

Master's thesis

Master of Business Administration (UAS) - degree

Year: 2024

Sangita Rijal

# Service Design as a Tool for Improving Customer Experience.

Case Study: Values, Strategies, and Vision of Company X, Finland



# Abstracts

The basic objective of this study was to find a way to improve customer experience in retail stores by using service design as a tool. This thesis is commissioned by Company X which is located in Vantaa. This thesis focuses on creating experience-centric services. Using qualitative research methods, such as in-depth interviews with customers, the study uncovers important aspects of customer journeys and touchpoints. It utilizes various service design tools like customer journey mapping, creating user personas, mystery shopping, PESTE analysis, and the business model canvas to gather insights and suggest improvements.

The literature on service and experience design has been used to establish theory-based propositions for effective experience design. The study is based on Design Thinking, a process that includes empathizing with users, defining problems, generating ideas, prototyping, and testing. This ensures that the solutions are centered around the real needs of the customers.

The findings show that service design helps businesses better understand their customers, identify issues, and improve interactions, leading to higher customer satisfaction and loyalty. The research provides practical recommendations for Company X, offering a path to enhance customer experiences through flexible and inclusive service options. Despite some limitations, such as the specific geographical focus, resource, and time constraints, this thesis highlights the transformative potential of service design in creating sustainable and positive retail experiences, emphasizing the need for continuous innovation and adaptation in service delivery.

Keywords: Customer experience, customer inclusion, service design methods and tools, customer-centric service, experience design, customer journey

## Contents

<b>1 INTRODUCTION</b>	<b>1</b>
1.1 Frame of reference	1
1.2 Customer journey	3
1.3 Customer touchpoints	3
1.4 Background of Study	5
1.5 Values, Strategies, and Vision of Company X, Finland	6
<b>2 PROBLEM AREA</b>	<b>8</b>
2.1 Objectives of Study	8
2.2 Research Limitations	8
2.3 Practical Implications	9
2.4 Process Chart	9
<b>3 LITERATURE REVIEW</b>	<b>11</b>
3.1 Design Thinking	11
3.1.1 Concept of Design Thinking (DT)	11
3.1.2 Design Thinking Process	13
3.2 Service Design	16
3.2.1 Definition of Service Design	16
3.2.2 Service Design Process	17
3.2.3 Double Diamond Model	20
3.2.4 User-Oriented Service Design	22
3.3 Customer Experience	23
3.3.1 Customer Experience (CX) Design	23
3.3.2 Customer Experience Management (CEM)	25
<b>4 RESEARCH METHODOLOGY</b>	<b>28</b>
4.1 Stakeholders map for company X.	29
4.2 Mystery Shopping: The Miracle Tool in Business Research	31
4.3 PESTE Analysis	32
4.4 Business Model Canvas	37
4.5 Interviews	39

4.6 SWOT Analysis	42
4.7 User Persona	44
<b>5 Customer Journey and Service Blueprint</b>	<b>53</b>
5.1 Customer Journey Map	53
5.1.1 Customer journey map for online buyers	54
5.1.2 Customer journey map for the on-site customers	55
5.2 Service Blueprint	57
<b>6 Conclusion</b>	<b>61</b>
<b>7 Suggestions for Future Research</b>	<b>63</b>
<b>References</b>	<b>64</b>

## List of Figures

Figure 1. Frame of reference .....	2
Figure 2 Conceptual framework of global digital marketing strategy.....	4
Figure 3 Thesis structure. ....	10
Figure 4 Design thinking process. remodeled from:.....	13
Figure 5 Service design approaches.....	18
Figure 6 The Double Diamond Model .....	21
Figure 7 Key factors of CX design .....	24
Figure 8 Stakeholders Map for Company X .....	29
Figure 9 User Persona A Luddite Tapio.....	45
Figure 10 User Persona Javier .....	46
Figure 11 User Persona Anthophile Julia.....	47
Figure 12 User Persona Daddy Joe.....	48
Figure 13 User Persona The cost-conscious Juha .....	49
Figure 14 User Persona Healthy Heli.....	50
Figure 15 User persona Busy Sofia .....	51
Figure 16 Customer journey map for the online buyers. ....	55
Figure 17 Customer journey map for the on-site customers. ....	56

## List of Tables

Table 1 PESTE analysis of Company X.....	34
Table 2 Business model canvas .....	38
Table 3 Customer Satisfaction Interview Analysis .....	41
Table 4 Swot analysis of Company X .....	43
Table 5 Service Blueprint of Company X. ....	58

List of abbreviations (or) symbols

CX	Customer Experience
UX	User Experience
BMC	Business model canvas
DT	Design Thinking
CEM	Customer Experience Man
AI	Artificial Intelligence
VR	Virtual Reality

# 1 INTRODUCTION

For businesses to stand out and keep customers coming back, they must prioritize the management of customer experiences. This study takes a deep dive into the development of experience-focused services, with a special emphasis on the strategic design of their setting. Engaging employees, managing customers, and closely coordinating backstage employees with frontstage activities are promising new areas in experience design. By analyzing the design practices of experienced design leaders, this study contributes to the ongoing development of customer-centric service practices and offers a fresh perspective on how to design service delivery systems. (Zomerdijk & Voss, 2010) Companies do their best to satisfy their customers with excellent services.

Personalized customer service is expected in all industries. Customers want customized experiences and hope that the business comprehends their needs. Improving customers' experience requires vision, planning, and insight gained from data collected during interactions with buyers. This data can be used to enhance every customer touchpoint. Designing customer journeys and touchpoints, and creating a compelling structure of events can be effective ways to enhance customer experiences. (Toman et al., 2013)

## 1.1 Frame of reference

A frame of reference involves visually outlining the key components and their relationships. Figure 1, illustrates the comprehensive approach taken in the thesis. The foundation of the thesis lies in various service design tools that are crucial for understanding customer interactions and experiences.



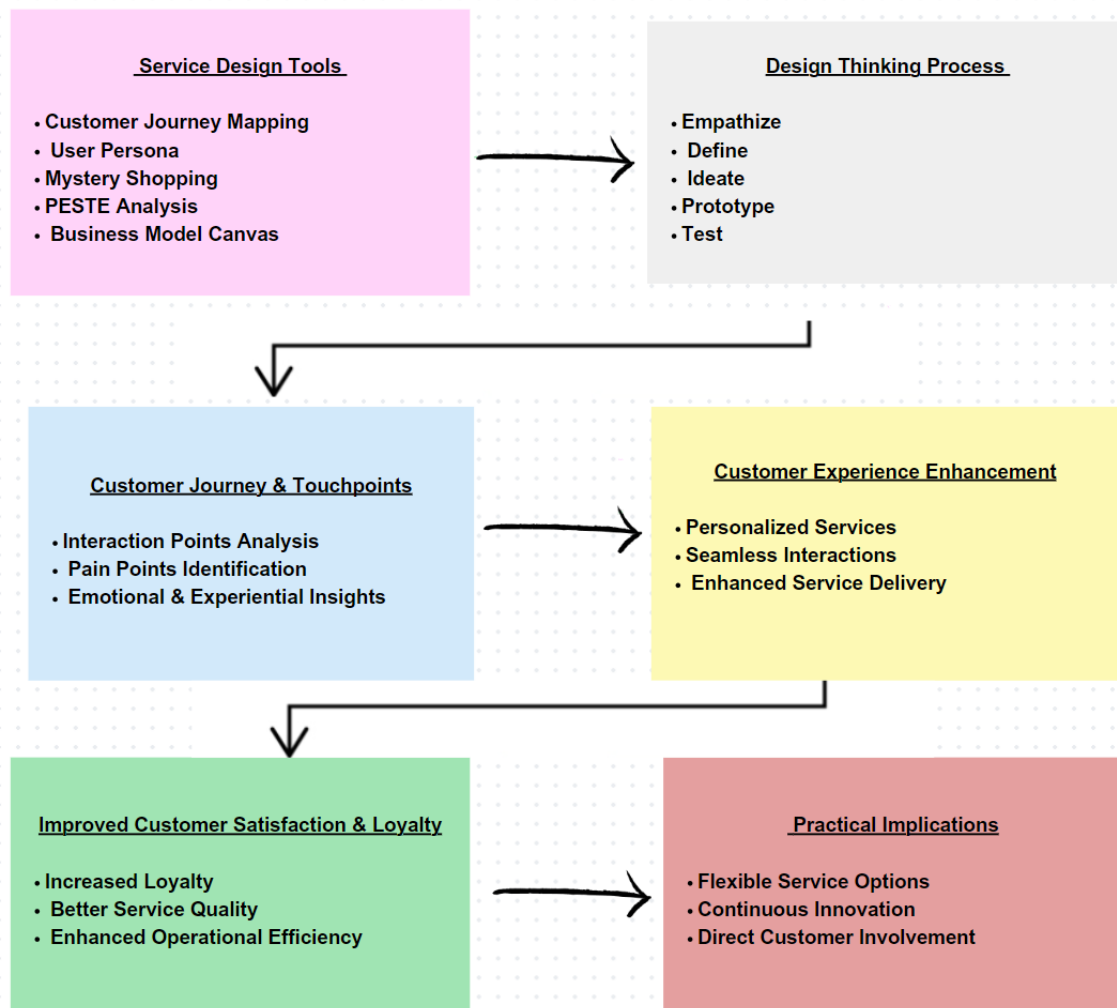


Figure 1. Frame of reference

In this study, the researcher dives into how Company X, a Finnish retail chain, can make shopping a better experience for its customers. Figure 1 outlines how Company X can leverage service design tools and the design thinking process to enhance customer experiences. By focusing on understanding customer journeys and touchpoints, innovating through a structured design process, and implementing practical improvements, Company X can significantly boost customer satisfaction and loyalty.

## 1.2 Customer journey

The expectations for customer experience have evolved. Providing quality service entails every aspect of a company's offerings including, increasing service capacity and anticipating customer needs in advance.

Understanding consumer journeys is crucial for businesses. A consumer journey is broader and involves multiple activities and service providers. It is not just about provider-consumer touchpoints, but also about the emotional and experiential journeys that consumers go through with the help of brands, technologies, products, and services. In contrast, customer journeys are motivated by more concrete goals, such as getting medications, while consumer journeys may be motivated by more abstract goals, such as getting healthy and feeling good again. For instance, a customer's journey with a pharmacy may involve visiting the doctor, naming the pharmacy as the preferred one, stopping at its retail location on the way home, and taking the medication regularly until the prescription is over. On the other hand, a consumer journey may start with a person feeling unwell, trying to fix the problem through exercise or diet, searching for a diagnosis online, booking an appointment with a doctor, and then following a customer journey with the pharmacy. Considering a person's role as a consumer is important, as it relates to their other roles, such as a patient, a parent, or a producer. (Hamilton & Price, 2019)

## 1.3 Customer touchpoints

A client touchpoint is any interaction that involves the transfer of information between the supplier and the customer. This can include visiting the company's website or social media pages, speaking to a sales representative in person or over the phone, sending an email or letter, viewing a television advertisement, or even seeing the company logo on a delivery van. The quality of these interactions between the customer and the company can influence how the company or brand

is perceived, the likelihood of the customer making a purchase, and overall customer satisfaction. (Aichner, 2017)

Through this study, the significance of customer touchpoints is identified, taking into account the perspectives of both employees and customers, to determine the overall level of customer satisfaction. The objective is to assess the effectiveness of various touchpoints in the customer journey and to ascertain their impact on the overall customer experience. The findings of this research will provide valuable insights for businesses seeking to optimize their customer interactions and enhance the satisfaction of their customers.

An integrated framework below highlights the various factors that influence customer journeys and their interactions with multiple touchpoints. A framework, shown in Figure 2, considers the customer journey as an outcome of several interrelated motivating processes, such as shopping motivation, information search, technology adoption, use of multiple channels, and post-purchase processes. These processes are affected by cross-cultural, socioeconomic, and privacy factors. (Kannan, 2020)

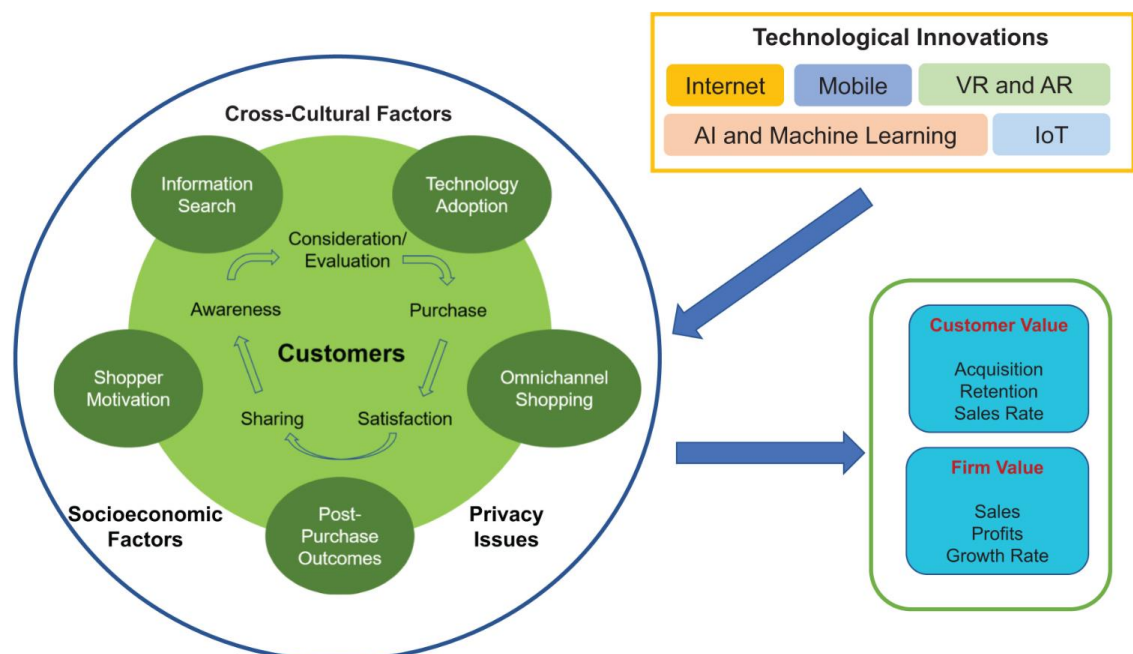


Figure 2. Conceptual framework of global digital marketing strategy. (Kannan, 2020)

Cross-cultural Factors: Customers start the purchase journey for different reasons. Their purchasing behavior in each step of the customer journey may differ across the global market.

Socio-economic factors: socioeconomic factors such as income and age, post-purchase evaluations, privacy issues, and customer service expectations may influence the purchase motivation of customers. (Anthony et al. 2005)

Technological innovation: The emergence of mobile devices like smartphones and watches has revolutionized customer experiences by providing seamless access to touchpoints throughout the customer journey.

Privacy issues: Although data-driven marketing offers many benefits, there are potential privacy concerns if customer data is used inappropriately beyond its original purpose. This could lead to significant privacy issues and backfire on the company. (Hyoryung & Kannan, 2020)

#### 1.4 Background of Study

At the beginning of the year 2021, the global and Finnish economies appeared to be on the upswing. Finland had made significant progress in its recovery from the COVID-19 pandemic, and the national economy was expanding. However, in February 2022, the Russian invasion of Ukraine and the resulting sanctions from Western countries caused a major global shock that led to a significant increase in commodity and energy prices. This, in turn, led to a sharp rise in inflation rates in Finland, accompanied by a corresponding increase in interest rates. As a result, consumers experienced a significant loss of purchasing power and a slowdown in economic growth. (SOK, 2022)

The retail trade in Finland was impacted by the purchasing power of consumers. Sales volumes in the second half of the year were noticeably lower than the previous year. Additionally, increasing production costs resulted in higher consumer prices. However, net sales in retail still managed to increase compared to the previous year. (SOK, 2022).

This thesis is commissioned by Company X, Vantaa. Company X offers a wide range of products, including home and household essentials, at affordable prices. The company has over 20,000 items and special bonus offers. Customers can benefit from convenient online shopping with free shipping on orders over 100 euros and free returns within 14 days of purchase. The online store is open 24/7 to serve customers' shopping needs. (S-kaupat, 2024)

The objective of the thesis is to find ways to improve customer experience through qualitative research. The idea is to find whether the company would have additional value by offering more services to their customers and including customers' participation in maximizing customer experience. Inclusive customer service prioritizes people by offering flexible service options and incorporating customer feedback to improve quality. (Funk, 2022)

The qualitative research is done through in-depth interviews to get more knowledge of the participants who already have experience in customer service offered by company X. This thesis will enhance customer experience in retail markets using service design tools.

### 1.5 Values, Strategies, and Vision of Company X, Finland

Company X is a chain of Finnish hypermarkets. With 74 stores located in 51 distinct cities throughout Finland, Company X has been serving customers since 1972 when their first store opened in Jyväskylä. Along with a variety of food and grocery options, Company X also offers an extensive selection of clothing, sporting goods, books, toys, entertainment, and home accessories. (Osuuskauppa, 2012)

The values, norms, and visions of retail competitors may be similar, but they can encounter different challenges depending on their location, competitors' strategies, and customer loyalty. In this study, Company X has been selected for research to comprehend the strengths and opportunities of supermarkets in Finland. The researcher has utilized various service design tools to enhance the customer experience.

Staff are the end service providers and the customers are the end users. So they know better about the problems and their solutions. In this study, the researcher has focused on customer and employee participation in designing the service according to customers' needs and expectations.

## 2 PROBLEM AREA

In this research study, the research problem is about identifying and resolving customer pain points through service design tools. This study focuses on the customer's experience. The case study, "Values, strategies, and Vision of Company X, Finland " will help to analyze their current service design practices and requirements for improvements.

### 2.1 Objectives of Study

The main objective of this research is to utilize Service Design to gain a better understanding of customer behavior and enhance their experience with services. This will lead to improved customer satisfaction and loyalty. More specifically, the study aims to answer the following research questions:

- How the commissioners can respond to the needs of the customers?
- How do service design tools contribute to identifying and resolving customer pain points in the retail sector?

### 2.2 Research Limitations

The study is limited to a specific geographical region, which could affect the generalizability of the findings to other areas. Retail practices and customer preferences can vary significantly across different regions and cultures. Time constraints and resource limitations, limited sample size, and limitations in data access are other limitations of this study. Additional work is needed to further test the findings in more organizations.

### 2.3 Practical Implications

This research highlights the crucial role of changing mindset in enhancing customer experience through improvement programs. It emphasizes the need to directly involve customers in the design and improvement process. The study provides a helpful roadmap for Company X to enhance customer experiences, with clear objectives in three areas: customer, staff, and cost-efficiency. These objectives can be used to evaluate the benefits of improving the customer experience.

### 2.4 Process Chart

The conceptual and theoretical framework of this thesis will lay the groundwork for understanding how service design can effectively enhance customer experience in the retail industry. This process chart covers key concepts of service design tools, theoretical background, and the implication of service design tools in improving customer experience in company X.

Figure 3 shows a complete structural overview of the thesis.



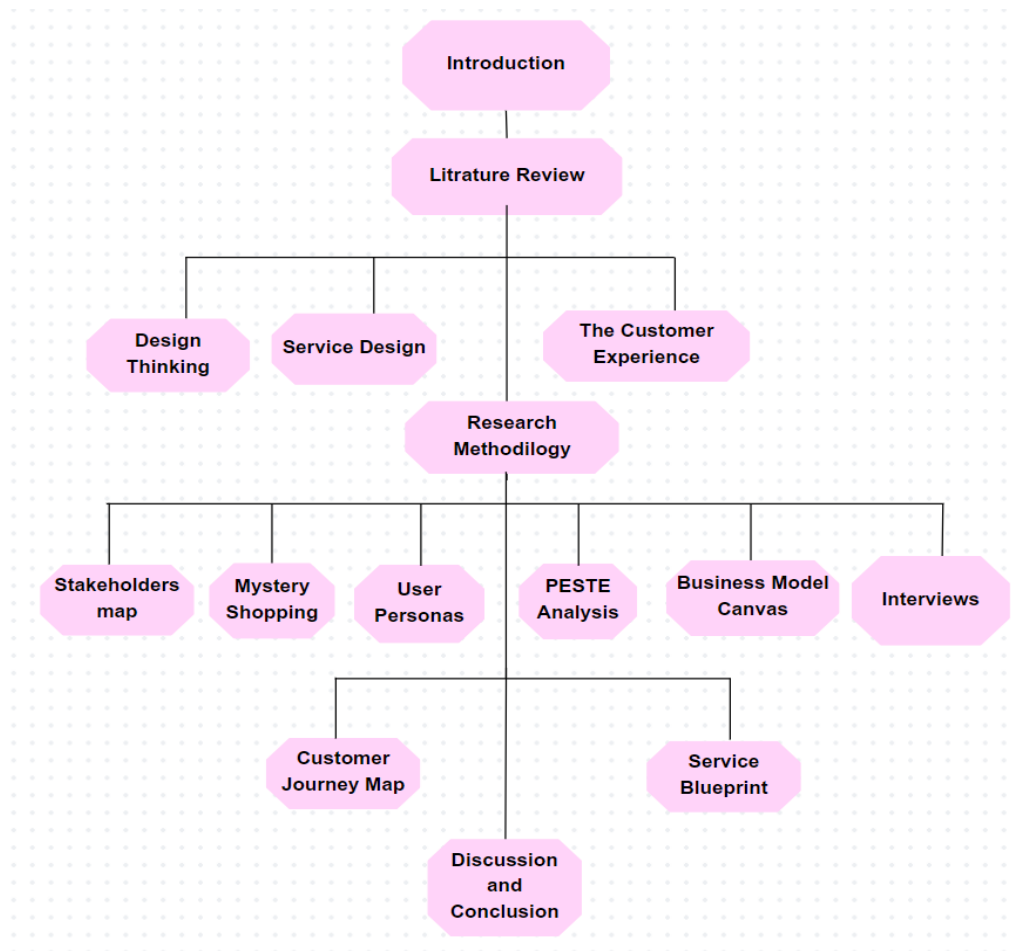


Figure 3. Thesis structure.

This process chart outlines the service design tools such as customer journey mapping and user persona, mystery shopping, PESTE analysis, and business model canvas to enhance customer experience. These tools provide a structured approach to understanding customer interactions, identifying pain points, and offering improvement suggestions to create a seamless online shopping experience.

This conceptual model visually represents the connection between service design frameworks, enhanced operational processes, and improved customer experiences. This structural overview provides a solid bedrock for this research.

## 3 LITERATURE REVIEW

### 3.1 Design Thinking

As new technologies continue to advance at a rapid pace and customer preferences shift, companies and organizations are facing greater difficulties in creating sustainable distinctions between their products and services. This makes it more challenging than ever to develop unique value propositions that benefit users, stakeholders, and society as a whole. (Graf, 2021)

#### 3.1.1 Concept of Design Thinking (DT)

Design thinking is a human-centered approach to innovation that puts the observation and discovery of often highly nuanced, even tacit, human needs right at the forefront of the innovation process, (Gruber, 2015) Design Thinking (DT) involves a set of activities that are repetitive in nature. It starts with a preliminary exploratory phase that mainly focuses on data gathering to identify user needs, design criteria, and problem definition. Then, ideas are generated, which are subsequently prototyped and tested. DT is often compared to other innovation strategies like technology-driven and designer-led innovation such as technology-driven and designer-led innovation. (Verganti, 2008)

Michael Barry and Sarah Beckman (2007) - current researchers exploring learning in design thinking—refer to as “a need to make design thinking explicit and a need to embrace the many disciplines that are engaged in some way with design”.

Design Thinking is getting more attention from practitioners and business scholars due to its potential to promote innovation in various organizations and areas. Design thinking has become a popular method over the years for making decisions when faced with uncertainty in both the business world and academic settings. This approach emphasizes iteration, with a focus on the needs of humans, and involves interdisciplinary teams creating prototypes to bring multiple

solutions to life. (Liedtka, 2018). Design thinking has been utilized by businesses to address various challenges, differing from enhancing customer service to creating new products.

Design thinking helps businesses reach their objectives and develop successful solutions. However, it is important to note that design thinking is not a one-size-fits-all solution for all of an organization's issues. Nonetheless, it is a powerful tool that can aid businesses in overcoming obstacles and accomplishing their goals by aligning human factors, technological feasibility, and business viability to create meaningful experiences for the organization. (Siricharoen, 2024) Design thinking processes are useful in creating innovative, user-centric solutions that effectively address real-world problems.

Design Thinking is not only a driving force for designer-driven innovation, but also offers new process models and toolkits that help improve, accelerate, and visualize any creative process, not only for designers but also for multidisciplinary teams in any type of organization. The emerging use of the term DT, especially the combination of "thinking" and "design", offers disciplines such as innovation management the opportunity to apply design tools in other problem-solving contexts that are not directly related to the appearance or functionality of the deliverables, but rather to the form of the enterprise, services, and processes are relevant. Today, Design Thinking is not just a cognitive process or a way of thinking, but has become an effective toolkit for any innovation process, combining a creative design approach with traditional business thinking based on planning and rational problem-solving. (Agrawal et al., 2017)

### 3.1.2 Design Thinking Process

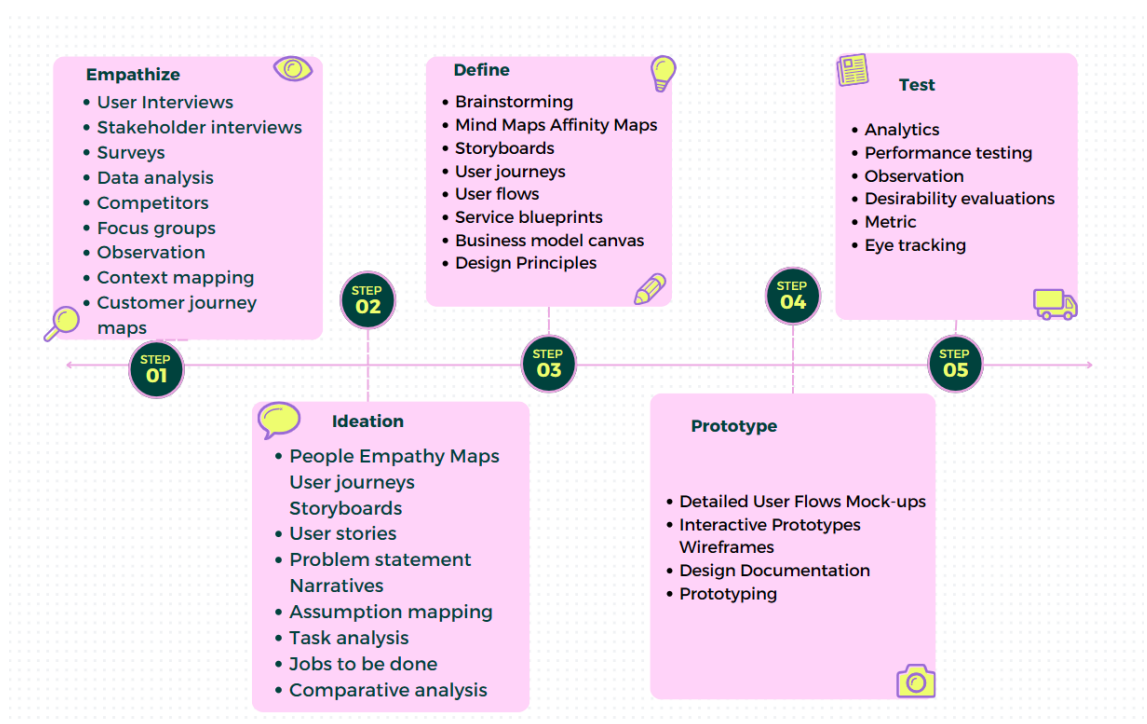


Figure 4. Design thinking process. (Stanford's d.school, 2005)

Design Thinking is an iterative process that involves five stages including empathize, define, ideate, prototype, and test. (Design Council, 2007)

Stage 1: **Empathize**- Research user's need

Design thinking begins with a deeper understanding of the people the company is designing for. The first stage of design thinking involves user-centric research to gain an empathetic understanding of the problem being solved. Empathy is key for a human-centered design process to understand the users' needs. The Empathize stage aims to recognize users, their needs, and the problems for developing the product/service. (Dam, 2024)

In this stage, a substantial amount of information is gathered to be used in the next stage. The Empathize stage aims to develop the best possible understanding of the users, their needs, and the problems that need to be addressed to create the desired product or service. (Mortensen, 2021)

Empathy helps designers to ensure that their solutions are deeply rooted in the actual needs and experiences of users. This human-centered approach leads to more meaningful and effective design outcomes.

Stage 2: **Define**: state users' needs and problems

In this stage, the company organizes the information gathered during the Empathize stage and analyzes observations to define the core problems identified by the team. It is important to define the problem and problem statement in a human-centered manner. (Dam, 2024) This stage ensures that the team members have a shared understanding of the problem they are trying to solve.

By the end of this phase, the company will have converted the insights gathered during the Empathize stage into a clear and practical problem statement. This will provide the foundation for the Ideation phase to create multiple potential solutions. (Stevens, 2021)

Thoroughly defined problems can provide a lead to the design team to ensure that subsequent ideation and prototyping phases are grounded in a clear and accurate understanding of user needs, leading to more effective, user-centered solutions.

Stage 3: **Ideate**—Challenge Assumptions and Create Ideas

In the third stage of the design thinking process, designers are ready to come up with ideas. Before this stage, the designers have gained a clear understanding of the users and their needs in the Empathize stage. They have also analyzed their observations in the Define stage to create a user-centric problem statement. With this solid foundation, the designers and their team can start to examine the problem from various perspectives and ideate innovative solutions to the problem statement. (Dam, 2024) Ideation tools like brainstorming and the Worst Possible Idea can be used to generate the best possible solution.

Stage 4 - **Prototype**—Start to Create Solutions

During the experimental phase, the primary objective is to identify the optimal solution for each issue discovered in the first three stages. These solutions are integrated into prototypes, which are then examined carefully within the team itself, in other departments, or by a small group of people outside the design team. (Dam, 2024)

Based on user experiences, they are either accepted, refined, or discarded. The prototype allows the researcher to test whether the design or changes work as intended before they are released to the market or in the hands of users. Testing the prototype can help you identify any issues and make necessary changes before investing time and money in the final product. (Stevens, 2021)

Effective prototyping can create well-tested, user-approved, and ready-for-implementation solutions. This iterative approach helps to make sure that the final product is both functional and delightful for users.

#### Stage 5: **Test** – Try the solutions out

In this stage, designers conduct conscientious testing of the final product using the best solutions identified in the Prototype stage. However, in an iterative process like design thinking, the results generated are often used to redefine one or more further problems. This increased level of understanding helps investigate the conditions of use and how people think, behave, and feel towards the product. A deeper understanding of the product and its users makes it easier for further iterations. Alterations and refinements can be done to rule out alternative solutions. The ultimate goal is to gain as much insight as possible into the product and users. (Dam, 2024)

Thoroughly tested prototypes can ensure that the final solution is well-designed, user-friendly, and effectively meets the needs of the target audience. This iterative testing process is crucial for refining ideas and creating successful, user-centered solutions.

## 3.2 Service Design

Service design is an interdisciplinary approach that blends various methods and tools from different disciplines. It is a new way of thinking rather than a stand-alone academic discipline. Service design is an evolving approach, as evidenced by the fact that there is still no common definition or articulated language for service design. (Clatworthy, 2017)

### 3.2.1 Definition of Service Design

Simon Clatworthy defines service design as a service-specific application of design thinking. Whereas Stickdorn & Schneider, (2011) explain it as a growing field that concentrates on creating well-thought-out experiences using a mix of intangible and tangible elements. When applied to sectors like retail, banking, transportation, and healthcare, it offers many benefits to the end-user experience. Effective service design requires educated personnel, well-trained leadership, and a strong product champion.

Service design is a crucial approach in modern service-dominant logic, focusing on providing services that support customer values. It helps organizations understand customers and adapt to changing operational environments, enabling them to create innovative solutions. Service design can be applied throughout a company's life, making it more agile and competitive. It helps businesses discover opportunities, gain a competitive advantage, and generate innovative ideas. By integrating service design into everyday operations, organizations can become more customer-oriented and develop new customer-dominant business models. Service design is increasingly used for planning digital service interfaces and customer journeys. (Moilanen, 2022)

Service design is not only useful to create value for the "end user" or "customer." It addresses the entire value ecosystem and focuses on offerings aimed at end users, other businesses, colleagues, or internal partners. (Stickdorn et al., 2018) Service design aims to enhance the quality of services provided by the company

and meet the expectations of customers. Service design puts customers at the center, ensuring that their needs are always taken into consideration when creating or improving services.

### 3.2.2 Service Design Process

Service design is a process in which designers create sustainable solutions and optimal experiences for customers in their unique situations. (Stickdorn et al., 2018)

It is difficult to define standardized methods for designing a service because the process depends on the service's context and therefore varies from project to project (Schneider & Stickdorn, 2011) Because service development is always unique due to the nature of creating something new, it is impossible to define and describe service design as completely uniform, following a specific format and process, nor is it possible to describe a process that will work in all circumstances for every type of service. (Tuulaniemi, 2011, p. 126) The idea is not to follow the process strictly but to consider the users and their needs first, planning holistically, thinking through experiences in time, and working iteratively between steps and tools.

The service design process includes four phases and can be repeated multiple times if necessary. At any stage of the process, it is also possible to take a step back or start over until a solution is found. Moreover, it is important to learn from past mistakes. The four phases of explore, create, reflect, and implement are a basic approach to structuring a service design process, followed by refining the idea and redesign. Within this iterative process, it is crucial to involve stakeholders early in the process to provide a holistic view of the situation being dealt with. Furthermore, as service design is intrinsically human-centered, it is fundamentally important to understand the customers' interactions with the service by stepping into the customer's shoes and viewing the process through their eyes, and also by designing the service to offer the customers consistent, valuable, and desirable experiences. (Stickdorn & Schneider, 2011, pp. 134-135)



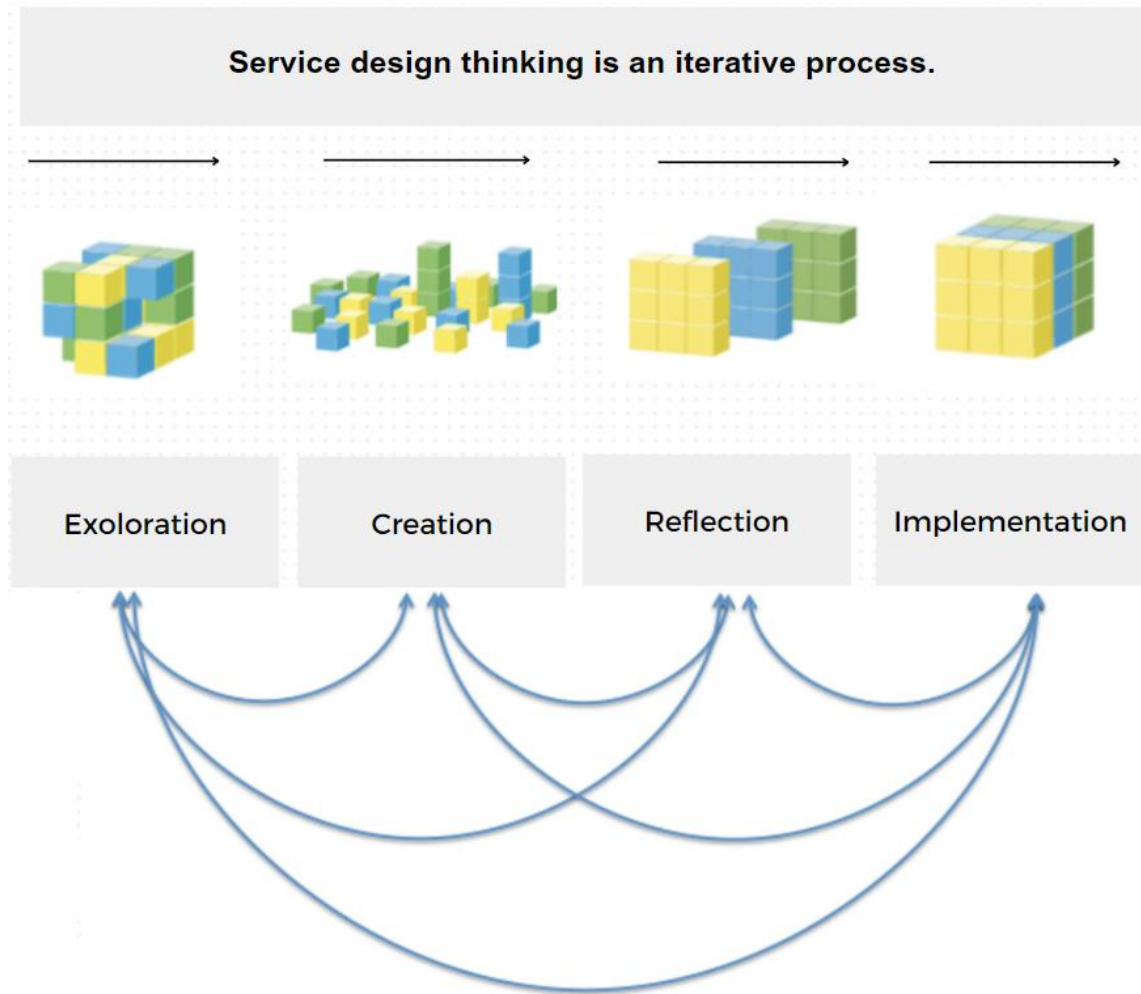


Figure 5. Service design approaches (Stickdorn et al., 2018, p. 115)

### Explore Phase

In this first stage, the service designer needs to understand the culture and goals of the company. In addition, he or she needs to determine the company's motivations and interest in the service design process. The process begins with identifying the problem that the service designer will address. Typically, the problem is organizational or is initially viewed from an organizational perspective. (Stickdorn et al., 2018, pp. 134-135)

The objective is to get a clear understanding of the situation from the perspective of current and potential customers of a particular service. It is important to find out the real motivations behind customer behavior. At this stage, it is crucial to

collect empirical data and pursue customer insights. These findings and the so far intangible underlying structure of the service need to be made visible. To support this, numerous methods and tools from different disciplines can be used. (Stickdorn et al., 2018, p. 120)

### **Create Phase**

The second phase represents the generation phase within this iterative process. In this phase, ideas and concepts are tested again and again. The idea of service design is not to avoid errors, but to explore as many of them as possible. It is important to identify mistakes as early as possible and learn from them before implementing or adopting new concepts. Failing after introducing a concept is more costly than additional iterations at the ideation stage. ((Stickdorn & Schneider, 2011)

The objective is to create and develop a solution based on the identified problem and the comprehensive insights gained during the exploration phase. To achieve a holistic and sustainable solution, it is important to involve all key stakeholders and work in a team that includes customers, employees, and management, as well as engineers, designers, and other stakeholders involved in both the service design and service delivery process. (Stickdorn & Schneider, 2011)

### **Reflect Phase**

In this phase, previously developed ideas and concepts are developed and tested as prototypes. However, applying prototyping techniques to the development of intangible services requires a different approach than that used for prototyping product designs. The designer cannot just put the service on the table and ask customers what they think about it, but for them to give feedback, they need to have a strong mental picture of the future service concept. ((Stickdorn & Schneider, 2011)

The goal of this phase is to create a vision of the service concept in the customer's mind. It is important to consider the emotional aspects of the service. Relatable stories through cartoons, storyboards, videos, and photo sequences to generate

emotional engagement to reflect the vision. It is important to prototype the service concept in a real or realistic situation. A variety of staging and role-playing approaches, from theatre to acting out specific service situations can be used. These help to connect emotionally significant aspects and personal interactions with the service delivery. (Stickdorn & Schneider, 2011)

### **Implement Phase**

In the final phase, the new service concept is implemented. A new service concept brings about change, so change management must be considered. The changes must be based on a consistent service concept that was formulated and tested in the previous phases. The concept should be communicated and should include the emotional aspects of the service. Employees must understand the concept and be supported to put it into practice. (Stickdorn & Schneider, 2011)

However, the service design process is not straightforward. The designer might have to go back and forth between activities. If the prototype does not work at last, the researcher might need to go back to the research phase and refine the understanding of the problem. The service design process can also be defined through the double-diamond model. (Stickdorn & Schneider, 2011)

#### 3.2.3 Double Diamond Model

Richard Eisermann, Design Council's previous Director of Design and Innovation, explains that the British Design Council did not invent the double diamond but they have popularised it, and the double diamond had pioneering researchers such as John Dewey, Bella Banasy, Herbert Simon, Donald Shane and many others, all of whom made important contributions to problem-solving theory and design practice. (Eisermann, 2023)

The objectives of the double diamond model are to provide a framework for designers to contextualize their work and help clients understand what a designer does without having to go into too much detail. It should be relatively quick to read, easy to remember, and easy to share. (Eisermann, 2023)

The Double Diamond Model represents the design process until the right solution is identified. The design process consists of four phases. Figure 6 shows the four phases of the design process:

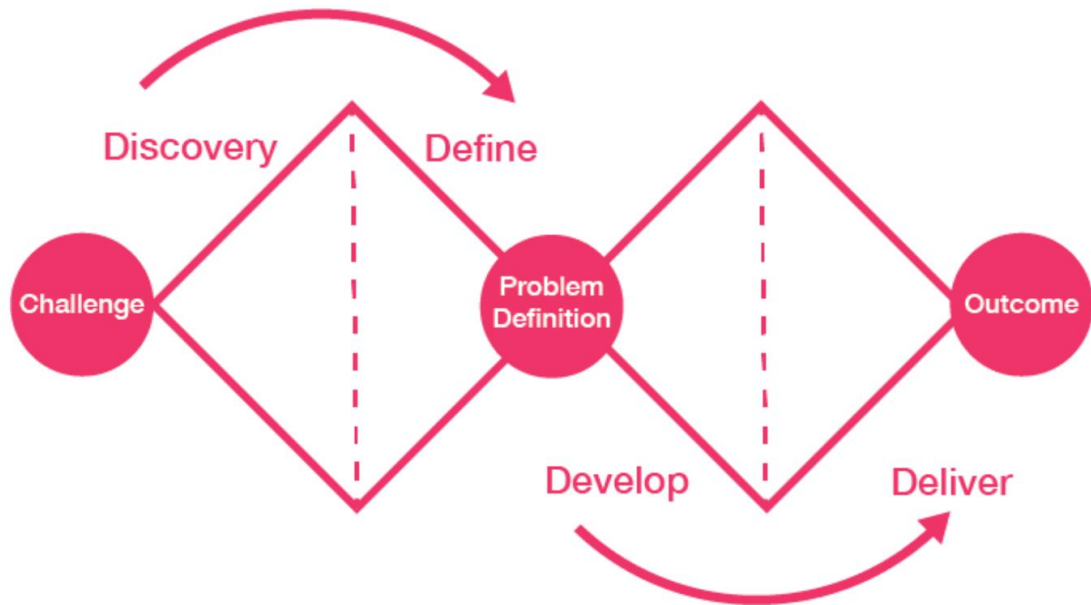


Figure 6. The Double Diamond Model (Gearon, 2022)

The first phase of the diamond, Discover and Define, is dedicated to discovering, analyzing, and precisely defining the problem at hand. Then, the second diamond phase, Develop and Deliver, focuses on developing the solution. It is important to note that each phase of the Double Diamond Model is not a linear process, but rather uses cycles of divergent and convergent thinking, facilitating an iterative exploration of the design process to uncover hidden insights. The Double Diamond Model allows designers to understand and observe human behavior and channel the results into thoughtful considerations. Then design thinking can be expressed as meaningful and relevant solutions tailored to people's needs. (Chengfei et al., 2024)

### 3.2.4 User-Oriented Service Design

The user has to be treated as the designer and the organization can only control the result of a piece of design work to a certain extent and need to leave room for interpretation and improvisation. Many tools and methods are available to get a broad understanding of the user. One approach could be to gather empathy which is rooted in an understanding of the needs, dreams, and desires of users. (Miettinen & Valtonen, 2012) The user-oriented Service Design approach focuses on creating services that meet the needs and preferences of users.

According to Tuulaniemi, Understanding end-user needs and operation motives of the service to be developed The essence of service design is to understand what is needed for end-users and the goals for developing the service. These prospects of the parties do not generally align or share their goals correspond to each other. This includes an organization that produces a service and on the other hand customers. A service designer needs to connect both consumer and business needs. Moreover, the target is to identify first needs and second in all except they attempt to sort those. The intention is not to satisfy every need but to get something decent on an entity that would satisfy best. (Tuulaniemi, 2011)

Service design helps in obtaining customer insights, which includes, understanding users' experiences, behaviors, and expectations to design services that provide value and enhance user satisfaction. New services can help meet those needs. In this way, also product risks can be minimized with the use of service design since the services get prototyped and tested during the design process. (Tuulaniemi, 2011)

User engagement activities are intended to create something together with the people involved in the process. They encourage discussions about participation since services are seen as something that can only be discovered through the co-creation of users. (Miettinen & Valtonen, 2012)

### 3.3 Customer Experience

Providing positive experiences can differentiate a business, leading to increased spending and brand loyalty. Studies indicate that customer loyalty is heavily influenced by a company's customer service and meeting their needs. (Fatma, 2014)

The customer experience is not limited to service quality and customer satisfaction alone. The customer experience has become a foremost area of focus in the industry. Customer experience is crucial for enhancing satisfaction and retention in competitive industries like retail food services. To cope with the competitive market trend, Companies need to identify factors affecting customer experience at every point of the service journey. (Vattananun, 2019) To create a tool for measuring customer experience, the designer first needs to define what is "customer experience". There are several interpretations of this term put forward by marketing scholars. However, the main idea is that customer experience is about creating value together with customers. Philipp Klaus (2013) has defined customer experience as customer experience that encompasses everything from the customer's actual and anticipated purchasing experience to their consumption experience. The firm sees the customer as a co-creator of value and expertise.

#### 3.3.1 Customer Experience (CX) Design

The concept of CX design involves developing seamless and effective communication channels between a business and its clients. Customer experience can be divided into three components: individual interactions, the customer journey, and the long-term relationship. Designing customer experiences attracts potential customers, keeps current ones, streamlines the customer journey, and provides a smooth and enjoyable experience from beginning to end. Prioritizing customer satisfaction can lead to higher customer loyalty and lower churn rates, which ultimately result in a steady revenue stream over time. (Johnston & Kong, 2011)

A successful company has a solid CX strategy that synchronizes every customer touchpoint with the end-user experience. A company's Customer Experience Strategy encompasses every interaction a customer has with them throughout their journey. This includes the marketing material that inspires them to become a customer, the sales process, the experience of using the product, and the customer service they receive after purchasing it. (Joshi, 2022)



Figure 7. Key factors of CX design (Joshi., 2022)

The customer experience is influenced by three essential factors known as the Three P's: People, Process, and Product

**People:** The impression that customers have of a company is largely based on the interactions they have with its employees. These employees must be welcoming and personable to customers and should be able to communicate with customers through a variety of channels such as live chat, phone calls, or in-person meetings.

**Process:** When using a product, the customer may go through different usage journeys. These journeys could involve paying for the product or reaching out to customer support. To ensure a positive experience, these journeys need to be designed with simplicity and convenience in mind.

**Product:** Customers expect products to be easy to use and not intimidating or confusing. The design should aim for simplicity and speed.

### 3.3.2 Customer Experience Management (CEM)

Managing customer experience strategically is the core of Customer Experience Management (CEM), which focuses on cultivating relationships with customers through their interactions with a company, in contrast to Customer Relationship Management (CRM) which primarily deals with transaction records. (Fatma, 2014) Customers prioritize good service over low prices, yet many companies have not made improving customer interactions a priority.

Examining customer satisfaction within the context of competitiveness is an absolute necessity as it holds a significant way over the products and services offered by the company. It is crucial to understand the impact of customer satisfaction on the overall success of the business. (Thurau & Klee., 1997) The relationship between companies and customers exists in various stages, including initial awareness, the shopping experience, and post-purchase interactions.

CEM is similar to Customer Relationship Management (CRM) in that both use market data. However, the main goals of the latter are customer loyalty and profit maximization. While CRM is responsible for planning, implementing, and monitoring customer relationships, CEM is responsible for continuously improving the initial CX at the touchpoint level. ((Holmlund et al., 2020) The practice of CEM encompasses every single point of contact that a customer has with a company, starting from the very first moment of awareness through to the post-purchase stage, including service and support.

#### **Customer experience strategy**

The foundation of representing and understanding the customer experience is the customer journey, which is made up of touchpoints (interactions between customers and organizations) similar to service encounters. At each touchpoint, customers react cognitively, emotionally, behaviorally, sensory, and socially to the interaction, resulting in a static (or discrete) customer experience. (Holmlund et al., 2020) To enhance customer experience, a comprehensive strategy may



involve the prioritization of measurement goals, continuous monitoring of progress, fostering teamwork, and empowering employees.

Customer-centric organizations prioritize the satisfaction of their most valuable customers and emphasize the importance of customers to their employees. Many companies recognize the need to cultivate strong customer relationships and reflect this focus in their mission, vision, and values. This customer-centric approach guides the company in aligning its goals, allocating resources, creating products and services, refining processes, and crafting strategies for competitive advantage. (Shields, 2011)

If a company is committed to prioritizing customer-centricity, the first step is to fully understand the customer's needs and expectations. While customer-facing employees play a significant role in this, they will need support from the entire organization to succeed. Therefore, regardless of department or role, everyone should actively contribute information, background, tools, resources, and training to achieve a unified understanding of the customer. Once this collaborative effort occurs, the organization will be well on its way to becoming customer-centric. (Shields, 2011, p. 13)

### **Customer experience challenges**

Customer's needs and expectations are constantly changing and the problem is to keep up with those real-time needs. The challenge is to identify the adjustment points during the customer journey, where the customer has high expectations and emotional engagement, but the business fails to meet those expectations. This is a critical aspect to ensure that the customer promise made in the brand advertising is delivered as expected. It helps to mitigate the customer's expectations and ensures that the promise made is fulfilled. The growth of digital technology has made the customer experience more complex. While some experiences are now entirely digital, many are expected to be seamless across channels. Providing an excellent online experience can sometimes conflict with the physical experience. For instance, the rise of home shopping has given rise

to the need for a delivery experience that matches the online experience.  
(Pennington, 2016)

## 4 RESEARCH METHODOLOGY

This research brings up practical issues the customers experience with the service provided in Company X. The author is going to use both primary data and secondary data for this research.

**Primary data:** Data collected by researchers himself/herself is primary data, interviews, self-observation, and experiments, are some of the methods of primary data collection. (Ajayi, 2017) In this study, primary data were collected through structured interview questions and workshops within the target customer group.

**Secondary data:** Existing data that were gathered by others for different purposes are called secondary data. In secondary data analysis, the researcher uses already available data. Articles, journals, the internet, previous relevant research papers, and other database sites are some of the sources for secondary data collection. (Ajayi, 2017)

For this research purpose, primary data were collected through workshops and interviews, and secondary data were collected through desk research, articles, journals, and books.

### **Service Design Method and Tools**

Selecting the appropriate tools for a specific task can enhance productivity, efficiency, and effectiveness. In the context of service design, a suitable combination of methods and tools can facilitate communication, optimize the generated value, save time and resources, and enable to acquisition of valuable insights while minimizing errors through a more systematic approach.

Within the scope, resources, and stage of the project, the researcher is going to use certain tools and methods to ensure that the development of the service promotes the goals and objectives of the client and enables excellent user experiences.

### 4.1 Stakeholders map for company X.

A stakeholder map is a visual representation of all stakeholders in an organization. The stakeholder's relative power and its relevance to a particular issue confronting the organization determines the stakeholder's capacity for threat. (Grant et al.,1991)

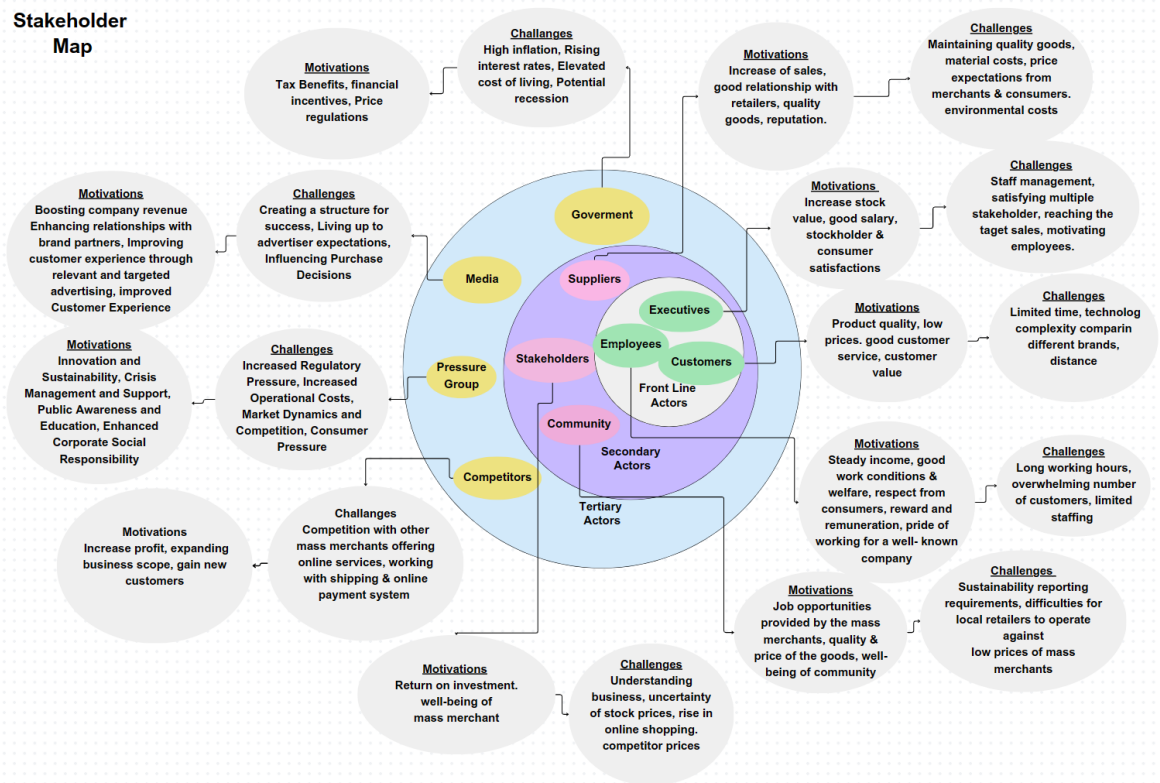


Figure 8. Stakeholders Map for Company X.

Figure 8, provides an overview of the motivations and challenges experienced by different groups connected to the company. The stakeholders are grouped into three main categories: primary, secondary, and tertiary actors.

### Primary Actors

Executives aim to increase stock value, secure good salaries, and satisfy stockholders and consumers. They face challenges related to staff management, meeting sales targets, and motivating employees.

Employees seek steady income, good working conditions, customer respect, and pride in working for the company. They must deal with long working hours, high customer volume, and limited staffing.

Customers desire quality products, low prices, good service, and overall value. They encounter issues related to limited time, technological complexity, and distance from brands.

### **Secondary Actors**

Suppliers aim to increase sales, maintain good relationships, and ensure quality. They face difficulties in maintaining quality, managing material costs, meeting expectations, and addressing environmental costs.

The community values job opportunities, quality of life, and community well-being, but faces challenges such as sustainability reporting requirements and competition from low-cost merchants.

Stakeholders seek a return on investment and the well-being of merchants, but they deal with business dynamics, stock price uncertainty, the rise in online shopping, and competitor pricing.

### **Tertiary Actors**

The government focuses on tax benefits, financial incentives, and price regulations while dealing with high inflation, rising interest rates, and the potential for a recession.

The media aims to boost revenue and improve customer experience by advertising but faces challenges in meeting advertiser expectations and influencing purchase decisions.

Pressure groups concentrate on innovation, sustainability, crisis management, and public awareness while dealing with regulatory pressure, operational costs, market dynamics, competition, and consumer pressure.

Competitors strive to increase profit, expand scope, and gain new customers by offering online services and managing shipping and payment systems.

Figure 8 provides a comprehensive insight into a detailed view of the interactions and relationships that Company X needs to navigate. By understanding the motivations and challenges of each stakeholder group, Company X can develop strategies to align interests, address concerns, and foster collaboration for growth and innovation.

#### 4.2 Mystery Shopping: The Miracle Tool in Business Research

Mystery shopping is a crucial training tool to analyze the behavior of employees while providing services which can pinpoint areas for improvement. The collected data through mystery shopping is utilized for the evaluation process. This process involves the structured interaction between the employee and the evaluator. Following the interaction, there is an evaluation process where the manager provides feedback on the observed behavior. (Rehman & Velsamy, 2013)

Mystery shoppers, sometimes referred to as secret shoppers, visit service locations acting as typical customers. They carefully observe the service process and immediately record their detailed observations in a questionnaire. These shoppers evaluate both factual elements (such as whether a salesperson asked a closing question) and subjective aspects (like friendliness and competence). Unlike regular customers, they focus on specific details of the service experience. This method offers more objective service quality assessments compared to managerial judgments, employee self-reports, or standard customer evaluations. Moreover, mystery shopping is flexible, making it ideal for contexts where customer feedback is hard to gather. It helps to find out how the customer experience the company is aiming for is realized through the eyes of the customer. It sheds light on understanding what customers expect from the

company and what aspects they particularly value in operations. (Blessing & Natter, 2019)

Mystery shopping is necessary for companies to get an objective opinion on how their business is doing. It would not be biased, if the company would use their employees to evaluate their service and operations. So mystery shoppers, who do not already have a connection with the company, are used to providing honest and unbiased feedback. (Rehman & Velsamy, 2013)

Mystery shopping provides valuable information on how the customer genuinely perceives the functionality of the company's operations and processes. Buyers are the right target group, the quality of service and compliance with operating models are carefully assessed, and each assessment includes comprehensive feedback on perceived strengths and areas for development. The information provided by the commissioner has been used for analyzing the mystery shopper's report and to address the areas for improvement.

#### 4.3 PESTE Analysis

The PESTEL analysis is a strategic tool used to assess macroeconomic factors that impact operations. Macroeconomics is the study of large-scale economic elements, often relating to entire countries. The state of a country affects the businesses within it, and PESTEL analysis helps these businesses understand the potential effects of these factors. (Gafner, 2022) The analysis can be customized to meet the organization's specific needs, whether by shortening it or conducting it multiple times within different units of the organization. It gives a macro picture of the environmental insights where the company operates.

The PESTLE analysis helps organizations to understand the opportunities presented by the current conditions in the organizational environment. Moreover, it assists in identifying current or potential future challenges, enabling effective planning to manage these challenges. The results of this analysis can facilitate changes or improvements in the identified areas. (Buye, 2021)

A PESTEL analysis of the Retail Industry yields valuable insights into the factors that have fueled its growth, enabling businesses to assess their potential for further expansion. Armed with this knowledge, retail firms can craft well-informed strategies to enhance their reach and boost sales. Moreover, this analysis can reveal possible obstacles that the industry may encounter, potentially affecting its operations.

PESTE analysis below considers macro and micro issues from Political, Economic, Societal, Technological, Legal, and Environmental perspectives that have direct and indirect impacts on the overall performance of Company X. By taking these factors into account, organizations can better understand their operating environment and make informed decisions. The information from the desk research and discussion with commissioners was utilized for creating the PESTE table.



Table 1. PESTE analysis of Company X (remodeled from Frue, 2018)

PESTE Analysis of company X				
Political and legal	Economical	Social	Technological	Environmental
<ul style="list-style-type: none"> <li>• Political decisions affect the economic environment.</li> <li>• Politicians can control the rate of emergence of new technologies.</li> <li>• Politicians can influence the acceptance of new technologies.</li> <li>• Shifts in interest rate</li> <li>• Pressure groups tend to change government policies.</li> <li>• Anti-trust law</li> <li>• Employment law</li> <li>• Discrimination law</li> <li>• Data protection law</li> <li>• Environmental Law</li> <li>• Health and safety law</li> <li>• Competition regulation</li> <li>• Regulation and deregulation</li> <li>• Tax policy (tax rates and incentives)</li> <li>• Government stability and related changes</li> <li>• Government involvement in trade unions and agreements</li> <li>• Import restrictions on quality and quantity of product</li> <li>• Intellectual property law (Copyright, patents)</li> <li>• Consumer protection and <u>eCommerce</u></li> <li>• Laws that regulate environmental pollution</li> </ul>	<ul style="list-style-type: none"> <li>• Economic rise</li> <li>• Inflation</li> <li>• Recession</li> <li>• Unemployment</li> <li>• Labor supply and demand</li> <li>• Labour cost</li> <li>• economic stability of a country</li> <li>• disposable income</li> <li>• International trade</li> <li>• International exchange rate</li> <li>• consumer confidence</li> <li>• Globalization</li> <li>• Cost of living</li> <li>• social support</li> <li>• Increased tariffs against a foreign competitor.</li> <li>• Consumer spending habits</li> </ul>	<ul style="list-style-type: none"> <li>• Society and social trends develop shopping habits</li> <li>• Per-capita Income</li> <li>• Cost</li> <li>• Operating location</li> <li>• E-commerce</li> <li>• Festive offers and sales</li> <li>• discount coupons</li> <li>• Demographic social factors like gender, age, race, income, and education level of customers affect the business of retailers</li> <li>• Cultural aspects</li> <li>• Attitude towards saving and investment,</li> <li>• Family size and structure,</li> <li>• Population growth rate, behaviors and beliefs of both society and individuals</li> <li>• Work-life balance.</li> </ul>	<ul style="list-style-type: none"> <li>• Technologically advanced software and hardware to offer customers a user-friendly shopping spree.</li> <li>• Data security and a safe payment gateway.</li> <li>• Smooth supply chain and logistic system using the internet.</li> <li>• Cybercrime handling</li> <li>• Resistance to change</li> <li>• Use of AI in retail business</li> <li>• Research and development</li> <li>• Marketing strategies</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental policies</li> <li>• Sustainable business practices</li> <li>• Waste management</li> <li>• Preventing the wastage of energy</li> <li>• Following the health standards of the local government to retain the food quality and avoid bacterial contamination.</li> <li>• recycle-able packaging</li> <li>• reusable jute bags</li> <li>• Availability of natural resources</li> <li>• Pollution</li> <li>• Recycling</li> </ul>

This PESTE analysis highlights the challenges and opportunities retail executives face in adjusting their strategies to mitigate new risks.

**Political and legal factors**

Government policies have a significant impact on the revenue and profitability of retail stores. These regulations affect the economy, consumer buying habits, and international trade laws. Companies must comply with these changes, which can impact which products are imported, exported, and sold in stores. Stores selling food products are required to abide by health guidelines set by the government. Failure to do so could result in the removal of the food from shelves and legal issues for the company. It is crucial to take into account various aspects when dealing with political and legal factors, such as government policies, leadership,

and change, foreign trade policies, internal political issues and trends, tax policy, regulation, and de-regulation trends.

### **Economical Factors:**

The performance and profitability of an organization are greatly influenced by economic factors. These factors include economic growth, interest rates, exchange rates, inflation, and the disposable income of consumers and businesses. (Professional Academy). Economic factors include current and projected economic growth, inflation and interest rates, job growth and unemployment, labor costs, the impact of globalization, disposable income of consumers and businesses, and likely changes in the economic environment.

The retail industry is greatly influenced by the global economy, which can impact the demand for its products, affecting overall sales and profitability. During a recession, for instance, consumers tend to be more cautious with their spending, thus reducing the demand for supermarket products. Additionally, fluctuations in exchange rates can impact the pricing of imported goods sold in supermarkets, ultimately affecting profitability. Another critical economic factor in the retail industry is competition. The industry is highly competitive, and the level of competition can significantly impact pricing strategies and profitability. Supermarket chains leverage their size and bargaining power to negotiate lower prices from suppliers, enabling them to offer lower prices to consumers. Moreover, costs and profitability are also essential economic factors that affect the supermarket industry. The retail industry has high fixed and variable costs, including labor, rent, utilities, and inventory. The level of these costs can impact pricing strategies and overall profitability. For example, if the cost of labor increases due to minimum wage laws or other factors, supermarkets may need to adjust their pricing strategies to maintain profitability. (Momin, 2023)

### **Social Factors**

Social factors assess the mindset of individuals or consumers in a given market, also known as demographic factors. This category focuses on buying behavior

and how consumer needs can affect the value and necessity of a product or service. (Makos, 2024)

Social factors mentioned in the above chart encompass influences that shape and define lifestyle, including family, community, socio-economic status, and religion. For a retail business, understanding these factors is crucial as it goes beyond demographics and helps in identifying the composition of the client base, their way of life, and how these factors may impact the relationship with them. Social factors can influence business decisions such as product selection, store locations, and the pursuit of online selling options. In today's internet-driven economy, the role of influencers is increasingly significant. These individuals are the go-to references for the clients, and they can be influencers like friends, family, and co-workers.

### **Technological Factors**

Technology can be a barrier as well as a facilitator for the business. (Wiley, & Sons, 2012) Technological advancements can improve internal efficiency and prevent a product or service from becoming obsolete. The role of technology in business is growing each year, driven by R&D and innovations. Identifying evolving technologies to enhance internal efficiency is a valuable asset in management. However, there are also threats to consider. (Makos J., 2024) Disruptive innovations, such as Smartphones have integrated multiple functionalities (camera, GPS, internet browsing, apps), rendering many standalone devices and traditional mobile phones obsolete. The strategies should mitigate threats and capitalize on opportunities.

Technology is constantly advancing not only in digital technology, but also in manufacturing, distribution, and communication with consumers and employees, which poses a significant challenge for management.

### **Environmental Factors**

Environmental factors involve the impacts of changes in the natural environment on businesses, including environmental policies, scarcity of raw materials, waste

management, climate change, agriculture, sustainability practices, recycling, and reuse. Environmental factors may intersect with social factors. For example, businesses using recyclable materials in their products will likely experience greater success as customers increasingly prioritize recycling. (Gafner et al., 2022)

Environmental factors are external conditions that influence how companies operate, innovate, and provide value to their customers. These factors are playing an increasingly important role in decision-making processes due to their immediate impact on operations and their long-term implications on sustainability, reputation, and profitability. (Bush, 2024) Understanding these factors is not only beneficial but fundamental for survival and success.

#### 4.4 Business Model Canvas

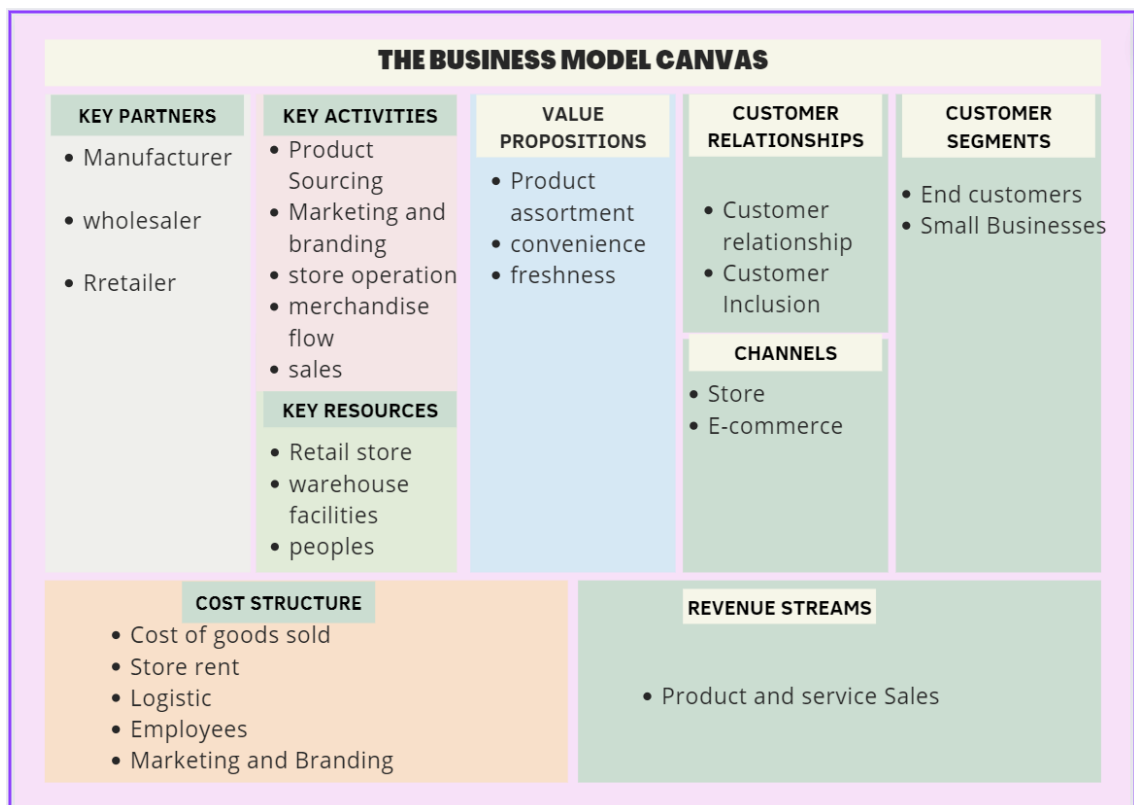
The Business Model Canvas is a valuable tool for designing services. It can be used for developing, evaluating, visualizing, or renewing a service. The BMC provides a structured framework for designing a business around new goods or services. This framework includes Costs, Key Partners, Key Activities, Key Resources, Revenue Streams, Customer Relationships, Channels, Value Propositions, and Customer Segments. Answering key questions for each factor creates a visual representation of the business model, outlining its major components that are necessary for its development and success.

The obstacles to changing the business model are real, and although tools such as maps are helpful, they are not sufficient. Organizational processes also need to change, and these are not outlined by those tools. Companies need to embrace a proactive attitude toward experimenting with their business models. Some experiments may fail, but the failure also provides new insights and understanding within the limits of acceptable loss

The Business Model Canvas can be used as a practical tool to coherently integrate economic, environmental, and social concerns into a holistic view of an organization's business model. The BMC is an easy-to-use tool that aids in

developing, visualizing, and communicating sustainable business model innovation. It integrates life-cycle analysis and stakeholder management to conceptualize and connect various types of value creation within a business model perspective. (Alexandre & Paquin, 2016) The initial business process is documented in the business model canvas in simple terms for the service designer to start the design for its target group.

Table 2. Business model canvas.



1. **Key partners:** Company X's key partnerships include stakeholders, joint ventures, and strategic alliances that help the business achieve its objectives. Suppliers are also considered here.
2. **Key activities:** Retail operations encompass the crucial daily activities and processes that retailers undertake to sell their products and services to customers. There are several major types of retail operations, each with its unique characteristics and strategies such as Inventory management,

Sales processing, Customer service, Merchandising, and Marketing campaigns.

3. **Value Proposition:** An effective value proposition must address three key points:
  - Relevance: explaining how it meets the customer's needs.
  - Value: demonstrating the benefits of the offer.
  - Uniqueness: setting the brand apart from competitors.

It communicates the main benefit that customers receive by doing business with a company.
4. **Customer Relationship:** Customer relation management (CRM) helps businesses to predict customer preferences using customer data. It is crucial for gaining a competitive advantage. People, strategy, processes, and technology are elements to consider for successful CRM implementation.
5. **Channels:** A channel is the route through which products and services are delivered from businesses to consumers. Physical stores and e-commerce are channels for delivering products and services to the customers in company X.
6. **Customer Segment:** Based on certain characteristics and behaviors of customers, there are two customer segmentations in Company X. One is the end users and another is the small business.
7. **The cost structure:** The cost structure comprises fixed and variable costs incurred to operate the business. Fixed costs, such as rent, utilities, salaries, and depreciation, do not change with the level of sales.
8. **Revenue Stream:** A revenue stream is the company's source of income. The money earned from the sale of goods and services is the main source of income for company X.

#### 4.5 Interviews

Ensuring customer satisfaction is paramount to sustaining a profitable and growing business. In today's dynamic market, measuring customer satisfaction

KPIs is more critical than ever. Therefore, it's essential to understand the factors that impact customer satisfaction and regularly measure it. To gather feedback for improvement, I conducted interviews on the 5th of June 2024 with 10 random customers of company X's. Open-ended questionnaires were designed to gain insight into customer's experiences, behaviors, and attitudes regarding a product or service.

The primary objective of this structured interview is to identify and compare the key drivers of customer satisfaction. The author interviewed 10 random customers of company X including regular customers, occasional shoppers, and new customers to get a broad perspective. The interview questions were designed to cover all aspects of the customer journey, from the initial purchase phase to post-purchase support to provide an in-depth analysis of customer satisfaction.

This interview helps in gaining insights into whether the product/service meets the customer's expectations and also identifies specific features that contribute to customer retention. Furthermore, the interview questions aim to uncover complex customer behavior patterns that can provide valuable guidance for marketing and sales strategies. Additionally, they seek to shed light on the various channels through which customers discover the company's offerings, allowing for a comprehensive understanding of customer interactions and preferences.

The results from each section of the interview questions including demographic categories, service quality, customer experience, customer expectations, customer feedback, and customer loyalty of the participants are discussed in detail in Table 3.

Table 3. Customer Satisfaction Interview Analysis Based on Interview

Theme	Positive Feedback	Negative Feedback	Suggestions
Product Quality	Fresh Product (Vegetables, bread and readymade fresh food)	Occasionally find expired products. Some products lack freshness.	Improve quality control for perishable items. Regular checks for expired products.
Pricing	Competitive price. good value for money	Some items are overpriced. Inconsistent pricing on similar products	Implement more discounts and promotions. Ensure consistent pricing
Customer Service	Friendly and helpful staff. Quick response to queries. self paying cashiers. click and collect service	Long wait times at checkout. Inadequate staff during peak hours.	Increase staff during busy periods. Provide more customer service training.
Store Cleanliness	Clean and well-maintained. Organized aisles. clean customer WC.	Occasionally messy aisles. Bathrooms not always clean	More frequent cleaning schedules. Assign staff to monitor and maintain aisle organization
Product Variety	Wide range of products. Availability of specialty items like glutenfree , lactosfree, eggless breads and other foods.	Limited stock on certain popular items. Inconsistent availability of favorite brands	Increase stock for high-demand products. Expand range of popular and niche brands.
Accessibility	Convenient location. Ample parking.	Crowded parking lot during peak hours. Difficulty navigating aisles with a cart.	Improve parking lot management. Widen aisles for better cart navigation
Online Services	Efficient online ordering. Timely delivery service	Limited delivery slots. Occasional issues with online inventory accuracy.	Increase delivery slots. Enhance accuracy of online inventory tracking.
Promotions & Rewards	Attractive loyalty program. Frequent discounts and promotions	Complicated redemption process for rewards. Inconsistent availability of promotional items.	Simplify reward redemption process. Ensure adequate stock of promotional items

Based on our discussions with customers, it is evident that they value the quality and variety of the products, competitive pricing, and the friendliness of the staff. However, they also identified areas for improvement: better management of expired products, shorter wait times, and maintaining store cleanliness and organization during busy periods. Additionally, customers offered helpful suggestions for improving the online services and ensuring the reliability of the company's promotions.

The findings from an interview brought valuable insights to help improve products and services.



## 4.6 SWOT Analysis

SWOT Analysis is a strategic planning tool used in organizations for management purposes. It helps in developing organizational and competitive strategies. Therefore, an organization operates within two environments, internal and external. It is essential to analyze these environments for effective strategic management. This evaluation of the organization and its environment is known as SWOT Analysis. (Gürel, 2017)

Microfactors such as customers, employees, competitors, media, shareholders, and suppliers play a crucial role in shaping a company's success. These are elements that a business can influence and control to some extent. For business operators, having a deep understanding of these fundamental microeconomic factors is essential for effective planning, preparation, and development of long-term strategies.

By analyzing the strengths and weaknesses of the company based on micro factors, businesses can make informed decisions that drive growth and success. For instance, knowing what customers want helps in tailoring products and services that meet their needs, leading to higher satisfaction and loyalty.

Whereas, the macrofactors include broad economic factors that influence how businesses perform. Unlike micro factors, which companies can control, macro factors are larger and more widespread. Understanding the macro economy helps businesses identify growth opportunities and prepare for potential threats. By staying informed about key economic indicators, companies can make smarter decisions, mitigate risks, and seize favorable conditions for sustainable success.

Table 4. Swot analysis of Company X.

SWOT ANALYSIS	
Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Strong brand reputation: Well-known and trusted brand.</li> <li>• Wide product range: Diverse product offerings cater to various customer needs.</li> <li>• Loyal customer base: High customer retention and repeat business.</li> <li>• Efficient supply chain: Robust and efficient logistics and supply chain management.</li> <li>• Excellent customer service: Friendly and helpful staff.</li> <li>• Strong financial position: Healthy financial performance and stability.</li> <li>• E-commerce: Developing e-commerce platform.</li> </ul>	<ul style="list-style-type: none"> <li>• High costs: Running the business, from logistics to staffing, is expensive.</li> <li>• Inventory management challenges: Issues with overstocking or stockouts.</li> <li>• Slow adoption of technology: Lagging in integrating the latest retail technologies.</li> <li>• Inconsistent pricing: Disparities in pricing across different stores or regions.</li> <li>• Parking space management.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• E-commerce growth: Expanding online sales channels and digital marketing efforts.</li> <li>• Technological advancements: Leveraging AI, big data, and automation to enhance operations.</li> <li>• Partnerships: Collaborating with other brands or companies can be beneficial.</li> <li>• Changing consumer preferences: Shifts in consumer behavior and preferences.</li> <li>• Loyalty programs and personalization: Enhancing customer loyalty through tailored experiences and rewards.</li> </ul>	<ul style="list-style-type: none"> <li>• Economic downturns: Reduced consumer spending during economic recessions.</li> <li>• Intense competition: Fierce competition from other retailers and e-commerce giants.</li> <li>• Supply chain issues: Global supply chain problems can disrupt our operations.</li> <li>• Regulatory changes: New laws and regulations that could increase operational costs.</li> </ul>

**Strengths:** The company has a strong reputation, a wide variety of products, loyal customers, an efficient supply chain, excellent customer service, and strong financial health. These strengths provide a solid foundation for growth.

**Weaknesses:** The company faces high costs, depends heavily on physical stores, has inventory management issues, a weak online presence, slow adoption of new technology, and inconsistent pricing. Addressing these areas is crucial for staying competitive.

**Opportunities:** The company has opportunities to expand into new markets, grow our e-commerce platform, leverage new technologies, form strategic partnerships, implement sustainability initiatives, and enhance customer loyalty through personalized experiences.

**Threats:** Economic downturns, strong competition, changing consumer preferences, supply chain disruptions, regulatory changes, and cybersecurity

threats pose challenges. Proactive strategies can mitigate these risks and ensure long-term success.

#### 4.7 User Persona

User personas, also known as user profiles, are examples of a target group's users based on qualitative user research and other valid data. These profiles capture a model of the user, including their interests, core needs, motivations, problems, and more.

User-persona tool provides a lead for the target customers and their interests. Creating a buyer persona involves constructing a fictional, generalized character that embodies Company X's largest and ideal target audience. The persona has been created based on the author's own work experience and has been modified after discussion and brainstorming with co-workers.

Typically, these personas include more than just basic demographic details such as age, location, and income. They also involve psychographic information like interests, motivations, and concerns related to their purchase decisions.

The goal of creating a persona is to understand our customers' motivations and behaviors so the company can better target products, brands, and marketing strategies. Company X offers a variety of products under the same roof. The researcher has made 7 different customer personas based on customer segments. These personas belong to different product-oriented customers with different goals and frustrations. The researcher has also suggested possible solutions/strategies to retain each type of persona for the long run.

## Persona 1

Tapio represents an old and uneducated customer group who is facing trouble dealing with new technology offered in company X. Tapio thinks that the technological revolution has decreased face-to-face communication with customers and has created a social distance. Old people are feeling loneliness and isolation. Tapio fears to change. He has low self-confidence that he can cope with the changes. He sounds rude and his behavior at the store is aggressive as he is not satisfied with the mobile application benefits he doesn't get just because he doesn't have a smartphone and the mobile application of company X.

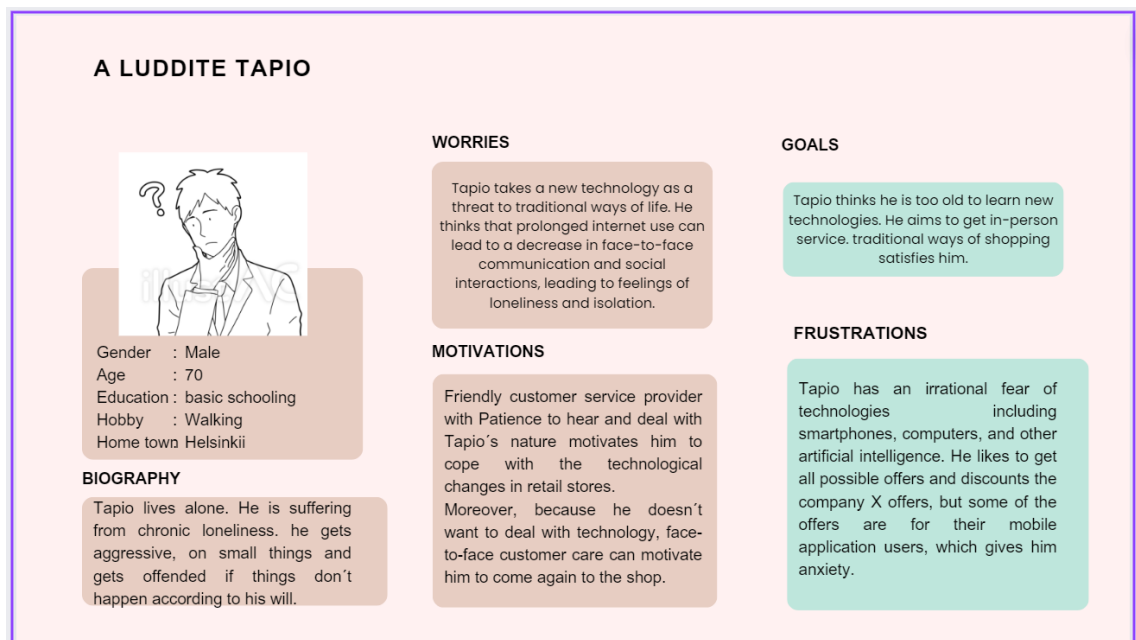


Figure 9. User Persona. Luddite Tapio

This type of persona has a resistance to change. They like the traditional way of shopping where they can deal with real people. This persona finds it complicated to use bonus cards/coupons and mobile applications. Dealing more patiently and in a friendly manner with these customers may work. Showing them personally how technology works and explaining the benefits (if they want to learn) can be another option. Otherwise, providing the traditional way of shopping environment can be one strategy to retain them for the long run.

## Persona 2

### Javier

Company X sells accessories and sports equipment, there is Javier. Single Javier is in his late twenties and lives in the Vantaa area. He works for a multinational company. Going for walks in nature, and visiting travel apps, tours, and social networks are some of his hobbies. Javier follows outdoor activity pages knows places in vogue and makes a list of the items that are essential to buy.

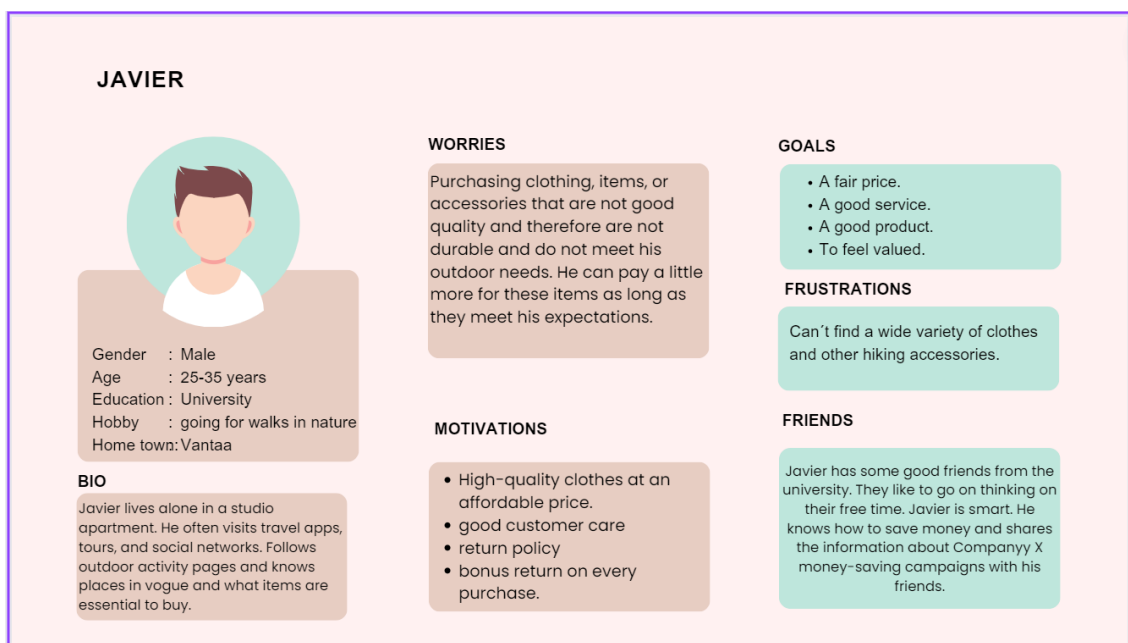


Figure 10. User Persona Javier

Javier is tired of buying clothing, items, or accessories that are not of good quality and, as a result, are not durable and do not meet his outdoor needs. He is willing to pay a little more for these items as long as they meet his expectations. Javier is interested in purchasing mid to high-end equipment for better comfort when outdoors. With this case of the buyer persona, Javier, passionate about hiking in nature, company X seeks to find the details and learn more about the tastes, frustrations, sites he visits, hobbies, where he lives, etc, and focus on what type of product would satisfy his needs. If the need for this persona is satisfied, he will encourage the friends and family from his circle to buy from company X.

## Persona 3

### Anthophile Julia

Julia is a person who loves flowers. She has a variety of flowers and plants collection in her backyard. She is 58 years old and lives in Vantaa. Gardening is her hobby. She often visits company X to see if they have some new flowers for sale. Since she lives alone, she wants to buy durable flowers that need less care. She is introverted and enjoys shopping instead of spending time with others.

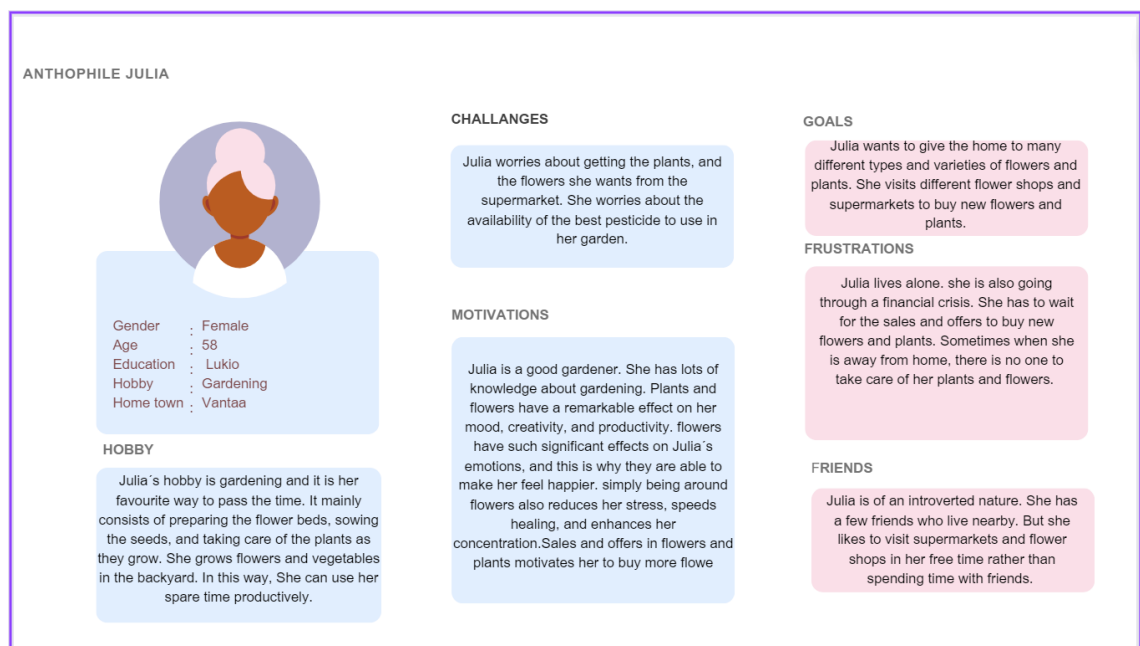


Figure 11. User Persona Anthophile Julia

Considering this type of buyer persona, Julia's goals, needs, and frustration should be analyzed, and offer an affordable and sustainable solution. Since she is introverted in nature, company X can offer friendly customer service to help her open up about her needs. The customer service provider needs more patience to deal with these types of customers.

## Persona 4

### Daddy Joe

Joe is a married, stay-at-home father with kids between 4 to 9 years old. He is from a middle-class family. Being with kids all day is tiring. He also has to do all the household chores. He wants to keep his children away from television and video games. He visits company X to buy age-specific and intellectual toys which keeps them busy for a long time. He is tired of buying toys that his kids get tired of after playing with them a few times and is looking for a sustainable solution.

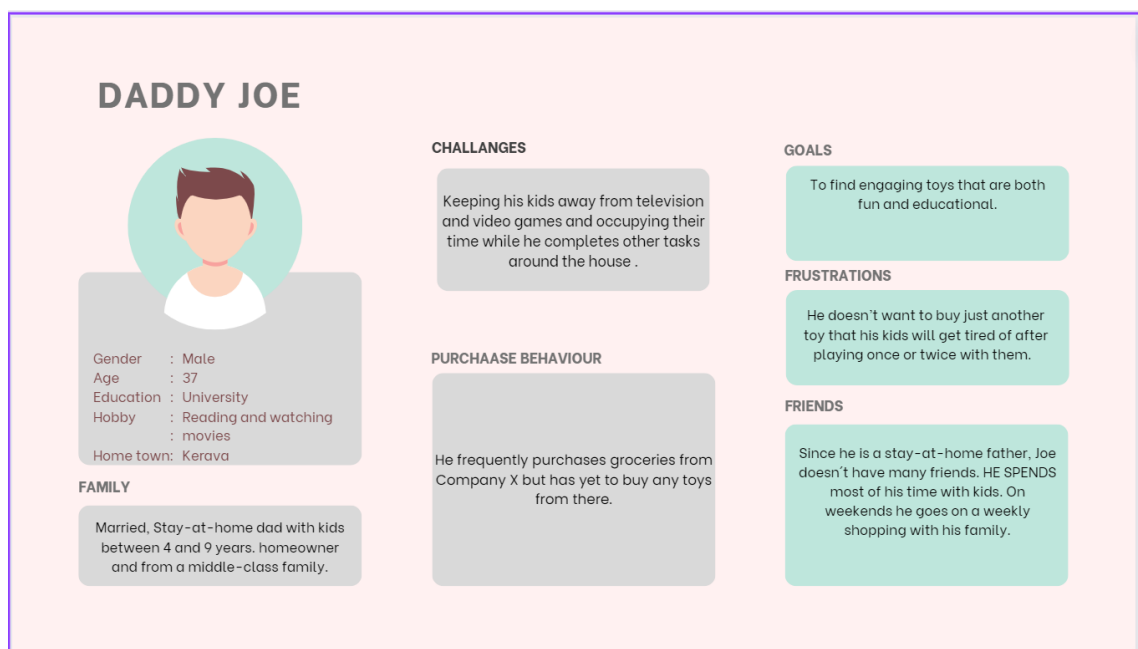


Figure 12. User Persona daddy Joe

Joe represents the majority of parents who are looking for toys that bring joy and are engaging for their children to play with. Company X should take into account the needs and frustrations of this demographic and develop a suitable marketing strategy to appeal to these customers.

## Persona 5

### JUHA

Juha represents the most common and large customer group in the retail market. He is worried about getting the value for the product and service he pays for. He always does detailed research before buying the product. He likes to visit the store and make a purchase decision wisely. The increased price gives him frustration. However, spending money on alcohol doesn't bother him much. A big sum of his money goes into alcohol and tobacco.

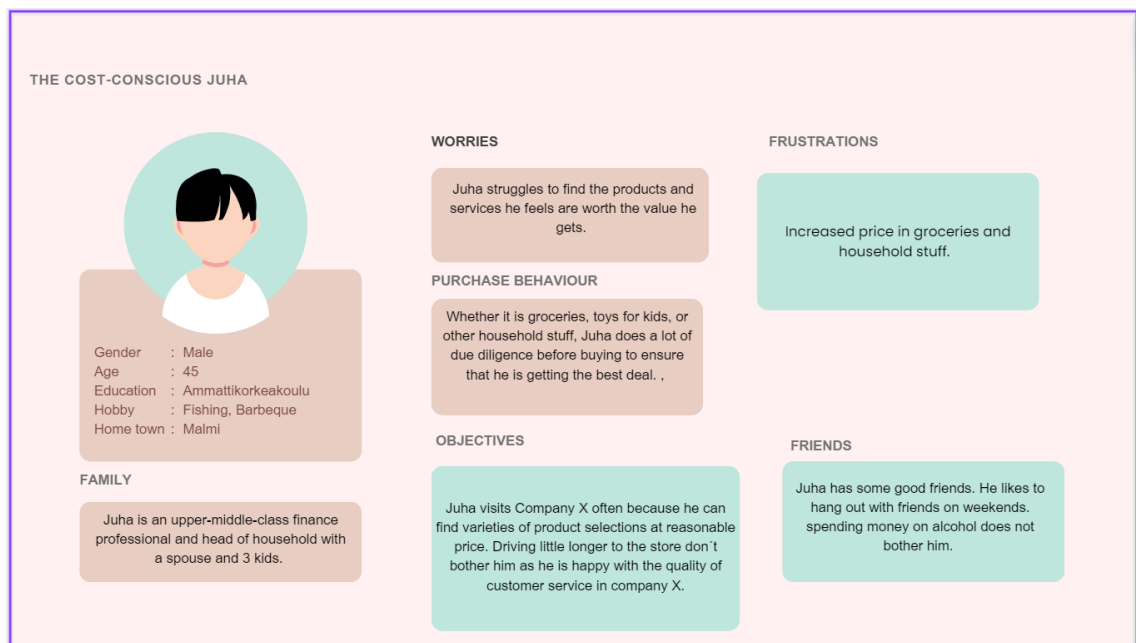


Figure 13. User Persona cost-conscious Juha

This persona group is common in the Finnish retail market. Company X can develop different strategies to retain these customers. For example, introducing a new brand with affordable-priced groceries and household stuff, and combating waste in the fruit, vegetable, and bread department with new waste boxes that customers can buy at a low price are some of the practices by company X to retain these customers.



## Persona 6

### Healthy Heli

Heli lives with her family in Vantaa. She is worried about the lack of knowledge of nutrition facts. She however wants to follow the healthy eating habit. She is motivated to visit company X because they offer healthy food at an affordable price. The store is near her house. Whenever she feels too dizzy to go to market, she makes online food and grocery purchases. The bonus return policy of company X attracts her to the shop. She is also satisfied with the customer service of company X. Since company X offers all types of products under the same roof, Heli thinks it is worth visiting the store.

Since company X is a big mart, there is quite often a long line of customers. Heli doesn't like to stand in line for long to buy things. Increased price on everything also bothers her.

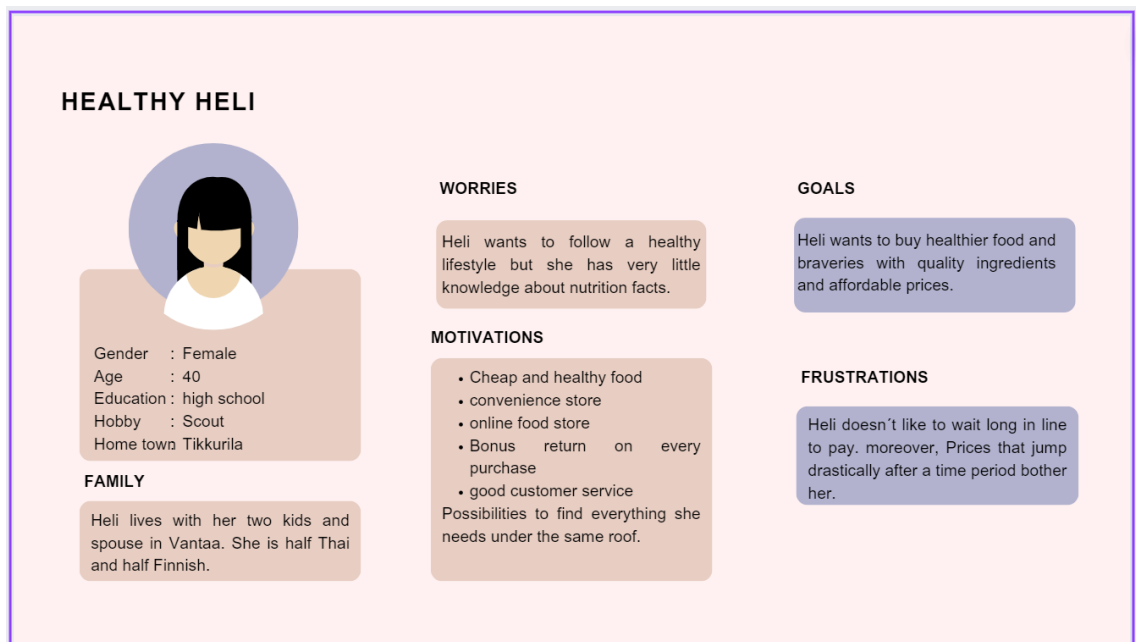


Figure 14. User Persona healthy Heli

Heli represents the youth's attitude toward buying groceries. Sales and offers, and improved customer service may enhance the customer experience of this type of personas. The owner should make a sustainable solution to manage the

queue, especially during busy hours and on weekends. Self-paying cashiers, and “collect and pay” services are some of the important practices to manage queues in company X.

## Persona 7

### Busy Sofia

User persona Sofia represents the online buyers of company X. Sofia is busy with her work and hobbies. She prefers to shop online but she is worried that she can not use the mobile coupons online. She is not happy with the substitute product she gets for unavailable products. The processing and delivery cost and delivery time bother her. Although she wants to avoid the crowd, she is also worried about the social distance she is creating for her. She is motivated to buy online from company x for the affordable price, a wide range of products, bonus for every purchase, and timeless service they provide. Sofia doesn't like to wait in long queues. She wants easy shopping. Her goal is to get an easy replacement and refund and also to get a quick delivery.

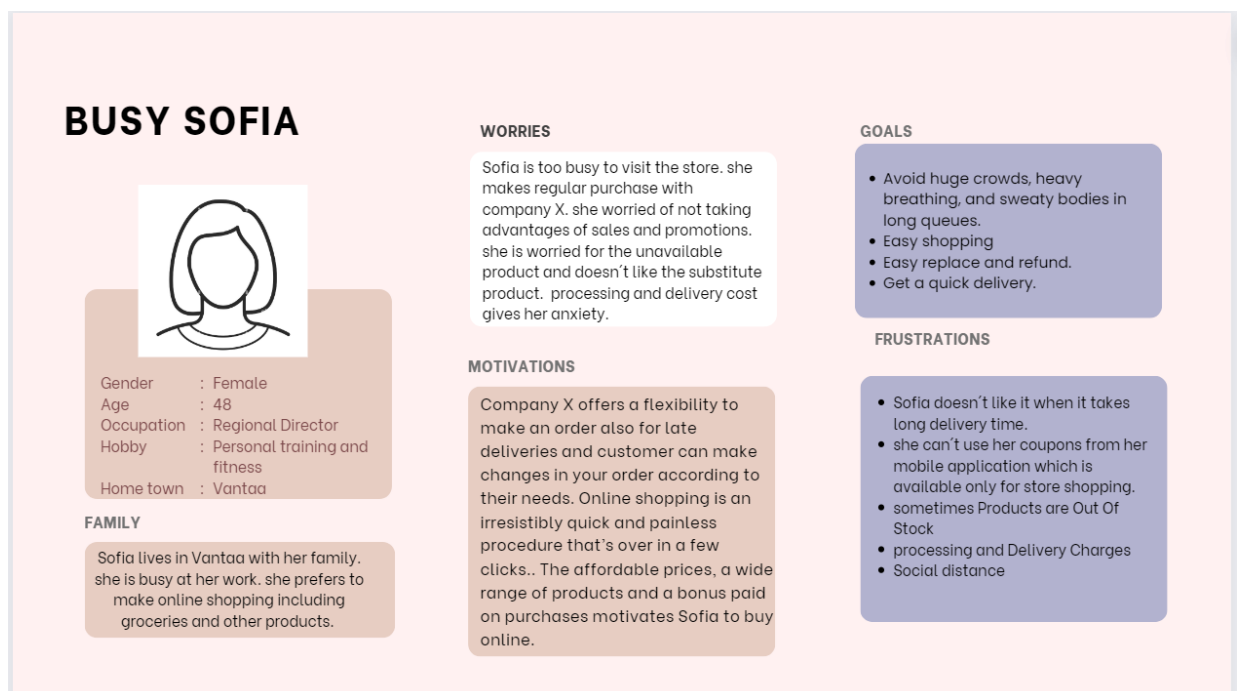


Figure 15. User persona Busy Sofia (discussion with commissioner and colleagues on January 2024.)

Company X has expanded its online grocery shopping network, including pick-up points and a new online grocery shop to meet the increasing demand for online grocery shopping over the past two years. Company X has responded to the surge in demand for online grocery shopping by expanding its network of pick-up points and opening a new online grocery shop to address the needs and frustration of user persona Sofia. (S-ryhmä, 2022)

Customers can order products from Company X's online shop and collect them at a pick-up point. It includes groceries, household, and clothing. Company X is operating two different online shops for example, <https://www.s-kaupat.fi/> for groceries and <https://www.prisma.fi/> for household and clothing. This also helps to prevent servers from becoming overwhelmed with the number of people visiting the website.

Company X can also provide offers, discount codes, or coupons to online buyers to motivate them. The minimal processing and delivery costs, and fast delivery service may attract more customers to buy online.

## 5 Customer Journey and Service Blueprint

Customer Journey Mapping is a tool used to visualize the process a customer goes through when interacting with a product or service. It includes every touchpoint the customer encounters, from initial awareness to post-purchase follow-up. By mapping out these steps, businesses can identify pain points, understand customer needs, and improve the overall experience.

Whereas Service Blueprinting is a detailed method for designing and analyzing service processes. It involves creating a visual map that outlines the frontstage (customer-facing) and backstage (behind-the-scenes) activities involved in service delivery. The blueprint highlights key interactions, support processes, and the physical evidence required at each step. This method helps businesses ensure all aspects of the service are well-coordinated, leading to improved efficiency and customer satisfaction.

### 5.1 Customer Journey Map

Journey mapping is a highly effective method of analyzing data for service design. Essentially, it enables the consolidation of both quantitative and qualitative data that has been collected to create a visual representation of the current customer experience.

A customer journey map visualizes a specific project phase, highlighting aspects that enhance or detract from the user's experience. It can contain different personas or focus on a specific customer segment to demonstrate their tendencies and issues. (Mascarenhas et al., 2021) To provide a better experience for customers, it's important to personalize their journey. Analyzing their preferences through data can help companies anticipate their needs and tailor their experience accordingly. By personalizing every step of the journey, customer satisfaction can be improved. (Joshi, 2022)

Two customer journey maps were created based on a workshop on 5<sup>th</sup> October 2023 with 15 customers living in Company X's neighborhood. Five of the 15 preferred online shopping, while the rest chose in-person shopping. As the customer journey experience for online and on-site customers is different, separate maps were created for each group. Two different formats were used to map the online and on-site customer journeys. Both formats are customer-centric and describe customer touchpoints, actions, and pain points. Seven different personas were created for different customer groups as presented on pages number 44-49, two common personas were selected to represent common customer characteristics for customer journey visualization: one from the online customer segment and one from the onsite customer segment.

#### 5.1.1 Customer journey map for online buyers

Creating a customer journey plan for online shoppers outlines the different stages a customer goes through when interacting with an online store, from the initial contact to the follow-up process of the sale. This plan will help to identify touch points, pain points, and opportunities to improve the customer experience.

During the development of this Customer Journey Map, various personas were considered to ensure a comprehensive understanding of different customer types. One specific persona was not chosen for journey mapping. Instead, the customer journey mapping represents a more diverse and inclusive cross-section of the typical online grocery store customer. This ensures that the map addresses common challenges and goals, providing actionable insights that can improve the overall customer experience for a wider audience.

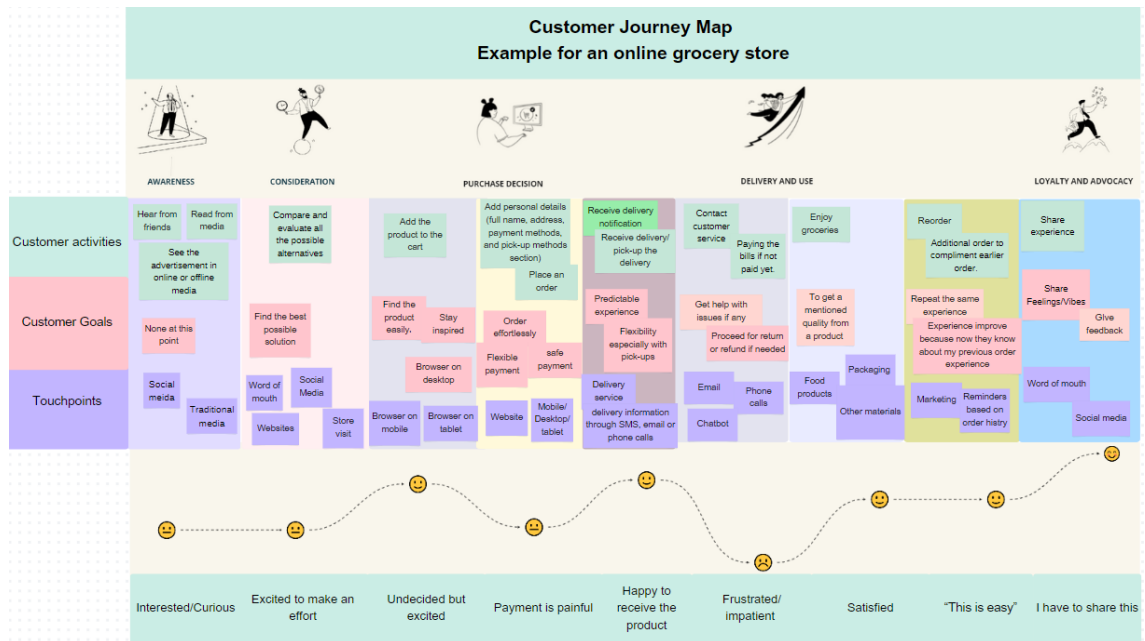


Figure 16. Customer journey map for the online buyers.

This detailed retail customer journey map helps businesses transform a chaotic shopping experience into a smooth and enjoyable one from start to finish. This powerful tool allows retailers to understand every step of a customer's journey from initial interest to post-purchase, enabling strategic improvements to enhance the shopping experience.

When businesses focus on making each stage of the customer journey as smooth and enjoyable as possible, they create a better overall shopping experience. Happy customers are more likely to come back and recommend the product and services to others, helping the business grow. This approach turns a simple transaction into a positive, ongoing relationship between the customer and the industry.

### 5.1.2 Customer journey map for the on-site customers

Creating a customer journey plan for in-house shoppers involves looking at the various steps a customer takes when interacting with a physical store, from the initial experience to the subsequent behavior at the sale. These maps help

identify touch points, pain points, and opportunities to improve the customer experience.

The persona chosen for onsite shopping customer journey mapping is a regular visitor to the store. She’s the kind of customer who likes to get everything she needs in one place. Whether it’s groceries, household items, or a new outfit, Sarah knows she can find it all here. She appreciates the convenience and enjoys the familiarity of shopping with Company X. Sarah’s loyalty and frequent visits make her a valued customer, and her shopping habits highlight the importance of providing a comprehensive selection of products under one roof.

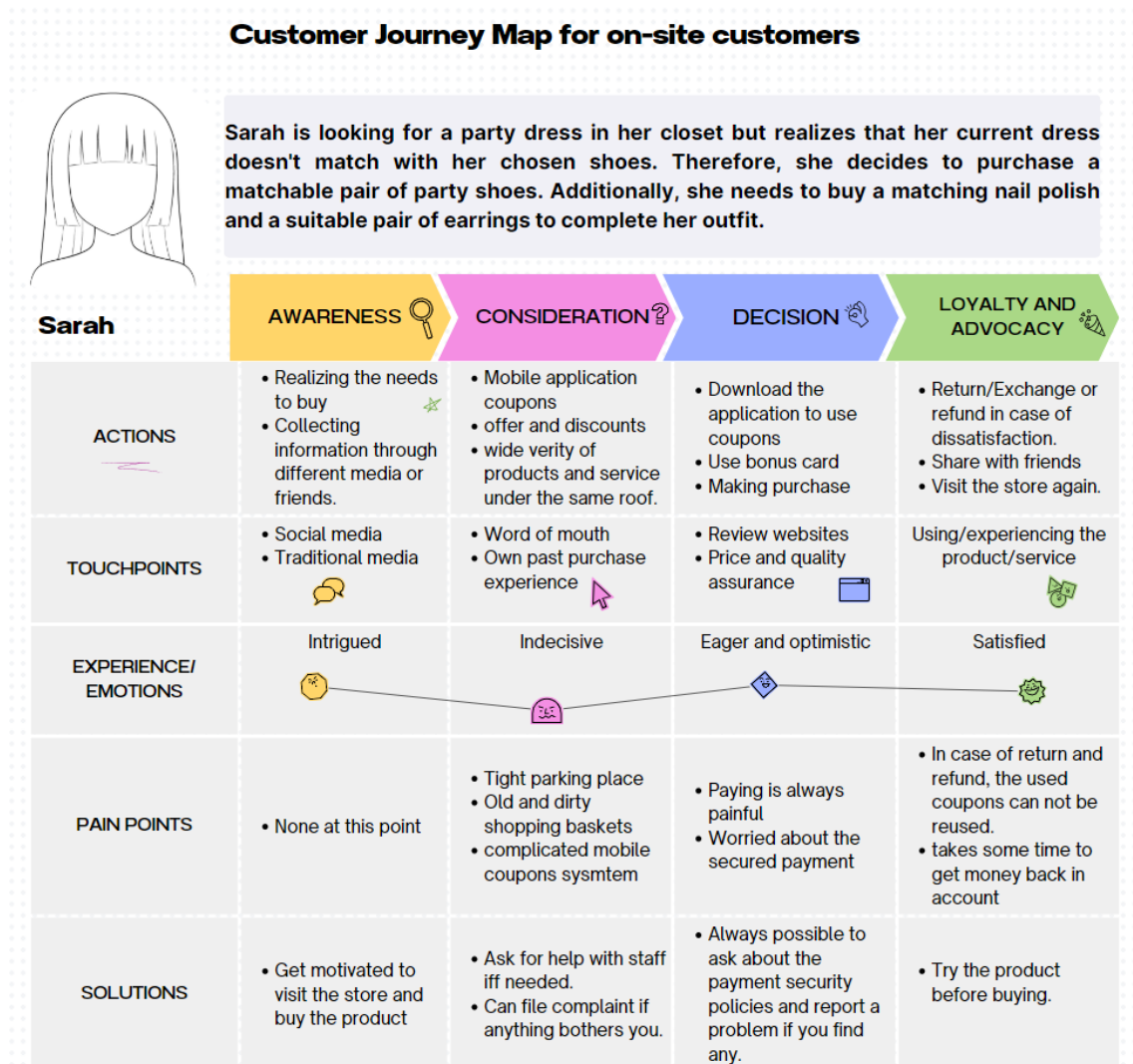


Figure 17. Customer journey map for the on-site customers.

Here, Sarah is a persona that represents the common characteristics of the customer on-site. The customer wants to buy different types of products in the same store. The above journey map helps to understand the customer's motivation to visit the store. It is also helpful to address the pain points that the customer goes through during the entire buying process. The agent can use these customer journey maps to create a strategic plan to engage these customers with different interests.

## 5.2 Service Blueprint

The Service Blueprint is an essential tool that displays the entire process of delivering a service, including all activities, stages, and contact points with users. It is crucial for improving existing processes and services by identifying areas that require enhancement. This tool is especially beneficial as it takes into account all stakeholders involved in the process and the detailed delivery of the final product. (Aela, 2022)

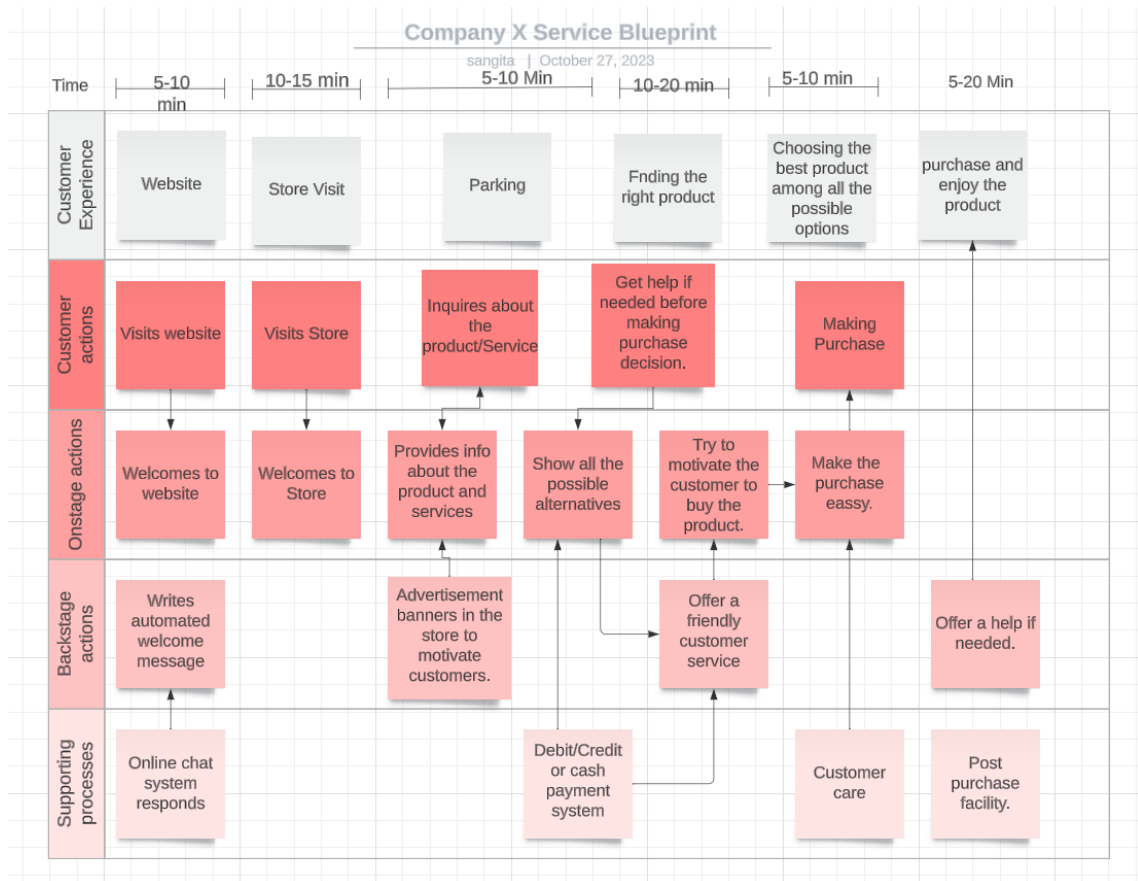
The purpose of a service blueprint is to provide an objective description of the service, ensuring that staff, customers, supervisors, and managers can all understand it equally. (Moilanen, 2020) When delivering a service to a customer, it can be challenging to identify areas for improvement or where things may have gone wrong. Service blueprints bring insight into organizational processes to optimize how companies deliver a user experience. (Gibbons, 2017)

Service Blueprint empowers to create a successful customer experience. Service Blueprint exposes and entails many of the core concepts of service design. Service Blueprint makes explicit the interactions between service users, digital touchpoints, and the employees who deliver the service, including the behind-the-scenes activities that directly impact the customer and those that are not visible to the customer. Service blueprint offers a detailed understanding of service processes, identifies areas for improvement, and allows for testing and refining of new concepts. By leveraging this tool, retailers can develop smooth,



efficient, customer-centric services that foster customer satisfaction, customer retention, loyalty, and business success (Gibbons, 2017)

Table 5. Service Blueprint of Company X. (Gibbons, 2017)



This service blueprint brings out a comprehensive review of the retail store experience, from pre-service activities like browsing online to post-service actions such as providing feedback and engaging in loyalty programs. It highlights key customer actions. It is a strategic tool for visualizing and improving user experiences in the retail industry.

The service blueprint for Company X in table 5, maps out the entire journey a customer takes when they shop at a retail store, both online and in-person. It breaks down the process into different stages, showing what the customer does, what the store staff does, and what happens behind the scenes to make everything run smoothly. The stages are discussed in detail below:

**Time Stages:** The journey is split into time segments, showing how long each step usually takes, ranging from 5 to 20 minutes.

Customer Experience represents the overall experience from the customer's perspective.

**Customer Actions:** The customer starts by browsing the company's website and then decides to visit the physical store. The customer parks and starts looking for information about products or services. They might need assistance to make a decision, choosing and buying the product. Finally, they purchase and enjoy the product.

**Store Actions (Visible to Customers):**

When the customer visits the website, they receive a warm welcome. Upon entering the store, the staff greets them. Store staff helps the customer with information about products and services. They present all possible options to the customer and try to motivate the customer to buy the product. The store ensures the purchasing process is easy. The staff offers friendly and helpful service throughout. After purchase, the store remains available to assist if needed.

**Behind-the-Scenes Actions (Not Visible to Customers):**

The system sends an automated welcome message on the website. The store uses banners to motivate customers. Staff are trained and ready to provide excellent customer service. Staff is prepared to help customers after the purchase if needed.

**Supporting Processes:**

An online chat system is available to help with queries. Debit, credit, or cash payment systems are in place to facilitate transactions. A dedicated customer care team is ready to assist with any issues. Systems and processes are set up to support the customer after they have made a purchase.

By mapping out the customer journey through a service blueprint, Company X can visualize and optimize each stage of the shopping experience. This detailed

understanding allows the company to enhance customer interactions, streamline operations, and ultimately create a more satisfying and memorable experience for customers. In a world where customer satisfaction is key to success, leveraging tools like service blueprints ensures that every customer feels valued and supported, driving loyalty and advocacy for the brand.

## 6 Conclusion

This research aimed to improve Company X's customer service experiences by understanding their customer expectations and experience through the service design methods. The author has pointed out various ways to enhance services to deliver a comprehensive and seamless experience that fosters positive and valuable interactions.

### **Research question 1: How the commissioners can respond to the needs of the customers?**

To effectively respond to the needs of customers, commissioners can implement several strategic actions. First, they should establish robust channels for collecting real-time feedback, ensuring that customer voices are heard and acted upon promptly. This can involve surveys, suggestion boxes, and social media monitoring. Additionally, commissioners should prioritize the integration of advanced data analytics to analyze customer behavior and preferences, enabling them to anticipate needs and personalize services accordingly.

Engaging in regular training programs for employees on customer service and empathy can further enhance the quality of interactions, making customers feel valued and understood. Commissioners should also consider adopting a proactive approach by identifying potential issues before they escalate and addressing them swiftly. Effective design improves operational processes and boosts customer satisfaction by thoroughly understanding and addressing both business and customer needs.

Moreover, fostering a culture of continuous improvement and innovation within the organization can help in adapting to changing customer expectations and market trends. By aligning their strategies with customer-centric principles, commissioners can build stronger, more satisfying relationships with their customers, ultimately leading to increased loyalty and satisfaction.

**Research question 2: How do service design tools contribute to identifying and resolving customer pain points in the retail sector?**

Service design tools play an important role in identifying and resolving customer pain points in the retail sector by providing a structured way to understand and improve the customer experience. Tools like customer journey maps help visualize each step of the customer's interaction with the store, highlighting where they encounter problems or frustrations.

User personas offer insights into the needs and behaviors of different customer segments, enabling more tailored solutions. Stakeholder maps ensure that all perspectives are considered, promoting more comprehensive problem-solving. Service blueprints detail the entire service process, making it easier to pinpoint inefficiencies and areas for improvement. By using these tools, retailers can more effectively address issues, streamline operations, and ultimately create a more satisfying shopping experience for their customers.

Service design tools can be used to develop services that improve the customer experience and promote inclusion, making sure that all users can access and benefit from their offerings. This strategy results in happier customers and a fairer service environment. This study reveals how retailers can harness the power of service design to create meaningful and memorable customer interactions, ultimately increasing business success and customer loyalty.

## 7 Suggestions for Future Research

To further understand how service design can improve customer experiences, future research should focus on several key areas. Allocating more resources to research can facilitate in-depth studies, allowing for comprehensive data collection, improved analytical tools, and detailed customer feedback mechanisms.

Additionally, conducting cross-industry comparisons can uncover innovative strategies from different sectors that could be tailored to the retail industry, leading to new approaches for enhancing customer experiences. It is crucial to explore the integration of emerging technologies such as AI, VR, and big data analytics to ensure that service design stays ahead of the curve. Developing robust systems for real-time customer feedback and using this data to make ongoing service improvements can create a continuous feedback loop, enabling timely adjustments to meet customer expectations. Furthermore, research into the impact of training employees in service design principles can demonstrate how staff involvement enhances customer satisfaction, resulting in more effective service environments.

Lastly, investigating the integration of sustainability and ethical considerations into service design can attract and retain customers who prioritize these values, thus fostering a loyal customer base. Addressing these areas will build on the current study's findings and provide more comprehensive and generalizable insights into leveraging service design to enhance customer experiences.

## References

- Agrawal, A., Dziarski, M., Subburaj D., & West K. (2017), *Design for value and growth in a new world*. <https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/design-for-value-and-growth-in-a-new-world#/>
- Ajayi, V. O. (2017). *Primary sources of data and secondary sources of data*. [https://www.researchgate.net/publication/320010397\\_Primary\\_Sources\\_of\\_Data\\_and\\_Secondary\\_Sources\\_of\\_Data](https://www.researchgate.net/publication/320010397_Primary_Sources_of_Data_and_Secondary_Sources_of_Data)
- Beckman, S., & Barry, M. (2007). Innovation as a learning process: Embedding design thinking. *California Management Review*, 50(1), 25–56. <https://doi.org/10.2307/41166415>
- Blessing, G. & Natter, M. (2019), Do Mystery Shoppers Really Predict Customer Satisfaction and Sales Performance? *Journal of Retailing*, <https://doi.org/10.1016/j.jretai.2019.04.001>.
- Buye, R. (2021). *Critical examination of the PESTEL Analysis Model*. [https://www.researchgate.net/publication/349506325\\_Critical\\_examination\\_of\\_the\\_PESTEL\\_Analysis\\_Model](https://www.researchgate.net/publication/349506325_Critical_examination_of_the_PESTEL_Analysis_Model)
- Clatworthy, S. (2017). *Innovating for Trust*. *Service Design Thinking*. <https://doi.org/10.4337/9781785369483.00020>
- Cox, D. A., Cox, D., & Anderson, R. D. (2005). Reassessing the pleasures of store shopping. *Journal of Business Research*, 58(3), 250–259. [https://doi.org/10.1016/S0148-2963\(03\)00160-7](https://doi.org/10.1016/S0148-2963(03)00160-7)
- Dam, R., F. (2024). *The 5 stages in the design thinking process*. Interaction Design Foundation. <https://www.interaction-design.org/literature/article/5-stages-in-the-design-thinking-process>
- Design Council. (2007). *Eleven lessons: Managing design in eleven global brands*. Design Council. <https://doi.org/10.4337/9781785369483>
- Turku University of Applied Sciences Thesis | Sangita Rijal

Eisermann, R. (2023). *The Double Diamond design process — still fit for purpose?* <https://medium.com/design-council/the-double-diamond-design-process-still-fit-for-purpose-fc619bbd2ad3>

Fatma, S. (2014). *Antecedents and consequences of customer experience management: A literature review and research agenda.* [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3015607](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3015607)

Gearon, M. (2022). *4 phases of the Double Diamond model.* <https://mgearon.com/ux/double-diamond-model/>

Gibbons, S. (2017). *Service blueprints: Definition.* Nielsen Norman Group. <https://www.nngroup.com/articles/service-blueprints-definition/>

Graf, S. (2021). Design thinking for strategizing? A critical literature review. *Journal of Emerging Trends in Marketing and Management*, 1(2021), 287-298. [https://www.etimm.ase.ro/RePEc/aes/jetimm/2021/ETIMM\\_V01\\_2021\\_43](https://www.etimm.ase.ro/RePEc/aes/jetimm/2021/ETIMM_V01_2021_43)

Gurel, E. (2017). SWOT analysis: a Theoretical Review. *Journal of International Social Research*, Volume 10(51), pp. 994–1006. <http://dx.doi.org/10.17719/jjsr.2017.1832>

Holmlund, M., Vaerenbergh Y. V., Ciuchita R., Ravald, A., Sarantopoulos, P., Ordenes, F. V., & Zaki, M. (2020). Customer experience management in the age of big data analytics: A strategic framework. *Journal of Business Research*, 124, pp. 341-356. <https://doi.org/10.1016/j.jbusres.2020.01.022>

Johnston, R., & Kong, X. (2011). The customer experience: a Road-map for Improvement. *Managing Service Quality: An International Journal*, <https://doi.org/10.1108/09604521111100225>

Joyce, A., & Paquin, R., L. (2016). The triple layered business model canvas: A tool to design more sustainable business models. *Journal of Cleaner Production*, Volume 135 (1). pp. 1474-1486. <https://doi.org/10.1016/j.jclepro.2016.06.067>.



Klaus, P. (2013), "The case of Amazon.com: towards a conceptual framework of online customer service experience (OCSE) using the emerging consensus technique (ECT)", *Journal of Services Marketing*, Vol. 27 No. 6, pp. 443-457.  
<https://doi.org/10.1108/JSM-02-2012-0030>

Liedtka, J. (2018). *Exploring the impact of design thinking in action*.  
<https://api.semanticscholar.org/CorpusID:53580605>

Mahmoud, R. 2024, *Retail business model*. <https://www.retaildogma.com/retail-business/>

Makos, J. (2024). *What is PESTLE Analysis?*  
<https://pestleanalysis.com/environmental-factors-affecting-business/>

Miettinen, S., & Valtonen, A. (2012). *Service design with theory: Discussions on change, value, and methods*. Lapland University Press.

Moilanen, T., Ojasalo, K., & Ritalahti, J. (2022). *Methods for development work: New kinds of competencies in business operations*. HAAGA-HELIA University of Applied Sciences.

Osuuskauppa Keskimaa. (2012). *Seppälän Prisma 40 vuotta*.  
<https://www.epressi.com/tiedotteet/kauppa/seppalan-prisma-40-vuotta.html>

Pennington, A. (2016). *The customer experience book: How to design, measure, and improve customer experience in your business*. Pearson Education.

Shiratori, E. K. A., Trevisan, A. H., & Mascarenhas, J. *The customer journey in a product-service system business model*, *Procedia CIRP*, 100, 313-318, ScienceDirect <https://doi.org/10.1016/j.procir.2021.05.072>.

S-ryhmä. (2022). *Online grocery shopping sees strong growth in S Group*. S-ryhma.fi. <https://s-ryhma.fi/en/news/online-grocery-shopping-sees-strong-growth-in-s-gr/6D4yNtT1AtrtEX3Ya25U8Y>

Stanford's d.school. (2005). *What is design thinking?*  
<https://dschool.stanford.edu>

Stickdorn, M., & Schneider, J. 2011. *This is Service Design Thinking basics, tools, cases*. Amsterdam Bis Publishers.

Stickdorn, M., Hormess, E. M., Lawrence, A., & Schneider, J. 2018. *This is Service Design Doing: Applying Service Design in the Real World: a Practitioner's Handbook*. O'Reilly Media.

Tuulaniemi, J., (2011). *Palvelumuotoilu [Service design]*. Talentum.

Vattananun, N. (2019). *Re-design customer experience measurement tool for food retail business*. Metropolia University of Applied Sciences.  
[https://www.theseus.fi/bitstream/handle/10024/267822/Napasorn\\_Vattananun.pdf?sequence=2&isAllowed=y](https://www.theseus.fi/bitstream/handle/10024/267822/Napasorn_Vattananun.pdf?sequence=2&isAllowed=y)

Verganti, R. (2008). Design, Meanings, and Radical Innovation: A Metamodel and a Research Agenda. *Journal of Product Innovation Management*, 25(5), 436-456. <https://doi.org/10.1111/j.1540-5885.2008.00313.x>

Zomerdijk, L., & Voss, C. (2010). *Service design for experience-centric services*.  
[https://www.researchgate.net/publication/247745150\\_Service\\_Design\\_for\\_Experience-Centric\\_Services](https://www.researchgate.net/publication/247745150_Service_Design_for_Experience-Centric_Services)

Service Design as a Tool for Improving Customer Experience.

Case Study: Values, Strategies, and Vision of Company X, Finland

## **Interview Questions**

### **General Experience**

Demographic Information (Optional)

#### **Customer Demographics**

Age:

Gender:

Location:

How often do you purchase products like ours?

### **Service Quality**

#### **Overall Experience**

Can you describe your overall experience with our product/service?

On a scale of 1 to 10, how would you rate your satisfaction with our product/service? Why? (1=poor and 10=very satisfied)

#### **Responsiveness**

On a scale of 1 to 10, How would you rate the responsiveness of our customer service team?

Can you provide an example of a time when our team responded to your needs effectively?

#### **Reliability**

How reliable have you found our product/service to be?

Have you experienced any issues or downtimes? If so, how were they resolved?

## **Assurance**

How confident are you in the knowledge and competence of our staff?

Did you feel assured that your concerns and issues were being addressed properly?

## **Empathy**

Do you feel that our staff understands and cares about your needs?

## **Tangibles**

How do you find the physical aspects of our service (e.g., website interface, packaging)?

Are there any physical elements of our product/service that you believe need improvement?

## **Customer Experience**

### **After-Sales Support**

Have you needed to use our after-sales support? If yes, how would you rate your experience?

Was your issue resolved promptly and satisfactorily?

### **Emotional Response**

How does using our product/service make you feel?

Can you describe any positive or negative emotions you associate with our service?

## **Customer Expectations**

### **Expectations vs. Reality**

How well did our product/service meet your initial expectations?

Were there any aspects that exceeded or fell short of your expectations?

### **Value for Money**

Do you feel that our product/service offers good value for money?

Are there any areas where you feel the cost could be better justified?

### **Product/Service Features**

Which features of our product/service do you find most valuable?

Are there any features you think we should add or improve?

## **Customer Feedback**

### **Positive Feedback**

What do you like most about our product/service?

Can you share a particularly positive experience you've had with us?

### **Negative Feedback**

What do you like least about our product/service?

Can you share a particularly negative experience you've had with us?

### **Suggestions for Improvement**

What suggestions do you have for improving our product/service?

Are there any specific changes you'd like to see?

## **Customer Loyalty**

### **Likelihood of Repeat Purchase**

How likely are you to continue using our product/service?

What factors influence your decision to stay with us or switch to a competitor?

### **Likelihood of Recommendation**

How likely are you to recommend our product/service to others?

What would make you more likely to recommend us?

## **Closing Questions**

### **Final Thoughts**

Is there anything else you'd like to share about your experience with us?

Are there any other products or services you wish we offered?