relevant dimensions to foster innovation [12,16] or miss an in-depth exploration of how these dimensions may be developed in practice [16]. Most previous studies tend to focus on the effect of climate for innovation on employees' innovative work behaviors [13,14], overlooking the impact on innovation performance at an organizational level [12,17], in particular, in terms of customer experience. It remains unclear how a climate for innovation can leverage the customer experience and which dimensions of the climate for innovation are more highly related to customer experience.

This paper expands the perspective on drivers of customer experience (Lemon and Verhoef (2016) to shed light into the understanding of how organizational climates drive customer experience [18]. Using a single case study approach based on a major international communication company in Egypt, this study investigates the relationship between climate for innovation and customer experience in a turbulent market. Our aim is to enhance theoretical and managerial understanding of this relationship by providing a set of actionable practices an organization can enact to leverage the customer experience. Drawing on prior research and resource-based view theory [19] as a foundation, we develop a conceptual framework aimed at understanding which climate for innovation dimensions are critical to superior customer experience. We contribute to service research and innovation management literature in three ways. First, we provide an in-depth understanding of the relationship between climate for innovation and customer experience. In particular, the study identifies dimensions of climate for innovation that are critical to superior customer experience. Second, we expand existing frameworks by identifying new dimensions for climate for innovation. Third, the study brings insights from a non-Western context, namely the Egyptian telecommunications industry.

2. Literature Review

2.1. Customer Experience

Customer experience can be defined as the internal and subjective response of customers to any direct and/or indirect interaction with the firm [20]. It comprises the total experience, including the search, purchase, communication, and after-sale stages of the experience, which involves multiple contacts with the organization [21,22]. Customer experience is holistic in nature, incorporating the customer's cognitive, emotional, sensory, social, and spiritual responses to all interactions with an organization. [22,23,24,25,26]

From a manager's perspective, customer experience importance emerges from the fact that it provides a new means of competition [27,28,29,30,31] as superior customer experience affects customer satisfaction [8,32,33], yields customer loyalty [11,32,35], supports the

brand [8,36] establishes emotional ties with customers [37] and ultimately drives organizational performance [38].

Researchers have mainly focused on the conceptualization and measurement of customer experience [22,25,26,32,39]. Three research perspectives emerged: (1) process, behaviour and resulting value; (2) process outcomes; and (3) customer-centricity regarding internal organizational aspects of customer experience [7]. Research on process posits that customer experience is created throughout the purchase journey [26,39,40] emphasizing the importance of different touch points and the role of customers in the co-creation of their own experience [7]. Research on process outcomes focuses on customer experience outcomes, such as satisfaction, loyalty, word-of-mouth and customer retention [21,32,34,41]. Research on customer-centricity addresses how firms can manage the customer experience both internally and externally with different stakeholders [42]. Organizations should, therefore, develop capabilities to manage the customer experience including the customer journey design, partner-network capabilities, and analytical capabilities [7,42]. Following in particular the latter research stream, studies tend to overlook the impact of specific internal forces in the organization, such as climate for innovation, on driving customer experience. This study looks in-depth at the role of additional internal forces in the organization that leverage the customer experience [7,18,43]. In particular, we look at internal ways of understanding customer experience from an innovation perspective by investigating the employees' role and highlighting the notion of climate for innovation.

2.2. Climate for Innovation

Organisational innovation is a central concept in academic research and managerial practice [44]. Organisational innovation is defined as "the adoption of an idea or behaviour that is new to the organisation, where the innovation can be a new product, a new service, a new technology, or a new administrative practice" [45]. Innovation is ultimately a key source for sustaining and enhancing competitive advantage [47].

Organizational climate research investigates the subjective perceptions of employees regarding their work environment and how these perceptions drive their behaviours and attitudes [48]. Despite the longstanding interest in climate research, this area has been revamped as researchers altered their focus from global to facet-specific climates [49]. The underlying reason for this shift in focus is the acknowledgement of the significance of facet-specific climate research on employee and organizational outcomes [49]. This paper focuses on the specific facet of climate of 'climate for innovation'. Climate for innovation is generally defined as the subjective perception of employees regarding the extent to which the values and norms of an organization emphasize innovation [50] and whether the work environment is innovation-supportive [51,52]. Climate for innovation captures the employee's perceptions of the extent to which her/his organization is open to and accepts new ideas, promotes new ideas that challenge current practices, and encourages risk-taking [53,54] (Coelho et al., 2010; Foss et al., 2013).

There are several frameworks that measure climate for innovation: KEYS [51], the Creative Climate Questionnaire [55], the Situational Outlook Questionnaire [56], Siegel Scale of Support of Innovation [57], Team Climate for Innovation [58] and the Climate for Innovation Measure [59]. The different measures of climate for innovation comprise leadership styles, autonomy and empowerment, idea time, idea support, risk-taking, work group cohesiveness, conflict and debate, employee involvement, rewards and recognition, and organization structure. [51,60,56]

3. Methodology

This study adopts a qualitative research method using a single case study approach to investigate the relationship between climate for innovation and customer experience and its underlying mechanisms. A case study approach allowed us to gain a deep understanding of the mechanism linking climate for innovation to customer experience and to identify the dimensions of the climate that are critical to developing superior customer experience [61,62]. We further obtained a deep and descriptive understanding [63,62] on how a service organization can foster a climate for innovation that enhances the organization's innovativeness in a turbulent market.

Because we wanted to understand the relationship between customer experience and climate for innovation in turbulent markets, we accessed a telecommunications company based in Egypt. The Egyptian telecommunications market comprises significant international investors in the mobile sector and is characterized by a growing demand for mobile data and value-added services [66]. The country has the largest number of mobile subscribers in the Middle East and North Africa [67]. The political turmoil following the Arab Spring revolution which took place in 2011, negatively affected the telecommunications sector. Although revenue streams remained stable, profit margins and capital expenditure have declined due to weaker local currency [66]

The selected organization is the market leader (including the largest number of active subscribers) in the telecommunications industry in Egypt and the Middle East [67] and was recognized in six consecutive years as the Best Employer [68] among a large sample of companies in the country. The company continuously innovates by introducing service innovations and aspires to leverage the customer experience despite the political and economic crisis in Egypt. According to the organization's profile, senior management places emphasis on developing an innovative work environment and aspires to be seen as a customer-obsessed organization that delivers the best customer experience.

3.1. Data Sources

We used multiple data sources and viewpoints, including the company's senior management and employees [61]. Data entails in-depth interviews, non-participant observation, company documents and archival records. We interviewed thirty-five employees across

different functional departments in the organization. Based on a purposive sampling procedure, the interviewees included junior employees (7 interviews), managers (9 interviews), team leaders (5 interviews), heads and directors of various departments (e.g., consumer marketing, enterprise marketing, human resources, internal communication, strategy and innovation, customer experience, enterprise business, and technology) (14 interviews). This amplitude of interviewees allowed integrating a broad range of perspectives from different roles/departments and to reach theoretical saturation [69]. The interview guide entailed a flexible structure of questions, allowing for themes to emerge. The questions covered the following three over-arching themes: (i) organization's existing practices that foster a climate for innovation; (ii) organization's innovations that enhanced the customer experience; and, (iii) reflections and personal experiences on the specific dimensions of climate for innovation that are critical for customer experience. Interviews typically lasted between 60-120 minutes, were digitally recorded and transcribed verbatim.

Non-participant observation allowed the researcher to focus on people's behavior in a natural setting. We saw the work environment and employees' interactions and engagement [70]. Observation entailed several field visits to the different sites of the organization across Cairo. We observed employees from different levels and departments in the organization in their everyday activities. Observational data was recorded through detailed field notes, photos and videos.

We gathered secondary data to support and complement the interviews' data. This would ensure convergence in findings across data sets, and reduce potential biases that may be present in the interviews. We took into consideration the content of company documents to capture different innovation's launches and their success in terms of customer experience. The documents included annual reports, mission statements, company culture's values documents, press releases, newspaper clippings, and the company web site. We also used archival records, such as, press releases and market reports from the Egyptian National Telecommunications Regulatory Authority (including scores on the company's customer service and customer experience over the period 2011-2016), Business Monitor Ltd, Market Line, J. Walter Thompson, Booz & Company, Nielsen Agency, the Egyptian media. Customer reviews on social media were thoroughly reviewed to gain real insight into the customer experience concerning the organization's services and innovations.

4. Data Analysis & Discussion

The data from all sources was analyzed inductively during and after the data collection process. The analysis followed various steps Miles and Huberman (1994). We coded data sources based on a preliminary list of codes identified from initial concepts in the literature review and interviewees' statements. The coding schemes were refined until the identification of a set of final themes and categories. The initial coding process was followed by an axial coding to reassemble and refine the data and to

explore connections between themes (Saldana, 2012). We performed this procedure iteratively until agreement among researchers emerged. Intercoder reliability assessed the quality of the findings and the rigour of the analysis process. Two stages of independent coding were undertaken by two external coders to ensure the trustworthiness of the data (Campbell, Quincy, Osserman, & Pedersen, 2013). After two rounds of coding including discussions among external coders and researchers, we identified various dimensions of climate for innovation that promote the organisation's innovativeness and contribute to customer experience. The thematic analysis of the interviews led to the identification of four main themes of climate for innovation: leadership for innovation, organization support for innovation and organization structure. Each theme entails various dimensions of climate for innovation. We identified eighteen dimensions of climate for innovation where five are *new* ones that were not identified in previous literature. We also reached consensus in six dimensions of climate for innovation that are critical to customer experience. There was an 85% inter-coder match for these dimensions. NVivo software was used for data analysis to enhance the validity of the research and strengthen the rigour of the study (Siccama & Penna, 2008).

4.1. Climate for Innovation & Customer Experience

An organization's resources, such as climate for innovation, can be an important source for competitive advantage (Barney, 1991). Supportive organizational climate is an important antecedent that can drive organization's performance in the context of product/service innovation (Wei & Morgan, 2004; Workman, 1993). This paper argues that climate for innovation interrelates with customer experience. This idea was corroborated by all thirty-five interviewees. The underlying idea is that an existing climate for innovation influences the organization innovativeness, enabling the organization to differentiate its offerings in the market. Such connection results in the enhancement of customer experience. Hence, climate for innovation may be considered a unique and inimitable resource that can enable the organization to achieve a competitive advantage. Employees are one of the main sources of innovative ideas. The climate for innovation encourages employees to innovate and, thus, enhances the organization innovativeness and drives customer experience. The Commercial Operations Officer corroborated this idea:

"More than 75% of our innovations that enhanced the customer experience came from the employees. We consider all ideas, allow enough time to work and invest on those ideas. So, based on the innovation examples that I have just told you, climate for innovation and customer experience are highly related." [The Commercial Operations Officer]

In this study we further propose that certain dimensions of climate for innovation have a prominent role in delivering customer experience. We focused on junior employees', managers', and senior managements' perspectives to derive the different dimensions. The

interview results showed that the organisation produced several innovations during the most turbulent times in the Egyptian market (2011-2015). This study focused on five of the most successful innovations in terms of customer experience. Four innovations came from the employees, namely, the Balance Transfer service innovation, Control Unit Tariff, Micro-recharge cards, and Digital e-bookstore); while one came from open innovation practices (Money-Transfer application). Interview results demonstrated that a climate for innovation is highly related to customer experience, however, there are some dimensions that are more critical to customer experience than others. Findings revealed that the following climate for innovation dimensions are critical for superior customer experience: customer centricity practices, open innovation, functional units' structure, idea support mechanisms, CEO leadership, and risk-taking. Table 7 shows the top innovations with superior customer experience that came out of the critical dimensions of climate for innovation. These innovations were introduced during the period 2011-2015 where the Egyptian market was suffering after the negative economic consequences incurred by two revolutions. These innovations achieved high net promoter scores, generated revenue streams, new to the market, and adopted by customers, thus ultimately leveraging the customer experience.

One of the most successful innovations is the *Balance Transfer* services platform that was created to serve customers who run out of credit. This platform allows the customer to borrow credit from the organisation, pursue a call even when the credit runs out, send template messages to others to call back when the credit runs out, or transfer the balance to other customers. Twenty-nine employees mentioned that this service innovation yielded a significant positive customer experience. The Retail Director mentioned that the balance transfer services innovation witnessed three million transactions per day. The underlying rationale behind this success is that this service innovation addressed an existing customer need when they run out of balance, thus adding value to customers. Reviewing company documents and archival records, 89% of customers' comments were positive and reported great customer experiences with the Balance Transfer services portfolio innovation, while 11% of customers reported a negative experience. Nearly 70% of customers' comments indicated a positive experience in the variety of services offered in this portfolio and user-friendliness.

The organisation introduced for the first time in the Egyptian market and the world an ideas of *Micro-recharge Cards*. This service innovation for the pre-paid customers came in the shape of Micro-Recharge cards of small cash value. The idea was based on the insight that is common practice in Egypt, that at kiosks or stores, the shop owners offer customers products of little value to them instead of the remaining change. The Micro-Recharge card innovation came in four denominations. The first three launched were a 50 piasters card which gives 5 extra minutes; the EGP 1 card gives 30 minutes, and the EGP 1.5 card gives two hours calls. According to the Commercial Operations Unit Officer, the Micro-Recharge cards exceeded the original target by 50%. It has increased the average revenue per user (ARPU) by 7%

and there has been a steady 10% increase in the distribution of cards across the country. Further interview results indicated that the micro-recharge card received a patent, generated revenues, and boosted the customer experience: “the micro-recharge card received a patent and it is the first in the world. This is very much used by our customers” (Director, Commercial Operations). In addition to the patent received, the Micro-Recharge card innovation has won 13 international awards including an Audience Award for most contagious idea in London, and a Grand Prix at the Dubai Lynx (J. Walter Thompson Company, 2013). Reviewing secondary data, 95% of customers indicated positive customer experience of the Micro-Recharge cards service innovation. Reviewing archival records and company documents, customers indicated that this innovation offered them value-for-money and solved the problem of availability of small value change in Egyptian stores.

Interview results indicated that the *Money Transfer application* is another radical service innovation provided by the organisation. The application is basically an online wallet that allows the customer to pay at any store through their mobiles rather than using credit cards or cash, as well as transfer and receive money from anywhere in Egypt. Twenty-six employees stated that this is one of the organisation’s top innovations that aims to change Egyptian customers’ behaviours. The Product Manager of this service innovation mentioned that “this app is new to Egypt and we are trying to change customers’ behaviours and make it a habit to pay through mobile applications.” Interview results revealed that the application offered customers convenience, accessibility and differentiation in several dimensions. First, Egyptian customers usually make their money transfers through banks who operate for only a few hours a day and are not available in all cities, especially rural areas. Further, banks in Egypt require a minimum amount to have a bank account, while there is no minimum amount to be deposited to open an account to use the organisation’s money transfer application. Reviewing company records, 85% indicated a positive customer experience with easy processes and procedures, convenience of store locations, user-friendly application, and a variety of services provided by the application. The number of customers who adopted this service has exceeded one million in one year. This service innovation emerged from a gap in the banking industry in Egypt, thus enabling the organisation under study to differentiate its offerings in the market and enhance the customer experience.

Given that the majority of Egyptian consumers face financial constraints, the telecom operator introduced a new tariff concept that had never been introduced before in the Egyptian market. The tariff innovation is called Control Flex where the customer pays for a certain amount of money to get a pool of units. These units can be used with total freedom and flexibility in voice minutes, SMS and mobile internet. This service provides customers with the flexibility of utilising their bundles without losing their money. Ten employees mentioned that the Control Flex Unit tariff innovation boosted the Egyptian customers’ experience and generated massive revenue streams for the organisation. The Head of Consumer Marketing stated that this tariff innovation offered

customers various benefits including simplicity, flexibility, value-for-money and transparency in bill calculation. Four employees from the Consumer Marketing department indicated that the Control Flex Unit tariff offers customers added value. Interview results indicated that the idea underlying the Control Flex Unit tariff innovation is built on customers’ perceptions that they are paying high amounts for bundle packages, thus not making full usage of the bundle. They feel that they pay more than what they actually consume. This service innovation provided customers with value-for-money as they are able to consume every unit they have paid for and use various services rather than paying a high cost for each service. The Product Manager indicated that this innovation enabled the organisation to close the market gap in a few months: “after 6-7 months, we closed the market share gap and we became number one in the market.” Further, employees’ comments indicated that this unit concept is extremely simple for the customer to understand and adopt, thus providing user-friendliness and convenience for the illiterate consumers. Customer reviews on the organisation’s social media accounts and company documents revealed high adoption and satisfaction of this product innovation.

The organisation launched the first digital *Arabic e-bookstore* application in Egypt and the Middle East. It was a significant step forward in providing electronic books for the Arab market and providing customers across the world with the opportunity to access e-books and periodicals in Arabic on tablets and smartphones seamlessly. This was considered a radical service innovation as it was the first digital Arabic e-book platform and application. Therefore, this service innovation arose from a market gap and customer needs. Interview results and customer reviews indicated that the customer experience of the e-Bookstore and application was positive on several dimensions including variety and choices of books, magazines, and newspaper availability, and easy access without spending time on searching, thus, providing customers with value-for time. Further, the application offered reduced prices of publications to provide customers with value-for-money, convenient purchases and payment processes, reliability of the technical aspect of the application, and providing customers with a social engagement platform. The Head of Strategy and Innovation asserted that the number of customers using this service innovation has expanded in two years from 10,000 to 450,000. Out of the 6,310 customers, 3,586 rated the application 5 out of 5, 820 as 4 out of 5, 533 as 3 out of 5, 303 as 2 out of 5, and 1,068 as 1 out of 5. This indicated that 70% of customers who used the e-Bookstore application had a positive customer experience.

The above successful innovation came out of the climate for innovation fostered in the organisation. As mentioned earlier, interview results revealed that the following climate for innovation dimensions are critical for superior customer experience: customer centricity practices, open innovation, functional units’ structure, idea support mechanisms, CEO leadership, and risk-taking.

Customer Centricity Practices. As discussed earlier, organizations ought to implement practices and policies that ensure high levels of customer centricity to stimulate

employees to think from a customer's perspective. Findings revealed that an organization should try to find ways to ensure customer delight and provide a positive experience with product/service innovations throughout every touch point within the customer journey. Interviewees argued that customer centricity is core to enhance the customer experience. The Director of Consumer Marketing asserted that:

"Climate for innovation and customer experience are tied together; you need a working environment that encourages innovation and supports employees' ideas in order to come up with new products and services that drive customer experience. It is important to have this environment that encourages both innovation and customer centricity. Employees should be encouraged to think from a customer's mind while thinking of a new innovation. Here in the company, we provide our employees with a climate for innovation that supports innovative ideas that generate superior customer experience." (Director of Consumer Marketing)

For example, the company launched a customer experience excellence programme to develop the customer experience. The programme focused on the innovation of products and services that drive the customer experience. Employees were required to find new ways of doing things to innovate products and services that would enhance customer experience. The launch of this programme placed customer experience as a top organizational priority and, thus, encouraged employees to think from a customer's perspective. The Human Resources Director explained:

"The launch of our new Customer Experience Excellence Programme is one of the most important customer-centric practices we have. For us to achieve customer experience excellence, this requires new ways of doing things and offering new and different products and services and this is where innovation will kick-in. Innovation in a way is provoked by focusing on customer experience." (The Human Resources Director)

Because of customer centricity practices, the organisation was able to introduce various innovations that served different customer segments, such as the Balance Transfer Portfolio innovation and the Micro-Recharge cards innovation, thus enhancing the customer experience of the consumer market segment. Interview results showed that these innovations came out from junior employees as a result of the company's customer centricity practices.

Open innovation. Open innovation was found to be one of the main dimensions of climate for innovation that contributes to superior customer experience. Results highlighted that several service innovations that enhanced the customer experience came from open innovation practices, such as the Money-Transfer application. This innovation came from collaboration with the organisation's offices in other markets, such as the UK and Kenya. Twelve employees confirmed that several service innovations that enhanced the customer experience came from open innovation practices, for example, creating an online platform for developers outside the organisation to innovate new services that would enhance the customers' experience:

'...so, we build an online portal to let the developers of

USSD and SMS services develop new service innovations. Each developer logs on and creates his own account, and creates a new service to the customers, such as an app that can guide the customer about the location of the nearest company store. We use our network infrastructure to create such services. Then the developer gets a percentage from the revenue generated by the service. It saved us time and resources and was very convenient for the customer. So, basically, we give developers access to our network infrastructure, limited access of course for security issues, and they create the services and handle its processes to ensure smooth customer experience.' (Junior, Consumer Marketing)

The Head of Joint Ventures confirmed that open innovation enables the organisation to launch several innovations that enhanced the customer experience:

"I go to a company and acquire it or buy some of its shares and sponsor whatever they are innovating. My unit launched several booming mobile applications that came out of these incubators. These apps increased the [main] company's NPS scores."

Functional Units' Structure. Findings revealed that creating commercial teams for each of the four customer segments triggered new innovations that were not developed before. Seventeen employees stated that the *organisation structure* in terms of functional units is highly related to customer experience. Employees in the marketing teams mentioned that this structure of teams enabled them to come up with tailored innovations that meet each customer segment's requirements, and thus enhance the customer experience. Furthermore, employees stated that there is continuous restructuring of teams to foster creativity and innovation and to meet changing market trends and customer needs. As an employee related to consumer marketing explained:

"This continuous restructuring in the company fosters creativity and innovation among employees. And this restructuring is always for the benefit of the customer and how can we communicate to each market segment differently, thus delivering at the end superior customer experience." (Employee - Consumer Marketing)

Interview results demonstrate that the establishment of functional units specialised to serve each customer market segment enables the organisation to introduce innovations that meet each customer segments' needs and wants, thus driving the customer experience. The organisation launched innovations dedicated to each market segment, such as the mass market, the aspiring segment, and the high value segment. Innovations targeting each customer segment (Balance Transfer Portfolio, Control Flex Unit tariff, and Micro-recharge Cards) improved dramatically the customer experience of each customer segment as each innovation fulfilled the specific needs and wants of the segment. innovations targeting specific customer segments achieved high customer experience scores (NPS) and generated revenue streams. Therefore, the current study argues that the continuous restructuring of functional units and teams to meet changing customer needs enables the organisation to innovate product and service innovations that enhance the customer experience.

Idea Support Mechanism. Organizational support of new ideas leads to the generation of plenty of innovations, ultimately, driving the customer experience. Because of

the dynamic and fast-moving nature of the telecommunications industry, the organization continuously supported new ideas to respond and survive the competition and sustain superior customer experience. Several service innovations yielded superior customer experience including the micro-recharge cards, the Balance Transfer, the Money Transfer application, and others. All these innovations were based on employees' ideas that were followed-up and supported by the organization. As mentioned above, the archival records corroborated the enhancement of the customers' experience based on these initiatives. The organization supported new initiatives and encouraged employees to generate and put forward novel ideas by providing a tool, namely, the catalyst tool, which is available for employees to propose and submit new ideas that would enhance the customer experience. The Arabic e-Bookstore innovation was one of the ideas generated from the catalyst tool that drove the customer experience as discussed earlier. Further, the organization established an innovation showroom where employees present their new ideas of products and services to the entire organization and discuss how these ideas can improve the customer experience. The Control Unit tariff was one of the innovations that was generated during the showroom discussions. Thus, a climate for innovation that provides idea support tools and mechanisms that promote the generation of new ideas is crucial to enhance the customer experience. As the Head of the Call Centers specified:

"Climate for innovation and customer experience have a long and strong relationship. To provide superior customer experience... You need to build a strong climate for innovation; a climate that provides employees with the idea support mechanisms to think out-of-the-box and innovate ... once you have this climate, you can surely innovate and, hence, provide superior customer experiences." (Head, Call Centers)

CEO Support. CEOs who vigorously support innovation leverage customer experience scores. Twenty-two employees indicated that the CEO support of new ideas is highly related to customer experience. The Micro-Recharge cards, the Balance Transfer service innovation and the digital e-Bookstore application discussed above are among the organization's top innovations that were supported by the CEO that fulfilled a customer need, enhanced customer experience and generated massive revenue streams. For instance, the organization successfully launched the first Arabic digital e-Bookstore in the Middle East that yielded superior customer experience, and this was due to the prodigious support from the CEO at the time. As the Head of Strategy and Innovation stated:

"The digital e-Bookstore innovation is one of our top innovations that generated revenue streams and enhanced the company's NPS scores. I believe that the sponsorship from the CEO at that point, really made it happen because he was passionate about it."

Other interviewee indicated that several service innovations boosting the customer experience were highly supported by the CEO. The quote below illustrates this aspect:

"The focus of the CEO on customer experience and making it the essence of our strategy and being a

customer-obsessed company makes all of the company employees aware of the importance of the customer experience of any innovation. So, when we perceive this importance or focus on customer experience, this makes us more creative and innovative when thinking of new products and services to our customers. The CEO of the company supports all of our ideas that enhance the customer experience." (Senior Employee- internal communications)

Risk taking. Risk-taking is crucial if the organization aims to deliver superior customer experience and gain differentiation and competitive advantage in the market. Employees suggested that adopting innovation is inherently risky due to the unknown outcomes. Twenty-one employees highlighted that successful innovations that enhanced the customer experience and generated revenue streams required a high risk. Results revealed that an organization can be a leader in superior customer experience due to the continuous introduction of innovative services and products before rivals in the market. As a Consumer Marketing Employee explained:

"When we think of new ideas or are competing to be the market leaders in customer experience, we take a risk. We don't go with the traditional way of thinking; we think out-of-the-box, and this is a risk. Thinking out-of-the-box and going to the market with something new to enhance the customer experience requires huge risk taking." (Employee-Consumer Marketing)

Employees from the consumer marketing units discussed examples with consumer service innovations that involved high risk and enhanced the customer experience. One of the significant innovations concerned the balance transfer services portfolio, which was created to serve customers who run out of credit. The service offered ten alternative services to keep the customers connected and able to use their mobile services, when they run out of credit. The portfolio allows the customer to borrow credit from the organization, complete a call even when the credit runs out, send template messages to others to call back when the credit runs out, ring others, or transfer the balance to other customers. This was one of the riskiest innovations that yielded superior customer experience and revenue streams as explained by a consumer product manager:

"The Balance Transfer Services platform is a major innovation that had a very high risk; it is one of the highest risk-taking projects. It was the first time in the market to do something like this. It became a major source of revenue stream and drove the company's growth and customer experience." (Consumer Product Manager)

5. Conclusion & Managerial Implications

This research provides an in-depth understanding of the relationship between climate for innovation and customer experience that was not investigated earlier. We offer an understanding of how an organization can create and sustain a climate for innovation particularly in a market characterized by economic and political turbulence and instability. This research shows that positive employees' perceptions of climate for innovation enable the organization to introduce innovative products and services

that enhance the customer experience in turbulent market conditions. The study identifies climate for innovation dimensions that were not identified in previous frameworks. Furthermore, it identifies dimensions of climate for innovations that are more critical to superior customer experience than others. Thus, this study offers a first step to investigate the relationship between climate for innovation and customer experience and contributes knowledge to the service research and innovation management literature.

Managers may consider the central dimensions as a diagnostic tool to enable managers to consider the particular practices, policies, and procedures that are adopted in their organisations, and evaluate whether or not they are the most effective for establishing a supportive climate for innovation that enhances the organisation innovativeness and the customer experience. The study results thus have implications for service organisations and firms concerned with innovation management.

Managers should encourage employees to think from a customer perspective when innovating products and services. It is vital that employees see as their first priority the customer experience. Managers should also develop customer centric practices, such as customer experience excellence programmes, training and workshop sessions, focused on leveraging the customer experience, and commercial teams dedicated to each customer segment. Furthermore, external collaboration with stakeholders enables the organisation to generate innovations that enhance the customer experience. Hence, managers should cooperate with university students, academics and researchers, young entrepreneurs, partners and suppliers, customers and other market subsidiaries to exchange knowledge and gain ideas for innovative products and services that elevate the customer experience.

Managers must be also interested in how to advance the structure of their functional teams. Managers should consider the creation of marketing and customer experience teams specialised in serving each customer segment. This study shows that the creation of specialised marketing and customer experience teams for each segment improved dramatically the customer experience of the product and service innovations and, thus, managers should follow this strategy. Additionally, managers should also support the generation and implementation of new ideas. Employees are more encouraged to innovate to enhance the customer experience when they feel that the organisation is supporting and willing to implement their new ideas. This study reveals that the top product and service innovations that achieved superior customer experience came from employees and were strongly supported by managers. Hence, managers must provide employees with adequate tool to generate ideas, such as think boxes, idea forums, etc.

This study results reveal that the CEO has an important role in creating a positive climate for innovation that enhances the customer experience. Innovations cannot be launched without senior management sponsorship and support. Senior managers should inspire employees and act as innovative role models and support new ideas for products and services that enhance the customer experience. On a related note, it is crucial for senior managers to be risk-takers to enhance the organisation

innovativeness and customer experience. Managers should recognise that successful innovations that enhance the customer experience require high risk-taking. This study shows that in high risk-taking situations, the organisation launched innovative products and services that boosted the customer experience and generated massive revenue streams, while in moderate risk-taking situations, the organisation lost potential opportunities in the market.

6. Limitations and Future Research

This study sheds light on the relationship between climate for innovation and customer experience and provides a basis for future empirical research opportunities. Using quantitative methods, future research could empirically explore and test the relationship between climate for innovation and customer experience in more contexts, including different service sectors, as well as different countries. A longitudinal study could also be adopted to investigate the enduring nature of employees' perceptions of climate for innovation and to allow for further examination of this relationship. Future research could also tackle the issue of causality by developing causal models that establish the direction of the relationship between employees' perceptions of climate for innovation and customer experience. Further, this research proposed a framework of climate for innovation with some newly identified dimensions. Hence, this framework can be tested empirically in future studies to investigate whether or not it can be used as a measurement scale for climate for innovation in organisations.

References

- [1] Wilder, K. M., Collier, J. E., & Barnes, D. C. (2014). Tailoring to Customers' Needs: Understanding How to Promote an Adaptive Service Experience With Frontline Employees. *Journal of Service Research*, 17(4), 446-459.
- [2] Rosenbaum, M.S. and Russell-Bennett, R., 2020. service research in the new (post-COVID) marketplace. *Journal of Services Marketing*.
- [3] Diebner, R., Silliman, E., Ungerman, K., & Vancauwenberghe, M. (2020). Adapting customer experience in the time of coronavirus. *McKinsey & Company*, 2.
- [4] De Keyser, A., Lemon, K. N., Klaus, P., & Keiningham, T. L. (2015). A framework for understanding and managing the customer experience. *Marketing Science Institute working paper series*, 85(1), 15-121.
- [5] Uz Kurt, C., Kumar, R., Kimzan, H. S., & Eminoglu, G. (2013). Role of innovation in the relationship between organizational culture and firm performance: A study of the banking sector in Turkey. *European Journal of Innovation Management*, 16(1), 92-117.
- [6] Hsieh, J.-K., Chiu, H.-C., Wei, C.-P., Rebecca Yen, H., & Cheng, Y.-C. (2013). A practical perspective on the classification of service innovations. *Journal of Services Marketing*, 27(5), 371-384.
- [7] Lemon, K. N., & Verhoef, P. C. (2016). Understanding Customer Experience Throughout the Customer Journey. *Journal of Marketing*, 80(6), 69-96.
- [8] Grace, D., & O'Cass, A. (2004). Examining service experiences and post - consumption evaluations. *Journal of Services Marketing*, 18(6), 450-461.
- [9] Biedenbach, G., & Marell, A. (2010). The impact of customer experience on brand equity in a business-to-business services setting. *Journal of Brand Management*, 17(6), 446-458.

- [10] Grewal, D., Levy, M., & Kumar, V. (2009). Customer Experience Management in Retailing: An Organizing Framework. *Journal of Retailing*, 85(1), 1-14.
- [11] Klaus, P., & Maklan, S. (2012). EXQ: a multiple - item scale for assessing service experience. *Journal of Service Management*, 23(1), 5-33.
- [12] Dul, J., & Ceylan, C. (2014). The Impact of a Creativity-supporting Work Environment on a Firm's Product Innovation Performance. *Journal of Product Innovation Management*, 31(6), 1254-1267.
- [13] de Jong, J. P. J., & Den Hartog, D. N. (2007). How leaders influence employees' innovative behaviour. *European Journal of Innovation Management*, 10(1), 41-64.
- [14] Prieto, M. I., & Pérez-Santana, M. P. (2014). Managing innovative work behavior: the role of human resource practices. *Personnel Review*, 43(2), 184-208.
- [15] Hunter, S. T., Bedell, K. E., & Mumford, M. D. (2007). Climate for Creativity: A Quantitative Review. *Creativity Research Journal*, 19(1), 69-90.
- [16] Loewenberger, P. (2013). The Role of HRD in Stimulating, Supporting, and Sustaining Creativity and Innovation. *Human Resource Development Review*, 12(4), 422-455.
- [17] Çokpekin, Ö., & Knudsen, M. P. (2012). Does Organizing for Creativity Really Lead to Innovation? *Creativity and Innovation Management*, 21(3), 304-314.
- [18] Ostrom, A. L., Parasuraman, A., Bowen, D. E., Patrício, L., & Voss, C. A. (2015). Service Research Priorities in a Rapidly Changing Context. *Journal of Service Research*, 18(2), 127-159.
- [19] Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of management*, 17(1), 99-120.
- [20] Meyer, C., & Schwager, A. (2007). Understanding customer experience. *Harvard Business Review*, 85(2), 117-126.
- [21] Klaus, P., & Maklan, S. (2013). Towards a better measure of customer experience. *International Journal of Market Research*, 55(2), 227-246.
- [22] Lemke, F., Clark, M., & Wilson, H. (2011). Customer experience quality: an exploration in business and consumer contexts using repertory grid technique. *Journal of the Academy of Marketing Science*, 39(6), 846-869.
- [23] Gentile, C., Spiller, N., & Noci, G. (2007). How to Sustain the Customer Experience. *European Management Journal*, 25(5), 395-410.
- [24] N. Bolton, R., Gustafsson, A., McColl-Kennedy, J., J. Sirianni, N., & K. Tse, D. (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), 253-274.
- [25] Puccinelli, N. M., Goodstein, R. C., Grewal, D., Price, R., Raghuram, P., & Stewart, D. (2009). Customer Experience Management in Retailing: Understanding the Buying Process. *Journal of Retailing*, 85(1), 15-30.
- [26] 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.
- [27] Jaakkola, E., Helkkula, A., & Aarikka-Stenroos, L. (2015). Service experience co-creation: conceptualization, implications, and future research directions. *Journal of Service Management*, 26(2), 182-205.
- [28] McColl-Kennedy, J. R., Gustafsson, A., Jaakkola, E., Klaus, P., Radnor, Z. J., Perks, H., & Friman, M. (2015). Fresh perspectives on customer experience. *Journal of Services Marketing*, 29(6/7), 430-435.
- [29] Pine, B. J., & Gilmore, J. H. (1998). Welcome to the Experience Economy. *Harvard Business Review*, 76(4), 97-105. Retrieved from [http:// search.ebscohost.com/ login.aspx? direct= true&db= buh&AN=780230&site=ehost-live](http://search.ebscohost.com/login.aspx?direct=true&db=buh&AN=780230&site=ehost-live).
- [30] Prahalad, C. K., & Ramaswamy, V. (2004). Co-creation experiences: The next practice in value creation. *Journal of Interactive Marketing*, 18(3), 5-14.
- [31] Shaw, C., & Ivens, J. (2002). *Building Great Customer Experiences*: Palgrave Macmillan UK.
- [32] Brakus, J., Schmitt, B. H., & Zarantonello, L. (2009). Brand Experience: What Is It? How Is It Measured? Does It Affect Loyalty? *Journal of Marketing*, 73(3), 52-68.
- [33] Ha, H.-Y., & Perks, H. (2005). Effects of consumer perceptions of brand experience on the web: brand familiarity, satisfaction and brand trust. *Journal of Consumer Behaviour*, 4(6), 438-452.
- [34] Iglesias, O., Singh, J. J., & Batista-Foguet, J. M. (2011). The role of brand experience and affective commitment in determining brand loyalty. *Journal of Brand Management*, 18(8), 570-582.
- [35] Kim, H., & Choi, B. (2013). The Influence of Customer Experience Quality on Customers' Behavioral Intentions. *Services Marketing Quarterly*, 34(4), 322-338.
- [36] Berry, L., & Carbone, L. (2007). *Build loyalty through experience management* (Vol. 40).
- [37] Pullman, M. E., & Gross, M. A. (2004). Ability of Experience Design Elements to Elicit Emotions and Loyalty Behaviors. *Decision Sciences*, 35(3), 551-578.
- [38] Garg, R., Rahman, Z., & Qureshi, M. (2014). Measuring customer experience in banks: scale development and validation. *Journal of Modelling in Management*, 9(1), 87-117.
- [39] Grewal, D., Levy, M., & Kumar, V. (2009). Customer Experience Management in Retailing: An Organizing Framework. *Journal of Retailing*, 85(1), 1-14.
- [40] Edelman, D. C., & Singer, M. (2015). Competing on customer journeys. *Harvard Business Review*, 93(11), 88-100.
- [41] Verhoef, P. (2003). Understanding the effect of customer relationship management efforts on customer retention and customer share development. *Journal of Marketing*, 67(4), 30-45.
- [42] Homburg, C., Jozic, D., & Kuehnl, C. (2017). Customer experience management: toward implementing an evolving marketing concept. *Journal of the Academy of Marketing Science*, 45(3), 377-401.
- [43] Bowen, D. E., & Schneider, B. (2014). A service climate synthesis and future research agenda. *Journal of Service Research*, 17(1), 5-22.
- [44] Rauch, A., Wiklund, J., Lumpkin, G. T., & Frese, M. (2009). Entrepreneurial Orientation and Business Performance: An Assessment of Past Research and Suggestions for the Future. *Entrepreneurship Theory and Practice*, 33(3), 761-787.
- [45] Dadfar, H., Dahlgaard, J. J., Brege, S., & Alamirhoor, A. (2013). Linkage between organisational innovation capability, product platform development and performance: The case of pharmaceutical small and medium enterprises in Iran. *Total quality management & business excellence*, 24(7-8), 819-834.
- [46] Getnet, H., O'Cass, A., Ahmadi, H., & Siahtiri, V. (2019). Supporting product innovativeness and customer value at the bottom of the pyramid through context-specific capabilities and social ties. *Industrial Marketing Management*, 83, 70-80.
- [47] Schneider, B., Ehrhart, M. G., & Macey, W. H. (2013). Organizational Climate and Culture. *Annual Review of Psychology*, 64(1), 361-388.
- [48] Kuenzi, M., & Schminke, M. (2009). Assembling Fragments Into a Lens: A Review, Critique, and Proposed Research Agenda for the Organizational Work Climate Literature. *Journal of Management*, 35(3), 634-717.
- [49] Ubius, U., & Alas, R. (2012). The impact of corporate social responsibility on the innovation climate. *Engineering Economics*, 23(3), 310-318.
- [50] Amabile, T., Conti, R., Coon, H., Lazenby, J., & Herron, M. (1996). Assessing the work environment for creativity. *The Academy of Management Journal*, 39(5), 1154-1184.
- [51] Carmeli, A., Meitar, R., & Weisberg, J. (2006). Self - leadership skills and innovative behavior at work. *International Journal of Manpower*, 27(1), 75-90.
- [52] Coelho, F. J., Augusto, M. G., Coelho, A. F., & Sá, P. M. (2010). Climate perceptions and the customer orientation of frontline service employees. *The Service Industries Journal*, 30(8), 1343-1357.
- [53] Foss, L., Woll, K., & Moilanen, M. (2013). Creativity and implementations of new ideas: Do organisational structure, work environment and gender matter? *International Journal of Gender and Entrepreneurship*, 5(3), 298-322.
- [54] Ekvall, G. (1996). Organizational climate for creativity and innovation. *European Journal of Work and Organizational Psychology*, 5(1), 105-123.
- [55] Isaksen, S. G., Lauer, K. J., & Ekvall, G. (1999). Situational Outlook Questionnaire: A Measure of the Climate for Creativity and Change. *Psychological Reports*, 85(2), 665-674.

- [56] Siegel, S. M., & Kaemmerer, W. F. (1978). Measuring the perceived support for innovation in organizations. *Journal of Applied Psychology*, 63(5), 553-562.
- [57] Anderson, N. R., & West, M. A. (1998). Measuring Climate for Work Group Innovation: Development and Validation of the Team Climate Inventory. *Journal of Organizational Behavior*, 19(3), 235-258. Retrieved from. <http://www.jstor.org/stable/3100170>.
- [58] Scott, S. G., & Bruce, R. A. (1994). Determinants of Innovative Behavior: A Path Model of Individual Innovation in the Workplace. *The Academy of Management Journal*, 37(3), 580-607.
- [59] Ekvall, G., & Ryhammar, L. (1999). The Creative Climate: Its Determinants and Effects at a Swedish University. *Creativity Research Journal*, 12(4), 303-310.
- [60] Daymon, C., & Holloway, I. (2011). *Qualitative Research Methods in Public Relations and Marketing Communications*: Taylor & Francis.
- [61] Stake, R. E. (1995). *The Art of Case Study Research*: SAGE Publications.
- [62] Creswell, J. W. (2013). *Qualitative Inquiry and Research Design: Choosing Among Five Approaches*: SAGE Publications.
- [63] Egyptian National Telecommunications Regulatory Authority, 2021. *Comparative Report of Mobile Operators in Egypt - Consumers' Survey Report*. Egypt: Egyptian National Telecommunications Regulatory Authority.
- [64] Business Monitor International (BMI), 2016. *Egypt Telecommunications Report Q2*. London, United Kingdom: Business Monitor International Ltd.
- [65] Egypt Business Directory, 2011. *Vodafone Egypt representative crowned as hero of Europe, Middle East and Africa*. [online] Available at: <http://www.egypt-business.com/News/details/Vodafone-Egypt-representative-crowned-as-hero-of-Europe-Middle-East-and-Africa/352> [Accessed 2 June 2015].
- [66] Nielsen research Agency Egypt, 2020.
- [67] Shah, S. K., & Corley, K. G. (2006). Building better theory by bridging the quantitative–qualitative divide.
- [68] Yin, R. K. (2014). *Case study research: design and methods*.
- [69] Yin, R.K., 2012. *Applications of case study research*. 3rd ed. Thousand Oaks, CA: Sage Publications.
- [70] Siccama, C. J., & Penna, S. (2008). Enhancing Validity of a Qualitative Dissertation Research Study by Using NVIVO. *Qualitative Research Journal*, 8(2), 91-103.
- [71] Wei, Y., & Morgan, N. A. (2004). Supportiveness of organizational climate, market orientation, and new product performance in chinese firms. *Journal of Product Innovation Management*, 21(6), 375-388.
- [72] Workman, J. P. (1993). Marketing's limited role in new product development in one computer systems firm. *Journal of Marketing Research*, 30(4), 405-421.



© The Author(s) 2025. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>).