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Quality of post-purchase services:

Analyzing service quality through touch points
Case, Anttila Oy Rovaniemi

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ABSTRACT

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The focus of this thesis research is on the quality of customer service. The specific objectives of this research are to find out the key touch points in post-purchase services by using customer interviews and to clarify whether the employees have different perceptions of the key touch points than customers. The research questions are as follows 1) What are the key touch points according to customers and employees? 2) What are the employees' perceptions of post-purchase touch points and how do these perceptions differ from those of the customers? and 3) How does the current service quality supports positive post-purchase customer experience? The case company of this thesis research is Anttila Oy Rovaniemi. The methodology used in is based on qualitative and quantitative methods. The data collection method includes test purchases, interviews and questionnaires to ensure the appropriateness of the data. The theory framework in this case is the theory of touch points in customer service experience. Customers and employees were asked to share their needs and perceptions of the touch points that matter the most in customer experience. The results were compared to clarify employees' perception of post-purchase touch points and how their perceptions differed from those of the customers. The research identified the key post-purchase touch points from the customers' and employees' points of view. Based on the collected data, the differences between customers' needs and employees' perception of customer need were pointed out. An action plan summarizes the needed actions to improve customer experience in the case company. Information in chapters 4, 5 and 6 is regarded as intra-company knowledge that is not public knowledge. Due to the issue of confidentiality, the topics in chapter 4, chapter 5 and chapter 6 are not published through the Lapland University of Applied Sciences Library database.
Key words: post-purchase touch point, customer experience, customer emotion, customer loyalty, customer touch point mapping

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CONTENTS

1 INTRODUCTION

The motivation and background, as well as the research objectives of this study are described in this chapter. The scope of the research is defined and the research questions are indicated. Additionally, the principal findings are presented. The chapter closes with the discussion of the applied research methodology and the structure of the Thesis research.

1.1 Background

In order to remain competitive, companies have to be able to differentiate themselves from competitors. According to Porter (1998, 3), companies need to learn to adapt to changes in the market by transforming or developing their organization. The key aspect of a company's environment is the industry in which the company operates. In global environments, the growth of services shapes world economies. Molineux emphasizes (2002, 25-29) that despite this growth, companies do not invest enough in services to differentiate. The emphasis on service excellence, service research and service innovation is marginal when compared to the emphasis on tangible goods. The difference between product oriented and customer oriented companies is clear. Customer oriented companies are focused on and organized around their customers rather than their products. (Molineux 2002, 25-29). According to Smith and Wheeler (2002, 15-17) and Molineux (2002, 25-29), companies that actively manage and nurture their customer relationships are creating greater value for their shareholders. Customer oriented companies have differentiated their offerings by treating their customers differently and making it easier for their customers to do business with them (Smith & Wheeler 2002, 16). As a result they create exceptional customer value which is one of the key words of this thesis research.

Currently, customers often perceive products and services as homogenous which drive companies to search for continuously new differentiation strategies. Bitner (2001, 375-379)

emphasizes the importance of managing effective and profitable service business, which in a changing business environment is essential. Technology has significantly impacted on how customers learn about, form their expectations of and judge services. Goods and services are not enough but companies must provide also experiences. According to Hinshaw (2010, 48) and Aarnikoivu (2005, 75), customers have changed into more demanding in the past years. One feature concerning today's customers is that they are re-evaluating everything (Patterson 2009, 1). Companies face new challenges in understanding these new expectations and designing and delivering services to meet them (Maglio & Kieliszewski & Spohrer 2010, 205). According to Healy and Beverland et al. (2007, 751-752), a successful customer experience can be the key to long-term business success. Regardless of the industry in which the company operates, it is still susceptible to losing customers. Knowing what customers value as important is necessary information for companies. Companies need to know what their customers expect from their services, products and brands but also what functionalities customers appreciate. The quality of customer services to be delivered to customers and other potential target groups has to be in line with the demand to support maintenance of customer satisfaction. (Osterwalder & Pigneur 2010, 22-23; Jones & Sasser 1995.)

A company needs to review customer behaviour and understand the needs of the customer. Patterson (2009, 2-4) emphasizes the customer experience process. Customer experience process, also known as a customer journey, includes all interaction between a company and its customers. Customer experience process can be divided in to three individual stages, i.e. pre-purchase experience, purchase experience, and post-purchase experience. The customer experience process starts from the moment the customer becomes aware of the company including independent interactions, transactions and contacts along the way. All these interactions during the customer experience are touch points. (Patterson 2009, 2-4.)

In 1984 Shostack described touch points as "Everything the customer uses to verify their service effectiveness." (Clatworthy 2011, 16). Within Customer Relationship Management (henceforth CRM) research the term touch points has been used within a context of

maximizing profitability and shareholder value but recent developments have shown a new attention being paid to touch points as part of the customer experience (Clatworthy 2011, 17). Patterson (2009, 1-2) defines touch point as any customer interaction or encounter that can influence the customer's perception of a company's product, service or brand. Therefore, there are multiple touch points which create an impression which is the foundation for customer opinion about the service, brand or product. The touch points are sorted into different stages based upon the customer experience. These individual stages contain touch points such as advertising, packaging, price, and customer service (Davis & Longoria, 2003). Therefore, the whole customer journey is a journey of the company's customer service.

A theory framework in this case, the theory of touch points in customer service experience refers to the activity of analysing touch points of contact between a service provider and customers. The concept of designing points of contact between the service provider and the customer is not new but there is a lack of literature to provide methods, approaches and case studies describing the process. The importance of touch point's orchestration is well covered in literature but literature of how this is done, how this could be done or how this should be done is minor.

According to Arussy (2005, 59), the touch point analysis is about mapping the aspects of the company that the customer touches. It is not a tool offering direct instructions but useful to find out where customers can be reached most effectively. The research processes the customer experience by collecting and analysing touch point data collected from customers and employees about the post-purchase services in Anttila. Thesis research seeks key touch points and information concerning what is valued at each touch point and considers delivery of the customer promise made. The experience is enhanced by recognizing what is valued at each moment. Touch point collecting, mapping and value of each touch point are necessary in order to deliver great customer experiences. These actions lead to identify ways to enhance, improve or streamline the desired customer experience. (Smith & Wheeler 2002, 231.)

1.2 Motivation

Service quality has gained attention from researchers because of its remarkable role in business performance and the maintenance of customer loyalty. According to Hinshaw (2010, 49), nearly ninety per cent of customers stated they had stopped doing business with the company due to a bad customer experience in 2009. Patterson (2009, 1) and Aarnikoivu (2005, 27) highlights the link between customer satisfaction and business success. If a company is not able to ensure that the customer gets what is looking for, he/she will get it from a competitor. The importance of customer experience has been recognized. However, to stay on board demands that a company understands what the causes and consequences of the service quality level are that it produces (Aarnikoivu 2005, 28). The case company in this thesis research is KCM-Anttila Oy in Rovaniemi (henceforth Anttila). Anttila is a Finnish chain of department stores operating mainly in Finland. Anttila department stores are offering a selection of products such as fashion, home and interior decoration and electronics (Anttila 2014a). Currently, Anttila is undergoing reorganizations such as role of leadership, product range, store look, marketing and product control system. The company is intensifying and updating its actions to impact outcome and competitive strength. (Antenni 2014.)

Anttila has been updating instructions concerning the services it offers. The thesis research is interesting to the case company because it analyses the data collected from customers and produces knowledge about the customer satisfaction level. Due to the tough competition, the case company needs to understand customer experience better than its competitors. The case company needs also the information whether its employees are aware of the key touch points in post-purchase services which are impacting on customer satisfaction and customer loyalty. The challenge is also at a personal level. My personal involvement as well as the desire to develop my own competence as a manager motivates me in conducting this research. My position demands knowledge about the customer experience and employees' own understanding of the importance of services they offer. The focus of this thesis research is on quality of customer service. Therefore, it is important to understand customer

experience in order to plan how the company can develop the post-purchase services it offers through its activities.

1.3 Research objectives and research questions

The theoretical framework in this thesis research is based on the theory of sustaining and improving service quality through touch points in customer experience. The general aim of this thesis research is to accumulate knowledge about customer experience in order to analyse the current state of post-purchase service quality. The theory of touch points in customer service experience is studied in action in order to analyse and recognize Anttila's strengths and weaknesses are in the field of post purchase services. Since there are relatively few books concentrating on touch points, this thesis research uses articles about touch point management, customer experience, customer loyalty and customer service. The main references are from the book of The DNA of Customer Experience by Shawn (2007) and Managing the Customer Experience from Smith and Wheeler (2002). I use Onnistu asiakaspalvelussa by Aarnikoivu (2005) as a source due to the fact that the author of the books has been training the case company's employees in 2008 in accordance with her policy of customer service. Together these articles and books allow forming a comprehensive picture about touch point and touch point management.

The specific objectives of this research are to find out the key touch points in post-purchase services by using customer interviews and to clarify whether the employees have different perception of the key touch points than customers. The data collected is analysed in order to elaborate a proposal to the case company concerning the quality of post purchase services based on customer experience. In order to achieve the objective of this research, answers are sought to three research questions. The research questions are as follows:

1. What are the key touch points according to customers and employees?

This research starts by defining post-purchase touch points. First, an analysis is conducted in order to reveal peak points in post-purchase touch points according to customers and employees. The first research question reveals Anttila's strengths and weaknesses in the field of post purchase services.

2. What are the employees' perceptions of post-purchase touch points and how do these perceptions differ from those of the customers?

The second question is set in order to analyse employee views and perceptions of the customer experience touch points in Anttila's service offering and how their perception does they differ from that of the customers. The analysis searches a gap between the most important touch points in post-purchase services according to employees and customers.

3. How does the current service quality support positive post-purchase customer experience?

The third research question compares the data collected and current guidance in Anttila. This question is studied last in order to produce a proposal for how the post purchase services are built on the right features and characteristics of the expected service quality according to the data collected.

Comparing employees' views and perception against customers' views and perception are important. Employees often have modified their behaviour on the basis of the feedback they receive. Bitner & Booms & Mohr (1994, 96) emphasise the employees' better understanding of customer needs and problems which have formed due to frequent contacts with customers. Arussy (2005, 60) emphasizes the experience that has demonstrated serious

gaps between the features which employees and customers regard as the most important. Touch point analysis is useful in situations when a company need to find out its current position concerning customer satisfaction. The Table 1 below demonstrates the Research Questions as answered in the Literature and Empirical part.

Table 1. Research questions as answered in Literature Review and Empirical part

Research Question	Literature Review	Empirical Part
What are the key touch points according to customers and employees?	Concept of customer experience in retail business Customer need, customer service expectations and service experience The theory of touch points in customer service experience	Touch point identification, operational purpose and ownership
What are the employees' perceptions of post-purchase touch points and how do these perceptions differ from those of the customers?	Touch point performance Gaps in service touch points	Identifying peak points and pain points in post-purchase services
How does the current service quality support positive post-purchase customer experience?	Customer service strategy in the case company. Literatures on touch point management	Proposal to the case company concerning post services based on analysed data Strategies for closing the possible gaps.

1.4 Structure of the thesis

Chapter 2 explains the methodological decisions and techniques. The theoretical framework and the key concepts are presented in chapter 3. Chapter 4 discusses about the case company and its current service guidelines. The actual findings of the research and the development proposal are presented in chapter 5. Chapter 6 concludes the thesis research.

The chapter 4 includes information about the case company's guidance to customer service. Chapter 5 includes implementation of the research process, analysis, and development proposal. Chapter 6 presents the conclusions. Information in chapters 4, 5 and 6 is regarded as intra-company knowledge that is not public knowledge. Due to the issue of confidentiality, the topics in chapter 4, chapter 5 and chapter 6 including appendices are not published through the Lapland University of Applied Sciences Library database.

2 RESEARCH METHODOLOGY

Chapter discusses the research methodologies of this thesis research. The qualitative and quantitative research methods used in this thesis research, including the case study method, and data collection and analysis techniques selected are opened and discussed. This chapter also argues for the relevance of the chosen methods.

2.1 Quantitative and qualitative research

Companies are often concerned about quality of services but the second factor behind service quality is the experience which proves the service quality as a winning competitive strategy. (Zeithaml & Parasuraman & Berry 1990, 2-3). Services are important part of what is produced, consumed and exported. Therefore, it is important to understand the development of how the concept of services is understood but also how companies can develop the services they offer through their activities in order to impact customer experience. However, when customer expectation differs from customer experience, it forms a gap. This gap can be positive or negative depending on customers' individual expectations of customer service. (Zeithaml et al. 1990, 15-18.)

Customer loyalty is a major contributor to sustainable growth. Sustainable growth requires that all important links of service-profit chain are integrated seamlessly. A service-profit chain consists of employee satisfaction, value creation, customer loyalty, profit and growth. (Osterwalder & Pigneur 2010, 22-23). Since exceptional customer service is the key to enhanced customer retention and loyalty this thesis research seeks most important touch points in post-purchase services. Competitive advantage can be achieved by exceeding customer expectation. This thesis research identifies all post-purchase touch points for each key customer process.

Stokes (2011, 33) points out that the data collection is determined by the aims, objectives and overall design of the study. The data collection method includes interviews and questionnaires to ensure the appropriateness of the data. Quantitative data collection is a concept which is used for any data collection technique or data analysis procedure that generates or uses numerical data. (Saunders & Lewis & Thornhill 2009, 153). Data for this thesis research was collected by asking questions about the post-purchase service touch points in Anttila.

The data was collected by interweaving customers about the post purchase touch points and to evaluate in scale one to ten the importance of each post-purchase service touch points. In a scale from one to ten, one represents low importance and ten represents high importance. Employees of Anttila were asked to list post-purchase touch points that they think are the most important concerning customer satisfaction and also to evaluate them in a scale one to ten. Answers were then transferred to an excel chart. Post-purchase ratings according to customers and employees are mapped onto the grid to visualize peak points and pain points.

The data collected with the scale questions are analysed in order to find the gaps between customer and employee view. Word qualitative is used as a synonym for any data collection technique or data analysis procedure that generates non-numerical data (Saunders et al. 2009, 153). The data acquired from customers and employees are analysed by using touch points mapping in customer service experience. Tashakkori and Teddlie (2003) emphasize (cited by Saunders et al. 2009, 151.) multiple methods which are useful if they provide opportunities for researcher to answer research questions and evaluate the extent to which the research findings can be trusted and inferences made from them. This thesis research uses quantitative and qualitative methods in order to provide accurate information about customer experience and current state of service quality.

2.2 Case study research

This thesis research has practical orientation. Work is based on empirical data collection in the field and it produces ideas for development. According to Stokes (2011, 16) and Ghauri (2004, 111), a case study may involve qualitative and quantitative information. As the thesis research is about customer experience and it is linked to the strategic analysis and proposal to the case company concerning post-purchase services guidance, this thesis research is both a qualitative and a quantitative case study. Case studies in general emphasize detailed contextual analysis of a limited number of events or conditions and their relationships. (Ghauri 2004, 111). This thesis research is an intensive analysis of customer experience and employee views and understanding of the customer experience which are studied through touch points. The collected data gives insights into how post-purchase services and employees' competence in customer service can be developed with the data collected.

2.3 Limitations

The most noticeable limitation is the nature of this thesis research. Since this thesis research is a single case study, the results are not generalizable. Also the change in case company is continuous due to reform program started in 2011. Reform program is scheduled to last until 2016. Many instructions concerning post-purchase services and policies may change and be updated during the years. This thesis research uses the currently valid instructions when elaborating proposal concerning post-purchase services to meet customer needs.

3 TOUCH POINT MANAGEMENT

The theoretical framework in this thesis research is based on the theory of sustaining and improving service quality through touch points in customer experience. This chapter identifies touch point and touch point management and justifies their importance to Anttila.

3.1 Customer experience as Company Success Factor

Technology has significantly impacted on how customers learn about, form their expectations of and judge services. Companies face new challenges in understanding these new expectations as well as in designing and delivering services to meet the expectations. (Maglio & Kieliszewski & Spohrer 2010, 205.) According to Lahtinen and Isoviita (1999, 11), customer oriented marketing began in the 1970's. During that time, customers were demanding services and high-quality and uniqueness of products. In the 1980's high-quality and services demands increased among customers. In the 1990's, relationship oriented marketing emerged. The focus was on long-term relationship that benefits both the company and the customer. In past, many companies have been able to create profits without proper customer service. Shaw (2007, 4-6) discusses the budget airline companies and cellular markets in Europe which in the 2000s were in a situation without market saturation and could make big profits without not actually paying attention to the customer. Today, the situation differs greatly due to commoditized markets; supply is much larger than demand and people have more wealth and more choices in multiple channels. Any company is not able to provide what customers want without studying customer experiences. Relationship marketing is largely regarded as the most recent stage of marketing but currently social/mobile marketing has increased greatly. In this new era of marketing, companies are connected to their customers continuously. (Shaw 2007, 4-6; Smith & Wheeler 2002, 4-5.)

Customer service is part of every purchase and interaction with internal and external contacts. Service may last from a few seconds up to hours. People experience it every day. Customer experience consists of every aspect of a company's offering. Meyers and Schwager (2007, 2) define customer experience as an internal and subjective since customers have direct and indirect contacts with the company. Customer experience is the perception that customers have of their interaction with an organization and customers do always have an experience. As Hoyle (2007, 2-3) states, organizations are created to achieve a goal, mission or objective but they will only do so if they satisfy the needs, requirements and expectations of their stakeholders, including customers. Customers will be satisfied if the products and services provided meet the needs, requirements and expectations. The product or service must deliver the promise for which it is intended. (Smith & Wheeler 2002, 11-12.)

Critically thinking, customer experience is also about emotions. Emotional level is an important part of brand experience. Shaw (2007, 9) emphasizes customer experience occurring across all moments of contacts. It may start from the moment of seeing an advertisement and continue until purchased service is delivered and assembled. This journey includes various contact points which have impact on customer experience and customer emotions. According to Shaw (2007, 10), these emotions are the core of all the actions customers take but core businesses have ignored emotions for years. Customers' and employees' are experiencing the service. They bring themselves and their former experiences about customer service into the service situation which frames the social context (Shaw 2007, 10). Other influencing contexts are the physiological context and temporal context (Bitner 1992, 61). According to research by Shaw and Ives (2005, 46-54), customers would like to experience a feeling of loyalty, trust, satisfaction and delight. Trust is important because it is the basis for human security. Some customers would also like to be rewarded by a loyalty program. Those rewards could be a bonus, tailored offers or gifts. Loyalty has also an important role due to human sociality and need to belong to something. (Shaw & Ives 2005, 46-54).

Companies are forced to focus more on their customers to differentiate themselves in order to increase profits and add shareholders value. Actions towards more customer oriented services are needed since customer service is no more a traditional support function of a company but a real competitive factor. (Aarnikoivu 2005, 50-51.) In today's markets customers have more choices and channels than ever. Therefore, it is extremely dangerous to assume that the given products, services, guidance, advertising and other customer experience features are of superior quality. Surviving in highly competitive markets implies understanding the market, customers, products and processes. Knowledge about these features is vital in order to create customer value and strategic advantage among competitors. According to Aarnikoivu (2005, 50-51), it is impossible to know everything but possible to know enough. Customer focused actions are not so difficult to implement but first company needs to understand the meanings of customer experience (Aarnikoivu 2005, 51).

According to Smith and Wheeler (2002, 2-3), the experience the company delivers to a customer is the key since it tells more about the brand than advertising. A company which studies customer experience is able to provide the experience the customers' seek. Implementing studies and analysis form a possibility to a company to develop its service to create an overwhelming factory. "Consumers are looking for service experiences that complement their lifestyle" (Smith & Wheeler 2002, 5). That is why a company needs to ensure that the brand promise and delivery meets each other. Consistency and continuous delivery make customers and company's relationship stronger. Smith and Wheeler (2002, 11-12) points out that delivering on promises is rarer than people might believe. Fulfilling the promises requires engaging and aligning every employee, department, and every process with the values of a brand (Smith & Wheeler, 2002, 12).

A number of companies are collecting data but they are not aware of how to apply the findings. Meyers and Schwager (2007) discuss the extent of the problem. According to them in one research only 8 per cent of customers classified the experience as superior but nearly 80 per cent of companies believed that the experience they are offering is superior.

The results are eye opening since if today customers are not satisfied with the company offerings, they will go to check a competitor's offerings. Shaw (2007, 37-38) discusses the importance of using research data to improve and develop customer experience. Customers that have rated poorly company services need to be tracked and informed about action to develop poorly rated aspects instead of compiling reports and ignoring them. Meyers and Schwager (2007) define customer satisfaction as a series of good customer experiences. That is why the understanding of customer satisfaction requires deconstruction of customer satisfaction into component experiences. It is important to remember that customer satisfaction is bigger entirety than consequence of brand message or offerings. Company need to be able to provide continually good customer experiences. (Meyers & Schwager 2007).

3.2 Touch points during customer journey

The customer experience process involves the moment a customer becomes aware of a company and consists of various interactions, transactions, and contacts along the way. Touch points begin long before a customer makes a purchase and long after he has made his first transaction. (Patterson 2009; Shaw 2007, 28-29.) Due to the common definition of touch point the ecosystem of potential touch point is enormous. Collecting the portfolio in an organization can include thousands of different touch points. Customer experience measurement should start with identifying touch points. Total inventory includes all touch points along the entire customer lifecycle. It indicates how and where the company is communicating with customers. By measuring all touch points, the contribution to the overall effectiveness can be determined and measured in terms of the total customer experience. (Patterson 2009; Kramp 2011.)

Touch points can be categorized through their attributes. Identified attributes should include a title, description and remarkable identifiers to describe who, what, when and where the touch point occurs. From an operational standpoint, the interaction at the point of sale is the

most tangible and measurable touch point. This transactional touch point is required to receive payment. Touch points exist in three different stages of customer experience, i.e.: pre-purchase experience, purchase experience and post-purchase experience. The touch points are sorted into different stages based upon the customer experience. These individual stages contain numerous touch points such as advertising, packaging and price and customer service. (Davis & Longoria, 2003.) Therefore, the whole customer relationship journey is a journey of the company's customer service.

The Customer Relationship Lifecycle (henceforth CRL) in Figure 1 below demonstrates customer relationship stages during the customer journey. An analysis of CRL helps the company to understand, manage and enhance customer relationships. It also helps companies to convert their loyal customers into advocates.

Figure 1. Customer Relationship Lifecycle (MCorpConsulting 2013)

Pre-purchase experience touch points influence whether customers will consider purchasing your brand. Typically these are advertising, mails, samples and company's web site. Customer moves from awareness to knowledge and consideration. Goals and objectives of these touch points are such as customer retention, adding brand awareness and shaping brand perceptions. Customer makes a decision to go shopping. This decision can be need-based or fun-based. According to Shaw (2005, 24-25), location, familiarity, quality, customer service, selection, offerings, prices and loyalty program as well as opening hours are the influencing factors when customer chooses where to go shopping for. Each

customer have different path before shopping which depends on customers own choices but also on situation and environment.

Difference between pre-purchase experience touch points and purchase experience touch points is that customer moves from considering to actually buying. Purchase experience touch points include displays, packaging and price which are selection related touch points. Inside the store customer is wandering and searching for products needed. The following functions are part of shopping experience: reading the signs, visiting shelves, reading offers, choosing products, making buying decisions and picking products into shopping basket. (Shaw 2005, 26). Goals and objectives of purchase experience touch points are to instil confidence and deliver value. At this stage company is proving that their offerings are better than the offerings of the competitors. (Davis & Longoria 2003, 2.)

Post-purchase experience touch points are all the interactions that are actuated after the sale. Purpose of those is to help maximize the total brand experience. Post-purchase touch points include products and package information, customer service, loyalty programs, web site visits and newsletters. Also customer feedbacks, service request and response time to complaints are comprised to post-purchase section. Goals and objectives for post-purchase experience touch points are to deliver brand promise and increase satisfaction, loyalty and ultimately even advocacy. Customer is evaluating shopping experience already before leaves the store, happiness can be felt because all products needed where found or simply because visit was quick and easy. Customer leaves the service production process but customer experience does not end. Experience continues when customer goes to home, unpack products, uses products, evaluates products and plans next visit to store. Bond between store and customer might form. (Shaw 2005, 27).

According to Scott and Longoria (2003, 2), the post-purchase experience is the most under-leveraged but offering potentially powerful ways to drive sustainable and profitable growth for the company. Each stage of customer journey has its own important mission in CRL.

The Brand Touch point Wheel (henceforth BTW) Figure 2 below demonstrates customer experience segments and summarizes the points of interaction where a customer can be influenced.

Figure 2. Brand Touch point Wheel (Dunn & Davis 2003, 36)

According to Smith and Wheeler (2002, 125-126), many companies make detailed segmentation plans but they rarely define and manage their segments in a way that helps the company to differentiate the value it offers to customers. More importantly most

companies lack the roles, processes, and customer metrics needed to create unique customer experience. As discusses earlier in this chapter, post-purchase experience is the most important part of the customer journey impacting loyalty and satisfaction while delivering the brand promise but losing a customer is possible at any stage. Every experience touch point is a moment of truth. (Smith & Wheeler 2002, 125-126; Aarnikoivu 2005, 93.) This thesis research concentrates on touch points management and identifies key touch points in post-purchase services. Comparison between customer opinion and employee understanding about the key touch points will reveal strengths and weaknesses in post-purchase customer experience. Shaw (2007, 36-37) highlights that salespersons are often only interested about customer until the point of purchase but the customer experience does not end in that moment. One negative experience after purchase decision may lead the whole experience to fail.

3.3 Opportunities to drive desired behaviours and results

Companies have over decade conducted customer satisfaction surveys but despite of measured satisfaction customers still switch brands and buy from competitor. Satisfied customer does not mean the same as loyal customer. Satisfaction is still an important feature because customer loyalty without customer satisfaction is hard to achieve. (Muller (2012). Loyal customer loves company's brand, everything it stands for like reliability, service, promptness, responsiveness and convenience. Those features make an emotional connection to the brand. Emotions such as happiness, satisfaction and trust are the building blocks of customer loyalty and customer advocacy. A loyal customer has excellent experiences in the most critical touch points. (Smith & Wheeler 2002, 34-36.) According to Shaw (2007, 87-88), loyal customer most likely recommends company to others.

Figure 3 below shows how different emotions drive value – they are a key differentiator. Companies need to control the destroying emotions and ensure that emotions customers have are those driving long-term value. Aarnikoivu (2005, 82) emphasizes trust between

customer and company. Trust image is the outcome of perceived customer service. To evoke trust in customer employees of the company need to show expertise and real service attitude. Feeling happy is the outcome of passing through a number of emotions including valued, cared for and stimulated. Emotions needed to feel happy vary depending on people but for sure emotions on destroying cluster are not the ones to increase happiness. (Shaw 2007, 88.)
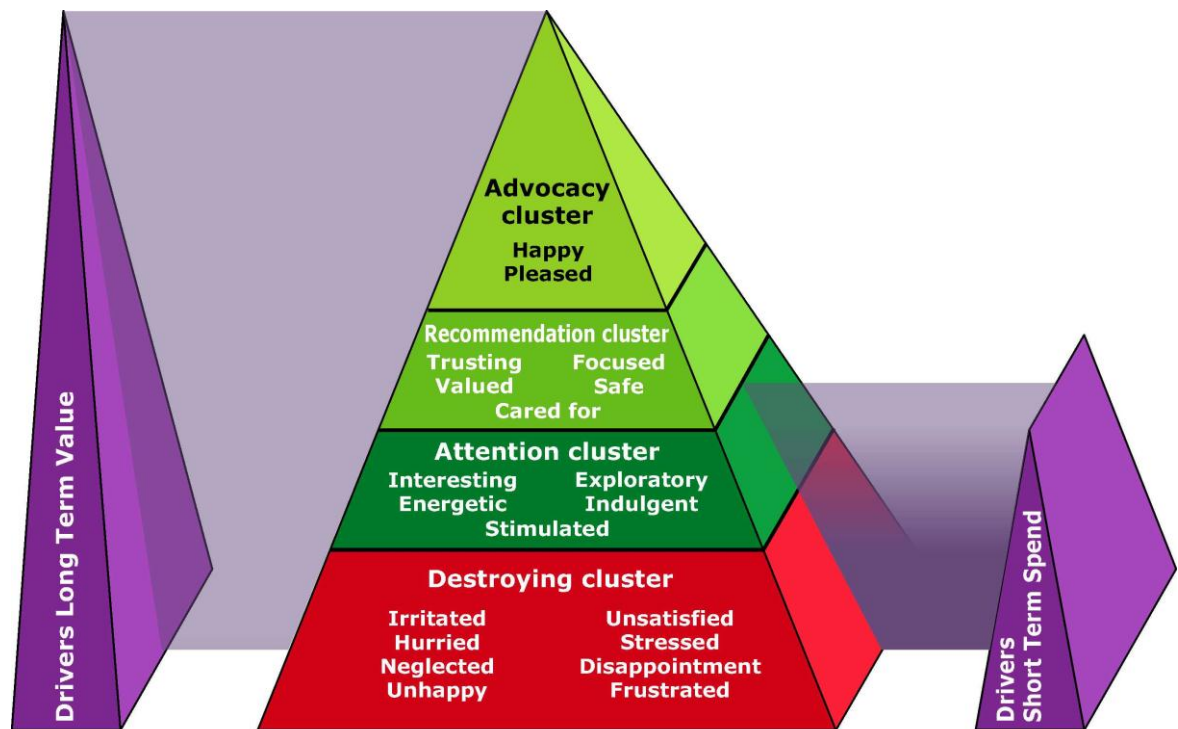
Figure 3. Hierarchy of emotional value (Shaw 2007, 88)

Loyalty, however, is not a concept that can be measured by asking customers to rate their loyalty scale (Shaw 2007, 88). Muller (2012) point out that satisfaction with the brand, level of pride in a brand or service and willingness to recommend a brand or service to others frames together an indicator of loyalty. Company can earn loyalty by being first loyal to its customer. Loyal customers continue to purchase products and services but their value increases greatly when they recommend company to another people and markets.

Things to evoke emotions that drive loyalty and advocacy in customers are key factors. According to Shaw (2007, 111), to evoke "happy" the company need to:

1. understand the holistic picture of the customer

2. build a relationship with the customer

3. be friendly to the customer

4. evoke consistently the attention and recommendation clusters of emotions

5. have a clear understanding of customer's physical and emotional expectations and plan to exceed them

6. look for something outside the norm

7. plan and execute consistent customer experience

The actions needed to evoke "pleased" are:

1. fix destroying emotions

2. evoke attention and advocacy clusters of emotions

3. have a clear understanding of customer's physical and emotional expectations

4. measure so that customer expectations are met as a minimum

5. consider extra niche touches

6. look at the detail of your customer experience

7. provide an empathetic customer experience (Shaw 2007, 111-114)

According to Smith and Wheeler (2002, 42), customer experience should be created so distinctive and so valuable it goes beyond satisfaction. Winning customer loyalty and advocacy is to at least meet but more importantly to exceed the brand promise with every customer in every interaction with the company. (Smith & Wheeler 2002, 50; Hoyle (2007, 2-3). Creating loyalty need to be designed step by step. Smith and Wheeler (2002, 43-44) have divided this process into four individual steps. First, customer values need to be defined which means that the values driving buying and loyalty need to be identified. Differentiating brand promise on the basis of values is created after that. Secondly, branded customer experience is designed. Company develops a strategy to implement a new customer experience. This strategy consists of critical touch points and employee behaviours delivering the brand promise. Thirdly, employees and managers are equipped with necessary knowledge, skills and tools in order to deliver company's brand promise at every touch point. After first three steps, performance need to be sustained and enhanced e.g. by using customer and employee feedback. (Smith & Wheeler 2002, 43-44).

3.4 Touch point management

Providing customer experience that creates customer loyalty and advocacy requires company to fully equip employees to deliver the customer promise, support the customer experience with technology and infrastructure improvements, and continually reinforce the importance of the experience and the need to measure performance. Delivering the customer promise is not possible without motivated, trained and loyal employees. Also mere service training is not enough, instead designed training which equips employees with the knowledge, attitude and skills to behave according to branded customer experience is. Smith and Wheeler (2002, 61) point out three faculties, head, heart and hand training:

1. The head – employees must know customer expectations and requirements towards them

2. The heart – employee's continuous commitment to provide that experience

3. The hands – ability to deliver the experience in terms of skill and empowerment
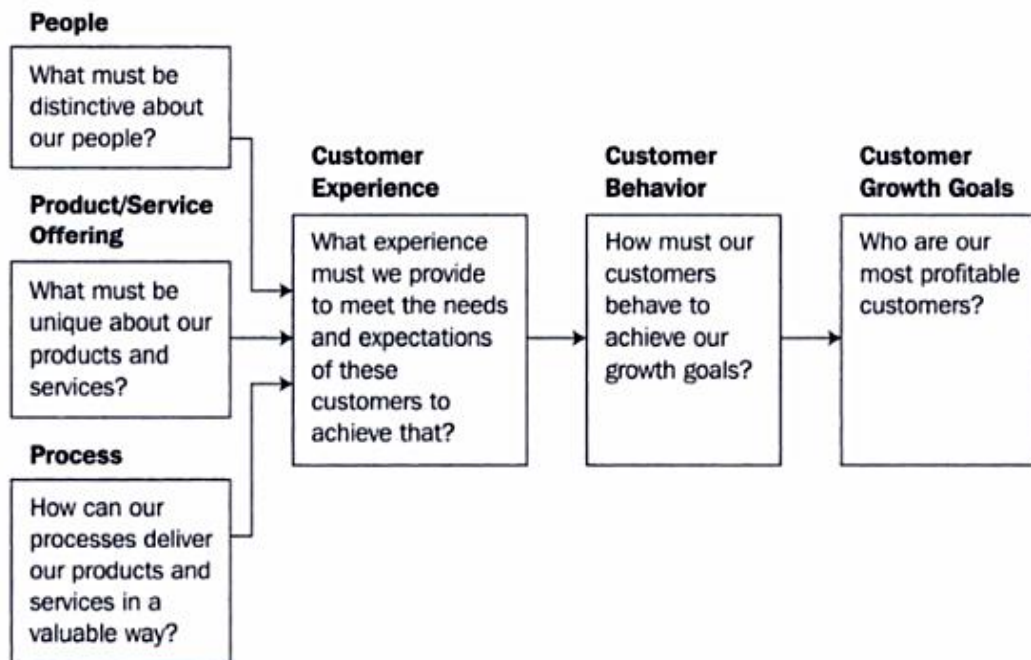
Customer values may change during time since values are not static. That is why the customer experience changes too. Continual focus on the brand and the experience is needed as the needs of the customers and competitive landscape change. (Smith & Wheeler 2002, 65.)

As discusses in chapter 3.2, customer experience consists of various touch points during CRL. By measuring touch points company can produce data to determine each touch point's contribution to the overall effectiveness. Touch point management defines the most remarkable touch points concerning loyalty and advocacy. (Patterson 2009.) By researching most important touch points between company and its customers, outcome is to find out how customers see the company. With this data company can concentrate on improving the quality of the most important touch points in order to increase customer loyalty and ultimately customer advocacy. (Smith & Wheeler 2002, 35-36.) Muller (2012) highlights that many customers including loyal ones are not comfortable with making recommendations about products, services, brands or organizations but very satisfied loyal customers are willing to recommend. Patterson (2009) emphasizes the fact that goal of every company interested in forming customer experience as a competitive advantage is to create a positive experience at all of the touch points. Smith and Wheeler (2002, 100) as well as Dholakia and Morwizt (2002) discuss about the surveys that have found out that personal contact with company employees has greater impact on customer loyalty than company advertising. Smith and Wheeler (2002, 101) point out consumer research which asked consumers to rate different attributes creating a customer experience. Discovered rate was the following:

1.   People

2.   Product or service delivery

3.   Place (convenience)

4.   Product features

5.   Price

6.   Policies and procedures

7.   Promotions and advertising (Wheeler 2002, 101)

Striking is the fact that according to the rate, customer loyalty and profits are mostly won by people. As figure 4 below demonstrates, product, service delivery, place and price come right after that.

People

What must be distinctive about our people?

Product/Service Offering

What must be unique about our products and services?

Process

How can our processes deliver our products and services in a valuable way?

Customer Experience

What experience must we provide to meet the needs and expectations of these customers to achieve that?

Customer Behavior

How must our customers behave to achieve our growth goals?

Customer Growth Goals

Who are our most profitable customers?

Figure 4. How people impact the customer experience (Smith & Wheeler 2002, 103)

Organizations that deliver their brand promise through people receive benefits that directly impact customer loyalty, market share and profitability. This means that failure in customer

service situation causes customer loss. Smith and Wheeler (2002, 103) and Aarnikoivu (2005, 85) point out that providing superior customer service is not insurmountable difficult. Company does not have to provide legendary customer service but it has to provide an experience that matches or exceeds the expectations and desires of the customer. Service features such as friendliness, smooth services, employee's happiness and positive attitude are elements of successful customer experience. Usually customers are lost due to poor customer service in error and fault situations. Over sixty per cents of customer loss are caused due to failure in customer service. If company takes responsibility after errors and fix them the reliability of the company grows in customer's minds. Aarnikoivu (2005, 87) points out that it takes 27 times bigger marketing contribution to win back one lost customer. That makes the correction of errors important. So, the starting point is to know what customers expect and harness people power. Four essential things harnessing people power are: recruiting the right people, training people with competencies, rewarding the right brand behaviours and demonstrating the right brand behaviours from the top. (Smith & Wheeler 2002, 101-104).

3.5 Creating a map of customer experience journey

Understanding customer experience can be made through a map of customer experience journey which displays visually how customer interacts with business (Smith & Wheeler 2002, 229). Customer experience map is created to identify customer experience from the beginning to the end of purchase process (MCorpConsulting 2013.) The map includes touch points during CRL and it is created from the customer's perspective.

The map can be made of every single touch points beginning from the point of initial contact to the last contact or map can consist of each key customer process (Smith & Wheeler 2002, 230.) The map is a foundation for understanding touch points and to understand emotional impact.

Process of creating a customer journey map starts from designing objectives, scale and data collection methods. Second step is implementation, the actual data collection. Thirdly touch points are placed into map according their rates, peak points are identified and opportunities prioritized. After these three stages comes managing. Needs are defined and analysed. Lastly the whole customer experience map is analysed and development plans are made according the customer experience. (Look 2014; Smith & Wheeler 2002, 230-232.) Figure 5 below is an example of customer experience map.
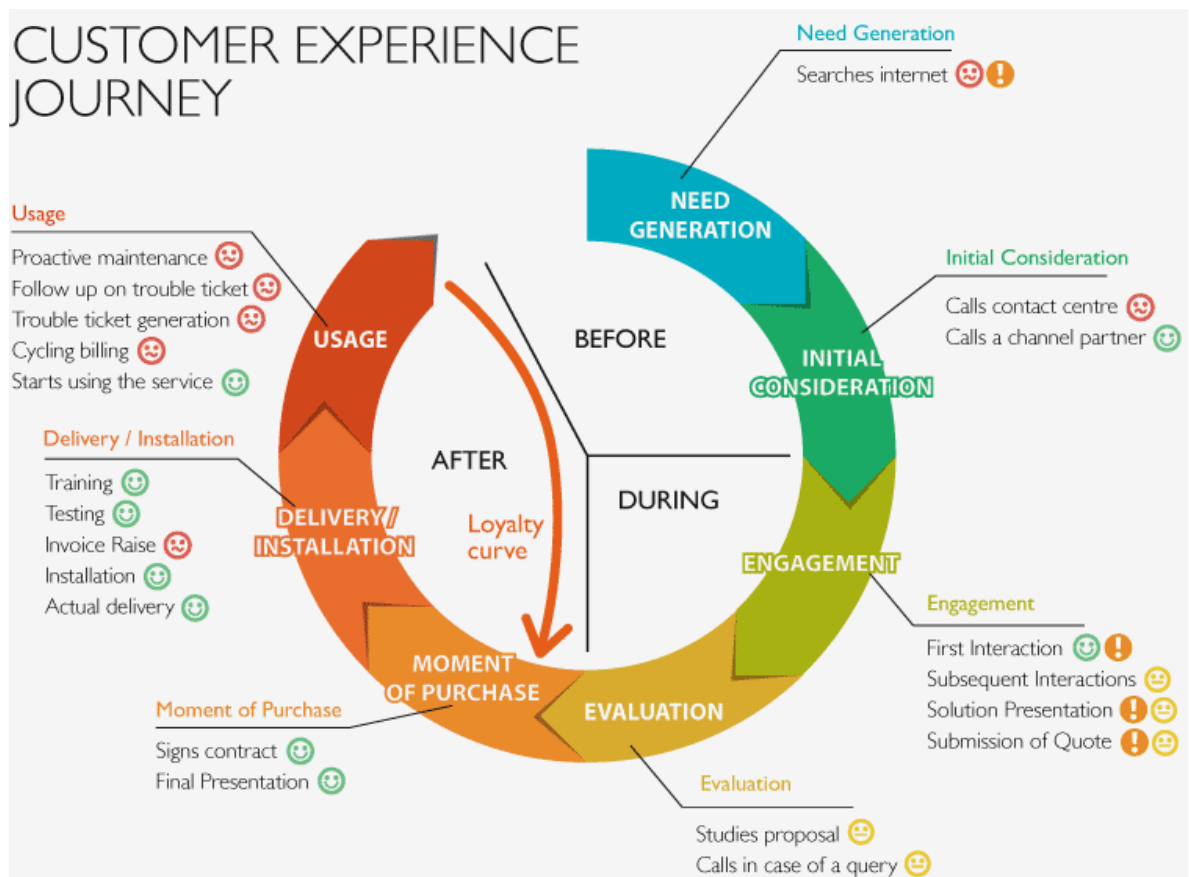
Figure 5. Customer Experience Journey (Look 2014)

By creating a customer experience map it is possible to have clear picture of the process different types of customers go through when interacting with the company (Look 2014.)

Start of the customer experience map is the moment customer identifies a need and starts to look for solution. Each time customer sees company advertisements, visits company webpages or calls to a company an opinion is being formed about company brand. (Shaw 2007, 8-9.)

As Figure 5 shows customer experience is full of different sections and emotions along the journey. Faces in map reflect the customer emotions and add visual cues. The map ends when customer need is resolved. Customer experience map breaks the customer experience process into steps. It enhances view of company's understanding of services offered and eases identification of improvement opportunities in critical touch points. A map displays the customer journey but also shows how different departments within the company work together and impact a customer experience at each touch point. Figure 5 is an eye opening example how customer experience map may help in searching actions that need to be developed to raise customer satisfaction.

According to Kramp (2011), the map of customer experience journey should always include elements gathered both from customer and employee feedback. Those elements are:

1. Touch point inventory

2. Point of relationship

3. Business reason

4. Customer impact

5. Touch point owner

6. Effectiveness (Kramp (2011),

Touch point inventory is about listing ways customer touch or can be in touched by the company. Those touch points are e.g. commercials, website, social media, sales, service representatives etc. Point of relationship clarifies the point the customer encounters each touch point but it also sorts touch points that are present during the CRL. Business reason is the reasons why each touch point exist at each relationship stage from an operative perspective e.g. to provide support or to receive payment. Customer impact deals with the same matter but from customer perspective such as to build loyalty or to differentiate from competitors. Touch point owner element explains what department is responsible for each touch point. Lastly, effectiveness measures if each touch point weakens or strengthens a customer experience. Customer expectation is defined and if company meets that expectation. Most impacting touch points and unnecessary touch points are sorted out. Customer experience map will be presented into employees to show them how they can make an impact and drive change. (Kramp 2011.) Presenting customer experience map to employees is important, as discussed in chapter 3.4, customer loyalty and profits are mostly won by people. Mapping touch points focuses on improving customer touch points in order to improve customer experience. (Look 2014.) End results enable Anttila to increase customer loyalty and advocacy and to raise awareness of customer experience among employees. Customer experience map about post-purchase stage is surveyed from satisfaction, loyalty and advocacy point of view. Anttila's customers are in contact directly and indirectly with the employees. Direct contact is experienced in store, indirect contact by phone or e- mail.

This research concentrates on contacts in store after purchase decision e.g. moment of purchase, service, invoicing services, loyalty card service, enhances, returns and compliments. Usage experiment is left out from this research. The most important outcome of customer experience map is to find out customer need in post-purchase services and compare it to employees understanding of customer need. Touch point mapping would offer guidelines to Anttila how to strengthen customer experience and gain loyalty.

Firstly, touch points that have a negative impact on purchase activity can be identified and removed. Secondly, the most effective key touch points can be found. And thirdly, the need that customers have but company don't know customers have can be added into service touch points. All these three actions will have direct impact on customer satisfaction, customer loyalty and customer advocacy but they will also add understand of employees and possible cut costs of the company when redundant touch points are removed (Smith & Wheeler 2002, 43-44.) Customer experience should be mapped regularly (Smith & Wheeler 2002, 47). That is the only way to keep up with the continuously changing needs of customer.

4 KCM-ANTTILA OY

This chapter introduces briefly the historical background of case company. Current customer service strategy of the company is defined. In compliance with the case company's instructions, the information presented in chapter 4 is regarded as confidential information. Deriving from this requirement, chapter 4 is not published through the Library databases of Lapland University of Applied Sciences.

5 IMPLEMENTATION OF RESERARCH PROCESS AND ANALYSIS

This chapter discusses about the post-purchase touch points of Anttila. First post-purchase touch points during CRL are identified. Secondly customers as well as company employees in each post-purchase touch point are interviewed and touch points are scored in order to identify key touch points. Thirdly results are compared in order to clarify what understanding do employees have on post-purchase touch points and how does this differ with that of the customers. Finally current service quality is evaluated from the point of how it supports positive post-purchase customer experience. This chapter answers to the research questions 1, 2 and 3. This chapter is not published through the Library databases of Lapland University of Applied Sciences due to its confidential information concerning the case company. Questionnaire and interview paper to the customers and employees are written in appendices which are separated from the thesis.

6 CONCLUSIONS

This chapter concludes the thesis research. This chapter is respectively not published through the Library databases of Lapland University of Applied Sciences due to the issue of confidentiality.

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